

E:KRBL/BIBHU/STK\_EX\_2122/37  
08 September 2021



✓	<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
	<b>Scrip Code: 530813</b>	<b>Symbol: KRBL</b> <b>Series: Eq.</b>

Dear Sir / Madam,

**Sub: Annual Report for the financial year ended 31 March 2021**

This is further to our letter no E:KRBL/BIBHU/STK\_EX\_2122/34 dated 04 September 2021, vide which, the Company had informed regarding the 28<sup>th</sup> Annual General Meeting, which is scheduled to be held on Thursday, 30 September 2021 at 01.00 P.M., through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), in this regard please find enclosed herewith the Annual Report of KRBL Limited for the financial year ended 31 March 2021.

The aforesaid Annual Report is also being uploaded on the Company's website- [www.krblrice.com](http://www.krblrice.com) under the link Investor Relations.

Kindly take the above information on record.

Thanking You,

Yours faithfully,  
**For KRBL Limited**

  
**Raman Sapra**  
**Company Secretary**

Encl.: As Above.

**Corporate Office :** C-32, 5th & 6th Floor, Sector-62, Noida-201301, Gautambudh Nagar, (U.P.), INDIA.  
**Regd. Office :** 5190, Lahori Gate, Delhi - 110 006, INDIA. Tel. : +91-11-23968328, Fax : +91-11-23968327, CIN No. L01111DL1993PLC052845  
Tel. : +91-120-4060300, Fax : +91-120-4060398. E-mail : [mails@krblindia.com](mailto:mails@krblindia.com). Visit us at : [www.krblrice.com](http://www.krblrice.com)

**WORLD'S LARGEST RICE MILLERS & BASMATI RICE EXPORTERS**



WORLD'S LARGEST RICE MILLERS  
& BASMATI RICE EXPORTERS

Ingraining a **Healthy Future**



# COMMITTED. RESILIENT. AGILE.

#ForABrighterTomorrow



# INTRODUCING INDIA GATE FLAX SEEDS | CHIA SEEDS

2

Fresh New  
Additions in  
INDIA GATE'S  
Health Portfolio



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# COMMITTED. RESILIENT. AGILE.

#ForABrighterTomorrow



## INGRAINING A HEALTHY FUTURE

FY21 was a year that most of us haven't witnessed in our lifetime. From extreme health related challenges to complex economic challenges, the novel coronavirus has impacted human lives and businesses alike.

We were affected too. But, with our rich business experience, we stood resilient against this storm and emerged stronger.



### HOW DID WE DO SO?

#### BY REMAINING COMMITTED

Over the years, we have worked towards creating true human connections by consistently delivering on our promises. We've been working to improve people's lives for over a century, growing our business, helping our farmers grow, nurturing our people to be our strength and making a positive impact on society.

#### BY BEING RESILIENT

We demonstrated our resilience by anchoring our approach and philosophy around the core purpose and the strong foundations of our business. And it helped us draw strength in difficult times and emerge strong when the storm subsided.

#### BY BEING AGILE

We have built our values around understanding and anticipating changes in consumer trends. It has emerged to be our core value and central to our growth strategy. What also added to our agility is our unique portfolio, deep industry expertise, distinctive capabilities and footprint, sustainable supply chains and operational excellence.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Chairman & Managing Director

Mr. Anil Kumar Mittal

### Joint Managing Directors

Mr. Arun Kumar Gupta  
Mr. Anoop Kumar Gupta

### Whole Time Director

Ms. Priyanka Mittal

### Independent Non-Executive Directors

Mr. Alok Sabharwal  
Mr. Ashwani Dua  
Mr. Devendra Kumar Agarwal  
Ms. Priyanka Sardana  
Mr. Shyam Arora  
Mr. Vinod Ahuja

### CHIEF FINANCIAL OFFICER

Mr. Rakesh Mehrotra

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Raman Sapra

## BOARD COMMITTEES

### • Audit Committee

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

### • Stakeholders Relationship Committee

Mr. Ashwani Dua – Chairman  
Mr. Shyam Arora – Member  
Mr. Vinod Ahuja – Member

### • Nomination and Remuneration Committee

Mr. Ashwani Dua – Chairman  
Mr. Shyam Arora – Member  
Mr. Vinod Ahuja – Member

### • Corporate Social Responsibility Committee

Mr. Anil Kumar Mittal – Chairman  
Mr. Alok Sabharwal – Member  
Mr. Anoop Kumar Gupta – Member  
Mr. Ashwani Dua – Member  
Ms. Priyanka Mittal – Member  
Mr. Vinod Ahuja – Member

### • Risk Management Committee

Mr. Arun Kumar Gupta – Chairman  
Mr. Anoop Kumar Gupta – Member  
Mr. Rakesh Mehrotra – Member

### • Borrowing and Investment Committee

Mr. Anil Kumar Mittal – Chairman  
Mr. Arun Kumar Gupta – Member  
Mr. Anoop Kumar Gupta – Member  
Mr. Rakesh Mehrotra – Member

## STATUTORY AUDITORS

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

## SECRETARIAL AUDITORS

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

## INTERNAL AUDITORS

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

## COST AUDITORS

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

## REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited  
4E/2, Jhandewalan Extension,  
New Delhi - 110 055  
Phone: 011 - 4254 1234  
Fax: 011 - 4254 1201

## REGISTERED OFFICE

5190, Lahori Gate, Delhi - 110 006  
Phone: 011 - 2396 8328  
Fax: 011 - 2396 8327

## 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  
Coöperatieve Rabobank U.A.  
IndusInd Bank Limited  
Karnataka Bank Limited

## WORKS

### • Gautam Budh Nagar Unit

9<sup>th</sup> Milestone, Post Dujana,  
Bulandshahr Road,  
Distt. Gautam Budh Nagar,  
Uttar Pradesh - 203 207

### • Dhuri Unit

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

### • Alipur Unit

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

### • Barota Unit

Village Akbarpur Barota,  
Distt. Sonapat, Haryana - 131 104

**E-MAIL:** investor@krblindia.com

**WEBSITE:** www.krblrice.com

**CIN:** L01111DL1993PLC052845



# RESPECTING OUR PLANET

We believe that our existence is quintessentially related to our land and our planet. We strongly feel that if our natural ecosystem is well, the people would thrive and we would grow sustainably.

Keeping this in mind, we are working together to achieve a healthy and sustainable environment.

It is the land and our farmers that protect and sustain us. The land and our farmers help us make our rice healthier and tastier, ensuring extraordinary food for our consumers, that we share with people around the world.

By looking after the land and our growing farmer community and by using resources wisely and by effectively blending our farmer's traditional knowledge with the technologies of today, we are trying to find a path to regenerate the environment and help our farmer community grow.

It's all part of our transition to a more sustainable way of farming. We care for our planet, our farmer community and help protect its natural resources for the benefit of future generations.

KRBL is closely working with the "Indian Agricultural Research Institute" for developing varieties which are more resilient.

# MAKING FOOD HABITS HEALTHY

We believe that the health of people and the health of our planet are interconnected and that healthy and sustainable diets can nourish the one without sacrificing the other.

We are working to accelerate the transition toward these healthy diets by encouraging better eating habits, adapting our product portfolio and expanding our presence in the healthy food segment.

Over the years, we introduced different innovative healthy rice products in the 'Health Food' segment. We will keep adding value to rice and use nature's gifts to create value-added rice in order to enrich people's lives by making them healthier.

“

Over the years, we introduced different innovative healthy rice products in the 'Health Food' segment. ”



# CARING FOR OUR COMMUNITIES



Our communities and our people where we operate are at the heart of our success.

Our communities have the power to deliver our goals today and shape what these goals should entail in the future so that together we can be at the forefront of a resilient and responsible KRBL for tomorrow.

We have decided to empower our employees to play a pivotal role in accelerating innovation and fulfilling our vision for

tomorrow. We ensured to create the best environment for our employees by looking after their safety and wellbeing and by providing them motivating work opportunities.

We exist because of the communities where we operate. We ensured our sustainability by doing business in the right way and by taking care of these communities during the difficult times, sharing what we do best and playing our part to build resilient and sustainable communities.

**₹92 CRORES** invested in FY21 for different employee benefit initiatives



LAUNCHED AN INITIATIVE CALLED “UMEED HAIN HUM”, A PROGRAM DEDICATED TO PROVIDING FREE BASIC MEAL TO PEOPLE IN NEED.

**55 MILLION**

Number of meals distributed by us during the difficult pandemic times

**ZERO HUNGER  
QUALITY EDUCATION**

In association with the Akshaya Patra Foundation, KRBL initiated the world's largest mid-day meal program serving nearly **1.8** million school children across **19,039** Government schools and Government-aided schools. KRBL initiated this in FY21 and through this program we aim to achieve two of the most critical UN Sustainable Development Goals for India i.e. Zero Hunger and Quality Education.

**40+ CITIES**

Number of cities across India where these meals were distributed





## DELIVERING ON OUR COMMITMENT

Being the market leader in the Basmati Rice space, we have realized that the long-term sustainability of our business is more than just numbers.

Since 1889, we have worked towards sustainable outcomes for our different stakeholders is what helps us grow consistently.

We believe that taking a long-term view creates long-term value and helps us achieve sustainable growth over the long term.

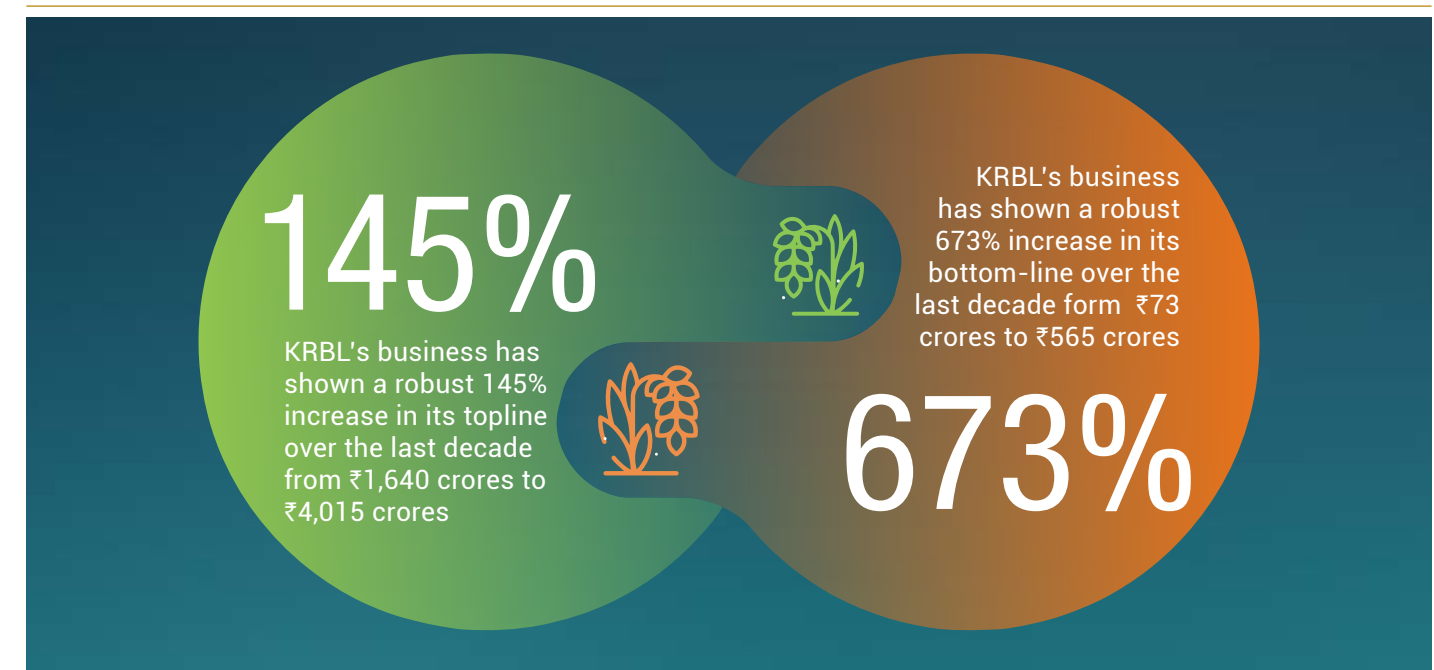
By regularly expanding our product portfolio, through science and innovation, we delivered on our commitment to meeting the changing preferences of our customers.



By working closely with our farmers, helping them with technical expertise, other on-farm support and financial security, we continue to deliver on our commitment.

We take a long-term approach to investment and are committed to increase shareholders' value through sound commercial and responsible business decisions that deliver steady growth in earnings and dividends.

### VALUE LED SUSTAINABLE GROWTH





# GROWING RELATIONSHIPS

KRBL is built on the spirit of partnership with our different stakeholders by going that extra mile.

Through co-operation and the living promise of a shared future, we co-create and optimize the abilities of our stakeholders – farmers, suppliers, dealers, distributors and our employees. At each point of the value chain, with each stakeholder, we consistently build KRBL. We respect, support, encourage and engage them to build strong relationships, stay relevant and grow sustainably.

We build and maintain relationships with our stakeholders by consistently meeting their expectations with better results. This relationship is also central to our business growth and strategy.

We have entrusted our farmer communities to shape a more sustainable future for us and create mutual long-term value. Because our farmers are not just our business partners, but members of our family. We work with about 95,000 farmer families for providing the best practices to grow top quality crops covering around 3 Lacs hectares of agricultural land.



Together,  
let's spread hope.

# #umeed hain hum



For a lot of families,  
this fight is not only against  
Coronavirus but also against hunger.  
India Gate has stepped forward to  
bring them hope and has  
fed over 55 Million people in need,  
since the lockdown.

You can too, by joining the  
**#UmeedHainHum** Movement.



Scan the code,  
to help spread hope

Visit [indiagatefoods.com/umeed](https://indiagatefoods.com/umeed)



*India ki Puraani Aadat*

# CORPORATE SNAPSHOT

## LEGACY

Over **130 years** of heritage

## SIZE

India's **largest** exporter of Basmati Rice

## SCALE

Possess world's **largest** rice milling plant spread across 200 acres

## PARTNERSHIP

Possess India's **largest** contact farming network coverage for rice

## PRODUCTION CAPACITY

World's largest milling capacity of **195 MT/hour**

## PROCESSING CAPACITY

One of largest rice processing capacity of **191 MT/hour**

## POWER CAPACITY

Power generation capacity of **146.84 MW**

## STORAGE CAPACITY

**1 million MT+** storage capacity of rice and paddy

## TECHNOLOGY

**2** State-of-the-art manufacturing units

## FOOD SAFETY

**4** State-of-the-art packing units

## GLOBAL FOOTPRINT

Exporting rice to more than **90 countries** across 6 continents

## DISTRIBUTION

**500+** dealer and Distributors network across India

## REPUTATION

**India Gate** is India's numero uno retail Basmati Rice brand

## VARIETY

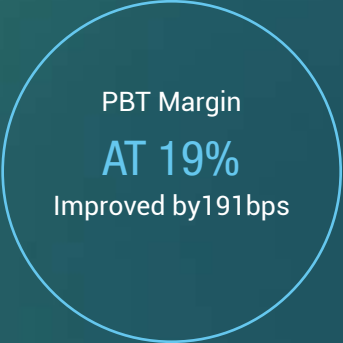
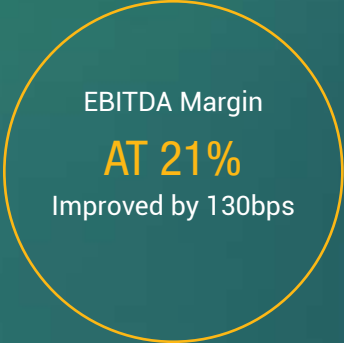
**15** renowned rice brands sold under the banner of KRBL

## BRAND EXTENSION

**7** renowned healthy food variants

## HUMAN CAPITAL

**2,296** Team strength



# ABOUT KRBL

We are India's first integrated rice manufacturing company, operating predominantly in the area of manufacturing and marketing branded rice products in India and across the globe.

Continuing on the Company's 130+ years of heritage, KRBL Limited is India's leading provider of branded Basmati Rice products to markets across the globe.

Every day, KRBL helps millions of people across the globe fulfill and enjoy their dietary requirements by bringing finest Basmati Rice in the world to their homes.

KRBL authored and has led the Indian Basmati Rice industry by popularizing Basmati Rice products across the globe. We raised the salience of Basmati Rice and modernized the crop in India.

KRBL Limited, the largest integrated rice company in the world, is one of the major producers of rice products (both Basmati and Non-Basmati Rice). We are also engaged in the production of milling by-products like bran oil, furfural, de-oiled cakes etc.

## Our Vision

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

## Our Mission

To emerge as the world's number one Basmati player, committed to delivering precision-perfect quality products to our customers; nurture the best 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 THAT DRIVE US



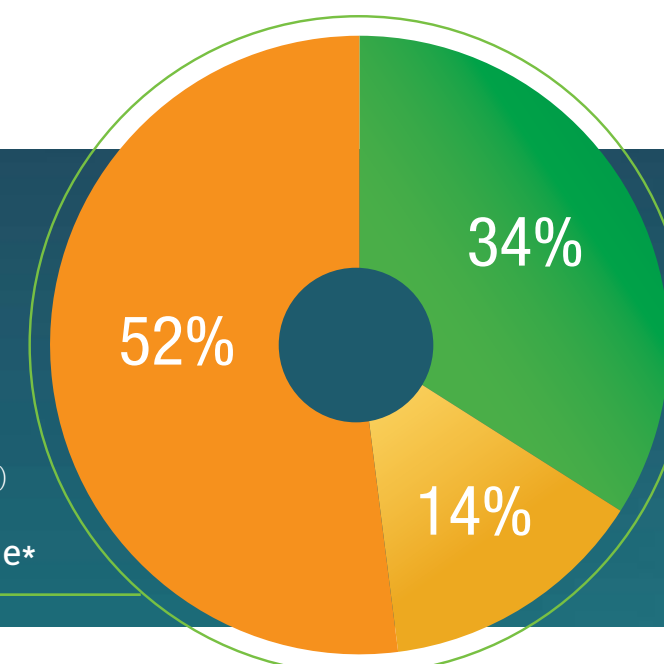
## WHERE WE OPERATE

### Segments

Operating in the food consumer segment, we focus on the highly regulated food markets in some of the major economies across the globe – providing one of the key ingredients of their dietary requirements.

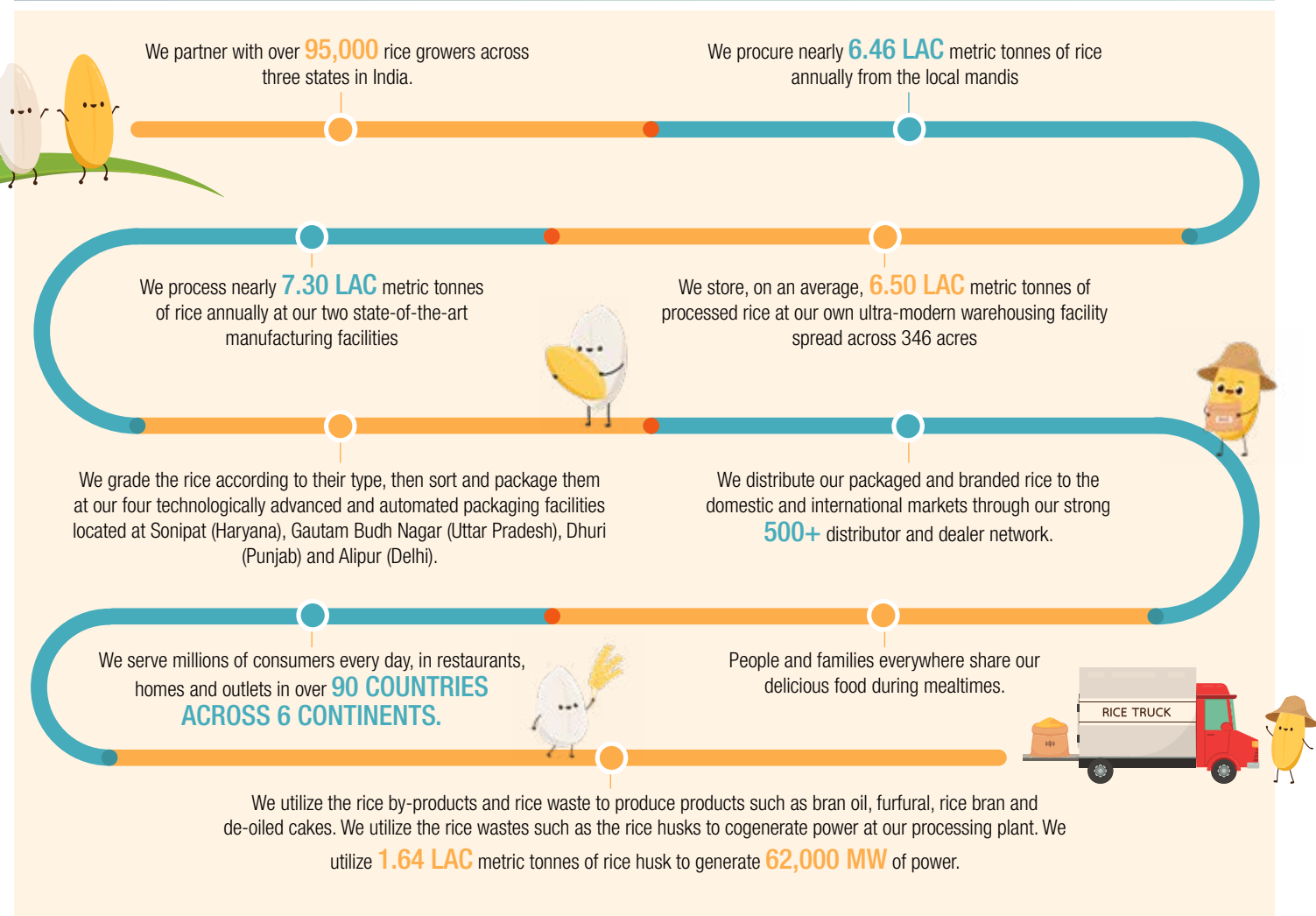
India Middle East (ME) Rest of World (RoW)

Share in total revenue\*



\*As of 31st March 2021.

## OUR BUSINESS



## OUR OFFERINGS

We have leading brands that innovate to meet consumers' needs and make a meaningful difference. We launch new products based on consumer trends, with a major focus on growing health and nutritional needs of our customers. We support our brands with distinctive, high recall marketing campaigns and helping create strong customer partnerships.

### KEY BRAND BASKET

**INDIA GATE**  
The world's best selling, largest and most admired Basmati Rice brand.

**UNITY**  
The Rice connoisseur's choice for Biryani.

**NUR JAHAN**  
The leading Indian Basmati Rice brand in terms of market share in South Africa.

## OUR PRESENCE

KRBL has its product presence across **THE LENGTH AND BREADTH OF INDIA THROUGH ITS DEEP ROUTED NETWORK OF 500+ DISTRIBUTORS AND 3 LACS + RETAIL OUTLETS OPERATING IN MORE THE 750 CITIES.**



PRESENCE IN MORE THAN **90 COUNTRIES**

# OUR RESPONSE TO COVID-19 CRISIS

The impact of COVID-19 has been felt in every region and market we operate in and as a result the domestic and global rice market has been volatile and the outlook continues to be uncertain.

Despite the challenges, our diverse stakeholders and employees have come together as one team to keep our business running and supply chains operating.

Our farmers have relied on us to pick up and process the rice and our customers have counted on us to deliver.

