

Ref: KRBL/SE/2023-24/55

05 September 2023

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

**Sub: Annual Report for the Financial Year ended 31 March 2023**

Dear Sir/Madam,

This is furtherance to our letter no KRBL/SE/2023-24/52 dated 02 September 2023, vide which, the Company had informed regarding the 30<sup>th</sup> Annual General Meeting, which is scheduled to be held on *Thursday, 28 September 2023 at 12.00 Noon, through Video Conferencing/Other Audio Visual Means ("VC/OAVM")*.

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company including the Business Responsibility and Sustainability Report for the Financial Year 2022-23, which is being sent through electronic mode to the Members.

The aforesaid Annual Report is also available on the Company's website-[www.krblice.com](http://www.krblice.com) under the head Investor Relations.

Kindly take the above information on record.

Thanking you,

Yours Faithfully,  
**For KRBL Limited**

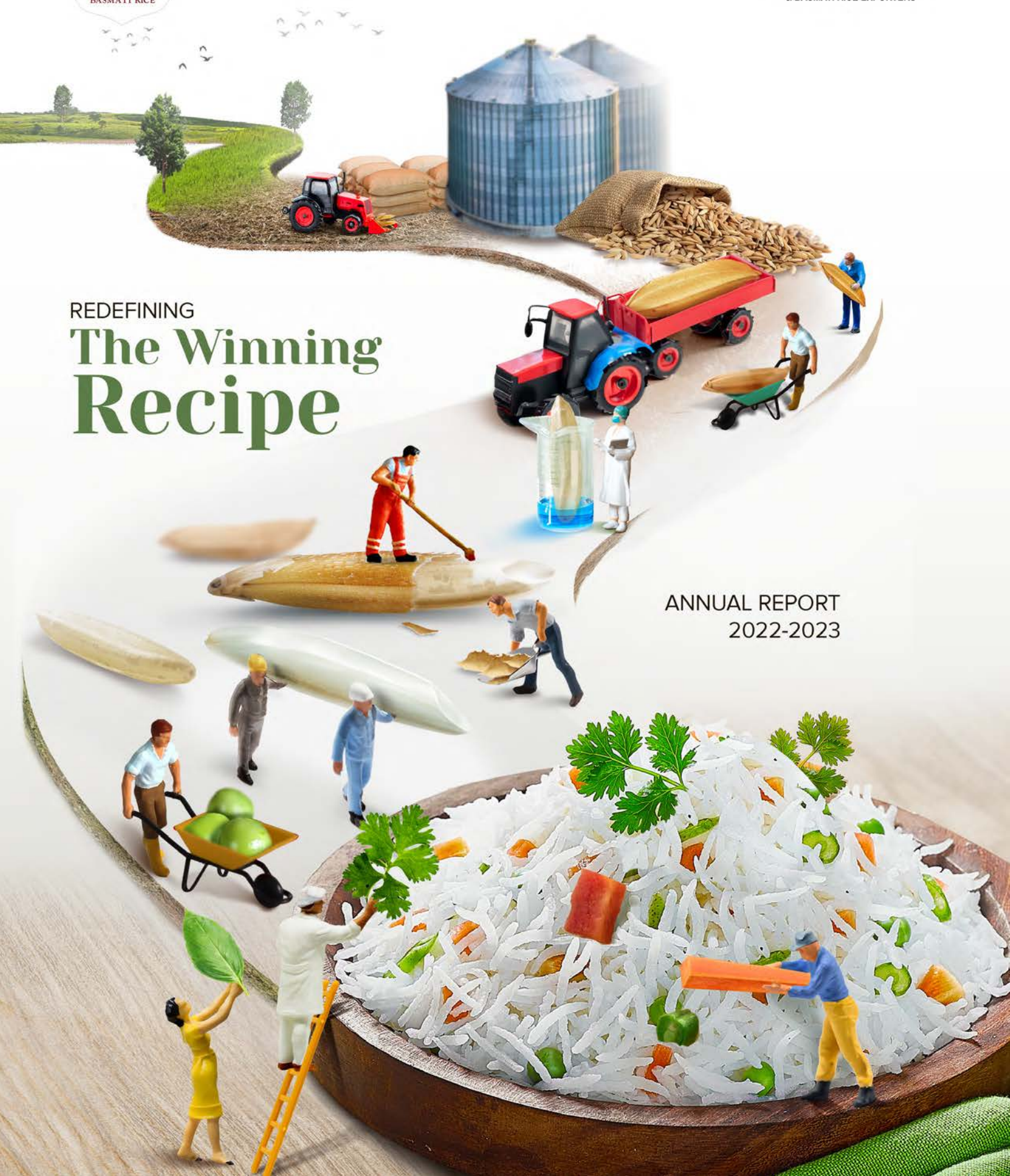
**Jyoti Verma**  
Company Secretary  
FCS-7210

Encl.: As Above.



REDEFINING  
**The Winning  
Recipe**

ANNUAL REPORT  
2022-2023



# Redefining The Winning Recipe

With a remarkable legacy of over 130 years in the industry, KRBL Limited is the world's largest rice miller and basmati rice exporter. India Gate, our flagship brand, is the World's No. 1 Basmati Rice Brand\*. Responsible operations, best-in-class manufacturing capabilities, strong consumer insights and marketing capabilities along with an extensive distribution network across the globe has enabled us to carve KRBL Limited as a symbol of excellence. These unique flavours have contributed to the success of KRBL's winning strategy.

This year, a page is turning over at KRBL. We are embarking on a transformative journey by embracing progress and expanding horizons to redefine the winning recipe. The five pillars of this transformation are consumer centricity, increasing total addressable market, unwavering focus on innovation, building best-in-class functional capabilities and digitisation across the value chain to become a trusted consumer food company.

ॐ

We, at KRBL, believe that true innovation is the secret ingredient for success. ॐ

At the core of KRBL's winning recipe is the consumer. We have directed significant efforts towards listening, emphasising and providing solutions for evolving consumer needs. As we expand our presence as an aspirational consumer food brand, we envision a broader range of products that transcend the boundaries of rice. Through close collaboration with our dedicated farmer community, KRBL ensures the introduction of new offerings that align with the dynamic nature of the consumer food market.

We, at KRBL, believe that true innovation is the secret ingredient for success. Keeping unaddressed consumers' needs at the core, we shall be making continuous efforts towards crafting an innovative and relevant line of products. Enhancement of functional capabilities is also one of our core agendas, which is especially critical to the long-term sustainable growth of KRBL. In addition to these, digitisation will be an extremely important enabler in our pursuits and we have incorporated it as an agenda in all the verticals across the value chain.

The redefinition of KRBL's winning recipe signals the strong presence of a progressive company. While meticulously cooking up its new strategy within the inner pages, KRBL presents the carefully curated ingredients of its future-proof approach.

\*As per Mordor Intelligence Report on packaged basmati rice, MAT Jun'23.





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### Forward-looking statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases usually vary from actual results and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

# KRBL FY23 Highlights

KRBL's financial performance for FY23 has been exceptional, establishing new historical benchmarks.

Record-breaking accomplishments, including all-time highs in Total Revenue, EBITDA, PAT and EPS.

Demonstrates KRBL's market strength and resilience through remarkable achievements.

Domestic revenue surpasses ₹3,000 Crore for the first time, indicating strong growth.

Significantly expanded export revenue cements KRBL's position as a global market leader.

## India Gate

Reaffirmed as World's No. 1 Basmati Rice Brand\*

**₹5,363 Crore**

Total Revenue

**₹1,032 Crore**

EBITDA

**₹701 Crore**

Profit after Tax

**₹29.78**

Earnings per Share



**₹3,335 Crore**

Domestic Revenue grew by 26%<sup>\$</sup>

**₹1,931 Crore**

Export Revenue grew by 33%

**77%**

KRBL Branded Business in FY23<sup>#</sup>

Note: Financial numbers are as per consolidated financials

<sup>#</sup>% of consolidated revenue at contracted price

<sup>\*</sup>As per Mordor Intelligence Report on packaged basmati rice, MAT Jun'23.

<sup>#</sup>excluding Energy Revenue



# Unveiling the Key Ingredients of Corporate Excellence

For over 130 years, KRBL has been creating a perfect recipe for unparalleled success. The Company's healthy offerings are seasoned with its core values to ensure excellence in quality and customer satisfaction. Like a well-crafted dish, the Company's mission and vision set the foundation, infused with purpose and a commitment to making healthy offerings.

## About KRBL Limited

With rich industry experience that has simmered for more than a century, KRBL Limited has seasoned its position as a leading player in the Indian rice industry earning the title of India's first integrated rice company. Operating primarily in the realm of manufacturing and marketing rice products, the Company's success is derived from a blend of responsible practices, adept execution, innovative manufacturing and proactive exploration of new opportunities.

Over the years, KRBL has expanded its repertoire, delighting customers across different regions. Our presence in a consumer-driven market has created a demand for wholesome and balanced dietary options. With a well-established presence in India and global markets, we aim to enhance our presence while exploring new international markets.

Guided by doyens of the Indian agri-product industry and supported by a team of seasoned professionals, KRBL has succeeded in every aspect of its journey, from seed development and multiplication to contact farming, production and establishing our products in the market. The Company is constantly exploring ways to enhance customer satisfaction, expand our reach and employ innovative techniques that enhance our competitive edge.



## 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.

## Mission

To emerge as the world's number one basmati player, committed to delivering 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.

## Values

Nurtured by our core values, we are on our way to becoming the unrivalled global leader in basmati rice exports and milling. Building upon the cherished heritage of basmati rice in India, our secret ingredient lies in prioritising the satisfaction of our esteemed customers.

We whisk together the perfect blend of cutting-edge technology, all while being in sync with our diligent farmers. It is this harmonious partnership that has seasoned our success for over 130 years and beyond.



We aim to **create a better future** by making basmati rice affordable for the masses



We do this **by providing opportunities** to our farmers, our people and communities



We live by **our values- trust, passion and quality**. How we work is as important as what we do



We delivered **steady performance** by keeping our debts under control and by efficiently managing our working capital cycle



We transform **our DNA and culture** to drive growth focusing on our people and by continuously perfecting the basmati grain



We play this role that **benefits everyone** and helps businesses grow, people prosper and communities thrive



We empowered **our people**, whose competence and enthusiasm helped us stand out amongst the crowd and stand strong even in difficult times

# KRBL Limited – History

## 1889

- ◆ KRBL started its journey at Lyallpur, Pakistan.

## 1890 - 1990

- ◆ Shifted focus from oil, wheat and cotton to rice production. Also shifted base from Lyallpur to Lahori Gate, Delhi.



▶ Lahori Gate, Delhi

## 1993

- ◆ Registered as a Public Limited Company.

## 1992

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



▶ KRBL, Ghaziabad Plant

## 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.

## 1995

- ◆ KRBL got listed at Bombay Stock Exchange, Delhi Stock Exchange and Ahmedabad Stock Exchange.

## 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 USA.



▶ Solar Power business

## 2016

- ◆ Received the Halal certification for its manufacturing facilities.
- ◆ KRBL set up its fourth facility in Haryana.

## 2013

- ◆ Crossed the ₹2,000 Crore revenue landmark.
- ◆ KRBL entered solar power business.

## 2010

- ◆ The Company underwent a stock split. Face value divided from ₹10 to ₹1 per share.

## 2009

- ◆ Crossed the ₹1,000 Crore revenue landmark.



▶ KRBL Unit, Dhuri, Punjab

## 2006

- ◆ KRBL issued depository receipts (DR) worth US\$12 Million.
- ◆ KRBL entered wind power business.

## 2004

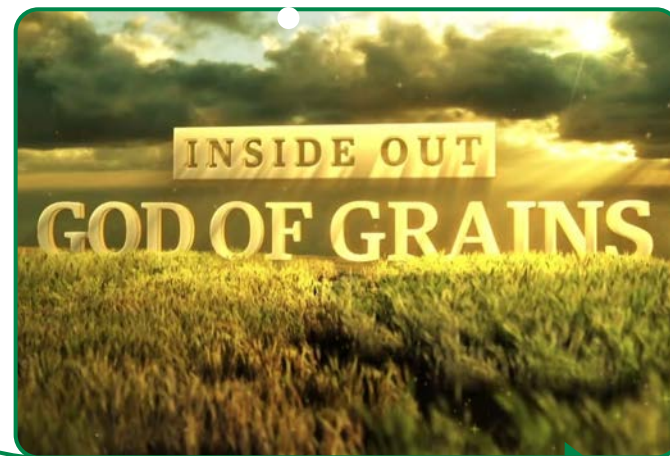
- ◆ Received the HACCP & SQF certification.
- ◆ Set up KRBL's processing, grading and packaging facility at Dhuri, Punjab.

## 2003

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

## 2019 to 2020

- ◆ Crossed the ₹4,000 Crore 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".



▶ Flagship series on Discovery 'Inside Out' 'God of Grains'



▶ Centralised Kitchen, Ghaziabad

## 2023

- ◆ New plant operationalised in Gujarat.
- ◆ Constructed and operationalised Mid-day Meal Kitchen under CSR Initiative with serving Capacity of 25,000 meals per day.

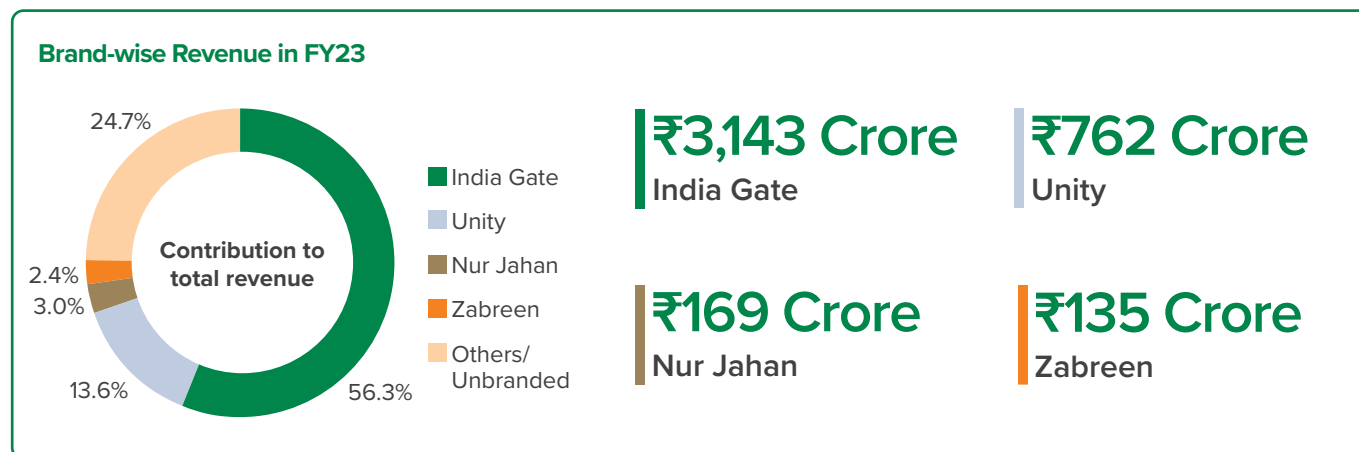
## 2022

- ◆ India Gate recognised as World's No. 1 Basmati Rice Brand\*.
- ◆ KRBL won the Climate Positive Award 2022, in November 2022, for its contribution and leadership in energy transition towards communities and the environment.

\*As per Mordor Intelligence Report on packaged basmati rice, MAT Jun'23.

# KRBL Brands

KRBL Limited's globally celebrated brands are at the heart of its business, lending a distinct flavour to KRBL's value creation. These culinary icons play a vital role in the Company's success, captivating the senses and driving growth.



Note: All financial numbers are as per consolidated financials

**India Gate Basmati Rice**

India Gate Basmati Rice is KRBL Limited's most esteemed and illustrious brand, standing as a testament to time and representing a remarkable history spanning over a century. Alongside its renowned sub-brands like India Gate Chef Special, India Gate Chef Choice and India Gate Super Sella, among others, it has earned the coveted title of the - World's No. 1 Basmati Rice brand\*. Synonymous with exceptional quality, India Gate has become an iconic symbol in the realm of rice. This influential brand holds the pinnacle position in the Company's revenue hierarchy, serving as an overarching umbrella for other lucrative sub-brands that cater to diverse rice preferences, including the burgeoning health food market. Embracing both domestic and international markets, India Gate offers a wide array of over a hundred SKUs, meticulously crafted to meet an array of consumer needs while unwaveringly delivering unparalleled quality, distinct naturalness, delightful taste and captivating fragrance.

\*As per Mordor Intelligence Report on packaged basmati rice, MAT Jun'23

**Zabreen**

Zabreen is a widely preferred basmati rice brand among HoReCa and bulk buyers. It has emerged as the third biggest brand in the domestic market. KRBL's endeavour to deliver consistently great quality to bulk buyers through Zabreen, has helped the brand to strengthen over the years.

**Unity**

Unity holds a prominent position within KRBL's brand portfolio, serving as the second most significant brand. It proudly reigns as the foremost choice for basmati rice in countries such as Algeria, Singapore and Malaysia, while also enjoying a noteworthy presence in India and the MENA region. With each passing day, Unity fortifies its foothold in all of KRBL's key markets, solidifying its status as a vital driver of the Company's competitive edge over local competitors. By specifically targeting price-conscious basmati rice consumers, Unity has evolved into a formidable brand, amassing revenue in excess of ₹ 750 Crore +. Its allure extends far beyond branded alternatives, successfully attracting customers from the unbranded segment.

**Nur Jahan**

Nur Jahan stands as a beloved choice among Basmati rice brands, cherished in countries such as South Africa, Qatar and Saudi Arabia, among others. Tailored to meet the distinctive tastes and preferences of the discerning mid-segment, this brand is dedicated to bringing an exquisite sense of delight and inspiration to families across the Middle East and Levant region during their cherished mealtime experiences.

# KRBL Product Portfolio

Through our diverse range of products and trusted brands, our new launches add a fresh twist to the table, making its product portfolio a trusted staple and an essential part of every recipe.

KRBL Limited has an array of flavours in its product basket, carefully crafted to satisfy the ever-evolving appetites and discerning palates of its esteemed consumers. Each delectable creation is a testament to the Company's commitment to innovation and uncompromising quality, ensuring that its brands linger in the minds and taste buds of patrons.

## Basmati Rice

India Gate Classic Basmati Rice | India Gate Super Basmati Rice | India Gate Select Basmati Rice | Tlbar Basmati Rice  
Daily Premium Basmati Rice | Dubar Basmati Rice | India Gate Feast Rozana Basmati Rice  
India Gate Regular Choice Basmati Rice | India Gate Everyday Basmati Rice | India Gate Mogra Basmati Rice  
India Gate Mini Mogra Basmati Rice | India Gate Mini Mogra II Basmati Rice

## Non-Basmati Rice

Premium aged range of regional rice

India Gate Sona Masoori | India Gate Ponni | India Gate Surti Kolam  
India Gate Wada Kolam | India Gate Jeera Rice | India Gate Ambemohar

## Health Food Segment

Range of health products crafted to solve major health concerns

India Gate Brown Rice | Quinoa | Flaxseeds  
Chia Seeds | India Gate Weight Watchers Special



# 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 Devendra Kumar Agarwal

Ms Priyanka Sardana

Mr Shyam Arora

Mr Vinod Ahuja

Mr Surinder Singh

## CHIEF FINANCIAL OFFICER

Mr Ashish Jain

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms Jyoti Verma

## BOARD COMMITTEES

### Audit Committee

Mr Devendra Kumar Agarwal – Chairman

Mr Anoop Kumar Gupta – Member

Mr Shyam Arora – Member

Mr Vinod Ahuja – Member

### Stakeholders Relationship Committee

Ms Priyanka Sardana – Chairperson

Mr Shyam Arora – Member

Mr Vinod Ahuja – Member

### Nomination and

### Remuneration Committee

Mr Vinod Ahuja – Chairman

Ms Priyanka Sardana – Member

Mr Shyam Arora – Member

Mr Devendra Kumar Agarwal – Member

### CSR & ESG Committee

Mr Anil Kumar Mittal – Chairman

Mr Anoop Kumar Gupta – Member

Mr Vinod Ahuja – Member

## Risk Management Committee

Mr Arun Kumar Gupta – Chairman

Mr Anoop Kumar Gupta – Member

Mr Vinod Ahuja – Member

Mr Ashish Jain – Member

## Borrowing and Investment Committee

Mr Anil Kumar Mittal – Chairman

Mr Arun Kumar Gupta – Member

Mr Anoop Kumar Gupta – Member

Mr Ashish Jain – Member

## STATUTORY AUDITORS

M/s Walker Chandio & Co LLP

Chartered Accountants

21<sup>st</sup> Floor DLF Square, Jacaranda Marg,

DLF Phase II, Gurgaon -122 002

## SECRETARIAL AUDITORS

M/s DMK Associates

Company Secretaries

31/36, Basement, Old Rajinder Nagar,

Delhi-110 060

## INTERNAL AUDITORS

M/s S S Kothari Mehta & Co.,

Chartered Accountants

Plot No. 68, Okhla Industrial Area,

Phase-III, New Delhi - 110 020

## COST AUDITORS

M/s HMVN & Associates

Cost Accountants

909 GD-ITL, North Tower, A-09,

Netaji Subhash Place, Pitampura,

New 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, 5<sup>th</sup> & 6<sup>th</sup> 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

IndusInd Bank Limited

Karnataka Bank Limited

## 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

### ◆ Barota Unit

Village Akbarpur Barota,

Distt. Sonapat, Haryana - 131 104

### ◆ Alipur Unit

29/15-29/16, Village Jindpur,

G.T. Karnal Road; &

Plot 258-260, Extended Lal Dora

Both at Alipur, Delhi - 110 036

### ◆ Gujarat Unit

Survey No. 113,

Varsamedi Village,

Anjar Gandhidham,

Kutch, Gujarat-370301

# Geographical Presence

From Indian kitchens to global tables, expanding product reach becomes an essential ingredient in our winning recipe making every dish extra special whilst being infused with care and freshness.

We delight in creating culinary experiences for millions of discerning consumers every day, whether it's savouring our delectable offerings in renowned restaurants, relishing them in the cosy comfort of their homes or discovering them at exquisite outlets across more than 90 countries spanning 6 continents.

Our flavoursome products have permeated the vibrant tapestry of India, thanks to our extensive network of 750+ distributors and a sprawling expanse of more than 3,30,000 retail outlets in India. We have market representation in all 50,000+ population towns in the North and West in addition to all 1 Lakh + population towns in the South and East of India. These epicurean delights can be discovered in over 750 cities, infusing gastronomic joy into the hearts and palates of our esteemed customers.



Corporate Office in Delhi, NCR

# Serving more than 90 countries





# Business Model

Just like a well-balanced recipe, our business model combines strategic planning, operational excellence and a strong focus on customer satisfaction to create a sustainable and satisfying experience for all stakeholders involved.

## Inputs

### Financial Capital

Net worth - ₹4,693 Crore  
 Net bank debt - ₹77 Crore  
 Operating cash flow - ₹360 Crore  
 Note: All financials are as per consolidated financials

### Manufacturing Capital

2 Integrated manufacturing units for Paddy to rice  
 3\* Rice Processing units for Grading, Sorting and Packaging  
 Captive power generation capacity: 19.59 MW in the form of Biomass and Solar Energy  
 Capex in FY23: ₹59 Crore  
 \*Including the Anjar, Gujarat plant commissioned in June 2023

### Social and Relationship Capital

**Supplier and distributor base:** Our finely packaged and branded rice finds its way to discerning consumers both at home and abroad, thanks to our robust network of over 750 distributors and dealers. This extensive distribution system ensures that our exceptional rice varieties reach far and wide, catering to the diverse palates of customers around the world.

**Farmer base:** We work closely with a vast community of 95,000 dedicated farmer families, imparting them the finest agricultural techniques and practices. Together, we cultivate an impressive expanse of approximately 3,00,000 hectares of fertile land, ensuring the cultivation of superior crops of the highest quality.

CSR contribution: ₹14 Crore

### Human Capital

Employees on roll: 2514  
 Hiring senior talent and specialists  
 Increased focus on Employee Development

### Intellectual Capital

R&D expenditure: ₹5.98 Crore

### Natural Capital

Natural capital encompasses the utilisation of Earth's invaluable resources to fuel our daily operations and craft our exceptional products.

Our focus on sustainable progress ensures that we tread lightly on the environment, striving for minimal ecological impact while fostering enduring growth.

## Value Drivers

Our committed workforce collaborates closely with our valued customers, diligently understanding and assessing their unique needs and preferences.



**Globally Spread Customer Base**  
 (Transportation and distribution network)



**Pursuit of Excellence**  
 (Ensuring product quality)



**Integrity & Transparency**  
 (Strong R&D)



**Product Leadership**  
 (Product portfolio optimisation)



## Outputs

### Basmati rice

India Gate Classic, India Gate Super, India Gate Select, India Gate Tibar, India Gate Dubar, India Gate Premium, India Gate Daily Premium, India Gate Feast Rozzana, India Gate Everyday, India Gate Super Rozzana, India Gate Regular Choice, India Gate Mogra, India Gate Mini Mogra, India Gate Mini Mogra 2, India Gate Golden Sella Rice, India Gate Parboiled Rice, Unity Biryani, Unity Super, Unity Premium, Unity Tibar, Unity Dubar, Unity Pulav, Unity Mini Dubar, Unity Rozzana, Unity Super Mogra, Unity Mogra, Unity Mini Mogra, Unity Mini Mogra II, Bilal Hind, Nur Jahan Basmati, NurJahan Parboiled Basmati, Nur Jahan Premium Basmati

### Non-basmati rice

India Gate Jeera Rice, India Gate Sona Masoorie Rice, India Gate Surti Kolam Rice, India Gate Wada Kolam Rice, India Gate Ponni Rice, India Gate Ambemohar

### Health food segment

India Gate Weight Watchers Special Brown Rice, India Gate 12 min Active Health Special Basmati Brown Rice, India Gate Chia Seed, India Gate Quinoa, India Gate Roasted Flax Seed, India Gate Black rice, Unity Brown Rice

### Power Generation

Bio-Mass, Wind and Solar



## Outcomes

### Economic

Revenue: ₹5,363 Crore  
 EBITDA: ₹1,032 Crore  
 PAT: ₹701 Crore  
 EPS: ₹29.78 per Share

Note: All financials are as per consolidated financials

### Social

- ◆ Created direct and indirect employment
- ◆ Improved employee competence through regular training
- ◆ Enhanced customer loyalty and strengthened relationships
- ◆ Bolstered trust and reputation amongst our domestic and international clients

### Intellectual Capital

- ◆ Increase in revenue from new products launched
- ◆ Cost reduction, import substitution and strategic resource management
- ◆ Quality evaluation and management of finished products and raw materials
- ◆ Ensuring product quality and aesthetics
- ◆ Diversification of channels and entering new markets
- ◆ Building competitive edge and business collaborations

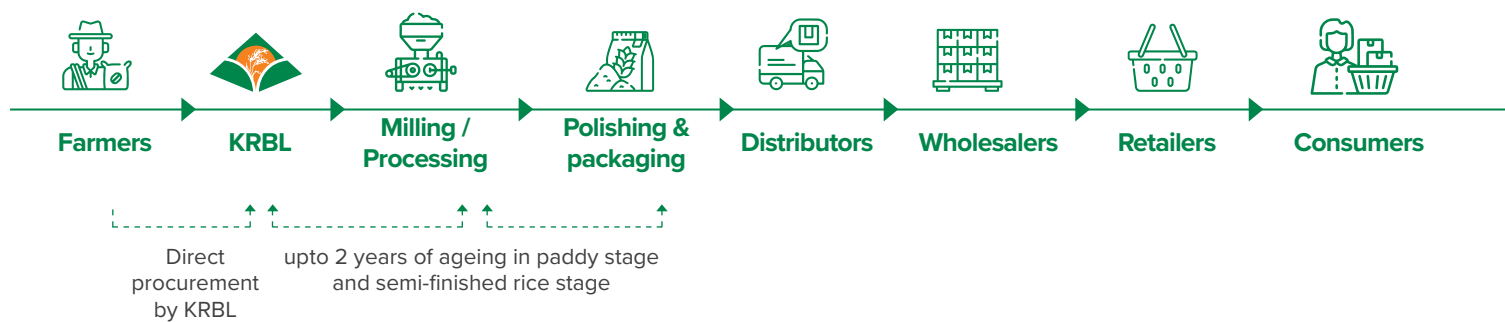
### Environmental

- ◆ More efficient processes enable us to use fewer natural resources, reduce our carbon footprint and reuse natural resources such as water
- ◆ Greater use of technologies and improved processes enabled the production of customers' products with less energy and water, fewer raw materials and improved flexibility in fuel source selection to replace fossil fuels with renewable ones

### Fully-integrated Supply Chain

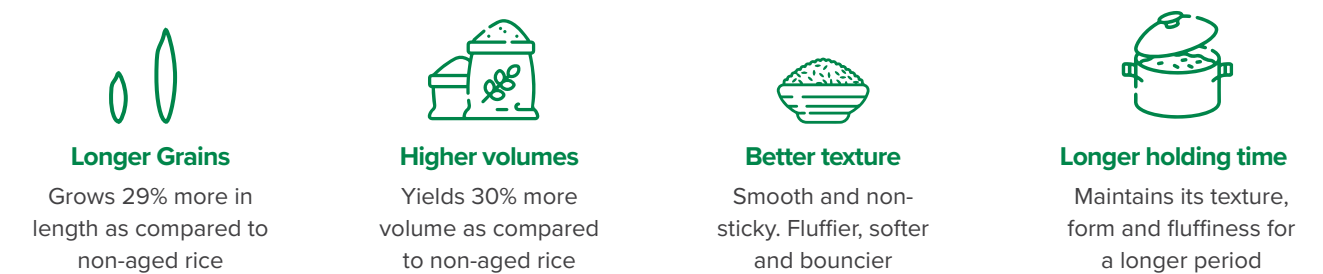


### The KRBL way of maturing



### Unique rice aging process ensures premium product differentiation

2 YEARS OF AGEING gives our rice:



### Upstream engagement and sophisticated sourcing



#### Seed development

- Sourcing of 'breeder' seeds from various leading Indian Agriculture Research Institutes, which are then grown as 'foundation' seeds under the supervision of scientists and the government seed certification agency
- Supply of seeds to farmers



#### Contact farming

- KRBL differentiates itself from its competitors by establishing a strong relationship with farmers through contact farming practices such as the distribution of high-quality seeds
- Sharing optimum sowing and transplanting techniques and assistance in sourcing good quality inputs in addition to providing advice on optimal pesticide management



#### Procurement

- Identification and sourcing of the season's best paddy with the help of a team of rice experts along with KRBL's network of Artias (commission agents)
- A more thorough examination of the paddy upon arrival at the plant
  - sophisticated testing equipment to check samples for moisture content, head rice yield, percentage of broken, admixture, length and width of grain
  - Only paddy that fully conforms to KRBL's quality benchmarks is purchased and sent for storage and processing

#### Benefits to farmers

- Enhanced earning potential due to improved crop quality and productivity
- Significant reduction in risk and uncertainty of markets

- Crop switching – leading to enhanced realisation
- Access to competitive and modern technologies



#### Benefits to KRBL

- Adequate availability of good quality paddy
- Unmatched quality

Building lasting and mutually beneficial relationships

KRBL pays a premium to farmers for good quality product



# Stirring the Leadership Pot: A perfect blend of experience and ambition

In the realm of corporate brilliance, our leaders whisk up a delicious buffet of success. From the Chairman infusing his wisdom to the Board of Directors adding seasoned expertise and the dynamic Young Leaders bringing fresh innovation, their combined efforts cook up a masterful feast that fuels our journey towards greatness.

## Chairman's Message

Our flagship brand India Gate has been recognised as the World's No. 1 Basmati Rice Brand.\*

\*As per Mordor Intelligence Report on packaged basmati rice, MAT Jun'23.



### Dear shareholders,

I extend my warm greetings to each one of you as we come together to reflect upon the year gone by and what it has entailed for KRBL Limited. It gives me immense pleasure to present to you the significant developments in the growth trajectory of your Company, over the last fiscal year.

### Navigating the Tides: The Dynamic Shifts in Global and Indian Economies

The global food market has seen some fluctuations in recent times, but the overall impact on our business has been minimal. The Black Sea Grain Initiative - The Ukrainian ports' initiative focused on ensuring secure transportation of grain and food products - played a significant role in stabilising global markets and maintaining their openness. While there were some disruptions, the last few months of FY23 saw a partial alleviation of high international food prices.

The Indian economy is primarily driven by domestic demand, wherein consumption and investments account for 70% of the economic activity. With pent-up demand being unleashed and widespread vaccination coverage, the contact-intensive services sector played a pivotal role in driving development in FY23. The rise in employment, increasing private consumption and positive consumer sentiment contributed to GDP growth in the fiscal year under consideration.

### The Big Picture: An Expanse of Opportunities in the Industry

Long-term patterns of consumer expenditure in numerous international markets have revealed a shift in

spending habits. Consumers are spending less on essential items like wheat and more on higher-value food products such as meat, dairy, fruits and vegetables. This trend has been particularly noticeable in India, given the 15% increase in per capita income in FY23.

Multinational retailers have expanded their operations in developing nations, leading to significant transformations in the global consumer food industry. Manufacturers and retailers are striving to meet the growing demands of consumers, who are increasingly seeking a broader range of high-quality products.

India, a major player in the global rice market, implemented certain measures and export tariffs in September 2022, to ensure domestic supplies. Despite these measures, India saw a remarkable increase of over 15% in rice exports, reaching a record-breaking value of \$11.1 Billion in FY23, with a volume of 22 Million tonnes (MT). This growth was driven by a variety of factors, including the increased demand for high-quality rice products in markets such as the Middle East.

### Through the Kaleidoscope: Perspectives, Challenges and Triumphs

Against this backdrop, I am delighted to share that our flagship brand has been recognised as the World's No. 1 Basmati Rice Brand. This recognition reflects the trust and loyalty of our consumers, making it a moment of immense pride for all of us. In FY23, KRBL attained a consolidated revenue from operations of ₹5,363 Crore, achieving a remarkable growth of 27% over FY22 and crossing the ₹5,000 Crore mark. Our domestic

sales surpassed the ₹3,000 Crore mark for the first time, reaching ₹3,335 Crore with a growth rate of 26%. In the domestic branded basmati rice segment, your Company continues to lead the market with a market share of 32% in general trade and 42% in modern trade. The post-GST rationalisation on bulk packs has driven a substantial increase in our domestic bulk pack sales.

Export Sales witnessed a robust growth of 33% to reach ₹1,931 Crore, fuelled by the revival of sales in key markets such as Saudi Arabia, among other factors. Despite the Government's export restrictions on broken rice and the imposition of export duty on some non-basmati rice varieties, our revenue remained resilient. Our consolidated Profit After Tax (PAT) witnessed an impressive growth of 53% to reach a record high of ₹701 Crore. This outstanding performance can be attributed to better realisation in both domestic and export markets, further bolstering our profitability.

During the Kharif season of 2022-23, paddy prices witnessed a notable rise of 15% to 20% compared to the previous year, primarily attributed to the unpredictable monsoon patterns in India and flooding in Pakistan. Consequently, both domestic and export markets experienced a substantial increase in basmati rice prices. In response to the strong demand for basmati rice, KRBL procured significant quantities of paddy and rice to meet the robust market requirements.

I am pleased to share that we have achieved an all-time high Earnings per Share (EPS) of ₹29.78 per share, a testament to our strong financial performance and growth trajectory. Our net worth has also reached an





all-time high, reflecting our commitment to enhancing shareholder value and capitalising on opportunities for long-term success.

**Expanding the Frontiers: Pioneering Success through Strategic Projects**

The year also saw our expansion plans taking shape. The commencement of commercial production at our plant in Anjar, Gujarat in June 2023, marks a significant milestone. This strategically located facility, near the leading Kandla Port, lowers our farm-to-port time for exports and reduces logistics costs per tonne of rice processed at the Gujarat facility. Additionally, it enables us to procure and process rice grown in Western states more efficiently, thereby comprehensively catering to consumers in Western India. These would include Madhya Pradesh, Maharashtra, Rajasthan and Gujarat.

Our other two plants in Gangavathi, Karnataka and Madhya Pradesh are under construction. Upon completion, these facilities will enhance our capacity and enable us to delve deeper into the non-basmati space. This expansion plan and our foray into non-basmati speciality aged rice will substantially increase our overall addressable market and strengthen our dealer and distributor network. We are also focused on launching new products to further broaden our product portfolio.

**Thriving in Transformation: A Dynamic Outlook for FY24**

As we look ahead to the fiscal year 2024, we anticipate a few key developments that may impact our industry and business. The El Nino phenomenon may adversely affect rice production in India and other South Asian rice-growing countries, leading

to a potential decrease in paddy planting and yield. This may result in increased global rice prices and food security concerns in countries reliant on rice imports.

Furthermore, the introduction of new varieties of basmati rice in India, resistant to bacterial blight and blast diseases, may boost basmati rice exports to European countries with stringent pesticide norms. This development, coupled with the specified identity standards for basmati rice set by Food Safety and Standards Authority of India (FSSAI), effective from 01 August 2023, will ensure fair trade of basmati rice and protect consumer interests. As a branded player, KRBL stands to benefit from these developments as our customers can trust the quality of our products.

We anticipate a growth in rural demand in the upcoming financial year, while urban demand is expected to remain steady. This upswing in demand is likely to boost the revenue of the FMCG sector. Additionally, the increase in the common paddy Minimum Support Price (MSP) for the upcoming Kharif crop marketing season will provide remunerative pricing to paddy farmers, potentially leading to indirect impacts on basmati paddy prices. Based on the positive realisations from the previous year, we anticipate an increase in basmati acreage.

**Creating Impact: Initiatives for a Sustainable Future**

At KRBL, we have always been steadfast in our commitment to serve society and protect the environment for sustainable growth. Our fully integrated plants generate power for captive consumption and produce value-added products from waste,

showcasing our dedication to resource optimisation. We operate wind and solar power generation units across the country, generating green and renewable energy.

To address the challenge of affordable diagnostic tests, we are in the process of establishing a medium to a high-end diagnostic centre in New Delhi. With an estimated budget of around ₹27 Crore, this centre will offer various tests at negligible or minimal charges, ensuring accessibility to the economically disadvantaged.

I would like to extend my heartfelt gratitude to our valued customers for their trust in our products. We are committed to consistently delivering the highest quality and maintaining our position as a brand of choice. Our dedicated employees have been the driving force behind our achievements. Their commitment, expertise and relentless pursuit of excellence have played a pivotal role in our success. I also extend my gratitude to the farmers who have been instrumental in providing us with the finest basmati rice. Your hard work and dedication are invaluable in ensuring the quality and authenticity of our products. I would also like to acknowledge the support and cooperation extended to us by the government and other stakeholders.

With our pursuit of excellence, innovation and sustainable growth, we are committed to delivering value to our shareholders, customers, employees and society, at large and promise to keep doing so.

Yours sincerely,

*Anil Kumar Mittal*  
Chairman & Managing Director, KRBL Limited



# Board of Directors

The Board of Directors bring along exceptional leadership and expertise that has continued to drive our Company forward. With decades of experience in the rice industry, our founders and whole-time director have fostered an entrepreneurial approach that has propelled KRBL to its position as a leader in the market. Under their guidance, KRBL has consistently grown from strength to strength, achieving remarkable milestones along the way. Complementing their leadership, our independent directors bring a wealth of expertise in their respective fields, creating a dynamic and diverse board. Together, this combination forms a formidable pool of energy, experience and talent, poised to lead KRBL towards continued success.



**Mr Anil Kumar Mittal**  
Chairman and Managing Director

Being the visionary founder, Mr Mittal has significantly transformed the Company into a global brand and a pioneer in the Indian Basmati industry. Mr Mittal provides strategic direction for overall growth of the Company and its stakeholders at large. Mr Mittal has held esteemed roles including President of the All-India Rice Exporters Association and President of the Basmati Rice Farmers and Exporters Development Forum. He has also received the Silver Jubilee Award from the National Academy of Agricultural Sciences, India. He maintains strong interest in global affairs through his extensive reading and envisions KRBL as the most favourite brand all over the globe as it continues to tread the path of transforming the lives of underprivileged communities by improving their socio-economic conditions.



**Mr Arun Kumar Gupta**  
Joint Managing Director

Born in 1957, Mr Arun Kumar Gupta is considered as authority in rice and paddy supply chain management and paddy milling technology. With over 36 years of experience in the rice industry, Mr Gupta has closely collaborated with over 200 farmers. He holds a commerce degree from Delhi University.



**Mr Anoop Kumar Gupta**  
Joint Managing Director

Born in 1959, Mr Anoop Kumar Gupta brings over 34 years of experience in the rice industry, specialising in strategy and financial operations. Mr Gupta holds a science degree from Delhi University and has previously served as an Executive Committee Member of the All-India Rice Exporters Association.



**Ms Priyanka Mittal**  
Whole Time Director & Head - International Division (Branded Business)

With over two decades of experience, Ms Mittal spearheads the international sales and marketing of the Company's branded business. Ms Mittal is a graduate of Harvard Business School's OPM programme and holds an undergraduate degree from the University of Southern California. She is actively involved in promoting women's leadership and has received accolades such as the Business Woman of the Decade Award by WEF (Woman Economic Forum). Additionally, she has held prominent positions in various trade committees and has represented the Indian rice industry in international forums discussing food security, sustainability and supply chain management.



## Board of Directors



**Mr Vinod Ahuja**  
Independent Non-Executive Director

Mr Ahuja holds B.Sc. in Engineering (Mech.) Hons degree from Punjab Engineering College, Chandigarh. He holds more than 5 decades of experience in almost every area of business. Mr Ahuja provides insightful advice, especially with regard to quality improvement, cost reduction and techniques to improve production. Besides advising the Company on strategic developments in Agri industry, he has also contributed towards fostering strong relationships between KRBL and the farming community. Mr Vinod Ahuja chairs the Nomination and Remuneration Committee of the Board and keeps a keen eye on the Directors to be inducted, their performance and the performance of the Board as a whole, in the overall development of the Company. He is also an active member of the CSR & ESG Committee and the Audit Committee of the Board.



**Mr Shyam Arora**  
Independent Non-Executive Director

Mr Shyam Arora pursued his education in the UK and did his M.Tech in Electronic Instrumentation and Controls from Loughborough University of Technology. He has in-depth understanding of industry and more specifically, the technical aspects of business. His support to KRBL since the last 17 years is commendable. He brings an objective view in the evaluation of the performance of the Board and management. He is an active participant in the Audit Committee, the Stakeholder's Relationship Committee and the Nomination and Remuneration Committee of the Board.



**Mr Devendra Kumar Agarwal**  
Independent Non-Executive Director

Mr Devendra Kumar Agarwal has over 41 years of extensive experience in financial management, management consulting, business advising, corporate taxation and auditing. He is a prominent Chartered Accountant and a Qualified Information System Auditor. Being the Chairman of the Audit Committee, Mr Agarwal plays vital role in strategic financial/non-financial decisions and provides exemplary direction to the Board for all critical aspect of business. Under his supervision, the Audit Committee keeps a critical eye on the financial reporting and governance of the Company.



**Ms Priyanka Sardana**  
Independent Non-Executive Director

Ms Sardana is a prominent lawyer with over three decade of experience. Besides studying MA (Eng.) and M.Phil, she also holds a postgraduate diploma in IPR and Human Rights Law. She is a Life Member of the Supreme Court Bar Association (SCBA), Indian Institute of Law, International Society of Law and Bar Association of India. She has extensive domestic and foreign expertise in civil, criminal and service cases. She serves as an arbitrator for Indian Council of Arbitrators and a mediator for the Delhi State Legal Services Authority. She contributes, with her guidance, in all strategic decisions taken by the Board of KRBL. She is also heading the Stakeholder's Relationship Committee and plays a vital role to keep stakeholder's interest at top priority.



**Mr Surinder Singh**  
Independent Non-Executive Director

Mr Surinder Singh, Ex. Executive Director, Food Corporation of India, carries a more than 4 decades of rich experience in Massive Operations, Financial Management, General Administration, warehousing, storage and preservation of food grains, Human Resource Management, Procurement & Public Relations, etc. He is an MBA, a B. Sc and also holds Diploma in Marketing and Sales Management. He is currently associated as Director on the Board of Inferential Surveys and Statistics Research Foundation (ISSRF). Alongside this, he is also a Guest Faculty with Delhi Skill and Entrepreneurship University (DSEU) under the Govt. of NCT. He has been recently inducted as Independent Director in KRBL.



## Young Leaders

The young leaders of KRBL are a blend of exceptional talent and global perspective, that drives our Company towards the next phase of growth. Our young leaders possess the ideal combination of skills and expertise to navigate the evolving global landscape. Their fresh perspectives, innovative thinking and zeal have already made a significant impact on KRBL's success. As we embrace the future, these young leaders stand at the forefront, ready to steer KRBL towards new horizons and continued prosperity.



**Mr Ashish Mittal**  
Head – Paddy Procurement & Gautam Budh Nagar Unit

Ashish possesses a rich 15 years of experience in the Rice Industry and has played a pivotal role in the development of resilient and high-yielding seeds alongside the introduction of advanced technology to enhance efficiency in plants. Under his leadership, KRBL's contact farming model has expanded to include approximately 95,000 farmers, covering around 3,00,000 hectares of paddy cultivation. His focus has been on reducing pesticide usage and implementing best practices for sustainable packaging. Under his supervision, the Gautam Budh Nagar facility has transformed into an integrated unit with improved procurement, production and seed development along with cost optimisation across supply chain. Ashish is presently involved in enhancing material handling and storage, supporting good agri-practices, fostering improvement in the quality of the product while encouraging paddy cultivation devoid of pesticides.



**Mr Akshay Gupta**  
Head- Bulk Exports

Akshay is a young and enterprising business leader whose versatile expertise spans both the realms of commodity sales and consumer goods marketing. Boasting over a decade of professional experience, he has consistently showcased a remarkable aptitude for driving revenue expansion, forging strategic alliances and adeptly navigating intricate global markets. Demonstrating prowess in managing substantial bulk commodity transactions, he harnessed his profound insights into supply chain intricacies, adept client relationship management and effective risk mitigation. Venturing into the dynamic arena of FMCG, Akshay displayed a strategic approach to marketing and brand development. His impactful role harmoniously aligned commodity procurement strategies with FMCG product placements, yielding streamlined supply chains and meticulous inventory management.



**Mr Kunal Gupta**  
Head - Rice Procurement & Dhuri Unit

Kunal's journey commenced with him spearheading the management of basmati paddy supply chain, where he demonstrated an acumen for enhancing technological aspects. This role served as a pivotal stepping stone, positioning him effectively for larger responsibilities, whereby his efforts brought the distinguished position for KRBL being the foremost entity in the domain of rice and milling in India. His endeavors have manifested in a holistic approach towards operational optimisation, procurement excellence and streamlined supply chain management. His instrumental role in overseeing expansion operations has been particularly commendable, as KRBL continues to establish new plants nationwide, in accordance with our overarching expansion strategy. Under Kunal's meticulous supervision, the flagship Dhuri plant has been transformed into a seamless integrated unit adopting precision milling practices, judicious cost management and rigorous optimisation efforts.

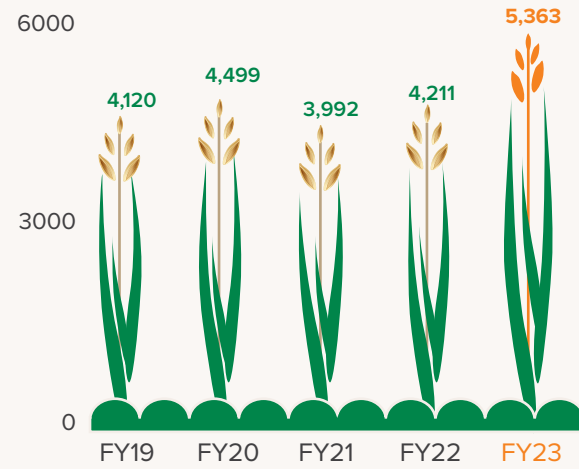


**Mr Ayush Gupta**  
Head- Domestic Division

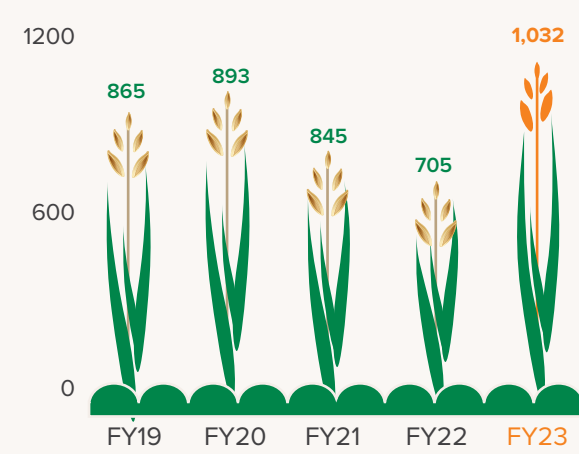
Ayush is a dynamic and result-oriented leader with over a decade of experience driving growth, innovation and operational excellence. Ayush played a pivotal role in penetrating new channels of distribution (Modern Trade) in which, the brand became the market leader within a short span, navigating dynamic market landscapes and delivering exceptional results for established and emerging brands of the Company in Indian market. Ayush's journey in mainline sales continued and he excelled at building strong distributor networks, driving revenue growth and spearheading innovative marketing campaigns. With a keen eye for emerging trends, Ayush championed the Company's expansion into e-commerce, positioning the brand at the forefront of digital transformation in the FMCG sector. Ayush envisions KRBL as a trailblazer in the rice industry, constantly evolving to meet consumer demands while staying ahead of market trends. His strategic roadmap involves leveraging technology for optimised supply chain management and leading category development initiatives to shape the future of the industry.

# Performance at a Glance

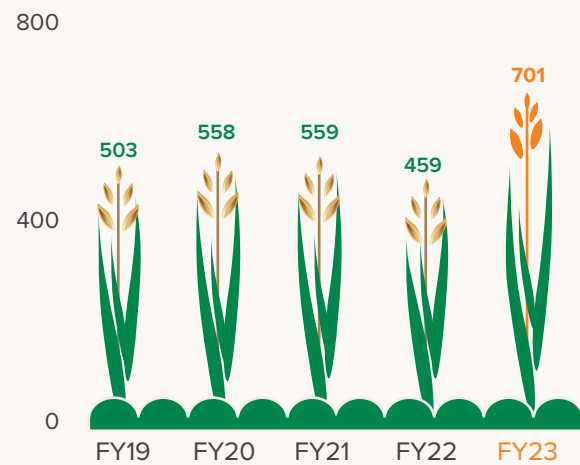
**Revenue from Operations**  
(₹ in Crore)



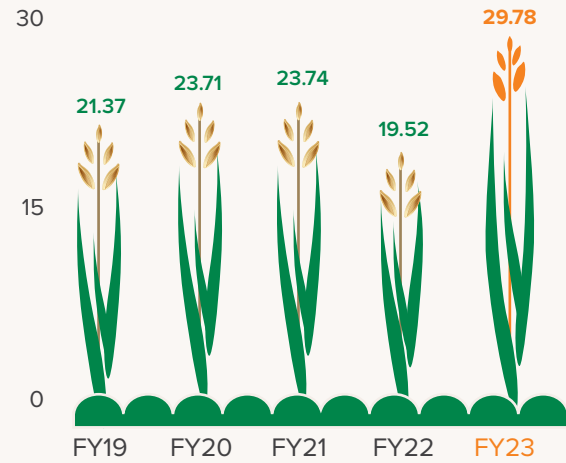
**EBITDA**  
(₹ in Crore)



**Profit After Tax**  
(₹ in Crore)



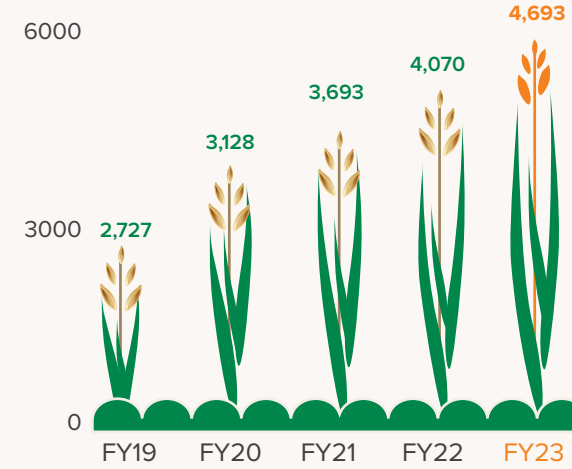
**Earnings per Share**  
(in ₹)



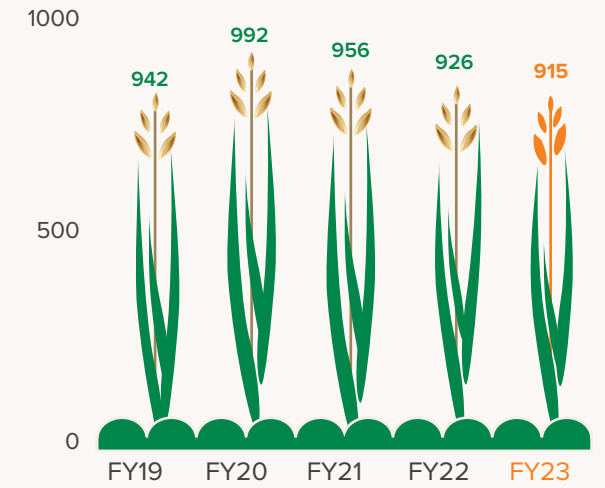
As per Consolidated Financials

# Balance Sheet Indicators

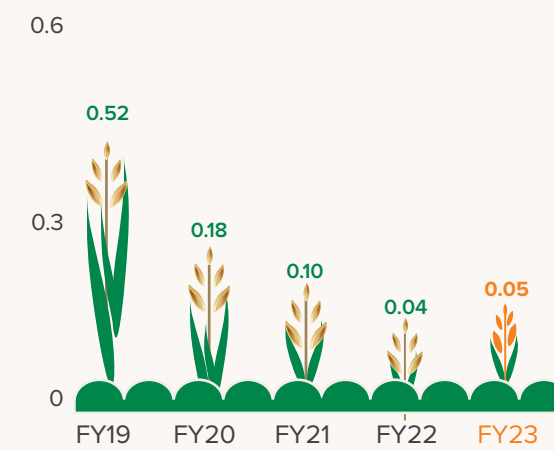
**Net Worth**  
(₹ in Crore)



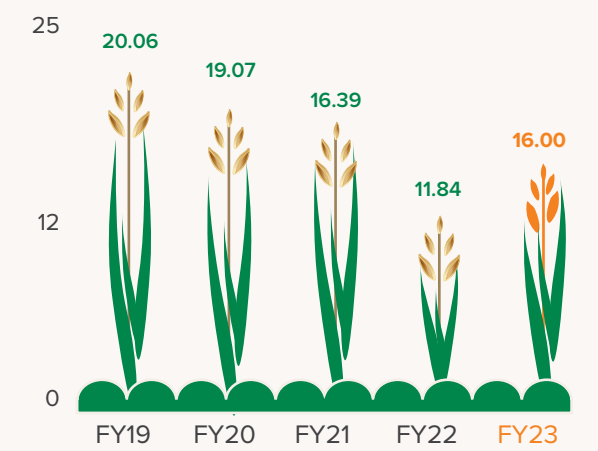
**Net Fixed Assets**  
(₹ in Crore)



**Debt Equity Ratio**  
(times)



**Return on Equity**  
(in %)



As per Consolidated Financials

# Business Highlights

## Exports

KRBL's journey in the global rice industry spans over 90 countries, establishing a distinguished reputation synonymous with excellence and superior basmati quality. As a leading agri-products manufacturer, our commitment to delivering premium rice has propelled us to the forefront of the industry, positioning us as one of India's largest players in the international branded rice business. With a robust portfolio and a resolute focus on the global market, KRBL has firmly established its presence on the international stage.

### Challenges overcome

Despite our success, we faced several challenges in FY23, which we overcame with resilience and determination:

- ◆ The shortage of shipping containers and warehousing facilities posed logistical challenges. However, through effective planning and collaboration with our partners, we managed to mitigate the impact and ensure a smooth supply chain.
- ◆ Increased ocean freight rates added to our operational costs. Nevertheless, we optimised our shipping strategies and negotiated favourable rates to minimise the impact on our business.
- ◆ Rising terminal charges added to our operational expenses as well. We closely monitored these costs and implemented cost-saving measures to maintain our competitiveness in the market.

- ◆ The increase in railway freight charges affected our transportation costs. We explored alternative transportation options and optimised our logistics network to mitigate the impact and ensure the timely delivery of our products.
- ◆ The effects of rising labour costs were countered by implementing efficient workforce management strategies and investing in training and development programmes to enhance productivity and maintain cost-effectiveness.
- ◆ The reduction of free days by shipping companies resulted in higher detention charges. In order to counter this, we closely monitored our shipping schedules and collaborated with our logistics partners to minimise detention charges and ensure efficient cargo handling.
- ◆ The rise in shipping guarantee charges added to our financial burden. We reviewed our shipping contracts and negotiated favourable terms to optimise our costs and maintain profitability.



## KRBL's position in key international markets

KRBL has established itself as a prominent player in the global market, enjoying a strong presence in key international markets. Our resolve to deliver premium quality Basmati rice has earned us a trusted reputation worldwide. Through strategic partnerships and a robust distribution network, we have successfully captured the hearts and taste buds of consumers in diverse regions. From the Middle East to Europe, North America to Asia, KRBL's exceptional products have garnered widespread acclaim, making us the preferred choice for discerning customers in the global rice industry.

### Middle East and GCC region

The Middle East is the largest consumer of basmati rice globally, with a remarkable 78% of India's basmati rice exports finding their way to Middle Eastern countries in FY23.

- ◆ KRBL holds a significant share of revenue from this region, accounting for nearly 67% of the total branded basmati export revenue of the Company. Our strong contribution showcases our prominence and influence in meeting the demands of the Middle Eastern market.
- ◆ KRBL has established itself as the preferred choice among consumers in the GCC region, holding a dominant market share and enjoying a strong presence. Our India Gate brand proudly holds the esteemed position of being the number one Indian basmati rice brand in Qatar, UAE and Kuwait.
- ◆ Additionally, India Gate continues to be the most dominant brand across the GCC, with a growth in revenue of 70% over the previous year. As the sole representative of premium Indian rice in the GCC, India Gate sets new standards of excellence, delighting rice enthusiasts with its exceptional taste and aroma.
- ◆ Nur Jahan, our esteemed brand, holds a strong position as the second most favoured choice in the region, resonating particularly well with price-conscious customers who seek both quality and affordability. Nur Jahan has quadrupled its value in GCC countries in FY23, compared to the previous year.

### Europe

Europe is one of the rapidly expanding markets for KRBL, experiencing robust growth.

- ◆ The development of new crops not only ensures compliance with regulations on pesticide residues but also strengthens KRBL's presence in the region, fostering growth opportunities.
- ◆ Our expanding portfolio in the health food and ready-to-eat segments is set to drive growth in Europe, opening up new avenues for success.

## Americas

KRBL consistently achieves significant premium on its realisations, reinforcing its strong market position and profitability.

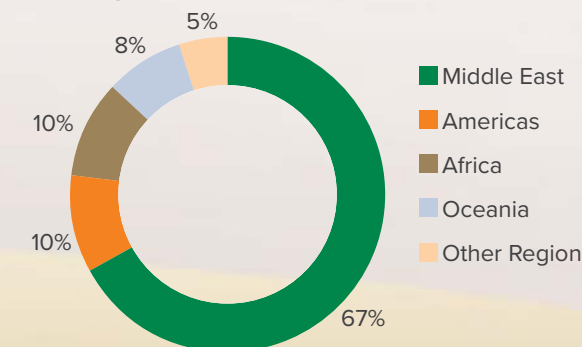
- ◆ The region accounted for 10% of the total branded basmati exports revenue for KRBL.
- ◆ We enjoy popularity among the diaspora as well as witnessing a growing local following, further solidifying our market presence. India Gate reigns as the top Indian basmati rice brand in Canada, leading the market in both Ethnic and Modern Trade segments.
- ◆ India Gate continues to be the most dominant brand across the Americas, with a growth in revenue of 50% over the previous year.
- ◆ KRBL maintains a strong presence across dominant trade channels in the region. Due to the higher premium on realisations, the Americas are one of KRBL's key-focused regions.

## Rest of the World

KRBL is actively expanding its presence globally, venturing into new markets and reaching customers across geographies.

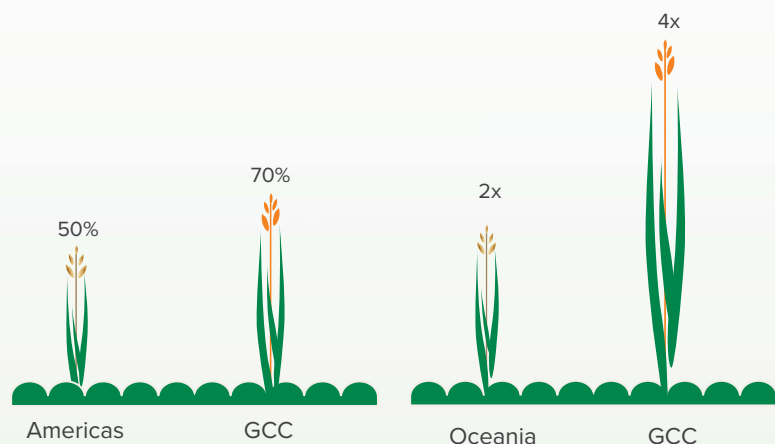
- ◆ We are committed to strengthening our leadership position in Africa and Oceania which contribute 10% and 8% of the total branded basmati revenue for KRBL in FY23, respectively. With a strategic focus on these regions, we aim to further establish our presence and deliver exceptional value to our customers.
- ◆ India Gate holds the esteemed position as the number one Indian basmati rice brand in Australia, New Zealand and Fiji, with KRBL having a market share of 18% in these countries.
- ◆ In Oceania, Nur Jahan emerged as the second most preferred brand and doubled its export value in FY23 compared to the previous year.
- ◆ Nur Jahan proudly claims the coveted title of being the number one Indian basmati rice brand in South Africa, with KRBL having a market share of 39% in the country.
- ◆ India Gate stands tall as the most preferred brand in the Northern African market, captivating the taste buds of discerning consumers with its exceptional quality and captivating aroma. KRBL's market share in the region is 16% in branded basmati exports from India.