## SUPPORTING OUR FRONT-LINE EMPLOYEES



## SUPPORTING OUR OFFICE EMPLOYEES



## SUPPORTING OUR CUSTOMERS



## SUPPORTING OUR COMMUNITIES



## KEY TRENDS RE-SHAPING OUR BUSINESS IN THE POST-COVID WORLD

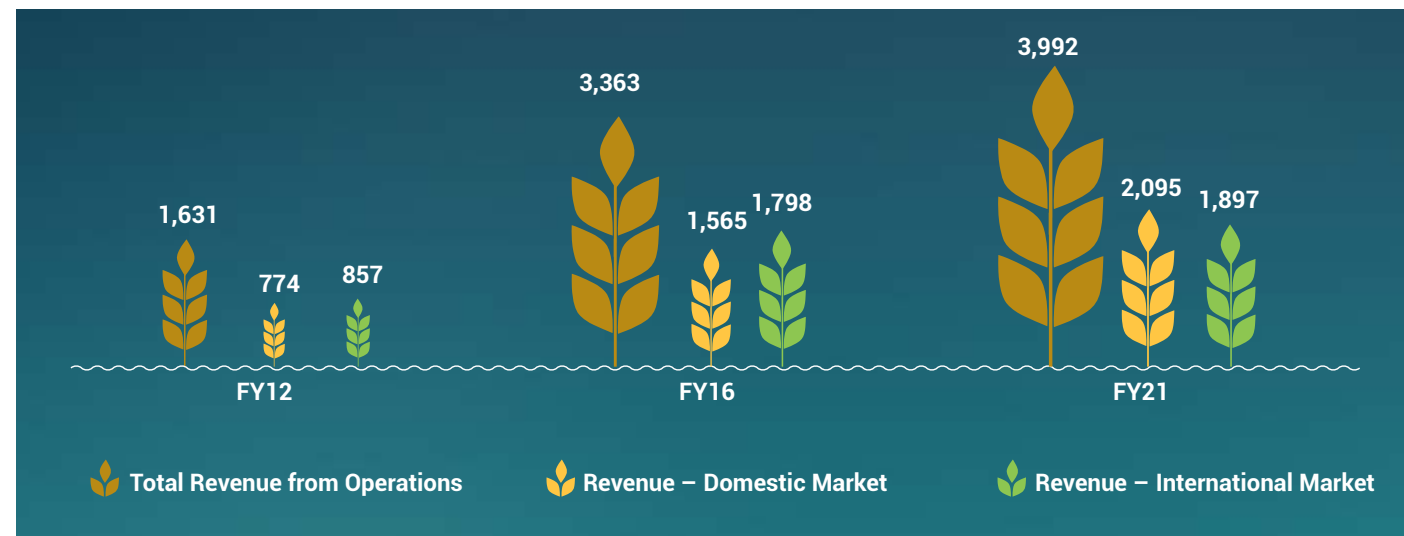




# A DECADE OF FISCAL PRUDENCE

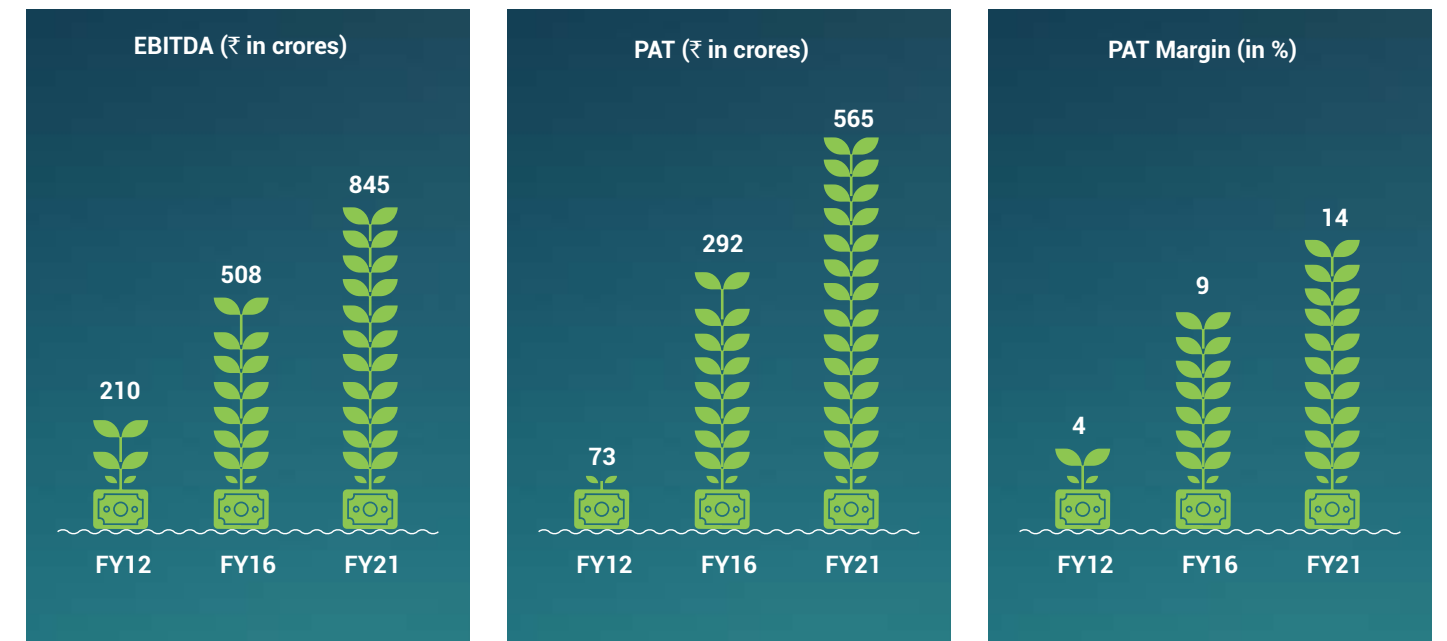


## REVENUE GROWTH (₹ IN CRORES)

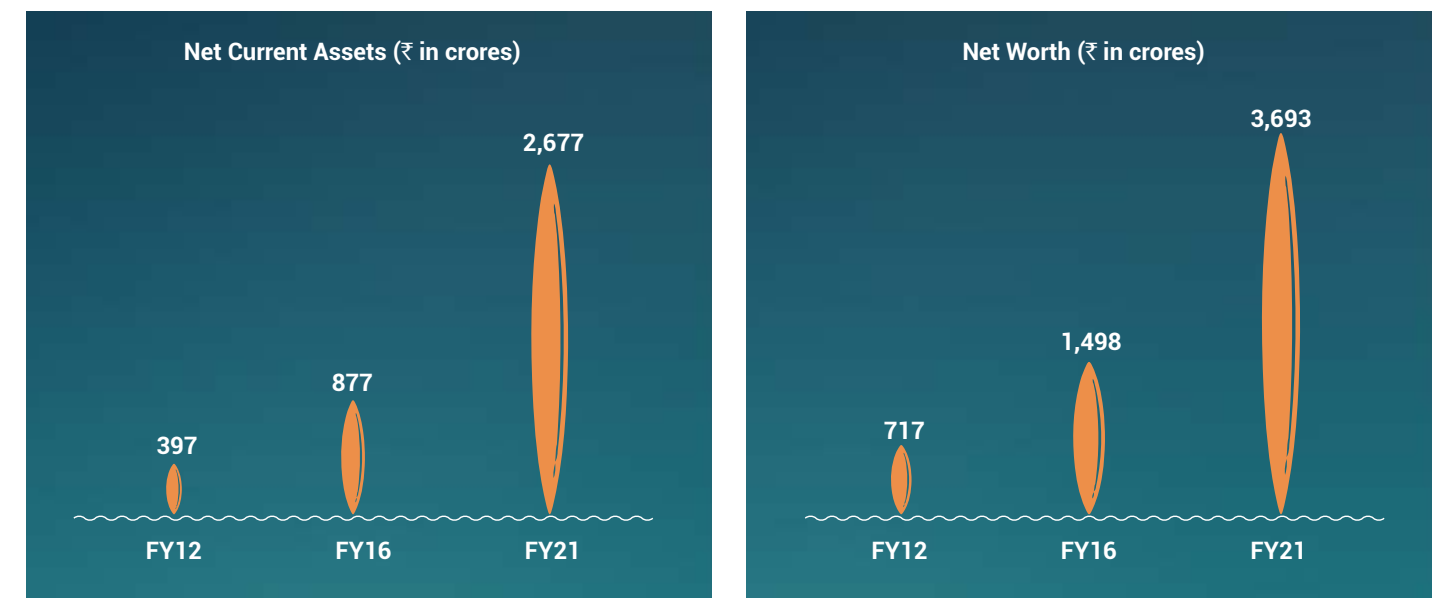


10% CAGR GROWTH IN TOTAL REVENUE OVER THE LAST DECADE

## PROFITABILITY GROWTH

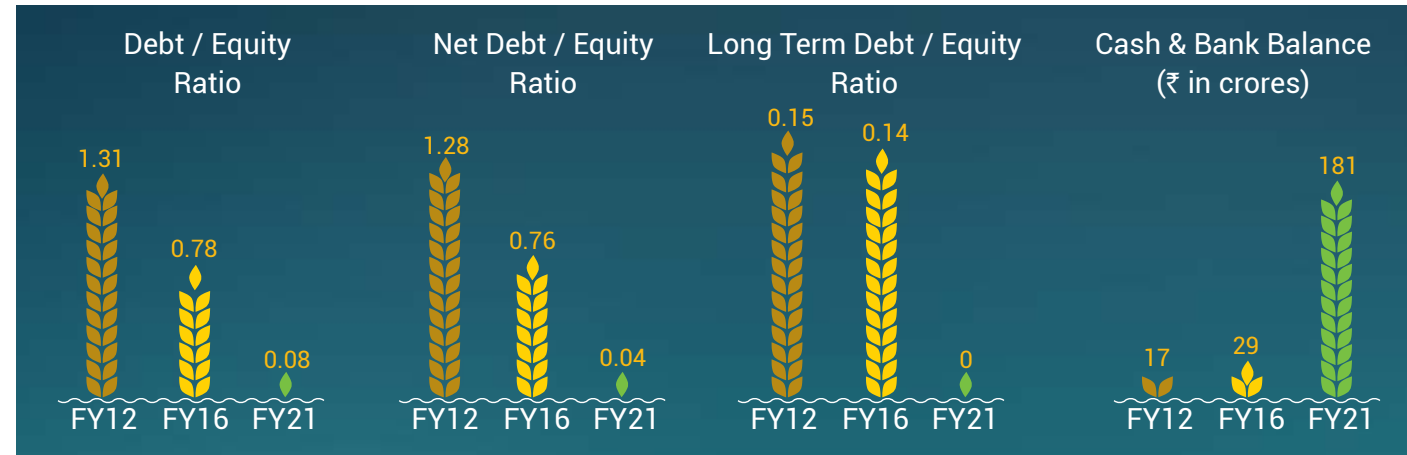


## BUSINESS GROWTH



## STRONG FISCAL POSITION

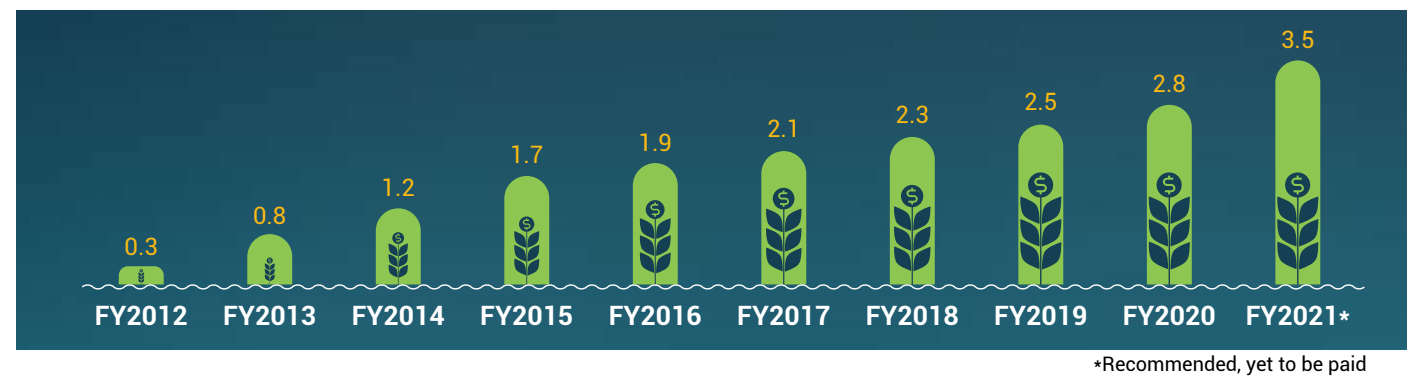
With more than 130 years of existence, our sustained efforts in prudent financial management have ensured that our balance sheet remained strong and resilient throughout our existence. Even during the recent turmoil, we maintained a significant level of liquidity and continued to repay our contained debt. Our gearing position remains strong as we expect to emerge as a debt free company in the near term and Strong cash flows provide headroom for driving exponential growth and expansion.



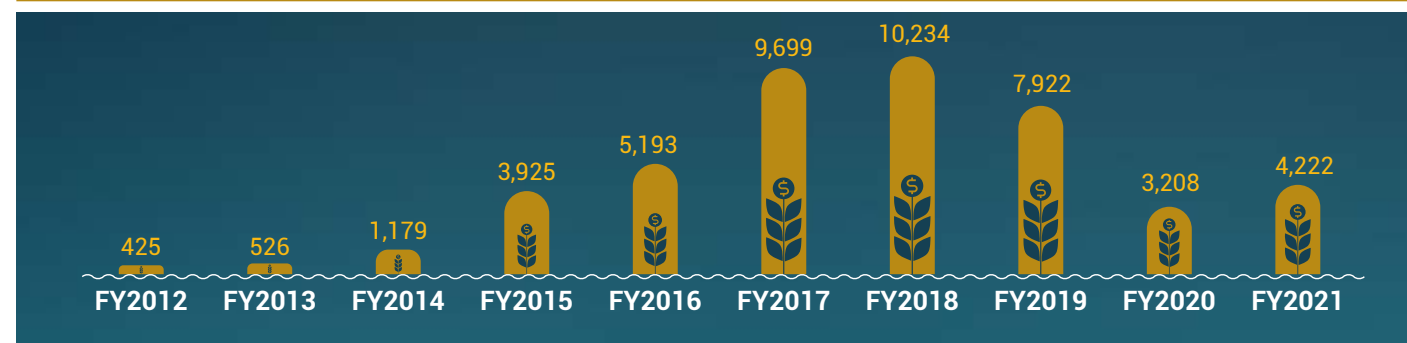
## VALUE ENDURING SHAREHOLDERS

We have created a robust business model and adopted a strategy that focuses on long-term value creation withstanding any short-term hiccups. This has ensured sustained returns and capital appreciation for our shareholders over the last decade. Despite the volatility and uncertainty in our end markets and the need to invest in new product lines, updated technologies and manufacturing capacities, we have ensured distribution of wealth creation in the form of regular and growing dividend to the shareholders.

### DIVIDEND PAYMENT (₹)



### MARKET CAPITALIZATION (₹CRORES)



## ENHANCING FINANCIAL STABILITY

By reducing cash conversion cycle despite growing procurement



## WHAT THIS DATA INDICATES?

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





# CHAIRMAN'S MESSAGE



Dear Shareholders,

As I sit down to write this year's message, the only thing that crosses my mind is that how challenging the year has been for most of us. At the outset, we trust you and your family are keeping well in the unprecedented COVID-19 pandemic. FY21 will be remembered as one of the most challenging years in recent times, as COVID continues to affect our lives and livelihoods. Maintaining food supply has been a critical requirement of the government and as a supplier of an essential commodity, we have much to be proud of in the way we have risen to the challenges presented by this devastating pandemic.

Staying true to our corporate ethos, I find myself reassured with regards to the trust and confidence I had put in my colleagues over the years, but especially over the past year when we were put to yet another test of resilience as the raging pandemic continued to wreak havoc in people's lives across countries and economies. It's been a year like no other and the way our people have responded and what they have achieved, has been nothing short of inspirational. I was confident we would manage to stay on top of the crisis, being a resilient organization. The confidence was not misplaced as all our colleagues across our facilities came together in the most inspiring ways to ensure that we continue to serve our customers and grow our

It's been a year like no other and the way our people have responded and what they have achieved, has been nothing short of inspirational.

business. Our results this year show how we have built a committed, resilient and agile business, with a purpose that permeates across the organization and a strategy that is delivering consistent growth.

## SECTORAL OPTIMISM

The Indian economy witnessed a contraction of more than 8% in FY21 due to the prolonged lockdown imposed across the country, to contain the spread of the coronavirus. But the Indian agricultural industry has shown immense resilience all through these tough times and proved to be the shining star. When most other industries remained tepid or might have even retreated into negative territory, the agri and allied sector recorded a strong 3.4% growth at constant prices in FY21.

Support from policymakers and favourable government policies such as Pradhan Mantri Gram Sinchai Yojana (PMGSY), Pradhan Mantri Krishi Sinchai Yojana (PMKSY) and Pradhan Mantri Kisan Samman Nidhi Yojana (PMKSNY) further contributed to the sector's health during FY21. Also, the favourable weather condition during the two-cropping season in FY21 played a major role in supporting the growth of the Indian agriculture industry. Backed by these factors, the overall Indian agriculture exports registered

a strong 17.34% growth in FY21 to stand at the US \$41.25 billion.

## DELIVERING A COMMITTED AND RESILIENT PERFORMANCE

We entered FY21 with positive sales momentum underpinned by the strength of our brands and wide portfolio. But onset of the COVID-19 and the resultant lockdown impacted our business also. Being in the food industry, we classify as an essential business and during the pandemic, all our manufacturing facilities have remained operational. Further, support to the business was provided by our strong farmer community, who worked relentlessly even during the lockdown period to ensure that we had a steady supply of raw materials. However, the major constraint faced by us during this period was related to the transportation of goods. Despite the government allowing the free transport of essential commodities across the country

and also internationally, limited availability of labours, vehicles, shipping cargos and rising logistical costs proved to be a hurdle.

But, being KRBL, we managed to not just overcome these challenges, but thrive. We steered the tough environment by further fortifying our strengths and leveraging newer opportunities. Besides protecting our current market position, we geared up to make the organization more efficient to take on the short-term challenges. We focused on upgrading our supply chain to an integrated one, while leveraging the e-commerce channel, during the year to ensure that our products in timely manner available to our customers be it retail or institutional. Further, we emphasized on enhancing our omni-channel presence with increased coverage of modern retail and e-commerce platforms with deep engagement with our customers through responsive and emotional communications and social media connect.





Even though KRBL has been affected by the harsh impact of COVID-19 during the first couple of quarters, our growing retail business and strong brand portfolio, together with our organization-wide transformation strategy helped us deliver a financial performance above our expectations. Our performance can be ascribed to the agility of our organization, the versatility and the quality of our restructuring strategy and agile business model. The quality of our brands and our ability to move more products into the soaring retail sector meant that we achieved exceptionally strong growth in our branded product segment. Despite the challenges, we recorded our highest ever PAT of ₹565 crores and repaid net bank debt worth ₹321 crores during the year. This strongly demonstrates the cash generation capability of our business model and our strong desire to drive an operational expansion without being reliant on external borrowings. Finally, we are moving closer to our commitment of emerging as a debt-free company. As of 30 June 2021, we have total bank debt worth ₹16 crores in our books compared to a total equity of ₹3,833 crores and expect to become debt free in FY22. Talking about our performance highlights for the year, we sold 6.24 lacs tonnes rice during the FY21, compared to 6.20 lacs tonnes in the previous financial year. Our total income stood at ₹4,015 crores compared to ₹4,522 crores in FY20, while our net worth stood at

₹3,693 crores compared to ₹3,128 crores. EBITDA stood at ₹845 crores, compared to ₹893 crores, while PBT was ₹749 crores, compared to ₹758 crores in the preceding year.

As part of the core business strategy, we focused on expanding our inventory levels during the year to taking advantage of the favourable paddy prices. We grew our inventory by ₹112 crores and stocked up incremental quantities in order to meet our raw material requirement for the next couple of years. This strategy not only gives us a unique base to grow volumes at a pace that we are comfortable within the coming year but also provides us with a pricing advantage. Also, with the announced increase in MSP for the Non-Basmati price, the industry dynamics will support firmness in the pricing of the Basmati which could enhance our inventory position further.

We also expanded our product portfolio and geographic footprint utilizing our existing delivery model. We strategically diversified into product segments that augment our existing portfolio. We forayed into the premium Non-Basmati Rice variant along with extending our proposition in the health food segment with the launch of two new nutritionally superior products, India Gate Chia Seeds and India Gate Flax Seeds. Backed by our effective communication

strategy, our health food segment showcased double-digit growth in FY21 with strong traction in the international and domestic markets. Further, we took some strategic strides to grow our presence in the Indian unbranded Basmati Rice market. As a category captaincy effort to grow the penetration of packaged Basmati Rice in the broader Basmati Rice segment, we tried to position our 'Unity' brand as a brand of choice for the price conscious customer while ensuring the product quality and consistency that KRBL is known for. We also diversified into the branded rice oil segment, during the year, with the introduction of India Gate Basmola rice bran oil in 500 ml and 1 litre packs – positioned as India's premium edible health oil globally. These are important strategic developments in a number of ways. They diversify our presence across the FMCG value chain, expand our presence in the higher growth segments and broaden our product portfolio for customers globally.

What these results show is the continuing strength of our strategy and the importance of our focus on emerging as a resilient organisation in the face of challenges. This involves several aspects including our logistics team finding ways to accommodate rapidly fluctuating demand for products by rethinking delivery systems and schedules. Further, by having an absolute focus on serving our customers in their time of need, by introducing new and innovative ways of working and by thinking creatively, we have strengthened our relationships with our customers this year. These initiatives will further encourage a higher share of our branded products in the household basket and our leadership in premium rice will get further augmented.

## SUPPORTING OUR LOCAL COMMUNITIES

We are active members of the communities where we live and where we work. Many of these communities suffered real hardship during the pandemic and so we

did everything we could to support them in their time of need. Just like our focus on achieving business goals, during the pandemic, our focus was centered around the idea of providing basic food to the people in need in the communities where we operate. As a part of this strategy, we helped provide 55 million nutritious meals for people in need in our local communities. We donated different COVID related safety kits to the people in need and found new ways to support our communities, such as associating with celebrity Chef Vikas Khanna to support Mumbai's Dabbawallas who were literally without any earnings owing to lockdown.

## KEEPING THE COMMUNICATION GOING

Our focus on serving our customers was a thread that ran through everything we did during this year. We took pride in knowing that we kept the all-important basic food diet supply chain going, whether that was for our retail customers or, for our institutional clients, meeting the increased demand for packaged products as people shopped online.

I think we surprised even ourselves with just how ambitious and agile we could be and nowhere was this more evident than the creative ways we kept connected with our customers, distributors and retailers. These included the giant strides we had taken in FY21 to create a complete end-to-end digital communication strategy for our different channel partners and by directly communicating with our customers, utilising different digital and social media platforms along with the traditional one. Project Disha is a big step towards achieving this goal wherein we create an open culture to share, learn and grow together with our different stakeholders. Through Project Disha we emphasised on creating a digital interface between KRBL and its distributors. This is likely to completely transform the way our channel partners and sales team have been interacting till now and will strengthen the organization's ability for decision making in today's fiercely competitive market.

## BELIEVING IN OUR PEOPLE

Resilient organizations are those that rebound and prosper even when faced by business disruption because they are resistant to the impacts of disruption, as well as adaptive, agile and sustainable in the face of disruption. At KRBL, we strongly believe that it is the spirit of our people and their willingness that makes us resilient. Since the beginning of the pandemic, employees across the entire Company have worked hard to uphold a steady flow of products to consumers across the globe. It took a massive effort to maintain production to meet the spike in products for the growing domestic consumption while ensuring product quality in packaging and logistics did a tremendous job in delivering the products at the convenience of our customers with changed time schedules and delivery procedures. I would like to take this opportunity to thank each and every member of KRBL for going that extra mile to ensure that KRBL stands on its commitment.

## INGRAINING A HEALTHY FUTURE

As a business entity, we are keen to drive growth that is sustainable while executing our plans to expand the portfolio and add exciting SKUs that will help meet the changing tastes of our customers. A combination of augmented brand line-up, healthy volume along across geographies and superior capital efficiency is expected to aid in the achievement of profitable growth with consistent performance in the foreseeable future of the Company.

## ROAD AHEAD IN AN UNCERTAIN WORLD

As we continue to wage our war against COVID, our focus going forward would remain on taking things as and when they come. Yes, we had a strong year, weathering the pandemic and finishing the year in a more robust financial position than when we started.

But with the recent COVID waves raging havoc, we enter into the current financial year being cognizant of the risks that surround us from the possibility of a new wave of infection. Despite the concerns, we are confident that the way we overcame challenges in the past year with well-established business strategy, defined processes and risk mitigating measures, coupled with agile thinking and swift action, we remain cautiously optimistic about handling such situations in the future with confidence and resolving them in the best possible manner. The strategies we undertook during the year to grow our retail business are likely to guide us in FY22 also and our focus on the value-added segment and growing our export business is likely to drive business growth in the years ahead.