### KRBL Region-wise branded revenue

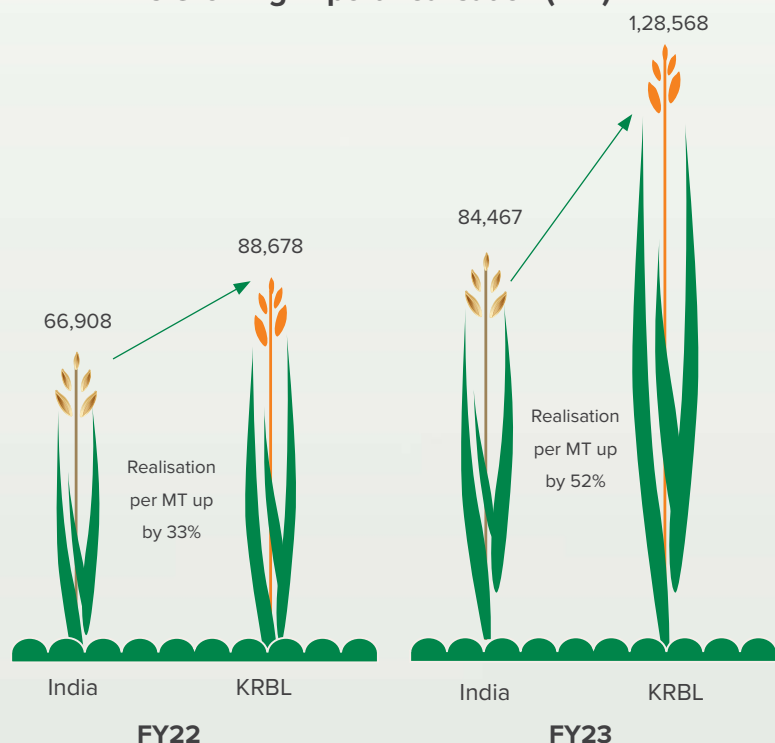


**India Gate Growth**

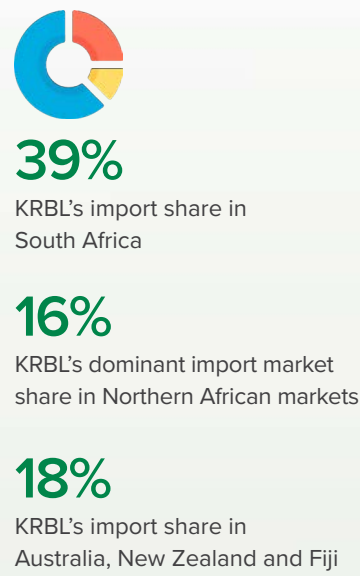
**Nurjahan Growth**



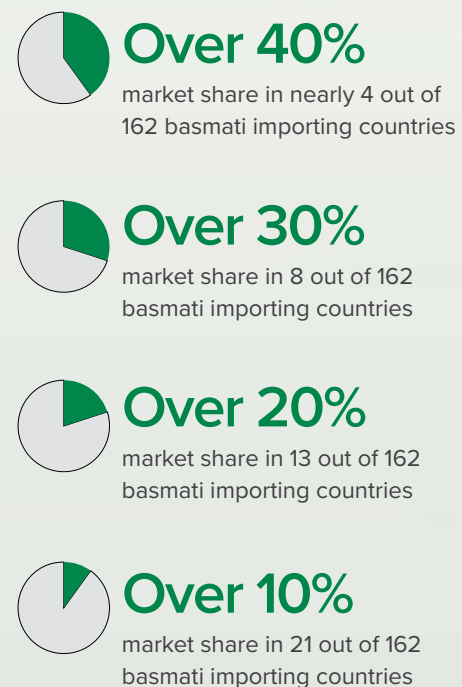
**KRBL's Growing Export Realisation (in ₹)**



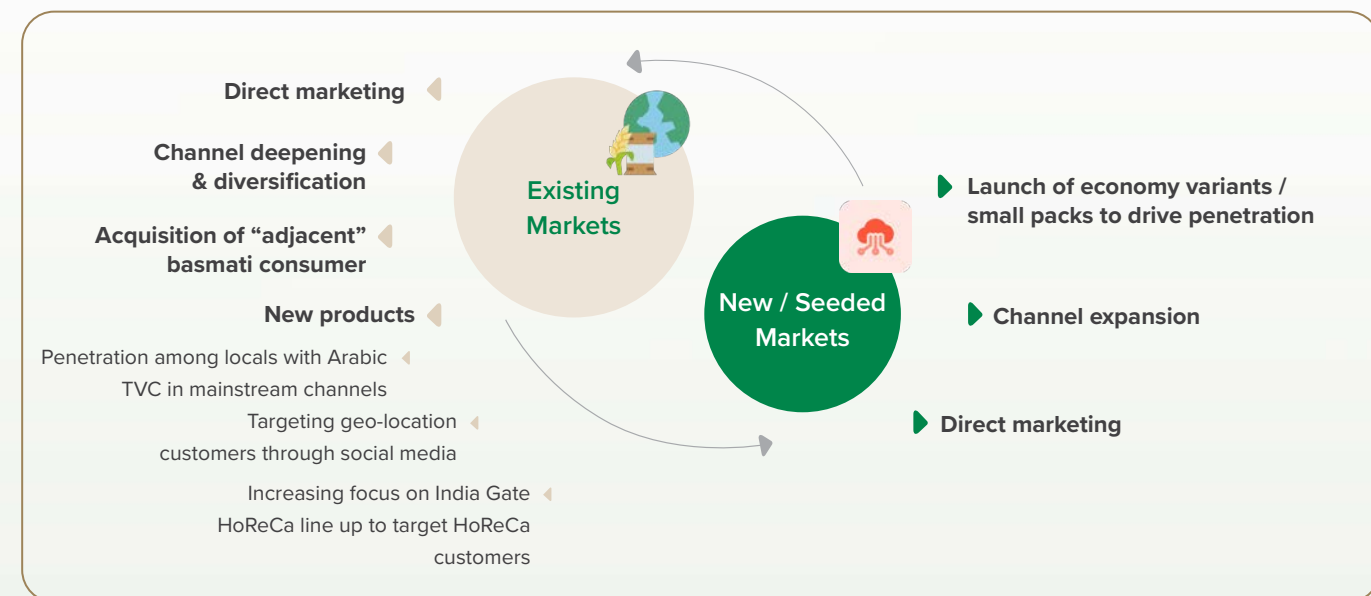
**Market share compared to any Indian Peer**



**In FY23, KRBL's market share is as follows:**



**KRBL Strategy in Export Market**



KRBL has a strong strategy in place to further strengthen its position in international markets. This can be divided into two parts: strategy for existing markets and strategy for new/seeded markets.

**Strategy for existing markets:**

- ◆ **Direct Marketing:** KRBL utilises various media options for direct marketing to reach out to its customers. This approach helps KRBL maintain its leadership position in its key markets.
- ◆ **Channel Deepening and Diversification:** KRBL aims to deepen its existing channels by adding new distributors in general trade and expanding its reach into alternative channels such as modern trade and e-commerce. We are also focused on strengthening our presence in the HoReCa (Hotel/Restaurant/Café) segment.
- ◆ **Acquisition of "Adjacent" Basmati Consumers:** With the launch of regional specialty aged rice, KRBL is focused on acquiring "adjacent" basmati consumers. This strategy will be a key driver of KRBL's growth in the future and our expansion plans into non-basmati rice are based on this approach.
- ◆ **New Products:** KRBL aims to further strengthen its position in key markets by introducing new products. This expansion

of product offerings will increase the total addressable market for the Company. KRBL is focused on introducing new products like regional specialty aged rice.

**Strategy for new/seeded markets:**

- ◆ **Launch of Economy Variants/Small Packs:** KRBL is targeting new markets by not only offering premium products but also launching economy variants and small packs to cater to all categories of consumers. This approach allows us to quickly capture a commendable market size in new markets.
- ◆ **Channel Expansion:** KRBL is focused on expanding its business in new markets by expanding across all channels, including general trade, modern trade and e-commerce. This strategy enables us to serve a larger customer group.
- ◆ **Direct Marketing:** Direct marketing plays a crucial role in establishing brands in new markets. KRBL invests in different marketing initiatives in these markets and maintains a presence on social media platforms such as Facebook, Instagram and TikTok to expand its reach to consumers. We educate consumers about the attributes of basmati rice, interact with them through various social media platforms and showcase different recipes prepared using our products.









### Domestic business

In the world of KRBL's thriving domestic business, excellence meets innovation and tradition blends harmoniously with modernity. As a leader in the basmati rice industry, KRBL has firmly established its presence by continually increasing the penetration of our branded basmati rice in the market. With a consumer-focused approach, we have expanded our distribution network, mirroring the strategies of successful consumer food companies. Embracing the spirit of progress, we have diversified our portfolio, introducing premium and innovative offerings across various segments. By doing so, we have effectively incised the total addressable market, opening doors to new opportunities.

### Our growth strategy in the domestic market:

-  **Increasing branded basmati penetration**
-  **Densifying distribution reach**
-  **Augmenting portfolio across segments**
-  **Increasing total addressable market**

### Pillars of Growth

#### Increasing Branded Basmati Penetration

With 70% of basmati rice consumed in households being unbranded or loose and packaged basmati having a household penetration of only 19% compared to an overall basmati penetration of 42%, there exists a tremendous growth opportunity.

As a category leader, we are deeply committed to driving this agenda forward, laying the groundwork for sustainable growth. Effective communication will play a pivotal role in instigating this shift in consumer habits, which is why we have launched a comprehensive 360-degree campaign titled "Basmati Rice se No Compromise," featuring the actor, Pankaj Tripathi.

Recognising the varying consumer insights and preferences across different regions and markets, we have tailored our communication strategy and creative execution to suit specific market dynamics. We believe that this market-specific approach will propel us towards achieving our long-term objective of transforming consumer habits.

#### Densifying Distribution Reach

Out of a vast retail landscape of 1 Crore outlets, packaged basmati rice is available in around 7,00,000 retail outlets, marking a significant opportunity for growth. With a highly targeted sales and distribution strategy, we aim to achieve market reach and coverage in every town with a population of 50,000 or more across India.

This strategy encompasses expanding our network of distributors, adopting innovative approaches to reach new markets and implementing robust market controls through the introduction of distributor management systems (DMS). Additionally, we have made substantial investments in scaling up our direct sales teams to drive our secondary coverage agenda.

#### Augmenting Portfolio across segments through Premiumisation and Innovation

India Gate Classic holds a pivotal position in our portfolio, driving the journey towards premiumisation. Our aim is to position India Gate Classic as more than just the finest basmati rice; it represents an emotional connection. To reinforce this concept, we have introduced the consumer campaign #ClassicRishta, which will be expanded to encompass special moments and occasions. The Classic range has experienced a remarkable 46% growth in value, reaffirming our confidence in this trajectory. This growth has been supported by a significant expansion of distribution, reaching twice as many outlets for Classic.

Innovation remains a core focus for us, as we strive to introduce game-changing products to the market. This launch has gained significant traction in the targeted markets and channels, resonating with the intended audience.

#### Increasing Total Addressable Market

Our foray into regional rices has considerably widened our scope within the market. We have strategically targeted Sona Masoori, Kollam and Gobindobhog varieties, which collectively represent a market size nearly 10 times that of basmati. Our focus remains on capturing the raw and aged segments of this market, which are comparable in size to the basmati market. By doing so, our total addressable market expands by almost 2X, offering substantial growth opportunities for the company.

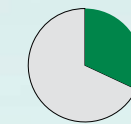
### Key performance highlights FY23

#### Domestic revenue

Domestic revenue for FY23 stood at ₹3,335 Crore, an increase of 26% from ₹2,648 Crore in FY22.

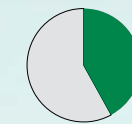
#### World's No. 1 Basmati brand

With strong focus on fundamentals, brand India gate continues to be World's No. 1 Basmati Rice Brand\* which reinforces the Brand's strong consumer franchise. In the Indian Market we remain the undisputed No.1 player, with an impressive annual volume market share of 32% in general trade and 42% in modern trade. This consistent performance is a testament to our commitment to quality, innovation and customer satisfaction, further solidifying our position as the preferred choice for discerning consumers in the market<sup>1</sup>.



**32%**

market share in general trade



**42%**

market share in modern trade

#### Increased rice consumption

India Gate also crossed the milestone mark of 1 Crore + household penetration with an 11.5% growth while packaged basmati penetration grew at 2.5%<sup>2</sup>.

#### India's most trusted Basmati brand

Brand India Gate remains the preferred choice of consumers being the No. 1 brand in terms of Brand Equity Score, Awareness and Trials<sup>3</sup>. The brand has also been recognised as India's Most Trusted Basmati Rice Brand<sup>4</sup>.

#### Scaling up our distributor network

During the year, we further scaled up our distributor count by 40% to 750+ dealers and distributors. This has led to us continuing to be the most widely available packaged basmati rice brand with presence in 3.3 Lakh retail outlets in India<sup>5</sup>.

#### Enhanced secondary sales

Through focused efforts and strategic initiatives, we successfully enhanced our secondary sales coverage from 31% in FY22 to an impressive 35% in FY23. This significant growth in secondary sales coverage is a testament to our commitment to expanding our market presence and effectively reaching our customers.

#### Unity outperforms

We are delighted to share that our esteemed brand, "Unity" has been impressive in its performance. This outstanding achievement is a testament to the effectiveness of our robust marketing strategies and the strong demand for the Unity brand in the market. With an impressive growth of more than 50% in revenue, Unity has continued to resonate with our customers and deliver exceptional results. We are proud of this accomplishment and remain committed to further enhancing the success of the Unity brand.

#### Diversified sales channels

In FY23, we witnessed a significant growth of 52% in value sales in modern trade and e-commerce channels. This positive trajectory is a testament to our successful efforts in expanding our presence and capturing the evolving consumer preferences in these key distribution channels.

\*As per Mordor Intelligence Report on packaged basmati rice, MAT Jun'23  
<sup>1</sup>AC Nielsen MAT Mar '23  
<sup>2</sup>Kantar Household World panel data MAT Mar '23  
<sup>3</sup>Internal Brand Health Study  
<sup>4</sup>Brand Trust Report, India Study 2023 by TRA Research Advisory  
<sup>5</sup>AC Nielsen data exit Mar '23



# Key Marketing Initiatives – Domestic Market

Our fundamental focus is centred on building effective brand communication through extensive analysis of consumer insights and uncovering their core needs. We have dedicated ourselves to crafting a communication strategy that not only aligns with our business objectives but also nurtures brand recognition and significance.

## India Gate Recognised as World's No. 1 Basmati Rice Brand

We have effectively shared this important update with our valued customers and business partners using prominent media outlets and diverse platforms:

- ◆ **Print:** The news has been featured in more than 65 renowned newspapers across the country.
- ◆ **TV:** Our message has been broadcasted through over 3,000 spots on news channels, including non-FCT elements, along with traditional advertising.
- ◆ **Digital:** We have reached a wide digital audience through a roadblock advertisement on the Times of India App.
- ◆ **PR:** Our brand has garnered significant media attention, with over 200 articles published in both print and online publications.
- ◆ In addition, we have made an exciting announcement on our India Gate Packs.

## New Regional Approach to Communication

We have undergone a significant transformation in our consumer communication approach, ensuring better alignment with our business objectives and a deeper understanding of growth drivers in various markets. This strategic shift is exemplified by the execution of multi-market campaigns that possess a clear and purposeful direction across key markets.



**Content Integration:** We have skilfully integrated our brand communication within well-received programmes like **MasterChef India, Bigg Boss** and other popular GEC shows. This strategic approach endeavours to cultivate seamless communication with consumers as they engage with the content.



**Television:** Our brand has been featured in more than **13,000 spots**, encompassing **1,95,000+** instances of Free Commercial Time (FCT) across renowned Hindi General Entertainment Channels (GECs), movies, news channels and children's channels.



In **West Bengal**, our brand adopts a regional strategy to accomplish a similar objective of converting consumers from loose to packaged basmati rice. This approach leverages regional insights and the participation of a local celebrity.

In Bengal, the lady of the house is known to pay meticulous attention to the quality of the food that enters her home, linking it closely to her family's reputation and prestige. We highlight this aspect in our direct communication, urging consumers to choose India Gate Basmati over "khola chaal" (loose basmati rice). This campaign extends across television and digital platforms.



**Television:** Our brand has appeared in more than **1,400 spots**, encompassing a remarkable total of **27,000+** instances of Free Commercial Time (FCT) across popular General Entertainment Channels (GECs).



**Content Integration:** We have seamlessly integrated our brand within top-rated GEC shows, ensuring a fluid and authentic communication approach to effectively reach consumers.



In the state of **Maharashtra**, India Gate assumes the role of a challenger brand. We have adopted a distinct approach to underscore the superiority of India Gate rice. We aspire to be recommended by "9 out of 10 women in Maharashtra". This campaign seeks to establish a strong preference for India Gate rice among Marathi consumers. It has been executed across television and digital platforms.



**Television:** Our brand has been showcased in more than **2,500 instances**, with a significant Free Commercial Time (FCT) surpassing **53,000**, on leading General Entertainment Channels (GECs) and movie channels.



**Content Integration:** We have tactically integrated our brand within popular GEC shows, seamlessly merging our messaging and communication to captivate the audience effectively.



### Ek Mutthi Chawal

In Indian households, a staggering 6.87 Crore tonnes of food is wasted each year, equivalent to 23.52 Crore meals per day! Inspired by this alarming statistic, we launched a campaign highlighting the significance of just #EkMutthiChaawal. With a humorous and impactful video, we aimed to break the cycle of food wastage and create awareness among the masses.

**14 Million**  
People reached online

### NFT Legacy Gallery

NFT Legacy Gallery is an innovative initiative designed to revive India's endangered century-old art heritage. India boasts a diverse cultural heritage and a range of artistic traditions yet many of these traditional art forms are facing the threat of extinction. With the adoption of Web 3.0 technology and Blockchain, the NFT Legacy Gallery project aims to showcase these art forms and uplift talented artists by providing them with opportunities on



**7.4 Million**  
Views

the global stage. By preserving and promoting these invaluable artistic legacies, we strive to ensure their lasting presence in the digital era.

### Chaal Chitra

Chaal Chitra, Chapter One of this collection, will feature 20 miniature rice arts as collectable NFTs. This is an ongoing campaign with 10 of these stunning NFTs now ready to mint on OpenSea.

**6.2 Million**  
Views



### Rice Plate of India

The "Celebrate India with Rice" campaign captures the essence of India, highlighting the integral role of rice in daily life. Set in Pune, Nasik and Mumbai, the campaign features 90-second reel variants that showcase the Classic, Rozaana and Super Rice products. The ultimate goal is to establish India Gate as the go-to rice brand throughout the nation, forging a strong connection between consumers and the beloved staple.

**1.4 Million**  
Views

*"Aren't we all just miniatures in the grand scheme of things?"*



### Dear Buddy – Bollywood Bubble

A 5-part branding series in partnership with Bollywood Bubble, featuring host Nayandeep conducting insightful interviews to explore and honour the enduring relationship with the Classic brand. The series includes a title sponsorship tag, pre-segment mentions by the host, a dedicated jacket within the Classic Bond segment and a dynamic Game Segment incorporating the India Gate Buddy Meter to assess compatibility, alongside brand representation and endorsements. The campaign extends its outreach through mentions and tags across all shared platforms, enhancing the prominence and impact of the brand.

**7.3 Million**  
Total views

**8.4 Million**  
Total reach



### #RoadTrippinWithRocky

#RoadtrippinwithRocky embodies the essence of freedom and the joy of exploring open roads. It allows individuals to chart their own course, pause at scenic spots and embrace the unfolding journey. Through this brand integration, we aim to provide both consumers and potential customers with an enjoyable pathway to uncover the best of Punjab's offerings, while showcasing the deep bond between the India Gate range and Punjab's rich heritage. Moreover, it serves as an opportunity to illuminate audiences about the brand's production capabilities, vision, unique selling points and a wide array of products available. With a total of 5 engaging episodes and an impressive 564 posts, tweets and videos, #RoadtrippinwithRocky sets forth on a captivating expedition.

**14.2 Million**  
Total views

**0.29 Million**  
Engagements



An  
**Emotion**  
Called Biryani

### An Emotion Called Biryani

Elevating the essence of celebrations and special moments, we shine the spotlight on the iconic dish that embodies festivity – Biryani. With a resolute goal in mind, we're on a mission to position India Gate as the premier brand, unveiling captivating narratives of the most exquisite biryani establishments in Delhi, Hyderabad and Lucknow. Our strategy encompasses three impactful ad films, complemented by three compelling influencer videos and a dynamic collaboration with 100 micro-influencers – a comprehensive formula that has been successfully executed.

**22.5 Million**  
Total views



# Key Marketing Initiatives – International Market

## Our Approach to Communication in International Markets

We have been extremely thorough in executing our communication strategy, in ways that cater to international audiences and strike a chord with them. For this reason, our approach took into account the unique characteristics and preferences of international markets. Not only did this lead to the development of a broad consumer base but also a loyal one.

### 1. India Gate MENA

In the Middle East and North Africa (MENA), the strategy was based on generating brand awareness and engagement on social media platforms, gaining followers and

driving performance through clicks. We also recognised the importance of showcasing consumer lifestyles and moments of consumption while displaying the power of food in bringing people together.



This compelling communication strategy was executed on multiple levels including:

### Facebook and Instagram

We understood that engaging content with easy mechanics is the key to driving high interactions. That is why we focused on creating interactive and user-friendly content that encouraged our audience to participate and engage with our brand. Our creative approach, featuring aesthetically appetising food shots, differentiated us from competitors. Exciting giveaways and contests boosted metrics, attracting new and existing customers. A focused paid media strategy ensured precise audience reach, solidifying our brand presence and connection in the MENA region.

#1

Against all competitors in engagement across Facebook and Instagram

27.6 Million

Total impressions for India Gate MENA posts

### Collaborations with health experts and chefs:

We also collaborated with clinical dietician Dr Dana Al Hamwi, who is now India Gate's local nutritionist. Her expert tips on healthy eating habits and utilising our products were featured in a Ramadan webinar and social media campaigns. We also partnered with Chef Nishant Choubey for a special Ramadan webinar, sharing unique iftar recipes using India Gate Classic, Super and Health Range. Additionally, on Emirati Women's Day, we collaborated with Chef Hayat Al Shaibani on three delicious recipes featuring India Gate Classic.



### Launch of TikTok channel:

The launch of the TikTok channel turned out to be a promising strategy to connect with our customer base and resulted in 10.9K video views in its initial phase. The engagement rate of 176 shows active participation and interest from viewers. This success indicates a promising future for the TikTok account, with the potential for further growth and increased followers.



## 2. India Gate International

In international markets such as the US, Canada, New Zealand and Australia, India Gate International posts gathered a total of 272.4K impressions, indicating the significant reach and visibility of their content. This suggests that a large number of individuals were exposed to the posts across various platforms, including Instagram, Facebook and TikTok. Furthermore, the interactions received from the reached users amounted to 26.4K. This contributed to the brand's overall presence.

### Facebook and Instagram:

We modified our marketing approach after thoroughly understanding the consumer lifestyle, as well as identifying

the key moments of consumption and significant marketing days. Our approach included adopting a creative mindset to engage our audience and implementing a targeted paid media campaign to ensure that our message reached the right audience. A total of 35 stories were published on Instagram and our impressions stood at 1.1K.

## 3. Nur Jahan MENA

Nur Jahan MENA's posts reached 18.3 Million impressions across Instagram, Facebook and TikTok. The interactions received from these reached users amounted to 18.8K, a testament to the strong engagement the content generated. In terms of engagement on Facebook and Instagram, Nur Jahan MENA secured the No. 1 rank among competitors, further highlighting its success in captivating and connecting

**18.3 Million**  
Impressions across  
Instagram, Facebook  
and TikTok

with the audience on these platforms.

### Facebook:

To maximise audience engagement, it was important to create content with easy mechanics, that encouraged interactions. Our audience resonated with consumer lifestyle, moments of consumption and togetherness. Giveaways proved to be effective in increasing overall metrics. To reach the right target audience, a paid media push is essential. By implementing these strategies, we created a strong and engaging presence.

## Launch of TikTok channel:

We launched our TikTok channel and gained organic fans, with our content receiving 13.5 K video views. This was tremendous progress, given that the channel is relatively new.

**13.5K**  
Video views

## 4. Ramadan Youtube Campaign

At KRBL, we recognised the significance of Ramadan as the key purchase period for the rice category. However, we also noticed that TV buying costs in the GCC region increased by 30% during this time. To overcome this challenge and engage with our audience more efficiently, we decided to explore alternative channels. After careful consideration, we turned to YouTube and the results were remarkable. There were 10 countries covered including the GCC countries, USA, Canada, Australia and New Zealand. We achieved 2 times higher impressions than what we had initially planned, indicating a wider reach among our target audience.

**14 Million+**  
Impressions

**25%**  
Higher than expected  
video views

**45%**  
Campaign delivery on  
connected TV screens

**3X**  
View-through rate

**32%**  
Target audience reached  
in KSA

## Marketing Strategy in International Markets

At KRBL Limited, we recognise the significance of robust marketing strategies in establishing a strong market presence and driving business growth. Our key branding and marketing efforts are highlighted as follows:

### Building Brand Awareness

#### Digital Presence and Social Media Engagement

We have invested in developing a strong digital presence to connect with our target audience effectively. Our website serves as a hub of information, providing detailed product descriptions, recipes and cooking tips. Furthermore, we have actively engaged with our customers through various social media platforms, including Facebook, Instagram and Twitter, to foster brand loyalty and gather valuable feedback.

#### Television and Print Advertising

To reach a wider audience, we have strategically utilised television and print advertising. Our captivating television commercials have aired on popular channels, such as Rotana Cinema and Dubai TV, maximising our brand exposure and reinforcing our market position. Additionally, we have partnered with renowned publications to feature our products and highlight their unique qualities, further enhancing brand recognition.



### Product Differentiation and Innovation

#### Quality Assurance and Certifications

We take pride in delivering superior-quality rice products to our customers. Our commitment to quality is reflected in our adherence to stringent quality control measures and certifications, such as ISO 9001 and ISO 22000, ensuring that our products meet the highest industry standards.

#### Research and Development

We have invested in research and development to stay ahead of market trends and consumer preferences. Our dedicated team continuously explores innovative techniques and technologies to enhance our product offerings and introduce new variants that cater to evolving consumer demands.



### Customer Engagement and Loyalty Programmes

#### Consumer Outreach Programmes

We believe in establishing a strong connection with our customers. Through various consumer outreach programmes, such as cooking demonstrations, recipe contests and food festivals, we actively engage with our target audience, providing them with memorable experiences and reinforcing our brand as a trusted choice.

#### Loyalty Programmes

To reward our loyal customers, we have implemented a comprehensive loyalty programme. This programme offers exclusive benefits, discounts and personalised offers, fostering long-term relationships and encouraging repeat purchases.



3 TVC EDITS IN ADDITION TO SPONSORSHIP OF POPULAR SERIES & MOVIES

**1,097**  
Spots Across

**2**  
Prime time sponsorship

**1**  
Programme Integration

6 Pan Arab Channels



# 1 CHOPPED



A successful integration with a reality show that turned into the second highest-rated programme on Dubai TV in KSA & 3rd in the UAE.

# 2 BAB AL HIND

The campaign was aimed at building brand awareness in the Kingdom of Saudi Arabia.

# 3 INDIA GATE

The campaign was aimed at building brand awareness in Gulf Cooperation Council (GCC) before Ramadan set in.



## 1. CHOPPED

PLANNED

**723**

Total sponsorship TVC GRPS

**1,644**

Total sponsorship Total GRPS

DELIVERED

**917**

Total sponsorship TVC GRPS

**1,625**

Total sponsorship Total GRPS

## 2. BAB AL HIND

**56%**

Reach in KSA

341 Delivered Spots  
5% Higher Than Planned

2 Channels

22% Higher GRPS

PLANNED  
**1,271**

DELIVERED  
**1,910**

## 3. INDIA GATE

**62%**

Reach in KSA

514 Delivered Spots  
12% Higher Than Planned

3 Channels

21% Higher GRPS

PLANNED  
**2,249**

DELIVERED  
**2,862**

# Garnishing Success with Responsible Conduct

KRBL's CSR initiatives have been implemented with a vision to transform the lives of underprivileged communities by improving their socio-economic conditions.

## Serving Mid-day Meals via Centralised Kitchen

KRBL, in collaboration with Akshaya Patra Foundation, constructed a centralised kitchen in Gautam Budh Nagar, Uttar Pradesh with capacity to serve 25,000 mid-day meals per day. The Kitchen has started distribution of mid-day meals to allocated Govt. Schools in GB Nagar and nearby areas from July 2023.

**25,000**

Capacity of mid-day meals to be served per day

**₹12.82 Crore**

Total budget for the project



Distribution of mid-day meal started from July 2023



## CSR initiatives

### Contribution towards Health Care

#### Setting up the Diagnostics Centre

KRBL Limited is in the process to establish an affordable Diagnostic Service Centre through KRBL Foundation to benefit the underprivileged section of society by offering various tests and Radiology services, including X-ray and Ultrasound at affordable pricing.

**₹27 Crore**

Total approved budget for the project

#### Hunger Eradication

#### Served mid-day meals to Govt. Schools and Karuna Hospitals

KRBL extended financial assistance and dedicated support to serving mid-day meals in government-aided schools and providing nourishing meals to Karuna Hospitals through M/s. Annamrita Foundation.

#### The Shakti Foundation

KRBL has extended financial assistance to The Shakti Foundation, which provides help to over 950 differently-abled children who are housed in 15 special schools where they provide medicines, rehabilitation aids, education stipends, surgery costs, uniform material, etc.

**₹10 Lakh**

KRBL Limited's contribution to The Shakti Foundation

**₹63.6 Lakh**

Dedicated towards sponsorship of meals in schools and hospital

### Construction of the Paver Block Road In Acheja Village

Construction of Paver Block Road and drain in Acheja Village Gautam Budh Nagar, U.P. in full swing to benefit the nearby communities by providing more accessibility to services and improving their living standards.

**₹45 Lakh**

Estimated cost for the project



## Awards and Recognition



### KRBL was Recognised as the Winner of the Climate Positive Award 2022

KRBL has received the prestigious Climate Positive Award for our global initiatives in addressing the challenges posed by global change. This recognition is a testament to KRBL's efforts to protect the environment and contribute to

community well-being. The award acknowledges KRBL's commitment to sustainable practices that benefit the planet and its inhabitants.

### GO Green Certificate received for E-waste Recycling

KRBL has received the GO Green Certificate for the exemplary efforts in e-waste recycling. This accolade recognises the Company's commitment to environmental stewardship and sustainability. By implementing effective e-waste recycling practices, KRBL has demonstrated dedication to reducing the environmental impact of electronic waste and promoting a circular economy. This achievement also sets a commendable example for

others in the industry.



# Our Strengths

In the flavourful world of KRBL, every grain of rice is carefully nurtured and aged to perfection. Just like a well-balanced recipe, our strengths blend seamlessly to create a culinary masterpiece. With our state-of-the-art milling plants and warehouses, we ensure that only the finest quality rice reaches your kitchen, backed by certifications that guarantee excellence. Behind the scenes, our dedicated team of researchers and developers work tirelessly to bring innovation to your plate, exploring new horizons in the world of rice.

But our commitment does not stop there. We go beyond rice, adding value with our range of exceptional by-products. At KRBL, our success stems from the synergy between our passionate people and the unwavering support we provide to our farmers. Together, we create a symphony of flavours that delights taste buds around the globe.

## Leading Market Position

KRBL is a leading player in the packaged basmati rice segment, holding a dominant position in both domestic and export markets. With a strong presence across various sales channels, including General Trade, Modern Trade and E-Commerce, we have established brand loyalty and command a premium for our products. KRBL's successful exports span over 90 countries, including key regions like the Middle East, North America and Oceania. Through consistent delivery

of quality products and the creation of renowned brands such as India Gate, Unity, Nurjahan and Zabreen, we have solidified our leadership in the packaged basmati rice market. We remain committed to further strengthening our brands through ongoing marketing investments in both domestic and export markets.

## India Gate Brand

India Gate, KRBL's flagship brand, is globally recognised as the top basmati rice brand (Mordor Intelligence Report

on packaged basmati rice, MAT Jun'23). We offer a range of products in different price segments to cater to diverse customer needs. Recently, KRBL has expanded the India Gate brand to include aged specialty rice varieties such as Sona Masoori, Kolam and Gobindobhog Rice, as well as health products like Chia Seeds, Flax Seeds, Quinoa and Amaranth.

## Management Experience

KRBL has a legacy of over 130 years in the business and our current

management team combines experienced leaders with young and innovative talent. The experienced management has played a crucial role in establishing the Company as a market leader in our segment on a global scale.

## Integrated Business Model

KRBL's integrated business model spans seed development to global marketing through our distribution network. With in-house R&D and direct paddy procurement, we have direct presence in the entire value chain. This approach enables cost optimisation, quality assurance and timely delivery of premium rice to customers.

We leverage our expertise to source high-quality paddy. Through seed distribution, education and collaboration with Artias, KRBL ensures procurement of top-grade paddy that meets our brand standards.

## Milling and Processing Capacity

KRBL boasts the largest rice milling capacity, with a combined capacity of 195 tonnes per hour for milling and 191 tonnes per hour for packaging. The Dhuri plant, owned by KRBL, is the world's largest rice mill, with a milling capacity of 150 tonnes per hour. The recently established Anjar plant in Gujarat further enhances the Company's capacity. Additionally, two more plants in Gangavathi, Karnataka and Raisen District, Madhya Pradesh, are currently under construction. These strategically located plants not only save transportation costs but also facilitate strong relationships with farmers and Artias in mandis.

## Warehousing Capacity

KRBL's extensive warehousing capacity of over 1 Million tonnes enables in-house aging of paddy and rice, ensuring quality and cost control. The warehouses are strategically

located near milling plants, reducing transportation expenses. This proximity facilitates direct procurement of a substantial quantity of paddy from mandis during harvest season. We maintain ample inventory to meet expected demand consistently.

## Distribution Network

KRBL has established a robust global distribution network, enabling exports to over 90 countries. In the domestic market, we operate through 750 distributors, covering 750+ cities and reaching over 3,30,000 retail outlets. We are dedicated to enhancing our distribution network for continued growth.

## Strong Financials

As a result of KRBL's other strengths, we boast strong financial metrics, providing additional stability to us. Being a zero-debt Company, KRBL is largely self-reliant in terms of funding.





# Management Discussion & Analysis



# Management Discussion & Analysis

## 1. Global Economic Overview

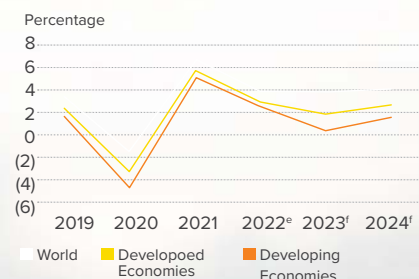
According to the International Monetary Fund's World Economic Outlook report<sup>1</sup>, the global economy is undergoing a phase of recovery despite the challenges faced in the past three years, including the COVID-19 pandemic and the conflict in Ukraine. The United Nations Department of Economic and Social Affairs Economic Analysis (UNDESA)<sup>2</sup> highlights that efforts are underway to address the impact of the conflict on the food and energy sectors, with a focus on improving food security and nutrition in developing countries. The World Food Programme (WFP)<sup>3</sup> has been actively working to mitigate the consequences of the conflict, ensuring access to essential food items in affected regions.

Amidst these circumstances, the global economic growth has shown resilience, with a projected growth rate of 1.9% in 2023<sup>2</sup>, building upon the positive momentum of the 3% growth rate observed in 2022 (Figure 1). Furthermore, there is an optimistic outlook for global growth, with a moderate increase expected to reach 2.7% in 2024. This growth trajectory extends to both developed and developing countries, as efforts to overcome challenges continue to yield positive results. Despite some lingering impacts, the easing of

COVID-19 restrictions in most countries during 2022 has paved the way for a gradual recovery of domestic demand. Additionally, measures are being taken to address supply chain disruptions and stimulate trade growth, fostering economic resilience and stability.

In FY23, there was a positive development in terms of container availability and freight rates in the global market. Container availability eased, for businesses involved in international trade. Additionally, freight rates gradually normalised, providing a more stable and predictable cost structure for businesses involved in logistics and supply chain operations. This positive trend in container availability and freight rates contributed to a smoother flow of goods and facilitated international trade, ultimately supporting global economic growth and market stability.

Figure 1: Growth of economic output in the world, developed and developing countries



Source: UN DESA, based on estimates and forecasts produced with the World Forecasting Model

Note: e = estimates, f = forecasts

### 1.1 Outlook

The economic outlook for FY24 is subject to various factors and may experience uncertainties. These factors include the potential impact of rising inflation on future monetary policy tightening, the ongoing conflict in Ukraine and geopolitical tensions between countries like the U.S.A. and China. It is important to consider the possibility of disruptions in supply chains.

In South Asia, economic conditions have faced challenges due to high food and energy prices, monetary tightening and fiscal vulnerabilities. However, despite these challenges, India has maintained a strong growth rate of 6.5%<sup>4</sup> in 2023, outperforming other economies in the region. The average projected GDP growth rate for South Asia declined from 5.6% in 2022 to 4.8% in 2023<sup>4</sup>. It is worth noting that countries like Bangladesh, Pakistan and Sri Lanka sought financial assistance from the International Monetary Fund (IMF) in 2022<sup>5</sup>. Despite these headwinds, efforts are being made to navigate through the challenging economic landscape.

## 2. Indian Economic Overview

India's economy has shown significant signs of recovery, showing a complete recovery in FY23 before many other countries. It is now positioned to return to its pre-pandemic growth trajectory in FY24<sup>6</sup>. Final growth numbers indicate that India grew at 7.2% in FY23<sup>7</sup> and despite global headwinds, the country's economy remains resilient. The government and RBI have also worked to address inflation, which was exacerbated by European strife, among other factors.

However, while the challenge of the depreciating rupee persists and the possibility of further increases in policy rates by the US Fed may exacerbate this issue, recent trends seem to strongly suggest that the RBI's monetary policies have been consistent and proactive.

Indian economy's growth momentum is largely down to private consumption and capital formation in FY23, generating employment and declining the urban unemployment rate. Private consumption growth for FY23 stood at 7.5%<sup>7</sup>, which is 61% per cent of GDP and a 16-year high. This was also higher than the pre-pandemic five-year average of 6.9%, a further reflection of India's economic rise.

Urban consumption ended FY23 on an over-three-year high<sup>8</sup> and became a significant factor in economic growth along with CAPEX. Additionally, as per the report by QuantEco Research, rural consumption in India nearly caught up to urban consumption in the second half of 2022, driven by festival-related demand.

Overall, despite multiple global headwinds during the year including economic and geopolitical uncertainties, India's economy grew driven by strong domestic macro-economic fundamentals and private consumption. This was especially reflected in sectors such as agriculture, mining, manufacturing, electricity and construction. This was further supported by high gross tax collections.

### 2.1 Outlook

Despite major global challenges, India emerged as the fastest-growing major economy at 7.2% in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth.

The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the

government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls and cinemas, among others.

Potential downside risks to certain sectors such as agriculture and FMCG would be the impact of the phenomenon known as El Nino which may change monsoon patterns and average rainfall for the year.

## 3. Indian Agriculture Industry Overview

The Indian agricultural sector has seen an average annual growth rate of 4.6%<sup>9</sup> over the last 6 years. However, there was a slight decline in growth from 3.3% in FY21 to 3.0% in FY22<sup>9</sup> (Figure 2). On the other hand, India has recently become a significant net exporter of agricultural goods. During FY21, there was an 18% increase in exports<sup>9</sup> of agriculture and related products compared to the previous year. Agricultural exports reached a record high of \$50.2 Billion in FY22<sup>9</sup>. Further, in FY23, agricultural exports are expected to reach a commendable \$56 Billion<sup>10</sup> which will include several high-value items such as wheat and rice.

The government's efforts to support farmer-producer organisations, crop diversification and agriculture productivity through the Agriculture Infrastructure Fund have contributed to this impressive growth. The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) has also provided income support to farmers while promoting alternative income sources, thus increasing their resilience to weather shocks.

<sup>4</sup> Economic Survey 2022-23

<sup>5</sup> United Nations Department of Economic and Social Affairs (UN DESA)

Sources:

<sup>1</sup> International Monetary Fund (IMF)

<sup>2</sup> United Nations Department of Economic and Social Affairs (UN DESA)

<sup>3</sup> Economy Survey 2022-23 (Government of India)

Source:

<sup>6</sup> Economic Survey 2022-23

<sup>7</sup> Financial Express

<sup>8</sup> Money Control

<sup>9</sup> Economic Survey 2022-23

<sup>10</sup> Business Standards

The Government's efforts include improving crop and livestock productivity, shifting towards high-value crops, resource efficiency, increased cropping intensity, higher prices for farmers, MSP increase and transitioning from farm to non-farm occupations.

Despite performing well, the Indian agricultural sector still faces challenges, such as the adverse effects of climate change, fragmented landholdings, suboptimal farm mechanisation, low productivity, disguised unemployment and rising input costs.

### 3.1 Outlook

FY24 is expected to bring significant improvements to the agriculture sector with the potential to generate more than \$800 Billion in revenue by 2031 with an investment of \$271 Billion, according to Deloitte India<sup>11</sup>. The industry anticipates schemes and policies related to technology upgrades, warehousing, food processing and farmer welfare, as well as initiatives to increase crop realisations and non-farm incomes such as livestock farming and horticulture. Currently, the Ministry of

Agriculture has a budget allocation of ₹1,25,036 Crore in FY24<sup>12</sup> which is 5% greater than the revised estimates for FY23 and accounts for 2.8% of the total Union Budget. The rise in expenditure is due to a slight increase in the allocation for schemes like the Modified Interest Subvention Scheme (5%) and the Pradhan Mantri Fasal Bima Yojana (10%).

A significant part of India's agriculture sector depends on a timely and normal monsoon season and this can be critical in ensuring adequate produce.

India's central pool stock for food grains was pegged at 57.9 Million tonnes with rice stocks at 26.7 Million tonnes, as per Ministry of Consumer Affairs, Food & Public Distribution's press release dated 1 June 2023<sup>13</sup>. Meanwhile, the fertiliser sector's overall subsidy requirements are expected to increase from ₹1.6 Lakh Crore in FY22 to approximately ₹2.5 Lakh Crore in FY23. Furthermore, the Government has announced higher minimum support price (MSP)<sup>14</sup> for Kharif season 2023-24 at ₹2,183 per quintal for Paddy-Common and ₹2,203 per quintal

for Paddy-Grade A with around 7% increase over last year's MSP ensuring fair remuneration for the farmers.

## 4. Global Rice Industry

The projection for global rice production in FY23 has been reduced by 1.4 Million tonnes to 512.5 Million tonnes (milled basis)<sup>15</sup>, marking the first decrease since FY16. This reduction is mainly due to the lower production in China due to drought and in Pakistan due to floods. In FY23, higher Rabi Rice production in India resulted in record India's Rice Production of around 136 Million tonnes which trimmed the global rice production shortfall to a large extent. With a larger global carry-in offsetting production revisions, the total global supply for FY23 has increased to 694.9 Million tonnes<sup>16</sup>. Global Rice Consumption and residual for FY 23 is estimated at 521.4 Million tonnes resulting in Global Rice ending stocks at 173.5 Million tonnes<sup>15</sup>.

In the latest forecast, China, the world's largest rice producer, recorded an annual production of 145.9 Million tonnes, a decrease of 3.0 Million tonnes<sup>16</sup> from FY22. Pakistan's total FY23 production declined by 3.8 Million tonnes to 5.5 Million tonnes<sup>17</sup>.

### 4.1 Outlook

The global rice trade is expected to increase to 55.8 Million tonnes in FY24, up by less than 0.1 Million tonnes<sup>18</sup>. India, Thailand and Vietnam's upward export revisions in 2023 will offset the export reductions for Australia, Brazil, the European Union and the U.S.A.

In terms of imports, China and Philippines are projected to remain the largest importers in 2024. Further, increased purchases are expected by Bangladesh, Ghana, Nigeria, Senegal and Vietnam which may be offset by Indonesia's reduction in imports.

India's exports are expected to be around 22.5 Million tonnes<sup>18</sup>, a record for the country. Conversely, Thailand's rice export in 2024 is expected to reduce by 6%. Further U.S.A. exports for FY24 are forecast to rise 21% and face lower competition from South American countries.

## 5. Indian Rice Industry

India, which is the second-largest rice-producing country globally, is expected to account for one-fourth of the projected global production, with record production in agricultural year 2022-23 to 136 Million tonnes<sup>19</sup>. In agricultural year 2022-23 kharif crop was impacted due to delayed and uneven monsoon in 2022 but the increased rabi and summer crop off-set the kharif shortfall.

In September 2022, India, which is the largest rice exporter globally accounting for more than 40% of global rice export, implemented an export ban on broken rice and imposed a 20% export tax<sup>20</sup> on some non-basmati rice varieties due to reduced expected production caused by erratic monsoons. Despite this, India's rice exports for 2022 increased by 3.5% to reach 22.26 Million tonnes, surpassing the combined exports of the next four largest exporters - Thailand, Vietnam, Pakistan and the U.S.A.

### 5.1 Outlook

India's rice segment is set to see steady growth in the coming years. As per USDA estimates, despite possible El Nino in 2023, India Rice production in 2023-24 is estimated at 134 million tonnes<sup>21</sup>, 2 Million lower than previous year while domestic consumption and residual is estimated at 114 Million tonnes vs 112.5 Million tonnes. Despite 20% export duty on some non-basmati rice, Indian Rice prices are lower than its competitor in the global market which ensures continuous growth in export revenue. India has enough surplus rice production to meet export demand

Overall, these forecasts indicate a positive outlook for India's rice industry, with steady growth anticipated in the years to come.

## 6. Indian Basmati Rice Industry Overview

In 2022-23, India produced around 9.5 million tonnes of basmati rice. Out of that, India exported around 4.6 Million tonnes basmati rice in FY23. The Indian basmati rice export value saw a 46% increase from the previous financial year in FY23. Basmati rice exports reached \$5 Billion in value terms in this period<sup>20</sup> out of a total of \$11.14 Billion in rice exports (basmati and non-basmati).

The rise in demand for long-grain speciality rice variants, known for their quality, aroma and flavour, is driving the growth of India's basmati rice market<sup>21</sup>. Additionally, the market is benefiting from the increasing preference for

brown basmati rice, which has a low-fat content and high nutritional value.

In the domestic market currently, around 40% of urban households in India consume basmati rice out of which only 19% consume packaged basmati rice. This gives a huge headroom for growth of the packaged basmati rice in Domestic Market, as per the Kantar Household Panel report.

Moreover, the market's future outlook is positive, considering the mounting export demand for basmati rice in various regions worldwide, particularly the Middle East and North Africa region.

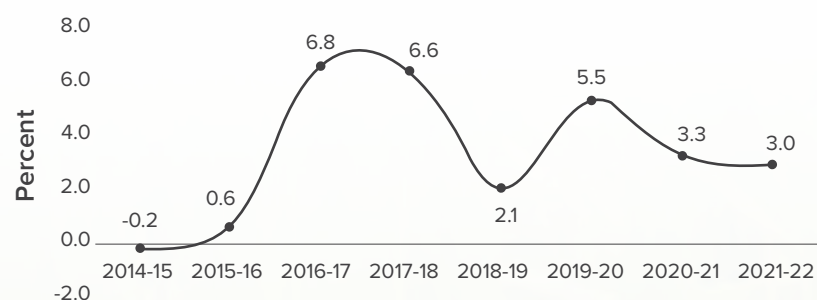
### 6.1 Outlook

The production for basmati rice is expected to remain stable at 10 Million tonnes for marketing year 2023-2024. Exports sees robust demand from significant markets such as the Middle East and the U.S.A.

Owing to good realisation from basmati paddy in FY23, Punjab government is planning to increase basmati sowing area by 20% in FY24<sup>22</sup>. This will ensure enough basmati to fulfil the basmati demand in domestic and export markets.

Further, Indian Agricultural Research Institute has developed new improved varieties which has resistance to bacterial blight and and blast disease. This will result in better yield with lesser use of pesticides. These new varieties boost Indian Basmati exports in the countries with stringent pesticide norms.

Figure 2: Despite Covid-19 shock agriculture and allied sector shows resilient growth



Source: MoSPI's Annual and Quarterly Estimates of GDP at constant prices, 2011-12 series

Source:

<sup>11</sup> Trade Promotion Council of India

<sup>12</sup> prsindia.org

<sup>13</sup> pib.gov.in

<sup>14</sup> MSP - pib.gov.in

Source:

<sup>15</sup> USDA Grain: World Markets and Trade

<sup>16</sup> USDA Economic Research Service 2023

<sup>17</sup> USDA Economic Research Service 2022

<sup>18</sup> USDA Economic Research Service 2023

Source:

<sup>19</sup> USDA Economic Research Service 2023

<sup>20</sup> The Economic Times

<sup>18</sup> USDA Grain: World Markets and Trade

Source:

<sup>20</sup> agriexchange

<sup>21</sup> imarc

<sup>22</sup> The Economic Times

## 7. Opportunities

In the dynamic landscape of the global market, KRBL Limited recognises the significance of identifying and navigating the opportunities and threats that shape its industry. By analysing emerging opportunities and potential challenges, KRBL Limited remains proactive in adapting its strategies and capitalising on favourable trends. With a keen focus on continuous improvement and agile decision-making, the Company stands ready to leverage opportunities and mitigate threats, ensuring sustained growth and resilience in an ever-evolving business environment.

### Consumption Shift

The shift from loose to packaged rice in both basmati and non-basmati segments in the domestic market presents a significant opportunity. This transition, driven by consumer preferences for convenience and quality assurance, is further accelerated by the ongoing urbanisation of the Indian population.

### Quality Assurance

The Food Safety and Standards Authority of India (FSSAI)<sup>23</sup> has recently specified the identity standards for Basmati Rice to come into effect on 1 August, 2023. This will make it significantly easier for consumers and customers to evaluate the quality of basmati.

### New Varieties for Export

On the R&D front, the Indian Agricultural Research Institute has distributed a substantial quantity of basmati paddy seeds for seed multiplication and substitution. For instance, the 1121 variety is now replaced by 1885, 1718 by 1849, 1509 by 1418, 4714 and 1401 basmati rice by 1886 and Pusa basmati rice by 1677. We, as KRBL, are confident that this development will bring about a significant revolution in the production of chemical residue-free basmati rice. These new seeds exhibit resistance

Source:

<sup>23</sup> PIB Press Release

<sup>1</sup> Modor Intelligence

to diseases and pests, while also yielding better results compared to the old varieties. Consequently, our rice will better meet the requirements for export to various countries, including Europe, the U.S.A. and numerous Middle Eastern nations. These regions have imposed non-tariff barriers by imposing import restrictions based on pesticide residue levels. It's important to note that these residue levels do not pose any harmful effects on human health.

### Growing Demand

The demand for rice, domestically and internationally, is growing. With an expected CAGR of 3% from 2023 – 2028<sup>24</sup>, this growth in the global rice market is being driven by several factors including population growth, rising incomes and changing consumer preferences.

### Government Support

The Indian government provides several subsidies and other forms of support to the rice industry. These subsidies help reduce the cost of production and make it more profitable for farmers to grow rice. The government also provides technical assistance to farmers and helps improve the quality of rice production.

### Exports

India enjoys a geographical advantage for basmati production and export. Compared to other exporters such as Thailand and Vietnam, India's non-basmati rice prices are lower, even without the 20% export duty imposed on white rice. India's competitive pricing in the non-basmati rice segment sets it apart from other countries.

## 8. Risks and Concerns

KRBL Limited places a strong emphasis on implementing a comprehensive system for managing risks, aiming to achieve its objectives while ensuring the sustainability of the organisation. The Company management actively identifies, analyses, assesses, manages and controls risks that may impact operations. KRBL Limited's risk management approach aligns with its strategy and contributes to its successful implementation.

### Exposure to Trade Policies and Government Regulations

Changes in the trade policies of key importing countries or government regulations, such as export bans or alterations in export duties, can impact the Company's export revenues.

#### Risk Mitigation

- ◆ KRBL's revenue is diversified into different geographies, domestically and in the export market (90+ countries) thereby reducing risk by not depending on any single customer or country.
- ◆ Approximately 85% of world basmati exports are from India and therefore, countries looking to purchase basmati rice have limited alternatives.
- ◆ Basmati rice is a premium product and so, less likely to be affected by food security concern-oriented policy developments.
- ◆ The Company primarily deals in surplus basmati rice production in India and exports are expected to continue in the near term.

### Vulnerability to Foreign Exchange and Agro-Climatic Risks

As a significant portion of its turnover comes from exports, the Company is exposed to foreign currency fluctuations. Additionally, being in the agricultural industry, KRBL faces agro-climatic risks that affect the availability and quality of raw materials, consequently impacting basmati rice prices.

#### Risk Mitigation

- ◆ Foreign exchange risk is mitigated through hedging policy implementation.
- ◆ Agro-climatic risk is mitigated by maintaining a sufficient inventory. During the basmati harvesting season from October to December, KRBL procures an adequate amount of paddy to meet the expected demand.
- ◆ In case of price increases, KRBL can leverage its strong brand position and pass on the costs to the customers.

### Intense Industry Competition Risk

The basmati rice industry is highly fragmented, with numerous players competing for market share. This intense competition limits pricing flexibility for industry participants, including KRBL.

#### Risk Mitigation

- ◆ Strong brand presence in both domestic and export markets serve as a mitigation strategy.
- ◆ Availability of KRBL products across all channels, including General Trade, E-Commerce and Modern Trade, ensures broader market reach and reduces reliance on a single distribution channel.

### ESG Risk

KRBL faces certain ESG (Environmental, Social and Governance) risks, which are as follows:

**Environmental Considerations:** The Company is significantly exposed to climate-change risks, as the supply of paddy, its key input, relies on the monsoon. Paddy cultivation is water-intensive, posing sustainability challenges for this critical natural resource. While these environmental factors create supply-side risks.

#### Risk Mitigation

- ◆ KRBL is actively involved in green energy initiatives by operating Wind, Solar and Bio Mass plants to produce power.
- ◆ The Company's power requirements are largely met through self-

sufficiency measures, utilising rice husk as a renewable source for power generation.

- ◆ By-products such as rice bran are effectively utilised for producing Rice Bran Oil, Furfural Oil, Furfural Alcohol, Cattle feed and other valuable by-products.
- ◆ Demand for rice as staple food mitigates some supply side risks.
- ◆ **Social considerations:** The Company relies on a large number of farmers for paddy procurement. KRBL supports farmers by providing them with superior quality seeds and offering training on agricultural techniques to maximise yields and optimise pesticide and fertiliser usage.

### Geographical Risk

A high dependency on any single country can lead to a decline in profitability.

#### Risk Mitigation

- ◆ KRBL has a product presence in over 90 countries across the world. This diversified presence across multiple countries is expected to mitigate risks associated with geopolitical instability in certain regions.
- ◆ KRBL holds a significant market share in two major rice markets within the Middle East region.
- ◆ KRBL holds the position of market leader in the branded basmati segment of the domestic market.

### Human Capital Risk

The Company's growth could be adversely affected if it is unable to attract and retain talented individuals.

#### Risk Mitigation

- ◆ KRBL Limited invests in recruiting talent that aligns with the organisation's values, as well as in talent development and employee engagement. This approach helps create fulfilling career opportunities at KRBL Limited.
- ◆ The Company strengthened its robust talent value proposition as one of the key focus areas to drive sustainable growth.



## 9. Internal Control Systems and Adequacy

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 Limited'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.

## 10. Outlook

### Overall Key Strengths:

- ◆ KRBL is a leading player in the Indian Basmati rice industry, known for its strong brand presence.
- ◆ The Company enjoys revenue diversification, across multiple sources, which contributes to its financial stability.

- ◆ KRBL's facilities are strategically located, providing advantageous positions for operations and logistics.
- ◆ The Company maintains a comfortable capital structure and demonstrates strong debt protection metrics, ensuring financial strength and stability.

### Domestic Market:

- ◆ With a strong demand in the domestic market, KRBL is well-positioned for growth and holds a market-leading position across various distribution channels, including general trade, modern trade and e-commerce.
- ◆ Growth prospects are further enhanced by the transition from loose to packaged rice, expanding distribution reach, the introduction of new products and the exploration of selected non-basmati rice varieties.

### Exports:

- ◆ KRBL maintains a strong presence in key export markets, solidifying its position as a leading player in the global rice trade.

- ◆ The Company is actively pursuing efforts to stimulate growth in new markets, diversifying its export footprint and expanding its customer base.

### Expansion:

By establishing new plants at strategic locations, KRBL is poised to meet growing demand and make inroads into the non-basmati rice segment, expanding its product portfolio and market reach. KRBL has successfully commenced commercial production at its new plant at Anjar, Gujarat. Another new plant in Karnataka's Gangavathi region is under construction. KRBL is also in process to establish a plant in Madhya Pradesh for which land has been identified and further due diligence and construction is in progress.

### Financial:

KRBL prioritises maintaining healthy margins and has ample capital availability, positioning the Company favourably for future growth. Furthermore, KRBL takes pride in being a zero-debt company, ensuring financial security and flexibility.

## 11. Company's Power Generation Overview

Installed Power Generation Capacity	
Particulars	2022-23
Total wind power project capacity	112.25 MW
Total solar power project capacity	17 MW
Total biomass capacity	17.59 MW

(in units MW)		
Particulars	2021-22	2022-23
Total wind power generated	20,74,43,141	19,70,13,121
Total solar power generated	2,48,91,889	2,11,41,836
<b>Total</b>	<b>23,23,35,030</b>	<b>21,81,54,957</b>

**₹97 Crore**  
Power revenue in FY23

## 12. Financial Performance

The Company recorded a total income of ₹5,45,601 Lakh, higher by 28% as compared to the previous year. Revenue from operations increased by 27% while Other Income increased by 117%. EBITDA of the Company stood at ₹1,03,157 Lakh in FY23 as compared to ₹70,475 Lakh in FY22.

### 12.1 Summary of Consolidated Income Statement

₹ Lakh		
Description	FY23	FY22
<b>Revenue</b>		
Revenue from Operations	5,36,323	4,21,056
Other Income	9,278	4,271
<b>Total Income</b>	<b>5,45,601</b>	<b>4,25,327</b>
<b>Expenses</b>		
Material Cost	3,78,490	3,06,177
Material Cost / Total Income (%)	69%	72%
Gross Profit	1,67,111	1,19,150
Gross Profit Margin (%)	31%	28%
Employee Benefit Expenses	12,060	10,444
Depreciation & Amortisation Expense	7,565	7,422
Other Expenses	51,894	38,231
Total Expenses	4,51,483	3,62,274
Total Expenses / Total Income (%)		85%
<b>EBITDA</b>	<b>1,03,157</b>	<b>70,475</b>
EBITDA Margin (%)	19%	17%
Finance Cost	1,474	1,340
<b>Profit Before Tax</b>	<b>94,118</b>	<b>61,713</b>
PBT Margin (%)	17%	15%
Tax Expense		
Current Taxation	24,890	16,567
Deferred Taxation	(870)	(794)
<b>Net Profit after Tax</b>	<b>70,098</b>	<b>45,940</b>
Other Comprehensive Income/(Expenses)	379	71
<b>Total Comprehensive Income</b>	<b>70,477</b>	<b>46,011</b>
Comprehensive Net Profit / Total Income (%)	13%	11%

## 12.2 Segment-wise Performance

The Company recorded the highest-ever Revenue from Operations at ₹5,36,323 Lakh in FY23. The Company recorded the highest-ever domestic revenue in FY23 at ₹3,33,539 Lakh. Export business also witnessed strong growth of 33% in FY23 over last financial year.

Description	₹ Lakh	
	FY23	FY22
Agri Segment		
• Export Sales	1,93,125	1,45,119
• Domestic Sales	3,33,539	2,64,783
Power Segment	9,659	11,154
Total	5,36,323	4,21,056

Note: All financial numbers are as per consolidated financials

## 12.3 Key Financial Ratios

Description	FY23	FY22
Operating Profit Margin (%) <sup>1</sup>	17.82	14.98
Net Profit Margin (%) <sup>1</sup>	13.07	10.91
Return on Net Worth (%) <sup>1</sup>	16.00	11.84
Return on Capital Employed (%) <sup>1</sup>	18.87	14.51

Description	FY23	FY22
Inventory <sup>2</sup> (₹ Lakh)	4,18,627	2,81,610
Trade Receivable (₹ Lakh)	28,506	28,934
Trade Payable (₹ Lakh)	11,973	18,057
Inventory Turnover Ratio <sup>2</sup>	2.64	2.09
Debtor Turnover Ratio	18.67	17.16

Description	FY23	FY22
Debt Equity Ratio <sup>3</sup>	0.05	0.04
Current Ratio	6.35	7.38
Interest Coverage Ratio <sup>4</sup>	64.85	47.05

Reason for change in ratio:

<sup>1</sup>Gross margin in FY 23 has improved against previous year mainly due to better realisations. As a result, Operating Profit margin, Net Profit margin, Return on Net Worth and Return on Capital Employed followed the trend in Gross Margin and these ratios improved against previous year.

<sup>2</sup> As basmati paddy crop season is from October to December, closing Inventory as on 30th September has been considered for calculating Inventory turnover ratio. Inventory turnover ratio improved on account of higher sales in current year

<sup>3</sup> Total borrowings of KRBL as of 31 March 2023 stood at Rs 20,136 lakh as compared to Rs 8,939 lakh as on 31 March 2022. Higher working capital borrowings is on account of higher inventory as on march end. Therefore, Debt Equity ratio is also marginally higher in current year.

<sup>4</sup> Interest coverage ratio has improved in current year as Profit before Interest, Taxes and exceptional items were higher in current year with respect to previous year.

Formula used for calculation of the ratios

Operating profit margin (%)	Profit before interest, taxes and exceptional items/Revenue from operations
Net profit margin (%)	Profit after tax/Revenue from operations
Return on net worth (%)	Profit after tax/Average Equity
Return on capital employed (%)	Profit before interest, taxes and exceptional items/ (Total Equity + Borrowings + Lease liability + Deferred tax liability)
Inventory turnover ratio	Net sales/Average of opening and closing inventories
Debtors' turnover ratio	Net sales/Average of opening and closing trade receivables
Debt equity ratio	Debt (Borrowing and lease liability)/Equity
Current ratio	Current assets/Current liabilities
Interest coverage ratio	Profit before interest, taxes/Finance costs

## 13. Human Resources

At KRBL Limited, a core part of the business strategy is to provide an environment where all employees feel enabled, empowered and committed. The Company's HR practices are aligned with industry best practices and have created a talent base, which helps it reinforce leadership across countries. These practices enable it to seamlessly integrate professionals from different socio-economic backgrounds, countries and cultures and invest in their formal and informal training. The Company is focusing on diversity hiring and on-boarding new talent from top FMCG organisations.

During the reporting year, KRBL Limited strived to strengthen its employee engagement across levels by providing an enriching work environment, undertook HR transformation projects at various levels and maintained an ongoing dialogue with its people.

KRBL Limited believes that its people are fundamental to great products, service and reputation. Therefore it is a constant endeavour to build

strong teams of passionate, dedicated and highly skilled workforce, both at corporate and plant level. The Company constantly introduces better systems and processes to enhance employee productivity.

KRBL Limited has been working towards developing, grooming and training its employees for next-level roles. It is inducting high-calibre talent to ensure that the Company has the right people, teams and skills to grow its business. Its HR approach is to ensure the overall growth of an employee. The Company strives to ensure that its employees are well-rounded, feel safe in the working environment and are motivated and productive in their personal and professional lives.

The Company's total employee strength as of 31 March, 2023 stood at 2,514.

## 14. Information technology

Information technology (IT) has been an integral part of the process of the Company and has been one of

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

## 15. Cautionary Statement

Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, among others, which are valid only at the time of making the statements. A variety of factors known or unknown, expected or otherwise, may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions. Readers may therefore appreciate the context in which these statements are made before making use of the same.



# DIRECTOR'S REPORT

## DIRECTORS' REPORT

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

The Board of Directors is delighted to present the 30<sup>th</sup> Annual Report on the business and operations of KRBL Limited ("the Company") along with the summary of standalone and consolidated financial statements for the year ended 31 March 2023.

In compliance with the applicable provisions of the Companies Act, 2013, ("the Act"), the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this Board's Report is prepared based on the standalone financial statements of the Company for the year under review.

### 1. OVERVIEW OF FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended March 31, 2023, are summarised as under:

(₹ in lacs, except as stated)

Particulars	Consolidated		Standalone	
	Year Ended 31 March 2023	Year Ended 31 March 2022	Year Ended 31 March 2023	Year Ended 31 March 2022
Revenue from operations	5,36,323	4,21,056	5,36,323	4,21,056
Other income	9,278	4,271	9,250	4,246
<b>Total income</b>	<b>5,45,601</b>	<b>4,25,327</b>	<b>5,45,573</b>	<b>4,25,302</b>
Operating expenditure	4,42,444	3,54,852	4,42,451	3,54,768
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>1,03,157</b>	<b>70,475</b>	<b>1,03,122</b>	<b>70,534</b>
Finance costs	1,474	1,340	1,473	1,340
Depreciation and amortisation expense	7,565	7,422	7,561	7,417
<b>Profit before tax (PBT)</b>	<b>94,118</b>	<b>61,713</b>	<b>94,088</b>	<b>61,777</b>
Tax expense:				
Current tax	24,890	16,567	24,890	16,567
Deferred tax credit	(870)	(794)	(870)	(794)
<b>Profit for the year</b>	<b>70,098</b>	<b>45,940</b>	<b>70,068</b>	<b>46,004</b>
Other comprehensive income for the year	379	71	300	39
Total comprehensive income for the year	70,477	46,011	70,368	46,043
<b>Earning per share (Face Value of ₹1 each)</b>				
i) Basic (in ₹)	<b>29.78</b>	<b>19.52</b>	<b>29.77</b>	<b>19.54</b>
ii) Diluted (in ₹)	<b>29.78</b>	<b>19.52</b>	<b>29.77</b>	<b>19.54</b>

### 2. STATE OF COMPANY AFFAIRS

The Financial Year 2022-23 marked as one of the significant year in terms of growth for the Company as your company has achieved the highest ever turnover in the history of the Company during the reported financial year.

The key highlights of the performance on a consolidated basis are as under:

- Company's Revenue from operations stood at ₹5,36,323 lacs (31 March 2022 ₹4,21,056 lacs).
- Company's Earnings before interest, tax, depreciation and amortisation (EBITDA) stood at ₹1,03,157 lacs (31 March 2022 ₹70,475 lacs).
- Company's Profit before tax (PBT) stood at ₹94,118 lacs (31 March 2022 ₹61,713 lacs).

- The Company's Profit after tax (PAT) stood at ₹70,098 lacs (31 March 2022 ₹45,940 lacs).
- Company's total comprehensive income for the year stood at ₹70,477 lacs (31 March 2022 ₹46,011 lacs).
- Company's Return on Capital Employed (ROCE) stood at 19%.
- Net Worth of the Company increased by 15.29% to ₹4,69,262 lacs (31 March 2022 ₹4,07,024 lacs).
- The Company achieved 7% CAGR growth in net sales, 10% CAGR growth in EBITDA and 12% CAGR growth in Net Profit over the last decade.
- Earnings per Equity Share (EPS) for the year stood at ₹29.78 (31 March 2022 ₹19.52).

Further detailed information on the Business overview, outlook and State of the affairs of the Company are discussed in detail in the Management Discussion & Analysis Report.

### 3. DIVIDEND

The Board of Directors of the Company, in their meeting held on 10 August 2023, had recommended a Final Dividend @ 100% ₹1/- equity share of face value of ₹1/- each for the year ended 31 March 2023. The proposed Dividend shall be paid subject to the approval of shareholders in the ensuing Annual General Meeting (hereinafter referred to as "AGM") of the Company. The Final Dividend as recommended by the Company is in accordance with the Dividend Distribution Policy of the Company framed pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"). The Dividend Distribution Policy of the Company may be accessed on the Company's website at the weblink [https://krblrice.com/policy-guidelines/REVISED\\_DIVIDEND\\_DISTRIBUTION\\_POLICY.pdf](https://krblrice.com/policy-guidelines/REVISED_DIVIDEND_DISTRIBUTION_POLICY.pdf)

### 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 2022-23, no entity became or ceased to be the Subsidiary, Joint Venture or Associate of the Company.

### 5. TRANSFER TO RESERVES

During the year under review, there was no amount transferred to any of the reserves by the Company.

### 6. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31 March 2023 is ₹2,354 lacs. There has been no change in the paid-up 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 of the Company.

### 7. TRANSFER OF UNCLAIMED DIVIDEND/ SHARES TO INVESTOR EDUCATION & PROTECTION FUND AUTHORITY

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 transferred an amount aggregating to ₹6,31,957 to the Investor Education and Protection Fund during the financial year 2022-23. This amount was lying unclaimed with the Company for a period of seven years or more after the declaration of dividend for the financial year 2014-15.

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) (IEPF Rules), during the financial year 2022-2023, the Company has transferred 10,963 equity shares which belongs to total 84 (Eighty Four) Shareholders whose dividend has not been paid or claimed for 7 (Seven) consecutive years or more as on the due date of transfer i.e. 05 November 2022, 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 National Securities Depository Limited.

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) (IEPF Rules), during the financial year 2023-2024 and as on the date of this AGM Notice, the Company has transferred 1,656 equity shares which belongs to total 27 (Twenty Seven) Shareholders whose Interim dividend for the Financial year 2015-16 has not been paid or claimed for 7 (Seven) consecutive years or more as on the due date of transfer i.e. 16 April 2023, 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 National Securities Depository Limited.

### 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

There have been no material changes or commitments that have affected the financial position of the Company between the close of FY 2022-23 till the date of this report.

### 9. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there has been no change in the nature of the business of the Company.

### 10. SEGMENT REPORTING

A separate reportable segment section forms part of notes to the Financial Statements.

### 11. CASH FLOW STATEMENT

The Cash Flow Statement of the Company for the financial year ending on 31 March 2023 has been prepared in accordance with Ind AS 7. The 'Statement of Cash Flows' is attached and forms part of the financial statements of the Company.

### 12. FAMILIARIZATION AND INDUCTION PROGRAMME FOR DIRECTORS INCLUDING INDEPENDENT DIRECTORS

Pursuant to Regulation 25(7), the Company has an orientation process/familiarization program for its directors (including Independent Directors), which includes sessions on various business and functional matters, and strategy sessions. The Company ensures induction and training programs are conducted for newly appointed Directors. New Independent Directors are taken through a detailed induction and familiarization program, including briefing on their role, responsibilities, duties, and obligations, the nature of the business and business model, matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

The details of the familiarization and training programs attended by Independent Directors are available on the Company's website at the weblink <https://krblrice.com/wp-content/uploads/2022/06/Familiarization.pdf>

### 13. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has two Subsidiaries viz., KRBL DMCC, Dubai (Comprises of a step down Wholly Owned Subsidiary) and K B Exports Private Limited, India. There is no Associate Company within the meaning of Section 2(6) of the Companies Act, 2013. Further, there hasn't been any material change in the nature of the business of the Subsidiaries during the financial year 2022-23.

The Consolidated Financial Statements of the Company for the financial year 2022-23 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 forming part of this Report.

Pursuant to the provisions of Companies Act, 2013, the Financial Statements of the Subsidiary Companies and the related information have also been made available for inspection by the members at the Corporate Office of the Company during business hours on all days except Sunday and Holiday, upto the date of ensuing AGM of the Company. 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 <https://krblrice.com/subsidiary-companies/> under the link Investor Relations.

### 14. BOARD OF DIRECTORS

#### Board Composition

The Board of the Company is comprised of eminent persons with proven competence and integrity. Besides the experience, strong financial expertise, strategic astuteness, and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation.

As on 31 March 2023, the Company's Board has a strength of 8 (Eight) Directors including 2 (Two) Woman Directors. 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	50
Independent Non-Executive Directors	4	50

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

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and the Articles of Association of the Company, all Directors except Independent Directors are liable to retire by rotation. During the year, Mr. Ashwani Dua, an Independent Non-Executive Director of the Company, resigned from the Directorship of the Company w.e.f. 09<sup>th</sup> January 2023 (after the closure of business hours), due to his pre-occupations. The Board placed on record their sincere appreciation for the guidance and contribution made by Mr. Ashwani Dua during his tenure as an Independent Non-Executive Director of the Company.

Further, Ms. Priyanka Mittal, Whole time Director of the Company was re-appointed as Whole time Director for a period of five years in the 29<sup>th</sup> Annual General meeting of the Company to hold office from 26 September, 2022 till 25 September, 2027.

In the opinion of the Board, all the directors, as well as the directors appointed/re-appointed during the year possess the requisite qualifications, experience and expertise and hold high standards of integrity.



### Declaration by Independent Directors

All Independent Directors of the Company have given their 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 criteria of independence specified in Section 149(6) of the 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, all directors except Independent Directors shall be liable to retire by rotation and out of that, one-third of such directors shall retire from the office every year. The directors who shall retire by rotation at every AGM shall be those who have been longest in the 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, Ms. Priyanka Mittal (DIN: 00030479), the Whole Time Director of the Company, being longest in her office amongst the Directors is liable to retire by rotation this year. However, being eligible, she has offered her candidature for re-appointment. This shall not constitute a break in the office of Ms. Priyanka Mittal as Whole Time Director of the Company.

### Appointment of Director

The Board on the basis of the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Surinder Singh (DIN: 08200756) as an Additional Independent Non -Executive Director of the Company, for a term of 5 (five) consecutive years with effect from 10th August 2023 subject to approval of the Shareholders of the Company.

### Brief resume of the Directors being appointed/re-appointed

As required, pursuant to the Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards-2 on General Meetings, the brief resume of Mr. Surinder Singh and Ms. Priyanka Mittal seeking appointment/re-appointment, which inter-alia includes the particulars w.r.t. the experience and expertise, list of other Companies in which they are holding Directorships, Committee Memberships/ Chairmanships and Inter-se relationships with other Directors is provided in the Notice calling AGM of the Company.

The Company is seeking approval of Shareholders for the appointment/re-appointment and the same is included in the Notice calling AGM of the Company. The Board recommends the appointment of Mr. Surinder Singh and re-appointment of Ms. Priyanka Mittal in the ensuing AGM of the Company.

### 15. AUDIT COMMITTEE

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The primary objective of the Committee is to monitor and provide 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.

As on 31 March 2023, the Audit Committee of KRBL Limited comprises of the following 4 (Four) Members, out of which 3 (Three) 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. 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 were accepted by the Board of Directors. The details of the Terms of Reference, Number of Audit Committee meetings held during the year and attendance of Audit Committee Members at such meetings etc. are provided in the Report on Corporate Governance.

### 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. Ashish Jain	Chief Financial Officer
6.	Ms. Jyoti Verma	Company Secretary

During the year, Mr. Raman Sapra had resigned from the position of Company secretary and Key Managerial Personnel of the Company w.e.f. 6<sup>th</sup> September 2022 (after the closure of business hours) and Ms. Jyoti Verma was appointed as Company Secretary under the category Key Managerial Personnel of the Company w.e.f. 26<sup>th</sup> September 2022.

### 17. POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, 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 the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy has been outlined below:

- To identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at any Senior Management level and recommend to the Board his / her appointment.
- To devise 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.
- To devise the criteria for evaluation of performance of the 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 of the Board. Further, to determine whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of the Independent Directors.
- To recommend to the Board on all remuneration in whatever form, payable to the Directors, the Key Managerial Personnel and the Senior Management.
- To develop a succession plan for the Board and the Senior Management and to regularly review the plan.
- To assist the Board in fulfilling all other responsibilities as may be expected from the Nomination and Remuneration Committee of the Company.

The full version of the Nomination and Remuneration policy of KRBL Limited may be accessed on the Company's website at the weblink <https://krblrice.com/policy-guidelines/nomination-remuneration-policy.pdf>

### 18. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD DURING THE FINANCIAL YEAR 2022-23

During the financial year 2022-23, 5 (Five) Meetings of the Board of Directors were held on 27 May 2022, 08 August 2022, 26 September 2022, 11 November 2022 and 03 February 2023. For details thereof, kindly refer to the section 'Board Meetings and Procedures - Details of the Board Meetings held and attended by the Directors during the financial year 2022-23' in the Report on Corporate Governance.

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

The ultimate responsibility for sound governance and prudential management of a company dwains with its Board. Hence, the Board must remain continually energized, proactive and effective.

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

The aspects covered in the evaluation include the contribution to and monitoring of the 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 in the Board and Committee Meetings.

The Companies Act, 2013, not only mandates the Board and Director's evaluation but also requires the evaluation to be formal, regular and transparent. Subsequently, the SEBI Listing Regulations also contain the provisions regarding the requirement of performance evaluation of the Independent Directors by the entire Board of Directors.

Following the framework, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the Board of Directors of the Company in its meeting held on 03 February 2023, had carried out the performance evaluation process.

The Independent Directors of the Company met separately without the presence of the Non-Independent Directors and inter-alia reviewed the performance of the Members of Management, the Non-Independent Directors and the Board as a whole. Further, the performance of the Chairman of the Company and the Committees were also reviewed in this meeting. The performance review conducted took into consideration the views of the Executive and Non-Executive Directors.

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

The Board Members had submitted to the 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 evaluated 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 to the best of their abilities in the overall growth of the organization.

### 20. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the Annual Accounts for the financial year ending on 31 March 2023, 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. Further, 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 2023 and of the profit of the Company for the financial year ending on 31 March 2023;
- 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 or any other irregularities;
- iv) that the Annual Financial Statements for the financial year ending on 31 March 2023 have been prepared on a going concern basis;
- v) that the Director's 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 the Director's 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 the operations, the performance and future outlook of the Company are being given separately under the head 'Management Discussion and Analysis' Report pursuant to Regulation 34 read with Part B of Schedule V of the SEBI Listing Regulations.

## 22. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION 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 Conservation of Energy, Research and Development, Technology Absorption, Adaptation and Innovation and Foreign Exchange Earnings and Outgo are attached as 'Annexure 2' and forming part of this Report.

## 23. DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

The particulars regarding the remuneration of the Directors and the KMPs as per Section 197 of the Companies Act, 2013, read with rules framed thereunder, are attached as "Annexure 3" and forming part of this Report. In terms of the first proviso to Section 136(1) of the Companies Act, 2013, the report and accounts are being sent to the members and others entitled thereto, excluding the information on Employees' remuneration particulars mentioned under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members during business hours on all days except Sunday and Holidays. Any Member interested in inspecting the same may write to the Company Secretary at the Registered Office/Corporate Office of the Company.

## 24. ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Annual Return of the Company containing the particulars as prescribed under Section 92 of the Companies Act, 2013, in Form MGT-7, is hosted on the Company's website <http://www.krblrice.com> under the link <https://krblrice.com/wp-content/uploads/2023/08/MGT-7-Annual-Return-FY-2022-23.pdf>. In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Registrar of Companies, with prescribed timelines.

## 25. AUDITORS AND AUDITORS' REPORT

### I) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), were appointed as the Statutory Auditors of the Company by the Shareholders in the 25<sup>th</sup> 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 30<sup>th</sup> AGM to be held in the calendar year 2023.

Upon the recommendation of the Audit Committee, the Board of Directors approves and recommends for shareholders' approval, the appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), for a Second term of 5 (five) years to hold office from the conclusion of ensuing 30<sup>th</sup> Annual General Meeting until the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company.

The observations made by the Statutory Auditors in their Report on the Audit of the Financial Statements (Standalone and Consolidated) and 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 on the Financial Statements (Standalone and Consolidated) contains a qualified opinion provided hereunder:-

#### Qualified Opinion in the Auditors' Report on the Standalone Financial Statements:

As stated in Note 47(C) to the accompanying Standalone Financial Statements, the Enforcement Directorate ('ED') is investigating the Company's Joint Managing Director ('JMD') Mr. Anoop Kumar Gupta under the Prevention of Money Laundering Act, 2002, for alleged involvement in Agusta Westland case.

Further, the ED has filled criminal complaint and made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and JMD. As further described in the said note, a review of the impact of allegations on the financial statement and its control environment was performed by an independent professional firm appointed by the Board of Directors during the year ended 31 March 2022 and as per their report, there is no conclusive evidence to ascertain impact of the aforesaid matter on the financial statement of the Company and its control environment. Pending the completion of ongoing investigation of the above matter by regulatory authorities, we are unable to comment on any adjustment that may be required to the standalone financial statements in this respect.

#### Qualified Opinion in the Auditors' Report on the Consolidated Financial Statements:

As stated in Note 46(C) to the accompanying Consolidated Financial Statements, the Enforcement Directorate ('ED') is investigating the Holding Company's Joint Managing Director ('JMD') Mr. Anoop Kumar Gupta under the Prevention of Money Laundering Act, 2002, for alleged involvement in Agusta Westland case. Further, the ED has filled criminal complaint and made certain allegations against the Holding Company, KRBL DMCC (a subsidiary of the Company) and JMD. As further described in the said note, a review of the impact of allegations on the financial statement and its control environment was performed by an independent professional firm appointed by the Board of Directors during the year ended 31 March 2022 and as per their report, there is no conclusive evidence to ascertain impact of the aforesaid matter on the financial statement of the Holding Company and its control environment. Pending the completion of ongoing investigation of the above matter by regulatory authorities, we are unable to comment on any adjustment that may be required to the consolidated financial statements in this respect.

The response of your Directors on the observation made by the Statutory Auditor is as follows:-

The Company had appointed an independent professional firm ('IP') to review the aforesaid allegations, to assess the impact, if any, on the financial statement and control environment of the Company and the IP has issued a report to the Board of Directors with respect to the aforesaid review. The board of the directors have discussed and approved the report, and has responded to the observation contained therein, basis that no further action is proposed. Based on the opinion taken from the independent legal counsel, the management is of the view that since the investigation is still ongoing no adverse opinion can be drawn.

The management of the Company is confident that the above stated matter will be resolved soon.

## II) COST AUDITORS

As per Section 148 of the Companies Act, 2013 read with notification issued by Ministry of Corporate Affairs regarding the Cost Audit of power 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-110034, as Cost Auditors of the Company to conduct the Cost Audit for the financial year 2023-24.

As required under the provisions of Companies Act, 2013, a resolution seeking members approval for the Ratification and confirmation of remuneration of Cost Auditors for the financial year 2023-24, forms part of the Notice calling AGM of the Company.

The Company is maintaining the requisite cost records pertaining to power segment whose turnover for the financial year 2022-23 is ₹9,560 lacs (excluding inter-unit sale).

Further, the Cost Audit Report for the financial year 2021-22 has been filed with Ministry of Corporate Affairs within due course of time.

## III) SECRETARIAL AUDITORS

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

The Secretarial Audit Report for the financial year 2022-23 as submitted by M/s DMK Associates in the prescribed form MR-3 is attached as 'Annexure 4' and forming part of this Report.

#### The observations given by the Secretarial Auditors in its Secretarial Audit Report along with explanation to the same is as below:

1. There was a delay of one working day in giving advance notice of record date to the Stock Exchanges under regulation 42(2) of SEBI LODR for which fine of ₹11,800/- (inclusive of 18% GST) each has been levied by the BSE & NSE respectively, which has been duly paid by the Company.
2. It is observed that the company's unit located at Alipur, Delhi have not complied with certain requirements under general laws applicable on it, 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.

The response of your Directors on the observation made by the Secretarial Auditor is as follows:-

1. The delay was inadvertent and the fine levied by NSE & BSE has been duly paid by the Company.
2. The Company is taking all necessary steps to comply with the requirements at Alipur, Delhi unit

#### IV) INTERNAL AUDITORS

The Company has appointed M/s. S S Kothari Mehta & Co., Chartered Accountants, having their office at Plot No. 68, Okhla Industrial Area, Phase-III, New Delhi-110020, as the Internal Auditor of the Company to focus on Internal Audit 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. SECRETARIAL STANDARDS

The Institute of Company Secretaries of India (has currently mandated compliance with the Secretarial Standards on board meetings and general meetings. During the year under review, the Company has complied with the applicable Secretarial Standards.

#### 27. CORPORATE GOVERNANCE REPORT

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

Your Company has periodically updated its corporate governance guidelines. We have also sincerely followed the best practices to boost the long-term shareholder value and also to respect the minority rights. We also perceive 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 best global standards for providing good corporate governance. The Companies Act, 2013 and the SEBI Listing Regulations have strengthened the governance regime in the Country. Your Company complies with the governance requirements provided under SEBI Listing Regulations.

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, a separate section on the Corporate Governance Report, forms an integral part of the Annual Report. A certificate from Practicing Company Secretary confirming compliance with corporate governance norms, as stipulated under the Listing Regulations, is annexed to the Corporate Governance Report.

The Board has also evolved and implemented a Code of Conduct based on the principles of good corporate governance and best management practices adopted globally. The Code is available on the Company's website at the weblink: <https://krblrice.com/codes/Code-of-Business-Conduct-and-Ethics.pdf>

The Company has also adopted the below mentioned policies and codes in line with the 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 for Disclosure of Event or Information.
- 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 made available on the Company's website under the link <https://krblrice.com/policies-codes-related-documents>.

#### 28. CSR & ESG COMMITTEE

The Board of Directors of the Company enhanced the scope of the 'CSR Committee', by amending the terms of reference to include a focus on Environmental, Social and Governance (ESG) aspects as well. It has also established a mechanism of focused discussions on ESG matters in Board meetings. The nomenclature of CSR committee of the Board has also been changed from CSR Committee to CSR & ESG Committee. By incorporating ESG principles into our CSR initiatives, we aim to address broader systemic challenges that influence our business at large.

The CSR & ESG Committee is functioning 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 and Mr. Vinod Ahuja, Independent Non-Executive Director.

The Company's policy on CSR envisages expenditure in areas falling within the purview of Schedule VII of the Companies Act, 2013 and as permitted under the applicable laws. The detailed CSR policy is available on the Company's website at the weblink <https://krblrice.com/policy-guidelines/policy-corporate-social-responsibility.pdf>

KRBL Limited believes that sustainable business growth rests on the triple bottom line approach, the growth of our people, safeguarding the environment where we operate. We also understand that the wellbeing of the community where we operate helps us grow our business and hence we value people around our operating facilities and promote inclusive growth. We endeavour to serve society and achieve excellence. We emphasize on improving the quality of life and engage with the communities by ensuring environmental sustainability, promoting healthcare, education and many other such activities.

The Annual Report on CSR activities is attached as 'Annexure 5' forming part of this Report.

#### 29. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

KRBL believes in communicating its ESG performance in a transparent manner and in line with it we are now moving from Business Responsibility Report (BRR) to the new reporting requirements on ESG parameters i.e. Business Responsibility & Sustainability Report (BRSR). We are proud to publish our 1st BRSR of the Company for the year 2022-23.

The BRSR would follow the format detailed in the amendment to Regulation 34(2) (f) of SEBI LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and will form a part of this Integrated Annual Report. The BRSR for Financial Year 2022-23 is aligned with the nine principles of the National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs, Government of India.

In compliance with the SEBI Listing Regulations, the BRSR disclosures are part of the Annual Report. It aims at describing KRBL's initiatives in discharging responsibilities from an Environmental, Social and Governance perspective. The BRSR is attached as 'Annexure 7' and forming part of this Report.

#### 30. 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 implemented 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.

The effectiveness of the IFC System of the Company is assessed by way of reporting by the independent professional firm on the testing of its design and operating effectiveness for the Financial Year ended 31 March 2023, who have confirmed in their report that the Company has, in all material respects adequate IFCs and such IFCs were operating effectively as of 31 March 2023, based on IFC criteria established by the Company, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India.

Further, Audit Committee interacts with the aforementioned independent professional firm, the Statutory Auditors and the 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 was observed. Accordingly, the Board believes that the Company's IFCs were adequate and effective during Financial Year 2022-23.

Kindly refer Statutory Auditors Report on IFC forming part of the Financial Statements.

#### 31. RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company and ensures its effectiveness. The main objective of the Committee is to assist the Board in identifying the different internal and external risks specifically faced by a listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks, or any other risk as may be determined by the Risk Management Committee. The Committee also suggests measures for risk mitigation including systems and processes for internal control of identified risks and formulate business continuity plan, etc. The Board of Directors in consultation with the Risk Management Committee has also developed Risk Management Policy for the Company which articulates the Company's approach to address the uncertainties of elements of risk in its endeavour to achieve its stated and implicit objectives.

#### 32. RATINGS

During the financial year 2022-23, the Company is holding various ratings, which are as follows:

- **CARE:** In September 2022, "CARE" has reviewed and reaffirmed "[CARE]A1+" rating for Commercial Paper (CP) Limits of KRBL Limited.
- **ICRA:** In November 2022, "ICRA" has reviewed and reaffirmed "[ICRA]AA- (Stable)" rating for Bank Limits on Long term scale and "[ICRA]A1+" rating for Bank Limits on Short term scale and Commercial Paper (CP) Limits of KRBL Limited
- **ICRA:** In February 2023, "ICRA" has reviewed and assigned "[ICRA] AA (Stable)" rating for Bank Limits on Long term scale and reaffirmed "[ICRA] A1+" rating for Bank Limits on Short term scale and Commercial Paper (CP) Limits of KRBL Limited.

### 33. DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any Deposits during the financial year 2022-23 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 2022-23.

### 34. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has adopted zero tolerance for sexual harassment at the workplace. The Company is committed in providing a protective environment at the workplace for all its women employees. The Company dedicatedly emphasised on creating a work environment where every woman employee is treated with dignity and respect, 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 the prevention of Sexual Harassment at the Workplace (Policy on POSH) and has also constituted an Internal Complaint Committee at all its respective locations in compliance with the requirement of the Act. The policy is available on the Company's website at the weblink: <https://krblrice.com/policy-guidelines/SEXUAL%20HARASSMENT%20POLICY.pdf>

The Company hasn't received any Complaints on Sexual Harassment during the financial year under review. 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 the 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 of 31 March 2023, 99.95% of the Company's Paid-up Equity Share Capital representing 23,52,82,701 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). Considering 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 a 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:-

### I. National Stock Exchange of India Limited (NSE)

"Exchange Plaza" C-1, Block G,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai-400 051

### II. BSE Limited (BSE)

PhirozeJeejeebhoy 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 2022-23, 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. PARTICULARS OF LOAN(S) FROM DIRECTORS UNDER SECTION 73 OF THE COMPANIES ACT, 2013

During the financial year 2022-23, the Company has availed loan of ₹2,657 lacs from Directors. The declarations in writing to the effect that the amount is not being given out of funds acquired by them by borrowing or accepting loans or deposits from others has also been received by the Company from the concerned Directors.

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

During the financial year 2022-23, 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 an arm's length basis are 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 2022-23, which was further approved by the Board. The transactions entered pursuant to the Omnibus Approval so granted and a statement giving details of all transactions with Related Parties are placed before the Audit Committee for their periodical review. The details of the Related Party Transactions as per Indian Accounting Standard (Ind AS) 24 are set out in Note 47 to the Standalone 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 6' and forming part of this Report.

The Company has a well-defined process of identification of related parties and transactions with related parties, its approval and review process. The Company has also adopted a Policy on Related Party Transactions, the same is also available on the Company's website at the weblink <https://krblrice.com/wp-content/uploads/2022/03/1.-Policy-on-Related-Party-Transactions..pdf>.

### 40. DISCLOSURE ON VIGIL MECHANISM (WHISTLE BLOWER POLICY)

Pursuant to the provisions of Section 177(9) 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 Company has not received any complaint from any Whistle Blower during the financial year 2022-23.

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

### 41. 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 the safety of all concerned compliances of environmental regulations and preservation of natural resources.

For the safety and protection of Employees, the Company has formulated and implemented a policy on the prevention of Sexual Harassment at the Workplace with an effective mechanism of lodging complaints.

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

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

### 43. DISCLOSURE ON MATERIAL LEGAL CASES

#### I) INCOME TAX DEMAND

In the year ended 31 March 2019, the Company had received assessment orders along with demand notices under Section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, aggregating to ₹126,920 lakh (including

interest), which was contested by the Company before CIT (Appeals), New Delhi. The Hon'ble CIT (Appeals) vide its order dated 11 March 2020, granted partial relief to the Company and reduced the said demand to ₹9,883 lakh (including interest). The Company had already deposited an amount of ₹18,990 lakh, (net of refund), under protest, in respect of tax demand raised by the ITD.

Later, the Company and the Income Tax Department ('ITD') had filed appeals before the Hon'ble Income Tax /Appellate Tribunal (Hon'ble Tribunal), New Delhi, for the matters sustained and set-aside at the CIT (Appeals) levels, respectively.

Further, the Company had also received penalty orders for A Y 2010-11 to 2016-17 on the issues sustained by CIT(A) to the tune of ₹11,896 lakh, against which appeals was filed before CIT(A).

Subsequently, the Hon'ble Tribunal vide its consolidated order dated 9 May 2022, has granted relief in favour of the Company reducing the liability to ₹96 lakhs (including interest) and has dismissed all the appeals filed by ITD. The sustained matter by the Hon'ble Tribunal has been remand back to the Income-tax officer for further review. Simultaneously, CIT(A) has also quashed the demand of penalty, raised by the assessing officer of ₹11,896 lakh. At the year end, the management has assessed ₹96 lakh as contingent liability and is evaluating available legal remedies.

The Board of Directors of the Company basis the legal assessment as undertaken by the management are confident that the Company has a favourable case and the remaining demand shall also be deleted at the ITAT level.

#### II) 9TH SUPPLEMENTARY COMPLAINT UNDER PMLA FILED BY DIRECTORATE OF ENFORCEMENT (ED)

The Company's Joint Managing Director, Mr. Anoop Kumar Gupta ('JMD'), had been detained and released on bail by the Directorate of Enforcement ('ED') pursuant to certain allegations against the Company, KRBL DMCC (a subsidiary of KRBL Limited) and JMD. As per criminal complaint filed it is alleged that M/s Rawasi Al Khaleej General Trading LLC ('RAKGT') had received proceeds of crime of USD 24.62 million in AgustaWestland case during the period 2008-2010 which in turn had been transferred to KRBL Limited through KRBL DMCC. Basis the affidavit filed by Balsharaf Group (one of the Customer of the Company) in the Hon'ble High Court of Delhi in the said matter, the amount of USD 24.62 million had been received by RAKGT in the account of Balsharaf Group. Pursuant to this, ED had attached 1,43,33,221 shares of Balsharaf Group held in KRBL Limited. Based on the opinion taken from the independent legal counsel, the management is of the view that since the investigation is still ongoing no adverse opinion can be drawn.

## ANNEXURE-1

The Company had appointed an independent professional firm ('IP') to review the aforesaid allegations, to assess the impact, if any, on the financial statement and control environment of the Company. Further during the current year, the IP has issued a report to the Board of Directors with respect to the aforesaid review. The board of the directors has discussed and approved the report, and has responded to the observation contained therein, basis that no further action is proposed.

However, pending the ongoing investigation on the above matter, no adjustment has been made in the financial statement. The management of the Company is confident that the above stated matter will be resolved soon.

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.

Since a complaint has been filed, it will take its legal recourse however, Neither KRBL nor anyone associated with it ever, directly or indirectly indulged in any unethical practice, whatsoever. KRBL always believes in the highest standards of corporate governance and transparency and is determined to take effective steps.

#### 44. INDUSTRIAL RELATIONS

The Company has been successfully maintaining a healthy, cordial and harmonious industrial relations at all levels. Despite the severe competition, the enthusiasm and unstinting efforts of the Employees have enabled the Company to remain at the forefront of the industry. It has undertaken various measures to improve productivity across the organization.

The Company has continuously received co-operation and unstinted support from the distributors, retailers, stockists, suppliers and others associated with the Company as its Trading Partners. The Directors wish to place on record their appreciation for the support. The Company will continue its endeavor to build and nurture strong bonding with its trade partners based on mutuality, respect and co-operation with each other and consistent with consumer interest.

Place: Noida, Uttar Pradesh  
Date: 10<sup>th</sup> August 2023

#### 45. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Pursuant to the Regulation 9 of the 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 Company's website at the weblink <https://krblrice.com/wp-content/uploads/2022/02/Code-of-Conduct-to-Regulate-Monitor-Report-Trading-by-Insiders.pdf>

#### 46. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- No application has been made or proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year.
- There are no details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

#### 47. APPRECIATION

The Directors wish to convey their deep appreciation to all the employees, customers, vendors, investors, and consultants/advisors of the Company for their sincere and dedicated services as well as their collective contribution to the Company's performance.

The Directors thank the Government of India, Governments of various States in India, Governments of various Countries, and concerned Government departments for their co-operation.

The Directors appreciate and value the contribution made by every member, employee, and their family.

For and on behalf of the Board of Directors

Sd/-  
**Anil Kumar Mittal**  
Chairman & Managing Director  
DIN-00030100

#### 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		K B Exports Private Limited	
		As on 31 March 2023	As on 31 March 2022	As on 31 March 2023	As on 31 March 2022
1.	Date since when subsidiary was acquired	08 October 2006		02 June 2010	
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA	NA
3.	Reporting currency	AED	AED	₹	₹
4.	Exchange rate to ₹ as on the last date of the relevant financial year in the case of foreign subsidiaries	22.37	20.62	NA	NA
5.	Share Capital	217	217	300	300
6.	Reserves & Surplus	702	671	(5)	(5)
7.	Total Assets	1373	1007	297	297
8.	Total Liabilities*	343	86	2	2
9.	Total Investments	-	-	-	-
10.	Turnover*	466	291	1	1
11.	Profit/(Loss) before taxation*	31	(64)	0	0
12.	Provision for taxation*	-	-	-	-
13.	Profit/(Loss) after taxation*	31	(64)	0	0
14.	Proposed Dividend	-	-	-	-
15.	Percentage (%) of Shareholding	100%	100%	70%	70%

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

- There are no subsidiaries of the Company, which are yet to commence operations
- There are no subsidiaries of the Company, which have been liquidated or sold during the year.

Part B of the Annexure is not applicable as there are no Associate Companies/ Joint Ventures of the Company as on 31 March 2023.

For and on behalf of the Board of Directors

Sd/-  
**Anil Kumar Mittal**  
Chairman & Managing Director  
DIN-00030100

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Jyoti Verma**  
Company Secretary  
M.No. F7210

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Place : Noida, Uttar Pradesh  
Date : 10<sup>th</sup> August 2023

## 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 diligently emphasizes on reducing energy consumption across its units. Besides sustaining the previous year's initiatives, the Company implemented new measures during the year under review. The Company's focus has been to adopt different environment-friendly initiatives when implementing various energy-saving projects at its units. The list of initiatives taken in this regard are as under:

##### At Dhuri, Punjab 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:

- Installed 1 X 3.7KW on Steam blower in Bran Prep.
- Installed 1 X 3.7KW on Air blower in Bran Prep.
- Installed 1 X 7.5KW on Vacuum pump in FA plant.
- Installed 1 X 22KW on Fan - 710B in Rice Mill line no. 4.
- Installed 1 X 15KW on De-stoner fan in Rice Mill line no. 2.
- Installed 1 X 5.5KW on Elevator in Old Sella Plant.
- Installed 1 X 18.5KW on Bag filter blower in Old Sella Plant.
- Installed 1 X 37KW on Cleaner blower in New Sella Plant.

Disclosure of Particulars with Respect to Conservation of Energy: 2022-23

##### (a) Power and Fuel Consumption

S. No	Particulars	Current Year	Previous Year
1.	Electricity		
	<b>(A) Purchased (Including Captive Solar Power)</b>		
	Unit	1,55,98,250	1,57,41,159
	Total Amount	11,78,83,506	12,44,17,468
	Rate/Unit	7.56	7.90
	<b>(B) Own Generation</b>		
	(i) Through Diesel Generator (DG)		
	Unit	6,05,208	5,49,846
	Units Per Itrs. of Diesel Oil	3.62	3.36
	Cost/Unit	24.91	26.72
	(ii) Through Steam Turbine		
	Unit	5,69,72,233	5,87,28,176
	Husk/Unit (in KG)	0.98	1.03
	Cost/Unit	5.04	3.98
	(iii) Through Captive Solar Power		
	Unit	21,51,913	13,34,724
	Cost/Unit	1.05	0.49
2.	Quantity	-	-
	Total Cost	-	-

- Installed 2 X 7.5KW on Reactor motor no. 1 & 2 in FA Plant.
- Installed 1 X 11KW on CWC pump in Compressor house.
- Installed 1 X 11KW on CWC pump in Compressor house.
- Installed 1 X 11KW on husk screen in Husk yard.
- Installed 1 X 18.5KW on Airation blower in ETP.

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

Division	Resources	Reduction
Rice	Energy Savings	2,53,141 kwh
	Carbon Reduction	2,07,130 CO2*

\*The conversion factor 0.81824 kgCO<sub>2</sub>/kWh in order to reach the final carbon reduction figure (Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual. Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge 2006). Energy savings of 2,53,141 kWh multiplied with this emission factor gives the final figures for carbon reductions.

##### (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 achieving cost reduction.

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

###### Total Energy Consumption is as under:

Particulars	(In Units)	
	As at 31 March 2023	As at 31 March 2022
Production Unit- Gautam Budh Nagar, Uttar Pradesh	1,90,77,911	1,94,06,245
Production Unit-Dhuri, Punjab	3,96,01,906	4,18,93,049
Packaging Unit-Barota, Haryana	59,93,256	56,78,913

###### Energy Consumption per MT of Production is as under:

Particulars	(In Units)	
	As at 31 March 2023	As at 31 March 2022
Production Unit - Gautam Budh Nagar, Uttar Pradesh		
Rice	118	125
Production Unit - Dhuri, Punjab		
Rice Bran Oil	165	182
Rice	113	116
Packaging Unit - Barota, Haryana		
Rice	32	35

#### B. RESEARCH AND DEVELOPMENT (R&D)

##### Disclosure of Particulars with respect to Research and Development (R&D): 2022-23

##### 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 R&D has been carried out by the Company in the Financial Year 2022-23:

- Development, testing and specification setting of packaging materials.
- Formulation and evaluation of agricultural inputs to enhance farm productivity, crop quality and other such applications.
- Development of new product line, identifying the changing market need, conceptualising and developing the product, creating a product roadmap, developing a minimum viable product (MVP), releasing the MVP to users and brainstorming of remodification based on user feedback.
- Process optimization and developing research methodologies for better process and product characteristics.

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

- Cost reduction, import substitution and strategic resource management.
- Quality evaluation and management of finished products and raw materials.
- Ensuring product quality and aesthetics.
- Entering new market segments and exploring diversification channels.
- Building competitive edge and business collaborations.

##### c) Future plan of action:

The Company's research & innovation team will continue to work on energy efficient processes like:

- Reducing packaging weight / volume.
- Roll out of new range of differentiated products matching international standards and quality.
- Improvement of process and efficient utilisation of resources.
- Enlarge the scope of agri-inputs options.
- 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 2022-23 as compared to previous year:

	2022-23	2021-22
i) Capital	Nil	Nil
ii) Recurring	598	553
iii) Total	598	553
iv) Total R&D expenditure as a percentage of total turnover	0.11%	0.13%

##### e) Certifications:

The Company is certified by FSSC 22000 issued by Eurofins, a globally recognized certification. The certification confirms that the organizations food safety management system is in conformance with the scheme requirements. It also showcases how the Company has been successful in maintaining compliance with international standards. Thus, ensuring top-notch product quality and safety attributes.

The Company also has Halal Certification, issued by Halal Certification Services India Pvt. Ltd. It confirms that the food product manufactured by KRBL is deemed safe for consumption.

Further, the Company is also certified with SQF Food Safety Code for Manufacturing Edition 9, issued by Eurofins. Safe Quality Food (SQF) Program is a rigorous and credible food safety and quality program, recognized by retailers, brand owners, and food service providers across the globe. This stringent farm-

to-fork food safety and quality certification helps food producers assure the buyers that the food products meet the highest possible global food safety standards.

The Company is also USDA registered.

The Company also has BRC Certification issued by Eurofins. BRCGS is a leading brand and consumer protection organization, recognised by over 29,000 certificated suppliers in more than 130 countries, with certification issued through a global network of accredited certification bodies. BRCGS' Standards certifies the standardization of quality, safety and operational criteria. The certification also ensures that the manufacturers fulfil 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: 2022-23

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

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

Technology innovations were successfully implemented to achieve the desired production, while ensuring the efficient use of raw material, energy and utilities.

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

Reduction in manufacturing cost despite an increase in the input costs. Launch of new product variants in addition to existing product portfolio.

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

###### i) Technology Imported (during the financial year 2022-23):

- i) During the financial year 2022-23, the Company has imported some spare parts and accessories from China, Hopsten - Germany and USA.
- ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.

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

###### ii) Technology Imported (during the financial year 2021-22):

- i) During the financial year 2021-22, the Company has imported some spare parts and accessories from Austria.
- 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 2020-21):

- i) During the financial year 2020-21, the Company has imported capital goods such as Sortex and Electric Forklift and other spare parts and accessories from UK and Japan.
- 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: 2022-23

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

The Company's primary income is derived from the manufacturing and selling of rice across the globe. The Company's highly qualified professional teams in Marketing, Distributors, Dealers and Retailers have helped the Company develop a sustainable growth strategy across different global markets. The Company's brand India Gate continues to command a significant premium over most other brands in the global industry. The Company's other brands have also garnered an overwhelming response in the overseas market.

##### ii) Total Foreign Exchange used and Earned:

The Company on Standalone basis, spent ₹15,518 lacs (P.Y. ₹13,547 lacs) in Foreign Exchange while Earnings in Foreign Exchange on mercantile basis were ₹1,90,348 lacs (P.Y. ₹1,43,356 lacs). Thus the net inflow in Foreign Exchange was ₹1,74,830 lacs (P.Y. ₹1,29,809 lacs) during the year under review.

For and on behalf of the  
Board of Directors

Sd/-  
**Anil Kumar Mittal**  
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 2022-23:

S. No.	Nature of Directorships Held & Name of Directors	Ratio of Median Remuneration
<b>1</b>	<b>Executive Directors</b>	
a)	Mr. Anil Kumar Mittal	85.37:1
b)	Mr. Arun Kumar Gupta	98.15:1
c)	Mr. Anoop Kumar Gupta	85.37:1
d)	Ms. Priyanka Mittal	67.26:1
<b>2</b>	<b>Non-Executive Directors*</b>	
b)	Mr. Ashwani Dua*	1.48:1
c)	Mr. Devendra Kumar Agarwal	1.87:1
d)	Ms. Priyanka Sardana	1.87:1
e)	Mr. Shyam Arora	1.87:1
f)	Mr. Vinod Ahuja	1.87:1

Directors are being paid with the sitting fees for attending the Board Meetings.

\*Mr. Ashwani Dua resigned as Non-Executive Independent Director of the Company w.e.f. 09<sup>th</sup> January 2023 (after the closure of business hours), due to his pre-occupations.

#### C. The percentage increase in the Median Remuneration of Employees in the Financial Year 2022-23: There was an increase of 12% in the Median Remuneration of Employees in the financial year 2022-23.

#### D. The Number of Permanent Employees on the rolls of the Company: 2,514

#### 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 salary of employees other than Managerial Personnel in 2022-23 was 13%, the average percentage increase in the Managerial Remuneration for the year was 20%.

#### F. Affirmation that the Remuneration is as per the Remuneration policy of the Company: The success of the Company's Remuneration policy is derived from the success and performance of the individual employees and the Company. Through its compensation package, the Company intends to attract, retain, develop and motivate high-performing employees. Individual performance pay is determined by the overall business performance. The performance of the individuals is measured through the annual appraisal process. During the year, no Managing Director / Whole-time Director of the Company received 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.

#### B. The percentage increase in Remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2022-23:

S. No.	Name	% Increase in remuneration
1.	Mr. Anil Kumar Mittal	19.96%
2.	Mr. Arun Kumar Gupta	19.96%
3.	Mr. Anoop Kumar Gupta	19.96%
4.	Mr. Ashwani Dua*	Nil
5.	Mr. Devendra Kumar Agarwal*	Nil
6.	Ms. Priyanka Mittal	19.94%
7.	Ms. Priyanka Sardana*	Nil
8.	Mr. Shyam Arora*	Nil
9.	Mr. Vinod Ahuja*	Nil
10.	Mr. Ashish Jain, Chief Financial Officer	8.96%
11.	Mr. Raman Sapra, Company Secretary <sup>#</sup>	9.05%
12.	Ms. Jyoti Verma, Company Secretary <sup>#</sup>	NA

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

<sup>#</sup> Mr. Raman Sapra has resigned from the position of Company Secretary w.e.f. closure of business hours on 06<sup>th</sup> September 2022 and Ms. Jyoti Verma was appointed as Company Secretary w.e.f. 26<sup>th</sup> September 2022.

**G. Employees employed throughout the financial year ended on 31 March 2023 and was in receipt of Remuneration for that financial year, in the aggregate not less than Rupees One Crore Two Lacs only or for a part of the financial year, was in receipt of remuneration for any part for that financial year, in the aggregate, not less than Rupees Eight Lakh and Fifty Thousand only per month:-**

Name	Designation	Remuneration (in ₹)	Age (In years)	Date of Commencement of Employment	Qualifications	Experience (In Years)	Name of Previous Employer	Nature of Employment
Mr. Anil Kumar Mittal	Chairman & Managing Director	2,16,39,600	72	30 March 1993	Arts Graduate from Delhi University	47	-	Contractual
Mr. Arun Kumar Gupta	Joint Managing Director	2,48,79,600	66	30 March 1993	Commerce Graduate from Delhi University	41	-	Contractual
Mr. Anoop Kumar Gupta	Joint Managing Director	2,16,39,600	64	30 March 1993	Science Graduate from Delhi University	37	-	Contractual
Ms. Priyanka Mittal	Whole Time Director	1,70,49,600	46	28 November 2000	Graduate from Harvard Business School's OPM programme, BS in Business Management from University of Southern California	26	-	Contractual
Mr. Ashish Jain	Chief Financial Officer	1,39,11,228	49	13 September 2021	Bachelors in BA-Economic Honors, MBA-Finance, CFO program from The Wharton School.	26	Delightful Gourmet Pvt Ltd.	Contractual

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

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director

DIN-00030100

Place: Noida, Uttar Pradesh

Date: 10<sup>th</sup> August 2023

## ANNEXURE-4

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
**The Members,**  
**M/s KRBL Limited**  
**CIN: L01111DL1993PLC052845**  
5190, Lahori Gate,  
New Delhi - 110006

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 conduct/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 2023 ("**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-A** 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 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 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 Investments ("ODI") and External Commercial Borrowings ("**ECB**"); (**No FDI and ECB was taken and no fresh ODI was made by the Company during the Audit Period**);
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") as amended from time to time:-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015( herein after referred as "**SEBI LODR**");

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, to the extent applicable;
- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not applicable to the Company during the Audit Period**)
- f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not applicable to the Company during the Audit Period**)
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable to the Company during the Audit Period**)
- h. The Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008; (**Not applicable to the Company during the Audit Period**) and
- i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Shares) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);

#### (vi) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT

As per the information provided and confirmed by the management, following specific sector law applicable on the Company are as follows:

- (i) Foods Safety & Standards Act, 2006 & Foods Safety & Standards (Licensing & Registration of Food Business), Regulations, 2011;
- (ii) The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964 and rules made thereunder;
- (iii) Legal Metrology Act, 2009 and Rules & Regulations made there under;
- (iv) The Punjab Agricultural Produce Market Act, 1961 and rules made thereunder;
- (v) 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 issued by The Institute of Company Secretaries of India (SS-1 and SS-2).
- (ii) The Listing Agreements entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following.

- i) *There was a delay of one working day in giving advance notice of record date to the Stock Exchanges under regulation 42(2) of SEBI LODR for which fine of ₹11,800/(inclusive of 18% GST)each has been levied by the BSE & NSE respectively, which has been duly paid by the Company on 18<sup>th</sup> October 2022*
- ii) *It is observed that the company's unit located at Alipur, Delhi have not complied with certain requirements under general laws applicable on it, 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 period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice of atleast seven days was given to all the 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. All decisions at Board and Committee Meetings are carried out with requisite majority of the members of the Board and committees, as the case may be. Further, as informed and verified from minutes, no dissent was given by any director in respect of the resolutions passed in the Board and the Committee Meetings.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate (s) issued by Vice President -GautamBudh Nagar Plant Mr. Manoj Saxena, Chief Operating Officer-Dhuri Plant Mr. Ravinder Kumar Sharma, Vice President-Sonepat Plant Mr. Puneet Bindlish, Chief Financial Officer Mr. Ashish Jain and Company Secretary & Compliance Officer Mrs. Jyoti Verma 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**

Sd/-  
**(Deepak kukreja)**  
FCS, LLB, ACIS (UK), IP  
Proprietor  
CP No. 8265  
FCS No. 4140  
Peer Review No. 2667/2022

Date : 10<sup>th</sup> August 2023  
Place: New Delhi  
UDIN : F004140E000776527

## ANNEXURE-A

**To,**  
**The Members,**  
**M/s KRBL Limited**  
**CIN: L01111DL1993PLC052845**  
5190, Lahori Gate,  
New Delhi – 110006

**Sub: Our report for the Audit Period is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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) In the year ended 31 March 2019, the Company had received assessment orders along with demand notices under Section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, aggregating to ₹126,920 lakh (including interest), which was contested by the Company before CIT (Appeals), New Delhi. The Hon'ble CIT (Appeals) vide its order dated 11 March 2020, granted partial relief to the Company and reduced the said demand to ₹9,883 lakh (including interest). The Company had already deposited an amount of ₹18,990 lakh, (net of refund), under protest, in respect of tax demand raised by the ITD.

Later, the Company and the Income Tax Department ('ITD') had filed appeals before the Hon'ble Income Tax /Appellate Tribunal (Hon'ble Tribunal), New Delhi, for the matters sustained and set-aside at the CIT (Appeals) levels, respectively.

Further, the Company had also received penalty orders for A Y 2010-11 to 2016-17 on the issues sustained by CIT(A) to the tune of ₹11,896 lakh, against which appeals was filed before CIT(A).

Subsequently, the Hon'ble Tribunal vide its consolidated order dated 9 May 2022, has granted relief in favour of the Company reducing the liability to ₹96 lakhs (including interest) and has dismissed all the appeals filed by ITD. The sustained matter by the Hon'ble Tribunal has been remand back to the Income-tax officer for further review. Simultaneously, CIT(A) has also quashed the demand of penalty, raised by the assessing officer of ₹11,896 lakh. At the year end, the management has assessed ₹96 lakh as contingent liability and is evaluating available legal remedies.

- (ii) A portion of land parcels and building thereupon, situated at Dhuri, Punjab was attached by the Directorate of Enforcement ('ED') to the extent of value of ₹1,532 lakh in connection with a money laundering investigation which is currently pending before the Special Judge, CBI Court. The Appellate Tribunal, PMLA, New Delhi, ("Appellate Tribunal") had restored the possession of the attached land on interim basis in favour of the Company. However, aforesaid attachment would continue till conclusion of the matter. Against the order of the Appellate Tribunal, ED had filed an appeal before the Hon'ble High Court of Delhi, which is pending for hearing. The Company filed an application before the Hon'ble High Court of Delhi for restoration of possession of the land in favour of the Company and High court allowed the Company to take physical possession of the said land parcels and building thereupon for specified purpose against the deposit of ₹1,113 lakh, (deposited on 5 November 2020), as an interim relief until conclusion of the aforesaid matter, without prejudice to the rights and contentions of the parties to be decided in the appeal. The management based upon the legal assessments, is confident that it has a favourable case and the said attachment shall be vacated and no adjustment is required in the accompanying Statement.

(iii) The Company's Joint Managing Director, Mr. Anoop Kumar Gupta ('JMD'), had been detained and released on bail by the Directorate of Enforcement ('ED') pursuant to certain allegations against the Company, KRBL DMCC (a subsidiary of KRBL Limited) and JMD. As per criminal complaint filed it is alleged that M/s Rawasi Al Khaleej General Trading LLC ('RAKGT') had received proceeds of crime of USD 24.62 million in AgustaWestland case during the period 2008-2010 which in turn had been transferred to KRBL Limited through KRBL DMCC. Basis the affidavit filed by Balsharaf Group (one of the Customer of the Company) in the Hon'ble High Court of Delhi in the said matter, the amount of USD 24.62 million had been received by RAKGT in the account of Balsharaf Group. Pursuant to this, ED had attached 1,43,33,221 shares of Balsharaf Group held in KRBL Limited. Based on the opinion taken from the independent legal counsel, the

management is of the view that since the investigation is still ongoing no adverse opinion can be drawn. The Company had appointed an independent professional firm ('IP') to review the aforesaid allegations, to assess the impact, if any, on the financial statement and control environment of the Company during the year ended 31 March 2022. Further during the Audit Period, the IP had issued a report to the Board of Directors with respect to the aforesaid review which was discussed and approved in their previously held meeting, wherein the Board of Directors had responded to the observations contained therein and basis that no further action was proposed.

Pending the ongoing investigation on the above matter, no adjustment has been made in the financial statements. The management of the Company is confident that the above stated matter will be resolved soon.

**FOR DMK ASSOCIATES  
COMPANY SECRETARIES**

Sd/-  
**(Deepak kukreja)**  
FCS, LLB, ACIS (UK), IP  
Proprietor  
CP No. 8265  
FCS No. 4140  
Peer Review No. 2667/2022

Date : 10<sup>th</sup> August 2023  
Place: New Delhi  
UDIN : F004140E000776527

## ANNEXURE-5

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES PARTICULARS OF REMUNERATION

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

#### 1. Brief outline on CSR Policy of the Company:

In accordance with the provisions of Section 135 of the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), as amended and modified from time to time, the Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society. The CSR Policy of the Company specifies the projects and programs that can be undertaken by the Company, directly

or indirectly, the modalities of execution and the monitoring thereof. The CSR Policy has been uploaded on the website of the Company at <https://krblrice.com/policy-guidelines/policy-corporate-social-responsibility.pdf>

#### Our CSR Vision:

Endeavour to serve the society and achieve excellence.

#### Our CSR Mission:

Play an active role in transforming the lives of communities by improving their socio-economic conditions.

#### 2. Composition of CSR Committee and Attendance Record:

The Composition of CSR Committee of KRBL Limited along with the attendance details of CSR Committee members for the financial year 2022-23 are as follows:

S. No.	Name	Designation/Nature of Directorship	Number of meetings of CSR Committee held during year	Number of meetings of CSR Committee attended during year
1	Mr. Anil Kumar Mittal	Chairman - Executive & Chairman & Managing Director	2	2
2	Mr. Anoop Kumar Gupta	Member - Executive & Joint Managing Director	2	2
3	Mr. Ashwani Dua*	Member - Independent Non-Executive Director	2	1
4	Ms. Priyanka Mittal#	Member - Executive & Whole-Time Director	2	0
5	Mr. Vinod Ahuja	Member - Independent Non-Executive Director	2	2

\* Mr. Ashwani Dua, an Independent Non-Executive Director of the Company, ceased to be a member of CSR Committee and Director on the Board of KRBL Limited w.e.f. 09 January 2023 (after the closure of business hours), due to his pre-occupations.

# Ms. Priyanka Mittal, ceased to be a member of CSR Committee of KRBL Limited w.e.f. 27 May 2022 due to pre-occupation.

#### 3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

##### CSR Committee

<https://krblrice.com/committees-of-board-of-directors/>

##### CSR Policy

<https://krblrice.com/policy-guidelines/policy-corporate-social-responsibility.pdf>

##### CSR Project/Programs

<https://krblrice.com/wp-content/uploads/2023/08/CSR-projects-2022-23.pdf>

#### 4. Provide the executive summary along with Web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

The Company at present is not required to carry out impact assessment of its CSR Projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 since the CSR project of Maharaja

Agrasen Technical Education Society for the Construction of Civil Structure Building at Maharaja Agrasen Institute of Technology, New Delhi and the CSR project of The Akshaya Patra Foundation for Setting up the Centralized Kitchen in Gautambudh Nagar, Uttar Pradesh, with the capacity to serve 25,000 mid-day meals per day to school childrens, are under progress.

#### 5. (a) Average Net Profit of the Company as per section 135(5): ₹70650 Lacs

(b) Two percent of average net profit of the Company as per section 135(5) : ₹1413 Lacs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

(d) Amount required to be set-off for the financial year, if any: ₹131 Lacs

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹1282 Lacs

#### 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹34 Lacs

(b) Amount spent in Administrative Overheads: ₹ NIL

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹34 Lacs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (₹ in lacs)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
	1248	29 <sup>th</sup> April 2023	-	-	-

(f) Excess amount for set off, if any:

S. No.	Particular	Amount (₹ in lacs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	1413
(ii)	Total amount spent for the Financial Year	34
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.00

#### 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

S. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under section 135 (6)	Amount spent in the financial year	Amount transferred to a fund as specified under Schedule VII to subsection (6) of section 135, if any	Amount remaining to be spent in succeeding financial years	Deficiency, if any
				Amount	Date of Transfer		
1	FY-1	1314	1314	66	0.00	-	1248
2	FY-2	1271	1130	576	0.00	-	554
3	FY-3	-	-	-	-	-	-

#### 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address

For and on behalf of the Board of Directors

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director  
and Chairman-CSR Committee

DIN-00030100

Place: Noida, Uttar Pradesh

Date: 10<sup>th</sup> August 2023

## ANNEXURE-6

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.

- Name(s) of the related party and nature of relationship: **N.A.**
- Nature of contracts/ arrangements/ transactions: **N.A.**
- Duration of the contracts/ arrangements/ transactions: **N.A.**
- Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- Justification for entering into such contracts or arrangements or transactions: **N.A.**
- Date(s) of approval by the Board: **N.A.**
- Amount paid as advances, if any: **N.A.**
- 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.

- Name(s) of the related party and nature of relationship: **N.A.**
- Nature of contracts/ arrangements/ transactions: **N.A.**
- Duration of the contracts/ arrangements/ transactions: **N.A.**
- Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- Date(s) of approval by the Board, if any: **N.A.**
- Amount paid as advances, if any: **N.A.**

For and on behalf of the Board of Directors

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director

DIN-00030100

Place: Noida, Uttar Pradesh

Date: 10<sup>th</sup> August 2023

# ANNEXURE-7

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L01111DL1993PLC052845
2	Name of the Company	KRBL Limited
3	Year of Incorporation	30-03-1993
4	Registered office address	5190, Lahori Gate, Delhi – 110006
5	Corporate office address	C-32, 5 <sup>th</sup> & 6 <sup>th</sup> Floor Sector-62 Noida – 201301 (UP), India
6	E-mail id	<a href="mailto:investor@krblindia.com">investor@krblindia.com</a>
7	Telephone	+91-120-4060300
8	Website	<a href="http://www.krblrice.com/">http://www.krblrice.com/</a>
9	Financial year for which reporting is being done	FY 2022-23
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) Bombay Stock Exchange Limited (BSE)
11	Paid-up capital	₹23.54 Cr (As on 31.03.2023)
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. Jyoti Verma, Company Secretary and Compliance Officer, Email: <a href="mailto:investor@krblindia.com">investor@krblindia.com</a> Telephone: +91-120-4060300
13	Reporting Boundary	The disclosures made under this report are on a standalone basis

#### II. Products/services

##### 14. Details of business activities (accounting for 90% of the turnover):

S. No	Description of main activity	Description of business activity	% of turnover
1	Manufacturing	Manufacture of Food Products	98.2
2.	Electricity Supply	Electric Power Generation	1.8

##### 15. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Manufacture of Food Products (Rice, Chia Seeds, Flax Seeds, Quinoa, Glucose etc.)	106	98.2
2	Electric Power Generation (Solar Energy and other non-conventional sources)	351	1.8

#### III. Operations

##### 16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	4*	2	6
International	-	-	-

\*Above does not include the Anjar Gujarat manufacturing plant which commenced production in June, 2023.

#### 17. Markets served by the entity

##### a. Number of locations

Locations	Number
National (No. of states)	Pan India
International (No. of countries)	90+

KRBL Limited has a strong distributor network spread across India. The Company's products are exported to more than 90 countries spread across the globe. KRBL Limited is also a leader in the Basmati Rice consumer market in the branded rice segment.

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

35.67%

##### c. A brief on types of customers

KRBL Limited has a robust customer base that spans across the globe, catering to three categories of consumers: end-consumers, channel partners, and institutional buyers. End-consumers currently purchase company's products through retail and e-tail. Channel partners include distributors, dealers (wholesalers) and retailers. Institutional buyers include modern trade, hotels, restaurants, caterers, and E-commerce partners. Many of our customers have been with the company for over 25 years now, which demonstrates long-term and strong relationships the company has with them.

#### IV. Employees

##### 18. Details as at end of financial year

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1	Permanent (D)	1,636	1,602	98%	34	2%
2	Other than Permanent (E)	208	208	100%	-	-
3	<b>Total employees (D+E)</b>	1,844	1,810	98%	34	2%
<b>WORKERS</b>						
4	Permanent (F)	878	828	94%	50	6%
5	Other than Permanent (G)	320	266	83%	54	17%
6	<b>Total workers (F+G)</b>	1,198	1,094	91%	104	9%

As per SEBI, the term "permanent employee or "permanent worker" refers to an employee or worker employed for full-time or part-time work, for a period of time that is not determined.

Similarly, the term "other than permanent employee" or "other than permanent worker" is used for employees or workers employed for a specific period, or on completion of a specific task/event such as the end of a project or the return of an employee who had been replaced. In case of "Other than permanent" employees or workers, employment can take place directly on the part of the entity or through third-party contractors.

The Company has made disclosures in consonance with these definitions.