As we continue to embrace ourselves in the new normal, our focus in the years ahead would be to align ourselves with the changing trends in the market to keep ourselves relevant. Also, we would continue to focus on growing our export presence in newer geographies while continuing to strengthen our presence in the existing ones. Before closing, I would like to extend my gratitude to our employees for their persistent hard work and support for their. I also wish to thank our farmer community, distributors, suppliers, partners, bankers, customers, consumers and all our shareholders for their unwavering trust and confidence in us.

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

**Anil Kumar Mittal**  
Chairman and Managing Director





## A PURPOSEFUL TOMORROW HOW KRBL IS WORKING TOWARDS THAT?



**K**RBL's core values are visible throughout the business, at all levels. These values embody the essence of our organisation and culture and drive us towards success. Even though we have to continuously adapt strategies, these basic tenets of business stay constant.

They are an indispensable asset to us and have on multiple instances proved to be fundamental to consistent growth over the long-term. Our purpose led business strategy has been successful in helping us emerge resilient in the face of the storm. It encodes what we will strive to protect while as we aim to metamorphose into an evolving reality.

### **PURPOSE DRIVES US**

Our purpose powers every business decision we make, from choosing our markets to the introduction of new products to devising market-specific campaigns to finding the right talent for marketing. The Company positioned its new 'healthy' food offerings as a brand extension of its flagship and premium brand India Gate, thus expecting to get a head start for these products in the international market, thanks to the strong brand image of India Gate.

### **AGILITY IS EVERYTHING TO US**

While KRBL had a strong foundation, we knew that we have the ability and the responsibility – to do even more. From India Gate Basmati Rice to the Healthy rice segment, we have ensured that we have evolved constantly. Realising the importance of being agile and being open to change, we imbibed change into the core of our business strategy. We are constantly

reinventing ourselves, from adopting an integrated supply chain model to end-to-end digitization of our channel partners to broad basing our portfolio, to respond rapidly when market dynamics change.

### **BUILDING ON OUR TECHNOLOGICAL CAPABILITIES**

The COVID-19 has accelerated the channel shift towards e-commerce at a rapid pace. The online consumers bases have increased substantially in food and household categories across markets. In addition to the e-commerce trend, digitalisation and technological dependencies are swiftly penetrating all other business areas. Being in sync with these industry trends, we have also embarked on a journey to build on our technological capabilities with the introduction of Project Disha in 2020 to transform KRBL. We plan to embrace technology even more and drive on with the role of technology especially in the field of data, particularly in manufacturing, distribution and consumer trends.

### **WE INVEST FOR THE FUTURE**

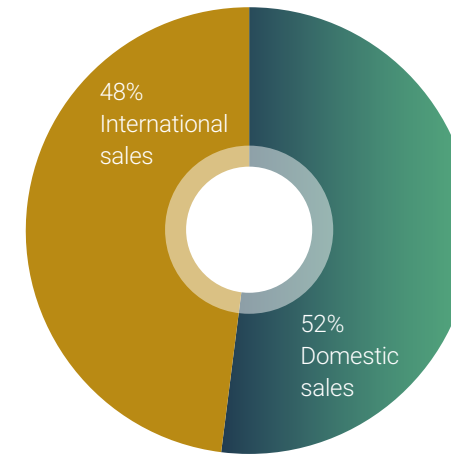
Our diverse portfolio allows us to take a long-term view and means we can continue to innovate for the future regardless of short-term market conditions. The food landscape has changed dramatically due to the COVID-19 pandemic and continues to evolve. However, the structural trends of health, convenience and value for money would continue to endure and these underpin, the changing behaviours and preferences of the consumer. Keeping these trends in mind, we are planning to introduce new product lines especially in the Non-Basmati segment and in the 'health' food segment that matches the need of our customers and helps us grow. We intend to grow our 'health' food segment from just ~₹25 crores in FY21 to nearly ₹500 crores over the next five years by aggressively marketing our 'health' food products in the key markets, by regularly introducing innovative healthy rice-based products and by enhancing our 'healthy' food manufacturing capabilities.

### **WE ARE RESTRUCTURING FOR GROWTH**

Backed by our strong foundation, we have realised that the time has come to restructure ourselves internally keeping the core of our business the same to take the Company to its next leg of growth and to remain relevant for the next 100 years. We have undertaken a number of restructuring initiatives, over the year, such as building on an integrated supply chain network to further enhance our supply chain capabilities in the regional markets to foraying into the 'healthy food' segment to enhancing the proportion of Non-Basmati Rice segment. This restructuring is a key step towards moving into an open culture where we share, learn and grow together with our growth partners. It would also help us accelerate organic growth, which in turn allows us to tap new capabilities.



**COMMITMENT TO QUALITY:** For well over a century, we have created the world's finest, most admired branded Basmati Rice with an obsession for quality. This passion is a deeply practiced belief as well as habit. Across the value chain, from seed to fork, our varieties of rice have only one objective: Consumer Delight. Everything else comes later. In pursuit to attain, preserve and enhance this exceptional aspect, we live the TQM value each moment, each day.



**AGILE PORTFOLIO MANAGEMENT:** We manage our product offerings in the Basmati and Non-Basmati segment to ensure we can sustain strong growth and returns over the long term, aligned with our purpose. We foray into new product segments to accelerate the penetration of more attractive market niches, we merge segments when market characteristics change and we exit segments that offer less attractive long-term growth and returns through carefully devised strategies.

**STRONG CASH GENERATION AND LEVERAGE:** Our business is not only cash positive, it consistently generates growing earnings. Cash profit has grown by a CAGR of 13% over the past five years. We have constantly repaid our borrowing and have been successful in maintaining very low levels of leverage, to allow us flexibility for

organic investment, with gearing (net debt to EBITDA) has improved substantially by a CAGR of 40% over the past five years from 2.24 to 0.17. We expect to become a debt-free company in FY22.

At the core of all and everything we do, lies our simple objective: Consumer Delight. This is our purpose to exist, this is the mantra we abide by and simple yet most precise objective.

## INCREMENTAL INTRINSIC VALUE, SUSTAINED RETURNS

We have a track record of creating enduring value for our stakeholders. By focusing on our strategic priorities and leveraging our core strengths of market leadership, management efficiencies, good governance, fiscal discipline and economies of scale, we consistently build upon our success.

### OUR INVESTMENT PROPOSITION

We seek to create sustainable value for our stakeholders, by delivering consistently strong growth and returns and a positive

impact. We set ourselves challenging targets and aspire to cross the ₹1,000 crores profit mark by 2025, while maintaining a conservative capital structure, delivering high returns and emerging a debt-free company.

**HIGH GROWTH AND RETURNS:** We deliver stable and consistent growth. Over the past five years, organic revenue growth has averaged 4%, Growth in earnings per share has averaged 14% and Growth in Return on capital employed (RoCE) has averaged 3%.

**UNIQUE AND DIVERSIFIED BUSINESS MODEL:** Our business is uniquely positioned

in the key segments of our presence: branded Basmati and Non-Basmati Rice. We have a broad and diversified growing portfolio of new regional specific products, catering all categories of consumers. For each product and brand, we have diverse channel partners and multiple platforms for distribution.

**STRONG MARKET POSITION:** We are the largest exporter of branded Basmati Rice from India and India's largest rice producer with a 132-year-old heritage. KRBL's brands command ~15% premium over other brands in the domestic market.

## RESILIENCE THROUGH EXCELLENCE

Our diversified business model allows us to respond to many opportunities and risks we face, while delivering consistent value for our stakeholders. Consumer Delight is realized through our exceptional quality, best practices and a constant quest for the best technique, processes, staff and partners.

As a legacy business in the staple food category, we are acutely aware of our responsibility which goes beyond business. We have been taking innovative steps and installing high-end systems in order to ensure a sustainable process along with zero wastage, zero loss and complete safety of the resources.



## OUR RESOURCES

### FISCAL STRENGTH

Investment in procurement, R&D, manufacturing facilities, marketing campaigns and technological advancement, enables us to expand our product portfolio, technical capabilities and improve operational efficiency.



### HUMAN CAPITAL

A growing high skilled, diverse, dynamic workforce through continuous investment in skill development



### STRATEGY & VALUES

We re-tooled our business strategy and inculcated a fresh set of values to promote a culture that is innovative, collaborative, caring and responsible, ensuring the sustainability of our business.



### RELATIONSHIPS

Strong relationships with our farmers, suppliers, customers, renowned global companies and investors, successful collaborations with the communities and making a difference towards the society with CSR spends all of these enabled us to achieve our shared objectives.



### CAPABILITIES

We have extensive commercial, storage, manufacturing and distribution operations across our markets focused on quality and efficiency.



## WHAT WE DO

### OFFER A BROAD PRODUCT PORTFOLIO

We offer a broad and differentiated portfolio of products in the health foods and premium rice (Basmati and Non-Basmati) segments. It includes high-quality and aromatic generic and branded Basmati and Non-Basmati Rice, along with a growing number of rice-based health food products.

In FY21, KRBL's modern trade distribution channels have maximized its presence in more than 3,800 stores spread across India.



### MARKET ACROSS GEOGRAPHIES

We distribute our products in our markets through very efficient sales and marketing teams, coupled with innovative ad campaigns. In the MENA region, we focused on enhancing our market presence and penetration by adopting innovative marketing strategies such as associating with dieticians, health experts and renowned restaurants and restaurateurs to develop brand trust and boost sales. While our sales teams in the US and Europe focused on selling our products to a broad range of customers, including the leading wholesalers, renowned retail chains, restaurants and institutional clients.



### RESEARCH AND INNOVATE

KRBL is driven by knowledge gained through research, innovation, application and scale. We have been constantly investing in research activities to build a new product pipeline for meeting the evolving needs of our health-conscious customers. Further through investments in internal R&D and partnerships we are developing new Basmati Rice varieties which are more robust and helps us reduce the use of pesticides.



### QUALITY MANUFACTURING

Our extensive and high-quality state-of-the-art manufacturing capabilities are at the heart of what we do. We have one of the largest rice processing plant in the world, it helps us supply across our global markets with a broad range Basmati Rice under different established brands. Certifications such as FSSC 22000, SQF, BRC, HALAL and GMP are a testament of our product quality.



### SUPPORT COMMUNITIES

Our vision is to create a healthier world that enriches all our communities by developing high-quality rice products and making them accessible to those who need them. We invest in our communities through three focus areas:

- providing better health
- supporting education
- empowering the underprivileged



## THE VALUE WE CREATE

### CUSTOMER BENEFIT

We provide our customers across our markets with high-quality, branded, safe and affordable Basmati Rice products.

15 popular rice brands across price points, specifications and categories. An expanding portfolio of 7 nature based health foods.



### EMPLOYEE ENGAGEMENT

By focusing on the engagement and development of our people, we provide long and rewarding careers for our talented and diverse workforce.

₹396 crores Cumulative investment in employees in the last five years



### SHAREHOLDER RETURNS

We have a long history of creating value for our shareholders.

₹273 crores cumulative dividend provided to shareholders in the last five years



### HELPING LOCAL COMMUNITIES

Nothing has been more important to us this year than supporting the communities where we operate. In our endeavour to help the local communities we donated more than 55 million free meals and sweet boxes to the people in need in India and in the international markets.



### PROTECTING ENVIRONMENT

We strongly believe that as a responsible corporate citizen of the nation, we must operate in a way that meets fundamental responsibilities in the areas of human rights, labour and environment. As we strive to work for a greener tomorrow, the Company has taken different decisive measures across its operating facilities to reduce its environmental footprint. Towards this, the Company has set up a biomass energy generation facility using rice husk instead of fossil fuel and also adopted sustainable manufacturing technologies to help reduce environmental impact.



# KRBL'S GROWTH STRATEGY

Our growth strategy incorporates existing and emerging areas with regards to rice in particular and food in general : yield, sustainability, quality, climate change and food security.

**ONE** explore the existing customer base with new and innovative offerings to enhance the share of the wallet. Focus on ancient/native grains such as Amaranth (Rajgira), Millets and Pseudo cereals as new segments for growth.

**TWO** create more engaging campaigns which illustrate the superiority of the products while helping brand penetration, thereby enabling more products per household.

**THREE** focus on building brand trust and loyalty according to the specific markets, to enable a bigger basket size for the same brand in the market.

**FOUR** engage with consumers and channel partners with greater vigour to understand their needs and build a more personalised product segment to integrate the product offerings seamlessly into their lifestyles based on their aspirations, needs and socio-economic, socio-cultural sensitivities.

**FIVE** continue to introduce new products and sustainable packaging, that will enable us to a foray into new high penetrated product categories such as health food segment and Non-Basmati premium rice segment. The Company has forayed into the oil market with the launch of India Gate Basmolra Rice Bran Oil in 500 ml and 1 litre packs – to be positioned as India's premium edible health oil globally.

**SIX** focus on product innovation and brand renovation, from new product range to innovative packaging solutions to emotionally connecting campaigns, to tap on new customer base and build on the existing one.

**SEVEN** follow a data driven approach. Optimally using data for maximum accuracy, predictability, impact and efficiency across the business including backward and forward linkages.

**EIGHT** strategic business communications to inform, integrate and impact business.



# WINNING WITH QUALITY



As a business and brand built around the consumer, we are obsessed with everything the consumer cares about : safety, quality, consistency, variety, nutrition, taste and versatility. We take great care in assuring food quality, from the nutritional value, aroma and texture, to the packaging it reaches consumers.

We place greatest focus on strict quality control and management across the different stages of production. Constant review and careful monitoring of the quality thresholds and metrics ensures that our quality meets and/or exceeds the best international parameters.

We implemented various initiatives to improve the quality of incoming supplies and streamlined the selection and assessment of raw materials, packaging and services.

Across the value chain, from seed to grain to procurement to process, from packaging to storage to handling, we ensure the highest quality, consistency and safety benchmarks.

Over the years we developed a centralized food safety and quality management system with all major standards developed

and approved over the years to ensure product quality across the value chain, from growing to delivery.

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



# HOW WE PLAN TO BUILD AN ORGANIC GROWTH MACHINE

## Expand the Portfolio

<p>Enter into new categories</p>		<p>Develop new capabilities</p>	
Increase width and depth of assortment	Increase retail penetration as a category leader in untapped markets	Enhancing margins through product innovation and value addition	Highly customized, consumer led marketing communications delivered ATL, BTL, TTL for greatest share of voice, share of mind and share of heart.
Re-energized retail base	New outlet expansion	Margin expansion	Going regional

# RESPONSIBLE COMMUNICATION ENGAGING EFFECTIVELY WITH OUR STAKEHOLDERS



Effective stakeholder engagement is critical to our operations and strategy. It helps us to better understand the needs and expectations of our key stakeholders and appropriately respond to them. We are building our relations with the stakeholders based on open dialogue, transparency and mutual trust.

Stakeholders and their needs and expectations	Engagement methods
<b>Customers</b> We forge lasting relationships by meeting their needs for quality rice products, which meet their dietary requirement. We are constantly interacting with them to work on healthier rice products that will ensure a healthy eating habit at an affordable cost.	<ul style="list-style-type: none"> <li>Formal and informal feedback both proactive and reactive.</li> <li>Market activation, trade and roadshows</li> <li>Special events</li> </ul>
<b>Shareholders</b> We are delivering value creation and building shareholder trust through ensuring sustainable growth, having a long-term strategy and approach and maintaining an open dialogue with them.	<ul style="list-style-type: none"> <li>Investor meets and results conference calls</li> <li>Annual General Meeting</li> <li>Continuous dialog with investors and analysts</li> <li>Virtual engagement platforms</li> </ul>
<b>Employees and other workers</b> We ensure fair remuneration, appraisals and commit to enhancing their capabilities for career growth. We aim to provide them safe, engaging and rewarding workplace with industry best practices.	<ul style="list-style-type: none"> <li>Employees meet</li> <li>Personal reviews</li> <li>Employees survey</li> </ul>
<b>Distributors and business partners</b> We aim to develop long-term and constructive partnerships with our business partners, dealers and distributors. This is ensured through ethical practices and timely fulfillment of contractual obligations.	<ul style="list-style-type: none"> <li>Suppliers meet</li> <li>Farmers meet</li> <li>Conferences and exhibitions</li> <li>Dialogue over phone and digital medium</li> <li>Media publications</li> <li>Schemes and promotions, rewards.</li> </ul>
<b>Local communities</b> We are engaged in community development through need-based social programs, employment generation, business dealings with local institutions and small and medium enterprises and environmental protection efforts.	<ul style="list-style-type: none"> <li>Social projects</li> <li>Education programmes</li> <li>Meals for the underprivileged</li> <li>Fiscal assistance</li> </ul>
<b>Regulators and governments</b> We operate on a best business practices model which means that compliance and governance are salient. We keep abreast of new regulations or revisions to regulations. We are also facilitating the government's climate change roadmap and the need for infrastructure development, job creation and sustainable development.	<ul style="list-style-type: none"> <li>Committees and conferences</li> <li>Corporate reporting</li> <li>Advocacy meetings</li> <li>Membership in local enterprise partnership and industry bodies</li> </ul>

# CONNECTING EMOTIONALLY. CONNECTING EFFECTIVELY.



## KRBL's communications initiatives

### DOMESTIC MARKET

Extraordinary circumstances call for extraordinary solutions. FY21 has been a year like never before, we showcased our resilience and have shown the true purpose of the Company when it comes to connecting with our customers.

KRBL has played a pioneering role in revolutionizing the Indian rice industry. From being dominated largely by the unorganised sector and unbranded products, we have been successful in creating brands that have stood out as distinctive while resonating with the essence of India. Thus, enabling the Indian rice industry to mark its presence in the domestic and international circuit. We have consistently added and popularized brands to meet the changing tastes of our customers while ensuring that we cater to different price points.

Over the years, we have nuanced and fine-tuned our brand communications to better address changing psychographics, lifestyles, buying behaviours and evolving consumer trends (be it health or convenience) in order to cater the tastes of different geographies. The over-arching objective is to create a sense of commonality in the brand communications so that they reflect a unified design language and tonality while engaging diverse audiences and delivering different messages. Through these brands and backed by our omni-channel communication strategy, we not only showcased the persona and appeal of KRBL but also ensured that our brands and our communications truly resonate culture and essence of the target audience.

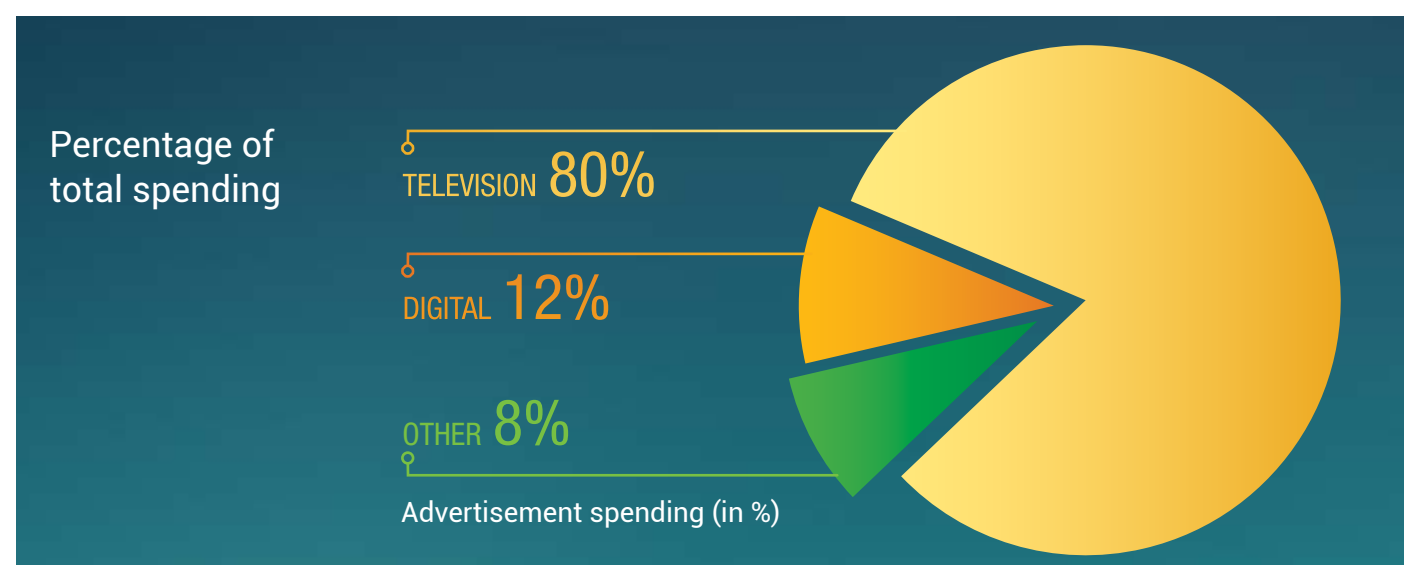
We have regularly refreshed branding and communication strategy keeping in mind the local tastes and festivals, which enhanced the visibility of our brands and helped gain market share. Repositioning India Gate Classic as the special-occasion rice to initiating campaigns meant to identify the importance of festivals in India; our communication strategy is carefully calibrated for relevance, recall and impact. Further, we have evolved our marketing strategy to foster a sense of community through emotionally engaging content, virtual social gatherings and other creative initiatives that involve customers. Today, 'India Gate' as a brand reflects the Company's identity, core values and belief system.

During FY21, we took our time to understand what's changing around us and why, as

times and trends continue to evolve and reoriented our brand communication to earn relevance and thrive in this new world. By consciously providing empathy and care during this crisis, we have built a foundation of goodwill and long-lasting emotional connection with our customers and the communities we serve. With a 360-degree integrated marketing communications approach, along with the traditional branding activities, we strategically focused on increasing our presence in the social and digital media platforms. We focused on evolving our branding strategy from product-centric campaigns to socially relevant communications. Therefore, our memorable commercials have successfully struck an emotional chord with KRBL's audience, driving conversations to inspire positive thinking and progressive behavior.



## HOW WE COMMUNICATED IN FY21?



## INDIA KI PURAANI AADATEIN LAUT AAYI HAIN- THE LOCKDOWN CAMPAIGN

Through this advertisement, we demonstrated how, during the lockdown, we all reverted to old habits. Habits like sharing thoughts with neighbours or family members over coffee or dinner, watching a movie or serial with the entire family and reconnecting with a childhood friend, which most of us had long forgotten in the rat race of life.

Through this media campaign, we tried to pay homage to the old yet beautiful habits of the nation's people while bringing out the positives of staying at home. The campaign truly resonated with the brand message of India Gate – India ki Puraani Aadat.

Launched digitally along with traditional media, across different social and digital media platforms, it enabled KRBL to build a long-lasting and strong emotional connect with its retail customer base.



Reinventing India Gate advertisement with an emotionally connecting message keeping in mind the lockdown restrictions and majority of the population had to stay indoors.

# CAMPAIGN OUTREACH

**85%**  
Share of Voice on television

**12 WEEKS**  
of dominating screen presence

**5 CRORES+**  
Digital Views

# CAMPAIGN'S IMPACT

#INDIAFIGHTSCORONA #STAYHOMESTAYS SAFE

**7 MILLION +**  
Views on YouTube

**8 MILLION +**  
Views on Facebook

The campaign achieved the status of most seen Multimedia Campaign during the lockdown period within its category.

# INDIA GATE

#INDIAKIPURANIAADAT

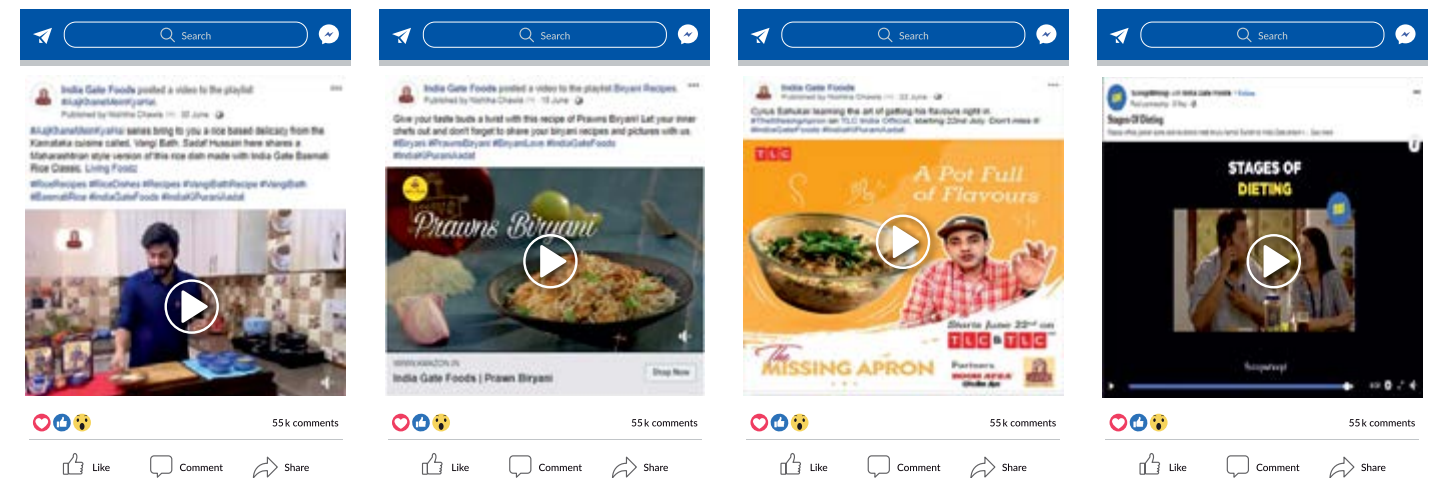


At KRBL, we identified two broad themes arising out of the recent lockdowns and work from home environment – our consumers are getting more time to spend with the family and that they are willing to experiment with their cooking, especially the male members. In response, our India

Gate brand decided to bring the cooking habit back into the lives of our consumers, at a time when it was needed most.

We associated with celebrity chefs and other social media influencers and took up the challenge of cooking different

regional dishes with India Gate Basmati Rice Classic. These cooking shows were broadcast across different social media channels and helped KRBL gain market share across its different target segments.



2,00,000+ VIEWS

Aired on the Living Foodz channel and food's other social media platforms the video gained more than two lacs views.

2 MILLION+ VIEWS

#JashnEBiryani Aired on the Facebook the recipe gained more than two million views.

5,00,000+ VIEWS

Associated with the TV shows 'The Missing Apron' hosted by the renowned VJ Cyrus Sahukar. The show tries to teach some easy-peasy recipes to whip up at home, under the virtual guidance of renowned Chef Ananya Banerjee.

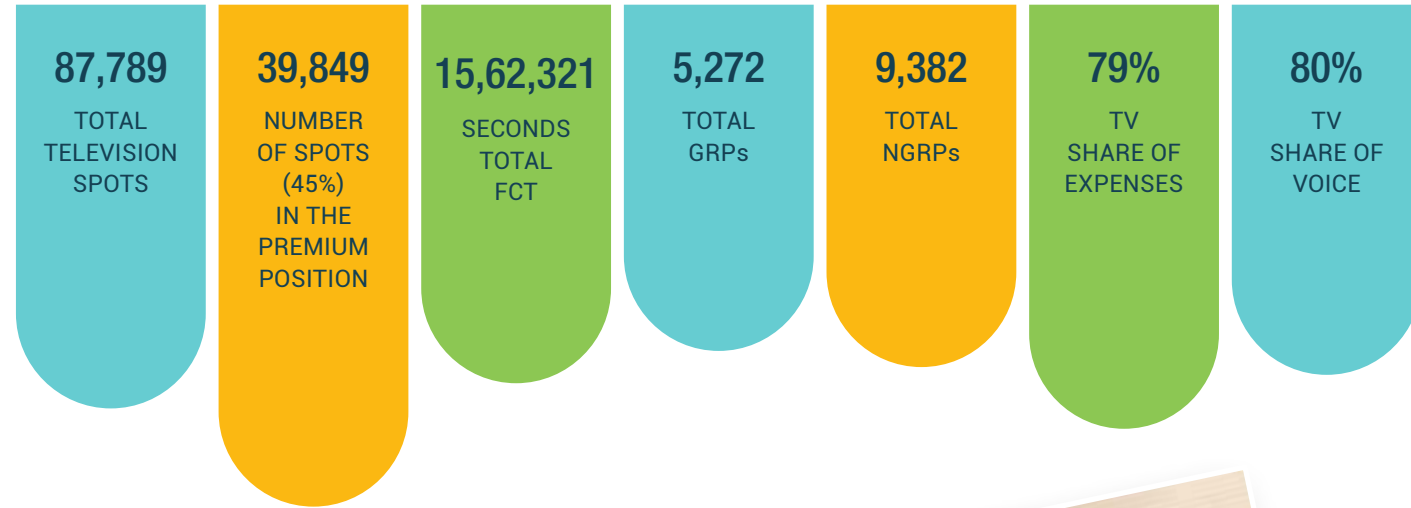
17 MILLION+ REACH AND 10 MILLION+ VIEWS

Associated with ScoopWhoop Media, an Indian digital media company, to showcase the benefits of India Gate Brown Rice.





# INDIA GATE'S DOMINATING TELEVISION MEDIA PRESENCE



## SOCIALISING WITH PURPOSE

Reaching out to more consumers in a digitally inclusive world.





## #UMEEDHAIHUM

A unique digital only campaign, showcasing the responsibility undertaken by KRBL to provide basic meal to the needy and under privileged population of country that were hit the hardest by the Covid-19 and pandemic.

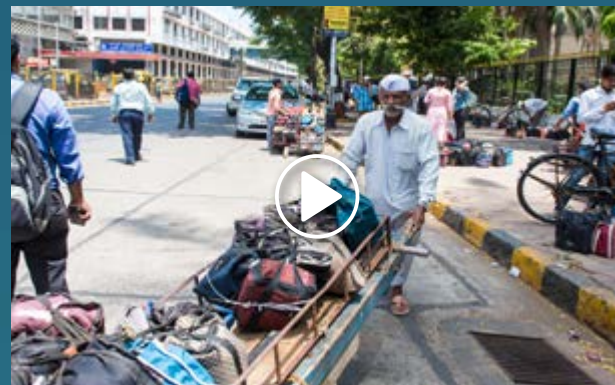
India Gate is one of the oldest and leading rice brands in India and a true custodian of hope started the initiative – “Umeed Hain Hum”. Under this initiative, the Company tried to extend a ray of hope to families in need by feeding them and donated more than 20,000 meals every day across India.

## #UMEEDHAIHUM #DABBAWALLA

Another unique Facebook campaign. The campaign showcased how India Gate Foods and the celebrity Chef Vikas Khanna came together to help Mumbai’s Dabbawallas, the legendary Six Sigma certified work force of Mumbai.

With the lockdown and work from home, Mumbai’s 5,000 Dabbawallas were without any work overnight. No tiffin service meant no earnings for them and no food on their plates.

Together with Chef Vikas Khanna, we ensured that none of the Dabbawallas – who have been feeding the working population of Mumbai since 1980 and their family members stayed hungry with no food on their plates. Thus, ensuring that during the difficult times hunger is no longer one of their worries.



**2 MILLION +**

The campaign garnered more than 2 million views across different social media platforms



## #UMEEDHAIHUM #UMEIDMUBARAK

In 2020, the festival celebrations were also quite different with Covid-19 as the diabolical nemesis. With social distancing and other covid related restrictions, most of the major festivals in India people celebrated from their home without meeting and greeting their near and dear ones.

Continuing to celebrate the diverse Indian festivals, KRBL came up with EID special advertising campaign #UmEidMubarak during the Eid of 2020. One-of-a-kind media initiative from KRBL, the campaign focused spreading the goodness of Eid

**2 MILLION +**

The campaign garnered more than 2 million views across different social media platforms

## #MENATWORK #THENEWNORMAL

A unique digital campaign showcasing the new normal of a home, where the daily chores of a household are shared by both the male and female members of the family.

Resonating the old thought, ‘Milke Karengae Kaam, Toh Hoga Woh Assan’. Just like India Gate brings to the table, ‘India ki purani aadat’.



**2.7 MILLION + VIEWS**



## ‘INDIA GATE - INDIA KI PURAANI AADAT’ AND ‘TYOHAAR KI TAIYYARI’

### The Wisdom of Experience; The Dynamism of Newness #TyohaarKiTaiyyari #Diwali2020 #IndiaGateFoods #IndiaKiPuraaniAadat

Festival celebrations and special occasions are an integral part of Indian culture. Intricately planned meals, special recipes and elaborate dishes are what make these occasions and festivals a special event for every Indian and their family members. Food becomes a delicacy when prepared with love and with the best of ingredients.

Keeping this in mind, KRBL launched a special mass media campaign during the 2020 festive season.

Festivals across India were different this time. Going out with friends or going out to meet and greet loved ones, was not on the cards this year. This year festival celebrations were more confined to the core members of the family.

Keeping this in mind, the campaign tried to celebrate the effort it takes to make the festivals a special one that otherwise gets unnoticed. Thus,

celebrating the preparation itself rather than the celebration, because we believe preparations make a festival classic.

The campaign was launched across different social and digital media platforms along with the traditional platforms.

## CAMPAIGN’S IMPACT

This was category's best performing Multimedia Campaign during the festival period within its category.

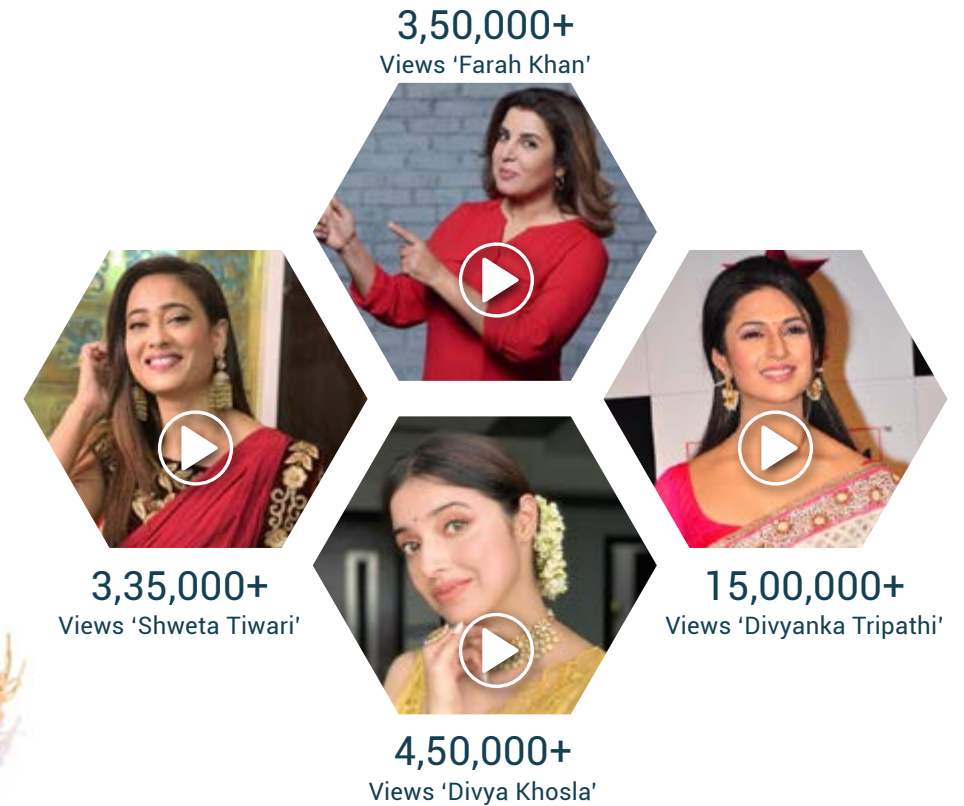


The campaign helped KRBL reach out to more than 90% target audience across TV and Digital platform.

## ‘TYOHAAR KI TAIYYARI’

### Influencer Campaigns

KRBL launched #TyohaarKiTaiyyari digital campaign to encourage consumers to celebrate the preparation of festivals. For this, the Company roped in renowned TV celebrities and influencers, the brand ran the campaign on Facebook and Instagram, garnering a whopping 26.5 million plus views on celebrity handles and reposts.



## ‘TYOHAAR KI TAIYYARI’

### Giving back to society - KRBL cares

The communities in which we operate are a part of our ecosystem. We measure our business success by the impact we create on the ground for people beyond our immediate operations. Through this campaign, we tried to encourage our wide range of customers to help society fight back against COVID-19.

**5 LACS+**

Distributed sweet boxes to under privileged

**400+**

With our social feeding initiative, we created job for more than 400 caterers who became jobless owing to COVID.

**5 LACS+**

Served more than five lacs needy people through different campaigns






## GOING DIGITAL

Leveraging technology to redefine our communication strategy for enhanced reach and continued engagement with our consumers, even in the absence of regular channels, we focused on strengthening our presence in the digital domain. Our digital outreach strategy is to consistently deliver the identity of its brands to customers.

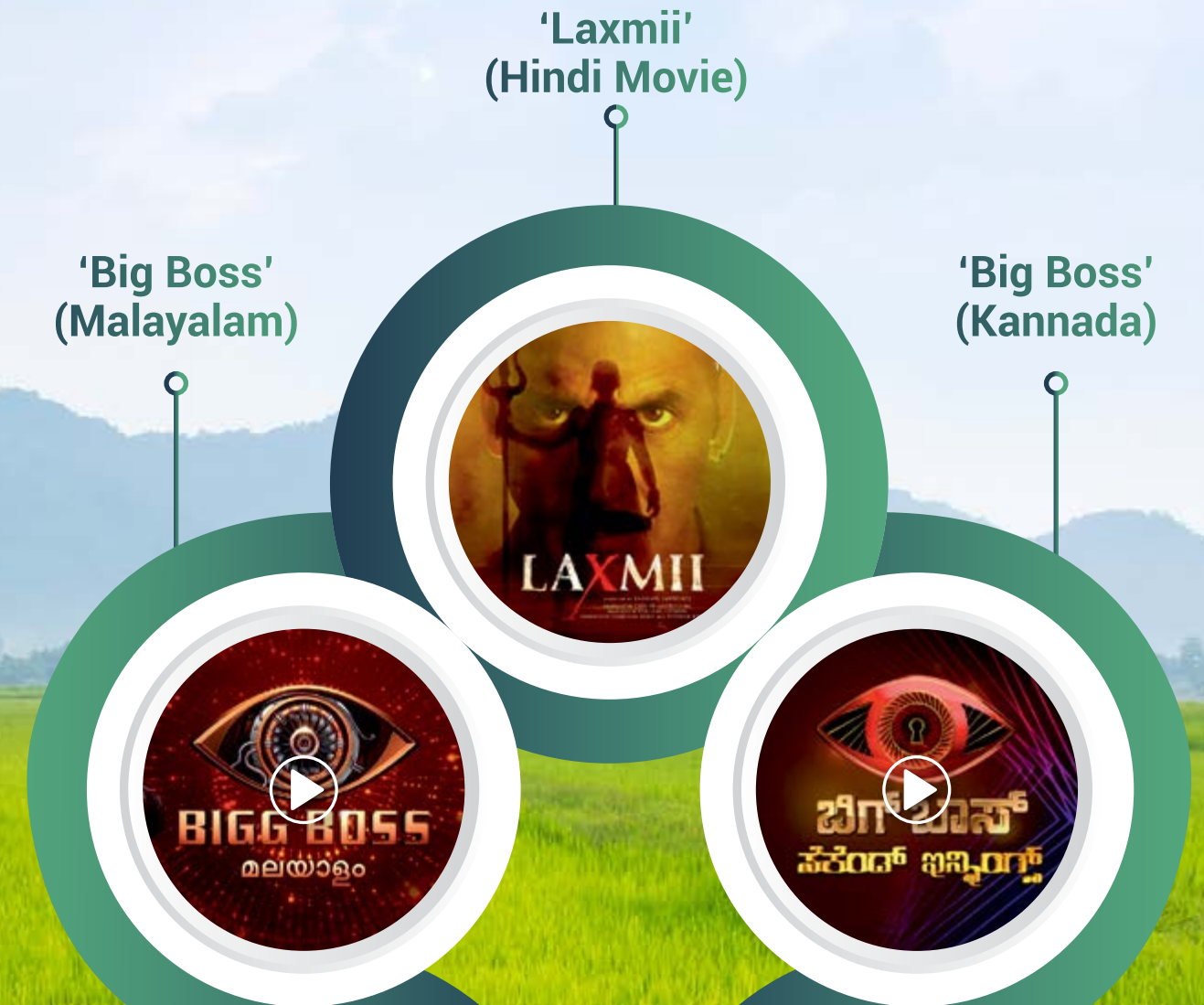
Endorsing KRBL's success, India Gate continues to be the most followed brand within its industry space across different social media platforms, such as Instagram, Facebook and Twitter.



## AN EXPANDING DIGITAL PRESENCE

AWARENESS	ENGAGEMENT	CONVERSION
We are trying to create awareness about our products by amplifying our reach on the digital platform through targeted advertising	We collaborated with celebrity and social media influencers to make Brown Rice and Biryani cooking videos. This helped us to engage effectively with our target audience.	Devised conversion led campaigns for Classic, Brown Rice and Daily Range
Developed a dedicated website for Brown Rice Flax and Chia Seeds	Joined hands with content platform ScoopWhoop for different cooking recipe videos involving brown rice	Most of the campaigns were focused on making India Gate No.1 brand across all the e-commerce platforms
		
India Gate's Healthy Rice segment garnered more than <b>66</b> million views through its different digital media initiatives	The videos all together garnered a total of <b>10.2</b> million views	Generated <b>17</b> lacs plus shop links

## KRBL'S KEY TELEVISION ASSOCIATIONS IN FY21





# A GROWING INTERNATIONAL PRESENCE

The COVID-19 pandemic suspended conventional brand communications besides impeding sales and marketing. All market activation was impacted as widespread Covid restrictions forced lockdowns. We responded to the challenge through a strategy which ensured product availability and accessibility on the one hand and as continued consumer connect on the other. Digital communications formed the fulcrum of this approach KRBL collaborated with key online integrators, social media influencers, celebrity chefs and opinion leaders on nutrition/diet.

Integrating KRBL product offerings in diet from varied aspects – staple meals, special cuisine, snacks, food supplements – the India Gate brand was used to link diet, nutrition, celebration, lifestyle together. The digital medium is uniquely engaging and interactive; incorporation of key influencers who enjoyed consumer trust and reflected consumer, aspiration made the

outreach compelling. The digital media campaigns gained greater traction through engaged and in-depth articles which detailed several aspects of the product offerings in mainstream, national print media. The media and PR effort was supplemented by brand marketing on sharp-focused television events like the vastly popular series Bigg Boss. This multi-media and multi engagement strategy ensured continued consumer engagement in a new, refreshing and compelling manner. The fact that all these efforts (with the possible exception of brand marketing in Bigg Boss) lay in convinced space and not merely bought space, strengthened brand advocacy as well as sales and marketing. Through the new and refreshed brand strategy, we will retain a very significant digital play and will fine-tune stakeholder engagement based on new metrics of outcome.

## OUR STRATEGY FOR DEVISING MEDIA INITIATIVES FOR THE INTERNATIONAL MARKET



# OUR SHARE OF VOICE IN INTERNATIONAL MARKETS



Focused on all relevant demographic/ age groups, lifestyles, socio-cultural sensibilities. Adopted an engaging narrative which sought to inform, suggest creative options of usage and highlighted benefits. Aspects of trust and safety were a common denominator.

Collaborated with celebrity chefs, bloggers and nutrition/diet experts to co-create recipes, fusion foods and discover new use of KRBL products as essential lifestyle.

Ensured strategic engagement with opinion influencers and opinion leaders to effectively engage with a wider consumer demography in the Gulf region.

Focused on a sharp, message led campaign through key multi-media publications to raise product awareness, product range and versatility, product safety and nutrition quotient. Some of the most read articles are 6 reasons to include Quinoa in your meals in Ramadan, Food for health in the time of COVID-19, 4 Child friendly ways to cook quinoa, 6 reasons to make Quinoa part of your diet, Gluten free Superfood Quinoa, Benefits of Quinoa to diabetics, Quinoa, a good fuel for work out, Six foods that can reduce your risk of developing cancer, Post work out proteins for vegans and vegetarians



Focused on growing our in-shop displays, to gain mind share of our target customer group.

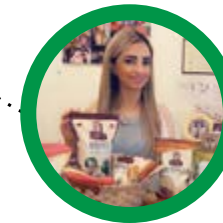
Regularly collaborated with well-known recipe chefs in their recipe videos, thereby ensuring we reach effectively to our target audience.



Focused on engaging with our customers through different community help initiatives such as 10 million Meals Initiative.



Reinforced the leadership team's image in reiteration of KRBL's values and intrinsic strength. They were presented as highly credible domain leaders who were not only best-in-class business professionals, but also those committed to ideas and appeal beyond business.



We focused on webinars that are related to the food industry and are backed by renowned food bloggers, chefs and restaurateurs.

- Organised webinars with Dubai Ladies Club in collaboration with the renowned dietician and India Gate's local nutritionist Dr. Dana Al Hamwi
- Conducted live sessions with her on healthy eating habits, even while fasting, during the holy period of Ramadan.
- Dr. Dana's tips on adopting healthy eating habit and utilisation of India Gate's products were published in various press releases, newspaper articles, social webinars and social media posts.
- It helped promote the amazing attributes of India Gate's products and propel our popularity.

**6.2 MILLION AED**

Total estimated PR value created by the different media initiatives undertaken by the Company in the Gulf region



# TESTIMONIAL OF CHEF NISHANT CHOUBEY ON SHOWCASING HEALTHY EATING HABITS

“Being a culinary expert I would like to compliment KRBL and India Gate for taking this initiative towards propagating a healthier food habit and cooking both traditional and progressive food delicacies. The Health Food segment is really pioneering introduction in the rice industry as it not only retains the traditional value of rice but also puts health quotient to it. Thus, allowing a growing population to enjoy the traditional and progressive delicacies while not worrying much about their health.

Thanks to KRBL and team for providing me the opportunity to cook 12 different progressive recipes during the Holy month of Ramadan. For many of the recipes I used South East Asian staple Nasi Goreng along with India Gate - brown rice, the texture of the rice was outstanding and it mingled like harmony with South East Asian flavours. I also used India Gate Classic Basmati Rice to cook a few South American dishes such as Jamabalaya and it perfectly amalgamated with other meals and aromatic vegetables just like any other local rice of the region. India Gate not only retained its bright texture and crunch but at the same time emitted the true essence and taste of the dish. I also used a number of other rice items of KRBL's Health

food segment to prepare different dishes from different regions, and astonishingly every time it retained the taste and flavour of the dish while ensuring that it wasn't too hard on health as these dishes were traditionally considered.

Finally, I would like to take the opportunity to thank and compliment KRBL for offering me such an innovative show which allowed the experimentation with Basmati Rice and extending its reach to other recipes, traditionally not made with Basmati Rice, so that larger people can try this wonderful grain.”

**Chef  
Nishant Choubey**



“The texture of the rice is outstanding and it mingled like harmony with South East Asian flavours.”



# DIFFERENT MARKET. DIFFERENT STRATEGY.

REGION	DOMINANT/ PREFERRED MARKETING MEDIUM	KRBL'S STRATEGY
GCC	Television	<p>Focus on growing our television media presence by actively associating with big television shows like Bigg Boss for raising the product awareness</p> <p>Worked with content integrators and social media influencers to build frequent and engaging social and digital media content. Leveraged through various OTT platforms to reach a wider audience</p> <p>Focus on growing the mid segment brands such as Nur Jahan</p>
Africa	Television	<ul style="list-style-type: none"> <li>• Focus on enhancing the annual festive ATL drives</li> <li>• Attract and engage with retailers through different promotional activities</li> <li>• Associate with bulk suppliers such as large cash and carry outlets</li> <li>• Introduce India's regional rice varieties under KRBL's branding to gain mind share</li> </ul>

The different health campaigns helped encourage residents to make informed food choices and adopt responsible eating habits.