**b. Differently abled employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	-	-	-	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	Total differently abled employees (D+E)	-	-	-	-	-
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total differently abled workers (F+G)	-	-	-	-	-

**19. Participation/inclusion/representation of women:**

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	8	2	25
Key Management Personnel*	6	2	33

\* Comprising Chairman & Managing Director, Joint Managing Directors, Whole-time Director, Chief Financial Officer and Company Secretary

**20. Turnover rate for permanent employees and workers:**

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.26%	22.95%	12.48%	11.96%	30.77%	12.36%	7.46%	34.78%	8.07%
Permanent Workers	13.69%	5.88%	13.27%	15.97%	5.83%	15.50%	10.32%	5.88%	10.14%

**V. Holding, subsidiary and associate companies (including joint ventures)**
**21 a) Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of Holding/Subsidiary/ Associate Companies/Joint Venture (A)	Indicate whether Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of listed entity? (Yes/No)
1	<b>KRBL DMCC Group (includes step down wholly owned subsidiary)</b>	Subsidiary	100%	Yes
2	<b>K B Exports Private Limited</b>	Subsidiary	70%	Yes

## VI. CSR Details

22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) for the Financial Year ended 31 March 2023

₹5,363 Crores

(iii) Net worth (in ₹) as on 31 March 2023

₹4,684 Crores

## VII. Transparency and Disclosures Compliances

### 23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Any person or entity that is impacted by the business operations is considered a stakeholder by the company. We place great importance on stakeholder confidence and timely resolution of their grievances. Our website provides contact information for Investor Grievances, as well as details of the Nodal Officer for Investor Education and Protection Fund Authority (IEPF). All employees have access to and can use the Human Resources (HR) Connect portal to raise any type of grievance, and they can also directly contact the HR department for their concerns. The company adheres to several policies, such as the Vigil Mechanism (Whistle-blower policy) [https://krblrice.com/policy-guidelines/Vigil-Mechanism-\(Whistle-Blower%20Policy\).pdf](https://krblrice.com/policy-guidelines/Vigil-Mechanism-(Whistle-Blower%20Policy).pdf) and Grievance Redressal Policy, <https://krblrice.com/Stakeholders%20Grievance%20Redressal%20Policy.pdf> available on the Company's website at <https://krblrice.com/investor-relation/>.

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place	FY 2022-23			FY 2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes. We have a dedicated email id <a href="mailto:investor@krblindia.com">investor@krblindia.com</a> where investors/shareholders can raise their grievances or queries. The Website of the Company has a separate section which provides the contact details for specific grievances of Investors <a href="https://krblrice.com/investor-support/">https://krblrice.com/investor-support/</a>	-	-	General Queries with regard to dividend/ Annual Report/IEPF Shares were received and addressed within due course of time.	-	-	-
Shareholders		-	-		2	Nil	-

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place	FY 2022-23			FY 2021-22		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Employees and workers	<p>Yes. KRBL Limited maintains a Human Resources Management System (HRMS) portal for its employees. The portal provides a helpdesk to employees for resolving any complaints.</p> <p>The company has instituted Works Committee, Grievance Handling Committee and Safety Committee which looks into any grievances of the workers.</p>	6	Nil	-	8	Nil	-
Customers	<p>Yes. KRBL Limited is committed to providing exceptional customer service and has implemented dual touchpoints to address any customer complaints related to KRBL Limited's products. Customers can reach out to us through toll-free customer care number, 1800-102-5290, or via customer care email, <a href="mailto:customercare@krblindia.com">customercare@krblindia.com</a>.</p>	304	Nil	-	318	Nil	-
Value Chain Partners	Yes	16	Nil	-	16	Nil	-
Other (please specify)	-	-	-	-	-	-	-

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

Identification of environmental, social and governance topics is pertinent to our business conduct. We are cognizant of the fact that these issues are significant to our stakeholders as well as our business operations. To this effect, we have conducted a materiality mapping exercise with a diversified group of stakeholders and identified 10 material topics/issues which are detailed in the table below:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	<b>Product Quality and Safety</b>	R	<p>KRBL Limited operates in the food and agriculture sector. Product quality and safety are material ESG (Environmental, Social, and Governance) risks that the Company addresses regularly because of the following reasons:</p> <ul style="list-style-type: none"> <li>• Consumer Health and Safety: Consumer health and safety are core ethical values for our business. The Company's products are consumed by individuals worldwide, and it remains steadfast in its dedication to delivering products that consistently uphold rigorous standards of quality and safety.</li> <li>• Supply Chain Risks: KRBL Limited procures paddy from the APMC Mandis, and any issues related to the quality of the paddy &amp; rice procured can impact the quality of the final product. Thus ensuring that the Company continues to source rice from suppliers based on superior grain quality is important.</li> <li>• Reputation: KRBL Limited's reputation is critical to its success, and any adverse news related to the quality and safety of its products can affect its brand reputation, which can have long-term negative effects on the business. As a company that exports its products worldwide, KRBL Limited ensures that it meets international quality and safety standards to maintain its reputation as a premium Basmati rice-brand.</li> </ul>	<p>In order to meet product quality and safety requirements, the company has ensured compliance with various certifications standards: some of them are:</p> <ul style="list-style-type: none"> <li>• FSSC 22000 issued by Eurofins</li> <li>• Halal Certification issued by Halal Certification Services India Pvt Ltd.</li> <li>• SQF Food Safety Code for Manufacturing Edition 9, issued by Eurofins</li> <li>• BRC Certification issued by Eurofins</li> </ul>	Negative
2	<b>Ethics and Governance</b>	O	<p>Good ethics and governance practices improve overall company performance and boost consumer confidence. This has been categorized as an opportunity because of the following reasons:</p> <ul style="list-style-type: none"> <li>• Reputation and Brand Value: By ensuring that its business practices are transparent, ethical, and compliant with local and international laws and regulations, KRBL Limited is able to enhance its reputation and brand value, which would lead to increased customer loyalty and trust.</li> <li>• Competitive Advantage: Companies that prioritize ethics and governance in their business practices are more likely to gain a competitive advantage, as they are better positioned to attract investors, customers, and employees who prioritize ethical and sustainable business practices.</li> </ul>	NA	Positive



- Risk Mitigation: By implementing robust governance structures and policies, KRBL Limited mitigates risks related to unethical practices, such as corruption and conflicts of interest, which can lead to legal, financial, and reputational damage.
- Improved Stakeholder Engagement: By prioritizing ethics and governance, KRBL Limited improves stakeholder engagement and builds stronger relationships with investors, customers, and other stakeholders, which would lead to increased collaboration, innovation, and growth.
- Long-term Sustainability: By focusing on ethics and governance, KRBL Limited ensures long-term sustainability of its business by reducing risks, enhancing reputation, and building a culture of trust and transparency.

3. <b>Responsible Marketing and Communication</b>	○	<p>KRBL Limited ships products across the world and brand communication influences consumer decisions. This issue has been categorized as an opportunity because of the following reasons:</p> <ul style="list-style-type: none"> <li>• Consumer Trust: By adopting responsible marketing and communication practices, KRBL Limited is able to build trust with consumers, leading to increased loyalty and repeat purchases. Consumers are increasingly conscious of the impact of their purchasing decisions on the environment and society, and companies that prioritize responsible marketing and communication can attract and retain these consumers.</li> <li>• Reputation and Brand Value: By communicating transparently and responsibly about its products and business practices, KRBL Limited enhances its reputation and brand value, leading to increased customer loyalty, investor confidence, and stakeholder trust.</li> <li>• Social and Environmental Impact: Responsible marketing and communication help KRBL Limited showcase its positive impact on society and the environment, such as its efforts to promote sustainable agriculture practices and support local farmers. This can enhance its social license to operate and attract socially responsible investors.</li> <li>• Legal and Regulatory Compliance: By adopting responsible marketing and communication practices, KRBL Limited ensures compliance with local and international laws and regulations related to advertising, labelling, and product claims, reducing the risk of legal and financial liabilities.</li> </ul>	NA	Positive
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4. <b>Health, Safety and Well-Being</b>	<b>R</b>	<p>KRBL Limited ensures highest level of health and safety through its production process by identifying Health, Safety and Well-Being as a key material risk for the following reasons:</p> <ul style="list-style-type: none"> <li>• Employee Well-being: KRBL Limited's employees are its most valuable asset, and their well-being is crucial to the company's success. A safe and healthy work environment will lead to decreased employee turnover, increased productivity, and enhanced brand reputation.</li> <li>• Occupational Health and Safety: KRBL Limited's operations involve various risks such as machinery hazards, chemical exposure, and physical strain.</li> <li>• Supply Chain Risks: KRBL Limited sources its raw materials from various suppliers, and proper health and safety practices across their operations would lead to decreased risks of supply chain disruptions, product recalls, and legal liabilities.</li> <li>• Community Health and Safety: KRBL Limited's production processes can also have an impact on the health and safety of the surrounding communities.</li> <li>• Regulatory Compliance: Non-compliance with health and safety regulations can result in legal and financial liabilities for KRBL Limited, leading to reputational damage and financial losses.</li> </ul> <p>In conclusion, health, safety, and well-being can be seen as a material ESG risk for KRBL Limited, leading to potential risks such as occupational hazards, community health risks, employee well-being, supply chain risks, and legal and financial liabilities. By prioritizing health, safety, and well-being in its operations and supply chain, KRBL mitigates these risks and ensures the sustainability of its business.</p>	<p>We have undertaken the following risk mitigation measures:</p> <ul style="list-style-type: none"> <li>• KRBL Limited has in place a Standard Operating Procedure for Operational Rescue Measure to ensure business continuity and the safety of employees</li> <li>• First aid room available with trained first aiders.</li> <li>• Proper PPE kits have been provided to workers</li> <li>• Relevant safety equipment such as gloves, safety shoes, ear plugs, helmets etc. have been provided to workers</li> <li>• Training on emergency preparedness and use of fire extinguisher are provided on a periodic basis</li> <li>• For safe disposal of waste (used oils) generated through milling machine repair and maintenance, used oils are discarded through an external waste management agency.</li> <li>• For lifts, Annual Maintenance Contract with Original Equipment Manufacturer (OEM) has been processed and periodic meetings for the same are conducted.</li> </ul>	Negative
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5. <b>Emissions</b>	R	Emissions have been categorized as a risk since KRBL Limited's operations involve various emissions such as greenhouse gases, particulate matter, and volatile organic compounds, which can have adverse effects on the environment and public health. The company also relies on fossil fuels for energy generation, which can contribute to climate change. Failure to address emissions can lead to adverse living conditions for society and accelerated climate-change. Addressing emission concerns timely helps us stay ahead of increased regulatory scrutiny, reputational damage, and financial losses.	<ul style="list-style-type: none"> <li>• The Company uses rice-husk as a primary fuel to power its boilers. Hence reducing its dependence on traditional fossil fuel and grid electricity which has a lower energy to emission ratio in comparison to rice-husk.</li> <li>• The plants are strategically located near the paddy producing markets thus optimising transportation related emissions.</li> <li>• Our Gujarat plant which caters to the overseas markets is strategically located close to the port further optimizing our downstream emissions.</li> <li>• Highly efficient ESP chimneys are installed across manufacturing units and are cleaned properly by trained staff</li> <li>• DG stack emission testing is conducted regularly</li> <li>• Masks are provided to workers</li> </ul>	Negative
6. <b>Waste Management</b>	O	Waste management is categorised as an opportunity since the company's operations generate various forms of waste, such as agricultural waste, packaging waste, and wastewater, which can have adverse environmental impacts. By adopting sustainable waste management practices, KRBL Limited reduces its environmental footprint, conserves resources, and minimizes waste disposal costs. Sustainable waste management can also enhance KRBL Limited reputation as a responsible and environmentally conscious company, leading to increased stakeholder trust and support. By prioritizing waste management, KRBL Limited is able to align its business operations with sustainable development goals, drive long-term growth, and contribute to a more sustainable future.	NA	Positive
7. <b>Sustainable Packaging</b>	O	Sustainable packaging can be seen as an opportunity since the company's packaging operations involve the use of various materials such as plastic, paper, and cardboard, which can have adverse environmental impacts. By adopting sustainable packaging practices, such as using eco-friendly materials and reducing packaging waste, KRBL Limited minimizes its environmental footprint, conserves resources, and reduces its packaging costs. Sustainable packaging can also enhance KRBL Limited's reputation as a responsible and environmentally conscious company, leading to increased stakeholder trust and support.	NA	Positive

8.	<b>Climate Resilient Agriculture</b>	R	Climate resilient agriculture has been categorised as a risk since KRBL Limited's operations are highly dependent on weather patterns, and climate change can adversely affect the company's production and profitability. Climate resilient agriculture practices help KRBL Limited mitigate the risks associated with climate change by adapting to changing weather patterns, conserving resources, and reducing greenhouse gas emissions. Failure to adopt climate resilient agriculture practices can lead to decreased crop yields, increased production costs, and reputational damage. By prioritizing climate resilient agriculture, KRBL Limited aligns its business operations with sustainable development goals, improve its resilience to climate change, and contribute to a more sustainable future.	<ul style="list-style-type: none"> <li>• KRBL Limited's R&amp;D cell, in collaboration with the PUSA institute, has introduced improved seed varieties (1886 and 1667) to improve crop resistance to pests and diseases</li> <li>• KRBL Limited provides farmers with Integrated Pest Management (IPM) Kits</li> <li>• Water treatment facilities have been set up with the help of R&amp;D cell at all company units to ensure re-use of water across subsidiary activities.</li> </ul>	Negative
9	<b>Community Relations</b>	O	Community operations is categorised as an opportunity for KRBL Limited as its operations have a significant impact on the surrounding communities, and by adopting sustainable community practices, the company can enhance its social impact, increase stakeholder engagement, and improve its reputation. Sustainable community operations can include initiatives such as supporting local farmers, investing in community development programs, and engaging with stakeholders to address community concerns. By prioritizing sustainable community operations, KRBL Limited aligns its business operations with sustainable development goals, fosters positive relationships with its stakeholders, and contributes to the social and economic development of the communities it operates in.	NA	Positive
10	<b>Sustainable Sourcing</b>	O	Sustainable sourcing has been identified as an opportunity since the company's supply chain involves various stakeholders, including farmers, suppliers' distributors, and by adopting sustainable sourcing practices, KRBL Limited minimizes its environmental footprint, improving the welfare of workers and farmers, and enhancing its reputation. Sustainable sourcing practices can include initiatives such as promoting sustainable agriculture practices, reducing waste in the supply chain, and ensuring fair labour practices. By prioritizing sustainable sourcing, KRBL Limited aligns its business operations with sustainable development goals, increase stakeholder engagement, and contribute to a more sustainable and equitable supply chain.	NA	Positive

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURE**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

<b>P1</b>	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
<b>P2</b>	Businesses should provide goods and services in a manner that is sustainable and safe
<b>P3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains
<b>P4</b>	Businesses should respect the interests of and be responsive towards all its stakeholders
<b>P5</b>	Businesses should respect and promote human rights
<b>P6</b>	Businesses should respect, protect and make efforts to restore the environment
<b>P7</b>	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
<b>P8</b>	Businesses should promote inclusive growth and equitable development
<b>P9</b>	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>POLICY AND MANAGEMENT PROCESSES</b>									
<b>1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>b. Has the policy been approved by the Board? (Yes/ No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>c. Web link of the policies, if available</b>	The policies related to all the aforementioned 9 principles are available on the company's website <a href="https://krblrice.com/policies-codes-related-documents/">https://krblrice.com/policies-codes-related-documents/</a> under the link "Investor Relations." However, the internal policies of the company pertaining to employment, leave, and product quality are available on the company's intranet only.								
<b>2. Whether the entity has translated the policy into procedures. (Yes / No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/ No)</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y
<b>4.Name the national and international codes/ certifications/ labels/ standards</b>	•Food Safety System Certification 22000 (FSSC) •Safe Quality Food (SQF) •HALAL PRODUCT CERTIFICATION •USFDA REGISTERED		SEDEX Pillar 4	Good Manufacturing Practice (GMP)					BRC Certification
<b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any</b>	KRBL Limited considers upholding the highest principles concerning Ethics, Business Sustainability, Employee Health and Well-being, Stakeholder Satisfaction, Human Rights, Environmental Responsibility, Public and Regulatory Policy, CSR and Consumer Satisfaction very important. The Company has not set any specific commitments, goals and targets as yet but is on path to set specific goals in the future.								

**6. Performance of the entity against specific commitments, goals and targets**

KRBL Limited is setting objectives and aligning its progress against goals and other commitments related to environmental, social, and governance (ESG) matters. The Company's physical as well as operational infrastructure have been designed to enhance and aid its performance on the sustainability aspects. For instance, manufacturing plants are in close proximity to the APMC Mandi, which helps us in reducing the cost of transportation, as well as the emissions in the process. From conducting regular mock-drills for emergency preparedness to establishing detailed Standard Operating Procedures (SOP) for Customer Complaint Management and Operational Rescue Measures, KRBL Limited is taking all necessary steps to ascertain enhanced performance across the Environment, Social and Governance parameters.

As regards performance with respect to NGRBC's 9 principles, the company ensures the following:

- Emphasizing the significance of corporate governance, the company conducts regular training sessions for both senior management and employees on topics such as Prevention of Sexual Harassment (POSH), as well as updates and matters concerning regulations. Senior and Key Management Personnel also receive training on subjects like insider trading. The company upholds various policies including Whistle-blower, Anti-Bribery and Anti-Corruption (ABAC), and others, all geared towards maintaining transparency as a guiding principle throughout its operations.
- KRBL Limited has collaborated with third parties to oversee the Extended Producer Responsibility (EPR) program, particularly for plastic packaging waste. It has also established an Environmental Protection Policy that employs a Plan-Do-Check-Act approach to monitor its operational sites, including material utilization and waste generation.
- Prioritizing the well-being of its employees, the company conducts regular training sessions and reviews for performance and career development. SOPs have been implemented for managing occupational health and safety, and Hazard Identification and Risk Assessments (HIRA) are carried out to evaluate routine and non-routine risks. Workers are also trained regularly on safety aspects such as chemical handling and mock drills are conducted
- The Company places substantial emphasis on consistent engagement with stakeholders and has conducted a materiality assessment to ensure that the topics deemed important by the Company also incorporate valuable insights from stakeholders.
- KRBL Limited adheres to its Human Rights Policy and has not received any complaints related to human rights issues in the present or previous fiscal year.
- Taking strides towards enhanced sustainability, the company utilizes rice-husk, a by-product of rice production, to generate both heat and power for operations. Manufacturing plants are strategically located close to APMC Mandis, which has led to reduced emissions from upstream transportation.
- Additionally, KRBL Limited has undertaken several Corporate Social Responsibility (CSR) projects. The company also employs robust measures to ensure consumer awareness and maintains effective processes to uphold cybersecurity and data privacy.

Demonstrating its commitment to ESG values as integral components of its core principles, KRBL Limited aims to establish future targets and monitor their progress.

**GOVERNANCE, LEADERSHIP AND OVERSIGHT**
**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**

At KRBL Limited, performing well on Sustainability parameters forms the core of business operations. The Company recognises its obligation to lead the way in sustainable progress, viewing it as more than just a social responsibility. For this, the Company has consistently aligned its business strategies with sustainability and circularity. From re-using by products such as rice husk across operations to recycling waste, the concept of circularity is central to conducting business at KRBL Limited.

KRBL Limited's goal is to safeguard and create value for all its stakeholders, including its shareholders.

The Board of Directors responsibly protects and enhances shareholder value through strategic supervision. It ensures that the Company establishes clear sustainable goals aligned with shareholder value and growth. KRBL Limited's CSR & ESG Committee also oversees implementation of sustainability policies, monitors progress of CSR programs, and ensures compliance.

The Company is a prominent figure in the Indian food processing sector, with a strong focus on rice milling and marketing. It has significantly enhanced India's Basmati rice value chain, leading to global recognition and high-quality reputation for its rice brands. Throughout the fiscal year, it has worked to reinforce consumer well-being and health as a practice across the organization.

The company concentrates on adopting and integrating new technology across its business functions to achieve its long-term growth goals. Rice husk, a by-product from rice milling, is used as an alternate renewable fuel as a substitute to fossil fuel. Further, the Company prioritizes waste management and has embraced the Extended Producer Responsibility (EPR) approach, particularly for plastic packaging waste. The Company has been engaged in recycling e-waste, showcasing its strong commitment to environmental protection and sustainability.

Such consistent efforts towards conducting business sustainably have resulted in the Company being awarded with the distinguished "Climate Positive Award 2022" by Green Cross, United Kingdom marking a crucial milestone in the Company's concerted efforts in combating climate change.

KRBL Limited's interventions aid its sustainability journey. It aims to incorporate more and more such initiatives across its business to not only improve its ESG performance, but also set industry-wide standards.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility & Sustainability (BRSR) policies.**

The CSR & ESG Committee of the Board, chaired by the Chairman & Managing Director of the Company, reviews and oversees the implementation of the sustainability policies of the Company.

**9. Does the entity have a specified committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details.**

Yes, CSR & ESG Committee of the Board, among other responsibilities; reviews, monitors, and provides strategic direction towards fulfilling the company's CSR and sustainability practices and objectives. The Committee is also responsible for reviewing the Business Responsibility and Sustainability Report and recommending the same to the Board for adoption. The Committee comprises the following members:

1. Anil Kumar Mittal, Chairman and Managing Director and Chairman of CSR & ESG Committee
2. Anoop Kumar Gupta, Joint Managing Director Non-Executive, Member of CSR & ESG Committee.
3. Vinod Ahuja, Independent Non-Executive Director, Member of CSR & ESG Committee.

**10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC) by the company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency: Annually (A) / Half yearly (H) / Quarterly (Q) / Any other – please specify										
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9		
Performance against above policies & follow up action																			Committees of the Board	Annually
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances																			Committees of the Board	Quarterly

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
No independent assessment of the working of policies has been conducted by any external agency.								

**12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/ No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)								NA	
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1- BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE**

UN SDGs



**Essential Indicators**

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its audit impact	% of persons in respective category covered by the awareness programmes
Board of Directors	6	Insider Trading laws, Structured Digital Database, Regulatory Updates, Roles and responsibilities of Independent Directors	100%
Key Managerial Personnel (KMP)	6	Insider Trading laws, Structured Digital Database, Regulatory Updates, Roles and responsibilities of Independent Directors	100%
Employees other than BoD and KMPs	33	POSH, Internal audit, Regulatory affairs, Food Safety, Phytosanitary requirements, Industrial Relations, Skill Upgradation, Stress Management	55%
Workers	32	POSH, Internal audit, Food Safety, Chemical handling, Pest Control, Quality Parameters	26%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred (Y/N)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-
Non-Monetary					
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institution
-	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an anti-bribery and anti-corruption policy. The Company has a zero-tolerance approach towards bribery and corruption and is dedicated to conducting all its business dealings and relationships with professionalism, fairness and integrity. The policy applies to all individuals associated with the company, including senior managers, officers, directors, employees, consultants, contractors, trainees, secondary staff, casual workers, agents, sponsors and third parties.

Employees of the Company agree to follow the Code of Conduct at the time of joining and then on an annual basis.

Furthermore, KRBL Limited has established a mechanism known as the Vigil Mechanism (Whistle Blower Policy) to report incidents of misconduct, such as unethical behaviour, malpractices and fraud. All directors, employees, and business associates can directly report such incidents to the Chairman of the Audit Committee under the Whistle Blower Policy.

The Anti-Bribery and Anti-Corruption policy may be viewed on the link below:

<https://krblrice.com/Anti%20Bribery%20and%20Anti%20Corruption%20Policy.pdf>

5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022- 23	FY 2021- 22
Directors		
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022- 23		FY 2021- 22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NIL

### Leadership Indicators

2. Does the entity have processes in place to avoid / manage conflicts of interest involving members of the Board? (Yes / No) If yes, provide details of the same.

The Code of Business Conduct and Ethics at KRBL Limited contains details on managing conflicts of interest situations and to identify any actual or potential conflicts of interest that may arise between directors, designated employees and the company during business activities. The Code also provides guidelines for avoiding such conflicts of interest, whether they are actual or apparent, and outlines the mechanism for reporting any such situations.

In addition, the company receives annual declarations from its Board Members and Key Managerial Personnel regarding their interests in other entities. KRBL Limited ensures that the necessary approvals, as required under statutes and the company's policy, are obtained.

The policy is available at: <https://krblrice.com/codes/Code-of-Business-Conduct-and-Ethics.pdf>

### PRINCIPLE 2 -BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

#### UN SDGs



### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impact
R&D	100%	100%	Improving seed quality
Capex	-	-	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. A Sustainable Procurement Policy and related procedures are in place. The policy is guided by the company's approach to implement sustainable business practices and the preference to use high-quality and locally available agricultural materials. Through this policy, during the product-sourcing process KRBL Limited is predisposed towards local vendors and suppliers providing high-quality and locally produced goods.

- b. If yes, what percentage of inputs were sourced sustainably?

KRBL Limited has an enhanced focus on sourcing goods in a responsible manner. Throughout the company's procurement process, products are sourced locally and from Micro-small and Medium Enterprises (MSMEs) and other small producers to the extent possible. Notwithstanding this, a mapping exercise of sustainable procurement by value of total procurement is yet to be initiated.

The company shall ensure adherence to the Sustainable Sourcing Policy and related procedures in the near future.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Type of Waste	Name of Policy/ Process	Policy/ Process Description
Plastics (including packaging)	Extended Producer Responsibility	KRBL Limited has partnered with a Producer Responsibility Organisation (PRO) to manage the EPR program for plastic waste. The PRO is responsible for collecting and processing plastic waste generated by KRBL Limited's products and packaging. Once the waste is collected and processed, the PRO provides the Company with EPR data, which includes the quantity of waste generated, collected, and processed, as well as the method of disposal.
		KRBL Limited then files this EPR data with the Central Pollution Control Board (CPCB), which is the regulatory body responsible for enforcing the Plastic Waste Management Rules, 2016. By filing this data, the Company is demonstrating its compliance with the rules and its commitment to environmental protection.
E-waste	Environment Protection Policy	KRBL Limited has adopted an Environment Protection Policy that prioritizes waste management. The company aims to conduct compliance checks regularly and follows a Plan-Do-Check-Act approach to monitor all operational sites, including material usage and waste generation. KRBL Limited is also committed to managing waste efficiently and implementing strategies for reducing, reusing, and recycling to the extent possible.
Hazardous waste		
Other waste		

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, KRBL Limited is committed to keep pace with the constantly evolving regulations surrounding plastic waste management. To this end, the organization has embraced the Extended Producer's Responsibility approach, with a view to collecting and recycling more than 1500 tonnes of plastic waste. This has been made possible by harnessing the capacity of waste pickers through their collection centres, and recycling/co-processing plants, which work in tandem.

As a producer of food grains, plastic remains the predominant packaging material used by KRBL Limited. To ensure compliance with the Plastic Waste Management (PWM) Rules 2016, the Company has adopted the EPR approach to manage its downstream operations, specifically with regards to plastic packaging waste.

In line with its EPR compliance requirements, KRBL Limited has had to manage Category 1 Rigid plastic (32.485 MT), Category 2 Flexible Plastic (1052 MT), and Category 3 MLP Plastic (570 MT). KRBL Limited has partnered with Ecoex for facilitation of credit transfers to fulfil the company's EPR compliance requirements across all three categories of plastic.

Going forward, the Company has ambitious plans to increase the use of recycled plastic in a host of product packaging, as part of its broader commitment to contributing to SDG – 6, 12, 13, 14 and 15. The organization aims to create a more sustainable and equitable world by 2030, with a focus on reducing its environmental impact while promoting responsible waste management practices.

### Leadership Indicators

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Type of Waste	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	1,084	570	-	1,187	639
E-waste	-	-	0.29	-	-	0.12
Hazardous waste	-	-	1.30	-	-	1.49
Other waste	-	-	-	-	-	10.92

## PRINCIPLE 3- BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

### UN SDGs



### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT EMPLOYEES</b>											
Male	1,602	641	40%	793	50%	-	-	-	-	-	-
Female	34	9	26%	6	18%	34	100%	-	-	-	-
<b>Total</b>	<b>1,636</b>	<b>650</b>	<b>40%</b>	<b>799</b>	<b>49%</b>	<b>34</b>	<b>100%*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	208	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*100% maternity benefit coverage since all female employees are being covered.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT WORKERS</b>											
Male	828	235	28%	235	28%	-	-	-	-	-	-
Female	50	43	86%	43	86%	50	100%	-	-	-	-
<b>Total</b>	<b>878</b>	<b>278</b>	<b>32%</b>	<b>278</b>	<b>32%</b>	<b>50</b>	<b>100%*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER THAN PERMANENT WORKERS</b>											
Male	266	-	-	-	-	-	-	-	-	-	-
Female	54	-	-	-	-	54	100%	-	-	-	-
<b>Total</b>	<b>320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>100%*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*100% maternity benefit coverage since all female permanent and other than permanent workers are being covered.

2. Details of retirement benefits for the current and previous financial year:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted & deposited with the authority (Yes/No/N.A)	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted and deposited with the authority (Yes/No/N.A.)
<b>PF</b>	86%	98%	Yes	84%	96%	Yes
<b>Gratuity</b>	100%	100%	Yes	100%	100%	Yes
<b>ESI*</b>	28%	100%	Yes	28%	100%	Yes
<b>Others- Labour Welfare Fund (LWF)</b>	40%	67%	Yes	37%	65%	Yes

\*As per the ESI Regulation, 100% of the eligible employees and workers have been covered under the benefits.



### 3. Accessibility of workplaces

**Are the premises/offices accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes. KRBL Limited has designed its workplaces to be easily accessible to everyone. The company has installed wheelchair ramps as well as elevators for convenient movement across office premises. In order to better cater to the needs of Persons with Disabilities (PwD), adequate signage, accessible restroom, and rails with stairs have also been made available.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

KRBL Limited follows ethical and competitive practices across its business dealings. The company's Human Rights Policy provides for equal opportunity to all employees and qualified applicants. The policy aims to eliminate discrimination with regard to employment and growth opportunity and to treat every employee with dignity and respect. The Company is an Equal Opportunity Employer and aims to maintain this inclusivity for all. It believes in treating every employee with respect and stands for the elimination of discrimination in respect of employment and occupation. In this respect, the Human Rights Policy also contains a separate clause on Human Rights for Persons with Disabilities, outlining the provisions made available by the company for PwD to enhance accessibility and inclusion. The Human Rights Policy can be accessed at: <https://krblrice.com/Human%20Rights%20Policy.pdf>

### 5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	-	-
Female	66.67	100	-	-
<b>Total</b>	<b>66.67</b>	<b>100</b>	-	-

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
<b>Permanent Employees</b>	KRBL Limited maintains a Human Resources Management System (HRMS) portal for its employees. The portal provides a helpdesk to employees for resolving any complaints. Additionally, the company has made suggestion boxes available where employees can post relevant suggestions. Employees can also communicate their concerns to the HR department via email or the Whistle Blower mechanism.  Furthermore, the HR department is available to address any queries or concerns from the employees. The company aims to provide prompt and efficient resolution of all queries through both email communication and direct interaction.
<b>Other than Permanent Employees</b>	The HR department is available to address any queries or concerns from the employees. The company aims to provide prompt and efficient resolution of all queries through both email communication and direct interaction.
<b>Permanent Workers</b>	The company has instituted Works Committee, Grievance Handling Committee and Safety Committee all of which look into any grievances associated with the working conditions and safety of the workers.
<b>Other than Permanent Workers</b>	

KRBL Limited has implemented multiple policies to ensure that its employees and workers can get redressal of their grievances in an appropriate manner. The company's Stakeholder Grievance Redressal Policy is applicable to all stakeholders who are either affected by or affect the company's operations. A structured complaint management procedure has been instituted with the Chief Grievance Redressal Officer overseeing any issues falling in this category

In addition to this, KRBL Limited has adopted a Vigil Mechanism (Whistle-blower) Policy that details the process of registration of complaints, the manner of raising an inquiry, and the investigation process. The company also has a policy on Prevention of Sexual Harassment with a detailed overview of making complaints and resolving grievances falling under this category.

### 7. Membership of employees in association(s) or unions recognised by the listed entity:

Employee and worker well-being is a core value at KRBL. The HRMS portal has been made available to employees to ensure that any concerns/grievances are communicated effectively. For workers, Committees such as Works, Grievance Handling and Safety play a major role in ensuring grievance redressal.

The Company aims to treat all its employees and workers with respect and dignity and to strengthen the company's relationship with them. However, at present there are no associations and trade unions recognised by the company.

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>1,636</b>	-	-	<b>1,302</b>	-	-
-Male	1,602	-	-	1,275	-	-
-Female	34	-	-	27	-	-
<b>Total Permanent Workers</b>	<b>878</b>	-	-	<b>1,035</b>	-	-
-Male	828	-	-	983	-	-
-Female	50	-	-	52	-	-

### 8. Details of training given to employees and workers:

Category	Total (A)	FY 2022-23				Total (D)	FY 2021-22			
		On health & safety measures		On skill upgradation			On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
Male	1,810	117	6.46%	156	8.62%	1,412	59	4.18%	75	5.31%
Female	34	3	8.82%	14	41.18%	27	3	11.11%	-	-
<b>Total</b>	<b>1,844</b>	<b>120</b>	<b>6.51%</b>	<b>170</b>	<b>9.22%</b>	<b>1,439</b>	<b>62</b>	<b>4.31%</b>	<b>75</b>	<b>5.21%</b>
<b>WORKERS</b>										
Male	1,094	114	10.42%	107	9.78%	1,015	114	11.23%	83	8.18%
Female	104	6	5.77%	1	0.96%	59	5	8.47%	-	-
<b>Total</b>	<b>1,198</b>	<b>120</b>	<b>10.02%</b>	<b>108</b>	<b>9.02%</b>	<b>1,074</b>	<b>119</b>	<b>11.08%</b>	<b>83</b>	<b>7.73%</b>

Note: Permanent and other than permanent employees and workers were considered.

### 9. Details of performance and career development reviews of employees and workers

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/ A)	Total (C)	No. (D)	% (D/ C)
<b>EMPLOYEES</b>						
Male	1,810	1,370	75.69%	1,412	1,147	81.23%
Female	34	25	73.53%	27	27	100.00%
<b>Total</b>	<b>1,844</b>	<b>1,395</b>	<b>75.65%</b>	<b>1,439</b>	<b>1,174</b>	<b>81.58%</b>
<b>WORKERS</b>						
<b>Male</b>	<b>1,094</b>	<b>687</b>	<b>62.80%</b>	<b>1,015</b>	<b>892</b>	<b>87.88%</b>
Female	104	49	47.12%	59	52	88.14%
<b>Total</b>	<b>1,198</b>	<b>736</b>	<b>61.44%</b>	<b>1,074</b>	<b>944</b>	<b>87.90%</b>

Note: Permanent and other than permanent employees and workers were considered.

**10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, KRBL Limited has a strong commitment to maintaining a safe and healthy workplace for all employees. The company has established an occupational health and safety system to prevent workplace injuries and accidents, which includes a Standard Operating Procedure for Operational Rescue Measures. This SOP outlines detailed rescue procedures that are to be followed in case of an incident, particularly for fire, ensuring business continuity and the safety of employees and products. KRBL Limited regularly conducts mock drills to test the effectiveness of the system in contingency.

Furthermore, the company has implemented a comprehensive Risk Management Framework that applies to all operational areas. The Board of Directors, in consultation with the Risk Management Committee, has developed a Risk Management Policy that articulates KRBL Limited's approach to addressing uncertainty across its operations and activities.

To support its commitment to workplace safety, KRBL Limited provides appropriate safety equipment such as helmets, gloves, earplugs, and safety shoes to all workers in its plants. The company also conducts regular training and awareness programs to educate employees about occupational health and safety issues. In case of any medical emergencies, KRBL Limited has a fully equipped first aid room staffed with trained first aiders.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

KRBL Limited employs multiple methods to ensure that it is able to identify work-related hazards and assess any potential risks in a timely manner. The company conducts Hazards identification and Risk Assessment (HIRA) and identifies hazards across different processes/departments, classifying them on the condition, i.e., whether they are routine, non-routine or emergency. Any associated risks, along with their probability and severity, are identified and a control mechanism devised and put in place to ensure that in any such event the risk is averted/managed in a methodical manner. Employees are safeguarded from risks by activities such as providing intercom/alarm/emergency light/fan in lift cars, training and awareness programs, provision of PPEs, and availability of fire hydrants.

KRBL Limited's safety requirements are also communicated to Annual Maintenance Contract (AMC) vendors. The company ensures that all safety standards and guidelines are complied with to maintain a safe and healthy workplace for its employees.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes. Incident reporting and prevention is an important aspect of conducting business at KRBL Limited. Employees and workers are trained regularly on handling incidents and emergencies, alongside also removing themselves from such risks. Inspections are carried out on a regular basis with the SOPs on Operational Rescue Measures and Emergency Preparedness and Crisis Management laying down clearly the proper handling of such contingency situations, in case they occur.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes. Employees at KRBL have access to company provided and supported medical and healthcare services. Workers also have access to Company-funded medical support and statutory benefits under ESIC, wherever applicable.

**11. Details of safety related incidents:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	3.20	1.10
	Workers	4.50	3.10
Total recordable work-related injuries	Employees	3	1
	Workers	5	4
No. of fatalities	Employees	-	-
	Workers	-	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

KRBL Limited is engaged in the production and distribution of rice, and due to the Company's widespread operations across multiple plants, the company fully comprehends its role in maintaining a safe workplace. Emergency alarms have been installed across its office premises. The company provides the requisite safety equipment such as helmets, shoes, gloves, Personal Protective Equipment (PPE kits), etc to its workers. In order to prevent hazards related to fire, KRBL Limited has installed fire extinguishers, hydrants and shower systems. Equipment such as pressure vessel, chains and lifting tools & tackles is monitored on a periodic basis. In order to safeguard the employees and workers medically and to prevent any mishap, medical dispensary/ infirmaries and ambulance have been made available in our office premises.

Apart from the abovementioned basic safety mechanisms, KRBL Limited has also introduced POSH (Prevention of Sexual Harassment) and Human Rights Policies to ensure that the company is able to provide a safe and healthy workplace to all its employees and workers.

**13. Number of complaints on working conditions and health and safety made by employees and workers**

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	6	NIL	Complaints related to Canteen/ Drinking Water	8	NIL	Complaints related to Canteen/ Drinking Water
Health & Safety	-	-	-	-	-	-

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

Following a thorough assessment of safety-related incidents and concerns, KRBL has implemented several corrective actions to address these issues and improve health and safety practices and working conditions. These actions are aimed at preventing future incidents and mitigating risks.

Regular training and awareness programs are conducted to ensure that all employees are well-informed and capable of adhering to the updated safety protocols.

**PRINCIPLE 4- BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**

**UN SDGs**



**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

KRBL Limited values its stakeholders as pillars of business and demonstrates responsiveness and awareness towards them. The stakeholder engagement process is a continuous one and is based on materiality. Each stakeholder group is identified and engaged with following a consultative process with the Board of Directors (BoD) and other senior management.

Throughout the stakeholder identification process, the company seeks to understand the extent of the impact of its business on relevant groups/entities and vice versa and formulates policies and procedures in accordance with their expectations.

Based on this, KRBL Limited has identified employees and workers, investors, shareholders, farmers, suppliers, communities, regulatory authorities, and the media as its key stakeholders. The company provides due protection mechanisms and rewards for the well-being of its employees and workers, who form the backbone of its operations. Our Investors and shareholders, who support us through our business journey, are key to maintaining the viability and success of the organization. As a rice production business, farmer communities and suppliers have been identified as critical stakeholders, and the company makes active efforts to include them as part of the growth journey.

KRBL Limited respects its regulatory obligations and ensures that the highest standards of regulatory, ethical, and business integrity are maintained. Similarly, recognizing that its media partners assist it in disseminating values, the company endeavours to maintain enduring relationships with them. The end customers that the organisation serves through its business are among its most important stakeholders. KRBL Limited makes every effort to deliver to them products of the highest quality and to build loyal and reciprocal relationships with them.

## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	No	Emails, Telephonic, Advertisements, Social media, Website, Pamphlets, Newspapers, TV, Magazines,	Ongoing Basis	<p><b>Product Feedback:</b> KRBL considers product feedback extremely pertinent and engages with consumers/customers through different media such as website, mails, social media accounts, customer care numbers etc.</p> <p><b>Transparency and Communication:</b> KRBL provides accurate and easily understandable information about its products, processes, and sustainability efforts through clear labeling, product information, and public disclosures, enabling consumers to make informed choices.</p> <p><b>Product Innovation and Responsiveness:</b> KRBL uses consumer input to create more sustainable and environment-friendly products, packaging, and processes. This demonstrates a commitment to meeting consumer demands and aligning with their values.</p>
Communities	Yes	On site community meetings	Need basis	<p><b>CSR Engagement:</b> Engagement with CSR beneficiaries is undertaken as per the company's designated themes. Engagement in the form of concerns/queries also takes place regularly.</p> <p><b>Collaboration with Local Businesses:</b> KRBL Limited collaborates with local businesses to support the growth and development of the community during product sourcing, promoting local entrepreneurship, or supporting initiatives that enhance the local economy.</p> <p><b>Environmental Initiatives:</b> The company implements environmentally friendly practices within its operations and supports initiatives such as promoting awareness about conservation and climate change.</p>

<b>Shareholders</b>	No		Ongoing Basis	<p><b>Annual General Meetings (AGMs):</b> AGMs allow shareholders to receive updates on the company's performance, financial statements, strategic plans, and any proposed resolutions. It is also a platform where shareholders can ask questions, voice concerns, and provide feedback.</p> <p><b>Shareholder Feedback Mechanisms:</b> The Company establishes effective mechanisms for shareholders to provide feedback, ask questions, and express their opinions. This includes dedicated email addresses specifically designed for shareholders. Responding promptly and addressing shareholder queries or concerns demonstrates the company's commitment to shareholder engagement.</p> <p><b>Shareholder Communication:</b> KRBL Limited provides timely updates and reports on financial performance, significant events, and any other relevant information through Emails, investor presentations, and press releases.</p>
<b>Investors</b>	No	Annual General Meeting, Investor Presentation, Earnings Conference Calls, Stock Exchange Intimations, Newspaper Publications, Annual Report, Emails, Calls, Website	Ongoing basis	<p><b>Investor Presentations and Conference Calls:</b> KRBL Limited organises investor presentations and conference calls to provide updates on the company's performance, financial results, strategic initiatives, and market outlook. These events offer investors an opportunity to directly interact with management, ask questions, and gain insights into the company's operations.</p> <p><b>Quarterly and Annual Reports:</b> KRBL Limited publishes comprehensive quarterly and annual reports that include financial statements, management discussions, and analysis of the business.</p>
<b>Employees/ Workers</b>	No	Email, Calls, HRMS Portal	Regular	<p><b>Development and Learning:</b></p> <p>Engaging with employees and workers includes providing opportunities for their development and continuous learning. This involves training programs, mentoring, coaching, and access to resources that enable skill enhancement and professional growth.</p> <p><b>Health and Safety:</b></p> <p>Medical camps are organised by the Company for its employees and workers and this forms an important aspect of the company's engagement with them.</p> <p><b>Satisfaction and Motivation:</b></p> <p>KRBL achieves this by recognizing and appreciating their contributions, providing opportunities for growth and development, and creating a positive work environment.</p>
<b>Media</b>	No	Press Releases, Interviews	Event based	<p><b>Press Releases:</b></p> <p>KRBL Limited issues timely and well-crafted press releases to communicate important announcements, such as financial results, product launches, strategic partnerships, or significant corporate developments.</p> <p><b>Media Interviews:</b> KRBL Limited proactively engages with journalists and media representatives by offering interviews to discuss the company's operations, industry insights, and market trends.</p>

**PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

## UN SDGs



## Essential Indicators

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	1,636			1,302		
Other than Permanent	208	Refer note		137	Refer note	
<b>Total employees</b>	<b>1,844</b>			<b>1,439</b>		
<b>WORKERS</b>						
Permanent	878			1,035		
Other than Permanent	320	Refer note		327	Refer note	
<b>Total workers</b>	<b>1,198</b>			<b>1,362</b>		

Note: All employees and workers are made aware of human rights and the Company's Code of Conduct. Such sessions are currently not tracked. This information will be available from FY 2023-24 onwards.

**2. Details of minimum wages paid to employees and workers:**

Category	FY (Current Financial Year)				FY (Previous Financial Year)					
	Total (A)	Equal to minimum wages		More than minimum wages		Total (D)	Equal to minimum wages		More than minimum wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
<b>Permanent</b>										
Male	1,602	5	0.31%	1,597	99.69%	1,275	4	0.30%	1,271	99.70%
Female	34	-	-	34	100.00%	27	-	-	27	100.00%
<b>Other than Permanent</b>										
Male	208	-	-	208	100.00%	137	-	-	137	100.00%
Female	-	-	-	-	-	-	-	-	-	-
<b>WORKERS</b>										
<b>Permanent</b>										
Male	828	60	7.26%	768	92.74%	983	104	10.58%	879	89.42%
Female	50	8	16.00%	42	84.00%	52	12	23.08%	40	76.92%
<b>Other than Permanent</b>										
Male	266	266	100.00%	-	-	273	273	100.00%	-	-
Female	54	54	100.00%	-	-	54	54	100.00%	-	-

**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
<b>Board of Directors (BoD)</b>	6	2,16,39,600	2	1,70,49,600
<b>KMP (other than BoD)</b>	1	1,39,11,228	1	27,12,324
<b>Employees other than BOD &amp; KMP</b>	1,598	3,14,400	32	5,87,964
<b>Workers</b>	828	1,80,168	50	1,68,396

Note: This table includes information for only permanent employees and workers.

\*We have 4 executive directors who are paid remuneration, rest 4 are independent directors who only receive sitting fees.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Human Resources department of the company has been designated as the focal point for resolving any issues pertaining to Human Rights at KRBL.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues?**

KRBL limited has adopted a Human Rights Policy that aims to promote and provide Human Rights both at the level of the workplace (to employees, workers, suppliers, etc.) as well as the community (in and around which the company operates). All issues pertaining to Human Rights are dealt with by the Human Resources department of the company. Through this policy, KRBL limited aims to establish commitment to dignified and respectful treatment of all individuals as well as eliminate discrimination in employment and involuntary forms of labour.

KRBL limited has also adopted Vigil Mechanism (Whistle-Blower Policy), Code of Business Conduct and Ethics, Board Diversity policy, policy on Prevention of Sexual Harassment (POSH), Corporate Social Responsibility Policy to ensure that business operations are carried out in a fair and ethical manner and that a human-rights oriented approach is followed throughout business activities.

**6. Number of complaints on the following made by employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Sexual Harassment</b>	-	-	-	-	-	-
<b>Discrimination at workplace</b>	-	-	-	-	-	-
<b>Child Labour</b>	-	-	-	-	-	-
<b>Forced /Involuntary Labour</b>	-	-	-	-	-	-
<b>Wages</b>	-	-	-	-	-	-
<b>Other human rights related issues</b>	-	-	-	-	-	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

KRBL Limited is aware of the fact that making complaints may result in discriminatory behaviour towards the complainant and therefore follows a strict anti-retaliatory approach if a complaint is filed under such circumstances. In cases of sexual harassment at the workplace, all complainants, witnesses, Internal Complaints Committee members, and other employees are provided protection against retaliation based on KRBL Limited's Prevention of Sexual Harassment (POSH) policy. To ensure that every complaint has a proper redressal procedure, KRBL Limited has established a process for filing complaints. The company follows a strict confidentiality policy to protect the well-being of the complainant and any other persons involved in the case. The policy ensure that the name, address, identity, and any other personal information of the complainant, witnesses, or the respondent is concealed from the public and the media.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, the principles and guidelines stated in our Code of Conduct highlight the importance of the various human rights aspects and ensures that those principles are adhered to by all the stakeholders to ensure respect towards human rights. All the matters related to human rights are addressed effectively by the concerned departments

**9. Assessments for the year:**

We have not received any complaints pertaining to Human Rights issues for the current and previous financial years. However, we are yet to conduct a formal Human Rights assessment of our offices in this regard.

% of plants and offices that were assessed (by entity or statutory authorities or third parties)	
Child labour	-
Forced/ involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – please specify	-

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable

**PRINCIPLE 6- BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**
**UN SDGs**

**Essential Indicators**
**1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (GJ)	57,783.25	61,212.99
Total fuel consumption (B) (GJ)	43,736.98	47,357.17
Energy consumption through other sources (C) (GJ)	20,94,165.88	22,80,733.57
<b>Total energy consumption (A+B+C) (GJ)</b>	<b>21,95,686.11</b>	<b>23,89,303.74</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (KJ/INR)	40.94	56.75
Energy intensity (optional) – the relevant metric may be selected by the entity		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

NA

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i)Surface water	5,34,057.20	6,66,939.00
(ii)Ground Water	2,02,682.00	4,79,419.44
(iii)Third Party Water	230.00	179.02
(iv)Seawater/Desalinated Water	-	-
(v) Others	71.36	68.50
<b>Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)</b>	<b>7,37,040.56</b>	<b>11,46,605.96</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>3,92,092.56</b>	<b>8,27,651.96</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>7.31 mL/₹</b>	<b>19.65 mL/₹</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	mg/Nm3	162.92	133.70
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others- please specify	-	-	-

Stack emission monitoring at KRBL is carried out by testing stack emissions periodically. Since stack selection for the FY 21-22 & FY 22-23 were different, therefore the data is not comparable. Data reported in this table pertains to Dhuri and Gautam Buddha Nagar Plants.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	11,168.01	12,261.22
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	11,396.14	12,072.56
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Milligrams CO <sub>2</sub> eq/₹	<b>420.72</b>	<b>577.92</b>
<b>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</b>			

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

At KRBL Limited, paramount importance is given to the reduction of Greenhouse Gas emissions and implementation of sustainable and innovative practices that promote a low carbon footprint. The company is fully aware of its responsibility towards the environment and has taken measures to expand its green footprint. KRBL has engaged in renewable energy projects for captive consumption and has also entered into the business of renewable power generation. Currently, the company has a total installed capacity of 144.84 MW across different verticals such as biomass, wind, and solar power segment. In order to transition to more renewable forms of energy, a 2.20 Mega Watt Captive Solar Plant has been installed by KRBL. The company has also entered into Power Purchase Agreements (PPAs) for both its solar and wind power, promoting the usage of clean energy across sectors and industries. KRBL also uses Rice Husk, a by-product, in boilers to co-generate heat and power at plants, which helps in reducing costs and meeting the sustainable development goals of the company.

Parameter	FY 2022-23	FY 2021-22
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	2,330.47	2,166.46
E-Waste (B)	0.38	0.12
Bio-Medical Waste (C)	-	-
Construction and demolition waste (D)	5.40	12.50
Battery Waste (E)	1.30	1.49
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	1.40	2.19
Other Non-hazardous waste generated (H). Please specify, if any. <i>(Metal scrap and Wood)</i>	17.07	8.40
<b>Total (A+B+C+D+E+F+G+H)</b>	<b>2,356.02</b>	<b>2,191.16</b>

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
Recycled	1,084.00	1,187.00
Re-used	-	-
Other recovery operations	-	-
<b>Total</b>	<b>1,084.00</b>	<b>1,187.00</b>

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
Incineration	-	-
Landfilling	5.74	13.27
Other disposal operations	570.24	639.00
<b>Total</b>	<b>575.98</b>	<b>652.27</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

KRBL Limited has adopted sound mechanisms with respect to waste management. The company is cognizant of its Extended Producer Responsibility (EPR) for plastic waste and has partnered with GEM Enviro Management Collection Centre, a Producer Responsibility Organisation (PRO), for this purpose. The EPR data and credits received from the PRO are also used to report and file data with the Pollution Control Board (PCB). Additionally, KRBL regularly discloses its overall waste generation data with the PCB, and ensures that all toxic and hazardous wastes are disposed-off in a safe and environmentally friendly manner, adhering to the guidelines issued by the PCB.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.**

KRBL Limited does not have any operations/offices in/around ecologically sensitive areas.

S.No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Environmental impact assessments have not been conducted during the reporting period.

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.**

Yes, the entity is compliant with all applicable environmental law, regulations and guidelines.

**PRINCIPLE 7- BUSINESS, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**
**UN SDGs**

**Essential Indicator**
**1. a. Number of affiliations with trade and industry chambers/ associations.**

KRBL Limited is committed to carrying out business in a manner where the authorities in the areas where it operates are kept in constant engagement. In this regard, the Company has formulated and remains compliant with its Responsible Advocacy Policy.

To ensure that the Company's advocacy position is consistent with its values, KRBL Limited aims to consistently engage with its stakeholders to ensure that policy advocacy is conducted ethically and in the interest of the Company's stakeholders.

KRBL Limited is affiliated to 5 trade and industry chambers/associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	AIREA (All India Rice Exporters Association).	National
2	Federation of Indian Export Organisations (FIEO)	National
3	The PHD Chamber of Commerce and Industry (PHDCCI)	National
4	Confederation of Indian Industry (CII-FATF)	National
5	The Federation of Indian Chambers of Commerce & Industry (FICCI)	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

No anti-competitive behaviour related adverse orders issued from any regulatory authority.

**PRINCIPLE 8- BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

## UN SDGs


**Essential Indicators**
**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Social Impact Assessments (SIAs) have not been conducted by KRBL Limited in FY 2022-23					

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
No R&R projects have been undertaken by KRBL Limited in FY 2022-23 as the same was not applicable						

**3. Describe the mechanisms to receive and redress grievances of the community.**

KRBL limited considers communities to be an important stakeholder group since the Company engages with the farming community regularly. The company follows a Stakeholder Grievance Redressal policy that outlines a detailed procedure for addressing grievances of stakeholders, which can be submitted either in writing or verbally. The policy document also specifies a Single Point of Contact for addressing grievances.

Additionally, the company follows a Responsible Advocacy Policy to strengthen engagement with relevant stakeholders while maintaining integrity, transparency, and commitment towards their interests. The legal department at KRBL limited acts as the core review committee for this policy. The policy document also mentions a Single Point of Contact for this policy.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	11.99%	13.49%
Sourced directly from within the district and neighbouring districts	16.42%	21.65%

**PRINCIPLE 9- BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**

## UN SDGs


**Essential Indicators**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

KRBL Limited has established a detailed process to address consumer complaints. The Company has implemented a Standard Operating Procedure to redress complaints effectively. The Head of the Central Research and Audit Cell is responsible for managing the customer care portal and complaint management system, including reporting regular trends of complaints to senior management, conducting root cause analysis, monitoring the customer care management system, and ensuring proper Corrective and Preventive Action (CAPA) has been taken.

KRBL Limited maintains a dedicated customer care toll-free number and email address, along with separate email addresses for queries, suggestions and complaints from stakeholders worldwide. The company maintains a complaint register and aims to resolve complaints at first contact. If a complaint is not resolved within a stipulated time period, KRBL Limited has a complaint escalation matrix in place, complaints are systematically escalated to a designated higher authority. KRBL Limited also conducts regular consumer surveys to understand product quality feedback and product acceptance by the people.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

**3. Number of consumer complaints in respect of the following:**

At KRBL Limited, customer satisfaction is taken very seriously. The Company follows a detailed Standard Operating Procedure so that all customer queries and complaints are handled efficiently. The Head of Central Research and Audit Cell is responsible for managing the customer care portal and the complaint management system in general. Alongside the recruitment and hiring of the customer care handling team, the head is also responsible for monitoring the customer care management process.

In order to ensure efficient resolution of consumer complaints, a toll-free number as well as an email-id have been made available. A proper escalation matrix has also been defined in the SOP.

For both current and previous financial years, the company has not recorded any complaints under the mentioned categories.

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

**4. Details of instances of product recalls on accounts of safety issues.**

KRBL Limited has not recorded any product recalls in the current financial year.

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

KRBL Limited has a dedicated cyber-security cell that is responsible for maintaining and continuously updating its computer systems to prevent any data security issues. A firewall system has been implemented across the organization that protects systems from computer attacks. Furthermore, a network security system is responsible for monitoring and controlling incoming and outgoing network traffic based on the company's cyber security rules. To ensure smooth communication and security through emails, KRBL Limited maintains a consolidated list of all mail IDs and mail domains across the company that are allowed in security application. For mail IDs outside of the organisation, the cyber-security system checks the details as per the company's security policy, and alert messages are delivered accordingly.

The Cyber Security Policy of the Company may be viewed on the link [https://krblrice.com/Cyber%20Security%20Guideline\\_Policy.pdf](https://krblrice.com/Cyber%20Security%20Guideline_Policy.pdf)

**6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No such instance



# REPORT ON CORPORATE GOVERNANCE

## REPORT ON CORPORATE GOVERNANCE

### “Building a Strong Foundation: Our Commitment to Ethical Corporate Governance”

KRBL Limited (‘KRBL’ or ‘the Company’) believes that good corporate governance is all about ensuring that the Company is managed at optimal efficiency keeping in mind the interest of all the stakeholders. Efficient corporate governance requires a clear understanding of the respective roles and responsibilities of the Board of Directors and the Senior Management and their relationships with others in the corporate structure. The relationship of the Board of Directors and the Senior Management shall be characterized by their sincerity; their relationship with employees shall be characterized by their fairness; their relationship with the communities in which they operate shall be characterized by how responsibly they act as a good citizen and their relationship with the government shall be characterized by their ability to act in compliance with the rules set by the government.

#### 1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

In KRBL, Corporate Governance philosophy stems from the belief that corporate governance is an integral element in improving efficiency, drive growth and enhance investor confidence levels. The Board of Directors has an important role to play in overseeing the Management performance on behalf of the 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 periodically undertaken different corporate governance practices to enable the Directors to effectively and efficiently discharge their responsibilities individually and collectively to the shareholders of the Company. The key focus areas of these practices revolved around areas such as fiduciary duties, oversight of the Management, evaluation of the Management’s performance and support and guidance in shaping Company policies and business strategies.

For KRBL, Corporate Governance has been a high priority both in the letter as well as in spirit. The Company’s Board of Directors represents the Stakeholder’s 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’s duty involves the identification and implementation of prudent measures to ensure the company’s management aligns with the strategic objective at hand.

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 the size and composition of the Board is to have an optimum combination of Executive and Non-Executive Directors along with Woman Director which demarcates the functions of governance and management.

As on 31<sup>st</sup> March 2023, the Board comprises of 8 (Eight) members, 4 (Four) of which are Independent Non-Executive Directors including 1 (One) Independent Woman Director, constituting 50% of the Board’s strength and the 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 of the Company. 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 on the Board of KRBL Limited is an Executive Director and Promoter, Half of the Board of KRBL Limited comprises of Independent Non- Executive Directors.

Mr. Ashwani Dua, resigned as an Independent Non-Executive Director of the Company, from the Board of KRBL Limited w.e.f. 09<sup>th</sup> January 2023 (after the closure of business hours) due to his pre-occupations. He also confirmed that there were no other reasons for resignation other than those mentioned in his resignation letter. The Board placed on record their sincere appreciation for the guidance and contribution as made by Mr. Ashwani Dua during his tenure as an Independent Non-Executive Director.

The Board on the basis of the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Surinder Singh (DIN: 08200756) as an Additional Independent Non -Executive Director of the Company, for a term of 5 (five) consecutive years with effect from 10<sup>th</sup> August 2023 subject to approval of the Shareholders.

As per the provisions of Regulation 17 of Listing Regulations, approval of Shareholders, for appointment of Directors on the Board shall be taken either at the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier. The proposal seeking approval of the Shareholders for appointment of Mr. Surinder Singh forms part of the Notice of this Annual General Meeting.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

## 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 125 of the Articles of the Association of the Company, all directors except Independent Directors shall be liable to retire by rotation and out of that, one-third of such directors shall retire from the office every year. The directors who shall retire by rotation at every Annual General Meeting (AGM) shall be those who have been longest in the 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 apply to the Independent Directors.

Accordingly, Ms. Priyanka Mittal (DIN: 00030479), the Whole Time Director of the Company, being longest in her office amongst the rotational Directors is liable to retire by rotation and will retire from the Board by rotation this year. However, being eligible, she has offered her candidature for re-appointment. This shall not constitute a break in her office as Whole Time Director of the Company.

### Declaration by Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence

## C. DIRECTORS ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIP(S) AND COMMITTEE MEMBERSHIP(S)

As mandated by the Regulation 26 of the SEBI Listing Regulations, none of the Directors 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 and the previous AGM during the financial year under review along with their Directorships and Memberships/Chairmanships in other committees are given below:

### Composition of the Board, Attendance Record, Directorships and Committee Membership for the Financial Year 2022-23:

Name of the Directors	Directors Identification Number (DIN)	Attendance record FY 22-23			Directorship/Memberships / Chairmanship FY 22-23		
		Number of Board Meeting held and attended		Attendance at the last AGM held on	Number of Directorships in all Companies*	Number of Committee Positions held in all Companies**	
		Held	Attended	26.09.2022		Chairman	Member
Mr. Anil Kumar Mittal	00030100	5	5	Yes	13	2	2
Mr. Arun Kumar Gupta	00030127	5	3	Yes	13	1	2
Mr. Anoop Kumar Gupta	00030160	5	5	Yes	13	-	4
Ms. Priyanka Mittal	00030479	5	5	Yes	2	-	-
Mr. Ashwani Dua <sup>#</sup>	01097653	5	4	Yes	-	-	-
Mr. Devendra Kumar Agarwal	06754542	5	5	Yes	1	1	2
Ms. Priyanka Sardana	00049811	5	5	Yes	3	1	2
Mr. Shyam Arora	00742924	5	5	Yes	2	-	3
Mr. Vinod Ahuja	00030390	5	5	Yes	16	1	5

\* 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 are 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, Corporate Social Responsibility Committee, Risk Management Committee and Borrowing and Investment Committee were also taken into consideration.

<sup>#</sup> Mr. Ashwani Dua resigned as Independent Non-Executive Director of KRBL Limited w.e.f. 09<sup>th</sup> January 2023 (after the closure of business hours).

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 fulfill the conditions of independence specified in Section 149(6) of the 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.

In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors of the Company have included their names in the Independent Director's Database maintained with the Indian Institute of Corporate Affairs

All Independent Directors are drawn amongst eminent professionals with relevant expertise in Business/Finance/Law/Public Enterprises and other allied field.

## 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).

Pursuant to the provisions of Regulation 17A of the SEBI Listing Regulations, a person shall not be a Director in more than 7 (Seven) listed entities and in case he/she is serving as an Independent Director on the Board of the Company, shall not hold the position as an Independent Director in more than 7 (Seven) listed entities and in case he/she is serving as a Whole Time Director/Managing Director in any listed entity, shall not hold the position as an Independent Director in more than 3 (Three) Listed entities.

Accordingly, all the Directors of KRBL Limited are holding directorships in compliance with the above-mentioned provisions of Companies Act, 2013 and SEBI Listing Regulations.

## E. MAXIMUM TENURE OF INDEPENDENT DIRECTORS

Pursuant to 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 Ms. Priyanka Sardana). 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.

Mr. Ashwani Dua resigned from the position of the Independent Non-Executive Director of KRBL Limited w.e.f. 09<sup>th</sup> January 2023 (after the closure of business hours).

## F. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

a. In accordance with the provisions of the 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 <https://www.krblrice.com/Terms-&Conditions-of-Appointment-of-Independent-Directors.pdf>

## G. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee of the Company, in its meeting held on 03<sup>rd</sup> February 2023, has cited the criteria for performance evaluation of Board of Directors, Committees of Board of Directors and the individual Board Members, including Independent Directors.