The underlying message of health through healthy eating influenced consumers and the public-at-large to adopt responsible habits. The uptick

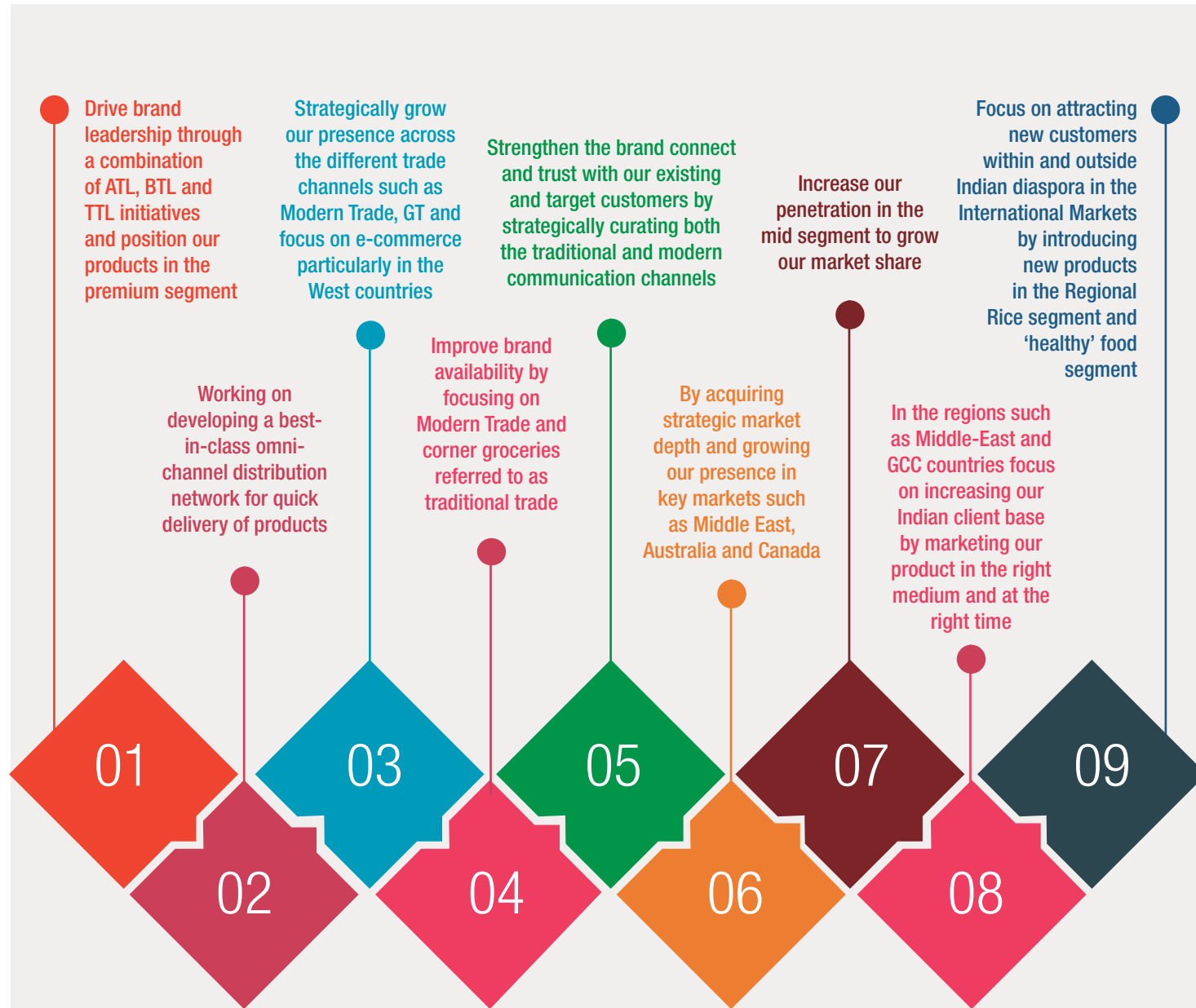
on our range of health foods: Quinoa, Chia Seeds, Flax Seeds and Sprouted Brown Rice was a direct outcome of this approach. As indicated earlier, we will extensively adopt sharp-focused, influencer led and direct-to-consumer methods on digital platforms as a key aspect of our brand and sales agenda.

To grow our presence in the International Markets, we intend to focus on building our digital media outreach to customers, regularly associate with digital media influencers across different platforms and grow our brand visibility in key international events.

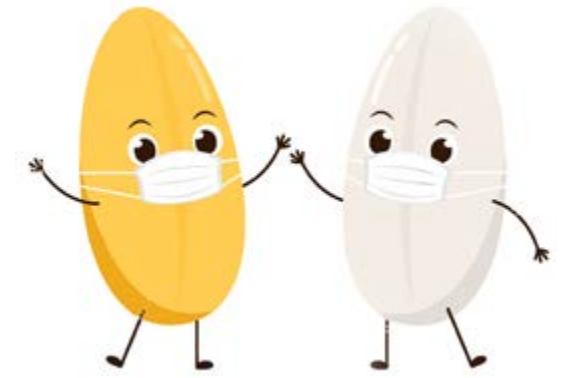




## BECOMING THE WORLD'S MOST LOVED BASMATI RICE BRAND



## CONNECTING WITH OUR CUSTOMERS IN PANDEMIC



The COVID-19 pandemic is a watershed event. It has been unprecedented and unpredictable, and has impacted human lives in ways that most of us couldn't even imagine. The years, 2020 and 2021, witnessed a virtual dismantling of established structures, businesses and socio-economic systems. From an acute shortage of medicines and vaccines to mass unemployment, the global economy has been in relentless decline with many countries plunging into economic crises and recessions. COVID-19 triggered one of the deepest health and fiscal crises in nearly a century. The 2008 financial crisis had demonstrated effects of reduced income and uncertainty which compelled people to spend less which led to shrinking demand. Sales declined and so was the goods' production.

Despite pandemic challenges, the short-term outlook of the Indian Basmati Rice industry remained stable. In the medium term, demand prospects from key destinations are expected to play

a significant role and determine trade prospects. Food demand is generally considered to be inelastic and its effects on overall consumption are most likely to be limited, although dietary patterns may alter in a narrow range. Against this backdrop, we always believed that once the crisis is over, we will see a recovery like no other parallel. In the case of this pandemic, there has been a significant increase in the demand for packaged rice, as more and more people were concerned with the hygiene and safety of edible items. Despite the different positive measures undertaken by the governments, high uncertainty remains with both upside and downside risks. On the upside, better news on vaccines and treatments, and additional policy support can lead to a quicker resumption of economic activity. On the downside, further waves of infections can reduce mobility and spending.

Under the current situation, product marketing and branding activities are expected to predominantly highlight

hygiene, safety standards and trust. With the overall positive sentiment amongst consumers and channel partners as well as legacy credentials, our product sales remained robust. We changed our approach during the pandemic, and it helped us to connect with the customers. Our approach also helped us find greater resilience and adaptability.

As the conventional sales and marketing channels were impacted and consumer buying/eating behaviour shifted, trends such as home-cooked meals worked well. This also promoted family togetherness. Social media saw the new home chefs and YouTube Chefs promoting KRBL items.

The lockdown ensured that more members of a family taking interest in cooking activities. Bucking this trend, professional chefs witnessed a steady rise in their followers and viewers across different media platforms. Good quality and highly talented freelance chefs were available at much cheaper price points. Many pop-





# NUMBERS AMPLIFYING INDIA GATE'S DOMINATING PRESENCE IN THE KEY GCC MARKETS

Since inception, KRBL has incrementally created a highly differentiated and distinct persona for its brands. This has been achieved through a multiplicity of factors, prominent among which has been a conscious practice of creating brands with the consumer as central and with adapting to the consumer to such a degree of detail that each brand appears highly personalized and

intrinsically integrated. Proof point of this lies in the fact that India Gate and Nur Jahan are considered local, home-grown brands by consumers (which to an extent they actually are). The common denominator to all its brands is KRBL's overarching reputation built on consistent excellence for all stakeholders through reliability, quality, fiscal strength and integrity.

up kitchens also got the opportunity to make small quantities fresh and healthy at their homes and supply foods to nearby homes and offices in clean, safe and hygienic packaging. It is not that it never happened before, but many of such pop-ups are likely to spring up. Online feedbacks, ratings, Instagram posts, and food bloggers are very important in the new milieu. This translated into a wider canvas for cooking, fusion cuisine and for finest ingredients including rice which is center-stage. Alongside all this, branding will convey quality. More than ever before, accumulated brand equity will enhance customer re-assurance and reinforce loyalty. Direct consumer connect and robust as well as adaptable distribution are necessary. The one trend which saw acceleration during the pandemic was the trend of increasing health awareness and a renewed focus on healthy foods.

From a strategic perspective, we moulded ourselves to the new buying/eating

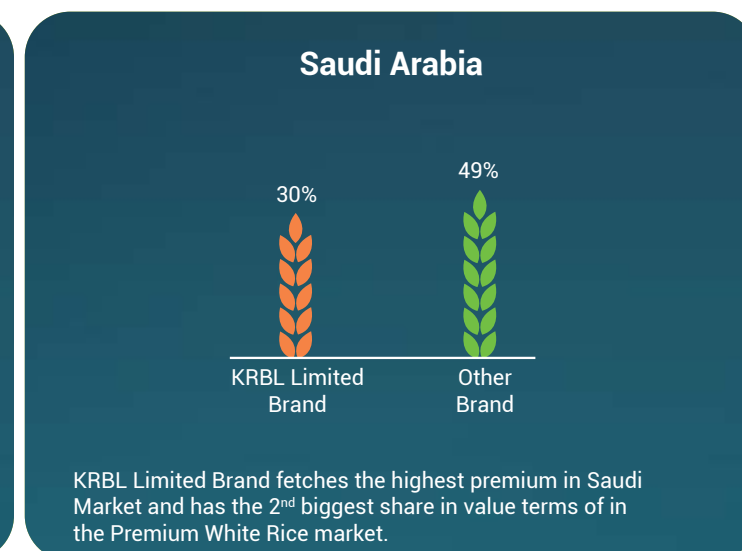
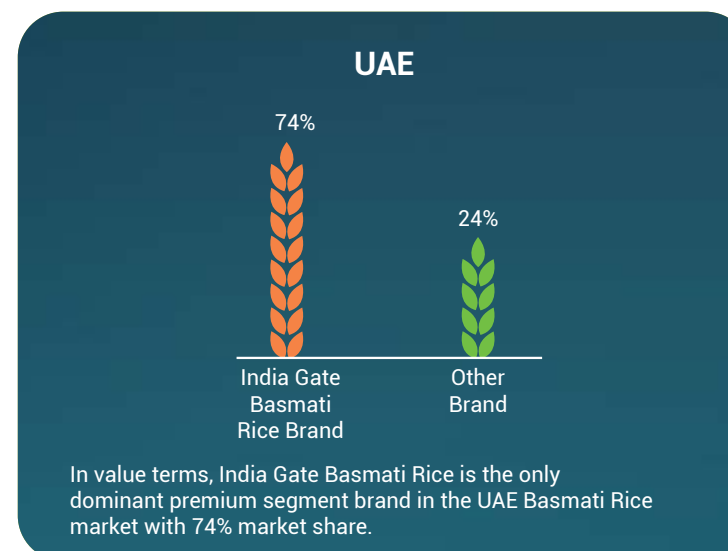
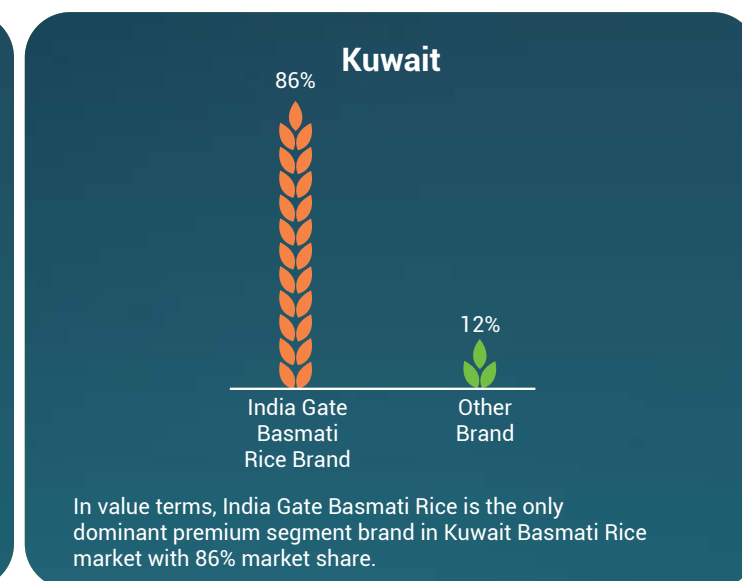
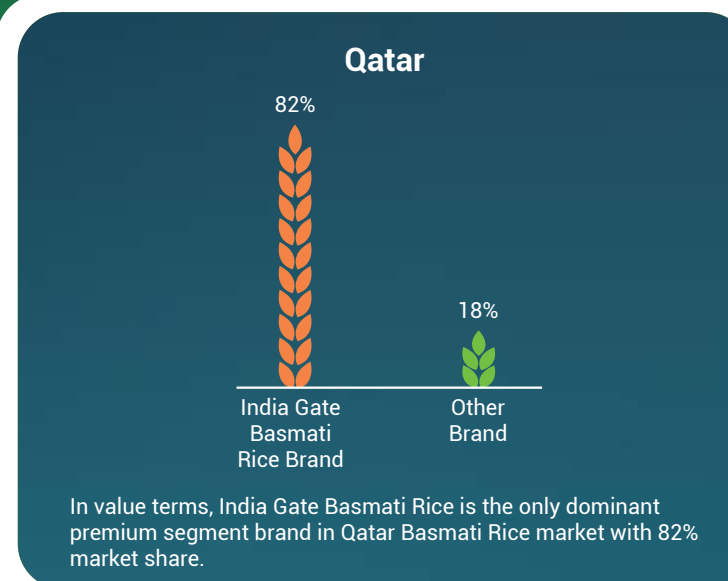
behaviors and drove greater, more direct and personalized consumer connection.

We created the extended share of mind and heart, drawing from our established credentials of brand familiarity best-in-class quality and unparalleled trust. Our marketing communications demonstrated innovative ATL, BTL, and TTL mediums. Our distribution channels underpinned this with bespoke solutions of consumer access to the product. This approach rested on refreshed consumer insight and buying behaviors with a heightened focus on safety, health and quality. In the new paradigm, we embraced technology platforms, leveraged social media and tweaked our brand tonality to personalized nuance. Besides safety, health and wellness have come center-stage with the pandemic. We collaborated with the well-known Dr. Dana Al-Hamwi, a distinguished and very popular dietician in the UAE and the GCC states. Her knowledge and art led cooking ideas and recipe suggestions that

comprehensively addressed nutrition, taste and versatility of cuisines and they were very well received. To expand the flagship India Gate brand, we introduced a new product range – Health Foods: Rice Bran Oil, Amaranth. Within the rice segment, we diversified further and customized to Idli Rice and Jeerakasala.

Above and beyond the pandemic, transcending the new trends in consumer behavior, our response to the challenge has been not only effective and durable but is also added intrinsic value. The brand as well as the business are stronger, safer and more sustainable than before. This reinforcement aided by a product and marketing refresh has created ground to build on and deliver incrementally greater stakeholder value.

## Market Share (%) in Premium Basmati Rice Segment in Middle-East Countries



(Source: AC Nielsen Middle East - Period ending January 2020 - December 2020)

# KRBL'S INTERNATIONAL HEALTH BRANDS PORTFOLIO

Leveraging the brand strength of India Gate, the Company introduced its 'Health Food' segment across its international markets in 2016 and since then has been regularly introducing new products in this segment keeping in mind the changing tastes and preferences of its customers. In FY21, KRBL introduced 2 new products in its 'Health Food' segment.

## HOW DOES THIS FORAY INTO THE 'HEALTH FOOD' SEGMENT BENEFIT THE COMPANY?

From being a renowned branded Basmati and Non-Basmati Rice manufacturer and exporter to expanding our presence in the health food segment is in line

with the Company's dedicated effort to map and match the evolving consumer needs and preferences. With rising health consciousness amongst the different consumer groups, the demand for healthy dietary staples is on a rise.

This is helping us in further developing our portfolio, which in turn is expected to

increase our reach and market penetration. Further extension in this segment helps us strengthen our margins by growing our wallet share and kitchen share within the existing customer base while attracting new health-focused customers. It also helps improve the brand image and strengthen KRBL's premium position in the market.



## INDIA GATE BASMOLA RICE BRAN OIL



KRBL has forayed in healthy cooking oil segment with its high-quality rice bran oil. Known as 'heart oil' in Japan, Rice Bran oil is a 'healthy' edible oil extracted from the oily brown layer of brown rice known as Rice Bran. Free from trans-fats, the oil contains vitamins, antioxidants and nutrients along with a balanced fatty acid composition and is considered a 'healthy lifestyle choice' in many of our key international markets.

This golden yellow, odorless and mild flavored natural cooking oil can make food tasty and healthy enough for each age group. Also, the smokey flavor and non-sticky attribute of this oil can enhance the delicious taste of the fried edibles. The poly and mono-unsaturated fats available in this bran oil do not increase blood cholesterol, so consumers get a health-friendly option to make it an essential part of their kitchens.

Introduced across our international markets in 2020, the product aptly complements of 'Healthy Food' segment.

### Health benefits of India Gate Basmola Rice Bran Oil:

- Cholesterol lowering oil to improve HDL/LDL ratio
- Balanced PUFA/MUFA ratio
- Balanced Fatty Acids
- Tocotrienols & Phytosterols have anti-cancer properties
- Squalene is available to improve skin tone and delay wrinkle formation
- Vitamin E to improve nervous system
- Natural antioxidant properties
- Ferulic acid to stimulate hormonal secretion

## INDIA GATE AMARANTH

In the health supplement segment, KRBL launched Amaranth for the larger age groups who are looking for healthy and tasty foods and that can be cooked in short time. One of the best protein sources for the Vegans, Amaranth is an ancient grain and has been harvested for more than 8,000 years. Although the grain gained recent popularity owing to its health benefits, this ancient grain has been a dietary staple in certain parts of the world for millennia.

The high nutritional properties in this edible product are kept intact from procurement to packaging process. One can use puffed Amaranth in yogurts and salads or use it to make Rajgira Laddu.

Launched in the international markets in 2020, Amaranth not only complements KRBL's growing "Healthy Food" portfolio

but also helps cater to the changing preference of our customers.

### Health benefits of India Gate Amaranth:

- An excellent source of Copper, Magnesium and Manganese to maintain connective tissues
- Increases metabolism and improves muscle function
- It also has Zinc, Calcium and Dietary Fibers to improve overall health
- Available iron helps build red blood cells
- It has phosphorus that helps in the formation and maintenance of bones and teeth and energy metabolism



## INDIA GATE JEERAKASALA RICE

KRBL introduced a premium range of Jeerakasala rice under the brand India Gate. It is an exquisite variety also known as 'Kaima rice' or 'Jeera rice' short grain that possesses a peculiar aroma imparting a distinctive taste.

India Gate Jeerakasala rice is aged like Basmati and its the most popular aromatic rice, after Basmati, amongst Southern Indian consumers. Every pack of Jeerakasala rice is precisely tested before delivering to end users.

Known for its diverse identities in different parts of the country – Ambemor in

Maharashtra, Gobindobhog in Bengal, Jeera Samba in Tamil Nadu & Kaima rice in Kerala, the rice variety is highly popular in their respective regions. Selected from the best harvest of the region after stringent quality tests, India Gate Jeerakasala rice truly resonates with the quality standards of India Gate and ensures the customers of its authentic taste.

Introduced in the international markets in FY21, it adds value to KRBL's Non-Basmati Regional Rice segment and helps build KRBL's presence in the Non-Basmati Rice segment in some of its key international markets.



## INDIA GATE IDLI RICE

Made from the finest grain from the selected region, for authentic taste and mesmerizing aroma, India Gate's Idli rice is a short and thick rice grain used for the preparation of some traditional South Indian delicacies such as idli, dosa, puttu, appam, idiyappam, and pathiri.

Introduced in KRBL's international markets such as the Middle-East and the GCC countries in FY21, India Gate's Idli Rice helps the Company cater to the growing South Indian population in the aforementioned regions. Further, it helps the Company garner a higher wallet share from the existing Indian diaspora in the region.





## INDIA GATE SPROUTED BROWN RICE

### Sprouted Brown Basmati Rice has potential nutrients:

India Gate's germinated brown rice (GBR) is naturally produced by germinating grains that contain key nutrients to improve your health. The rice embryo is sprouted under suitable environmental conditions to

keep its nutritional value intact. The germination process precisely involves soaking, germination and drying of grain.

### Benefits of Sprouted Brown Basmati Rice:

Key nutrients available in sprouted brown rice can

improve metabolism for digestion and absorption. It has enhanced GABA (gamma amino butyric acid) content (~ approx. 12mg/100g). The better palpability of this rice makes grain easy to chew and digest, and grain hydration provides additional benefit of quick cooking.



## INDIA GATE QUINOA

### An excellent source of Dietary Fiber, Thiamine, Manganese, and Selenium

- Thiamine releases energy from carbohydrate and aids normal body growth
- Manganese contributes to the formation and maintenance of bones and is an energy booster
- Selenium has antioxidant properties, and it protects from oxidative stress

### A good source of minerals like Magnesium, Zinc, Iron and Phosphorus

- Magnesium is helpful in energy metabolism, tissue formation and bone development and it contributes to normal muscle functioning
- Iron helps build red blood cells

### A source of Riboflavin, Niacin, Vitamin B6, Pantothenic acid, and Vitamin E

- Riboflavin is a factor in energy metabolism and tissue formation
- Niacin works well for energy metabolism and tissue formation
- Vitamin E is a dietary



antioxidant that protects fat in body tissues from oxidation

- Vitamin B6 is a factor in energy metabolism and tissue formation
- Pantothenic acid (vitamin B5) is concentrated in the outer bran layer of rice, and it is an essential nutrient and works as a dietary supplement



## INDIA GATE FLAX SEED

### An excellent source of Dietary Fiber, Copper and Thiamine

- Copper contributes to the maintenance of normal connective tissue
- Thiamine releases energy from carbohydrate and aids normal body growth

### A good source of Magnesium, Selenium and Manganese

- Magnesium boosts metabolism, tissue formation, bone development and improves normal muscle function
- Manganese can enhance the formation and maintenance of bones and is a factor in energy metabolism

- Selenium has antioxidant properties that can protect against oxidative stress

### A source of Omega-3 Fatty acids, Iron, Zinc, Vitamin B6 and Niacin

- Iron helps in building red blood cells and is a factor in red blood cell formation
- Vitamin B6 works as an energy metabolism and helps in tissue formation
- Niacin helps in releasing energy from carbohydrate



## INDIA GATE CHIA SEED

### An excellent source of Copper and Dietary Fiber

- Copper contributes to the maintenance of normal connective tissue

### A source of Omega-3 Fatty acids, Calcium, Magnesium, Zinc, Selenium, Iron, Thiamine

- Calcium aids in the formation and maintenance of bones and teeth

- Iron helps build red blood cells
- Magnesium boosts energy metabolism, tissue formation and bone development
- Zinc helps in maintaining normal skin, contributes to the normal function of the immune system
- Selenium a dietary antioxidant involved in the formation of a protein that protects against oxidative stress
- Thiamine releases energy from carbohydrate and aids normal body growth





# BUSINESS SEGMENT REVIEW

Amidst an unprecedented, unpredictable, evolving pandemic all traditional channels of marketing communications like trade shows, special events, promotions were deferred. The answer lies in leveraging technology. This has been the trigger of our


refreshed approach to marketing communications in international markets. Even as we gradually return to calibrated conventional communications channels, the digital space has come to occupy a distinct and disproportionate space.

## KEY PERFORMANCE HIGHLIGHTS FY21



### Turnover

- Revenue from operations for FY21 stood at ₹3,992 crores
- Domestic sales for FY21 stood at ₹2,095 crores
- International sales for FY21 stood at ₹1,897 crores
- Inventory for FY21 stood at ₹2,964 crores, increased by 4%



### Profitability

- Achieved an EBITDA margin of 21% , increased by 130bps
- Achieved PBT margin of 19%, increased by 191bps
- Achieved highest ever PAT of ₹565 crores, PAT margin stands at 14%
- Achieved highest ever EPS of ₹23.74

## SEGMENT I

### Domestic Agri-division

Being an industry leader in the domestic organized Basmati Rice segment, KRBL has a deep understanding of the Indian rice market. Keeping in mind the changing preference of Indian customers, KRBL periodically introduced an innovative product range at an attractive cost and convenience packaging to meet the varied need of our diversified customer base. This strategy has helped the Company thrive across several economic, market and preference cycles. The different super brands of the Company continue to account for a sizable mind cum market share in addition to India Gate being India's largest exported Basmati Rice brand.

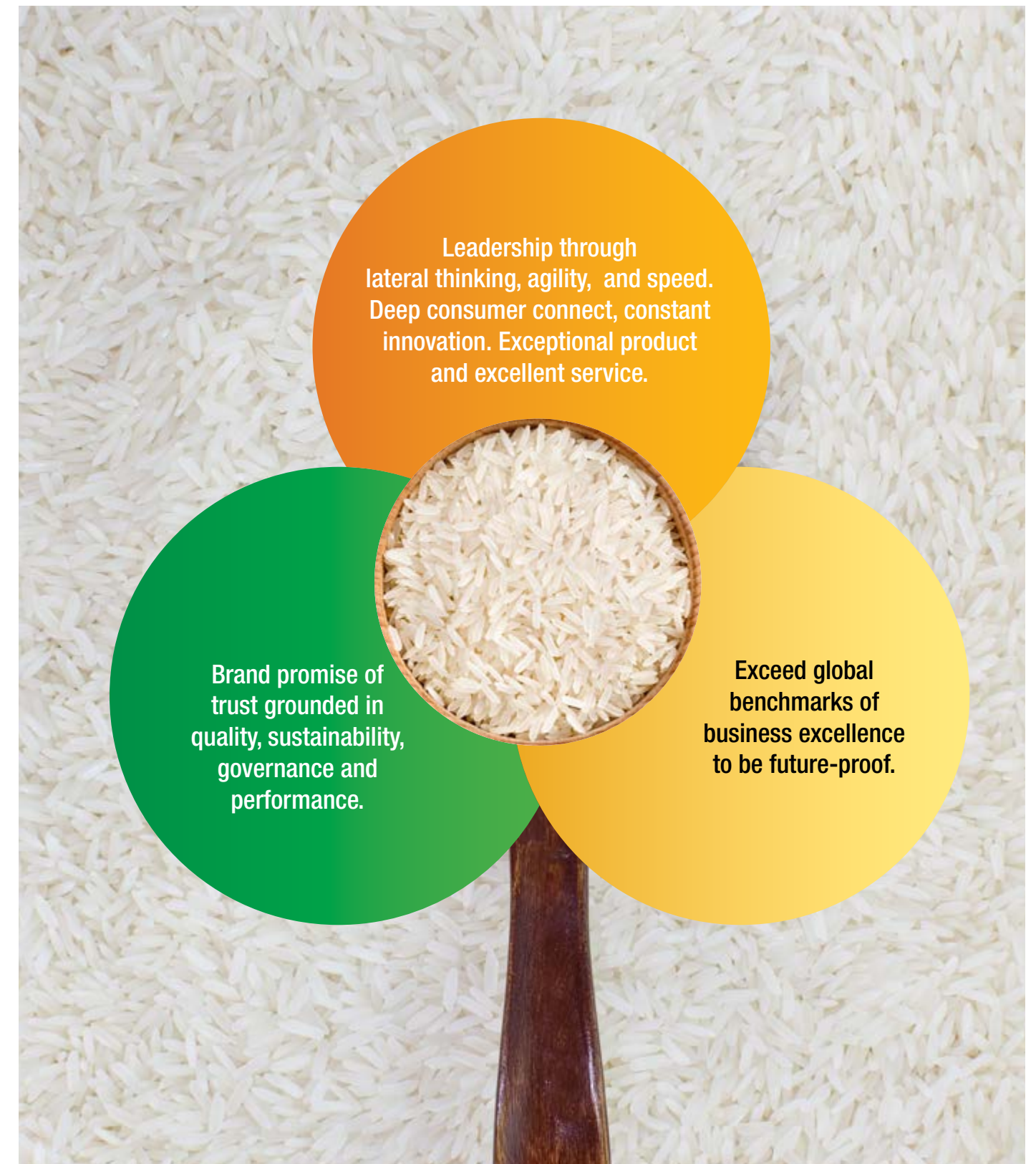
FY21 has been a challenging year on many accounts. Lockdowns, containments, restricted vehicle movements and record contraction of the economy in the first two quarters showcased the devastating impact of the pandemic and persisted as an impediment to the normal way of serving our consumers. At KRBL we responded to this situation with agility to continue serving the needs of our customers through our consumer-first philosophy. We undertook several decisive measures during the year such as, focus on growing our retail

penetration with innovative consumer packaging of 1 kg and 5 kg pack, the introduction of new nutritionally superior products in the health food and Non-Basmati segment and enhancing our e-commerce collaborations to boost our sectoral dominance.

Despite sectoral headwinds in FY21, our branded Basmati Rice business performed through the year to deliver impressive growth on the back of sustained consumer-centric innovation, brand building and market connect activities.



## KRBL'S STRATEGY FOR GROWTH





### STRENGTHS OF OUR DOMESTIC BUSINESS

**Legacy:** The principal strength of the Company's Domestic agri-business is its century old legacy, which has made its brands virtually a generic name in many markets. The Company's products are valued for a superior price-value proposition, rich taste, strong aromatic features and high nutritional value, translating into market leadership.

**Household 'Power' brands:** KRBL has 15 brands across different price points and package sizes. Most of these brands are household names and many of them are preferred brands in their respective categories. Power brands such as India Gate and Unity have been market leaders in their respective market segments for several years now.

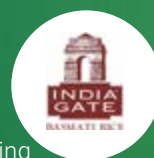
**Strong consumer connections:** KRBL has been able to create a strong connection with its consumers through effective communication, strong community reach and delivering a superior consumer experience.

**Deep-rooted network:** KRBL has built a strong distribution network in the domestic market, which enables the Company to reach out a wide range of retail customers. Further, the Company has tied up with the different delivery partners and retail chains in the domestic market. This has enabled KRBL to make its products readily available in the key markets in a quick time.



### KEY BRANDS IN THE DOMESTIC MARKET

#### India Gate



India Gate is currently India's largest selling packaged rice brand. Taking inspiration from the parental legacy of more than 130 years, the brand has always stood up for its native image, highest quality products and the most diverse product portfolio in Rice Segment. Currently the brand operates with over hundred SKUs uniquely catering to various consumer requirements with a fulfilling promise of unmatched quality and service.

#### Unity



KRBL's number two brand in the packaged Basmati Rice in the broader Basmati Rice segment. KRBL has positioned its Unity brand as a brand of choice for the price-conscious customer and recently introduced a massive consumer pack range to answer both retail and consumer requirements.

**20%** value contribution of Unity to the overall portfolio





## KEY BUSINESS TRENDS OBSERVED IN FY21

### INCREASED HOME COOKED FOOD CONSUMPTION

Most of us were forced to stay indoors for the most part of last year, therefore reliance on homemade food grew exponentially. This in turn witnessed a rise in home chefs and cloud-based kitchen trends in 2020 and 2021. Resulting in increased demand for FMCG companies.

### INCREASE IN ONLINE GROCERY SHOPPING

The pandemic has made India's online grocery shopping utility- driven, with ~80% of those who purchased groceries online during the nationwide lockdown in 2020 did so for convenience rather than price or selection. In the wake of the upcoming waves of the pandemic, e-grocery platforms are seeing a substantial uptake as consumers seek safe and convenient shopping channels. The e-grocery market in India is projected to grow at a CAGR of 8% to reach \$850 million by 2025. Groceries account for 66% of the total retail spending in India.

### PACKAGED & HYGIENIC PREFERRED OVER LOOSE

The Covid struck 2020 and 2021 witnessed a major shift in the consumer buying patterns, wherein more buyers preferred packaged food products over loose. The advantages being, there is limited human contact with the products inside the packets. Also, the packets could be easily sanitized at home. Packaging makes the transportation of products easier.

### TRUST ON ESTABLISHED BRANDS FOR QUALITY

Along with a shift from the loose and unbranded, the Indian FMCG industry witnessed a growing preference for affordable yet branded products with quality certifications. The industry witnessed a tremendous increase in demand for branded FMCG products that are affordable, available in smaller packs and mainly cater to Tier II and III cities.

### GROWING PREFERENCE FOR HEALTHY FOODS

2020 and 2021 witnessed a growing number of Indians are preferring dietary changes over going to a gym or fitness centre to improve overall health, immunity and lower stress and anxiety levels. Consumers are making a conscious choice of shifting to healthy products.

## KEY BUSINESS UPDATES, FY21

1. Consumer pack segment showed persistent growth throughout the year backed by a strong brand image, rising customer preference for branded products and retail demand
2. KRBL recorded highest ever sale of consumer pack segment with a 7% increase from last FY, amounting to ₹821 crores
3. Consumer pack segment recorded a 13% increase in general trade volume and 9% in modern trade volume
4. Enhanced market share in the consumer pack modern trade segment, both in the offline and online mode
5. Reinforced India Gate Classic's occasion special positioning during festivals to boost sales
6. Focused on region and targeted specific promotion activities across different digital platforms and through different influencer (community-based) activities
7. Extended support to the distributors and retailers in terms of aggressive trade schemes to boost sales
8. Strengthened retailer pull through special price schemes in trade
9. Recorded 9%, 13% and 16% sales volume growth in the premium, daily and health food segment respectively



## CONSUMER PACKS (1 KG & 5 KG ONLY)

Focusing majorly on catering to the retail customers of the nation, KRBL's consumer pack segment had an eventful year as it recorded its highest-ever sales in FY21. Lead by the iconic brand India Gate, the consumer pack segment witnessed strong growth in FY21 on the back of rising home-cooked food consumption, of rising penetration of the e-grocery segment and growing preference for branded and hygienically packed products over the loose and unbranded ones.

India Gate's innovative positioning and packaging strategies, coupled with superior quality (aged rice, longest rice grains and exotic tastes), has underlined KRBL's dominance in the Indian market. Our presence across the value chain (from premium to mass) enabled us to serve a diverse range of customers in the consumer pack segment. Further, we reinvented our packaging strategy for key brands such as India Gate Classic and Unity to resonate with the changing customer preference.

In FY21, the consumer packs premium segment witnessed 9% growth in volume, whereas the daily segment recorded a 13% growth. The highest gainer within the consumer pack segment is the health food segment, which grew at 16% during the year. The launch of two new products India Gate Flax and India Gate Chia Seeds, boost the demand for food items that have high health and immunity benefits and easy availability. All of our products are available through different trade platforms such as modern, convenient and online sites, which helped our health food segment gain traction in the market.



## LARGE PACK SEGMENT (10 KG & 25 KG)

### Mass favourite 10 Kg pack

Rice being the staple diet in most parts of the country, the demand for rice has seen steady growth over the years with the rising population. But, over the years we have witnessed a change in the demand pattern. With rising affordability, more consumers especially in the retail segment started preferring Basmati Rice as a part of the regular diet. These consumers have played a key role in driving the sales of the mass favourite 10 Kg pack. These packs are mainly contributed from the north and west zones of India where Basmati has become a daily consumption staple product. This mainly consists of the broken Basmati range which attracts price-conscious customers from lower strata of the society. As this segment contributes to almost 65% of the overall population share, the opportunity is immense as KRBL continues to provide the best quality products at competitive prices.

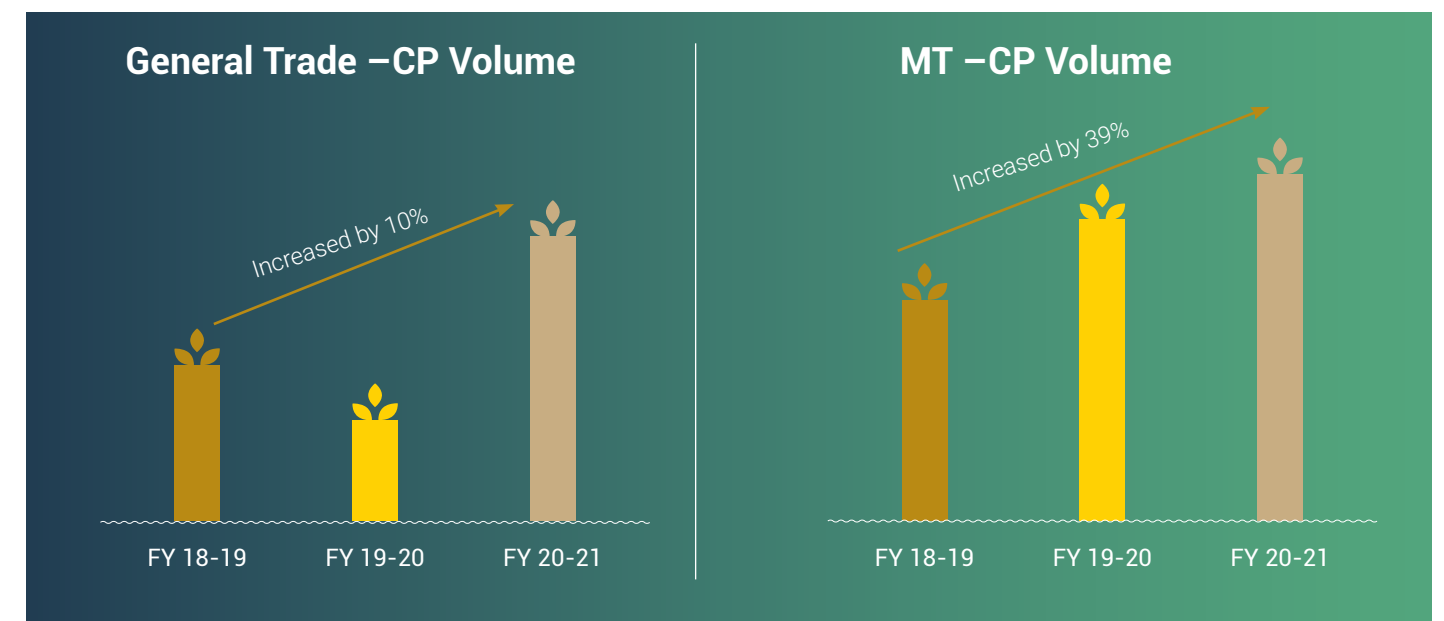
### 25 Kg institutional pack

A dedicated and well-strategized segment, KRBL's bulk packaging segment is aimed at servicing the needs of institutional clients like hotels, restaurants caterers and other large buyers such as joint families and cultural communities.

Focused on showcasing the distinct features of its products, KRBL offers a wide range of product varieties to its clients. Its ability to position quality products across different price points has enabled it to enhance brand equity.

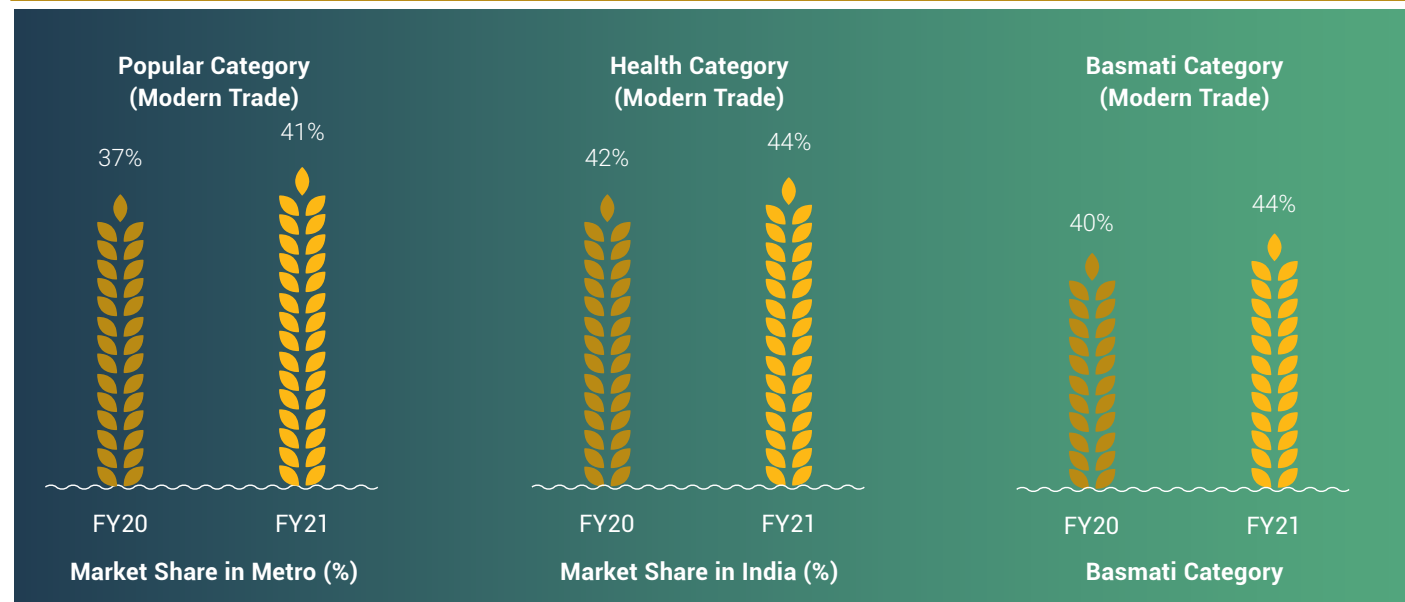


## GROWTH OF CONSUMER PACK SALES ACROSS DIFFERENT TRADE CHANNELS

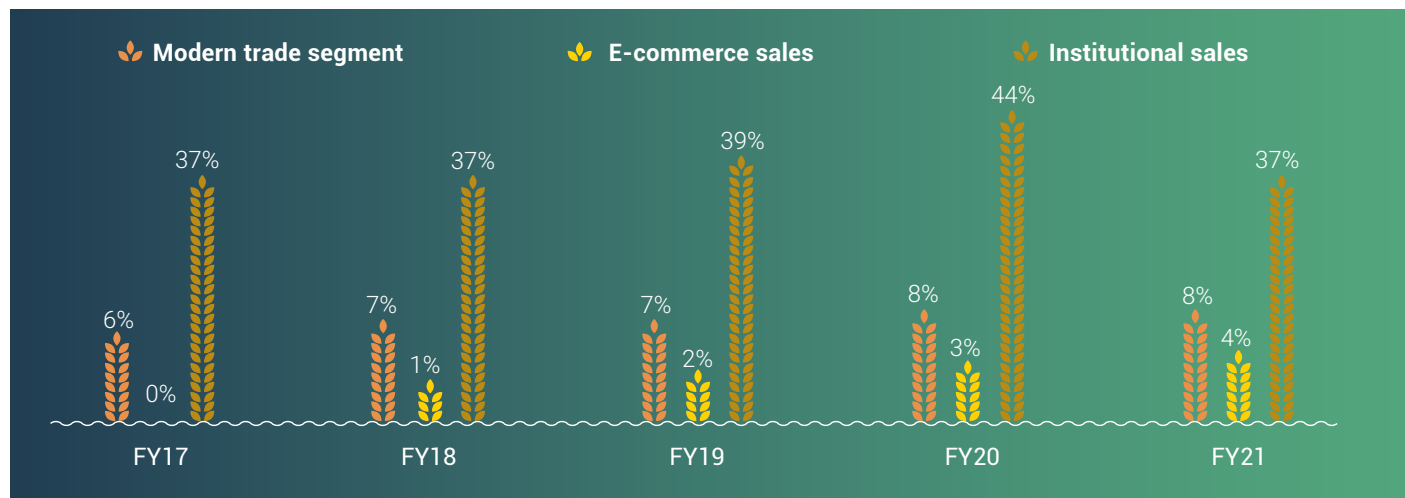




### GROWTH OF CONSUMER PACK MARKET SHARE ACROSS DIFFERENT CATEGORY



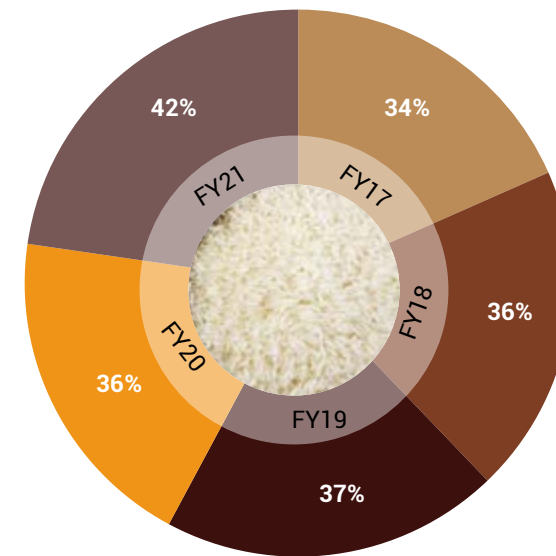
### ORDER BOOK COMPOSITION (IN %)



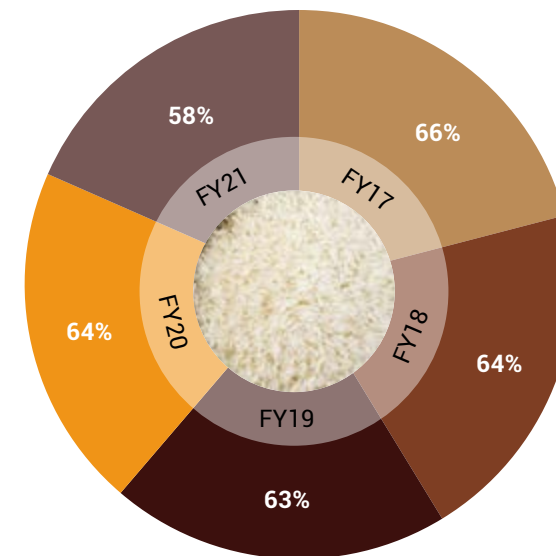
### UNITY BIRYANI BASMATI RICE

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

### CONSUMER PACK SEGMENT



### BULK PACK SEGMENT



### MODERN TRADE

In FY21, KRBL's modern trade distribution channels have maximized presence across India.

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

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

- India Gate's Modern Trade Volume Share, FY21 – 44%
- India Gate's Modern Trade Value Share, FY21 – 44%
- India Gate's growth, FY21 – 400 Basis Points (market share growth)

### SPECIALITY RANGE PREMIUM PRODUCTS

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

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

## E-COMMERCE PRESENCE

Adjusting to the new normal, the biggest gainer has been the Indian e-commerce industry with India's e-commerce industry is estimated to clock US\$ 55 billion in sales during 2021 with the addition of 40 million new online shoppers. Increasing internet penetration and rising digital maturity along with developing infrastructure have helped boost online transactions. Further impetus to the segment was provided by the lockdown, fear of future COVID waves, last-mile delivery facility and the convenience of ordering from the comfort of one's home. This is likely to help the established FMCG players who already have a strong brand image. The new crop of Direct-to-Consumer (D2C) selling is expected to bolster the growth of the e-commerce segment further.

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

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

Widespread smartphone adoption and deep penetration of high-speed mobile internet connectivity have emerged as the catalyst for the e-commerce boom in the country, especially from the Tier II and Tier III cities. The onset of lockdown and a push towards digitization proved to be a blessing in disguise for the sector. As consumers resorted to online shopping, e-commerce became the backbone for supplying essentials to more than 1.3 billion people of India.

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

**₹73.87 CRORES**

E-commerce sales recorded in FY21, 49% growth over the previous year



## DOMESTIC INDUSTRY OUTLOOK

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

As we continue to strengthen our position as the market leader, we intend to double our retail presence in India in the years ahead and are likely to grow our revenues substantially in the consumer pack segment. While we continue to focus on enhancing our sales team and on active retailing, a great focus is being given to greatly enhancing our omnichannel presence. With omnichannel shopping becoming more and more pervasive, embracing these

trends effectively, promptly and comfortably can enhance our competitive positions. Further, we plan to constantly upgrade our distribution and supply chain network and re-frame our go-to-market strategies to ensure the ready availability of our products.