The performance evaluation of the 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, 1(one) separate Meeting of the Independent Directors of the Company was held on 09<sup>th</sup> February 2023, at The Imperial, Janpath, New Delhi-110001, which was chaired by Mr. Vinod Ahuja and was held without the presence of Non-Independent Directors and members of the Management. At the said meeting inter-alia the 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 the performance of Independent Directors, Non-Independent Directors and the Board as a whole and the Committees of the Board;
- Review of the performance of the Chairman of the Company taking into consideration the views of the Executive and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## I. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors of the Company are accorded every opportunity to familiarise themselves with the Company, its management, its operations and above all, the industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

In compliance with the provisions of Regulation 25 of the SEBI Listing Regulations, all Independent Directors are familiarized with 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 the Independent Directors;
- Board Governance & Leadership Development;
- Structured Digital Database as per SEBI (Prohibition of Insider Trading) Regulations, 2015;
- MCA and SEBI Regulatory Updates; and
- Any other information relevant to the Independent Directors.

The policy on the familiarization programs for Independent Directors along with the details of familiarization programs imparted to Independent Directors has been uploaded on the Company's website at the weblink <https://krblrice.com/wp-content/uploads/2022/06/Familiarization.pdf>

**J. BOARD MEMBERSHIP CRITERIA AND LIST OF CORE SKILLS/EXPERTISE/ COMPETENCIES IDENTIFIED IN THE CONTEXT OF THE BUSINESS**

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size. The Company requires skills/expertise/competencies in the areas of strategy, finance, leadership, technology, governance, human resources, etc. to efficiently carry on its business.

The Board of Directors of the Company 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 selection as a Director on the Board of the Company.

The criteria for appointment on the Board includes:

- Desired age and diversity on the Board;
- Size of the Board with optimal balance of skills and experience, along with balance of Executive and Non-Executive Directors in line with the requirements of law;
- Professional qualifications, expertise and experience in specific area of relevance to the Company;
- Balance of skills and competencies 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 diligently executing the duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.

In terms of requirement of Schedule V of the 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. 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, complex business processes and regulatory environment, strategic planning and risk management, understanding of the emerging local and global trends along with 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 managing the finances 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 in serving 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 does not have any convertible instruments.

**L. ROLES AND RESPONSIBILITIES OF THE BOARD**

The primary role of the Board is that of trusteeship i.e. to protect and enhance shareholder's value by providing strategic direction to the Company. As trustee, the Board of Directors has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder's interest and its growth. The Board exercises its duties with care, skill, due diligence and 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 stakeholder's aspirations and societal expectations.

**• Disclosure of Information**

- Members of the Board of Directors and the 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 affecting the Company.
- The Board of Directors and Senior Management shall uphold ethical standards of integrity and probity to meet the expectations of operational transparency to stakeholders while at the same time maintaining the confidentiality of information, fostering a culture of good decision-making.

**• Key functions of the Board**

- The Board members review and guide Corporate Strategy, Critical Plans of Action, Key Policies, Annual Budgets, and Business Plans to set up performance objectives; monitoring implementation and corporate performance; overseeing major capital expenditures, acquisitions and divestments.
- The Board members monitors the effectiveness of the Company's governance practices and implements changes whenever necessary.
- The Board members select, compensates, monitors and when necessary, replace key executives and oversees the succession planning.
- The Board ensures that a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board shall be in place.
- The Board members monitor and manage potential conflicts of interest of Management, Board Members and Shareholders including misuse of corporate assets and abuse of Related Party Transactions, if any.

- The Board ensures the integrity of the Company's accounting and financial reporting systems, including independent audit. Further, the Board ensures that appropriate system controls, risk management mechanisms, financial and operational control systems are in place, and are in compliance with the law and relevant standards.
- The Board oversees the process of disclosure and communications.
- The Board monitors Board evaluation framework.
- The Board aligns the Key Managerial Personnel and remuneration of Board of Directors with the long-term interests of the Company and its Shareholders.
- The Board assists the Company in establishing Committees of the Board of Directors along with their respective mandates in which their composition and working procedures shall defined clearly.

**• Other responsibilities**

- The Board provides the strategic guidance and direction to the Company in ensuring effective monitoring of the Management and should be accountable to the Company and the Shareholders.
- The Board sets the corporate culture and the values by which executives throughout a group behaves.
- The Board members act 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 the decision of Board members affects different shareholder groups differently, the Board treats all Shareholders fairly.
- The Board applies high ethical standards taken into account the interests of stakeholders.
- The Board can exercise objective independent judgment on corporate affairs.
- The Board considers assigning a task to a 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 recognized or exposes the Company to excessive risk.
- The Board has the authority 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.
- The Board Members commit themselves effectively to their responsibilities.

- In order to fulfill their responsibilities, Board Members shall be allowed to have access to accurate, relevant and timely information.
- The Board Members and the Senior Management shall facilitate the Independent Directors in performing their roles 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 considered as an effective deterrent to fraud and mismanagement, misuse of resources, inequality and unaccountability of decisions and as a harbinger for striking the right balance between individuals, economic and social interests.

Independent Directors play a key role in the decision-making process of the Board. The Independent Directors are committed to performing their duties 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 perspectives. 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**

The Company's Corporate Governance requires the Board to meet at least 4 (four) times in a financial 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 read with Regulation 17(2) of the SEBI Listing Regulations, or a such number of days as may be extended by the regulatory authorities vide their respective notifications/circulars. 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 the resolutions by circulation as permitted under the Companies Act, 2013.

**B. BOARD PROCEDURE**

The meeting of the Board of Directors and Committees of the Board are governed by a structured agenda. The agenda of the meeting is to be prepared in consultation

with the Chairman of the Board/Committees of the 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, regulatory updates and related details by the management and other permitted invitees. All necessary information including but not limited to those as mentioned in Part-A of Schedule II of the SEBI Listing Regulations are placed before the Board/Committee Members to enable them to discharge their responsibilities at the best of their abilities and for the strategic supervision of the Company. The Board/Committee Members also review periodical compliance of all laws, rules and regulations as applicable to the Company. At the Board/Committees Meeting, the members have full freedom to express their views and decisions are taken after detailed deliberations. Members of the Senior Management team are also invited to attend the Board/Committees Meetings, which provides additional inputs to the items being discussed in the Board/Committees Meetings.

**C. DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS DURING FINANCIAL YEAR 2022-23:**

S. No.	Date of Board Meetings	Board Strength	Number of Directors Present	% of attendance
1.	27 May 2022	9	9	100.00
2.	08 August 2022	9	8	88.89
3.	26 September 2022	9	8	88.89
4.	11 November 2022	9	9	100.00
5.	03 February 2023	8	8	100.00

**D. SHAREHOLDING OF DIRECTORS**

The Shareholding of Directors (in individual capacity) as on 31<sup>st</sup> March 2023 are given below:

Name	Designation	Number of Shares Held
Mr. Anil Kumar Mittal	Chairman & Managing Director	100
Mr. Arun Kumar Gupta	Joint Managing Director	100
Mr. Anoop Kumar Gupta	Joint Managing Director	100
Ms. Priyanka Mittal	Whole Time Director	100

The Independent Non-Executive Directors of the Company did not hold any shares in the Company as on 31 March 2023.

**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<sup>st</sup> March 2023, 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. Shyam Arora	Member	Independent Non-Executive Director
Mr. Vinod Ahuja	Member	Independent Non-Executive Director

All the Members of Audit Committee of the Company are financially literate have good knowledge of Finance, Accounts and Business Management. The Chairman of the Committee, Mr. Devendra Kumar Agarwal, has considerable expertise in accounting and financial management. The Statutory Auditors, the Internal Auditors and the Cost Auditors of the Company attend the meetings of the Committee, as and when required, at 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 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.

Ms. Jyoti Verma, Company Secretary, acts as Secretary to the Audit Committee.

**II. Terms of Reference**

The terms of reference and the ambit of powers of Audit Committee of KRBL Limited are in accordance with the provisions of Section 177 of the Companies Act, 2013 read with allied rules framed thereunder and Regulation 18 and Part-C of Schedule II of the SEBI Listing Regulations.

The Powers of the Audit Committee inter-alia include 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 considered necessary.
- The Audit Committee may call for the Auditor's comments about internal control systems, the scope of the audit, including the observations of the Auditors and review of financial statement before submission to the Board. The Audit Committee may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company.

- The Audit Committee shall have the authority to investigate any matter concerning the items specified above or referred to it by the Board. For this purpose, the Audit Committee shall have the power to obtain professional advice from external sources and have full access to the information contained in the records of the Company.
- To oversee the processes that ensure the integrity of financial statements issued by management from time to time

The Role, Duties and Responsibilities of the Audit Committee inter-alia include the following:

- Discussion with Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
- Review with the management, performance of Statutory Auditors and Internal Auditors.
- The recommendation to board for appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the Auditor's independence, performance and effectiveness of the 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 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.
- Approval for payment to the Statutory Auditors for any other services rendered by them.
- Reviewing with the Management, the Annual Financial Statements and Auditor's Report 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.
- Reviewing with the Management, the Quarterly Financial Results alongwith the Limited Review Report 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 the 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/investments existing as on the date of coming into force of this provision..
- Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verifying that the systems for internal control are adequate and are operating effectively.

The Audit Committee inter-alia reviews the following information from time to time:

- Management Discussion and Analysis of financial condition and result of operations;
- Statement of significant Related Party Transactions (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 2022-23, 4 (Four) meetings of Audit Committee were held. The details of Audit Committee Meetings held and attended by the Members are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	27 May 2022	5	5	100.00
2.	08 August 2022	5	5	100.00
3.	11 November 2022	5	5	100.00
4.	03 February 2023	4	4	100.00

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	3	100.00
4.	Mr. Shyam Arora	Member	4	4	100.00
5.	Mr. Vinod Ahuja	Member	4	4	100.00

\*Mr. Ashwani Dua resigned from the position of the Independent Non-Executive Director of KRBL Limited w.e.f 09<sup>th</sup> January 2023 (after the closure of business hours). Three Meetings of Audit Committee were held during his tenure.

The minutes of the meetings of the Committee were placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

Mr. Devendra Kumar Agarwal, Chairman of the Committee, was present at the last AGM held on 26<sup>th</sup> September 2022.

## B. NOMINATION AND REMUNERATION COMMITTEE

### I. Composition of the Committee

As on 31<sup>st</sup> March 2023, the Nomination and Remuneration Committee of KRBL Limited comprises of following Members:

Name	Designation	Category
Mr. Vinod Ahuja*	Chairman	Independent Non-Executive Director
Mr. Shyam Arora	Member	Independent Non-Executive Director
Ms. Priyanka Sardana	Member	Independent Non-Executive Director
Mr. Devendra Kumar Agarwal#	Member	Independent Non-Executive Director

\* Mr.Vinod Ahuja has been designated as Chairman of the Nomination and Remuneration Committee w.e.f. 03<sup>rd</sup> February 2023 consequent to the resignation of Mr. Ashwani Dua as Chairman of Nomination and Remuneration Committee.

# Mr. Devendra Kumar Agrawal has been inducted as Member of the Nomination and Remuneration Committee of the Company w.e.f. 03<sup>rd</sup> February 2023.

The primary objective of the Nomination and Remuneration Committee is to screen and review individuals who are qualified to serve as an Executive Director, Non-Executive Director, Independent Director, Key Managerial Personnel and as a part of the Senior Management Team of the Company and to recommend their appointment/re-appointment/change in their remuneration to the Board of Directors from time to time.

Ms. Jyoti Verma, Company Secretary, acts as Secretary to the Nomination and Remuneration Committee.

### II. Terms of Reference

The terms of reference and the ambit of powers of Nomination and Remuneration Committee of KRBL Limited are in accordance with the provisions of 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 inter-alia include the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- To recommend to the Board a policy relating to, the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- To formulate the criteria for evaluation of performance of the Independent Directors and the Board of Directors.
- To evaluate the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective.

- To devise a policy on diversity of the Board of Directors.
- To identify the persons who are qualified to become the Directors. To identify who may be appointed in Senior Management as per the criteria laid down, and recommend to the Board of Directors for 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 the Independent Directors.
- To approve and recommend to the Board for approval, all remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management and to maintain a balance between fixed and variable pay (if any) reflecting short and long-term performance objectives appropriate to the working of the Company.
- To ensure that there is an appropriate induction & training programme in place for the new Directors and members of the Senior Management and to review its effectiveness.
- To ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Companies Act, 2013.
- To identify and recommend the Directors who are to be put forward for retirement by rotation.
- To set-up a formal and transparent procedure for selecting the new Directors for appointment to the Board.
- To develop a succession plan for the Board members and Senior Management and to review the plan periodically.
- To determine the appropriate size, diversity and composition of the Board.
- To delegate any of its powers to one or more of its members or the Secretary of the Committee.

### III. Meetings and Attendance

During the financial year 2022-23, 4 (Four) meetings of Nomination and Remuneration Committee were held. The details of Nomination and Remuneration Committee Meetings held and attended by the Members are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	27 May 2022	4	4	100.00
2.	08 August 2022	4	4	100.00
3.	26 September 2022	4	4	100.00
4.	03 February 2023	3	2	66.67

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

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Ashwani Dua*	Chairman	4	3	100.00
2.	Mr. Shyam Arora	Member	4	3	75.00
3.	Mr. Vinod Ahuja#	Member/Chairman	4	4	100.00
4.	Ms. Priyanka Sardana	Member	4	4	100.00

\*Mr. Ashwani Dua resigned as Chairman of Nomination and Remuneration Committee w.e.f. 09<sup>th</sup> January 2023 (after the closure of business hours). Three meetings held during his tenure.

#Mr. Vinod Ahuja designated as Chairman of Nomination and Remuneration Committee w.e.f. 03<sup>rd</sup> February 2023.

The minutes of the meetings of the Committee were placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

Mr. Ashwani Dua, the then chairman of the Committee, was present at the last AGM held on 26<sup>th</sup> September 2022.

### IV. Remuneration Policy

The Remuneration policy of the Company is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and directed towards rewarding performance, based on review of achievements on periodic basis.

The remuneration paid to Executive Directors and Relative of Directors holding Office or Place of Profit in the Company 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 Key Managerial Personnel and Senior Management Personnel 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 sitting fees up to 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 <https://krblrice.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 sitting fees for attending Board Meetings.

Details of Sitting Fees paid to the Independent Non- Executive Directors during the Financial Year 2022-23 are as follows:

Name of the Directors	(Amount in ₹ lacs)	
	Sitting Fees Paid in FY 2022-23* Board Meeting	No. of shares held as on 31 March 2023
Mr. Ashwani Dua#	3.75	Nil
Mr. Devendra Kumar Agarwal	4.75	Nil
Ms. Priyanka Sardana	4.75	Nil
Mr. Shyam Arora	4.75	Nil
Mr. Vinod Ahuja	4.75	Nil

\* The same is excluding GST.

# Mr. Ashwani Dua resigned as Independent Non-Executive Director of KRBL Limited w.e.f. 09<sup>th</sup> January 2023 (after the closure of business hours)

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

#### II. Remuneration to Executive Directors

The remuneration paid to the Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. The remuneration is based on criteria such as industry benchmarks, Company's performance, responsibilities shouldered by the Director, performance / track record of the Director etc.

The Company pays remuneration to its Executive Directors together with other benefits, perquisites, allowances, amenities and facilities following the policy of the Company, within the limits as approved by the Shareholders of the Company and taking into consideration the overall limits as prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

Details of Remuneration on account of salary and perquisites paid to the Executive Directors during the Financial Year 2022-23 are as follows:

Name & Designation of Director	(Amount in ₹ lacs)		
	Salaries	Perquisites	Total
Mr. Anil Kumar Mittal Chairman & Managing Director	216.00	0.40	216.40
Mr. Arun Kumar Gupta Joint Managing Director	216.00	32.80	248.80
Mr. Anoop Kumar Gupta Joint Managing Director	216.00	0.40	216.40
Ms. Priyanka Mittal Whole Time Director	135.00	35.50	170.50

### C. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### I. Composition of the Committee

As on 31<sup>st</sup> March 2023, the Stakeholders Relationship Committee of KRBL Limited comprises of following Members:

Name	Designation	Category
Ms. Priyanka Sardana*	Chairperson	Independent Non-Executive Director
Mr. Shyam Arora	Member	Independent Non-Executive Director
Mr. Vinod Ahuja	Member	Independent Non-Executive Director

\* Ms. Priyanka Sardana was inducted as Chairperson of Stakeholders Relationship Committee w.e.f. 03<sup>rd</sup> February 2023 post resignation of Mr. Ashwani Dua as Chairman of the Committee.

The Committee specifically discharges duties of servicing and protecting various aspects of interest of shareholders.

Ms. Jyoti Verma, 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 of KRBL Limited are in accordance with the provisions of Section 178 of the Companies Act, 2013, read with allied rules framed thereunder and Regulation 20 and Part-D of Schedule II of the SEBI Listing Regulations.

The Role, Duties and Responsibilities of the Stakeholders Relationship Committee inter-alia include 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 the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review the measures undertaken for effective exercise of voting rights by the 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 2022-23, 4 (Four) meetings of Stakeholders Relationship Committee were held. The details of Stakeholders Relationship Committee Meetings held and attended by the Members are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	27 May 2022	3	3	100.00
2.	08 August 2022	3	3	100.00
3.	11 November 2022	3	3	100.00
4.	03 February 2023	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	3	100.00
2.	Ms. Priyanka Sardana#	Chairperson	1	1	100.00
2.	Mr. Shyam Arora	Member	4	3	75.00
3.	Mr. Vinod Ahuja	Member	4	4	100.00

\*Mr. Ashwani Dua resigned as Chairman of Stakeholders Relationship Committee w.e.f. 09<sup>th</sup> January 2023 (after the closure of Business hours). Three meetings held during his tenure.

# Ms. Priyanka Sardana inducted as Chairperson of Stakeholders Relationship Committee w.e.f. 03<sup>rd</sup> February 2023

The minutes of the meetings of the Committee were placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

Mr. Ashwani Dua, then Chairman of the Committee, was present at the last AGM held on 26<sup>th</sup> September 2022.

### 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 21 (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, also the Company has not received any complaint during the year. No complaints were outstanding as on 31 March 2023. No requests for Transfer/Transmission and Dematerialization were pending for approval as on 31 March 2023. 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](mailto:investor@krblindia.com) exclusively for the purpose of registering complaints by investors electronically. All other investors' information is available on the Company's website at the weblink <https://www.krblrice.com/krbl-investors-information.pdf>.

### D. CSR & ESG 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 CSR & ESG 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.

The Board of Directors in their meeting held on 03<sup>rd</sup> February 2023 renamed the CSR Committee to "CSR & ESG" Committee and enhanced the scope of committee to review and oversee the Company's priorities with regard to environmental, social and governance perspective.

### I. Composition of the Committee

As on 31<sup>st</sup> March 2023, the CSR & ESG Committee of KRBL Limited comprises of following Members:

Name	Designation	Category
Mr. Anil Kumar Mittal	Chairman	Executive Chairman & Managing Director
Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director
Mr. Vinod Ahuja	Member	Independent Non-Executive Director

Ms. Jyoti Verma, Company Secretary, acts as Secretary to the CSR & ESG Committee.

### II. Terms of Reference

The terms of reference and the ambit of powers of CSR & ESG Committee of KRBL Limited are in accordance with the provisions of Section 135 of the Companies Act, 2013 read with allied rules framed thereunder.

The Role, Duties and Responsibilities of the CSR & ESG Committee inter-alia include the following:

- To formulate, modify and recommend to the Board the CSR Policy along with the Annual Action Plan as per the requirements under the Act, which shall include the following:
  - To identify the list of CSR projects/ programmes or activities, that are approved to be undertaken as specified under Schedule VII of the Act;
  - The manner of execution of CSR projects or programmes;
  - The modalities of utilization of funds and implementation schedules for the CSR projects or programmes;
  - To monitor the execution of CSR projects or programmes and adherence to the CSR Policy from time to time; and
  - To conduct impact assessment, if required.
- To hold meetings at regular intervals to review and monitor the progress of the various projects/activities undertaken.
- To recommend to Board, the projects that are in line with the CSR Policy.
- To recommend to the Board the amount of expenditure to be incurred on CSR projects or programmes.
- To ensure that any surplus arising out of the CSR projects/programmes or activities will not form part of the business profit of the Company and will be dealt with in accordance with the Act.
- To regularly monitor the implementation of the CSR projects/programmes or activities undertaken by the Company.
- To perform any other functions and ensure due compliance of the provisions of the Act, its Rules, the SEBI Listing Regulations, and any other laws or regulations from time to time.
- To obtain the views of the CSR Monitoring Committee and the Unit CSR Teams in developing annual activity plans, budgets and to ensure effective execution of the approved annual plans.
- Review the methods of internal and external communication on sustainability performance, including approving the Sustainability Reporting, ESG, and BRSR sections published in the Integrated Annual Report prior to publication as deemed fit.

- Provide advice and direction to the Company's management on implementation of the Company's ESG Strategy.
- Provide oversight of the key policies and programmes required to implement the ESG Strategy.
- Review the ESG performance of the company as per the principles of National Guidelines on Responsible Business Conduct (NGRBC)
- Perform such other duties and responsibilities as are required for addressing the ESG Issues.

The Company's policy on CSR envisages expenditure in areas falling within the purview of Schedule VII of the Companies Act, 2013 and as permitted under the applicable laws. The Committee take note and incorporate all the amendments as notified by the Ministry of Corporate Affairs. The detailed CSR policy is available on the Company's website at the web link <https://krblrice.com/policy-guidelines/policy-corporate-social-responsibility.pdf>

The detailed Annual Report on Corporate Social Responsibility is disclosed as Annexure-5 in the Directors' Report section, forming part of this Report.

### III. Meetings and Attendance

During the financial year 2022-23, 2 (Two) meetings of CSR & ESG Committee were held. The details of CSR & ESG Committee Meetings held and attended by the Members are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Monday, 30 May 2022	4	4	100
2.	Monday, 06 February 2023	3	3	100

The attendance details of the CSR & ESG Members are as follows:

S. No.	Name	Position held	Meetings held	Meetings attended	% of attendance
1.	Mr. Anil Kumar Mittal	Chairman	2	2	100.00
2.	Mr. Anoop Kumar Gupta	Member	2	2	100.00
3.	Mr. Ashwani Dua*	Member	1	1	100.00
4.	Mr. Vinod Ahuja	Member	2	2	100.00

\* Mr. Ashwani Dua resigned as the member of CSR & ESG Committee of KRBL Limited w.e.f. 09 January 2023 (After the closure of business hours). 1 (One) Meeting of CSR & ESG Committee held during his tenure.

The minutes of the meetings of the Committee were placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

Mr. Anil Kumar Mittal, Chairman of the Committee, was present at the last AGM held on 26<sup>th</sup> September 2022.

### E. RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 dated 05 May 2021, the Company has revised the Risk Management Policy and reconstituted Risk Management Committee w.e.f. 04 August 2021 to frame, implement and monitor the Risk Management Plan for the Company and ensures its effectiveness.

The role of the Risk Management Committee is to assist the Board in identifying the internal and external risks specifically faced by a listed entity. The Committee identify risks relating to financial, operational, sectoral, sustainability (particularly, ESG related risks), information, legal, cyber security risks or any other risk as may be determined by the Risk Management Committee. Further, the Committee also suggest measures for risk mitigation, including systems and processes for internal control for identifying risks and formulating business continuity plan etc.

#### I. Composition of the Committee

As on 31<sup>st</sup> March 2023, the Risk Management Committee of KRBL Limited comprises of following Members:

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. Vinod Ahuja <sup>@</sup>	Member	Independent Non-Executive Director
4.	Mr. Ashish Jain	Member	Chief Financial Officer

<sup>@</sup> Mr. Vinod Ahuja was inducted to the Risk Management Committee w.e.f. 03<sup>rd</sup> February 2023.

Ms. Jyoti Verma, Company Secretary, acts as Secretary to the Risk Management Committee.

#### II. Terms of References

The terms of reference and the ambit of powers of Risk Management Committee of KRBL Limited are in accordance with the provisions of Regulation 21 and Part-D of Schedule II of the SEBI Listing Regulations.

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 inter-alia include the following:

- To identify the risks inherent to the business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks;
- To understand and better manage the uncertainties which may impact the performance, achievement of objectives and existence of the Company;
- To formulate the detailed risk management policy and to establish a framework for identification of internal and external risks specifically faced by the Company. The risks identified should include but not limited to financial risks, operational risks, sectoral risks, sustainability risks (particularly, ESG related risks), information risks, legal risks, cyber security risks or any other risk as may be determined by the Risk Management Committee for the company's risk management process and to ensure its implementation.
- To measure the risk mitigation measures including the systems & processes for Internal Control of identified risks
- To formulate an effective Business Continuity Plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate the risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To contribute to safeguard the Company's value and interest of shareholders;
- To ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk;
- To define long and short term strategic and business plan.
- To approve mitigation plans and budgets required for implementation of the same.
- To improve compliance with good corporate governance guidelines and practices as well as laws & regulations.

### III. Meetings and Attendance

During the financial year 2022-23, 2 (Two) Meeting of the Risk Management Committee was held. The details of Risk Management Committee Meetings held and attended by the Members are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	19 August 2022	4	4	100.00
2.	06 February 2023	4	4	100.00

The attendance details of the Risk Management Committee Members are as follows:

S. No.	Name	Position held	Meeting held	Meeting attended	% of attendance
1.	Mr. Arun Kumar Gupta	Chairman	2	2	100.00
2.	Mr. Anoop Kumar Gupta	Member	2	2	100.00
3.	Mr. Ashwani Dua <sup>*</sup>	Member	1	1	100.00
3.	Mr. Vinod Ahuja <sup>#</sup>	Member	1	1	100.00
4.	Mr. Ashish Jain	Member	2	2	100.00

<sup>\*</sup> Mr. Ashwani Dua resigned as Member of Risk Management Committee w.e.f. 09 January 2023 (after the closure of business hours). 1(One) Meeting held during his tenure.

<sup>#</sup> Mr. Vinod Ahuja was inducted as Member of Risk Management Committee w.e.f. 03 February 2023.

The minutes of the meetings of the Committee were placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

Mr. Arun Kumar Gupta, Chairman of the Committee, was present at the last AGM held on 26<sup>th</sup> September 2022.

### F. BORROWING AND INVESTMENT COMMITTEE

The Board of Directors of the Company in its meeting held on 08<sup>th</sup> September 2016, had 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 2023, the Borrowing and Investment Committee of KRBL comprises of following members:

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. Ashish Jain	Member	Chief Financial Officer

Ms. Jyoti Verma, 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 inter-alia include 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 a class of asset when deemed appropriate.
- To identify and assess the risks associated with taking the decisions of investments and borrowings and to 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 deemed appropriate. The Committee shall regularly report 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 and to successfully perform their duties.

### III. Meetings and Attendance

During the financial year 2022-23, 2 (Two) Meeting of the Borrowing and Investment Committee was held. The details of Borrowing and Investment Committee Meetings held and attended by the Members are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	17 October 2022	4	4	100.00
2.	03 February 2023	4	4	100.00



The attendance details of the Borrowing and Investment Committee Members are as follows:

S. No.	Name	Position held	Meeting held	Meeting attended	% of attendance
1.	Mr. Anil Kumar Mittal	Chairman	2	2	100.00
2.	Mr. Arun Kumar Gupta	Member	2	2	100.00
3.	Mr. Anoop Kumar Gupta	Member	2	2	100.00
4.	Mr. Ashish Jain	Member	2	2	100.00

The minutes of the meetings of the Committee were placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board

Mr. Anil Kumar Mittal, Chairman of the Committee, was present at the last AGM held on 26<sup>th</sup> September 2022.

## 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: <https://krblrice.com/policy-guidelines/Policy-For-Determining-Material-Subsidiaries.pdf>

## 6. GENERAL BODY MEETINGS

### A. GENERAL BODY MEETING HELD DURING LAST 3 YEARS

Year	Time, Day, Date and Location	Summary of Special Resolutions passed in the AGM
29 <sup>th</sup> AGM – 2022	12.00 Noon 26 September 2022 Through Video Conferencing 5190, Lahori Gate, Delhi -110006 was the deemed venue	No Special Resolution was passed in AGM
28 <sup>th</sup> AGM – 2021	01.00 P.M. Thursday 30 September 2021 Through Video Conferencing 5190, Lahori Gate, Delhi -110006 was the deemed venue	No Special Resolution was passed in AGM
27 <sup>th</sup> AGM – 2020	12.00 Noon Wednesday 30 September 2020 Through Video Conferencing 5190, Lahori Gate, Delhi -110006 was the deemed venue	No Special Resolution was passed in AGM

### B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE FINANCIAL YEAR 2022-23

During the Financial Year 2022-23, no Special Resolution was passed 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 was not having any potential conflict with the interest of the Company. In addition, there were no transactions with Related Parties, which qualify as Material Related Party Transactions under the SEBI Listing Regulations.

The Company has disclosed the Related Party Transactions as per Indian Accounting Standard (Ind AS) 24 forming part of Note 45 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 SEBI Listing Regulations. The same is available on the Company's website at the weblink <https://krblrice.com/wp-content/uploads/2022/03/1.-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 as 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 of 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 the 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 promotes ethical behavior in all its business activities and is in line with the best international governance practices. The Company has also established a system through which Directors, Employees and Business Associates may report via email or via physical mode any complaint related to any unethical behavior, malpractices, wrongful conduct, fraud or violation of the 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 [https://krblrice.com/policy-guidelines/Vigil-Mechanism-\(Whistle-Blower%20Policy\).pdf](https://krblrice.com/policy-guidelines/Vigil-Mechanism-(Whistle-Blower%20Policy).pdf)

### G. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS

There is no pecuniary relationship or transactions with Non-Executive Directors except payment of sitting 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 it operates.

## J. 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 <https://krblrice.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

## K. CEO/ CFO CERTIFICATION

The CEO and CFO certification on the Financial Statements is attached as 'Annexure 1' and forming of this Report.

## 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 took on record by the Board of Directors of the Company are published quarterly in leading National Newspapers, as per detail given below:

Name of Publication	Region	Language
Economic Times	Delhi, Mumbai	English
Navbharat Times	Delhi, Mumbai	Hindi
Business Standard	Delhi, Mumbai, Chennai	English
Business Standard	Delhi	Hindi
Financial Express	Chandigarh, Pune, Lucknow, Kolkata, Bangalore, Chennai, Kochi, Hyderabad, Ahmedabad, Mumbai, Delhi	English

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.krblrice.com](http://www.krblrice.com) under the head - Investor Relations.

#### INVESTOR RELEASES/ PRESENTATIONS

Official press releases, presentations made to the Media, Analysts, Investors, Conference Call Transcripts and all other information which is mandatorily required to be placed on the website as per SEBI Listing Regulations may be retrieved by Investors from the website of the Company [www.krblrice.com](http://www.krblrice.com) under the Head - Investor Relations.

### 9. GENERAL SHAREHOLDER INFORMATION

#### I. ANNUAL GENERAL MEETING

Day, Date & Time :	Thursday, 28 September 2023, 12:00 Noon
E-Voting Dates :	Monday, 25 September 2023 09:00 A.M. to Wednesday, 27 September 2023 05:00 P.M.

#### II. FINANCIAL REPORTING

Financial Year	01 April to 31 March
For the Financial Year 2022-23 results were announced on:	
1 <sup>st</sup> Quarter ended 30 June 2022	08 August 2022
2 <sup>nd</sup> Quarter and Half Year ended 30 September 2022	11 November 2022
3 <sup>rd</sup> Quarter ended 31 December 2022	03 February 2022
4 <sup>th</sup> Quarter and Year ended 31 March 2023	30 May 2023
<b>For the Financial Year 2023-24, results are likely to be announced on: (Tentative and subject to change)</b>	
1 <sup>st</sup> Quarter ended 30 June 2023	By second week of August 2023
2 <sup>nd</sup> Quarter and Half Year ended 30 September 2023	By second week of November 2023
3 <sup>rd</sup> Quarter ended 31 December 2023	By second week of February 2024
4 <sup>th</sup> Quarter and Year ended 31 March 2024	By second week of May 2024

### 10. CODE OF CONDUCT

The Company has adopted a Code of Business Conduct and Ethics for the Board of Directors, the Senior Management Personnel and Other Employees. The same is available on the Company's website at the weblink <https://www.krblrice.com/codes/Code-of-Business-Conduct-and-Ethics.pdf>

The Company has also obtained affirmation for adherence to the Code. The declaration from the Chairman & Managing Director to that effect forms part of this report as per below:

**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's Code of Business Conduct and Ethics for the financial year ended 31 March 2023.

Sd/-  
**Anil Kumar Mittal**  
Chairman & Managing Director  
DIN: 00030100

**Place:** Noida, Uttar Pradesh  
**Date:** 10<sup>th</sup> August 2023

### 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 provisions of 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 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 <https://www.krblrice.com/codes/Code-of-Fair-Disclosure.pdf>

Further, pursuant to the provisions of 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, the Company is having the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The same is available on the Company's website at the weblink <https://krblrice.com/codes/Code-of-Conduct-to-Regulate,-Monitor-and-Report-Trading-by-Insiders.pdf>

### 12. DATE OF BOOK CLOSURE

The dates of Book Closure shall be from Friday, 22<sup>nd</sup> September 2023 to Thursday, 28<sup>th</sup> September 2023 (both days inclusive).

### 13. DIVIDEND

The Board of Directors of the Company in their meeting held on 10<sup>th</sup> August 2023, had recommended the Final Dividend @ 100% i.e. ₹1.00 per equity share of face value of ₹1 each aggregating to ₹2354 lacs for the financial year 2022-23. The Final Dividend shall be paid to those Shareholders whose names will be provided by the Depositories after the close of business hours on Friday, 25 August 2023, being record date fixed for the purpose. The Final Dividend as recommended by the Board of Directors and if approved by the shareholders in the ensuing AGM will be paid on or before Friday, 27<sup>th</sup> October 2023.

### 14. REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed M/s. Alankit Assignments Limited, having its office at Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055, as its Registrar and Share Transfer Agent (RTA) for transfer of shares via 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 format. Pursuant to the changes made in provisions of Regulation 40(1) of the 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 amended Regulation 40 of the SEBI Listing Regulations and 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 the 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 the 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 Depositories i.e. 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 2022-23 have been paid to both the Depositories.

During the year under review 14,104 equity shares of the Company covered in 8 requests were converted into dematerialized form and 6,057 equity shares of the Company, which were in physical form, were transferred to the Demat account of IEPF Authority. As on 31 March 2023, 23,52,82,701 equity shares of the Company constituting 99.95% of the Paid-up equity 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 <sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai-400 013	Marathon Futurex, A-Wing, 25 <sup>th</sup> Floor, N.M. Joshi Marg, Lower Parel, Mumbai-400 013
Telephone: 022-48867000 E-mail: <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a> Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	Telephone: 1800-22-5533 E-mail: <a href="mailto:helpdesk@cdslindia.com">helpdesk@cdslindia.com</a> Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a>

### 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 the subsequent meeting of the Stakeholders Relationship Committee of the Company for information and noting. All share transmissions, if any, are completed within the 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 a 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](http://www.nseindia.com)  
Symbol: KRBL, Series: Eq.

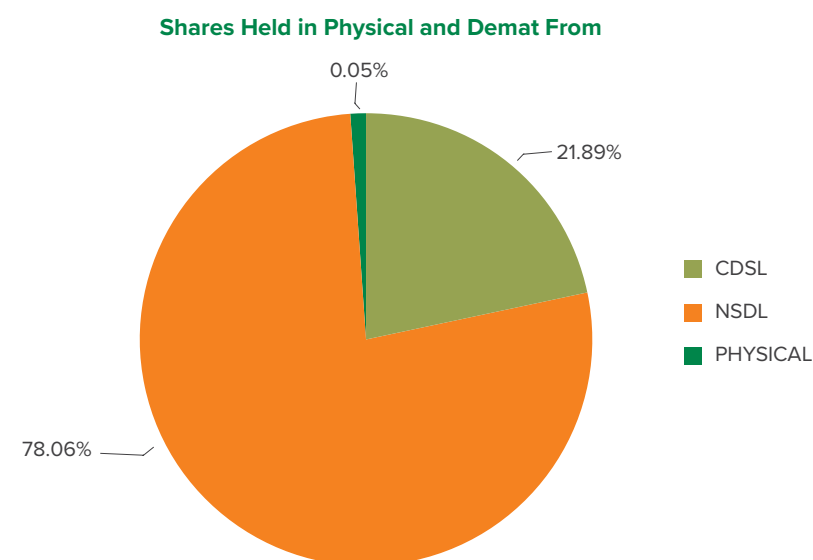
**II. BSE LIMITED (BSE)**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001  
Website: [www.bseindia.com](http://www.bseindia.com)  
Stock Code: 530813

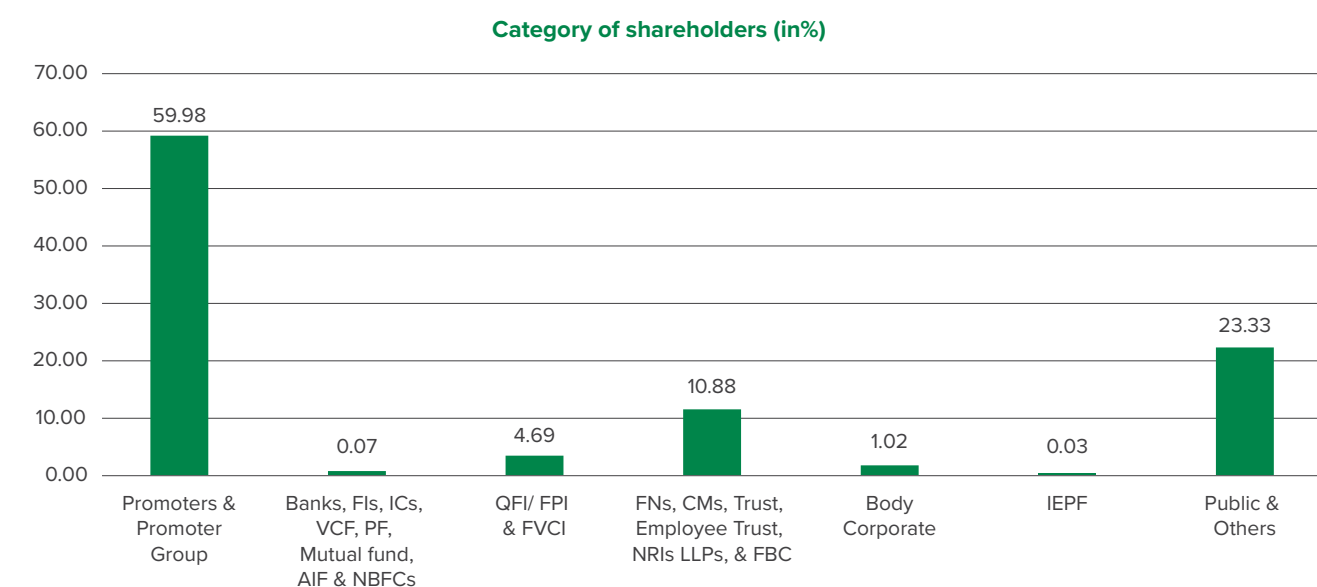
Your Company has paid the Annual Listing Fees to NSE and BSE for the Financial Year 2022-23.

**18. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH 2023**

Number of Shares held (₹1 each Fully Paid-up)	Folios		Shares of ₹1 each Fully Paid-up	
	Numbers	%	Numbers	%
1 – 50	51,011	89.41	38,26,093	1.63
51 – 100	2,603	4.56	20,86,390	0.89
101 – 500	1,576	2.76	23,76,056	1.01
501 – 1,000	517	0.91	13,13,179	0.56
1,001 – 5,000	269	0.47	9,60,910	0.41
5,001 – 10,000	227	0.40	10,66,724	0.45
10,001 – 100,000	328	0.57	24,23,549	1.03
1,00,001 & above	524	0.92	22,13,36,991	94.03
<b>Total</b>	<b>57055</b>	<b>100.00</b>	<b>23,53,89,892</b>	<b>100.00</b>

**19. SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM AS ON 31 MARCH 2023 (In %)**

**20. CATEGORY OF SHAREHOLDING AS ON 31 MARCH 2023**

Category	Number of Shares held	%
Promoter & Promoter Group	14,11,81,796	59.98
Banks, Financial Institutions (FIs), Insurance Companies (ICs), Venture Capital Fund (VCF), Provident Fund (PF), Mutual Fund, Alternate Investment Fund (AIF) & NBFCs	1,57,783	0.07
Qualified Foreign Investor (QFI), Foreign Portfolio Investor (FPI) & Foreign Venture Capital Investor (FVCI)	1,10,33,377	4.69
Foreign Nationals (FNs), Clearing Members (CMs), Trust, Employee Trust, NRIs, LLPs, Foreign Body Corporate (FBC)	2,56,05,897	10.88
Body Corporate	23,95,167	1.02
Investor Education and Protection Fund (IEPF)	84,400	0.03
Public and Others	5,49,31,472	23.33
<b>Total</b>	<b>23,53,89,892</b>	<b>100.00</b>

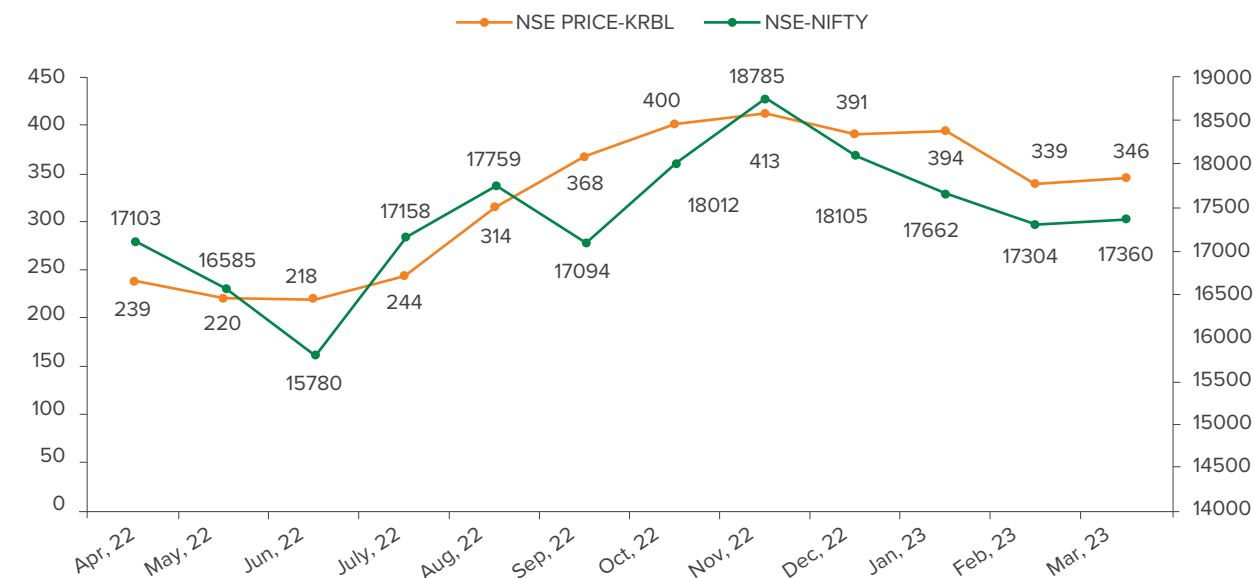
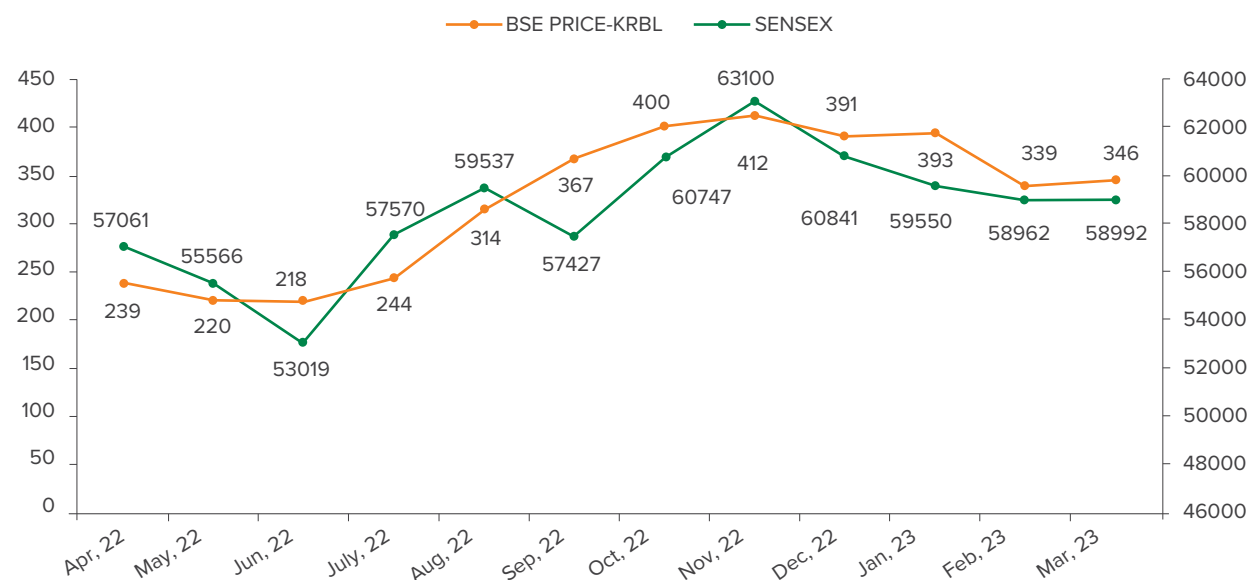

**21. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON 31 MARCH 2023**

S. No.	Name	Number of Shares
1.	Reliance Commodities DMCC	2,29,00,000
2.	Joint Director Of Enforcement, Central Region	1,43,33,221
3.	Anil Kumar Goel	72,00,000
4.	Som Nath Aggarwal	36,55,182
5.	Seema Goel	31,05,000
6.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	12,53,211
7.	Vanguard Total International Stock Index Fund	12,09,006
8.	Government Pension Fund Global	7,75,373
9.	Hussam Ali Obeid Balsharaf	7,00,000
10.	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc.	5,68,267

**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, 2022	264	202	2,21,35,496	53,212	264	203	15,09,435	3,648
May, 2022	249	197	1,93,24,332	43,993	254	196	13,96,008	3,157
June, 2022	232	198	48,05,133	10,401	231	198	4,89,592	1,055
July, 2022	268	214	1,15,87,318	28,708	268	214	9,10,393	2,253
August, 2022	321	241	2,69,98,373	76,509	320	241	19,84,903	5,606
September, 2022	384	277	4,15,64,699	1,46,819	384	297	32,41,383	11,338
October, 2022	414	365	1,88,28,021	73,616	413	366	15,01,508	5,859
November, 2022	418	376	1,57,98,518	62,763	418	376	13,14,753	5,223
December, 2022	445	355	1,48,17,619	61,686	449	356	10,08,306	4,174
January, 2023	410	381	50,91,039	20,094	410	381	3,71,718	1,460
February, 2023	408	325	54,68,614	20,243	408	326	4,67,055	1,723
March 2023	380	320	49,84,592	17,555	374	320	3,26,176	1,138

**23. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES:**

**24. 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 of the Company as mandated by SEBI and issues report 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 a quarterly basis and the report thereof as required pursuant to Circular No. D&CC/FITC/CIR-16/2002 dated 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 a quarterly basis and is also placed before the Stakeholders Relationship Committee Members and Board of Directors of the Company for noting, comments and advise.

**25. UNPAID DIVIDEND**

In terms of the provisions of Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, unclaimed dividend amounting to ₹6,31,956.30 and rounding off amount of ₹0.70 aggregating to ₹6,31,957.00 pertaining to financial year 2014-15, which was lying in the unpaid dividend account for 7 (Seven) years from the date of its transfer to unpaid dividend account, have been transferred to the Investor Education and Protection Fund established by the Government.

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) (IEPF Rules), during the financial year 2022-2023, the Company has transferred 10,963 equity shares which belongs to total 84 (Eighty Four) Shareholders whose dividend has not been paid or claimed for 7 (Seven) consecutive years or more as on the due date of transfer i.e. 05 November 2022, 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 National Securities Depository Limited.

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) (IEPF Rules), during the financial year 2023-2024 and as on the date of this AGM Notice, the Company has transferred 1,656 equity shares which belongs to total 27 (Twenty Seven) Shareholders whose Interim dividend for the Financial year 2015-16 has not been paid or claimed for 7 (Seven) consecutive years or more as on the due date of transfer i.e. 16 April 2023, 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 National Securities Depository Limited.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from IEPF Authority. Concerned Members are advised to visit the weblink <https://www.iepf.gov.in/IEPF/refund.html>

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
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
30 September 2021	2020-21	06 November 2028
26 September 2022	2022-23	02 November 2029

## 26. DETAILS OF DEMAT/ UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

## 27. 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 2022-23, the Company had managed the foreign exchange risk and hedged it to the extent considered necessary. The Company enters into hedges for hedging foreign exchange exposures against exports and imports. The details of financial risk management under the head financial instruments are disclosed in Note 44 to the Financial Statements for the financial year 2022-23.

## 28. 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, confirming 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. The same is attached as 'Annexure 2' and forming part of this Report.

## 29. 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, Proprietor, Deepak Kukreja & 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 as 'Annexure 3' and forming part of this Report.

## 30. 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 2022-23 are as below:

Particulars	Amount (₹ in lacs)
Statutory Audit (including fees for limited reviews)	57
Tax Audit	5
Reimbursement of Expenses	2
<b>Total</b>	<b>64</b>

## 31. RATINGS

During the financial year 2022-23, the Company is holding various ratings, which are as follows:

- CARE:** In September 2022, "CARE" has reviewed and reaffirmed "[CARE]A1+" rating for Commercial Paper (CP) Limits of KRBL Limited.
- ICRA:** In November 2022, "ICRA" has reviewed and reaffirmed "[ICRA]AA- (Stable)" rating for Bank Limits on Long term scale and "[ICRA]A1+" rating for Bank Limits on Short term scale and Commercial Paper (CP) Limits of KRBL Limited
- ICRA:** In February 2023, "ICRA" has reviewed and assigned "[ICRA] AA (Stable)" rating for Bank Limits on Long term scale and reaffirmed "[ICRA] A1+" rating for Bank Limits on Short term scale and Commercial Paper (CP) Limits of KRBL Limited.

## 32. DISCLOSURE ON LOANS AND ADVANCES

The Company or its Subsidiaries have not extended any loan or advance to any firm or company, where the Directors of your company are interested.

## 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:

### 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.

## 34. COMPLIANCE OFFICER

**Jyoti Verma**  
Company Secretary  
**Add:** C-32, 5<sup>th</sup> & 6<sup>th</sup> Floor,  
Sector 62, Noida, Gautam Budh Nagar,  
Uttar Pradesh - 201 301  
**Telephone:** +91-120-4060300  
**E-mail:** [cs@krblindia.com](mailto:cs@krblindia.com)

## 35. REGISTERED OFFICE & ADDRESS FOR CORRESPONDENCE

### REGISTERED OFFICE:

5190, Lahori Gate,  
Delhi-110 006

### ADDRESS FOR CORRESPONDENCE

#### CORPORATE OFFICE:

C-32, 5<sup>th</sup> & 6<sup>th</sup> Floor,  
Sector 62, Noida, Gautam Budh Nagar,  
Uttar Pradesh - 201 301  
Telephone: +91-120-4060300

## 36. PLANT LOCATIONS

- 9<sup>th</sup> Milestone, Post-Dujana, Bulandshahr Road, Dist. Gautambudh Nagar, Uttar Pradesh-203 207.
- Village Bhasaur, (Dhuri), Distt. Sangrur, Punjab-148 024.
- Village Akbarpur Barota, Distt. Sonipat, 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.
- Survey No. 113, Varsamedi Village, Anjar Gandhidham, Kutch, Gujarat-370301

## 37. ADDRESS OF REDRESSAL AGENCIES TO LODGE THE GRIEVANCES

MINISTRY OF CORPORATE AFFAIRS	SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)
'A' Wing, Shastri Bhawan, Rajendra Prasad Road, New Delhi - 110 001 Telephone.: +91-11-23386110 Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>	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 Toll Free Investor Helpline: 1800-22-7575 E-mail: <a href="mailto:sebi@sebi.gov.in">sebi@sebi.gov.in</a> Website: <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>

## 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](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. BSE Limited

Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Telephone: +91-22-22721233/34, +91-22-26598100/8114 Fax: +91-22-26598120 Website: <a href="http://www.nseindia.com">www.nseindia.com</a>	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Telephone: +91-22-22721233/34, +91-22-66545695 (Hunting) Fax: +91-22-22721919 Email: <a href="mailto:corp.comm@bseindia.com">corp.comm@bseindia.com</a> Website: <a href="http://www.bseindia.com">www.bseindia.com</a>
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**DEPOSITORIES**

<b>National Securities Depository Limited (NSDL)</b>	<b>Central Depository Services (India) Limited (CDSL)</b>
Trade World, A Wing, 4 <sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 Telephone: 1800-222-990/ 022-48867000 E-mail: <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a> Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	Marathon Futurex, A-Wing, 25 <sup>th</sup> Floor, NM Joshi Marg, Lower Parel, Mumbai 400 013 Telephone: 1800-225- 533/+91-22-23058640 E-mail: <a href="mailto:helpdesk@cdslindia.com">helpdesk@cdslindia.com</a> Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a>

**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: +91-11-41541201  
Email id- [rt@alankit.com](mailto:rt@alankit.com)  
Website: [www.alankit.com](http://www.alankit.com)

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

Sd/-  
**Anil Kumar Mittal**  
Chairman & Managing Director  
DIN-00030100

Place: Noida, Uttar Pradesh  
Date: 10 August 2023

**ANNEXURE 1**

**CEO AND CFO CERTIFICATION**

We, Anil Kumar Mittal, Chairman & Managing Director and Ashish Jain, 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 2023 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 2023 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 2022-23.
  - ii. Significant changes in accounting policies during the year 2022-23 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: 22 May 2023

Sd/-  
**Anil Kumar Mittal**  
Chairman & Managing Director

Sd/-  
**Ashish Jain**  
Chief Financial Officer

## ANNEXURE 2

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
M/s KRBL Limited  
5190, Lahori Gate,  
New Delhi – 110006

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s KRBL Limited** having CIN: L01111DL1993PLC052845 (hereinafter referred to as "the Company") and having registered office at 5190, Lahori Gate, New Delhi – 110006 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March 2023 have 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 other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Anil Kumar Mittal	00030100	30 March 1993
2.	Mr. Arun Kumar Gupta	00030127	30 March 1993
3.	Mr. Anoop Kumar Gupta	00030160	30 March 1993
4.	Ms. Priyanka Mittal	00030479	28 November 2000
5.	Mr. Vinod Ahuja	00030390	05 August 2002
6.	Mr. Shyam Arora	00742924	09 June 2007
7.	Mr. Devendra Kumar Agarwal	06754542	16 January 2014
8.	Ms. Priyanka Sardana	00049811	25 September 2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification

This certificate 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 Deepak Kukreja & Associates  
Company Secretaries**

Date : 10.08.2023  
Place: New Delhi  
UDIN: F004140E000778091

**(Deepak Kukreja)**  
FCS, LLB., ACIS (UK), IP.  
Proprietor  
CP No. 8265  
FCS No. 4140  
Peer Review No. 2667/2022

## ANNEXURE 3

### PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Paragraph E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the compliance of the conditions of Corporate Governance by KRBL Limited ("the Company") for the financial year ended on 31 March 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) 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 2023.

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 Deepak Kukreja & Associates  
Company Secretaries**

Date : 10.08.2023  
Place: New Delhi  
UDIN: F004140E000778111

**(Deepak Kukreja)**  
FCS, LLB., ACIS (UK), IP.  
Proprietor  
CP No. 8265  
FCS No. 4140  
Peer Review No. 2667/2022

# STANDALONE FINANCIAL STATEMENTS

## Independent Auditor's Report

### To the Members of KRBL Limited

#### Report on the Audit of the Standalone Financial Statements

##### Qualified Opinion

1. We have audited the accompanying standalone financial statements of KRBL Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including 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, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

##### Basis for Qualified Opinion

3. As stated in Note 47(C) to the accompanying standalone financial statements, the Enforcement Directorate ('ED') is investigating the Company's Joint Managing Director ('JMD'), Mr. Anoop Kumar Gupta under the Prevention of Money Laundering Act, 2002, for alleged involvement in Agusta Westland case. Further, the ED has filed criminal complaint and made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and JMD. As further described in the said note, a review of the impact of the allegations on the financial statements and its control environment was performed by an independent professional firm appointed by the Board of Directors during the year ended 31 March 2022, and as per their report, there is no conclusive evidence to ascertain impact of the aforesaid matter on the financial statements of the Company and its control environment. Pending the completion of ongoing investigation of the above matter by regulatory authorities, we are unable to comment on any adjustment that may be required to the accompanying standalone financial statements in this respect.

4. 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 standalone 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 qualified opinion.

##### Emphasis of Matter

5. We draw attention to Note 47(B) to the accompanying standalone 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 Enforcement Directorate ('ED') under the Prevention of Money Laundering Act, 2002 ('PMLA'), in connection with a money laundering investigation which is currently pending before the Special Judge, CBI Court. The Appellate Tribunal, PMLA (Government of India), New Delhi ('Appellate Tribunal'), where the matter was first heard, vide its order dated 17 January, 2020, restored the possession in favor of the Company while the aforesaid attachment would continue till the conclusion of the matter. The ED filed an appeal against granting of possession of the aforesaid land parcels and building to the Hon'ble High Court of Delhi ('High Court'). The High Court vide its order dated 23 October 2020 had restored the physical possession of the aforesaid land parcels and building thereupon for specified purposes against deposit of ₹1,113 lacs, as an interim relief until conclusion of the aforesaid matter. Based on the legal assessment of the outcome of the aforesaid matter, the management is of the view that no adjustment is required to the accompanying standalone financial statements.

Our opinion is not modified in respect of this matter.

##### Key Audit Matters

6. 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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



7. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition – Sale of Goods</b></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 ₹536,323 lacs revenue for the year ended 31 March 2023, as disclosed in Note 28 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><b>Our audit work included, but was not limited to, the following procedures:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process of each revenue stream, particularly of sale of rice and by products;</li> <li>• 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;</li> <li>• Performed substantive analytical procedures on revenue which includes ratio analysis, product mix analysis, region wise analysis;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, if any, to the relevant approvals and the supporting documents;</li> <li>• Evaluated disclosures made in the standalone financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.</li> </ul>
<p><b>Inventory existence and valuation of finished goods</b></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>The Company held inventories amounting to ₹418,627 lacs as at 31 March 2023. 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/produce. Such inventory is stored in plants, warehouses, silos, etc. 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 complex exercise and is carried out manually. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"> <li>• Allocable overheads and their absorption rates;</li> <li>• Determination of net realisable value of by-products such as husk, bran, etc, and</li> </ul>	<p><b>Our audit work included, but was not limited to the following procedures:</b></p> <p><u>Existence:</u></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process of inventory management and inventory physical verification performed subsequent to year-end;</li> <li>• Evaluated the design effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness;</li> <li>• Reviewed the instructions given by management to stock count teams, including ensuring proper segregation of stock, use of calibration scales/ charts, identification of damaged inventory, if any, etc.;</li> <li>• Observed physical count carried out by the management at locations selected based on materiality and risk factors;</li> <li>• During the above said observation, noted whether the instructions given by management to stock count teams were followed;</li> <li>• Recounted inventory, on sample basis, to match with inventory records and results of management conducted count;</li> <li>• Obtained inventory records and results of management conducted count;</li> <li>• 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;</li> <li>• For the inventory lying with the third party, obtained the confirmation that the management obtained from the third parties and for the inventory lying at foreign ports (in the course of sale) / private warehouse, tested the subsequent clearance for the said export.</li> </ul>

- Determination of net realisable value of the different variety of rice.

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.

- Valuation:
- 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 to the year-end;
  - Tested arithmetical accuracy of valuation calculations;
  - Evaluated appropriateness of disclosure of inventory year-end balance in the standalone financial statements.

**Information other than the Standalone Financial Statements and Auditor's Report thereon**

8. The Company's Board of Directors are 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 do 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**

9. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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.

10. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

12. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

13. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. 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.

15. 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.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

17. 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.

18. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.

19. 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 except for the matter described in the Basis for Qualified Opinion section, 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) Except for the possible effect of the matter described in the Basis for Qualified Opinion section, 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) Except for the possible effect of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) The matter described in paragraph 3 under the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Company;
- f) 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 2023 from being appointed as a director in terms of section 164(2) of the Act;

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed a modified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. Except for the possible effect of the matter described in paragraph 3 of the Basis for Qualified Opinion section, the Company, as detailed in note 47 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
  - 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 2023;
  - 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 2023;
  - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 51(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate

Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 51(viii) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. a. The Company has not declared or paid any dividend during the year ended 31 March 2023.
- b. The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-

**Nitin Toshniwal**  
Partner

Membership No.: 507568  
**UDIN: 23507568BGYWC14807**

Place: Noida  
Date: 30 May 2023

**Annexure A referred to in Paragraph 18 of 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 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right-of-use assets and investment property.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, right-of-use assets and investment property under which

the assets are physically 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 programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

- (c) The title deeds of all the immovable properties (including investment property) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the standalone financial statements are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value (₹ in lacs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Land	61	K B Overseas	Partnership Firm in which Directors were partners	Since Financial Year 1990-91 to 1994-95	Refer Note 3 (I) to the Standalone Financial Statements.
Land	195	Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta	Directors	Since Financial Year 2000-01 to 2002-03	Refer Note 3 (I) to the Standalone Financial Statements.
Land	63	Mr. Anil Kumar Mittal	Directors	Since Financial Year 2006-07	Refer Note 3 (I) to the Standalone Financial Statements.
Land	80	Mr. Arun Kumar Gupta	Directors	Since Financial Year 2003-04	Refer Note 3 (I) to the Standalone Financial Statements.
Land	160	Mr. Anoop Kumar Gupta	Directors	Since Financial Year 2003-04 and 2004-05	Refer Note 3 (I) to the Standalone Financial Statements.
Land	246	Mr. Ashish Mittal	Relative of Director	Since Financial Year 2001-02 and 2002-03	Refer Note 3 (I) to the Standalone Financial Statements.
Building	153	-	-	Since Financial Year 2015-16	Refer Note 3 (I) to the Standalone Financial Statements.

For title deeds of immovable properties in the nature of land with gross carrying value of ₹6,996 lacs, which have been mortgaged as security for borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us.

- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions

Act, 1988 (as amended) and rules made thereunder.

- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

- (b) As disclosed in note 23 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products (power generation) of the Company. For such products, 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 the aforesaid section, 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) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with 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 became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Punjab Value Added Tax, 2005	Penalty	1,811	-	Financial year 2009-10	Hon'ble Punjab and Haryana High Court, Chandigarh
Punjab Value Added Tax, 2005	Value Added Tax	1,708	641	Financial years 2005-2007 and 2010-2014	VAT Tribunal, Chandigarh
Central Excise Act, 1944	Value Added Tax	684	185	Financial years 2014-2017	Deputy Excise and Tax Commissioner, Patiala
Central sales tax Act, 1956	Value Added Tax	39	39	Financial years 2014-15 and 2015-2016	Deputy Commissioner of Sales Tax (Appeal), Mumbai
Central sales tax Act, 1956	Value Added Tax	2	2	Financial year 2013-2014	Additional Commissioner Grade-2 (Appeal), Noida
Income Tax Act, 1961	Income-Tax	44	44	Financial Year 2015-16	Assistant Commissioner of Income Tax
Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964	Mandi fees	747	1,867	Financial Year 2014-15 to 2018-19	Mandi Samiti

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not
- an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Nitin Toshniwal**

Partner

Membership No.: 507568

**UDIN: 23507568BGYWC14807**

Place: Noida

Date: 30 May 2023

**Annexure B to the Independent Auditor's Report on the internal financial controls with reference to 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 2023, 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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 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 qualified 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 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.

**Qualified opinion**

8. According to the information and explanation given to us, the ED vide their criminal complaint has made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and Mr. Anoop Kumar Gupta ('JMD') as fully explained in Note 47(C) of the accompanying standalone financial statements. Pending the completion of ongoing investigation of the above matter by regulatory authorities, we are unable to obtain sufficient appropriate audit evidence that adequate internal financial controls with reference to financial statements relevant to prevention and timely detection of management override of controls were established and maintained, and if such controls operated

effectively in all material respects, which could potentially result in the Company not providing for adjustment, if any, that may be required to the accompanying standalone financial statements.

- 9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
- 10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, 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 2023, 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 issued by ICAI.

- 11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2023, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a modified opinion on the standalone financial statements.

Place: Noida  
Date: 30 May 2023

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No.: 507568  
**UDIN: 23507568BGYWC14807**

## Standalone Balance Sheet

As at 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	82,690	85,002
Capital work-in-progress	3	1,590	192
Right of use assets	4	5,348	5,627
Investment property	5	312	329
Intangible assets	6	260	172
Intangible assets under development	6	8	43
Financial assets			
- Investments	7	427	427
- Loans	8	3	4
- Other financial assets	9	1,063	465
Other non-current assets	10	3,413	22,266
<b>Sub total non-current assets</b>		<b>95,114</b>	<b>1,14,527</b>
<b>Current assets</b>			
Inventories	11	4,18,627	2,81,610
Financial assets			
- Investments	12	3,088	2,079
- Trade receivables	13	28,506	28,934
- Cash and cash equivalents	14	2,816	18,607
- Other bank balances	15	1,868	20,429
- Loans	16	5	9
- Other financial assets	17	2,445	2,426
Other current assets	18	5,673	5,309
<b>Sub total current assets</b>		<b>4,63,028</b>	<b>3,59,403</b>
<b>TOTAL ASSETS</b>		<b>5,58,142</b>	<b>4,73,930</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	2,354	2,354
Other equity	20	4,66,095	4,03,966
<b>Sub total equity</b>		<b>4,68,449</b>	<b>4,06,320</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	4	3,678	5,049
Provisions	21	863	925
Deferred tax liabilities (net)	22	12,253	13,015
<b>Sub total non-current liabilities</b>		<b>16,794</b>	<b>18,989</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	23	20,134	8,938
- Lease liabilities	4	1,186	530
- Trade payables	24		
- Total outstanding due of micro enterprises and small enterprises		1,814	1,198
- Total outstanding dues of creditors other than micro enterprises and small enterprises		10,155	16,859
- Other financial liabilities	25	28,440	16,417
Other current liabilities	26	10,769	4,013
Provisions	27	401	278
Current tax liabilities (net)		-	388
<b>Sub total current liabilities</b>		<b>72,899</b>	<b>48,621</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,58,142</b>	<b>4,73,930</b>

The accompanying notes form an integral part of these standalone financials statements.

This is the Standalone Balance Sheet referred to in our report of even date.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

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

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No. 507568

Sd/-  
**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Sd/-  
**Jyoti Verma**  
Company Secretary  
Membership No. F7210

Place : Noida  
Date : 30 May 2023

## Standalone Statement of Profit and Loss

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	28	5,36,323	4,21,056
Other income	29	9,250	4,246
<b>Total income</b>		<b>5,45,573</b>	<b>4,25,302</b>
<b>Expenses</b>			
Cost of materials consumed	30	4,36,776	2,95,682
Purchase of stock-in-trade	31	3,084	553
Changes in inventories of finished goods and stock-in-trade	32	(61,370)	9,942
Employee benefits expenses	33	11,783	10,124
Finance costs	34	1,473	1,340
Depreciation and amortisation expense	35	7,561	7,417
Other expenses	36	52,178	38,467
<b>Total expenses</b>		<b>4,51,485</b>	<b>3,63,525</b>
<b>Profit before tax</b>		<b>94,088</b>	<b>61,777</b>
<b>Tax expense</b>	<b>39</b>		
Current tax		24,890	16,567
Deferred tax credit		(870)	(794)
<b>Total tax expense</b>		<b>24,020</b>	<b>15,773</b>
<b>Profit for the year</b>		<b>70,068</b>	<b>46,004</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		(28)	117
Tax on above		8	(31)
<b>Items that will be reclassified to profit or loss</b>			
Cash flow hedge reserve		428	(64)
Tax on above		(108)	17
<b>Other comprehensive income for the year</b>		<b>300</b>	<b>39</b>
<b>Total comprehensive income for the year</b>		<b>70,368</b>	<b>46,043</b>
<b>Earnings per equity share (face value of ₹1 each)</b>	<b>37</b>		
- Basic (in ₹)		29.77	19.54
- Diluted (in ₹)		29.77	19.54

The accompanying notes form an integral part of these standalone financials statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

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

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No. 507568

Sd/-  
**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Sd/-  
**Jyoti Verma**  
Company Secretary  
Membership No. F7210

Place : Noida  
Date : 30 May 2023

## Standalone Cash Flow Statement

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Cash flow from operating activities</b>		
Profit before tax	94,088	61,777
<b>Adjustment for :</b>		
Depreciation and amortisation expenses	7,561	7,417
Loss/(gain) on sale and discard of property, plant and equipment	46	(42)
Unrealised foreign exchange (net)	18	(125)
Net gain on redemption and fair valuation of investments	(434)	(1,733)
Balances credit impaired	-	21
Allowances for doubtful debts and advance	1,060	373
Liabilities/provisions no longer required, written back	(110)	(470)
Gain on modification/termination of lease	(530)	(6)
Finance costs	1,473	1,340
Interest income	(7,684)	(477)
Dividend income	(55)	(54)
<b>Operating profit before working capital changes</b>	<b>95,433</b>	<b>68,021</b>
<b>Adjustments for working capital changes :</b>		
Decrease in financial and other assets	18,223	656
(Increase)/ Decrease in inventories	(1,37,017)	14,811
Increase in trade receivables	(283)	(8,528)
Decrease in trade payables	(5,976)	(3,649)
Increase in liabilities and provisions	18,891	2,284
<b>Cash generated from operations</b>	<b>(10,729)</b>	<b>73,595</b>
Income tax paid (net)	(25,273)	(17,497)
<b>Net cash (used in)/flow from operating activities (A)</b>	<b>(36,002)</b>	<b>56,098</b>
<b>B Cash flow from investing activities</b>		
Payment for property, plant and equipment and intangible assets <sup>1</sup>	(5,932)	(4,213)
Sale proceeds of property, plant and equipment	15	140
Sale proceeds from investments	3,42,489	2,26,743
Purchase of investments	(3,42,173)	(2,24,691)
Movement from deposits (net)	18,544	(19,042)
Interest received	7,625	378
Dividend income	55	54
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>20,623</b>	<b>(20,631)</b>
<b>C Cash flow from financing activities</b>		
Repayment of long-term borrowings	(587)	(1,354)
Repayment of lease liabilities	(931)	(849)
Movement in short term borrowings (net)	11,784	(20,487)
Finance cost paid	(1,546)	(1,295)
Dividend paid	(8,241)	(8,239)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>479</b>	<b>(32,224)</b>
<b>D Net (decrease)/increase in cash and cash equivalents during the year (A+B+C)</b>	<b>(14,900)</b>	<b>3,243</b>
Cash and cash equivalents-opening balance	19,116	15,873
<b>Cash and cash equivalents at the year end</b>	<b>4,216</b>	<b>19,116</b>

## Standalone Cash Flow Statement (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>E Cash and cash equivalents (refer note 14)</b>		
Cash in hand	54	40
Balances with banks	2,762	18,567
Investment in mutual funds	1,400	509
	<b>4,216</b>	<b>19,116</b>

**Notes:**

- 1 Net of movement in capital work-in-progress and capital advances.
- 2 Cash and cash equivalents includes the investment in mutual fund invested for short term basis. (refer note 12)
- 3 The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.
- 4 Refer note 49 for reconciliation of liabilities arising from financing activities.

The accompanying notes form an integral part of these standalone financials statements .  
This is the Standalone Cash Flow Statement referred to in our report of even date.

 For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Nitin Toshniwal**

Partner

Membership No. 507568

For and on behalf of the Board of Directors of

**KRBL Limited**

Sd/-

**Anil Kumar Mittal**

Chairman and Managing Director

DIN-00030100

Sd/-

**Anoop Kumar Gupta**

Joint Managing Director

DIN-00030160

Sd/-

**Ashish Jain**

Chief Financial Officer

Sd/-

**Jyoti Verma**

Company Secretary

Membership No. F7210

Place : Noida

Date : 30 May 2023

## Standalone Statement of Changes In Equity

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### A. Equity share capital (refer note 19)

Equity shares of ₹1 each, fully paid up	Number of shares	Amount
As at 1 April, 2021	23,53,89,892	2,354
Movement during the year	-	-
As at 31 March 2022	23,53,89,892	2,354
Movement during the year	-	-
As at 31 March 2023	23,53,89,892	2,354

### B. Other equity (refer note 20)

Particulars	Reserve and surplus					Other comprehensive income	Total
	Retained earnings	General reserve	Securities premium reserve	Capital reserve	Capital redemption reserve	Cash flow hedge reserve	
Balance as at 1 April, 2021	2,96,744	59,550	9,655	82	77	54	3,66,162
Profit for the year	46,004	-	-	-	-	-	46,004
<b>Other comprehensive income for the year:</b>							
Remeasurement of defined benefit obligations (net of tax)	86	-	-	-	-	-	86
Cash flow hedge reserve (net of tax)	-	-	-	-	-	(47)	(47)
<b>Total comprehensive income as at 31 March 2022</b>	<b>46,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47)</b>	<b>46,043</b>
<b>Transaction with owners</b>							
Dividends paid (refer note 43)	(8,239)	-	-	-	-	-	(8,239)
<b>Balance as at 31 March 2022</b>	<b>3,34,595</b>	<b>59,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>7</b>	<b>4,03,966</b>
<b>Balance as at 1 April, 2022</b>	<b>3,34,595</b>	<b>59,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>7</b>	<b>4,03,966</b>
Profit for the year	70,068	-	-	-	-	-	70,068
<b>Other comprehensive income for the year:</b>							
Remeasurement of defined benefit obligations (net of tax)	(20)	-	-	-	-	-	(20)
Cash flow hedge reserve (net of tax)	-	-	-	-	-	320	320
<b>Total comprehensive income as at 31 March 2023</b>	<b>70,048</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>70,368</b>
<b>Transaction with owners</b>							
Dividends paid (refer note 43)	(8,239)	-	-	-	-	-	(8,239)
<b>Balance as at 31 March 2023</b>	<b>3,96,404</b>	<b>59,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>327</b>	<b>4,66,095</b>

The accompanying notes form an integral part of these standalone financial statements .

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

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No. 507568

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

Sd/-  
**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Jyoti Verma**  
Company Secretary  
Membership No. F7210

Place : Noida  
Date : 30 May 2023

## Summary of the standalone significant accounting policies and other explanatory information

For the year ended 31 March 2023

### 1. Company information

KRBL Limited ('Company') is a Limited Company domiciled in India and was incorporated on 30 March 1993. The registered office of the Company is located at 5190, Lahori Gate, Delhi 110006. The shares of the Company are listed in India on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

The Company is world's leading basmati rice producer and has fully integrated operations in every aspect of basmati value chain, right from seed development, contact farming, procurement of paddy, storage, processing, packaging, branding and marketing. Among the many brands owned by the Company "India Gate" is the flagship brand both in domestic and international markets.

### 2. Basis of preparation, measurement and significant accounting policies

#### (i) General information

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

These standalone financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 30 May 2023.

#### (ii) Basis of accounting

The standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the standalone 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 standalone financial statements are presented in Indian rupees ('₹') which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs as per the requirements of Ind AS Schedule III of the Act, unless otherwise indicated.

### (iv) Summary of significant accounting policies

The standalone financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These were used throughout all periods presented in the standalone financial statements.

#### a. Current versus non-current classification

The Company presents assets and liabilities in the standalone balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

#### b. Property, plant and equipment

##### Recognition, measurement and subsequent expenditure

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, if any. Freehold land is stated at original cost of acquisition.

Cost of an item of property, plant and equipment includes acquisition / installation inclusive of freight, duties, and taxes and all incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are generally charged to the statement of profit and loss during the reporting period in which they are incurred.

In respect of major projects involving construction, related preoperational expenses form part of the



## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

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 Para C of 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 capitalized/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 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.

Intangible assets which are not ready for intended use as on the date of balance sheet are disclosed as "Intangible assets under development".

### 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 was 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. Inventories

#### 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

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

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 realisable 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 state government owned power distribution companies ('DISCOM') under the power purchase agreements. (for more detailed information about reportable segments, refer note 45)

### 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.

### 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 standalone 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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### Defined benefit plan

The liability recognised in the standalone balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the standalone balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated at the standalone 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 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 standalone 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 standalone balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the statement of profit and loss.

### i. Research and development

Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is included under property, plant and equipment and/or intangible assets, as the case may be.

### j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a) Financial assets

##### Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

#### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that 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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

- 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 standalone 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 exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the standalone 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:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;
- the Company has the right to direct the use of the asset.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

At the date of commencement of the lease, the Company recognizes a right-of-use assets 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.

Right-of-use 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. Right of use 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 Right-of-use assets have been separately presented in the standalone balance sheet and lease payments have been classified as financing cash flows.

#### Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

### l. Foreign currency transactions

#### Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency

amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone 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 standalone 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 standalone 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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### 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 and loss.

The carrying amount of deferred tax assets is reviewed at each standalone 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.

### **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. Subsidy income**

Subsidy income from the government is recognised when there is reasonable assurance that the subsidy income will be received and the Company will comply with all attached conditions.

Subsidy income is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

Subsidy income received from government towards property, plant and equipment 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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

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 according 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 standalone 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. Qualifying major assets are assets that necessarily take a substantial period of time to get ready for their intended use.

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 standalone 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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### 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 standalone 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

MCA has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

#### Amendment to Ind AS 1 "Presentation of Financial Statement"

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### Amendment to Ind AS 12 "Income Taxes"

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

#### Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 3 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying amount</b>								
Balance as at 31 March 2021	6,498	22,071	1,24,836	1,454	498	3,492	1,58,849	891
Additions for the year	498	1,663	1,643	10	43	980	4,837	164
Transfer (refer note C )	-	(505)	-	-	-	-	(505)	-
Disposals/capitalised	-	-	(312)	-	(5)	(139)	(456)	(863)
Balance as at 31 March 2022	6,996	23,229	1,26,167	1,464	536	4,333	1,62,725	192
Additions for the year	1,964	421	1,136	106	114	287	4,028	1,546
Disposals/capitalised	-	(17)	(184)	(0)	(1)	(146)	(348)	(148)
Balance as at 31 March 2023	8,960	23,633	1,27,119	1,570	649	4,474	1,66,405	1,590
<b>Accumulated depreciation</b>								
Balance as at 31 March 2021	-	6,597	61,855	894	385	2,256	71,987	-
Additions for the year	-	780	5,000	116	36	320	6,252	-
Transfer (refer note C )	-	(159)	-	-	-	-	(159)	-
Disposals	-	-	(226)	-	(4)	(127)	(357)	-
Balance as at 31 March 2022	-	7,218	66,629	1,010	417	2,449	77,723	-
Additions for the year	-	704	5,063	111	37	364	6,279	-
Disposals	-	(6)	(141)	(0)	(1)	(139)	(287)	-
Balance as at 31 March 2023	-	7,916	71,551	1,121	453	2,674	83,715	-
<b>Net carrying amount</b>								
Balance as at 31 March 2022	6,996	16,011	59,538	454	119	1,884	85,002	192
Balance as at 31 March 2023	8,960	15,717	55,568	449	196	1,800	82,690	1,590

#### Notes:

#### A. Contractual obligations

Refer note 47 E for disclosure of contractual commitments for the acquisition of property, plant and equipment.

#### B. Property, plant and equipment pledged as security

Refer note 23 for information on property, plant and equipment pledged as security by the Company.

C. The Company had given a warehouse building situated at Kandla, Gujarat on operating lease as the Company intends to generate rental income and accordingly, the Company has transferred the said warehouse building to investment property (refer note 5).

D. Capital work-in-progress mainly comprise of plant and machinery and buildings which are under installation/construction at the premises of the Company.

E. The Company has not revalued its property, plant and equipment.

F. Rounded off to zero.

#### G. Capital work-in-progress ageing schedule is as follows

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project in progress as at 31 March 2023	1,546	44	-	-	1,590
Project in progress as at 31 March 2022	138	54	-	-	192

There are no assets/projects forming part of work-in-progress which have become overdue compared to their initial projected completion timeline as at 31 March 2023.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

For assets/projects forming part of capital work-in-progress which have become overdue compared to their initial projected completion timeline as at 31 March 2022 have been disclosed below:

Nature of projects overdue	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Building	55	-	-	-	55
Plant and Machinery	73	-	-	-	73
	<b>128</b>	-	-	-	<b>128</b>

H Refer note 47B for the details of attached assets.

I The details of immovable properties whose title deeds are not held in the name of the Company are as follows:

Description of relevant item from property, plant and equipment schedule	Gross carrying value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
	As on 31 March 2023	As on 31 March 2022				
Land	61	61	K B Overseas	Partnership Firm in which Directors were partners	Various dates in between Financial Year 1990-91 to 1994-95	As per Note 1 below
Land	195	195	Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta	Directors	Various dates in between Financial Year 2000-01 to 2002-03	
Land	63	63	Mr. Anil Kumar Mittal	Directors	Since Financial Year 2006-07	
Land	80	80	Mr. Arun Kumar Gupta	Directors	Various dates in Financial Year 2003 - 04	As per Note 2 below
Land	160	160	Mr. Anoop Kumar Gupta	Directors	Various dates in between Financial Year 2003-04 and 2004-05	
Land	246	246	Mr. Ashish Mittal	Relative of director	Various dates in between Financial Year 2001-02 and 2002-03	
Building	153	153			Refer note 3 below	

Notes:

- On 26 June 1993, M/s. K.B. Overseas had entered into an agreement with M/s. Khushi Ram Bihari Lal Limited wherein M/s. K.B. Overseas had transferred its entire business including all properties and assets to M/s. Khushi Ram Bihari Lal Limited. Further pursuant to declaratory civil suit no. 962/1998 titled M/s. Khushi Ram Bihari Lal Limited vs. M/s. Bhagirath Lal and Others decreed on 24 March 1999, the assets of M/s. K.B. Overseas inter-alia including these land parcels were taken over by M/s. Khushi Ram Bihari Lal Limited and later the name of M/s Khushi Ram Bihari Lal Limited was changed to M/s KRBL Limited on 1 February 2000. These properties were mutated in the name of M/s. KRBL Limited and the name of M/s. KRBL Limited has also been entered in land revenue records as bhumidhar. Thus, M/s. KRBL Limited is the owner of said parcels.
- The Company has physical possession of these land parcels vide Memorandum of Understandings entered into by the Company with each of the above mentioned directors and their relatives. Further, the Company had also executed and registered the General Power of Attorney, will and other necessary documents with the above mentioned directors and their relative, in favour of the Company. The Company is in process of doing the necessary compliance in relation to the registration of these land parcels in the name of the Company.
- Pending registration in the name of the Company due to legal dispute. However, the building is in the possession of the Company and used for its business purpose. Further, the Company had already paid its obligation in full as per signed sale agreement dated 15 April, 2015.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 4 Leases

Particulars	Land	Buildings	Total
<b>Leases where the Company is a lessee</b>			
<b>A Right-of-use assets</b>			
<b>Gross carrying amount</b>			
<b>Balance as at 31 March 2021</b>	<b>246</b>	<b>8,046</b>	<b>8,292</b>
Additions for the year	26	281	307
Disposals (including termination and modification)	(24)	(1)	(25)
<b>Balance as at 31 March 2022</b>	<b>248</b>	<b>8,326</b>	<b>8,574</b>
Additions for the year	-	4,766	4,766
Disposals (including termination and modification)	-	(3,811)	(3,811)
<b>Balance as at 31 March 2023</b>	<b>248</b>	<b>9,281</b>	<b>9,529</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 31 March 2021</b>	<b>27</b>	<b>1,796</b>	<b>1,823</b>
Additions for the year	20	1,105	1,125
Disposals (including termination and modification)	-	(1)	(1)
<b>Balance as at 31 March 2022</b>	<b>47</b>	<b>2,900</b>	<b>2,947</b>
Additions for the year	20	1,436	1,456
Disposals (including termination and modification)	-	(222)	(222)
<b>Balance as at 31 March 2023</b>	<b>67</b>	<b>4,114</b>	<b>4,181</b>
<b>Net carrying amount</b>			
<b>Balance as at 31 March 2022</b>	<b>201</b>	<b>5,426</b>	<b>5,627</b>
<b>Balance as at 31 March 2023</b>	<b>181</b>	<b>5,167</b>	<b>5,348</b>
<b>B Lease liabilities</b>			
	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	
Non-current	3,678	5,049	
Current	1,186	530	
	<b>4,864</b>	<b>5,579</b>	
<b>C Lease related disclosures</b>			
The Company has leases mainly for land and buildings. With the exception of short-term leases, each lease is reflected on the standalone balance sheet as a right-of-use asset and a lease liability. There are no variable lease payments included in the agreement.			
<b>D Extension and termination options</b>			
Extension and termination options are included in all leases. These terms are used to maximise operational flexibility in terms of managing contracts.			
<b>E Lease payments not included in measurement of lease liability</b>			
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	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>	
Amount of leases which are for short term of 12 months or less	507	312	

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### F The following are amounts recognised in statement of profit and loss with respect to leasing arrangements:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on right-of-use assets	1,234	1,125
Interest expense on lease liabilities	502	505

G Total cash outflow in respect of leases during the year amounting to ₹1,433 lacs (31 March 2022: ₹1,354 lacs).

### H Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 44.

### 5 Investment property

Particulars	As at 31 March 2023	As at 31 March 2022
<b>A Building</b>		
<b>Gross carrying amount</b>		
Opening	505	-
Transferred from property, plant and equipment ( refer note B)	-	505
<b>Balance at the end of the year</b>	<b>505</b>	<b>505</b>
<b>Accumulated depreciation</b>		
Opening	176	-
Transferred from property, plant and equipment ( refer note B)	-	159
Additions for the year	17	17
<b>Balance at the end of the year</b>	<b>193</b>	<b>176</b>
<b>Net carrying amount at the end of the year</b>	<b>312</b>	<b>329</b>

B The Company had given a warehouse building situated at Kandla, Gujarat on operating lease as the Company intends to generate rental income and accordingly, the Company has transferred the said warehouse building to investment property.

### C Amount recognized in the statement of profit and loss for investment property

Rental income from operating leases	137	85
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
<b>Profit arising from investment property before depreciation</b>	<b>137</b>	<b>85</b>
Depreciation	17	17
<b>Profit arising from investment property</b>	<b>120</b>	<b>68</b>

D **Fair value of investment property** **491** **491**

E The fair valuation is based on prices in the active market for similar properties. The main input used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in Gandhi Dham, Gujarat area. The valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair valuation measurement is categorised in Level 2 fair value hierarchy.

### F Lease related disclosures (Leases where the Company is a lessor)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental income from operating leases	140	88

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 6 Intangible assets

Particulars	Patents, trademark and design	Computer softwares	Total	Intangible assets under development
<b>Gross carrying amount</b>				
<b>Balance as at 31 March 2021</b>	<b>59</b>	<b>343</b>	<b>402</b>	<b>16</b>
Additions	-	52	52	27
Disposals/capitalised	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>59</b>	<b>395</b>	<b>454</b>	<b>43</b>
Additions	-	119	119	8
Disposals/capitalised	-	-	-	(43)
<b>Balance as at 31 March 2023</b>	<b>59</b>	<b>514</b>	<b>573</b>	<b>8</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 31 March 2021</b>	<b>28</b>	<b>231</b>	<b>259</b>	-
Additions for the year	3	20	23	-
<b>Balance as at 31 March 2022</b>	<b>31</b>	<b>251</b>	<b>282</b>	-
Additions for the year	3	28	31	-
<b>Balance as at 31 March 2023</b>	<b>34</b>	<b>279</b>	<b>313</b>	-
<b>Net carrying amount</b>				
<b>Balance as at 31 March 2022</b>	<b>28</b>	<b>144</b>	<b>172</b>	<b>43</b>
<b>Balance as at 31 March 2023</b>	<b>25</b>	<b>235</b>	<b>260</b>	<b>8</b>

#### Notes :

A Refer note 47 E for disclosure of contractual commitments for the acquisition of intangible assets.

### B Intangible assets under development ageing schedule is as follows :

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project in progress as at 31 March 2023	8	-	-	-	8
Project in progress as at 31 March 2022	27	16	-	-	43

C There are no assets/projects forming part of intangible assets under development which have become overdue compared to their initial projected completion timeline as at 31 March 2023.

For assets/projects forming part of intangible assets under development which have become overdue compared to their initial projected completion timeline as at 31 March 2022 have been disclosed below:

Nature of projects overdue	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Computer softwares	32	-	-	-	32

D The Company has not revalued its intangible assets during the year.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 7 Investments

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
<b>Unquoted equity instruments - at cost, fully paid-up (Refer Note 44)</b>		
<b>Investment in equity shares of subsidiary companies :</b>		
KRBL DMCC	217	217
[1,800 equity shares of AED 1,000 each, (31 March 2022 - 1,800 equity shares)]		
K B Exports Private Limited	210	210
[2,100,000 equity shares of ₹10 each, (31 March 2022 - 2,100,000 equity shares)]		
	<b>427</b>	<b>427</b>
Aggregate amount of unquoted investments	427	427

### 8 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loan to employees	3	4
	<b>3</b>	<b>4</b>

### 9 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
<b>(Unsecured- considered good unless otherwise stated)</b>		
Security deposits <sup>1</sup>	1,038	442
Bank deposits <sup>2</sup>	25	23
	<b>1,063</b>	<b>465</b>

#### Notes:

- The present value of the deposits given to the company in which director of Company is a member: KRBL Infrastructure Limited (refer note 46) 702 79
- Liened as security issued to the various government authorities and other parties.

### 10 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured- considered good unless otherwise stated)</b>		
Capital advances	424	3
Advances other than capital advances		
- Balance with statutory authorities(including taxes/duty paid under protest)	1,819	21,088
- Deposits with statutory authority (Refer note 47B)	1,113	1,113
- Pre-payments	57	62
<b>Total (a)</b>	<b>3,413</b>	<b>22,266</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured- considered doubtful)</b>		
Capital advances	18	18
Advances other than capital advances		
- Balance with statutory authorities	2,075	1,702
	<b>2,093</b>	<b>1,720</b>
Allowance for doubtful advances	(2,093)	(1,720)
Total (b)	-	-
<b>Total (a+b)</b>	<b>3,413</b>	<b>22,266</b>

### 11 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	1,61,833	87,317
Finished goods <sup>1&amp;3</sup>	2,41,270	1,81,346
Stock-in-trade	1,918	472
Packing material, consumables and others	11,848	10,864
Stores and spares	1,758	1,611
	<b>4,18,627</b>	<b>2,81,610</b>

#### Notes:

- Includes goods in transit of ₹3,473 lacs (31 March 2022: ₹15,160 lacs).
- Refer note 30, 31 and 32 for consumption of inventory recorded by the Company during the year.
- 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 ₹2,580 lacs (31 March 2022: ₹2,596 lacs). This has been recognized as an expense during the year and included in 'changes in inventories of finished goods and stock-in-trade' in the standalone statement of profit and loss.

### 12 Investments

#### Current investment carried at fair value through profit or loss ('FVTPL')

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(a) Investments in equity instruments - quoted, fully paid-up</b>		
NHPC Limited	355	245
[882,712 equity shares of ₹10 each, (31 March 2022 - 882,712 equity shares)]		
Coal India Limited	163	140
[76,437 equity shares of ₹10 each, (31 March 2022 - 76,437 equity shares)]		
Power Grid Corporation of India Limited	324	311
[143,556 equity shares of ₹10 each, (31 March 2022 - 143,556 equity shares)]		
Shipping Corporation of India Limited	228	279
[242,265 equity shares of ₹10 each, (31 March 2022 - 242,265 equity shares)]		
MOIL Limited	38	50
[26,993 equity shares of ₹10 each, (31 March 2022 - 26,993 equity shares)]		
Suzlon Energy Limited	580	545
[8,061,343 equity shares of ₹2 each, (31 March 2022 - 5,945,643 equity shares)]		



## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(b) Investments in mutual fund</b>		
SBI Overnight Fund Direct Growth [38,370 units (31 March 2022 - 14,703 units)]	1,400	509
	<b>3,088</b>	<b>2,079</b>
Aggregate amount of quoted investments at cost	2,588	1,591
Aggregate amount of quoted investments at market value	3,088	2,079

### 13 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good <sup>1</sup>	28,506	28,934
Unsecured, credit impaired <sup>1</sup>	711	24
Allowance for credit impaired	(711)	(24)
	<b>28,506</b>	<b>28,934</b>

#### Note:

- Trade receivable due from the firm in which director of Company are partners: Khushi Ram Behari Lal (refer note 46) - 24

#### Trade receivables ageing schedule for the year ended 31 March 2023

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Considered good</b>							
- Un-disputed trade receivables	15,121	10,224	970	1,770	397	24	28,506
- Disputed trade receivables	-	-	-	-	-	-	-
- Un-disputed credit impaired	-	-	-	687	-	24	711
	<b>15,121</b>	<b>10,224</b>	<b>970</b>	<b>2,457</b>	<b>397</b>	<b>48</b>	<b>29,217</b>
Allowance for credit impaired	-	-	-	(687)	-	(24)	(711)
	<b>15,121</b>	<b>10,224</b>	<b>970</b>	<b>1,770</b>	<b>397</b>	<b>24</b>	<b>28,506</b>

#### Trade receivables ageing schedule for the year ended 31 March 2022

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Considered good</b>							
- Un-disputed trade receivables	16,043	9,058	1,998	1,146	465	224	28,934
- Disputed trade receivables	-	-	-	-	-	-	-
- Un-disputed credit impaired	-	-	-	-	-	24	24
	<b>16,043</b>	<b>9,058</b>	<b>1,998</b>	<b>1,146</b>	<b>465</b>	<b>248</b>	<b>28,958</b>
Allowance for credit impaired	-	-	-	-	-	(24)	(24)
	<b>16,043</b>	<b>9,058</b>	<b>1,998</b>	<b>1,146</b>	<b>465</b>	<b>224</b>	<b>28,934</b>

### 14 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks in current accounts <sup>1</sup>	2,762	18,567
Cash on hand	54	40
	<b>2,816</b>	<b>18,607</b>

#### Notes:

- There are no repatriation restrictions with regard to cash and cash equivalents as at the end of current and previous reporting date.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 15 Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Unspent CSR amount on ongoing project (refer note 41)	1,803	1,130
Unclaimed dividends- earmarked balances with banks <sup>1</sup>	46	48
Bank deposits with original maturity more than 3 months and less than 12 months <sup>2</sup>	19	19,251
	<b>1,868</b>	<b>20,429</b>

#### Notes:

- These balances are not available for use by the Company and not due for deposit in the Investor Education and Protection Fund.
- As at 31 March 2023, the deposits of ₹15 lacs (31 March 2022: ₹219 lacs) are restricted as they are held as margin money deposits against the facilities extended to the Company by bank.

### 16 Current Loans

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured- considered good unless otherwise stated)</b>		
Loan to employees	5	9
	<b>5</b>	<b>9</b>

### 17 Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured- considered good unless otherwise stated)</b>		
Security deposits <sup>1</sup>	36	790
Income receivable	929	912
Subsidies receivable <sup>2</sup>	1,047	540
Derivative assets	433	98
Other receivables	-	86
	<b>2,445</b>	<b>2,426</b>

#### Notes:

- The present value of the deposits given to the company in which director of Company is a member: KRBL Infrastructure Limited (refer note 46) - 758
- The Company has subsidy receivable of ₹1,039 lacs (31 March 2022: ₹475 lacs) towards Remission Of Duties and Taxes on Exported Products ('RODTEP') and ₹8 lacs (31 March 2022: ₹65 lacs) towards Generation Based Incentive ('GBI') scheme. Further, it has complied with all the conditions attached to the grant and the receivables is reasonably assured that the grants will be received.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 18 Other current assets

Particulars	As at	
	31 March 2023	31 March 2022
<b>(Unsecured- considered good unless otherwise stated)</b>		
Balance with statutory authorities	2,520	159
Advances to suppliers	579	2,148
Pre-payments	2,496	2,945
Other receivables	78	57
<b>(Unsecured- considered doubtful)</b>		
Advances to suppliers	100	100
Allowance for doubtful advances	(100)	(100)
	<b>5,673</b>	<b>5,309</b>

### 19 Equity share capital

Particulars	As at	
	31 March 2023	31 March 2022
<b>Authorised</b>		
300,000,000 (31 March 2022 - 300,000,000) equity shares of ₹1 each	3,000	3,000
<b>Issued and subscribed<sup>1</sup></b>		
236,244,892 (31 March 2022 - 236,244,892) equity shares of ₹1 each	2,362	2,362
<b>Fully paid-up<sup>1</sup></b>		
235,389,892 (31 March 2022 - 235,389,892) equity shares of ₹1 each	2,354	2,354

#### Notes:

1. Difference between the issued and subscribed and paid up share capital represents the shares forfeited by the Company in the preceding years.

#### a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	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.

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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Anil Mittal Family Trust	4,34,59,796	18.46%	4,33,17,296	18.40%
Arun Kumar Gupta Family Trust	4,22,07,646	17.93%	4,20,65,146	17.87%
Anoop Kumar Gupta Family Trust	3,88,49,338	16.50%	3,88,49,338	16.50%
Reliance Commodities DMCC	2,29,00,000	9.73%	2,29,00,000	9.73%
Joint Director of Enforcement, Central region [refer note 47(C)]	1,43,33,221	6.09%	1,43,33,221	6.09%

### d) Disclosure of promoter's shareholding :

Particulars	As at 31 March 2023			As at 31 March 2022		
	No. of shares held	% of total shares	% of change	No. of shares held	% of total shares	% of change
Anil Mittal Family Trust	4,34,59,796	18.46%	0.06%	4,33,17,296	18.40%	0.11%
Arun Kumar Gupta Family Trust	4,22,07,646	17.93%	0.06%	4,20,65,146	17.87%	0.11%
Anoop Kumar Gupta Family Trust	3,88,49,338	16.50%	-	3,88,49,338	16.50%	-
Binita Gupta Family Trust	9,13,932	0.39%	0.06%	7,71,432	0.33%	0.11%
Anil Kumar Mittal, Karta of Anil Kumar Mittal HUF	35,99,900	1.53%	-	35,99,900	1.53%	-
Arun Kumar Gupta, Karta of Arun Kumar Gupta HUF	48,49,900	2.06%	-	48,49,900	2.06%	-
Anoop Kumar Gupta, Karta of Anoop Kumar Gupta HUF	72,99,900	3.10%	-	72,99,900	3.10%	-
Anil Kumar Mittal	100	0.00%	-	100	0.00%	-
Arun Kumar Gupta	100	0.00%	-	100	0.00%	-
Anoop Kumar Gupta	100	0.00%	-	100	0.00%	-
Priyanka Mittal	100	0.00%	-	100	0.00%	-
Ashish Mittal	100	0.00%	-	100	0.00%	-
Kunal Gupta	184	0.00%	-	184	0.00%	0.01%
Akshay Gupta	100	0.00%	-	100	0.00%	-
Ayush Gupta	100	0.00%	-	100	0.00%	-
Preeti Mittal	100	0.00%	-	100	0.00%	-
Anulika Gupta	100	0.00%	-	100	0.00%	-
Binita Gupta	100	0.00%	-	100	0.00%	-
Neha Gupta	100	0.00%	-	100	0.00%	-
Rashi Gupta	100	0.00%	-	100	0.00%	-
	<b>14,11,81,796</b>	<b>59.98%</b>	<b>0.18%</b>	<b>14,07,54,296</b>	<b>59.80%</b>	<b>0.34%</b>

### e) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options.

### f) 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

No 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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 20 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings	3,96,404	3,34,595
General reserve	59,550	59,550
Securities premium reserve	9,655	9,655
Capital reserve	82	82
Capital redemption reserve	77	77
Cash flow hedge reserve	327	7
	<b>4,66,095</b>	<b>4,03,966</b>

#### Description and purpose of reserves:

#### (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 to general reserve from time to time and it is not the item of other comprehensive income. 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 reserve

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

#### (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.

### 21 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current provision for employee benefits		
Provision for compensated absences (refer note 40 C)	863	925
	<b>863</b>	<b>925</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 22 Deferred tax liabilities (net)<sup>1</sup>

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax liabilities</b>		
Property, plant and equipment, investment property and other intangible assets	12,980	13,688
Right to use assets	1,211	1,271
Cash flow hedge reserve	108	-
<b>Total (a)</b>	<b>14,299</b>	<b>14,959</b>

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax assets</b>		
Lease liabilities	1,229	1,404
Provision for employee benefit expenses	258	277
Allowances for doubtful debts and advances	491	224
Security deposits	68	39
<b>Total (b)</b>	<b>2,046</b>	<b>1,944</b>
<b>Net (a-b)</b>	<b>12,253</b>	<b>13,015</b>

#### Note:

1. Refer note 39C for the movement in deferred tax liabilities/assets.

### 23 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
Secured		
Rupee term loan from banks (refer note A below)	-	587
Working capital facilities from bank		
- Rupee loan (refer note B below)	13,800	-
<b>Unsecured</b>		
Loans from related parties (refer note C below)	6,334	8,351
	<b>20,134</b>	<b>8,938</b>

#### A Details of security of current borrowings

i. The Company has executed deed of 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 vide memorandum of entries for an amount of ₹155,500 lacs (31 March 2022 : ₹155,500 lacs) in the form of loan and other facilities sanctioned by banks under consortium. The same is secured by first 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 movables of whatsoever nature and where ever arising, both present and future and on all movable and immovable fixed assets of the Company, both present and future (except immovable fixed assets situated at Maharashtra and Madhya Pradesh for which the Company has executed the Non Disposable Undertaking) of the Company.

Further, the current borrowings of the Company are also secured vide the personal guarantees of Mr Anil Kumar Mittal, Mr Arun Kumar Gupta, Mr Anoop Kumar Gupta and Mr. Ashish Mittal (the liability of Mr. Ashish Mittal shall be limited only to the extent of the immovable properties mortgaged by him in favour of the security trustee for the benefit of working capital lenders).

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### B Details of repayment of the current borrowings

#### Secured:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(i) Short-term working capital loan</b>		
The Company has obtained short-term working capital loan from consortium banks. The facilities carries interest at repo rate / MCLR along with spread ( total interest rate 6.90% p.a to 7.20 % p.a ) of respective banks.	13,800	-

#### C Unsecured:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(i) Loans from related parties</b>		
The Company has obtained loans from directors which are interest free and repayable on demand. (Refer Note 46)	6,334	8,351

### 24 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding due to micro enterprises and small enterprises	1,814	1,198
Total outstanding due of creditors other than micro enterprises and small enterprises		
Trade payables	10,155	6,373
Acceptances	-	10,486
	<b>11,969</b>	<b>18,057</b>

### A Detail of dues to micro, small and medium enterprises as defined under the Micro, Small And Medium Enterprises Development Act, 2006 ('MSMED Act, 2006') , to the extent the Company has received intimation from the 'Supplier' regarding their status under the MSMED Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
(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	1,814	1,198
Principal amount remaining unpaid <sup>1</sup> , and		
Interest accrued and remaining unpaid	-	-
(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.	-	-
	<b>1,814</b>	<b>1,198</b>

#### Notes:

- 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 does not include any amount due for period more than the stipulated time prescribed under the MSMED Act, 2006.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### Trade payables ageing schedule for the year ended 31 March 2023

Particulars	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>Un-disputed</b>						
- Total outstanding due to micro enterprises and small enterprises	1,814	-	-	-	-	1,814
- Total outstanding due of creditors other than micro enterprises and small enterprises	8,835	1,156	82	10	72	10,155
<b>Total</b>	<b>10,649</b>	<b>1,156</b>	<b>82</b>	<b>10</b>	<b>72</b>	<b>11,969</b>

### Trade payables ageing schedule for the year ended 31 March 2022

Particulars	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>Un-disputed</b>						
- Total outstanding due to micro enterprises and small enterprises	1,198	-	-	-	-	1,198
- Total outstanding due of creditors other than micro enterprises and small enterprises	16,261	468	32	83	15	16,859
<b>Total</b>	<b>17,459</b>	<b>468</b>	<b>32</b>	<b>83</b>	<b>15</b>	<b>18,057</b>

### 25 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	48	121
Employees related payables	1,210	1,092
Expenses payable <sup>1</sup>	27,100	15,127
Security deposits	36	29
Unclaimed dividend <sup>2</sup>	46	48
	<b>28,440</b>	<b>16,417</b>

#### Note:

- This includes the provision for CSR expenditure on ongoing projects as per section 135(5) of the Companies Act (Refer note 41).
- The amount is not due for transfer to Investor Education and Protection Fund.

### 26 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers (refer note 38 D)	9,877	2,850
Statutory dues payable	892	1,163
	<b>10,769</b>	<b>4,013</b>

### 27 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current provision for employee benefits</b>		
Provision for gratuity (refer note 40B)	240	100
Provision for compensated absences (refer note 40C)	161	178
	<b>401</b>	<b>278</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 28 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Revenue from sale of finished goods</b>		
Export	1,91,284	1,44,297
Domestic	3,30,872	2,63,584
<b>B Revenue from sale of stock in trade</b>		
Domestic	2,225	719
<b>C Sale of electricity</b>		
Domestic	9,560	11,044
<b>D Other operating revenues</b>		
Income from subsidies <sup>1</sup>	1,918	900
Liquidated damages received <sup>2</sup>	22	32
Scrap sales	442	480
	<b>5,36,323</b>	<b>4,21,056</b>

#### Notes:

- 1 It includes Generation Based Incentive ('GBI') of ₹77 lacs (31 March 2022: ₹78 lacs) and income from RODTEP of ₹1,841 lacs (31 March 2022: ₹822 lacs). The Company has complied all the attached condition.
- 2 Liquidated damages received by the Company from its vendor for non execution of contract terms.
- 3 Refer note 38, for disaggregation of revenue from operations and other disclosures.

### 29 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest income on</b>		
- financial assets carried at amortised cost	3,278	283
- refund of deposits with statutory authorities under protest	4,406	194
Dividend income	55	54
<b>Other non-operating income</b>		
- Rental income <sup>1</sup>	140	88
- Net gain on redemption and FVTPL <sup>2</sup>	434	1,733
- Net gain on foreign currency transaction and translation	-	1,220
- Net gain on sale of property, plant and equipment	-	42
Liabilities/provisions no longer required written back	110	470
Gain on modification/termination of lease	530	6
Other	297	156
	<b>9,250</b>	<b>4,246</b>

#### Note:

- 1 This includes rental income derived from investment property for ₹137 lacs (31 March 2022 : 85 lacs) (refer note 5).
- 2 This includes net gain on fair value changes for ₹12 lacs (31 March 2022: ₹426 lacs). Refer note 12 for details of investments classified at fair value through profit or loss.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 30 Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Paddy	2,48,910	1,95,868
Semi finished rice	1,64,489	81,228
Packing and other consumables	23,377	18,185
Amount of opening stock-in-trade used as raw material for production (refer note 32C)	-	401
	<b>4,36,776</b>	<b>2,95,682</b>

### 31 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Seeds	1,399	553
Wheat	1,685	-
	<b>3,084</b>	<b>553</b>

### 32 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Opening stock</b>		
Finished goods	1,81,346	1,91,400
Stock-in-trade	472	761
	<b>1,81,818</b>	<b>1,92,161</b>
<b>B Closing stock</b>		
Finished goods	2,41,270	1,81,346
Stock-in-trade	1,918	472
	<b>2,43,188</b>	<b>1,81,818</b>
<b>C Amount of opening stock-in-trade used as raw material (refer note 30)</b>	-	(401)
	<b>(61,370)</b>	<b>9,942</b>

### 33 Employee benefits expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries wages and bonus	10,407	9,003
Contribution to provident and other funds (refer note 40 (A) and 40 (D))	706	616
Gratuity (refer note 40 B)	212	217
Staff welfare expenses	458	288
	<b>11,783</b>	<b>10,124</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 34 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest expense :-</b>		
- Rupee term loans	14	96
- Cash credit/working capital facility	838	632
- Lease liabilities	502	505
Other borrowing costs	119	107
	<b>1,473</b>	<b>1,340</b>

### 35 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (Refer Note 3)	6,279	6,252
Depreciation on investment property (Refer Note 5)	17	17
Depreciation on right-of-use assets (Refer Note 4)	1,234	1,125
Amortisation on intangible assets (Refer Note 6)	31	23
	<b>7,561</b>	<b>7,417</b>

### 36 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	1,816	1,800
Consumption of stores and spares	815	1,240
<b>Repairs:-</b>		
- Machinery	2,949	3,054
- Buildings	374	344
- Others	107	89
Fumigation	657	699
Freight inward	1,938	1,872
Travelling and conveyance	775	467
Communication expense	87	73
Rent (refer note 4)	507	312
Director sitting fees	23	14
Legal and professional expense	620	641
Auditors remuneration (refer note A below)	64	71
Fees, rates and taxes	3,433	1,058
Vehicle running and maintenance	268	221
Insurance	2,076	1,058

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Printing and stationery	143	113
Testing and inspection	749	458
Donation and charity	66	67
Clearing, forwarding and freight charges	20,450	15,404
Sales and business promotion	670	207
Advertisement	7,521	4,751
Meeting and seminar expense	22	18
Commission and brokerage	1,242	1,289
Corporate social responsibility expenses (refer note 41)	1,413	1,491
Security service charges	357	346
Sub-contractual expense	658	300
Net loss on foreign currency transactions	748	-
Balances written off	-	21
Provision for doubtful debts and advances	1,060	373
Net loss on sale/discard of property, plant and equipment	46	-
Miscellaneous expenses	524	616
	<b>52,178</b>	<b>38,467</b>

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Auditors' remuneration (excluding goods and services tax)</b>		
Statutory audit fees	31	29
Limited reviews	18	17
Tax audit fees	5	5
Certification and other services	8	17
Reimbursement of expenses	2	3
	<b>64</b>	<b>71</b>
<b>B Research and development expenditure</b>		
Revenue expenditure	598	553

### 37 Earnings per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders	70,068	46,004
Numbers of weighted average equity share outstanding at the year end	23,53,89,892	23,53,89,892
Nominal value per share (in ₹)	1.00	1.00
<b>Basic / Diluted earnings per share (in ₹)</b>	<b>29.77</b>	<b>19.54</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 38 Disaggregation of revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Revenues by offerings</b>		
<b>(i) Sale of goods</b>		
- Rice	4,98,155	3,83,972
- Seeds and wheat	2,225	719
- Quinoa and others	2,338	1,428
<b>(ii) Other products</b>		
- Furfural alcohol	349	3,635
- Bran oil	9,610	10,849
- Furfural oil	1,840	1,312
- De-oiled cake	6,587	4,180
- Glucose	318	287
- Other by-products	2,959	2,218
	<b>5,24,381</b>	<b>4,08,600</b>
<b>(iii) Sale of electricity</b>	<b>9,560</b>	<b>11,044</b>
<b>(iv) Sale of scrap and other items</b>	<b>442</b>	<b>480</b>
<b>(v) Income from subsidies and others</b>	<b>1,940</b>	<b>932</b>
<b>Total</b>	<b>5,36,323</b>	<b>4,21,056</b>
<b>B Reconciliation of revenue from operations with the contracted price</b>		
Contracted price	5,58,313	4,33,162
Less: Trade discounts, volume rebates, etc	21,990	12,106
<b>Sale of revenue from operations</b>	<b>5,36,323</b>	<b>4,21,056</b>
<b>C Contract balances</b>		
- Contract assets <sup>1</sup>	929	912
- Contract liabilities <sup>2</sup>	9,877	2,850

#### Notes:

- 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.
- 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 (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>D Movement in contract assets and contract liabilities</b>		
<b>Opening balance of contract liabilities</b>	<b>2,850</b>	<b>1,930</b>
Addition in balance of contract liabilities for current year	9,877	2,850
Amount of revenue recognised against opening contract liabilities	2,850	1,930
<b>Closing balance of contract liabilities</b>	<b>9,877</b>	<b>2,850</b>
<b>Opening balance of contract assets</b>	<b>912</b>	<b>798</b>
Addition in balance of contract assets for current year	929	912
Amount of billing recognised against opening contract assets	912	798
<b>Closing balance of contract assets</b>	<b>929</b>	<b>912</b>

### 39 Tax expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Reconciliation of effective tax rate</b>		
<b>Enacted income tax rate applicable to the Company</b>	<b>25.17%</b>	<b>25.17%</b>
<b>Profit before tax</b>	<b>94,088</b>	<b>61,777</b>
Expected tax expenses	23,680	15,549
<b>Tax effect of:</b>		
Non deductible expenses (net)	372	393
Non taxable income	(45)	(139)
Others	13	(30)
<b>Total income tax expense in the statement of profit and loss</b>	<b>24,020</b>	<b>15,773</b>
<b>B The major components of income tax expense are as below:</b>		
Current tax	24,890	16,567
Deferred tax	(870)	(794)
	<b>24,020</b>	<b>15,773</b>
<b>Other comprehensive income</b>		
Tax expense on the items recognised in other comprehensive income during the year		
Remeasurement of defined benefit plans	8	(31)
Cash flow hedge reserve	(108)	17
	<b>(100)</b>	<b>(14)</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### C Movement of deferred tax assets and deferred tax liabilities for the year ended :

Particulars	Balance as at 1 April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2023
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	13,688	(708)	-	12,980
Right-of-use assets	1,271	(60)	-	1,211
Cash flow hedge reserve	-	-	108	108
<b>Total (a)</b>	<b>14,959</b>	<b>(768)</b>	<b>108</b>	<b>14,299</b>
<b>Deferred tax assets</b>				
Lease liabilities	1,404	(175)	-	1,229
Provision for employee benefits	277	(19)	-	258
Allowances for doubtful debts and advances	224	267	-	491
Security deposits	39	29	-	68
<b>Total (b)</b>	<b>1,944</b>	<b>102</b>	<b>-</b>	<b>2,046</b>
<b>Net (a-b)</b>	<b>13,015</b>	<b>(870)</b>	<b>108</b>	<b>12,253</b>

Particulars	Balance as at 1 April, 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2022
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	14,314	(626)	-	13,688
Right-of-use assets	1,473	(202)	-	1,271
<b>Total (a)</b>	<b>15,787</b>	<b>(828)</b>	<b>-</b>	<b>14,959</b>
<b>Deferred tax assets</b>				
Lease liabilities	1,548	(144)	-	1,404
Provision for employee benefits	262	15	-	277
Allowances for doubtful debts and advances	132	92	-	224
Fair value of financial assets	36	3	-	39
<b>Total (b)</b>	<b>1,978</b>	<b>(34)</b>	<b>-</b>	<b>1,944</b>
<b>Net (a-b)</b>	<b>13,809</b>	<b>(794)</b>	<b>-</b>	<b>13,015</b>

D The Company does not have any carry forward losses as at year end.

## 40 Employee benefit obligations

### A Defined contribution plans

Particulars	As at 31 March 2023	As at 31 March 2022
Employer's contribution to provident fund	558	480
	<b>558</b>	<b>480</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### B Defined benefit plans

#### Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Kotak Mahindra Life Insurance Company Limited with whom the plan assets are maintained.

#### Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risk are investment risk, interest rate risk, mortality risk and salary risk.

#### Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

#### Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

#### Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

#### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase 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 2023	As at 31 March 2022
<b>a. Amounts to be recognised</b>		
Present value of obligation	2,160	1,945
Fair value of plan assets	(1,920)	(1,845)
<b>Net present value of defined benefit obligation</b>	<b>240</b>	<b>100</b>
<b>Current liability</b>		
	<b>240</b>	<b>100</b>
<b>b. Changes in present value of defined benefit obligation:</b>		
Balance at the beginning of the year	1,945	1,858
Current service cost	205	200
Interest cost	141	128
Remeasurement actuarial (gain)/loss		
-due to change demographic assumptions		(1)
-due to change financial assumptions	(43)	(86)
-due to change experience	(4)	(42)
Benefits paid	(84)	(112)
Balance at the end of the year	<b>2,160</b>	<b>1,945</b>



## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>c. Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	1,845	1,607
Expected return on plan assets	134	111
Contributions made	100	251
Benefits paid	(84)	(112)
Return on plan assets, excluding interest income	(75)	(12)
<b>Fair value of plan assets at the end of the year</b>	<b>1,920</b>	<b>1,845</b>
<b>d. Expenses recognized in Statement of profit and loss (refer note 33)</b>		
Current service cost	205	200
Interest expense (net)	7	17
	<b>212</b>	<b>217</b>
<b>e. Recognized in other comprehensive income</b>		
Remeasurements-actuarial (gain)/loss on obligation for the period	(47)	(129)
Return on plan assets, excluding interest income	75	12
Net gain /(loss) during the period	<b>28</b>	<b>(117)</b>
<b>f. Actuarial assumptions</b>		
Discount rate	7.49%	7.31%
Expected rate of return on plan assets	7.49%	7.31%
Expected rate of increase in compensation levels	7.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement Age	60 Years	60 Years
Attrition / Withdrawal rates	2%	2%
<b>g. Investment details</b>		
Insurance fund	1,920	1,845
<b>h.</b> The Company expects to contribute ₹478 lacs to gratuity fund in the next financial year.		
<b>i. Sensitivity analysis</b>		
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:		
<b>Discount rate</b>		
1% increase	(219)	(202)
1% decrease	260	241
<b>Future salary increase</b>		
1% increase	241	224
1% decrease	(207)	(193)
<b>Employee turnover rate</b>		
1% increase	15	9
1% decrease	(17)	(11)

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the balance sheet date, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Particulars	As at 31 March 2023	As at 31 March 2022
<b>j. Maturity profile of defined benefit obligation</b>		
Within next 12 months	171	176
Between 1-5 years	369	285
Beyond 5 years	5,623	5,070

### C Other long term benefit plans

Other long-term benefit plans represents the compensated absences provided to the employees of the Company.

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Amounts to be recognised</b>		
Current liability	161	178
Non- current liability	863	925
<b>b. Changes in present value of other long term benefit plans:</b>		
Balance at the beginning of the year	1,103	1,042
Current service cost	102	95
Interest cost	80	72
Remeasurement actuarial (gain)/loss		
-due to change demographic assumptions	-	1
-due to change financial assumptions	(18)	(44)
-due to change experience	(116)	68
Benefits paid	(127)	(131)
Balance at the end of the year	<b>1,024</b>	<b>1,103</b>
<b>c. Expenses recognised in Statement of Profit and Loss</b>		
Current service cost	102	95
Interest cost	80	72
Remeasurement actuarial loss	(134)	25
	<b>48</b>	<b>192</b>
<b>D Employer's contribution to employee state insurance corporation</b>	<b>82</b>	<b>84</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 41 Corporate social responsibility ('CSR')

In accordance with the provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards CSR. Basis the recommendation of CSR committee, the board of directors of the Company had approved various 'Ongoing and Other than Ongoing projects' for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details of the same as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total CSR expense spent during the year	34	308
Accrual towards unspent obligation in relation to ongoing projects	1,248	1,314
<b>Total</b>	<b>1,282</b>	<b>1,622</b>
Carried forward from previous financial year	131	-
Excess spent during the year to be carry forward to next financial year	-	(131)
<b>Amount recognised in the statement of profit and loss</b>	<b>1,413</b>	<b>1,491</b>
<b>Gross amount required to be spent during the year</b>	<b>1,413</b>	<b>1,491</b>
<b>Amount approved by the Board to be spent during the year</b>	<b>1,413</b>	<b>1,491</b>
Amount spent during the year on other than ongoing projects	10	308
Amount spent during the year on ongoing projects	24	-
Related party transactions in relation to CSR (refer note 46)	1,224	1,250

### A Details of ongoing CSR projects under Section 135(6) of the Act

Other long-term benefit plans represents the compensated absences provided to the employees of the Company.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Opening Balance at the beginning of the year</b>		
With the Company	1,183	1,271
In Separate CSR Unspent account	1,130	-
Gross amount required to be spent during the year	1,413	1,491
<b>Amount spent during the year</b>		
From Company's bank account	34	308
From Separate CSR unspent account	641	141
Amount deposited in specified fund of Schedule VII of the Act	-	-
<b>Closing Balance at the end of the year</b>		
With the Company	1,248	1,183
In separate unspent CSR account	1,803	1,130
Amount transferred to separate unspent CSR Account*	1,248	1,314

\*During the preceding financial year ended 31 March 2022, ₹1,250 lacs and ₹64 lacs were remitted to KRBL Foundation and Anamrita Foundation respectively aggregating to ₹1,314 lacs for the purpose of aforementioned CSR ongoing projects. Subsequent to the year end 31 March 2022, the said amount had been deposited to the Unspent CSR account, held in the name of the Company which comprises of an amount maintained in the Company's bank account for ₹1,183 lacs and excess spent of ₹131 lacs (refer note C below).

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### B Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Opening unspent balance</b>	-	-
Amount required to be spent during the year	34	308
Amount spent during the year	34	308
Amount deposited in specified fund of Schedule VII of the Act	-	-
<b>Closing unspent balance</b>	-	-

### C Details of excess CSR expenditure under Section 135(5) of the Act

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Opening balance excess spent</b>	<b>131</b>	-
Amount required to be spent during the year	1,413	1,491
Amount spent during the year	1,282	1,622
<b>Closing balance excess spent</b>	-	<b>131</b>

### 42 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.

The Company's net debt to total equity ratio is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current borrowings (refer note 23)	20,134	8,938
Less: Cash and cash equivalents <sup>1</sup>	(4,216)	(19,116)
<b>Net debt</b>	<b>15,918</b>	<b>(10,178)</b>
Equity share capital	2,354	2,354
Other equity	4,66,095	4,03,966
<b>Total equity</b>	<b>4,68,449</b>	<b>4,06,320</b>
<b>Net debt to total equity ratio</b>	<b>0.03</b>	-

#### Note:

1. It compromise of investment in mutual funds for ₹1,400 lacs and ₹509 lacs for the year ended 31 March 2023 and 31 March 2022 respectively.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 43 Dividends

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Dividend declared and paid during the year</b>		
Final dividend for the financial year ended 31 March 2022 ₹3.50 per share (For the year ended 31 March 2021 : ₹3.50 per share)	8,239	8,239
<b>B Proposed dividends on equity shares not recognised as liability</b>		
Final dividend recommended by the board of directors for the year ended 31 March 2023 : Nil (31 March 2022: ₹3.50 per share).	-	8,239
<b>C Remittance in foreign currency on account of dividend</b>		
Number of shareholders to whom final dividend	3	3
Number of equity shares held by the shareholders to whom final dividend remitted in foreign currency.	2,40,00,000	2,40,00,000
Amount of dividend paid (₹ in lacs)	8,40,00,000	8,40,00,000
Year to which the dividend relates	2021-22	2020-21

### 44 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,	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 (₹)	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:

Concentration of credit risk with respect to trade receivables are limited, due to the Company's 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 long aged trade receivables, mainly comprise of receivables from DISCOM companies and as per past experience, there has been no credit loss on account of customer's inability to pay as the revenue is agreement driven and all the customers are government companies. Thus, the Company's historical experience of collecting receivables, supported by the level of default indicate a low credit risk and so trade receivables are considered to be a single class of financial assets.

On the basis of the above assessment, the Company identified and written off an amount of Nil ( 31 March 2022 : ₹21 lacs) of trade receivable balances, which were subject to dispute and will not be realisable at the reporting date.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### Other financial assets

Further, credit risk in respect of other receivables and loans, mainly comprise of security deposit, unbilled revenue, cash and bank equivalents 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, except as disclosed below.

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 2023	As at 31 March 2022
Loans	8	13
Trade receivables	28,506	28,934
Other financial assets	2,028	2,253
<b>Total</b>	<b>30,542</b>	<b>31,200</b>

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 2023	As at 31 March 2022
Not past due	15,121	16,043
Past due 0-180 days	10,224	9,058
Past due 181 days-one year	970	1,998
Past due one year-two year	2,457	1,146
More than two year	445	713
<b>Total</b>	<b>29,217</b>	<b>28,958</b>
Less : Allowance for credit impaired	(711)	(24)
<b>Total</b>	<b>28,506</b>	<b>28,934</b>

### Reconciliation of credit impaired - Trade receivable

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Allowance for credit impaired at the beginning of the year</b>	<b>24</b>	<b>24</b>
Recognised during the year	687	-
Allowance actualised	-	-
<b>Allowance for credit impaired at the close of the year</b>	<b>711</b>	<b>24</b>

The following table gives details in respect of percentage of revenue generated from top customer:

No customer having more than 10% of the total revenue for the financial year 31 March 2023.

No customer is having more than 10% of the total revenue during the financial year ended 31 March 2023 (31 March 2022 - ₹ Nil) pertaining to Agri segment and Power segment.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(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) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of reporting period.

Particulars	As at 31 March 2023	As at 31 March 2022
Fund based		
- Expiring with in one year (cash credit and other facilities)	1,43,700	1,57,500

#### (ii) 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 2023

Particulars	Carrying amount	On demand	6 months or less	6 months to 1 year	1-2 years	More than 2 years
Current borrowings	13,800	13,800	-	-	-	-
Loan from related parties	6,334	6,334	-	-	-	-
Trade payables	11,969	-	11,969	-	-	-
Lease liabilities	4,864	-	444	487	856	3,077
Other financial liabilities	28,440	82	28,358	-	-	-

For the year ended 31 March 2022

Particulars	Carrying amount	On demand	6 months or less	6 months to 1 year	1-2 years	More than 2 years
Current borrowings	587	-	587	-	-	-
Loan from related parties	8,351	8,351	-	-	-	-
Trade payables	18,057	-	18,057	-	-	-
Lease liabilities	5,579	-	338	189	448	4,604
Other financial liabilities	16,417	77	16,340	-	-	-

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 3. Market 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:

- Interest rate risk;
- Price risk; and
- Currency risk;

#### (i) 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	As at 31 March 2023	As at 31 March 2022
Variable rate borrowings	13,800	587

#### Interest rate sensitivity

A change of 100 bps in interest rates would have following impact on profit after tax/equity	As at 31 March 2023	As at 31 March 2022
100 bps increase- decrease in profit after tax/equity	6	2
100 bps decrease- increase in profit after tax/equity	6	2

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments on actual basis).