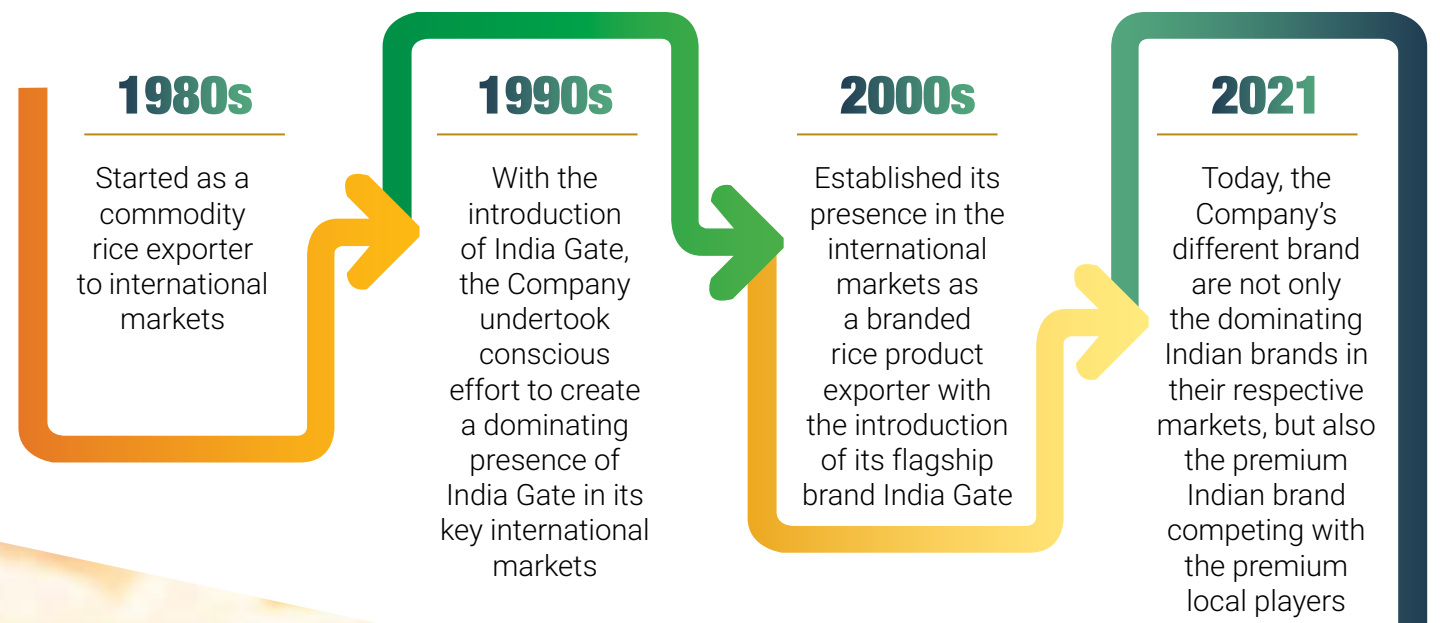




KRBL is the only Indian player to send packaged Basmati and non-Basmati Rice to the various international market. All of KRBL's export products are manufactured and packaged in India, thereby truly resonating with the Government's 'vocal for local' or 'Make in India' movement.

The Company also enjoys an enviable position in its key international market as a dominant premium Indian rice brand.

### STORY OF KRBL'S EVOLUTION IN THE INTERNATIONAL MARKET



### INTERNATIONAL BUSINESS OVERVIEW

KRBL is one of the largest exporters of Basmati Rice from India. Instrumental in popularising Basmati Rice to the world through its India Gate brand, KRBL has built a strong international presence and network in some of the major rice consuming regions of the world such as the Middle-East, Europe, Australia and South-East Asian markets. With a presence in more than 90 countries, today KRBL is the torchbearer for India in the international rice market.

With a strong presence in the Middle-East and the GCC countries, KRBL's international export business today contributes more than 48% to the overall revenue pie. Thereby depicting the importance of exports business in the overall business mix of KRBL. Over the years, KRBL with its different flagship products such as India Gate and Nur Jahan has evolved to become a brand which is synonymous with premium and quality Basmati Rice in the international market across different price points. Our strong global outreach as an agri-products manufacturer has helped us emerge as one of the largest Indian players in the branded rice business across the world. We pioneered and built India Gate, the world's finest Basmati Rice brand which retains a growing consumer love deeply set in product integrity, trust and experiential consistency. This flagship brand is supported by laddered brands across product specifications, target audiences and price points. In terms of market leadership, product versatility and mix as well as range, KRBL is unique on the world stage. The Company is credited with taking Indian Basmati Rice to the world, establishing its unrivalled unique characteristics and its distinct niche. Aided by the spirit of invested allyship and not just mere distribution channels, the Company and its brands have exponentially increased footprint to more than 90 countries in just two decades. This truly entails the story of KRBL, who has transformed a commodity into a brand and in the process has transformed itself into an FMCG lifestyle expression of not just product but delivered promise on metrics of safety, quality and nutrition.

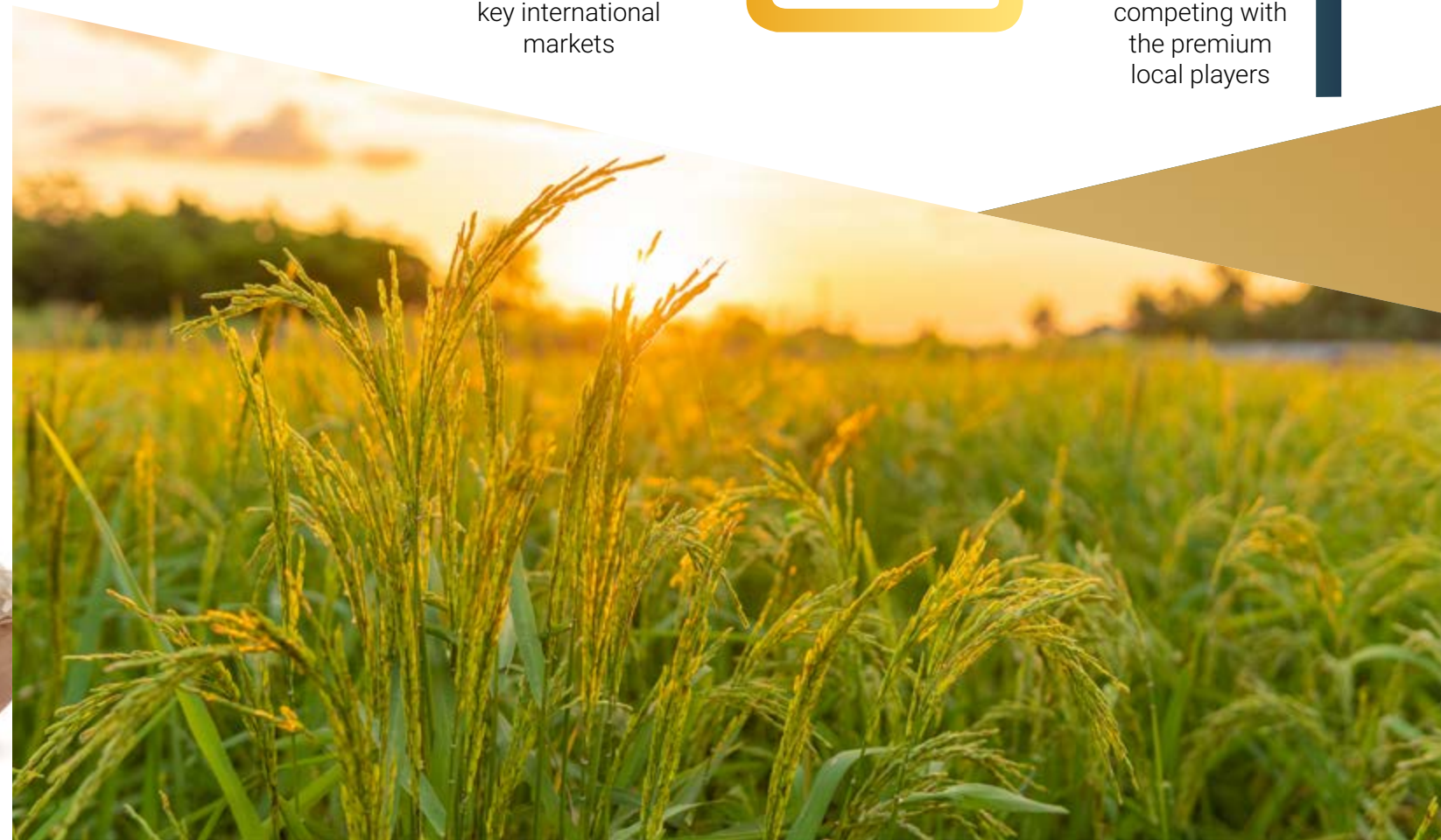
The overarching and constantly strengthening value proposition of KRBL's international presence continues to be built on reputation as a by-product of consistent excellence. Thus, KRBL today is a local Indian brand in some of its key international markets such as Qatar, Kuwait and UAE. This is grounded in highly consumer-centric approaches in each market and the endeavor to exist as an ecosystem for the consumer based on availability, accessibility and assurance of trust.

However, FY21 proved to be a completely different year for most of us for reasons already known. Despite being the number one brand in several key markets, we encountered challenges thrown up by the advancing pandemic. From limited availability of shipping containers to rising logistical cost, especially ocean freights, we were plagued by many such issues.

#### Key issues on supply chain that caused global disruption to the industry:

- Very widespread and steep shortage in shipping containers
- Exponential rise in ocean freight charges – ranging from 127% to 537%
- Substantial rise in the terminal charges ~55%
- Exponential Rise in the railway freight charges
- Limited availability of labour, resulting in higher labour cost
- Reduction of free days by shipping companies resulting in higher detention charges
- Levy of overweight charges by shipping line
- 150% rise in the shipping guarantee charges

Despite the logistic challenges, we ensured that our end products reached our distributors on time every time. We shipped approx 7000 containers, out of which a massive approx 1300 were during the complete lockdown of 2 months. This was a major feat considering major restrictions in transport and port movement.

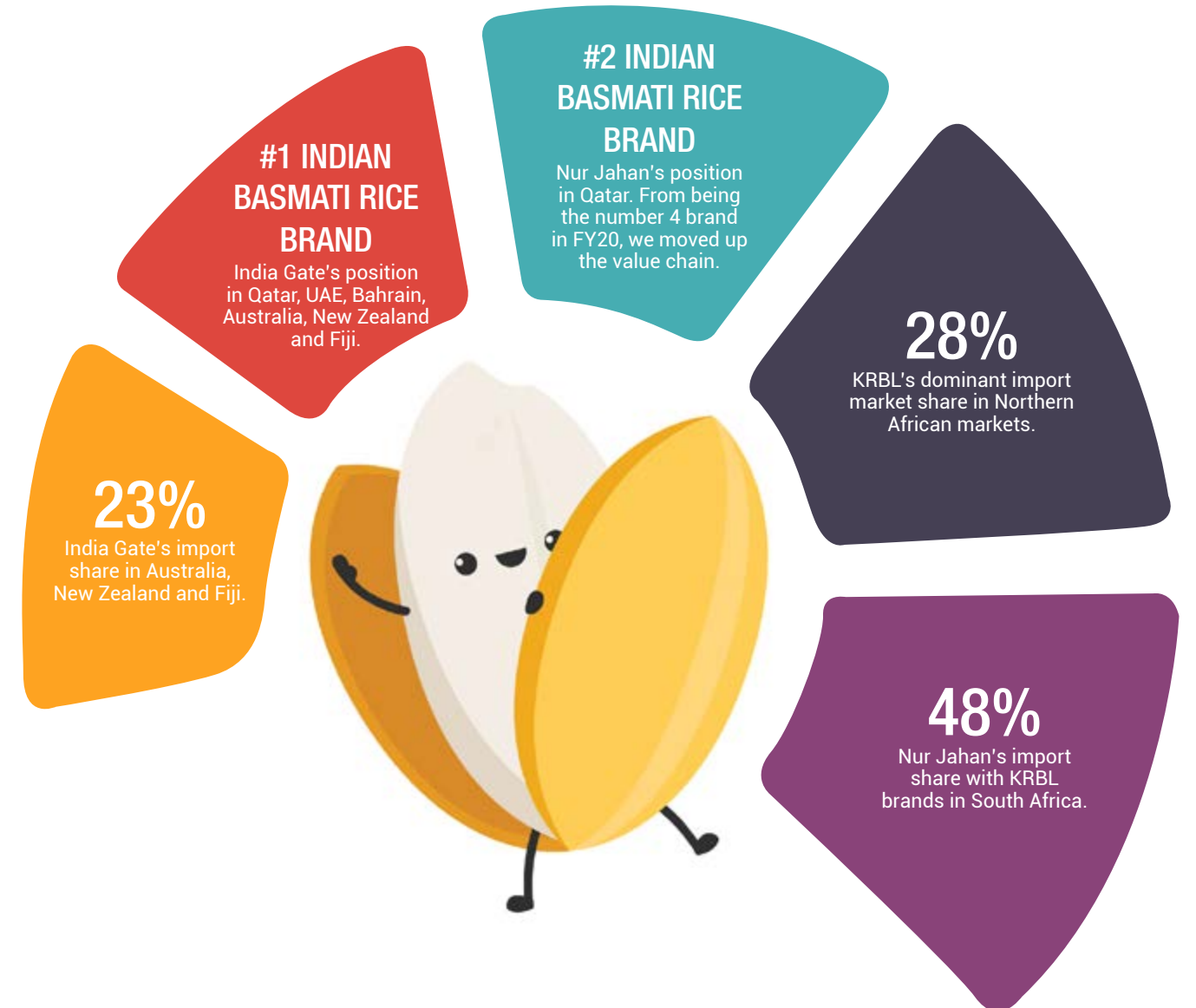


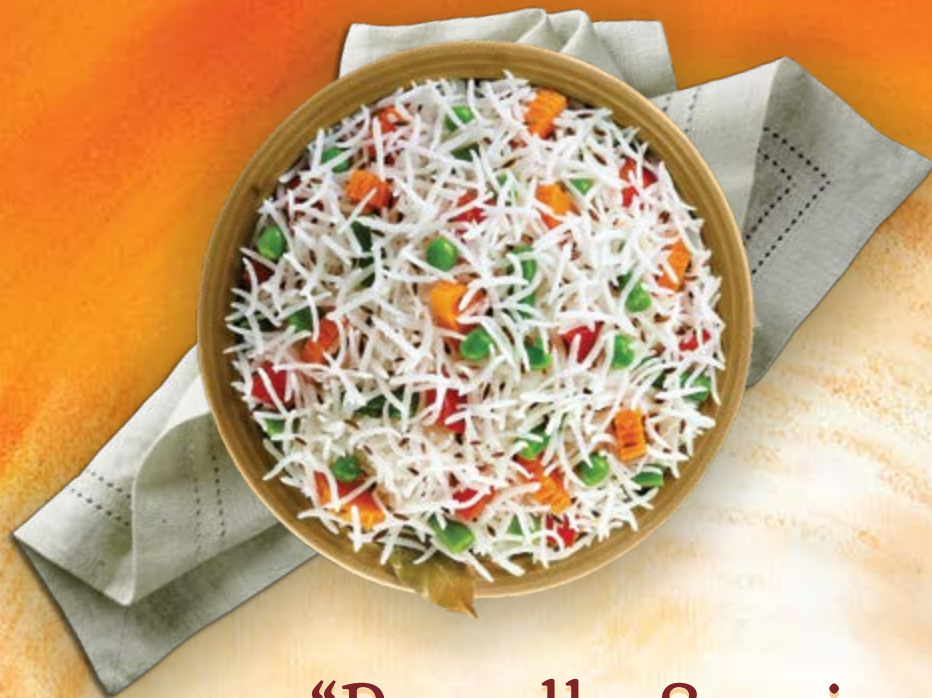


## QUICK FACTS THAT DEFINE KRBL'S POSITION IN THE INTERNATIONAL MARKETS



# REALITIES THAT DEFINES KRBL'S INTERNATIONAL PRESENCE





“Proudly Serving India to Dinner Tables Globally”



**KRBL LIMITED. MORE THAN JUST A RICE MANUFACTURING COMPANY. AN INDIAN MULTI-NATIONAL WITH A MULTI-SEGMENT OFFERING BASKET.**

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

Distinguished by many firsts, from the prism of international business it has the distinction of being the first and most admired Indian transnational company which has created an appreciation and a growing market for the GI tagged Indian Basmati Rice. A category and a brand created around the consumer and marketed in nuanced socio-cultural sensibilities globally, fine-tuned to occupy a preferred place and pride in consumer choice and consumer trust. KRBL continues to re-invent itself on every parameter of relevance in every market.







## HOW KRBL PROTECTED ITS CUSTOMERS AND CONSUMERS IN THE FACE OF THE PANDEMIC?

As a manufacturer and seller of an essential commodity, KRBL took the onus to help its customers and consumers when faced with the COVID-19 pandemic.

We ensured that our products were available to our consumers when they needed them the most. We delivered our products to our dealers, stockiest, and distributors on time. Dedicated inventory management and meticulous planning by the KRBL team ensured that despite the lockdown and other logistic challenges, our products are available at the local retail stores and departmental stores across our international markets.

Taking advantage of the situation many dealers, stockiest, and retailers resorted to price gouging. But at KRBL, we took a conscious effort to ensure that none of our distributors, stockiest, and retailers unnecessarily raised the prices of our products. Thereby, we ensured customer satisfaction and service.

We also changed our packaging from jute packing to polyethylene packaging keeping in mind consumer convenience, as it is more convenient for our customers to sanitize a polythene bag compared to jute.

## KEY STRATEGIES FOR GROWING OUR INTERNATIONAL PRESENCE

**Be more relevant to our customers:** We intend to focus on introducing an expanding portfolio of products that are relevant to the needs of our customers. We fine-tune these in all aspects to be the most relevant, most customized and therefore most preferred.

**Expand our presence:** Despite the logistical challenges thrown by this pandemic, our focus has been to increase our presence in newer geographies with the relevant products. We continue to strengthen our presence in the modern channels consisting of the big and renowned supermarket stores such as Woolworths, Coles Supermarkets, Costco, Countdown, and Walmart, etc. across different geographies while ensuring that we consistently grow our presence across different e-commerce channels. This ensures that we make our product available for the Indian population in different international markets as well as people of other or local ethnicity. Thus, we steadily grew our consumer base.

**Build on our leadership position:** Our focus would remain on building our leadership position or attain leadership position in the existing as well as new geographies with highly focused market approaches which are fine-tuned to best address each market. Looking at our current distribution structure, we will extend our reach across geographies.

**Focused go-to-market approach:** We will adopt a focused go-to-market approach based on the market requirement.

**Build our presence across different channels:** Along with the traditional trade channels, being a brand player our strategy has been to focus on modern trade including e-commerce, as a dominant market channel.

**Communicate effectively and widen customer base:** In the International Markets, we have a strong presence within the Indian diaspora but we believe it is time to go beyond that. To do so we enhanced our focus on creating a brand image and dialogue and brand trust across the modern modes of

communication. We associated with an entire ecosystem of influencers, chef celebrities and dieticians, who actually emphasised on educating our customers and helped them make an informed buying decision.

**Strategic diversifications:** Related product diversification has been an area of focus for us, it helps us gain kitchen share in the markets where we already have an established presence. In line with this strategy, we introduced many new non-rice products during the year with a premium positioning.

During the year, our international business contributed nearly 48% to the overall revenue pie. In terms of value, export revenue for FY21 stood at ₹1,897 crores. Also, there was a decline of ~9% or so in value sales for exports. Our flagship Basmati Rice brand India Gate emerged as the most preferred Indian premium brand in the Gulf region. India Gate is also a well-recognised brand in Australia and South-East Asian markets among others.

We stepped up our presence in new quality-oriented markets such as Japan and Korea and scaled up our import market share in these markets.

## ROAD AHEAD

With an established presence in some of the key international geographies, our focus would encompass a few selected strategic areas which are likely to drive our growth in the years ahead. We focus to increase the ratio of conversion of Non-Basmati Rice consumers into a Basmati Rice consumers by pushing the premium end of the market with a stable footing on the mid-range and value tiers. We constantly upgrade our distribution and supply chain network and re-frame our

go-to-market strategies. Also, we plan to use the different new-age technologies like sales force automation, big data analytics and advanced supply chain tools in taking KRBL to a whole new level.

We plan to increase our presence in some of the key markets such as Americas and the EU region. Quality and product regulations are very strict in these regions, as we continue to work internally to ensure that we exceed these stringent norms.

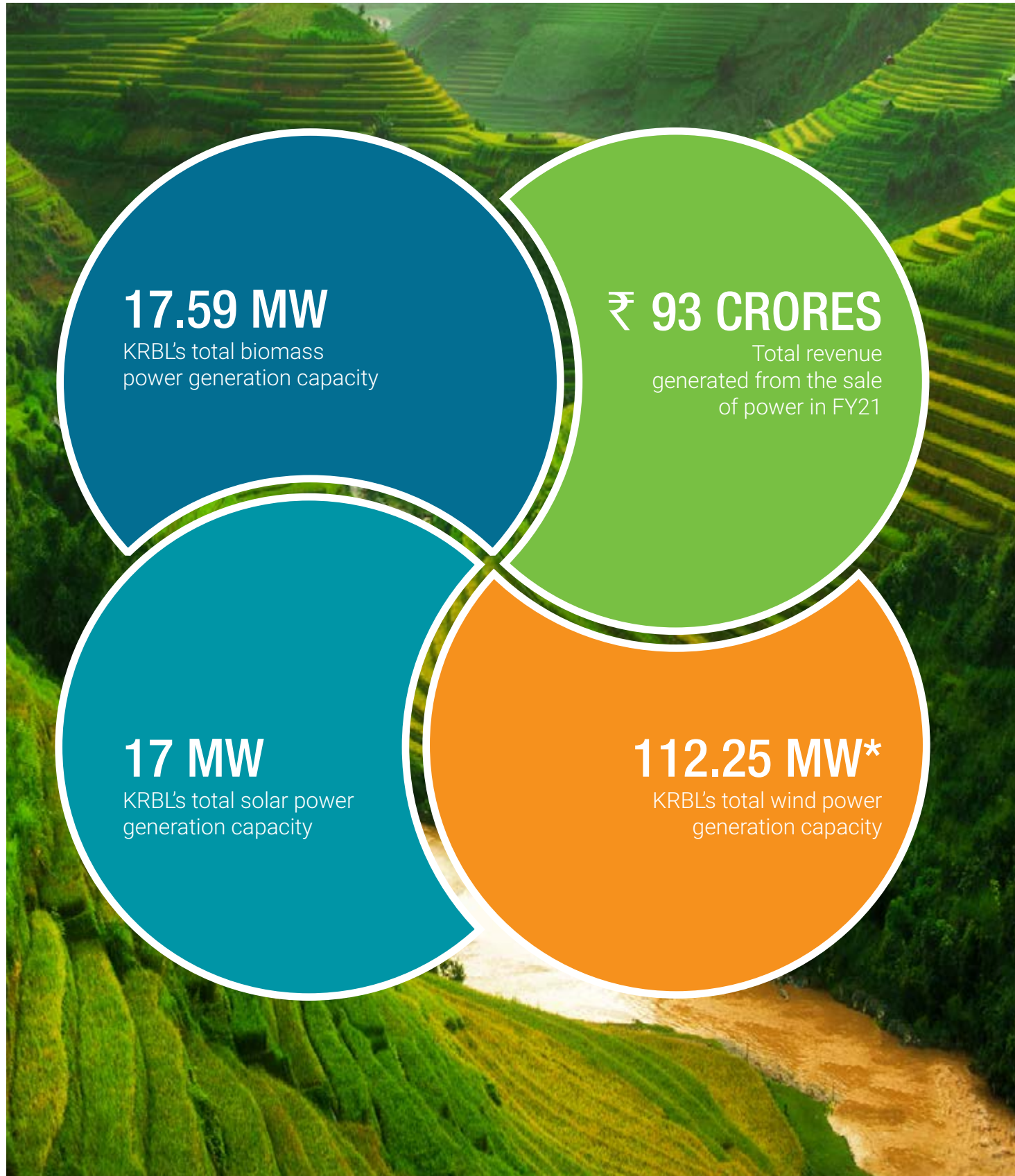
## SEGMENT II

# POWER DIVISION

Recognizing our responsibilities towards our mother nature, we had established our power division which not only helps us being energy efficient but also allows us to switch to renewable energy sources while decreasing our dependency on fossil fuels. A major chunk of this green energy is being used for captive consumption while a certain portion is being sold in the open grid, thereby creating another revenue source for the Company.

KRBL ventured into the business of captive power generation to ensure constant power supply for its operations and has currently a total installed capacity of 146.84 MW across different verticals like biomass, wind and solar power segment. KRBL has constantly enhanced its captive power generation capacity over the years and today enjoys one of the largest renewables and alternate power generation capacities within India's agricultural industry.