#### (ii) 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 market value of shares on the Company's equity and profit for the year. The analysis is based on the assumption that the market value of equity shares 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 after tax/equity	As at 31 March 2023	As at 31 March 2022
Share price increase by 5%	63	104
Share price decrease by 5%	(63)	(104)

#### (iii) Currency Risk

The Company operates internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas market. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows policies which includes the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Company has outstanding forward contracts and options of USD 73.45 Mio (P.Y. USD 68.60 Mio).

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument are as under:<sup>1</sup>

Particulars	₹ in lacs		USD in lacs		AED in lacs		EURO in lacs	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Financial assets</b>								
Trade receivables	6,855	5,402	83	56	-	-	-	9
Cash and cash equivalents	1,790	16,238	22	214	-	-	0	-
Other receivable	-	86	-	6	-	-	-	-
Advance to supplier	11	5	0	0	-	-	-	-
<b>Financial liabilities</b>								
Trade payables	53	8	1	0	-	-	0	0
Advance from customers	9,349	2,530	8	14	387	-	0	17

Foreign currency risk sensitivity:

A change of 5% in foreign currency would have following impact on profit after tax/Other equity

Particulars	USD	
	5% increase	5% decrease
31-03-2023 (₹ in lacs) <sup>1</sup>	54	54
31-03-2022 (₹ in lacs) <sup>1</sup>	167	167

1. The foreign currency exposure for currencies other than USD, EURO is immaterial to the Company.

**Foreign currency risk**

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 statement of profit and 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 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 2023

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					
<b>Cash flow hedge</b>								
Foreign currency risk								
(i) Forward Contracts and options	USD 734.50	438	-	April, 23 - September 23	1:1	83.05	-	-

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

For the year ended 31 March 2022

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					
<b>Cash flow hedge</b>								
Foreign currency risk								
(i) Forward Contracts and options	USD 430	(10.72)	-	May 2021 - Nov 2021	1:1	76.56	-	-

(b) Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2023

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
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) Forward Contracts and options	1,018.17	5	1,012.94	Revenue and other expenses from operation

For the year ended 31 March 2022

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
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) Forward Contracts and options	419.59	-	419.59	Revenue from operations

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.

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 arised in the hedges have been disclosed in above table.

(c) Movements in cash flow hedging reserve

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	(7)	(54)
Add: Changes in value of Forward contracts	(433)	(10)
Less: Amount reclassified to statement of profit and loss	5	74
Less: Tax expenses relating to above (net)	108	(17)
<b>Balance at the end of the year</b>	<b>(327)</b>	<b>(7)</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### B Fair value disclosure

#### 1. Fair value measurement of financial instruments [criteria for recognition of financial instrument is explained in note 2 (j)]

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost <sup>1</sup>	FVTPL	FVTOCI	Amortised cost <sup>1</sup>
<b>Financial Assets</b>						
Investments (other than in subsidiary) <sup>2</sup>	3,088	-	-	2,079	-	-
Loans	-	-	8	-	-	13
Cash and cash equivalents	-	-	2,816	-	-	18,607
Other bank balances	-	-	1,868	-	-	20,429
Trade receivables	-	-	28,506	-	-	28,934
Other financial assets	-	433	3,075	-	98	2,793
<b>Total</b>	<b>3,088</b>	<b>433</b>	<b>36,273</b>	<b>2,079</b>	<b>98</b>	<b>70,776</b>

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost <sup>1</sup>	FVTPL	FVTOCI	Amortised cost <sup>1</sup>
<b>Financial liabilities</b>						
Borrowings	-	-	20,134	-	-	8,938
Trade payables	-	-	11,969	-	-	18,057
Lease liabilities	-	-	4,864	-	-	5,579
Other financial liabilities	-	-	28,440	-	-	16,417
<b>Total</b>			<b>65,407</b>			<b>48,991</b>

1. 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. 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 (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### (A) Financial instruments valued at fair value through profit and loss and fair value through other comprehensive income

Particulars	31 March 2023		31 March 2022	
	Level 1	Level 2	Level 1	Level 2
<b>Financial Assets</b>				
Investments (other than in subsidiary)	3,088	-	2,079	-
Other financial assets	-	433	-	98
<b>Total</b>	<b>3,088</b>	<b>433</b>	<b>2,079</b>	<b>98</b>

### (B) Financial instruments valued at amortised cost

Particulars	31 March 2023	31 March 2022
	Level 3	Level 3
<b>Financial assets</b>		
Loans	8	13
Cash and cash equivalents	2,816	18,607
Other bank balances	1,868	20,429
Trade receivables	28,506	28,934
Other financial assets	3,075	2,793
<b>Total</b>	<b>36,273</b>	<b>70,776</b>

Particulars	31 March 2023	31 March 2022
	Level 3	Level 3
<b>Financial liabilities</b>		
Borrowings	20,134	8,938
Trade payables	11,969	18,057
Lease liabilities	4,864	5,579
Other financial liabilities	28,440	16,417
<b>Total</b>	<b>65,407</b>	<b>48,991</b>

### 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, 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 of 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.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 45 Segmental reporting

#### A Operating segments

Agri - Comprises of agricultural commodities such as rice, furfural, seed, bran, bran oil, etc.

Energy - Comprises of power generation from wind turbine, husk based power plant and solar power plant.

#### B Identification of segments

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

#### C Segment revenue and results [refer note 2(g)]

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 2023	For the year ended 31 March 2022
<b>1.</b>	<b>Segment revenue</b>		
(a)	Agri	5,26,664	4,09,903
(b)	Energy	23,211	22,186
	<b>Total segment revenue</b>	<b>5,49,875</b>	<b>4,32,089</b>
	Inter segment revenue - Energy	(13,552)	(11,033)
	<b>Net segment revenue</b>	<b>5,36,323</b>	<b>4,21,056</b>
<b>2.</b>	<b>Segment results</b>		
(a)	Agri	90,004	55,942
(b)	Energy	6,433	7,834
	<b>Total segment results (before finance costs and tax)</b>	<b>96,437</b>	<b>63,776</b>
	Less: Finance costs	1,459	1,244
	Less: Other unallocable expenditures (net of unallocable incomes)	890	755
	<b>Total profit before tax</b>	<b>94,088</b>	<b>61,777</b>
<b>3.</b>	<b>Segment assets</b>		
(a)	Agri	5,03,575	4,13,006
(b)	Energy	54,567	60,924
	<b>Total segment assets</b>	<b>5,58,142</b>	<b>4,73,930</b>
<b>4.</b>	<b>Segment liabilities</b>		
(a)	Agri	56,724	44,665
(b)	Energy	514	1,134
(c)	Unallocable	32,455	21,811
	<b>Total segment liabilities</b>	<b>89,693</b>	<b>67,610</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>5.</b>	<b>Depreciation and amortisation</b>		
	Agri	4,224	4,137
	Energy	3,337	3,280
	<b>Non-cash income/(expenditure) (other than depreciation and amortisation)</b>		
	Unallocable	332	1,896
<b>6.</b>	<b>Segment revenue - Geographical information:</b>		
(a)	<b>Agri</b>		
	India	3,33,539	2,64,784
	Rest of the world	1,93,125	1,45,119
	<b>Sub-total (a)</b>	<b>5,26,664</b>	<b>4,09,903</b>
(b)	<b>Energy</b>		
	India	23,211	22,186
	<b>Sub-total (b)</b>	<b>23,211</b>	<b>22,186</b>
	<b>Total (a)+(b)</b>	<b>5,49,875</b>	<b>4,32,089</b>
	Inter-segment revenue - Energy	(13,552)	(11,033)
	<b>Total</b>	<b>5,36,323</b>	<b>4,21,056</b>

#### F Information about major customers

Refer Note 44 (credit risk)

#### G Information about major products

Refer note 38

### 46 Related party transactions

#### A Disclosure of related parties and their relationships

##### a) Subsidiaries

K B Exports Private Limited

KRBL DMCC, Dubai

KRBL LLC, a step down subsidiary of KRBL DMCC, Dubai

##### b) Key Managerial Personnel's (KMPs):

Mr. Anil Kumar Mittal

Mr. Arun Kumar Gupta

Mr. Anoop Kumar Gupta

Ms. Priyanka Mittal

Chairman and Managing Director

Joint Managing Director

Joint Managing Director

Whole Time Director

##### c) Additional related parties (KMPs) as per the Companies Act 2013 with whom transactions have taken place during the year:

Mr. Ashish Jain

Mr. Rakesh Mehrotra

Mr. Raman Sapra

Ms. Jyoti Verma

Chief Financial Officer ( w.e.f 1 November, 2021 )

Chief Financial Officer ( upto 31 October 2021)

Company Secretary ( upto 6 September 2022)

Company Secretary ( w.e.f 26 September 2022 )

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### d) Independent Non-Executive Directors:

Mr. Vinod Ahuja  
 Mr. Ashwani Dua ( upto 9 January 2023)  
 Mr. Shyam Arora  
 Mr. Devendra Kumar Agarwal  
 Mr. Alok Sabharwal (upto 10 August 2021)  
 Ms. Priyanka Sardana

### e) Employee benefit plans where there is significant influence:

KRBL Limited Employees Group Gratuity Trust (Refer note 40 B)

### f) Relatives of Directors/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
Suraj Prakash Dua HUF	Ashwani Dua is Karta of Suraj Prakash Dua HUF (upto 9 January, 2023)

### g) Enterprises over which KMPs are able to exercise significant influence\*:

Khushi Ram Behari Lal	Partnership firm in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta are Partners.
Adwet Warehousing Private Limited	Private limited company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta are directors.
KRBL Foods Limited	Public limited company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta and Mrs. Binita Gupta are directors.
KRBL Infrastructure Limited	Public limited company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta and Mrs. Binita Gupta are directors.
Holistic Farms Private Limited	Private limited company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta are directors.
KRBL Foundation	Section 8 company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, are directors.

### h) Trust 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.
Khushi Ram Charitable Trust	Trust in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar 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 (Contd.)

For the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>I Transactions entered during the year</b>								
<b>i Purchase of goods<sup>1</sup></b>								
Khushi Ram Behari Lal	2	1	-	-	-	-	-	-
KRBL Infrastructure Limited	1	-	-	-	-	-	-	-
<b>ii Revenue from operation<sup>1</sup></b>								
Khushi Ram Behari Lal	1,017	1,058	-	-	-	-	-	-
<b>iii Arrangement fees paid</b>								
KRBL DMCC	-	-	11	19	-	-	-	-
<b>iv Rent paid<sup>1</sup></b>								
Mr. Anil Kumar Mittal	-	-	-	-	4	3	-	-
Mr. Arun Kumar Gupta	-	-	-	-	10	8	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	10	8	-	-
KRBL Infrastructure Limited	304	316	-	-	-	-	-	-
KRBL Foods Limited	565	651	-	-	-	-	-	-
Adwet Warehousing Private Limited	193	204	-	-	-	-	-	-
Holistic Farms Private Limited	53	48	-	-	-	-	-	-
Suraj Prakash Dua HUF	-	-	-	-	-	-	43	59
Mrs. Anulika Gupta	-	-	-	-	-	-	36	16
Mrs. Binita Gupta	-	-	-	-	-	-	3	2
Mrs. Preeti Mittal	-	-	-	-	-	-	4	3
Mr. Ashish Mittal	-	-	-	-	-	-	38	18
Anoop Kumar Gupta HUF	-	-	-	-	-	-	32	14
<b>v Expense incurred (on behalf of company by others)/by company for others</b>								
KRBL DMCC	-	-	(427)	(328)	-	-	-	-
<b>vi Remuneration on account of salary and perquisites<sup>2</sup></b>								
Mr. Anil Kumar Mittal	-	-	-	-	216	180	-	-
Mr. Arun Kumar Gupta	-	-	-	-	249	207	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	216	180	-	-



## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>I Transactions entered during the year (Contd.)</b>								
Ms. Priyanka Mittal	-	-	-	-	170	142	-	-
Mr. Raman Sapra	-	-	-	-	12	24	-	-
Ms. Jyoti Verma	-	-	-	-	16	-	-	-
Mr. Rakesh Mehrotra	-	-	-	-	-	50	-	-
Mr. Ashish Jain	-	-	-	-	148	75	-	-
Mr. Ashish Mittal	-	-	-	-	-	-	52	44
Mr. Kunal Gupta	-	-	-	-	-	-	52	44
Mr. Akshay Gupta	-	-	-	-	-	-	52	44
Mr. Ayush Gupta	-	-	-	-	-	-	52	44
<b>vii Electricity charges paid</b>								
KRBL Infrastructure Limited	22	22	-	-	-	-	-	-
<b>viii Maintenance charges paid</b>								
KRBL Infrastructure Limited	77	82	-	-	-	-	-	-
<b>ix Director sitting fees paid</b>								
Mr. Vinod Ahuja	-	-	-	-	-	-	5	3
Mr. Ashwani Dua	-	-	-	-	-	-	4	3
Mr. Shyam Arora	-	-	-	-	-	-	5	3
Mr. Devendra Kumar Agarwal	-	-	-	-	-	-	5	3
Mr. Alok Sabharwal	-	-	-	-	-	-	-	1
Ms. Priyanka Sardana	-	-	-	-	-	-	5	3
<b>x Dividend paid</b>								
Anil Mittal Family Trust	1,521	1,507	-	-	-	-	-	-
Arun Kumar Gupta Family Trust	1,477	1,463	-	-	-	-	-	-
Anoop Kumar Gupta Family Trust	1,360	1,360	-	-	-	-	-	-
Binita Gupta Family Trust	32	18	-	-	-	-	-	-
Anil Kumar Mittal HUF	-	-	-	-	-	-	126	126
Arun Kumar Gupta HUF	-	-	-	-	-	-	170	170
Anoop Kumar Gupta HUF	-	-	-	-	-	-	255	255
Mr. Anil Kumar Mittal <sup>3</sup>	-	-	-	-	0	0	-	-

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>I Transactions entered during the year (Contd.)</b>								
Mr. Arun Kumar Gupta <sup>3</sup>	-	-	-	-	0	0	-	-
Mr. Anoop Kumar Gupta <sup>3</sup>	-	-	-	-	0	0	-	-
Ms. Priyanka Mittal <sup>3</sup>	-	-	-	-	0	0	-	-
Mr. Ashish Mittal <sup>3</sup>	-	-	-	-	-	-	0	0
Mr. Kunal Gupta <sup>3</sup>	-	-	-	-	-	-	0	0
Mr. Akshay Gupta <sup>3</sup>	-	-	-	-	-	-	0	0
Mr. Ayush Gupta <sup>3</sup>	-	-	-	-	-	-	0	0
Mrs. Binita Gupta <sup>3</sup>	-	-	-	-	-	-	0	0
Mrs. Anulika Gupta <sup>3</sup>	-	-	-	-	-	-	0	0
Mrs. Neha Singh <sup>3</sup>	-	-	-	-	-	-	0	0
Mrs. Rashmi Gupta <sup>3</sup>	-	-	-	-	-	-	0	0
Mrs. Preeti Mittal <sup>3</sup>	-	-	-	-	-	-	0	0
<b>xi Provision for ongoing CSR project</b>								
KRBL foundation	-	-	-	-	-	-	1,224	1,250
<b>xii Donation and charity</b>								
Khushi Ram Charitable Trust	-	-	-	-	-	-	3	-
<b>xiii Borrowings- Unsecured loans availed</b>								
Mr. Anil Kumar Mittal	-	-	-	-	989	549	-	-
Mr. Arun Kumar Gupta	-	-	-	-	1,018	557	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	650	927	-	-
<b>xiv Borrowings-Unsecured loans repaid</b>								
Mr. Anil Kumar Mittal	-	-	-	-	1,610	915	-	-
Mr. Arun Kumar Gupta	-	-	-	-	1,605	941	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	1,458	1,165	-	-
<b>xv Interest paid on advance received for supply of goods</b>								
Khushi Ram Behari Lal	36	45	-	-	-	-	-	-
<b>xvi Discount allowed on sale of goods</b>								
Khushi Ram Behari Lal	-	-	-	-	-	-	-	-
<b>xvii Advance received against supply of goods</b>								
Khushi Ram Behari Lal	2,500	1,936	-	-	-	-	-	-
<b>xviii Advance received against supply of goods refunded</b>								
Khushi Ram Behari Lal	1,670	958	-	-	-	-	-	-

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>I Transactions entered during the year (Contd.)</b>								
<b>xix Reimbursement of expenses</b>								
Anil Kumar Mittal	0	-	-	-	-	-	-	-
Mr. Arun Kumar Gupta	0	-	-	-	-	-	-	-
Ashish Mittal	-	-	-	-	-	-	3	-
Ayush Gupta	-	-	-	-	-	-	0	-
Akshay Gupta	-	-	-	-	-	-	8	-
Kunal Gupta	-	-	-	-	-	-	2	-
<b>II Balances outstanding at the year end</b>								
<b>i Unsecured borrowings-Current</b>								
Mr. Anil Kumar Mittal	-	-	-	-	2,202	2,823	-	-
Mr. Arun Kumar Gupta	-	-	-	-	1,673	2,260	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	2,425	3,232	-	-
Ms. Priyanka Mittal	-	-	-	-	34	34	-	-
<b>ii (Payable) receivable</b>								
Khushi Ram Behari Lal	(12)	24	-	-	-	-	-	-
<b>iii Receivable (payable)</b>								
KRBL Infrastructure Limited	(2)	-	-	-	-	-	-	-
Receivable by KRBL DMCC(subsidiary) from KRBL LLC (step down subsidiary)	257	228	-	-	-	-	-	-
Payable by KRBL LLC (step down subsidiary) to KRBL DMCC (subsidiary)	(257)	(228)	-	-	-	-	-	-
KRBL DMCC	(42)	-	-	-	-	-	-	-
<b>iv Security deposit</b>								
KRBL Infrastructure Limited <sup>7</sup>	971	971	-	-	-	-	-	-
<b>v Employee related payables</b>								
Mr. Anil Kumar Mittal	-	-	-	-	11	9	-	-
Mr. Arun Kumar Gupta	-	-	-	-	10	7	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	11	8	-	-
Ms. Priyanka Mittal	-	-	-	-	4	3	-	-

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>II Balances outstanding at the year end (Contd.)</b>								
Mr. Raman Sapra	-	-	-	-	-	1	-	-
Ms. Jyoti Verma	-	-	-	-	1	-	-	-
Mr. Ashish Jain	-	-	-	-	8	7	-	-
Mr. Ashish Mittal	-	-	-	-	-	-	3	2
Mr. Kunal Gupta	-	-	-	-	-	-	3	2
Mr. Akshay Gupta	-	-	-	-	-	-	3	2
Mr. Ayush Gupta	-	-	-	-	-	-	3	2
<b>vi Other balances (net)</b>								
Mr. Arun Kumar Gupta <sup>3</sup>	-	-	-	-	-	0	-	-
Mr. Anoop Kumar Gupta <sup>3</sup>	-	-	-	-	0	-	-	-
Mr. Ashish Mittal <sup>3</sup>	-	-	-	-	-	-	-	(0)

- Transactions are exclusive of Goods and Services tax in current year and inclusive of Good and Service tax in last year.
- As gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to relatives of KMPs cannot be individually identified.
- Amounts are below rounding off thresholds adopted by the Company.
- 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 2023, the outstanding amount of loan is ₹13,800 lacs (31 March 2022: ₹ Nil) and Mr. Ashish Mittal (relative of key managerial personnel) to the extent of the immovable properties as specified in consortium agreement.
- All related party transactions are at arms length price and in the ordinary course of business.
- Refer note 3(l) for transactions related to property, plant and equipment with KMP and their relatives.
- The present value of security deposit is shown in note 9 and 17.

### 47 Contingent liabilities and commitments

#### Contingent liabilities

Claims against the Company not acknowledged as debts*	As at 31 March 2023	As at 31 March 2022
Indirect tax matters <sup>A</sup>	5,003	6,772
Enforcement directorate investigation matter <sup>B</sup>	1,532	1,532
Other matters <sup>D</sup>	1,238	1,171
Income tax matters	44	96

#### Notes:

- A** Indirect taxes mainly comprise of matter relating to VAT, sales tax pending at various levels and includes penalty of ₹1,811 lacs imposed on original demand of ₹906 lacs in respect of Punjab Value Added Tax Act, 2005. During the current year, original demand has been settled in favour of the company and company is expecting the penalty amount would also be settled/waived off in favour of company. It also includes the matters related to mandi fee levied under the Agricultural Produce Market Committee Act, 2003 for an amount of ₹759 lacs.

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

- B** A portion of land parcels and building thereupon, situated at Dhuri, Punjab was attached by the Directorate of Enforcement ('ED') to the extent of value of ₹1,532 Lakh in connection with a money laundering investigation which is currently pending before the Special Judge, CBI Court. The Appellate Tribunal, PMLA, New Delhi, ("Appellate Tribunal") had restored the possession of the attached land on interim basis in favour of the Company. However, aforesaid attachment would continue till conclusion of the matter. Against the order of the Appellate Tribunal, ED had filed an appeal before the Hon'ble High Court of Delhi, which is pending for hearing. The Company filed an application before the Hon'ble High Court of Delhi for restoration of possession of the land in favour of the Company and High court allowed the Company to take physical possession of the said land parcels and building thereupon for specified purpose against the deposit of ₹1,113 Lakh, (deposited on 5 November, 2020), as an interim relief until conclusion of the aforesaid matter, without prejudice to the rights and contentions of the parties to be decided in the appeal. The management based upon the legal assessments, is confident that it has a favourable case and the said attachment shall be vacated and no adjustment is required in the accompanying Statement.
- C** The Company's Joint Managing Director, Mr. Anoop Kumar Gupta ('JMD'), had been detained and released on bail by the Directorate of Enforcement ('ED') pursuant to certain allegations against the Company, KRBL DMCC (a subsidiary of KRBL Limited) and JMD. As per criminal complaint filed it is alleged that M/s Rawasi Al Khaleej General Trading LLC ('RAKGT') had received proceeds of crime of USD 24.62 million in AgustaWestland case during the period 2008-2010 which in turn had been transferred to KRBL Limited through KRBL DMCC. Basis the affidavit filed by Balsharaf Group (one of the Customer of the Company) in the Hon'ble High Court of Delhi in the said matter, the amount of USD 24.62 million had been received by RAKGT in the account of Balsharaf Group. Pursuant to this, ED had attached 1,43,33,221 shares of Balsharaf Group held in KRBL Limited. Based on the opinion taken from the independent legal counsel, the management is of the view that since the investigation is still ongoing no adverse opinion can be drawn. The Company had appointed an independent professional firm ('IP') to review the aforesaid allegations, to assess the impact, if any, on the financial statement and control environment of the Company during the year ended 31 March 2022. Further during the current year, the IP had issued a report to the Board of Directors with respect to the aforesaid review which was discussed and approved in their previously held meeting, wherein the Board of Directors had responded to the observations contained therein and basis that no further action was proposed. Pending the ongoing investigation on the above matter, no adjustment has been made in the financial statements. The management of the Company is confident that the above stated matter will be resolved soon.
- D** Other matter comprise of civil cases pending under various CPC 1908, Trade Mark Act 1999, Consumer Protection Act 1986 and other recovery suits.
- \* 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.

### E Capital commitments

Estimated amount of contracts remaining to be executed, to the extent not provided for:

Particulars	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment (net of advances)	2,075	99
Intangible assets (net of advance)	12	32

## 48 Assets pledged as security and other loan covenants

### A Assets pledged as security

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current assets</b>		
First charge		
Property, plant and equipments including capital work in progress and investment property	84,592	85,523
Intangible assets	268	215
<b>Total non-current assets pledged as security</b>	<b>84,860</b>	<b>85,738</b>
<b>Current assets</b>		

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
First charge		
Pari-passu		
Inventories	4,18,627	2,81,610
Financial assets (current and non-current)	40,221	73,380
Other assets (current and non-current)	9,086	27,575
<b>Total current assets pledged as security</b>	<b>4,67,934</b>	<b>3,82,565</b>
<b>Total assets pledged as security</b>	<b>5,52,794</b>	<b>4,68,303</b>

- B** The Company has filed the statements of current assets with the consortium lenders in accordance with the sanction letters and these statements are in agreement with the books of accounts for that period.
- C** During the year, the Company has only borrowed the working capital loans from the consortium lenders and they are used for its intended purpose.

## 49 Reconciliation of liabilities arising from financing activities:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Non-current borrowings</b>		
Opening balance	587	1,941
Repayment	587	1,354
<b>Closing balance</b>	<b>-</b>	<b>587</b>
<b>Current borrowings</b>		
Opening balance	8,351	28,837
Movement (net)	11,784	(20,487)
Other adjustments	-	1
<b>Closing balance</b>	<b>20,134</b>	<b>8,351</b>
<b>Lease liabilities (As per Ind AS 116)</b>		
Opening balance	5,579	6,152
Non cash proceeds (net of modification)	216	276
Repayment	(931)	(849)
<b>Closing balance</b>	<b>4,864</b>	<b>5,579</b>
<b>Finance cost</b>		
Interest accrued as at the beginning of the year	121	76
Expenses incurred	1,473	1,340
Expenses paid	(1,546)	(1,295)
<b>Interest accrued as at the end of the year</b>	<b>48</b>	<b>121</b>

## Summary of the standalone significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 50 Disclosures pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 And Section 186 of the Companies Act, 2013

The Company has not provided any loans, security and corporate guarantees covered under section 186 of the Companies Act, 2013 and accordingly, the disclosure requirements to the extent does not apply to the Company. Refer note 7 for details of investment in subsidiaries and note 12 for details of other investments.

### 51 Additional regulatory information required by Schedule III to the Companies Act, 2013

- The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company has not traded or invested in Crypto currency or virtual currency during the year.
- There is no income surrendered or disclosed as income during the year in tax assessments under the Income-tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ('Intermediaries') with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ('Ultimate Beneficiaries') or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- Basis the management's assessment, it has been concluded that the Company has made no transactions with struck-off companies under Section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956. Further, there are no outstanding balances at balance sheet date with struck-off companies.

### 52 The analytical ratios for the year ended 31 March 2023 and 31 March 2022 are as below:

Particulars	Units	Numerator	Denominator	For the year ended 31 March 2023	For the year ended 31 March 2022
Current ratio	times	Total current assets	Total current liabilities	6.4	7.4
Debt-equity ratio (refer note B)	times	Total debt <sup>1</sup>	Shareholder's Equity	0.05	0.04
Debt Service Coverage ratio (refer note C)	times	Earnings available for debt service <sup>2</sup>	Debt service <sup>3</sup>	25.8	15.6
Return on Equity (refer note D)	%	Net Profit after tax	Average Shareholder's Equity	16%	11.9%
Inventory turnover ratio	times	Revenue from operations	Average inventory	1.5	1.5
Trade receivable turnover ratio	times	Revenue from operations	Average trade receivables	18.7	17.2
Trade payable turnover ratio (refer note E)	times	Net purchases	Average trade payable	29.1	14.4

## Summary of the standalone significant accounting policies and other explanatory information

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Units	Numerator	Denominator	For the year ended 31 March 2023	For the year ended 31 March 2022
Net Capital turnover ratio	times	Revenue from operations	Working capital <sup>4</sup>	1.5	1.4
Net Profit ratio	%	Net profit after taxes	Revenue from operations	13.1%	10.9%
Return on Capital Employed	%	Profit before interest and taxes	Capital employed <sup>5</sup>	18.9%	14.5%
Return on investment	%	Gain on investment	Time-weighted average investments	5.4%	6.2%

### A Formulae used for calculation of ratios:

- Total Debt represent aggregate of borrowing from the banks, related parties and lease liabilities.
  - Earnings available for debt service represent the Net Profit after taxes + Depreciation and other amortizations + Interest expense + other adjustments on account of Gain/loss on sale of property, plant and equipment.
  - Debt service represent Interest payment + lease payments + Principal repayments.
  - Working capital represents excess of current assets over current liabilities.
  - Capital employed represents Tangible net worth+Total debt+Deferred tax liability.
- B The Debt-equity ratio has upward marginally from 0.04 to 0.05 due to additional debt availed by the Company in form of working capital loan.
- C The Debt-service coverage ratio has improved from 15.6 to 25.8 due to higher profitability in current year in comparison to previous year.
- D The return on equity has increased from 12% to 16% due to higher profitability in current year in comparison to previous year.
- E The trade payable turnover ratio has been improved from 14.4 to 29.1 is because of the higher inventory.

### 53 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from 1 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.

As per our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No. 507568

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

Sd/-  
**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Sd/-  
**Jyoti Verma**  
Company Secretary  
Membership No. F7210

Place : Noida  
Date : 30 May 2023

# CONSOLIDATED FINANCIAL STATEMENTS

## Independent Auditor's Report

To the Members of KRBL Limited

Report on the Audit of the Consolidated Financial Statements

### Qualified Opinion

1. We have audited the accompanying consolidated financial statements of KRBL Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2023, 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 notes to the consolidated financial statements, including 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, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, 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 Qualified Opinion

3. As stated in Note 46(C) to the accompanying consolidated financial statements, the Enforcement Directorate ('ED') is investigating the Company's Joint Managing Director ('JMD'), Mr. Anoop Kumar Gupta under the Prevention of Money Laundering Act, 2002, for alleged involvement in Agusta Westland case. Further, the ED has filed criminal complaint and made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and JMD. As further described in the said note, a review of the impact of the allegations on the financial statements and its control environment was performed by an independent professional firm appointed by the Board of Directors during the year ended 31 March 2022, and as per their report, there is no conclusive evidence to ascertain impact of the aforesaid matter on the financial statements of the Company and its control environment. Pending the completion of ongoing investigation of the above matter by regulatory authorities, we are unable to comment on any adjustment that may be required to the accompanying consolidated financial statements in this respect.

4. 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 Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

### Emphasis of Matter

5. We draw attention to Note 46 (B) to the accompanying 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 Enforcement Directorate ('ED') under the Prevention of Money Laundering Act, 2002 ('PMLA'), in connection with a money laundering investigation which is currently pending before the Special Judge, CBI Court. The Appellate Tribunal, PMLA (Government of India), New Delhi ('Appellate Tribunal'), where the matter was first heard, vide its order dated 17 January 2020, restored the possession in favor of the Company while the aforesaid attachment would continue till the conclusion of the matter. The ED filed an appeal against granting of possession of the aforesaid land parcels and building thereupon for specified purposes against deposit of ₹1,113 lacs, as an interim relief until conclusion of the aforesaid matter. Based on the legal assessment of the outcome of the aforesaid matter, the management is of the view that no adjustment is required to the accompanying consolidated financial statements.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

7. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition – Sale of Goods</b></p> <p><i>Refer Note 2(f) in the Summary of significant accounting policies and other explanatory information.</i></p> <p>The Holding Company recognised an amount of ₹536,323 lacs revenue for the year ended 31 March 2023, as disclosed in Note 27 to the consolidated financial statements.</p> <p>Revenue for the Holding 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 Holding 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"> <li>• Obtained an understanding of the process of each revenue stream, particularly of sale of rice and by products;</li> <li>• 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;</li> <li>• Performed substantive analytical procedures on revenue which includes ratio analysis, product mix analysis, region wise analysis;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, if any, to the relevant approvals and the supporting documents;</li> <li>• Evaluated disclosures made in the consolidated financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.</li> </ul>
<p><b>Inventory existence and valuation of finished goods</b></p> <p><i>Refer Note 2(e) in the Summary of significant accounting policies and other explanatory information.</i></p> <p>Inventory of the Holding Company consists primarily of variety of rice, paddy and their by-products, manufactured during the process of conversion of paddy into rice.</p> <p>The Holding Company held inventories amounting to ₹418,627 lacs as at 31 March 2023. 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/produce. Such inventory is stored in plants, warehouses, silos, etc. High quantity of inventory makes inventory physical verification an extensive procedure for the management, at the year end.</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"> <li>• Obtained an understanding of the management's process of inventory management and inventory physical verification performed subsequent to year-end;</li> <li>• Evaluated the design effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness;</li> <li>• Reviewed the instructions given by management to stock count teams, including ensuring proper segregation of stock, use of calibration scales/charts, identification of damaged inventory, if any, etc.;</li> <li>• Observed physical count carried out by the management at locations selected based on materiality and risk factors;</li> <li>• During the above said observation, noted whether the instructions given by management to stock count teams were followed;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>The valuation of finished rice and by products is a complex exercise and is carried out manually. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"> <li>• Allocable overheads and their absorption rates;</li> <li>• Determination of net realisable value of by-products such as husk, bran, etc, and</li> <li>• Determination of net realisable value of the different variety of rice.</li> </ul> <p>Accordingly, existence and valuation of the year-end inventory balance, which is significant with respect to the total assets held by the Group, 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"> <li>• Recounted inventory, on sample basis, to match with inventory records and results of management conducted count;</li> <li>• Obtained inventory records and results of management conducted count;</li> <li>• 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;</li> <li>• For the inventory lying with the third party, obtained the confirmation that the management obtained from the third parties and for the inventory lying at foreign ports (in the course of sale)/private warehouse, tested the subsequent clearance for the said export.</li> </ul> <p><u>Valuation:</u></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management process of inventory valuation;</li> <li>• Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;</li> <li>• Tested inputs into the valuation process from source documents/ general ledger accounts;</li> <li>• 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;</li> <li>• 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;</li> <li>• Checked net realisable value of rice and by-products from actual sale proceeds near/ subsequent to the year-end;</li> <li>• Tested arithmetical accuracy of valuation calculations;</li> <li>• Evaluated appropriateness of disclosure of inventory year-end balance in the consolidated financial statements.</li> </ul>

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

8. The Holding Company's Board of Directors are 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**

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and

other accounting principles generally accepted in India. The Holding Company's Board of Directors are 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 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 of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 Board of Directors of the Holding Company, as aforesaid.

10. 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.
11. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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;

- 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entity included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated 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.
14. 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.
  15. 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.
  16. From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

17. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflects total assets of ₹1,414 lacs and net assets of ₹1,216 lacs as at 31 March 2023, total revenues of ₹467 lacs and net cash inflows amounting to ₹1 lac 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 subsidiary, are based solely on the report of the other auditor.

Further, of these subsidiaries, 2 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 auditor 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 amounts and disclosures included in respect of such subsidiaries, located outside India, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 17, on separate financial statements of a subsidiary, we report that the Holding Company whose financial statements have been audited under the Act have 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, incorporated in India whose financial statements have been audited 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.

19. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditor as mentioned in paragraph 17 above, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date:

Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
KRBL Limited	L01111DL1993 PLC052845	Holding Company	3 (i) (c)

20. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary company, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
  - a) We have sought and except for the matter described in the Basis for Qualified Opinion section, 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 report of the other auditor, except for the possible effect of the matter described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;
  - 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) Except for the possible effect of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - e) The matter described in paragraph 3 of Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Holding Company;
  - f) 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 company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

- g) 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 B' wherein we have expressed a modified opinion; and
- h) 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 auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:
- i. Except for the possible effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as at 31 March 2023, as detailed in Note 46 to the consolidated financial statements;
- ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023;
- iv. a. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in note 51(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company,

(the Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 51(viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. a. The Holding Company has not declared or paid any dividend during the year ended 31 March 2023.
- b. The final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Nitin Toshniwal**

Partner

Membership No.: 507568

**UDIN:** 23507568BGYWCH5961

**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 2023 (Cont'd)**

**List of entities included in the consolidated financial statements**

**Name of the Holding Company**

- 1) KRBL Limited

**Name of subsidiaries and step-down subsidiary**

- 1) K B Exports Private Limited
- 2) KRBL DMCC
- 3) KRBL LLC, a subsidiary of KRBL DMCC and step-down subsidiary of KRBL Limited



**Annexure B to the Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (j) 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 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 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies 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 company, which are companies covered under the Act, are 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 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 auditor 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 company, 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 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.

**Qualified Opinion**

8. According to the information and explanation given to us, the ED vide their criminal complaint has made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and Mr. Anoop Kumar Gupta ('JMD') as fully explained in Note 46 (C) of the accompanying consolidated financial statements. Pending the completion of ongoing investigation of the above matter by regulatory authorities, we are unable to obtain sufficient appropriate audit evidence that adequate internal financial controls with reference to financial statements relevant to prevention and timely detection of management override of controls were

established and maintained, and if such controls operated effectively in all material respects, which could potentially result in the Company not providing for adjustment, if any, that may be required to the accompanying consolidated financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, 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 2023, 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 issued by ICAI.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company as at and for the

year ended 31 March 2023, and the material weakness has affected our opinion on the consolidated financial statements of the Company and we have issued a modified opinion on the consolidated financial statements.

**Other Matter**

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to a subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹298 lacs and net assets of ₹295 lacs as at 31 March 2023, total revenues of ₹1 lac and net cash inflows amounting to ₹0 lac 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 auditor whose report 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 report of the auditor 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 report of the other auditor.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Nitin Toshniwal**

Partner

Membership No.: 507568

**UDIN:** 23507568BGYWCH5961

**Place:** Noida

**Date:** 30 May 2023

## Consolidated Balance Sheet

As at 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	82,984	85,306
Capital work-in-progress	3	1,590	192
Right-of-use assets	4	5,348	5,627
Investment property	5	1,298	1,238
Goodwill		16	16
Intangible assets	6	260	172
Intangible assets under development	6	8	43
Financial assets			
- Loans	7	3	4
- Other financial assets	8	1,063	465
Other non-current assets	9	3,414	22,266
<b>Sub total non-current assets</b>		<b>95,984</b>	<b>1,15,329</b>
<b>Current assets</b>			
Inventories	10	4,18,627	2,81,610
Financial assets			
- Investments	11	3,088	2,079
- Trade receivables	12	28,506	28,934
- Cash and cash equivalents	13	2,872	18,659
- Other bank balances	14	1,880	20,441
- Loans	15	5	9
- Other financial assets	16	2,447	2,428
Other current assets	17	5,681	5,313
<b>Sub total current assets</b>		<b>4,63,106</b>	<b>3,59,473</b>
<b>TOTAL ASSETS</b>		<b>5,59,090</b>	<b>4,74,802</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	2,354	2,354
Other equity	19	4,66,908	4,04,670
<b>Equity attributable to the owners of the Holding company</b>		<b>4,69,262</b>	<b>4,07,024</b>
Non-controlling interest		88	89
<b>Sub total equity</b>		<b>4,69,350</b>	<b>4,07,113</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
- Lease liabilities	4	3,678	5,049
Provisions	20	863	925
Deferred tax liabilities (net)	21	12,253	13,015
<b>Sub total non-current liabilities</b>		<b>16,794</b>	<b>18,989</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	22	20,136	8,939
- Lease liabilities	4	1,186	530
- Trade payables	23		
- Total outstanding due of micro enterprises and small enterprises		1,814	1,198
- Total outstanding dues of creditors other than micro enterprises and small enterprises		10,159	16,859
- Other financial liabilities	24	28,481	16,495
Other current liabilities	25	10,769	4,013
Provisions	26	401	278
Current tax liabilities (net)		-	388
<b>Sub total current liabilities</b>		<b>72,946</b>	<b>48,700</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,59,090</b>	<b>4,74,802</b>

The accompanying notes form an integral part of these consolidated financials statements  
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

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No. 507568

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

Sd/-  
**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Jyoti Verma**  
Company Secretary  
Membership No. F7210

Place : Noida  
Date : 30 May 2023

## Consolidated Statement of Profit and Loss

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	27	5,36,323	4,21,056
Other income	28	9,278	4,271
<b>Total income</b>		<b>5,45,601</b>	<b>4,25,327</b>
<b>Expenses</b>			
Cost of materials consumed	29	4,36,776	2,95,682
Purchase of stock-in-trade	30	3,084	553
Changes in inventories of finished goods and stock-in-trade	31	(61,370)	9,942
Employee benefits expenses	32	12,060	10,430
Finance costs	33	1,474	1,340
Depreciation and amortisation expense	34	7,565	7,422
Other expenses	35	51,894	38,245
<b>Total expenses</b>		<b>4,51,483</b>	<b>3,63,614</b>
<b>Profit before tax</b>		<b>94,118</b>	<b>61,713</b>
<b>Tax expense</b>			
Current tax	38	24,890	16,567
Deferred tax credit		(870)	(794)
<b>Total tax expense</b>		<b>24,020</b>	<b>15,773</b>
<b>Profit for the year</b>		<b>70,098</b>	<b>45,940</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit plans		(28)	117
Tax on above		8	(31)
<b>Items that will be reclassified to profit or loss</b>			
Foreign currency translation reserve		79	32
Cash flow hedge reserve		428	(64)
Tax on above		(108)	17
<b>Other comprehensive income for the year</b>		<b>379</b>	<b>71</b>
<b>Total comprehensive income for the year</b>		<b>70,477</b>	<b>46,011</b>
<b>Profit attributable to:</b>			
Owners of the parent		70,098	45,940
Non-controlling interest <sup>1</sup>		0	0
<b>Total comprehensive income attributable to:</b>		<b>70,477</b>	<b>46,011</b>
Owners of the parent		70,477	46,011
Non-controlling interest <sup>1</sup>		0	0
<b>Earnings per equity share (face value of ₹1 each)</b>			
	36		
- Basic (in ₹)		29.78	19.52
- Diluted (in ₹)		29.78	19.52

1. Rounded off to zero.

The accompanying notes form an integral part of these consolidated financials statements  
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

**For Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No. 507568

Place : Noida  
Date : 30 May 2023

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

Sd/-  
**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Jyoti Verma**  
Company Secretary  
Membership No. F7210

## Consolidated Statement of Cash Flow

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Cash flow from operating activities</b>		
Profit before tax	94,118	61,713
<b>Adjustment for :</b>		
Depreciation and amortisation expenses	7,565	7,422
Loss/(gain) on sale and discard of property, plant and equipment	46	(42)
Unrealised foreign exchange (net)	18	(124)
Net gain on redemption and fair valuation of investments	(434)	(1,733)
Balances credit impaired	-	21
Allowances for doubtful debts and advance	1,060	373
Liabilities/provisions no longer required, written back	(110)	(470)
Gain on modification/termination of lease	(530)	(6)
Finance costs	1,474	1,340
Interest income	(7,685)	(478)
Dividend income	(55)	(54)
<b>Operating profit before working capital changes</b>	<b>95,467</b>	<b>67,962</b>
<b>Adjustments for working capital changes :</b>		
Decrease in financial and other assets	18,216	658
(Increase)/Decrease in inventories	(1,37,017)	14,811
Increase in trade receivables	(283)	(8,528)
Decrease in trade payables	(5,974)	(3,619)
Increase in liabilities and provisions	18,854	2,295
<b>Cash generated from operations</b>	<b>(10,737)</b>	<b>73,579</b>
Income tax paid (net)	(25,273)	(17,497)
<b>Net cash (used in)/flow from operating activities (A)</b>	<b>(36,010)</b>	<b>56,082</b>
<b>B Cash flow from investing activities</b>		
Payment for property, plant and equipment and intangible assets <sup>1</sup>	(5,931)	(4,214)
Sale proceeds of property, plant and equipment	24	140
Sale proceeds from investments	3,42,489	2,26,743
Purchase of investments	(3,42,173)	(2,24,691)
Movement from deposits (net)	18,546	(19,042)
Interest received	7,626	378
Dividend income	55	54
<b>Net cash flow/(used in) investing activities (B)</b>	<b>20,636</b>	<b>(20,632)</b>
<b>C Cash flow from financing activities</b>		
Repayment of long term borrowings	(587)	(1,354)
Repayment of lease liabilities	(931)	(849)
Movement in short-term borrowings (net)	11,783	(20,487)
Finance cost paid	(1,546)	(1,295)
Dividend paid	(8,241)	(8,239)
<b>Net cash used in financing activities (C)</b>	<b>478</b>	<b>(32,224)</b>

## Consolidated Statement of Cash Flow

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>D Net (decrease)/ increase in cash and cash equivalents during the year (A+B+C)</b>	<b>(14,896)</b>	<b>3,226</b>
<b>Cash and cash equivalents-opening balance</b>	<b>19,168</b>	<b>15,942</b>
<b>Cash and cash equivalents at the year end</b>	<b>4,272</b>	<b>19,168</b>
<b>E Cash and cash equivalents (refer note 13)</b>		
Cash in hand	54	41
Balances with banks	2,818	18,618
Investment in mutual funds	1,400	509
	<b>4,272</b>	<b>19,168</b>

### Notes

- Net of movement in capital work-in-progress and capital advances.
- Cash and cash equivalents includes the investment in mutual fund invested for short term basis. (refer note 11)
- The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.
- Refer note 48 for reconciliation of liabilities arising from financing activities.

The accompanying notes form an integral part of these consolidated financials statements  
This is the Consolidated Cash flow Statement referred to in our report of even date.

### For Walker Chandiook & Co LLP

Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-

**Nitin Toshniwal**

Partner  
Membership No. 507568

Place : Noida

Date : 30 May 2023

For and on behalf of the Board of Directors of

**KRBL Limited**

Sd/-

**Anil Kumar Mittal**

Chairman and Managing Director  
DIN-00030100

Sd/-

**Ashish Jain**

Chief Financial Officer

Sd/-

**Anoop Kumar Gupta**

Joint Managing Director  
DIN-00030160

Sd/-

**Jyoti Verma**

Company Secretary  
Membership No. F7210

## Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### A. Equity share capital (refer note 18)

Equity shares of ₹1 each, fully paid up	Number of shares	Amount
<b>As at 31 March 2021</b>	23,53,89,892	2,354
Movement during the year	-	-
<b>As at 31 March 2022</b>	23,53,89,892	2,354
Movement during the year	-	-
<b>As at 31 March 2023</b>	<b>23,53,89,892</b>	<b>2,354</b>

### B. Other equity (refer note 19)

Particulars	Reserve and surplus				Other comprehensive income			Total
	Retained earnings	General reserve	Securities premium reserve	Capital reserve	Capital redemption reserve	Foreign currency translation reserve	Cash flow hedge reserve	
<b>Balance as at 1 April 2021</b>	<b>2,95,465</b>	<b>59,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>2,014</b>	<b>54</b>	<b>3,66,897</b>
Profit for the year	45,940	-	-	-	-	-	-	45,940
<b>Other comprehensive income for the year:</b>								
Remeasurement of defined benefit obligations (net of tax)	86	-	-	-	-	-	-	86
Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	(47)	(47)
Foreign currency translation reserve	-	-	-	-	-	32	-	32
<b>Total comprehensive income as at 31 March 2022</b>	<b>46,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>(47)</b>	<b>46,012</b>
<b>Transaction with owners</b>								
Dividends paid (refer note 42)	(8,239)	-	-	-	-	-	-	(8,239)
<b>Balance as at 31 March 2022</b>	<b>3,33,252</b>	<b>59,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>2,046</b>	<b>7</b>	<b>4,04,670</b>
<b>Balance as at 1 April 2022</b>	<b>3,33,252</b>	<b>59,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>2,046</b>	<b>7</b>	<b>4,04,670</b>
Profit for the year	70,098	-	-	-	-	-	-	70,098
<b>Other comprehensive income for the year:</b>								
Remeasurement of defined benefit obligations (net of tax)	(20)	-	-	-	-	-	-	(20)
Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	320	320
Foreign currency translation reserve	-	-	-	-	-	79	-	79
<b>Total comprehensive income as at 31 March 2023</b>	<b>70,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>320</b>	<b>70,477</b>
<b>Transaction with owners</b>								
Dividends paid (refer note 42)	(8,239)	-	-	-	-	-	-	(8,239)
<b>Balance as at 31 March 2023</b>	<b>3,95,091</b>	<b>59,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>2,125</b>	<b>327</b>	<b>4,66,908</b>

The accompanying notes form an integral part of these consolidated financials statements

This is the Consolidated 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

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No. 507568

Place : Noida  
Date : 30 May 2023

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

Sd/-  
**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Jyoti Verma**  
Company Secretary  
Membership No. F7210

## Summary of the consolidated significant accounting policies and other explanatory information

For the year ended 31 March 2023

### 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 Limited ('NSE') and BSE Limited ('BSE').

The Company is world's leading basmati rice producer and has fully integrated operations in every aspect of basmati value chain, right from seed development, contact farming, procurement of paddy, storage, processing, packaging, branding and marketing. Among the many brands owned by the Company "India Gate" is the flagship brand both in domestic and international markets.

These consolidated financial statements relate to KRBL Limited ('the Company' or 'the Holding 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 2023	Shareholding as at 31 March 2022
KRBL DMCC Group <sup>A</sup>	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, KRBL LLC.

### 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, as amended from time to time and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

These consolidated financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 30 May 2023.

#### (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 financial statements of the Holding Company and its subsidiaries as at 31 March 2023. 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; and
- 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 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-off 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.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

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 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 2023.

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 are translated into the reporting currency as follows:

- (i) Current assets and liabilities for each balance sheet date 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 lacs as per the requirements 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 consolidated balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

#### b. Property, plant and equipment

##### Recognition, measurement and subsequent expenditure

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, if any. Freehold land is stated at original cost of acquisition.

Cost of an item of property, plant and equipment includes acquisition / installation inclusive of freight, duties, and taxes and all incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are generally charged to the statement of profit and loss during the reporting period in which they are incurred.

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

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is capitalized/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.

Intangible assets which are not ready for intended use as on the date of Balance Sheet are disclosed as "Intangible assets under development".

##### 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 was 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. 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.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

By-products are measured at realisable 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.

### f. 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 44).

#### 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, 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.

### g. 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 consolidated balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the consolidated balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated at the consolidated balance sheet 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 consolidated statement of profit and loss as and when they accrue. The Company determines the liability using the Projected Unit Credit

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

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.

### h. 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.

### i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a) Financial assets

##### Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

##### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows

and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### De-recognition

A financial asset is primarily de recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

##### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables.

### b) Financial liabilities

#### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

##### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, 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.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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 consolidated 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.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

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 consolidated 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).

### **j. 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.

Right-of-use 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. Right of use 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 consolidated balance sheet and lease payments have been classified as financing cash flows.

#### **Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### k. 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.

### l. 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 and 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.

### m. 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.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### n. Subsidy income

Subsidy income from the government is recognised when there is reasonable assurance that the subsidy income will be received and the Company will comply with all attached conditions.

Subsidy income is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

Subsidy income received from government towards property, plant and equipment acquired/ constructed by the Company is deducted out of gross value of the asset acquired/ constructed and depreciation is charged accordingly.

### o. 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.

### p. 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.

### q. 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. Qualifying major assets are assets that necessarily take a substantial period of time to get ready for their intended use.

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.

### r. 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

### s. 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.

### (vi) Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of the 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.



## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### 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 consolidated 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.

### (vii) Recent accounting pronouncements

MCA has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

#### Amendment to Ind AS 1 "Presentation of Financial Statement"

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

#### Amendment to Ind AS 12 "Income Taxes"

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

#### Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 3 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
<b>Gross carrying amount</b>								
<b>Balance as at 31 March 2021</b>	<b>6,783</b>	<b>22,071</b>	<b>1,24,836</b>	<b>1,470</b>	<b>512</b>	<b>3,529</b>	<b>1,59,201</b>	<b>891</b>
Additions for the year	498	1,663	1,643	10	44	980	4,838	164
Transfer (refer note C)	-	(505)	-	-	-	-	(505)	-
Disposals/capitalised	-	-	(312)	-	(5)	(139)	(456)	(863)
Foreign currency translation difference	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>7,281</b>	<b>23,229</b>	<b>1,26,167</b>	<b>1,480</b>	<b>551</b>	<b>4,370</b>	<b>1,63,078</b>	<b>192</b>
Additions for the year	1,964	421	1,136	106	116	287	4,030	1,546
Disposals/capitalised	-	(17)	(184)	(0)	(1)	(156)	(358)	(148)
Foreign currency translation difference	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>9,245</b>	<b>23,633</b>	<b>1,27,119</b>	<b>1,586</b>	<b>666</b>	<b>4,501</b>	<b>1,66,750</b>	<b>1,590</b>
<b>Accumulated depreciation</b>								
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>6,597</b>	<b>61,855</b>	<b>906</b>	<b>394</b>	<b>2,280</b>	<b>72,032</b>	<b>-</b>
Additions for the year	-	780	5,000	117	38	322	6,257	-
Transfer (refer note C)	-	(159)	-	-	-	-	(159)	-
Disposals	-	-	(226)	-	(4)	(128)	(358)	-
Foreign currency translation difference	-	-	-	0	0	0	0	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>7,218</b>	<b>66,629</b>	<b>1,023</b>	<b>428</b>	<b>2,474</b>	<b>77,772</b>	<b>-</b>
Additions for the year	-	704	5,063	112	38	366	6,283	-
Disposals	-	(6)	(141)	(0)	(1)	(141)	(289)	-
Foreign currency translation difference	-	-	-	0	0	0	0	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>7,916</b>	<b>71,551</b>	<b>1,135</b>	<b>465</b>	<b>2,699</b>	<b>83,766</b>	<b>-</b>
<b>Net carrying amount</b>								
<b>Balance as at 31 March 2022</b>	<b>7,281</b>	<b>16,011</b>	<b>59,538</b>	<b>457</b>	<b>123</b>	<b>1,896</b>	<b>85,306</b>	<b>192</b>
<b>Balance as at 31 March 2023</b>	<b>9,245</b>	<b>15,716</b>	<b>55,568</b>	<b>451</b>	<b>201</b>	<b>1,803</b>	<b>82,984</b>	<b>1,590</b>

Notes:

#### A Contractual obligations

Refer note 46 E for disclosure of contractual commitments for the acquisition of property, plant and equipment.

#### B Property, plant and equipment pledged as security

Refer note 22 for information on property, plant and equipment pledged as security by the Holding Company.

#### C The Holding Company had given a warehouse building situated at Kandla, Gujarat on operating lease as the Company intends to generate rental income and accordingly, the Company has transferred the said warehouse building to investment property (refer note 5).

#### D Capital work-in-progress mainly comprise of plant and machinery and buildings which are under installation/construction at the premises of the Holding Company.

#### E The Group has not revalued its property, plant and equipment.

#### F Rounded off to zero.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### G Capital work in progress ageing schedule is as follows

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project in progress as at 31 March 2023	1,546	44	-	-	1,590
Project in progress as at 31 March 2022	138	54	-	-	192

There are no assets/projects forming part of work-in-progress which have become overdue compared to their initial projected completion timeline as at 31 March 2023.

For assets/projects forming part of capital work-in-progress which have become overdue compared to their initial projected completion timeline as at 31 March 2022 have been disclosed below:

Nature of projects overdue	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Building	55	-	-	-	55
Plant and machinery	73	-	-	-	73
	<b>128</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128</b>

### H Refer note 46B for the details of attached assets.

## 4 Leases

Particulars	Land	Buildings	Total
<b>Leases where the Holding Company is a lessee</b>			
<b>A Right-of-use assets</b>			
<b>Gross carrying amount</b>			
Balance as at 31 March 2021	246	8,046	8,292
Additions for the year	26	281	307
Disposals (including termination and modification)	(24)	(1)	(25)
<b>Balance as at 31 March 2022</b>	<b>248</b>	<b>8,326</b>	<b>8,574</b>
Additions for the year	-	4,766	4,766
Disposals (including termination and modification)	-	(3,811)	(3,811)
<b>Balance as at 31 March 2023</b>	<b>248</b>	<b>9,281</b>	<b>9,529</b>
<b>Accumulated depreciation</b>			
Balance as at 31 March 2021	27	1,796	1,823
Additions for the year	20	1,105	1,125
Disposals (including termination and modification)	-	(1)	(1)
<b>Balance as at 31 March 2022</b>	<b>47</b>	<b>2,900</b>	<b>2,947</b>
Additions for the year	20	1,436	1,456
Disposals (including termination and modification)	-	(222)	(222)
<b>Balance as at 31 March 2023</b>	<b>67</b>	<b>4,114</b>	<b>4,181</b>
<b>Net carrying amount</b>			
Balance as at 31 March 2022	201	5,426	5,627
<b>Balance as at 31 March 2023</b>	<b>181</b>	<b>5,167</b>	<b>5,348</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

B Lease liabilities	As at 31 March 2023	As at 31 March 2022
Non-current	3,678	5,049
Current	1,186	530
	<b>4,864</b>	<b>5,579</b>

### C Lease related disclosures

The Holding Company has leases mainly for land and buildings. With the exception of short-term leases, each lease is reflected on the standalone balance sheet as a right-of-use asset and a lease liability. There are no variable lease payments included in the agreement.

### D 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.

### E Lease payments not included in measurement of lease liability

The Holding 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	For the year ended 31 March 2023	For the year ended 31 March 2022
Amount of leases which are for short term of 12 months or less	507	330

### F The following are amounts recognised in statement of profit and loss with respect to leasing arrangements:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on right-of-use assets	1,234	1,125
Interest expense on lease liabilities	502	505

### G Total cash outflow in respect of leases during the year amounting to ₹1,433 lacs (31 March 2022: ₹1,354 lacs).

### H Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 43.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 5 Investment property

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Building</b>		
Gross carrying amount		
Opening (refer note A below)	1,414	877
Transferred from property, plant and equipment ( refer note B)	-	505
Foreign currency translation difference	77	32
<b>Balance at the end of the year</b>	<b>1,491</b>	<b>1,414</b>
<b>Accumulated depreciation</b>		
Opening	176	-
Transferred from property, plant and equipment ( refer note B)	-	159
Additions for the year	17	17
<b>Balance at the end of the year</b>	<b>193</b>	<b>176</b>
<b>Net carrying amount at the end of the year</b>	<b>1,298</b>	<b>1,238</b>
<b>A</b> One of the subsidiary of the Group has building situated at Dubai, United Arab Emirates, which is classified as investment property.		
<b>B</b> The Holding Company had given a warehouse building situated at Kandla, Gujarat on operating lease as the Company intends to generate rental income and accordingly, the Company has transferred the said warehouse building to investment property.		
<b>C Amount recognized in the statement of profit and loss for investment property</b>		
Rental income derived from investment properties	164	110
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
<b>Profit arising from investment properties before depreciation</b>	<b>164</b>	<b>110</b>
Depreciation	17	17
<b>Profit arising from investment properties</b>	<b>147</b>	<b>93</b>
<b>D Fair value of investment properties</b>	<b>1,982</b>	<b>1,400</b>

**E** The fair valuation is based on prices in the active market for similar properties. The main input used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in Gandhi Dham, Gujarat area. The valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair valuation measurement is categorised in Level 2 fair value hierarchy.

#### F Lease related disclosures (Leases where the Company is a lessor)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental income from operating leases	167	113

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 6 Intangible assets

Particulars	Patents, trademark and design	Computer softwares	Total	Intangible Assets under development
<b>Gross carrying amount</b>				
<b>Balance as at 31 March 2021</b>	<b>59</b>	<b>343</b>	<b>402</b>	<b>16</b>
Additions	-	52	52	27
Disposals/capitalised	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>59</b>	<b>395</b>	<b>454</b>	<b>43</b>
Additions	-	119	119	8
Disposals/capitalised	-	-	-	(43)
<b>Balance as at 31 March 2023</b>	<b>59</b>	<b>514</b>	<b>573</b>	<b>8</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 31 March 2021</b>	<b>28</b>	<b>231</b>	<b>259</b>	<b>-</b>
Additions for the year	3	20	23	-
<b>Balance as at 31 March 2022</b>	<b>31</b>	<b>251</b>	<b>282</b>	<b>-</b>
Additions for the year	3	28	31	-
<b>Balance as at 31 March 2023</b>	<b>34</b>	<b>279</b>	<b>313</b>	<b>-</b>
<b>Net carrying amount</b>				
<b>Balance as at 31 March 2022</b>	<b>28</b>	<b>144</b>	<b>172</b>	<b>43</b>
<b>Balance as at 31 March 2023</b>	<b>25</b>	<b>235</b>	<b>260</b>	<b>8</b>

#### Notes :

**A** Refer note 46 E for disclosure of contractual commitments for the acquisition of intangible assets.

#### B Intangible assets under development ageing schedule is as follows :

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Project in progress as at 31 March 2023	8	-	-	-	8
Project in progress as at 31 March 2022	27	16	-	-	43

**C** There are no assets/projects forming part of intangible assets under development which have become overdue compared to their initial projected completion timeline as at 31 March 2023.

For assets/projects forming part of intangible assets under development which have become overdue compared to their initial projected completion timeline as at 31 March 2022 have been disclosed below:

Nature of Projects overdue	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Computer softwares	32	-	-	-	32

**D** The Holding Company has not revalued its intangible assets during the year.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 7 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loan to employees	3	4
	<b>3</b>	<b>4</b>

### 8 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
<b>(Unsecured- considered good unless otherwise stated)</b>		
Security deposits <sup>1</sup>	1,038	442
Bank deposits <sup>2</sup>	25	23
	<b>1,063</b>	<b>465</b>

#### Notes:

- The present value of the deposits given to the Holding Company in which director of Holding Company is a member: KRBL Infrastructure Limited (refer note 45) 702 79
- Liened as security issued to the various government authorities and other parties.

### 9 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured- considered good unless otherwise stated)</b>		
Capital advances	424	3
Advances other than capital advances		
- Balance with statutory authorities(including taxes/duty paid under protest)	1,820	21,088
- Deposits with statutory authority (Refer note 46B)	1,113	1,113
- Pre-payments	57	62
<b>Total (a)</b>	<b>3,414</b>	<b>22,266</b>
<b>(Unsecured- considered doubtful)</b>		
Capital advances	18	18
Advances other than capital advances		
- Balance with statutory authorities	2,075	1,702
	2,093	1,720
Allowance for doubtful advances	(2,093)	(1,720)
<b>Total (b)</b>	<b>-</b>	<b>-</b>
<b>Total (a+b)</b>	<b>3,414</b>	<b>22,266</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 10 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	1,61,833	87,317
Finished goods <sup>1&amp;3</sup>	2,41,270	1,81,346
Stock-in-trade	1,918	472
Packing material, consumables and others	11,848	10,864
Stores and spares	1,758	1,611
	<b>4,18,627</b>	<b>2,81,610</b>

#### Notes:

- Includes goods in transit of ₹3,473 lacs (31 March 2022: ₹15,160 lacs).
- Refer note 29, 30 and 31 for consumption of inventory recorded by the Holding Company during the year.
- The Holding 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 ₹2,580 lacs (31 March 2022: ₹2,596 lacs). This has been recognized as an expense during the year and included in 'changes in inventories of finished goods and stock-in-trade' in the Consolidated statement of profit and loss.

### 11 Investments

#### Current investment carried at fair value through profit or loss ('FVTPL')

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(a) Investments in equity instruments - quoted, fully paid-up</b>		
NHPC Limited	355	245
[882,712 equity shares of ₹10 each, (31 March 2022 - 882,712 equity shares)]		
Coal India Limited	163	140
[76,437 equity shares of ₹10 each, (31 March 2022 - 76,437 equity shares)]		
Power Grid Corporation of India Limited	324	311
[143,556 equity shares of ₹10 each, (31 March 2022 - 142,556 equity shares)]		
Shipping Corporation of India Limited	228	279
[242,265 equity shares of ₹10 each, (31 March 2022 - 242,265 equity shares)]		
MOIL Limited	38	50
[26,993 equity shares of ₹10 each, (31 March 2022 - 26,993 equity shares)]		
Suzlon Energy Limited	580	545
[8,061,343 equity shares of ₹2 each, (31 March 2022 - 5,945,643 equity shares)]		
<b>(b) Investments in mutual fund</b>		
SBI Overnight Fund Direct Growth		
[38,370 units (31 March 2022 - 14,703 units)]	1,400	509
	<b>3,088</b>	<b>2,079</b>
Aggregate amount of quoted investments at cost	2,588	1,591
Aggregate amount of quoted investments at market value	3,088	2,079

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 12 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good <sup>1</sup>	28,506	28,934
Unsecured, credit impaired <sup>1</sup>	711	24
Allowance for credit impaired	(711)	(24)
	<b>28,506</b>	<b>28,934</b>

#### Note:

1. Trade receivable due from the firms in which directors of Holding Company are partners: Khushi Ram Behari Lal (refer note 45)

#### Trade receivables ageing schedule for the year ended 31 March 2023

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Considered good</b>							
- Un- disputed trade receivables	15,121	10,224	970	1,770	397	24	28,506
- Disputed trade receivables	-	-	-	-	-	-	-
- Un-disputed credit impaired	-	-	-	687	-	24	711
	<b>15,121</b>	<b>10,224</b>	<b>970</b>	<b>2,457</b>	<b>397</b>	<b>48</b>	<b>29,217</b>
Allowance for credit impaired	-	-	-	(687)	-	(24)	(711)
	<b>15,121</b>	<b>10,224</b>	<b>970</b>	<b>1,770</b>	<b>397</b>	<b>24</b>	<b>28,506</b>

#### Trade receivables ageing schedule for the year ended 31 March 2022

Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Considered good</b>							
- Un- disputed trade receivables	16,043	9,058	1,998	1,146	465	224	28,934
- Disputed trade receivables	-	-	-	-	-	-	-
- Un-disputed credit impaired	-	-	-	-	-	24	24
	<b>16,043</b>	<b>9,058</b>	<b>1,998</b>	<b>1,146</b>	<b>465</b>	<b>248</b>	<b>28,958</b>
Allowance for credit impaired	-	-	-	-	-	(24)	(24)
	<b>16,043</b>	<b>9,058</b>	<b>1,998</b>	<b>1,146</b>	<b>465</b>	<b>224</b>	<b>28,934</b>

### 13 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks in current accounts <sup>1</sup>	2,818	18,618
Cash on hand	54	41
	<b>2,872</b>	<b>18,659</b>

#### Notes:

1. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of current and previous reporting date.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 14 Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Unspent CSR amount on ongoing project (refer note 40)	1,803	1,130
Unclaimed dividends- earmarked balances with banks <sup>1</sup>	46	48
Bank deposits with original maturity more than 3 months and less than 12 months <sup>2</sup>	31	19,263
	<b>1,880</b>	<b>20,441</b>

#### Notes:

- These balances are not available for use by the Holding Company and not due for deposit in the Investor Education and Protection Fund.
- As at 31 March 2023, the deposits of ₹15 lacs (31 March 2022: ₹219 lacs) are restricted as they are held as margin money deposits against the facilities extended to the Holding Company by bank.

### 15 Current Loans

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured- considered good unless otherwise stated)</b>		
Loan to employees	5	9
	<b>5</b>	<b>9</b>

### 16 Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured- considered good unless otherwise stated)</b>		
Security deposits <sup>1</sup>	38	792
Income receivable	929	912
Subsidies receivable <sup>2</sup>	1,047	540
Derivative assets	433	98
Other receivables	-	86
	<b>2,447</b>	<b>2,428</b>

#### Notes:

- The present value of the deposits given to the Holding Company in which director of Holding Company is a member: KRBL Infrastructure Limited (refer note 45)
- The Company has subsidy receivable of ₹1,039 lacs (31 March 2022: ₹475 lacs ) towards Remission Of Duties and Taxes on Exported Products ('RODTEP') and ₹8 lacs (31 March 2022: ₹65 lacs ) towards Generation Based Incentive ('GBI') scheme. Further, it has complied with all the conditions attached to the grant and the receivables is reasonably assured that the grants will be received.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 17 Other current assets

Particulars	As at	
	31 March 2023	31 March 2022
<b>(Unsecured- considered good unless otherwise stated)</b>		
Balance with statutory authorities	2,528	163
Advances to suppliers	579	2,148
Pre-payments	2,496	2,945
Other receivables	78	57
<b>(Unsecured- considered doubtful)</b>		
Advances to suppliers	100	100
Allowance for doubtful advances	(100)	(100)
	<b>5,681</b>	<b>5,313</b>

### 18 Equity share capital

Particulars	As at	
	31 March 2023	31 March 2022
<b>Authorised</b>		
300,000,000 (31 March 2022 - 300,000,000) equity shares of ₹1 each	3,000	3,000
<b>Issued and subscribed<sup>1</sup></b>		
236,244,892 (31 March 2022 - 236,244,892) equity shares of ₹1 each	2,362	2,362
<b>Fully paid-up<sup>1</sup></b>		
235,389,892 (31 March 2022 - 235,389,892) equity shares of ₹1 each	2,354	2,354

#### Notes:

- Difference between the issued and subscribed and paid up share capital represents the shares forfeited by the Holding Company in the preceding years.

#### a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	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 Holding 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.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### c) Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Anil Mittal Family Trust	4,34,59,796	18.46%	4,33,17,296	18.40%
Arun Kumar Gupta Family Trust	4,22,07,646	17.93%	4,20,65,146	17.87%
Anoop Kumar Gupta Family Trust	3,88,49,338	16.50%	3,88,49,338	16.50%
Reliance Commodities DMCC	2,29,00,000	9.73%	2,29,00,000	9.73%
Joint Director of Enforcement, Central region [refer note 46( C)]	1,43,33,221	6.09%	1,43,33,221	6.09%

### d) Disclosure of promoter's shareholding :

Particulars	As at 31 March 2023			As at 31 March 2022		
	No. of shares held	% of total shares	% of change	No. of shares held	% of total shares	% of change
Anil Mittal Family Trust	4,34,59,796	18.46%	0.06%	4,33,17,296	18.40%	0.11%
Arun Kumar Gupta Family Trust	4,22,07,646	17.93%	0.06%	4,20,65,146	17.87%	0.11%
Anoop Kumar Gupta Family Trust	3,88,49,338	16.50%	-	3,88,49,338	16.50%	-
Binita Gupta Family Trust	9,13,932	0.39%	0.06%	7,71,432	0.33%	0.11%
Anil Kumar Mittal, Karta of Anil Kumar Mittal HUF	35,99,900	1.53%	-	35,99,900	1.53%	-
Arun Kumar Gupta, Karta of Arun Kumar Gupta HUF	48,49,900	2.06%	-	48,49,900	2.06%	-
Anoop Kumar Gupta, Karta of Anoop Kumar Gupta HUF	72,99,900	3.10%	-	72,99,900	3.10%	-
Anil Kumar Mittal	100	0.00%	-	100	0.00%	-
Arun Kumar Gupta	100	0.00%	-	100	0.00%	-
Anoop Kumar Gupta	100	0.00%	-	100	0.00%	-
Priyanka Mittal	100	0.00%	-	100	0.00%	-
Ashish Mittal	100	0.00%	-	100	0.00%	-
Kunal Gupta	184	0.00%	-	184	0.00%	0.01%
Akshay Gupta	100	0.00%	-	100	0.00%	-
Ayush Gupta	100	0.00%	-	100	0.00%	-
Preeti Mittal	100	0.00%	-	100	0.00%	-
Anulika Gupta	100	0.00%	-	100	0.00%	-
Binita Gupta	100	0.00%	-	100	0.00%	-
Neha Gupta	100	0.00%	-	100	0.00%	-
Rashi Gupta	100	0.00%	-	100	0.00%	-
	<b>14,11,81,796</b>	<b>59.98%</b>	<b>0.18%</b>	<b>14,07,54,296</b>	<b>59.80%</b>	<b>0.34%</b>

### e) Shares reserved for issue under option

The Holding Company has not reserved any shares for issuance under options.

### f) 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

No 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.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 19 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Retained earnings	3,95,091	3,33,252
General reserve	59,550	59,550
Securities premium reserve	9,655	9,655
Capital reserve	82	82
Capital redemption reserve	77	77
Cash flow hedge reserve	327	7
Foreign currency translation reserve	2,125	2,046
	<b>4,66,908</b>	<b>4,04,670</b>

#### Description and purpose of reserves:

##### (i) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

##### (ii) General reserve

The Holding Company has transferred a portion of the net profit of the Holding Company to general reserve from time to time and it is not the item of other comprehensive income. Also the Holding 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 reserve

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

##### (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 Holding 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.

##### (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 Holding Company presentation currency i.e. ₹79 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.

### 20 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current provision for employee benefits</b>		
Provision for compensated absences (refer note 39 C)	863	925
	<b>863</b>	<b>925</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 21 Deferred tax liabilities (net)<sup>1</sup>

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax liabilities</b>		
Property, plant and equipment, investment property and other intangible assets	12,980	13,688
Right to use assets	1,211	1,271
Cash flow hedge reserve	108	-
<b>Total (a)</b>	<b>14,299</b>	<b>14,959</b>
<b>Deferred tax assets</b>		
Lease liabilities	1,229	1,404
Provision for employee benefit expenses	258	277
Allowances for doubtful debts and advances	491	224
Security deposits	68	39
<b>Total (b)</b>	<b>2,046</b>	<b>1,944</b>
<b>Net (a-b)</b>	<b>12,253</b>	<b>13,015</b>

#### Note:

1. Refer note 38C for the movement in deferred tax.

### 22 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
Secured		
Rupee term loan from banks (refer note A below)	-	587
Working capital facilities from bank		
- Rupee loan (refer note B below)	13,800	-
<b>Unsecured</b>		
Loans from related parties (refer note C below)	6,336	8,352
	<b>20,136</b>	<b>8,939</b>

#### A Details of security of current borrowings

i. The Holding Company has executed deed of 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 vide memorandum of entries for an amount of ₹155,500 lacs (31 March 2022 : ₹155,500 lacs) in the form of loan and other facilities sanctioned by banks under consortium. The same is secured by first 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 movables of whatsoever nature and where ever arising, both present and future and on all movable and immovable fixed assets of the Holding Company, both present and future (except immovable fixed assets situated at Maharashtra and Madhya Pradesh for which the Company has executed the Non Disposable Undertaking) of the Company.

Further, the current borrowings of the Holding Company are also secured vide the personal guarantees of Mr Anil Kumar Mittal, Mr Arun Kumar Gupta, Mr Anoop Kumar Gupta and Mr. Ashish Mittal (the liability of Mr. Ashish Mittal shall be limited only to the extent of the immovable properties mortgaged by him in favour of the security trustee for the benefit of working capital lenders).

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### B Details of repayment of the current borrowings

#### Secured:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(i) Short-term working capital loan from banks</b>		
The Company has obtained short-term working capital loan from consortium banks. The facilities carries interest at repo rate / MCLR along with spread (total interest rate 6.90% p.a to 7.20 % p.a) of respective banks.	13,800	-

#### C Unsecured:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(i) Loans from related parties</b>		
The Group has obtained loans from directors which are interest free and repayable on demand. (Refer No. 45)	6,336	8,352

### 23 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding due of micro enterprises and small enterprises	1,814	1,198
Total outstanding due of creditors other than micro enterprises and small enterprises		
Trade payables	10,159	6,373
Acceptances	-	10,486
	<b>11,973</b>	<b>18,057</b>

#### Notes:

### A Detail of dues to micro, small and medium enterprises as defined under the Micro, Small And Medium Enterprises Development Act, 2006 ('MSMED Act, 2006'), to the extent intimation has been received from the 'Supplier' regarding their status under the MSMED Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
(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	1,814	1,198
Principal amount remaining unpaid <sup>1</sup> , and		
Interest accrued and remaining unpaid	-	-
(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.	-	-
	<b>1,814</b>	<b>1,198</b>

#### Notes:

- According to the records of the Holding 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 does not include any amount due for period more than the stipulated time prescribed under the MSMED Act, 2006.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### Trade payables ageing schedule for the year ended 31 March 2023

Particulars	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>Un-disputed</b>						
- Total outstanding due of micro enterprises and small enterprises	1,814	-	-	-	-	1,814
- Total outstanding due of creditors other than micro enterprises and small enterprises	8,839	1,156	82	10	72	10,159
	<b>10,653</b>	<b>1,156</b>	<b>82</b>	<b>10</b>	<b>72</b>	<b>11,973</b>

### Trade payables ageing schedule for the year ended 31 March 2022

Particulars	Not due	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>Un-disputed</b>						
- Total outstanding due of micro enterprises and small enterprises	1,198	-	-	-	-	1,198
- Total outstanding due of creditors other than micro enterprises and small enterprises	16,261	468	32	83	15	16,859
	<b>17,459</b>	<b>468</b>	<b>32</b>	<b>83</b>	<b>15</b>	<b>18,057</b>

### 24 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	48	121
Employees related payables	1,210	1,092
Expenses payable <sup>1</sup>	27,141	15,204
Security deposits	36	30
Unclaimed dividend <sup>2</sup>	46	48
	<b>28,481</b>	<b>16,495</b>

#### Notes:

- This includes the provision for CSR expenditure on ongoing projects as per section 135(5) of the Companies Act (Refer note 40).
- The amount is not due for deposit to Investor Education and Protection Fund.

### 25 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customer (refer note 37D)	9,877	2,850
Statutory dues payable	892	1,163
	<b>10,769</b>	<b>4,013</b>

### 26 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Current provision for employee benefits</b>		
Provision for gratuity (refer note 39B)	240	100
Provision for compensated absences (refer note 39C)	161	178
	<b>401</b>	<b>278</b>



## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 27 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Revenue from sale of finished goods</b>		
Export	1,91,284	1,44,297
Domestic	3,30,872	2,63,584
<b>B Revenue from sale of stock in trade</b>		
Domestic	2,225	719
<b>C Sale of electricity</b>		
Domestic	9,560	11,044
<b>D Other operating revenues</b>		
Income from subsidies <sup>1</sup>	1,918	900
Liquidated damages received <sup>2</sup>	22	32
Scrap sales	442	480
	<b>5,36,323</b>	<b>4,21,056</b>

#### Notes:

- 1 It includes Generation Based Incentive ('GBI') of ₹77 lacs (31 March 2022: ₹78 lacs) and income from RODTEP of ₹1,841 lacs (31 March 2022: ₹822 lacs). The Company has complied all the attached condition.
- 2 Liquidated damages received by the Holding Company from its vendor for non execution of contract terms.
- 3 Refer note 37, for disaggregation of revenue from operations and other disclosures.

### 28 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest income on</b>		
- financial assets carried at amortised cost	3,279	284
- refund of deposits with statutory authorities under protest	4,406	194
Dividend income	55	54
<b>Other non-operating income</b>		
- Rental income <sup>1</sup>	167	113
- Net gain on redemption and FVTPL <sup>2</sup>	434	1,733
- Net gain on foreign currency transaction and translation	-	1,220
- Net gain on sale of property, plant and equipment	-	42
Liabilities/provisions no longer required written back	110	470
Gain on modification/termination of lease	530	6
Other	297	155
	<b>9,278</b>	<b>4,271</b>

#### Note:

- 1 This includes rental income derived from investment properties for ₹164 lacs (31 March 2022: ₹110 lacs) (refer note 5).
- 2 This includes net gain on fair value changes for ₹12 lacs (31 March 2022: ₹417 lacs). Refer note 11 for details of investments classified at fair value through profit or loss.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 29 Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Paddy	2,48,910	1,95,868
Semi finished rice	1,64,489	81,228
Packing and other consumables	23,377	18,185
Amount of opening stock-in-trade used as raw material for production (refer note 31C)	-	401
	<b>4,36,776</b>	<b>2,95,682</b>

### 30 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Seeds	1,399	553
Wheat	1,685	-
	<b>3,084</b>	<b>553</b>

### 31 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Opening stock</b>		
Finished goods	1,81,346	1,91,400
Stock-in-trade	472	761
	<b>1,81,818</b>	<b>1,92,161</b>
<b>B Closing stock</b>		
Finished goods	2,41,270	1,81,346
Stock-in-trade	1,918	472
	<b>2,43,188</b>	<b>1,81,818</b>
<b>C Amount of opening stock-in-trade used as raw material (refer note 29)</b>	-	(401)
	<b>(61,370)</b>	<b>9,942</b>

### 32 Employee benefits expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries wages and bonus	10,683	9,308
Contribution to provident and other funds (refer note 39A and 39D)	706	616
Gratuity (refer note 39B)	212	217
Staff welfare expenses	459	288
	<b>12,060</b>	<b>10,430</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 33 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Interest expense :-</b>		
- Rupee term loans	14	96
- Cash credit/working capital facility	838	632
- Leases Liabilities	502	505
Other borrowing costs	120	107
	<b>1,474</b>	<b>1,340</b>

### 34 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (Refer Note 3)	6,283	6,257
Depreciation on right-of-use assets (Refer Note 4)	1,234	1,125
Depreciation on investment property (Refer Note 5)	17	17
Amortisation on intangible assets (Refer Note 6)	31	23
	<b>7,565</b>	<b>7,422</b>

### 35 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	1,816	1,800
Consumption of stores and spares	815	1,240
Repairs:-		
- Machinery	2,949	3,054
- Buildings	374	344
- Others	107	89
Fumigation	657	699
Freight inward	1,938	1,872
Travelling and conveyance	776	470
Communication expense	87	80
Rent (refer note 4)	507	330
Director sitting fees	23	14
Legal and professional expense	638	645

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Auditors remuneration	64	71
Fees, rates and taxes	3,433	1,065
Vehicle running and maintenance	268	222
Insurance	2,077	1,059
Printing and stationery	143	114
Testing and inspection	749	458
Donation and charity	66	67
Clearing, forwarding and freight charges	20,438	15,385
Sales and business promotion	348	185
Advertisement	7,521	4,751
Meeting and seminar expense	22	18
Commission and brokerage	1,242	1,289
Corporate social responsibility expenses (refer note 40)	1,413	1,491
Security service charges	357	346
Sub-contractual expense	658	299
Net loss on foreign currency transactions	748	-
Balances written off	-	21
Provision for doubtful debts and advances	1,060	373
Net loss on sale/discard of property, plant and equipment	46	-
Miscellaneous expenses	553	394
	<b>51,894</b>	<b>38,245</b>
<b>A Research and development expenditure</b>		
Revenue expenditure	598	553

### 36 Earnings per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders	70,098	45,940
Numbers of weighted average equity share outstanding at the year end	23,53,89,892	23,53,89,892
Nominal value per share (in ₹)	1.00	1.00
<b>Basic / Diluted earnings per share (in ₹)</b>	<b>29.78</b>	<b>19.52</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 37 Disaggregation of revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Revenues by offerings</b>		
<b>(i) Sale of goods</b>		
- Rice	4,98,155	3,83,972
- Seeds and wheat	2,225	719
- Quinoa and others	2,338	1,428
<b>(ii) Other products</b>		
- Furfural alcohol	349	3,635
- Bran oil	9,610	10,849
- Furfural oil	1,840	1,312
- De-oiled cake	6,587	4,180
- Glucose	318	287
- Other by-products	2,959	2,219
	<b>5,24,381</b>	<b>4,08,600</b>
(iii) Sale of electricity	9,560	11,044
(iv) Sale of scrap and other items	442	480
(v) Income from subsidies and others	1,940	932
<b>Total</b>	<b>5,36,323</b>	<b>4,21,056</b>
<b>B Reconciliation of revenue from operations with the contracted price</b>		
Contracted price	5,58,313	4,33,162
Less: Trade discounts, volume rebates, etc	21,990	12,106
<b>Revenue from operations</b>	<b>5,36,323</b>	<b>4,21,056</b>
<b>C Contract balances</b>		
- Contract assets <sup>1</sup>	929	912
- Contract liabilities <sup>2</sup>	9,877	2,850

#### Notes:

- The contract assets are in form of receivables, which are included in income receivable, primarily relate to the Holding 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.
- 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 (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>D Movement in contract assets and contract liabilities</b>		
<b>Opening balance of contract liabilities</b>	<b>2,850</b>	<b>1,930</b>
Addition in balance of contract liabilities for current year	9,877	2,850
Amount of revenue recognised against opening contract liabilities	2,850	1,930
<b>Closing balance of contract liabilities</b>	<b>9,877</b>	<b>2,850</b>
<b>Opening balance of contract assets</b>	<b>912</b>	<b>798</b>
Addition in balance of contract assets for current year	929	912
Amount of billing recognised against opening contract assets	912	798
<b>Closing balance of contract assets</b>	<b>929</b>	<b>912</b>

### 38 Tax expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Reconciliation of effective tax rate</b>		
Enacted income tax rate applicable to the Holding Company	25.17%	25.17%
Profit before tax	94,118	61,713
Add: Profit/(Loss) from foreign operation not taxable	29	(64)
<b>Taxable profit</b>	<b>94,089</b>	<b>61,777</b>
Expected tax expenses	23,680	15,549
<b>Tax effect of:</b>		
Non deductible expenses (net)	372	393
Non taxable Income	(45)	(139)
Others	13	(30)
<b>Total income tax expense in the Statement of Profit and Loss</b>	<b>24,020</b>	<b>15,773</b>
<b>B The major components of income tax expense are as below:</b>		
Current tax	24,890	16,567
Deferred tax	(870)	(794)
	<b>24,020</b>	<b>15,773</b>
<b>Other comprehensive income</b>		
Tax expense on the items recognised in other comprehensive income during the year		
Remeasurement of defined benefit plans	8	(31)
Cash flow hedge reserve	(108)	17
	<b>(100)</b>	<b>(14)</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### C Movement of deferred tax assets and deferred tax liabilities for the year ended :

Particulars	Balance as at 1 April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2023
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	13,688	(708)	-	12,980
Right-of-use assets	1,271	(60)	-	1,211
Cash flow hedge reserve	-	-	108	108
<b>Total (a)</b>	<b>14,959</b>	<b>(768)</b>	<b>108</b>	<b>14,299</b>
<b>Deferred tax assets</b>				
Lease Liabilities	1,404	(175)	-	1,229
Provision for employee benefits	277	(19)	-	258
Allowances for doubtful debts and advances	224	267	-	491
Security deposits	39	29	-	68
<b>Total (b)</b>	<b>1,944</b>	<b>102</b>	<b>-</b>	<b>2,046</b>
<b>Net (a-b)</b>	<b>13,015</b>	<b>(870)</b>	<b>108</b>	<b>12,253</b>

Particulars	Balance as at 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as at 31 March 2022
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	14,314	(626)	-	13,688
Right-of-use assets	1,473	(202)	-	1,271
<b>Total (a)</b>	<b>15,787</b>	<b>(828)</b>	<b>-</b>	<b>14,959</b>
<b>Deferred tax assets</b>				
Lease Liabilities	1,548	(144)	-	1,404
Provision for employee benefits	262	15	-	277
Allowances for doubtful debts and advances	132	92	-	224
Fair value of financial assets	36	3	-	39
<b>Total (b)</b>	<b>1,978</b>	<b>(34)</b>	<b>-</b>	<b>1,944</b>
<b>Net (a-b)</b>	<b>13,809</b>	<b>(794)</b>	<b>-</b>	<b>13,015</b>

D The Holding Company does not have any carry forward losses as at year end.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 39 Employee benefit obligations

#### A Defined contribution plans

Particulars	As at 31 March 2023	As at 31 March 2022
Employer's contribution to provident fund	558	480
	<b>558</b>	<b>480</b>

#### B Defined benefit plans

##### Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Holding 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 Holding 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

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

##### Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

##### Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

##### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The following table sets out the funded status and the amount recognised in the Holding Company's financial statements:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Amounts to be recognised</b>		
Present value of obligation	2,160	1,945
Fair value of plan assets	(1,920)	(1,845)
<b>Net present value of defined benefit obligation</b>	<b>240</b>	<b>100</b>
<b>Current liability</b>	<b>240</b>	<b>100</b>
<b>b. Changes in present value of defined benefit obligation:</b>		

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	1,945	1,858
Current service cost	205	200
Interest cost	141	128
Remeasurement actuarial (gain)/loss		
-due to change demographic assumptions		(1)
-due to change financial assumptions	(43)	(86)
-due to change experience	(4)	(42)
Benefits paid	(84)	(112)
<b>Balance at the end of the year</b>	<b>2,160</b>	<b>1,945</b>
<b>c. Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	1,845	1,607
Expected return on plan assets	134	111
Contributions made	100	251
Benefits paid	(84)	(112)
Return on plan assets, excluding interest income	(75)	(12)
<b>Fair value of plan assets at the end of the year</b>	<b>1,920</b>	<b>1,845</b>
<b>d. Expenses recognized in Statement of profit and loss (refer note 32)</b>		
Current service cost	205	200
Interest expense (net)	7	17
	<b>212</b>	<b>217</b>
<b>e. Recognized in other comprehensive income</b>		
Remeasurements-actuarial (gain)/loss on obligation for the period	(47)	(129)
Return on plan assets, excluding interest income	75	12
<b>Net gain /(loss) during the period</b>	<b>28</b>	<b>(117)</b>
<b>f. Actuarial assumptions</b>		
Discount rate	7.49%	7.31%
Expected rate of return on plan assets	7.49%	7.31%
Expected rate of increase in compensation levels	7.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement Age	60 Years	60 Years
Attrition / Withdrawal rates	2%	2%
<b>g. Investment details</b>		
Insurance fund	1,920	1,845
<b>h. The Holding Company expects to contribute ₹478 lacs to gratuity fund in the next financial year.</b>		

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>i. Sensitivity analysis</b>		
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:		
<b>Discount rate</b>		
1% increase	(219)	(202)
1% decrease	260	241
<b>Future salary increase</b>		
1% increase	241	224
1% decrease	(207)	(193)
<b>Employee turnover rate</b>		
1% increase	15	9
1% decrease	(17)	(11)
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of another as some of the assumption may be correlated.		
Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the balance sheet date, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		
<b>j. Maturity profile of defined benefit obligation</b>		
Within next 12 months	171	176
Between 1-5 years	369	285
Beyond 5 years	5,623	5,070

### C Other long term benefit plans

Other long-term benefit plans represents the compensated absences provided to the employees of the Holding Company.

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Amounts to be recognised</b>		
Current liability	161	178
Non- current liability	863	925
<b>b. Changes in present value of other long-term benefit plans:</b>		
<b>Balance at the beginning of the year</b>	<b>1,103</b>	<b>1,042</b>
Current service cost	102	95
Interest cost	80	72

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Remeasurement actuarial (gain)/loss		-
-due to change demographic assumptions	-	1
-due to change financial assumptions	(18)	(44)
-due to change experience	(116)	68
Benefits paid	(127)	(131)
Balance at the end of the year	1,024	1,103
<b>c. Expenses recognised in Statement of Profit and Loss</b>		
Current service cost	102	95
Interest cost	80	72
Remeasurement actuarial loss	(134)	25
<b>Expense for the year ended</b>	<b>48</b>	<b>192</b>
<b>D Employer's contribution to employee state insurance corporation</b>	<b>82</b>	<b>84</b>

#### 40 Corporate social responsibility ('CSR')

In accordance with the provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ('CSR'). Basis the recommendation of CSR committee, the board of directors of the Company had approved various 'Ongoing and Other than Ongoing projects' for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details of the same as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total CSR expense spent during the year	34	308
Accrual towards unspent obligation in relation to ongoing projects	1,248	1,314
<b>Total</b>	<b>1,282</b>	<b>1,622</b>
Carried forward from previous financial year	131	-
Excess spent during the year to be carry forward to next financial year	-	(131)
<b>Amount recognised in the statement of profit and loss</b>	<b>1,413</b>	<b>1,491</b>
<b>Gross amount required to be spent during the year</b>	<b>1,413</b>	<b>1,491</b>
<b>Amount approved by the Board to be spent during the year</b>	<b>1,413</b>	<b>1,491</b>
Amount spent during the year on other than ongoing projects	10	308
Amount spent during the year on ongoing projects	24	-
Related party transactions in relation to corporate social responsibility (refer note 45)	1,224	1,250

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

#### Details of ongoing CSR projects under Section 135(6) of the Act

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Opening Balance at the beginning of the year</b>		
With the Company	1,183	1,271
In Separate CSR Unspent account	1,130	-
Gross amount required to be spent during the year	1,413	1,491
<b>Amount spent during the year</b>		
From Company's bank account	34	308
From Separate CSR unspent account	641	141
Amount deposited in specified fund of Schedule VII of the Act	-	-
<b>Closing Balance at the end of the year</b>		
With the Company*	1,248	1,183
In separate unspent CSR account	1,803	1,130
Amount transferred to separate unspent CSR Account*	1,248	1,314

\*During the preceding financial year ended 31 March 2022, ₹1,250 lacs and ₹64 lacs were remitted to KRBL Foundation and Anamrita Foundation respectively aggregating to ₹1,314 lacs for the purpose of aforementioned CSR ongoing projects. Subsequent to the year end 31 March 2022, the said amount had been deposited to the Unspent CSR account, held in the name of the Company which comprises of an amount maintained in the Company's bank account for ₹1,183 lacs and excess spent of ₹131 lacs (refer note C below).

#### B Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Opening unspent balance</b>	-	-
Amount required to be spent during the year	34	308
Amount spent during the year	34	308
Amount deposited in specified fund of Schedule VII of the Act	-	-
<b>Closing unspent balance</b>	-	-

#### C Details of excess CSR expenditure under Section 135(5) of the Act

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Opening balance excess spent</b>	<b>131</b>	-
Amount required to be spent during the year	1,413	1,491
Amount spent during the year	1,282	1,622
<b>Closing balance excess spent</b>	-	<b>131</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 41 Capital management

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Group 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's capital structure.

The Company's net debt to total equity ratio is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Current borrowings (refer note 22)	20,136	8,939
Less: Cash and cash equivalents <sup>1</sup>	(4,272)	(18,659)
<b>Net debt</b>	<b>15,864</b>	-
Equity share capital	2,354	2,354
Other equity	4,66,908	4,04,670
<b>Total equity</b>	<b>4,69,262</b>	<b>4,07,024</b>
<b>Net debt to total equity ratio</b>	<b>0.03</b>	-

Note:

1. It compromise of cash and cash equivalents and investment in mutual funds for ₹2,872 lacs and ₹1,400 lacs for the year ended 31 March 2023 and 31 March 2022 respectively.

### 42 Dividends

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A Dividend declared and paid during the year</b>		
Final dividend for the financial year ended 31 March 2022 ₹3.50 per share (For the year ended 31 March 2021 : ₹3.50 per share)	8,239	8,239
<b>B Proposed dividends on equity shares not recognised as liability</b>		
Final dividend recommended by the board of directors for the year ended 31 March 2023 : Nil (31 March 2022: ₹3.50 per share).	-	8,239
<b>C Remittance in foreign currency on account of dividend</b>		
Number of shareholders to whom final dividend for the financial year 2021-22 remitted in foreign currency	3	3
Number of equity shares held by the shareholders to whom final dividend for the financial year 2021-22 remitted in foreign currency.	2,40,00,000	2,40,00,000
Amount of dividend paid (₹ in lacs)	8,40,00,000	8,40,00,000
Year to which the dividend relates	2021-22	2020-21

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 43 Financial instruments

The Group's 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 consolidated 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 (₹)	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	Group presently does not make significant investments in equity shares, except for entities where it exercises control or joint control or significant influence.

#### A Disclosure in respect of financial risk management

##### 1. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments, cash and cash equivalents, deposits and security deposits.

##### Credit risk management:

Concentration of credit risk with respect to trade receivables are limited, due to the Holding Company's 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 Holding Company grants credit terms in the normal course of business.

The long aged trade receivables, mainly comprise of receivables from DISCOM companies and as per past experience, there has been no credit loss on account of customer's inability to pay as the revenue is agreement driven and all the customers are government companies. Thus, the Company's historical experience of collecting receivables, supported by the level of default indicate a low credit risk and so trade receivables are considered to be a single class of financial assets.

On the basis of the above assessment, the Holding Company identified and written off an amount of Nil ( 31 March 2022 : ₹21 lacs) of trade receivable balances, which were subject to dispute and will not be realisable at the reporting date.

##### Other financial assets

Further, credit risk in respect of other receivables and loans, mainly comprise of security deposit, unbilled revenue, cash and bank equivalents 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, except as disclosed below.

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 2023	As at 31 March 2022
Loans	8	13
Trade receivables	28,506	28,934
Other financial assets	2,030	2,255
<b>Total</b>	<b>30,544</b>	<b>31,202</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

Summary of the Holding Company's exposure to credit risk by age of the outstanding from various customers/trade receivables is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Not past due	15,121	16,043
Past due 0-180 days	10,224	9,058
Past due 181 days-one year	970	1,998
Past due one year-two year	2,457	1,146
More than two year	445	713
<b>Total</b>	<b>29,217</b>	<b>28,958</b>
Less : Allowance for credit impaired	(711)	(24)
<b>Total</b>	<b>28,506</b>	<b>28,934</b>

### Reconciliation of credit impaired - Trade receivable

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Allowance for credit impaired at the beginning of the year</b>	<b>24</b>	<b>24</b>
Credit impaired allowance recognised during the year	687	-
Credit impaired allowance actualised	-	-
<b>Allowance for credit impaired at the close of the year</b>	<b>711</b>	<b>24</b>

The following table gives details in respect of percentage of revenue generated from top customer:

### Particulars

No customer having more than 10% of the total revenue for the financial year 31 March 2023.

No customer is having more than 10% of the total revenue during the financial year ended 31 March 2023 (31 March 2022 - ₹ Nil) pertaining to Agri segment and Power 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'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 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) Financing arrangements

The Holding Company had access to the following undrawn borrowing facilities at the end of reporting period.

Particulars	As at 31 March 2023	As at 31 March 2022
Fund based		
- Expiring with in one year (cash credit and other facilities)	1,43,700	1,57,500

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### (ii) Maturities of financial liabilities

The table below analyses the Group'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 2023

Particulars	Carrying amount	On demand	6 months or less	6 months to 1 year	1-2 years	More than 2 years
Current borrowings	13,800	13,800	-	-	-	-
Loan from related parties	6,336	6,336	-	-	-	-
Trade payables	11,973	-	11,973	-	-	-
Lease liabilities	4,864	-	444	487	856	3,077
Other financial liabilities	28,481	82	28,399	-	-	-

#### For the year ended 31 March 2022

Particulars	Carrying amount	On demand	6 months or less	6 months to 1 year	1-2 years	More than 2 years
Current borrowings	587	-	587	-	-	-
Loan from related parties	8,352	8,352	-	-	-	-
Trade payables	18,057	-	18,057	-	-	-
Lease liabilities	5,579	-	338	189	448	4,604
Other financial liabilities	16,495	78	16,417	-	-	-

## 3. Market 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's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Interest rate risk;
- Price risk; and
- Currency risk;

### (i) 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 2023	31 March 2022
Variable rate borrowings	13,800	587

### Interest rate sensitivity

A change of 100 bps in interest rates would have following impact on profit after tax/equity	31 March 2023	31 March 2022
100 bps increase- decrease in profit after tax/equity	6	2
100 bps decrease- increase in profit after tax/equity	6	2

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments on actual basis).



## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### (ii) 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'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 Group's equity instruments moved in line with the index.

Impact on profit after tax/other equity	31 March 2023	31 March 2022
Share price increase by 5%	63	104
Share price decrease by 5%	(63)	(104)

### (iii) 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 Company has outstanding forward contracts and options of USD 73.45 Mio (P.Y. USD 68.60 Mio).

Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument are as under:<sup>1</sup>

Particulars	₹ in lacs		USD in lacs		AED in lacs		EURO in lacs	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Financial assets</b>								
Trade receivables	6,855	5,402	83	56	-	-	-	9
Cash and cash equivalents	1,790	16,238	22	214	-	-	0	-
Other receivable	-	86	-	6	-	-	-	-
Advance to supplier	11	5	0	0	-	-	-	-
<b>Financial liabilities</b>								
Trade payables	51	8	1	0	-	0	0	-
Advance from customers	9,349	2,530	8	14	387	-	0	17

### Foreign currency risk sensitivity:

A change of 5% in foreign currency would have following impact on profit after tax/Other equity

Particulars	USD	
	5% increase	5% decrease
31-03-2023 (₹ in lacs) <sup>1</sup>	54	54
31-03-2022 (₹ in lacs) <sup>1</sup>	167	167

1. The foreign currency exposure for currencies other than USD, EURO is immaterial to the Holding Company.

### Foreign currency risk

The Holding 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 the statement of profit and loss as and when the forecast transaction occurs or the hedges are no longer effective.

The Holding 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 (₹). 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 ₹ cash flows of highly probable forecast transactions.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

The Holding Company's policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies. The Holding Company's policy is to hedge the risk of changes in foreign currency. The Holding Company uses forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Holding 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

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					
<b>Cash flow hedge</b>								
Foreign currency risk								
(i) Forward Contracts and options	USD 734.50	438.00		April 23 - September 23	1:1	83.05	-	-

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					
<b>Cash flow hedge</b>								
Foreign currency risk								
(i) Forward Contracts and options	USD 430	(10.72)		May 2021 - Nov 2021	1:1	76.56	-	-

#### (b) Disclosure of effects of hedge accounting on financial performance

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
Foreign currency risk				
(i) Forward Contracts and options	1018.17	5	1012.94	Revenue and other expenses from operation

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
Foreign currency risk				
(i) Forward Contracts and options	420	0	420	Revenue from operations

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

The Holding 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.

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 arised in the hedges have been disclosed in above table.

### (c) Movements in cash flow hedging reserve

Particulars	As at	As at
	31 March 2023	31 March 2022
Balance at the beginning of the year	(7)	(54)
Add: Changes in value of Forward contracts	(433)	(10)
Less: Amount reclassified to statement of profit and loss	5	74
Less: Tax expenses relating to above (net)	108	(17)
Balance at the end of the year	(327)	(7)

## B Fair value disclosure

### 1. Fair value measurement of financial instruments [criteria for recognition of financial instrument is explained in note 2 (i)]

Particulars	31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised cost <sup>1</sup>	FVTPL	FVTOCI	Amortised cost <sup>1</sup>
<b>Financial Assets</b>						
Investments (other than in subsidiary) <sup>2</sup>	3,088	-	-	2,079	-	-
Loans	-	-	8	-	-	13
Cash and cash equivalents	-	-	2,872	-	-	18,659
Other bank balances	-	-	1,880	-	-	20,441
Trade receivables	-	-	28,506	-	-	28,934
Other financial assets	-	433	3,077	-	98	2,795
<b>Total</b>	<b>3,088</b>	<b>433</b>	<b>36,343</b>	<b>2,079</b>	<b>98</b>	<b>70,842</b>
<b>Financial liabilities</b>						
Borrowings	-	-	20,136	-	-	8,939
Trade payables	-	-	11,973	-	-	18,057
Lease liabilities	-	-	4,864	-	-	5,579
Other financial liabilities	-	-	28,481	-	-	16,495
<b>Total</b>	<b>-</b>	<b>-</b>	<b>65,454</b>	<b>-</b>	<b>-</b>	<b>49,070</b>

1. 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 Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation each level follows underneath the table.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

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.

### (A) Financial instruments valued at fair value through profit and loss and fair value through other comprehensive income

Particulars	31 March 2023		31 March 2022	
	Level 1	Level 2	Level 1	Level 2
<b>Financial Assets</b>				
Investments (other than in subsidiary)	3,088	-	2,079	-
Other Financial Assets	-	433	-	98
<b>Total</b>	<b>3,088</b>	<b>433</b>	<b>2,079</b>	<b>98</b>

### (B) Financial instruments valued at amortised cost

Particulars	31 March 2023	31 March 2022
	Level 3	Level 3
<b>Financial assets</b>		
Loans	8	13
Cash and cash equivalents	2,872	18,659
Other bank balances	1,880	20,441
Trade receivables	28,506	28,934
Other financial assets	3,077	2,795
<b>Total</b>	<b>36,343</b>	<b>70,842</b>
<b>Financial liabilities</b>		
Borrowings	20,136	8,939
Trade payables	11,973	18,057
Lease liabilities	4,864	5,579
Other financial liabilities	28,481	16,495
<b>Total</b>	<b>65,454</b>	<b>49,070</b>

### 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, 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.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

The fair value of 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.

### 44 Segmental reporting

#### A Operating segments

Agri - Comprises of agricultural commodities such as rice, furfural, seed, bran, bran oil, etc.

Energy - Comprises of power generation from wind turbine, husk based power plant and solar power plant.

#### B Identification of segments

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated 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 [refer note 2(f)]

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 2023	For the year ended 31 March 2022
<b>1.</b>	<b>Segment revenue</b>		
(a)	Agri	5,26,664	4,09,903
(b)	Energy	23,211	22,186
	<b>Total segment revenue</b>	<b>5,49,875</b>	<b>4,32,089</b>
	Inter segment revenue - Energy	(13,552)	(11,033)
	<b>Net segment revenue</b>	<b>5,36,323</b>	<b>4,21,056</b>
<b>2.</b>	<b>Segment results</b>		
(a)	Agri	90,035	55,878
(b)	Energy	6,433	7,834
	<b>Total segment results (before finance costs and tax)</b>	<b>96,468</b>	<b>63,712</b>
	Less: Finance costs	1,460	1,244
	Less: Other unallocable expenditures (net of unallocable incomes)	890	755
	<b>Total profit before tax</b>	<b>94,118</b>	<b>61,713</b>
<b>3.</b>	<b>Segment assets</b>		
(a)	Agri	5,04,523	4,13,878

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(b)	Energy	54,567	60,924
	<b>Total segment assets</b>	<b>5,59,090</b>	<b>4,74,802</b>
<b>4.</b>	<b>Segment liabilities</b>		
(a)	Agri	56,769	44,743
(b)	Energy	514	1,134
(c)	Unallocable	32,457	21,812
	<b>Total segment liabilities</b>	<b>89,740</b>	<b>67,689</b>
<b>5.</b>	<b>Depreciation and amortisation</b>		
	Agri	4,228	4,142
	Energy	3,337	3,280
	<b>Non-cash income/(expenditure) (other than depreciation and amortisation)</b>		
	Unallocable	332	1,896
<b>6.</b>	<b>Segment revenue - Geographical information:</b>		
<b>(a) Agri</b>			
	India	3,33,539	2,64,784
	Rest of the World	1,93,125	1,45,119
	<b>Sub-total (a)</b>	<b>5,26,664</b>	<b>4,09,903</b>
<b>(b) Energy</b>			
	India	23,211	22,186
	Rest of the World	-	-
	<b>Sub-total (b)</b>	<b>23,211</b>	<b>22,186</b>
	<b>Total (a)+(b)</b>	<b>5,49,875</b>	<b>4,32,089</b>
	Inter-segment revenue - Energy	(13,552)	(11,033)
	<b>Total</b>	<b>5,36,323</b>	<b>4,21,056</b>

#### F Information about major customers

Refer Note 43 (credit risk)

#### G Information about major products

Refer note 37

### 45 Related party transactions

#### A Disclosure of related parties and their relationships

##### A Disclosure of related parties and their relationships

##### a) Key Managerial Personnel's (KMPs):

Mr. Anil Kumar Mittal	Chairman and Managing Director
Mr. Arun Kumar Gupta	Joint Managing Director
Mr. Anoop Kumar Gupta	Joint Managing Director
Ms. Priyanka Mittal	Whole Time Director

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### b) Additional related parties (KMPs) as per the Companies Act 2013 with whom transactions have taken place during the year:

Mr. Ashish Jain	Chief Financial Officer ( w.e.f 1 November 2021 )
Mr. Rakesh Mehrotra	Chief Financial Officer ( upto 31 October 2021)
Mr. Raman Sapra	Company Secretary ( upto 6 September 2022)
Ms. Jyoti Verma	Company Secretary ( w.e.f 26 September 2022 )

### c) Independent Non-Executive Directors:

Mr. Vinod Ahuja
Mr. Ashwani Dua ( upto 9 January 2023)
Mr. Shyam Arora
Mr. Devendra Kumar Agarwal
Mr. Alok Sabharwal (upto 10 August 2021)
Ms. Priyanka Sardana

### d) Employee benefit plans where there is significant influence:

KRBL Limited Employees Group Gratuity Trust (Refer Note 39 B)

### e) Relatives of Director/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. Rashi 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
Suraj Prakash Dua HUF	Ashwani Dua is Karta of Suraj Prakash Dua HUF (upto 9 January 2023)

### f) Enterprises over which KMPs are able to exercise significant influence\*:

Khushi Ram Behari Lal	Partnership firm in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta are partners.
Adwet Warehousing Private Limited	Private limited company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta are directors.
KRBL Foods Limited	Public limited company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta and Mrs. Binita Gupta are directors.
KRBL Infrastructure Limited	Public limited company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta and Mrs. Binita Gupta are directors.
Holistic Farms Private Limited	Private limited company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta are directors.
KRBL Foundation	Section 8 company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, are directors.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### g) Trust 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.
Khushi Ram Charitable Trust	Trust in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta are beneficiaries.

\* This includes only those parties with whom Company had related party transactions.

### 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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>I Transactions entered during the year</b>						
<b>i Purchase of goods<sup>1</sup></b>						
Khushi Ram Behari Lal	2	1	-	-	-	-
KRBL Infrastructure Limited	1	-				
<b>ii Revenue from operation<sup>1</sup></b>						
Khushi Ram Behari Lal	1,017	1,058	-	-	-	-
<b>iii Rent paid<sup>1</sup></b>						
Mr. Anil Kumar Mittal	-	-	4	3	-	-
Mr. Arun Kumar Gupta	-	-	10	8	-	-
Mr. Anoop Kumar Gupta	-	-	10	8	-	-
KRBL Infrastructure Limited	304	316	-	-	-	-
KRBL Foods Limited	565	651	-	-	-	-
Adwet Warehousing Private Limited	193	204	-	-	-	-
Holistic Farms Private Limited	53	48	-	-	-	-
Suraj Prakash Dua HUF	-	-	-	-	43	59
Mrs. Anulika Gupta	-	-	-	-	36	16
Mrs. Binita Gupta	-	-	-	-	3	2
Mrs. Preeti Mittal	-	-	-	-	4	3
Mr. Ashish Mittal	-	-	-	-	38	18
Anoop Kumar Gupta HUF	-	-	-	-	32	14
<b>iv Expense incurred (on behalf of company by others)/by company for others</b>						
Khushi Ram behari lal	-	-	-	-	-	-
<b>v Remuneration on account of salary and perquisites<sup>2</sup></b>						
Mr. Anil Kumar Mittal	-	-	216	180	-	-

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>I Transactions entered during the year (Contd.)</b>						
Mr. Arun Kumar Gupta	-	-	249	207	-	-
Mr. Anoop Kumar Gupta	-	-	216	180	-	-
Ms. Priyanka Mittal	-	-	170	142	-	-
Mr. Raman Sapra	-	-	12	24	-	-
Ms. Jyoti Verma	-	-	16	-	-	-
Mr. Rakesh Mehrotra	-	-	-	50	-	-
Mr. Ashish Jain	-	-	148	75	-	-
Mr. Ashish Mittal	-	-	-	-	52	44
Mr. Kunal Gupta	-	-	-	-	52	44
Mr. Akshay Gupta	-	-	-	-	52	44
Mr. Ayush Gupta	-	-	-	-	52	44
<b>vi Electricity charges paid</b>						
KRBL Infrastructure Limited	22	22	-	-	-	-
<b>vii Maintenance charges paid</b>						
KRBL Infrastructure Limited	77	82	-	-	-	-
<b>viii Director sitting fees paid</b>						
Mr. Vinod Ahuja	-	-	-	-	5	3
Mr. Ashwani Dua	-	-	-	-	4	3
Mr. Shyam Arora	-	-	-	-	5	3
Mr. Devendra Kumar Agarwal	-	-	-	-	5	3
Mr. Alok Sabharwal	-	-	-	-	-	1
Ms. Priyanka Sardana	-	-	-	-	5	3
<b>ix Dividend paid</b>						
Anil Mittal Family Trust	1,521	1,507	-	-	-	-
Arun Kumar Gupta Family Trust	1,477	1,463	-	-	-	-
Anoop Kumar Gupta Family Trust	1,360	1,360	-	-	-	-
Binita Gupta Family Trust	32	18	-	-	-	-
Anil Kumar Mittal HUF	-	-	-	-	126	126
Arun Kumar Gupta HUF	-	-	-	-	170	170
Anoop Kumar Gupta HUF	-	-	-	-	255	255
Mr. Anil Kumar Mittal <sup>3</sup>	-	-	0	0	-	-
Mr. Arun Kumar Gupta <sup>3</sup>	-	-	0	0	-	-
Mr. Anoop Kumar Gupta <sup>3</sup>	-	-	0	0	-	-
Ms. Priyanka Mittal <sup>3</sup>	-	-	0	0	-	-
Mr. Ashish Mittal <sup>3</sup>	-	-	-	-	0	0
Mr. Kunal Gupta <sup>3</sup>	-	-	-	-	0	0
Mr. Akshay Gupta <sup>3</sup>	-	-	-	-	0	0
Mr. Ayush Gupta <sup>3</sup>	-	-	-	-	0	0
Mrs. Binita Gupta <sup>3</sup>	-	-	-	-	0	0
Mrs. Anulika Gupta <sup>3</sup>	-	-	-	-	0	0

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>I Transactions entered during the year (Contd.)</b>						
Mrs. Neha Singh <sup>3</sup>	-	-	-	-	0	0
Mrs. Rashi Gupta <sup>3</sup>	-	-	-	-	0	0
Mrs. Preeti Mittal <sup>3</sup>	-	-	-	-	0	0
<b>x Provision for ongoing CSR project</b>						
KRBL foundation	-	-	-	-	1,224	1,250
<b>xi Donation and charity</b>						
Khushi Ram Charitable Trust	-	-	-	-	3	-
<b>xii Borrowings- Unsecured loans availed</b>						
Mr. Anil Kumar Mittal	-	-	989	549	-	-
Mr. Arun Kumar Gupta	-	-	1,018	557	-	-
Mr. Anoop Kumar Gupta	-	-	650	927	-	-
<b>xiii Borrowings-Unsecured loans repaid</b>						
Mr. Anil Kumar Mittal	-	-	1,610	915	-	-
Mr. Arun Kumar Gupta	-	-	1,605	941	-	-
Mr. Anoop Kumar Gupta	-	-	1,458	1,165	-	-
<b>xiv Interest paid on advance received for supply of goods</b>						
Khushi Ram Behari Lal	36	45	-	-	-	-
<b>xv Discount allowed on sale of goods</b>						
Khushi Ram Behari Lal	-	-	-	-	-	-
<b>xvi Advance received against supply of goods</b>						
Khushi Ram Behari Lal	2,500	1,936	-	-	-	-
<b>xvii Advance received against supply of goods returned back</b>						
Khushi Ram Behari Lal	1,670	958	-	-	-	-
<b>xviii Reimbursement of expenses</b>						
Anil Kumar Mittal	0	-	-	-	-	-
Mr. Arun Kumar Gupta	0	-	-	-	-	-
Ashish Mittal	-	-	-	-	3	-
Ayush Gupta	-	-	-	-	0	-
Akshay Gupta	-	-	-	-	8	-
Kunal Gupta	-	-	-	-	2	-

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>II Balances outstanding at the year end</b>						
<b>i Unsecured borrowings-Current</b>						
Mr. Anil Kumar Mittal	-	-	2,202	2,823	-	-
Mr. Arun Kumar Gupta	-	-	1,673	2,260	-	-
Mr. Anoop Kumar Gupta	-	-	2,425	3,232	-	-
Ms. Priyanka Mittal	-	-	34	34	-	-
<b>ii (Payable) receivable</b>						
Khushi Ram Behari Lal	(12)	24	-	-	-	-
<b>iii Receivable (payable)</b>						
KRBL Infrastructure Limited	(2)	-	-	-	-	-
<b>iv Security deposit</b>						
KRBL Infrastructure Limited <sup>6</sup>	971	971	-	-	-	-
<b>v Employee related payables</b>						
Mr. Anil Kumar Mittal	-	-	11	9	-	-
Mr. Arun Kumar Gupta	-	-	10	7	-	-
Mr. Anoop Kumar Gupta	-	-	11	8	-	-
Ms. Priyanka Mittal	-	-	4	3	-	-
Mr. Ashish Jain	-	-	8	7	-	-
Ms. Jyoti Verma	-	-	1	-	-	-
Mr. Raman Sapra	-	-	-	1	-	-
Mr. Ashish Mittal	-	-	-	-	3	2
Mr. Kunal Gupta	-	-	-	-	3	2
Mr. Akshay Gupta	-	-	-	-	3	2
Mr. Ayush Gupta	-	-	-	-	3	2
<b>vi Other balances (net)</b>						
Mr. Arun Kumar Gupta <sup>3</sup>	-	-	-	0	-	-
Mr. Anoop Kumar Gupta <sup>3</sup>	-	-	0	-	-	-
Mr. Ashish Mittal <sup>3</sup>	-	-	-	-	-	(0)

- Transactions are exclusive of Goods and Services tax in current year and inclusive of Good and Service tax in last year.
- As gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to relatives of KMPs cannot be individually identified.
- Amounts are below rounding off thresholds adopted by the Group.
- 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 Holding Company, as at the year ended 31 March 2023, the outstanding amount of loan is ₹13,800 lacs (31 March 2022 ₹ Nil lacs) and Mr. Ashish Mittal (relative of key managerial personnel) to the extent of the immovable properties as specified in consortium agreement.
- All related party transactions are at arms length price and in the ordinary course of business.
- The present value of security deposit is shown in note 8 and note 16.

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 46 Contingent liabilities and commitments

#### Contingent liabilities

Claims against the Holding Company not acknowledged as debts*	As at 31 March 2023	As at 31 March 2022
Indirect taxes <sup>A</sup>	5,003	6,772
Enforcement directorate investigation matter <sup>B</sup>	1,532	1,532
Other matters <sup>D</sup>	1,238	1,171
Income tax matters	44	96

#### Notes:

- A** Indirect taxes mainly comprise of matter relating to VAT, sales tax pending at various levels and includes penalty of ₹1,811 lacs imposed on original demand of ₹906 lacs in respect of Punjab Value Added Tax Act, 2005. During the current year, original demand has been settled in favour of the company and company is expecting the penalty amount would also be settled/ waived off in favour of company. It also includes the matters related to mandi fee levied under the Agricultural Produce Market Committee Act, 2003 for an amount of ₹759 lacs.
- B** A portion of land parcels and building thereupon, situated at Dhuri, Punjab was attached by the Directorate of Enforcement ('ED') to the extent of value of ₹1,532 lakh in connection with a money laundering investigation which is currently pending before the Special Judge, CBI Court. The Appellate Tribunal, PMLA, New Delhi, ("Appellate Tribunal") had restored the possession of the attached land on interim basis in favour of the Company. However, aforesaid attachment would continue till conclusion of the matter. Against the order of the Appellate Tribunal, ED had filed an appeal before the Hon'ble High Court of Delhi, which is pending for hearing. The Company filed an application before the Hon'ble High Court of Delhi for restoration of possession of the land in favour of the Company and High court allowed the Company to take physical possession of the said land parcels and building thereupon for specified purpose against the deposit of ₹1,113 lakh, (deposited on 5 November 2020), as an interim relief until conclusion of the aforesaid matter, without prejudice to the rights and contentions of the parties to be decided in the appeal. The management based upon the legal assessments, is confident that it has a favourable case and the said attachment shall be vacated and no adjustment is required in the accompanying Statement.
- C** The Company's Joint Managing Director, Mr. Anoop Kumar Gupta ('JMD'), had been detained and released on bail by the Directorate of Enforcement ('ED') pursuant to certain allegations against the Company, KRBL DMCC (a subsidiary of KRBL Limited) and JMD. As per criminal complaint filed it is alleged that M/s Rawasi Al Khaleej General Trading LLC ('RAKGT') had received proceeds of crime of USD 24.62 million in AgustaWestland case during the period 2008-2010 which in turn had been transferred to KRBL Limited through KRBL DMCC. Basis the affidavit filed by Balsharaf Group (one of the Customer of the Company) in the Hon'ble High Court of Delhi in the said matter, the amount of USD 24.62 million had been received by RAKGT in the account of Balsharaf Group. Pursuant to this, ED had attached 1,43,33,221 shares of Balsharaf Group held in KRBL Limited. Based on the opinion taken from the independent legal counsel, the management is of the view that since the investigation is still ongoing no adverse opinion can be drawn.

The Company had appointed an independent professional firm ('IP') to review the aforesaid allegations, to assess the impact, if any, on the financial statement and control environment of the Company during the year ended 31 March 2022. Further during the current year, the IP had issued a report to the Board of Directors with respect to the aforesaid review which was discussed and approved in their previously held meeting, wherein the Board of Directors had responded to the observations contained therein and basis that no further action was proposed. Pending the ongoing investigation on the above matter, no adjustment has been made in the financial statements. The management of the Company is confident that the above stated matter will be resolved soon.

- D** Other matter comprise of civil cases pending under various CPC 1908, Trade Mark Act 1999, Consumer Protection Act 1986 and other recovery suits.

\* The Holding 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.

#### E Capital commitments

##### Estimated amount of contracts remaining to be executed, to the extent not provided for:

Particulars	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment (net of advances)	2,075	99
Intangible assets (net of advance)	12	32

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 47 Assets pledged as security and other loan covenants

#### A Assets pledged as security

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non-current assets</b>		
First charge		
Property, plant and equipments including capital work in progress and investment property	84,592	85,523
Intangible assets	268	215
<b>Total non-current assets pledged as security</b>	<b>84,860</b>	<b>85,738</b>
<b>Current assets</b>		
First charge		
Pari-passu		
Inventories	4,18,627	2,81,610
Financial assets (current and non-current)	40,221	73,380
Other assets (current and non-current)	9,086	27,575
<b>Total current assets pledged as security</b>	<b>4,67,934</b>	<b>3,82,564</b>
<b>Total assets pledged as security</b>	<b>5,52,794</b>	<b>4,68,302</b>

**B** The Holding Company has filed the statements of current assets with the consortium lenders in accordance with the sanction letters and these statements are in agreement with the books of accounts for that period.

**C** During the year, the Holding Company has only borrowed the working capital loans from the consortium lenders and they are used for its intended purpose.

### 48 Reconciliation of liabilities arising from financing activities:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Non-current borrowings</b>		
Opening balance	587	1,941
Repayment	587	1,354
<b>Closing balance</b>	<b>-</b>	<b>587</b>
<b>Current borrowings</b>		
Opening balance	8,350	28,837
Movement (net)	11,783	(20,487)
Net (gain)/loss on foreign currency transactions and translation	-	-
<b>Closing balance</b>	<b>20,133</b>	<b>8,350</b>
<b>Lease liabilities (As per Ind AS 116)</b>		
Opening balance	5,579	6,152
Non cash proceeds (net of modification)	216	276
Repayment	(931)	(849)
<b>Closing balance</b>	<b>4,864</b>	<b>5,579</b>
<b>Finance cost</b>		
Interest accrued as at the beginning of the year	121	76
Expenses incurred	1,474	1,340
Expenses paid	(1,546)	(1,295)
<b>Interest accrued as at the end of the year</b>	<b>49</b>	<b>121</b>

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

(All amounts stated in ₹ lacs, unless otherwise stated)

### 49 Additional information as required for preparation of consolidated financial statements to Schedule III to the Companies Act 2013:

For the year ended 31 March 2023

Particulars	Holding Company	Subsidiaries companies		Consolidation adjustments/ eliminations	Total
	KRBL Limited	KRBL DMCC, Group Foreign	K B Exports Private Limited Indian		
Net assets (i.e. total assets minus total liabilities)					
- as % of consolidated net assets	100%	0%	0%	0%	100%
- Amount	4,68,448	1,031	295	(424)	4,69,350
Share in profit and loss after tax					
- as % of consolidated profit and loss	100%	0%	0%	0%	100%
- Amount	70,067	31	0	-	70,098
Share in other comprehensive income					
- as % of consolidated other comprehensive income	79%	21%	0%	0%	100%
- Amount	300	79	-	-	379
Share in total comprehensive income					
- as % of consolidated total comprehensive income	100%	0%	0%	0%	100%
- Amount	70,367	110	0	-	70,477

For the year ended 31 March 2022

Particulars	Holding Company	Subsidiaries companies		Consolidation adjustments/ eliminations	Total
	KRBL Limited	KRBL DMCC, Group Foreign	K B Exports Private Limited Indian		
Net assets (i.e. total assets minus total liabilities)					
- as % of consolidated net assets	100%	0%	0%	0%	100%
- Amount	4,06,320	921	295	(424)	4,07,113
Share in profit and loss after tax					
- as % of consolidated profit and loss	100%	0%	0%	0%	100%
- Amount	46,004	(64)	0	-	45,940
Share in other comprehensive income					
- as % of consolidated other comprehensive income	55%	45%	0%	0%	100%
- Amount	39	32	-	-	71
Share in total comprehensive income					
- as % of consolidated total comprehensive income	100%	0%	0%	0%	100%
- Amount	46,043	(32)	0	-	46,011

## Summary of the consolidated significant accounting policies and other explanatory information (Contd.)

For the year ended 31 March 2023

### 50 Disclosures pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

The Holding Company has not provided any loans, security and corporate guarantees covered under section 186 of the Companies Act, 2013 and accordingly, the disclosure requirements to the extent does not apply to the company. Refer note 11 for details of other investments.

### 51 Additional regulatory information required by Schedule III to the Companies Act, 2013

- i. The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii. The Group has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- iii. The Group have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- iv. The Group does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- v. The Group have not traded or invested in Crypto currency or virtual currency during the year.
- vi. There is no income surrendered or disclosed as income during the year in tax assessments under the Income-tax Act, 1961 (such as search or survey), that have not been recorded in the books of account.
- vii. The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ('Intermediaries') with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of Group ('Ultimate Beneficiaries') or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- viii. The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that Group shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ix. Basis the management's assessment, it has been concluded that the Group has made no transactions with struck-off companies under Section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956. Further, there are no outstanding balances at balance sheet date with struck-off companies.

## Summary of the consolidated significant accounting policies and other explanatory information

For the year ended 31 March 2023

### 52 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from 1 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 consolidated financial statements. Accordingly, these consolidated financial statements do not include any adjustments for the transfer pricing implications, if any.

As per our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Nitin Toshniwal**  
Partner  
Membership No. 507568

Place : Noida  
Date : 30 May 2023

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

Sd/-  
**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

Sd/-  
**Ashish Jain**  
Chief Financial Officer

Sd/-  
**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-  
**Jyoti Verma**  
Company Secretary  
Membership No. F7210





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