\*Wind power generation capacity as of 31 March 2021

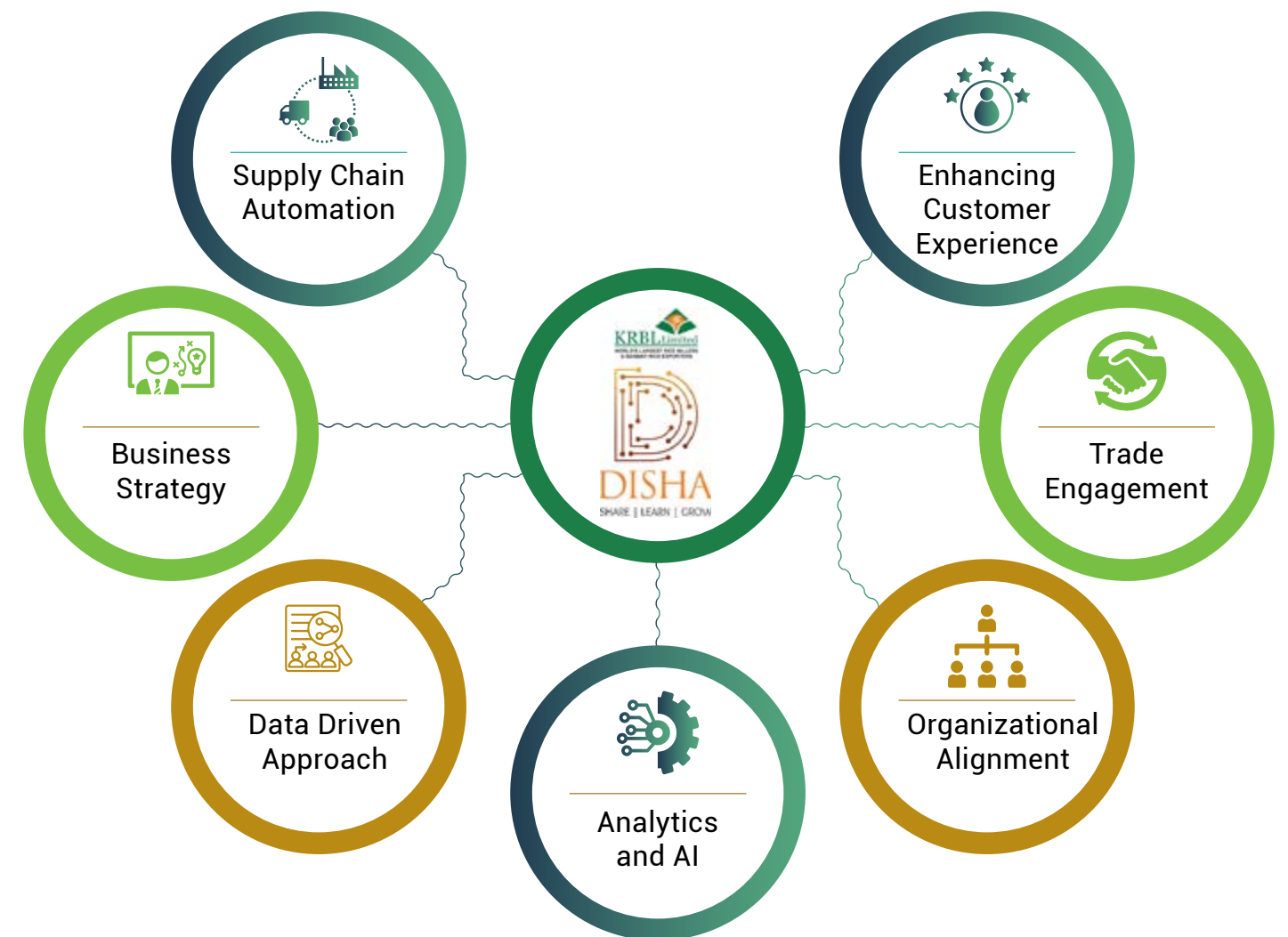
# PROJECT DISHA

## KRBL'S INITIATIVE TOWARDS A DIGITALLY TRANSFORMATIVE JOURNEY

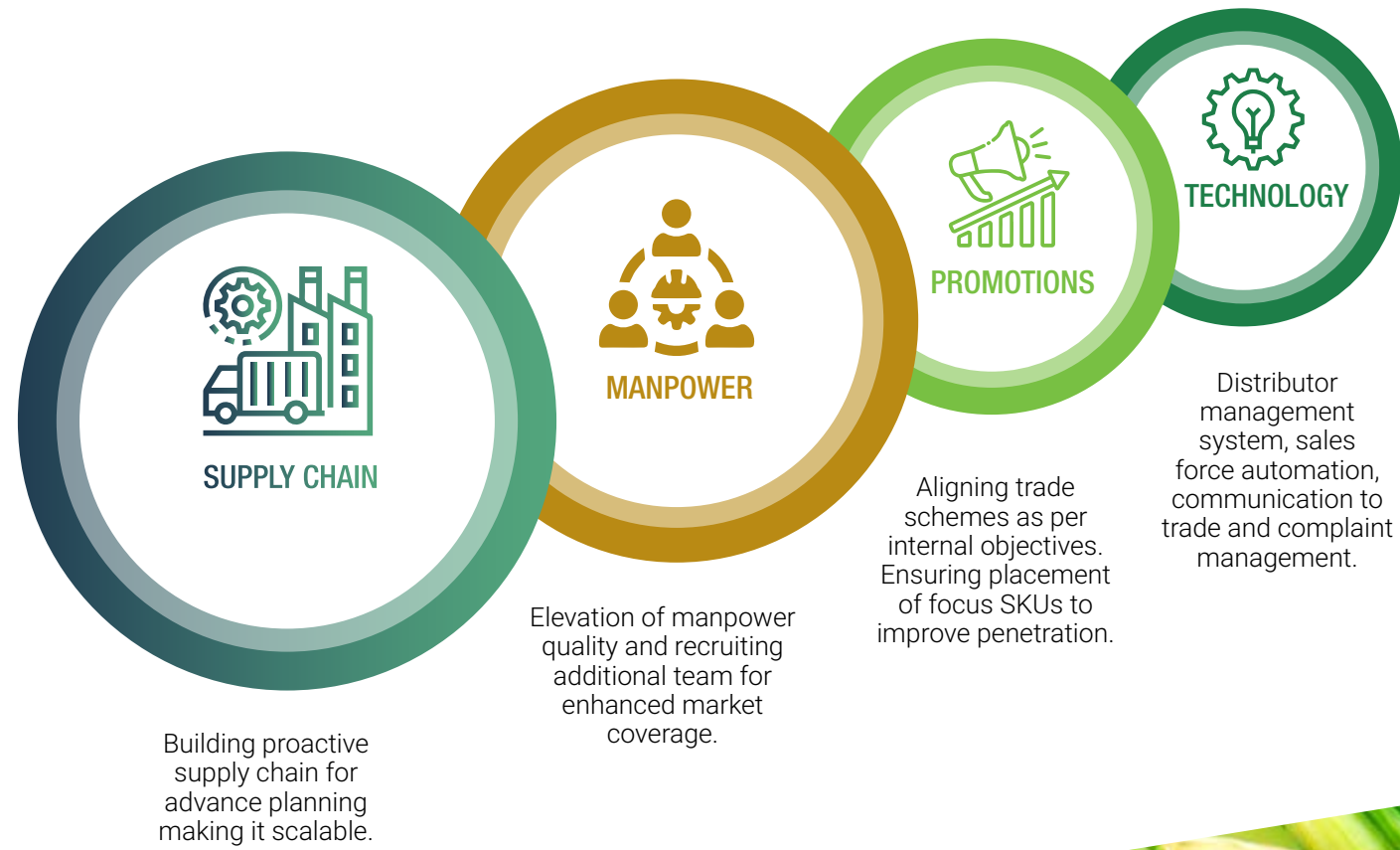
Project DISHA reflects the digital transformation currently taking place across the company – from the factory floor to customer relationship management – fuelled by KRBL's

ongoing passion for innovation. It is a process that marries the potential of state-of-the-art technology with a people-centred approach and a commitment to corporate development.

## PROJECT DISHA – OUR FOCUS AREAS



HOW WE EXPECT PROJECT DISHA TO HELP IN CREATING AN EFFECTIVE GTM STRATEGY?



# MANAGEMENT DISCUSSION AND ANALYSIS

# GLOBAL ECONOMY OVERVIEW



The global economy faced one of its major financial shock following the devastating health and economic crisis caused by COVID-19. Amid the coronavirus pandemic, as the virus continued to spread at a rapid pace, several countries across the world resorted to lockdowns to “flatten the curve” of the infection. Yes, these lockdowns were necessary to stem the spread of the virus, but at the same time, it meant confining millions of citizens to their homes, shutting down businesses and ceasing almost all economic activity.

The pandemic had caused substantial economic damage, validated by the fact

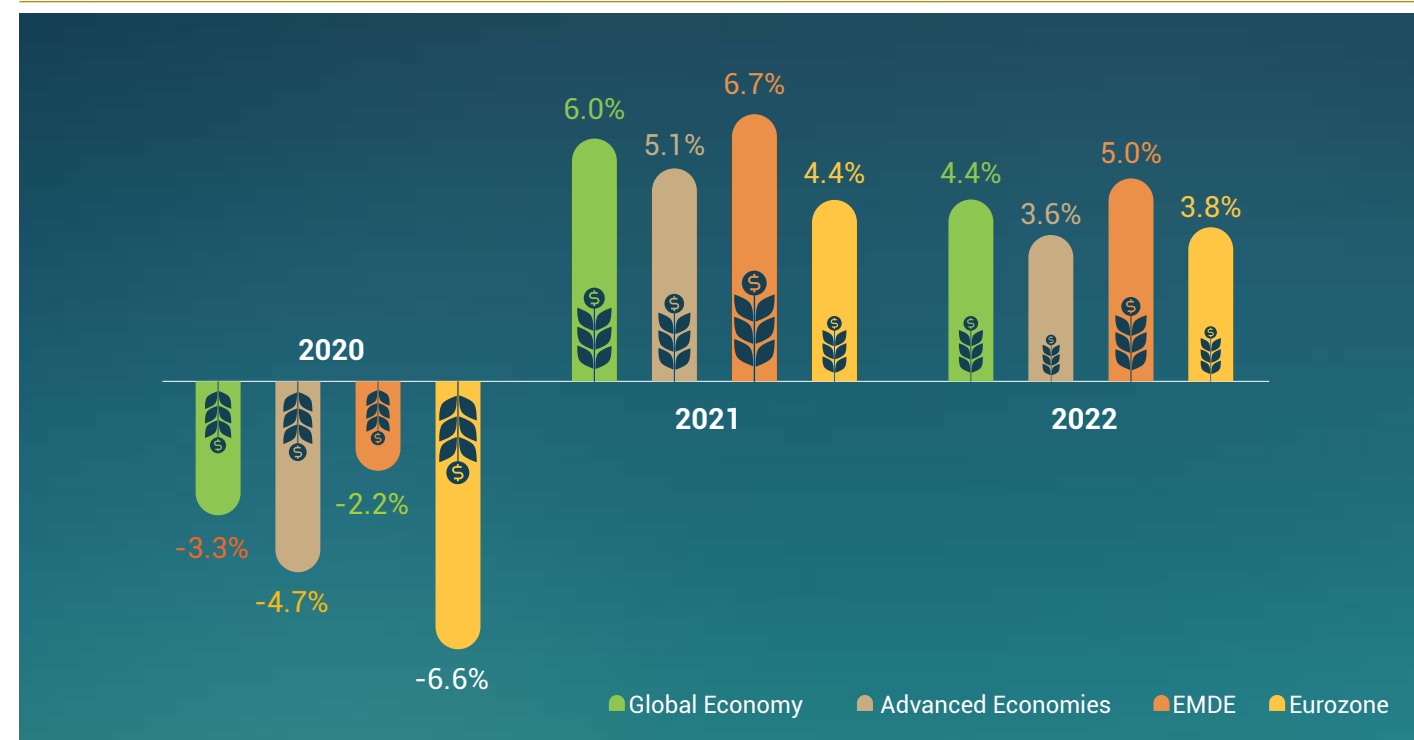
that the global economic growth contracted for the most of 2020. According to the International Monetary Fund (IMF), the global economy is expected to have contracted by nearly 4.3% in 2020, an outcome “far worse” than the 2009 global financial crisis. The pandemic has also resulted in a substantial raising in the national debt, creating extra pressure on the economies. The national debt in advanced economies is expected to reach 125% of GDP by the end of 2021 and to rise to about 65% of GDP in emerging markets during the same period.

Owing to the disruptions caused by the pandemic some of the major economies of the globe witnessed the highest ever

fall in key economic activities such as manufacturing, resulting in a decline in the domestic demand. In advanced economies, the initial contraction of the economies was less severe than anticipated, but the ensuing recovery has been dampened by a substantial resurgence of growing Covid cases. The pandemic has hit the advanced economies the hardest and together the advanced economies were likely to have grown by -6% in 2020. The US recorded its highest filling for unemployment benefits during 2020. As per a Reuters report, since March 21, more than 36 million have filed for unemployment benefits in the US, which is almost a quarter of its working-age population. Major economies such as



## GLOBAL ECONOMIC GROWTH FORECASTS (%)



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>) [EMDE – emerging markets and developed economies]

the US, Japan, the UK, Germany, France, Italy and Spain were expected to have contracted by 5.9%, 5.2%, 6.5%, 7%, 7.2%, 9.1% and 8% respectively during 2020.

Compared to the advanced economies, the emerging market and developing economies (EMDEs) showcased better resistance and were expected to have contracted by -2.2% during 2020.

Partial easing of stringent lockdowns, during the latter half of 2020 and early 2021, instigated the resumption of business activities and goods trading witnessed slow improvement. However, the services sector remained anemic as some of the core sectors like the tourism and hospitality industry faced a tragic burn down with the various restrictive measures adopted by different countries.

One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. According to IMF, after witnessing the worst year since

World War II, the global economy is like to stage a commendable growth in 2021. The global economy is expected to grow by 5.5% in 2021, this is likely to happen on the back of the steady spread of the COVID-19 vaccines which is to power a stronger global economic recovery in 2021. The vaccines should contain the spread of the virus and are likely to encourage a return to normal economic activity and allow recovery of some of the key services industry such as tourism and hospitality. Activity in many sectors has picked up and partially adapted to pandemic restrictions. Vaccine rollout, although uneven, is gaining momentum and government stimulus, particularly in the United States, is likely to provide a major boost to economic activity.

## OUTLOOK

Recent progress on coronavirus vaccines has brightened the economic outlook, but according to some economists a potentially slow rollout of vaccines across

developing and emerging economies and the ability of the economies to manage the second wave would be a key factor in determining the return of activity to pre-pandemic levels.

According to IMF, after witnessing the worst year since World War II, the global economy is like to stage a commendable growth in 2021. The global economy is expected to expand 5.6% in 2021, the fastest post-recession pace in 80 years owing to strong rebounds. This is likely to happen on the back of the steady spread of the Covid-19 vaccines which is to power a stronger global economic recovery in 2021 and a strong economic rebound from a few major economies. Amongst the major economies, U.S. is expected to grow by 6.8% in 2021, reflecting large-scale fiscal support and the easing of pandemic restrictions. Among EMDEs, China is anticipated to rebound to 8.5% this year, reflecting the release of pent-up demand. Growth in other advanced economies is also firming but to a lesser extent.



# INDIAN ECONOMY OVERVIEW

After recording the deepest GDP contraction in the second quarter of 2020, the Indian economy plunged into a technical recession after it contracted for two straight quarters in the first half of FY21.

As the nation continued its fight against the novel virus and waded through the pandemic-induced challenges, the economy and the constituent industries had their fair share of learnings along the way. The impact of the pandemic and lockdown was disproportionately felt across industries. While industries such as hospitality and manufacturing were impacted immediately, the impact on the

financial sector was felt with a lag, as is evident from the quarterly GDP numbers.

However, the phased unlocking of the economic activities, easing of movement restrictions, pent-up and festive demand and the revival of several infrastructure projects led to the slow recovery of the economy in the latter half of FY21. The recovery has been a V-shaped one as seen in the 7.5% decline in Q2 and then a steady recovery across all key economic indicators in the second half of FY21. According to the government's Economic Survey 2020-21, India's GDP is estimated to grow by (-) 7.7% in FY21.

## COVID-19'S IMPACT ON INDIAN ECONOMY

### Demand Side Impact

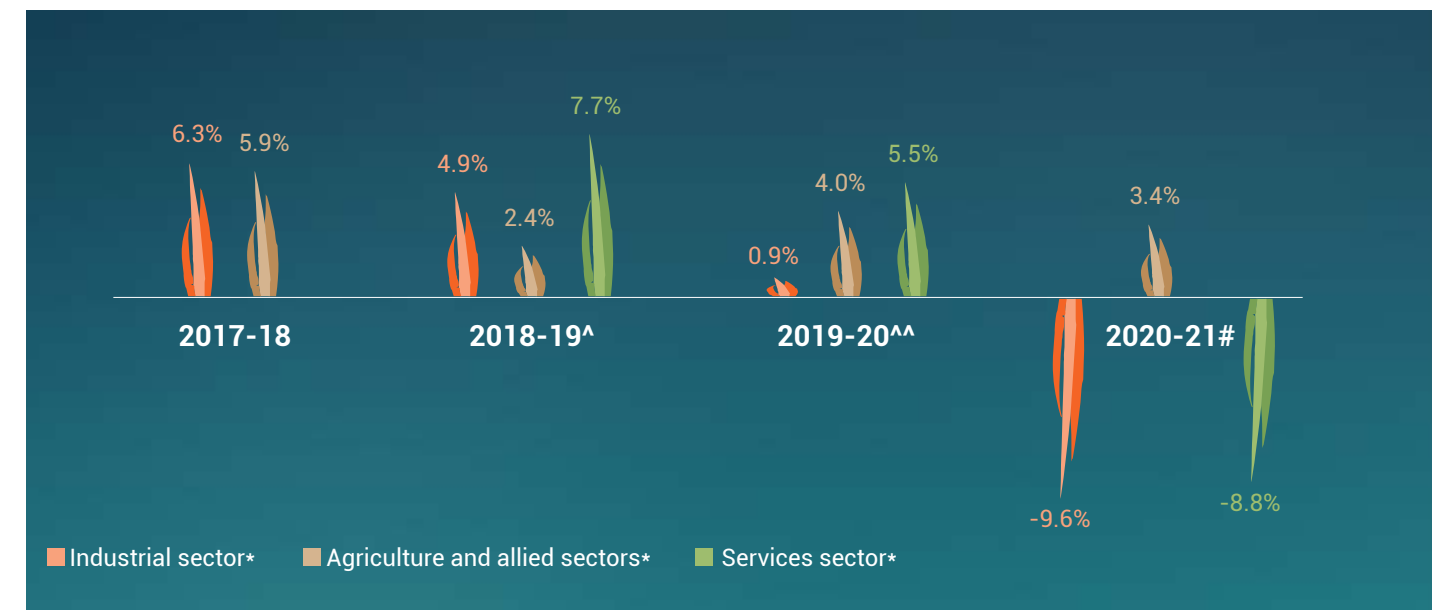
Tourism, hospitality and aviation are among the worst affected sectors owing to the rapid outbreak of the virus. Closing of cinema theaters and declining footfall in shopping complexes has affected the brick-and-mortar retail sector by impacting consumption of both essential and discretionary items. Lock-downs, movement restrictions and limited activity in several sectors such as retail, construction and entertainment led to loss of jobs and decline in income levels, which

## INDIA'S GDP GROWTH (AT CONSTANT PRICES)



(Source: <https://www.thehindu.com/business/Economy/indias-real-gdp-estimated-to-contract-by-77-in-2020-21/article33521311.ece>)  
 [Note: ^Provisional estimates, \*1st Advance Estimate, \*\*Projected]

## GROWTH OF DIFFERENT INDIAN SECTORS IN THE CURRENT FISCAL



(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1693232>)  
 [Note: \*Growth rate of GVA at basic prices in % | ^1st Advance Estimate | ^^Provisional estimate | #Projected]

in turn also impacted consumption. With widespread fear and panic that prevailed amongst the people, overall confidence level of the consumers has also dropped significantly, leading to postponement of their purchasing decisions. Travel restrictions on the other hand severely impacted the transportation sector. Hotels across the country witnessed large scale cancellations not only from leisure travellers but even business travellers as conferences, seminars and workshops got cancelled on a large scale. This resulted in a subdued demand for different essential and non-essential goods across different sectors.

### Supply Side Impact

On the supply side, shutdown of factories and the resulting delay in supply of raw goods from China has severely impacted many Indian manufacturing sectors which source their intermediate and final product requirements from China. Some key sectors

such as automobiles, pharmaceuticals, electronics and chemical products faced an imminent raw material and component shortage, which in turn impacted output. It also hampered business sentiment and affected investment and production schedules of companies. Besides having a negative impact on imports of important raw materials, the slowdown in manufacturing activity in China and other key markets of Asia, Europe and the US has impacted India's exports.

## OUTLOOK

As India continues to grapple with the pandemic stepping into the new year brings a new ray of hope for the economy and its people. With the rollout of the COVID-19 vaccine, India may have turned toward the road to recovery but is still in need of an encompassing plan to return on the growth track. Lower infection and fatality rates

and the possibility of widespread vaccine deployment are expected to improve consumer and business confidence. Further impetus to the economy is being provided by the pent-up demand for more elastic discretionary goods. This is likely to be driven by the top 10 income percentile of the population that could not spend because of mobility restrictions and may spur private investment that has been contracting for five consecutive quarters now. According to the International Monetary Fund, the Indian economy is expected to stage a rebound in FY22 and is likely to grow at 11.5%.

# OVERVIEW OF THE INDIAN AGRICULTURE INDUSTRY



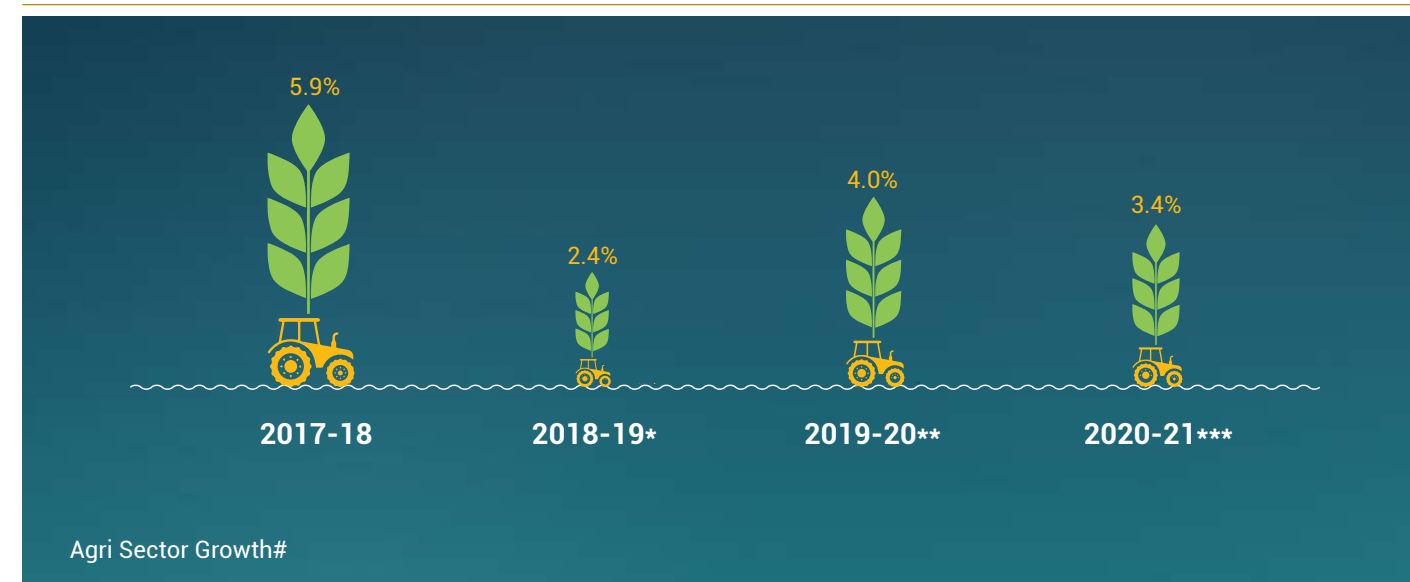
Agriculture is one of the largest contributors to the Indian economy and in the year 2020 it has again shown its importance in the Indian economy. Services, trade and manufacturing sectors have fuelled Indian economic growth, but agriculture has remained the backbone of the Indian economy and continued to support growth. The spread of the coronavirus induced

lockdown across the country resulting in a sudden halt of economic activity across the country. When most of the other major sectors struggled hard to cope with the lockdown and the subsequent economic slump, India's agricultural sector has shown its resilience amid the adversities of COVID-19 induced lockdowns. Agriculture was the only sector to grow for April-June 2020 amongst the eight sectors used to

compute India's Gross Domestic Product (GDP). Agriculture's GVA (gross value added) is estimated to have grown by 7.3% during FY21, where overall GVA is estimated to dip by 4.2%. The contribution of agriculture in total GVA during 2020-21 is estimated to be the highest since 2001 at 19.8%. These numbers are a testimony to the resilience shown by the Indian agriculture sector and its importance in the Indian economy.



## GROWTH OF THE INDIAN AGRICULTURE AND ALLIED ACTIVITIES SECTOR



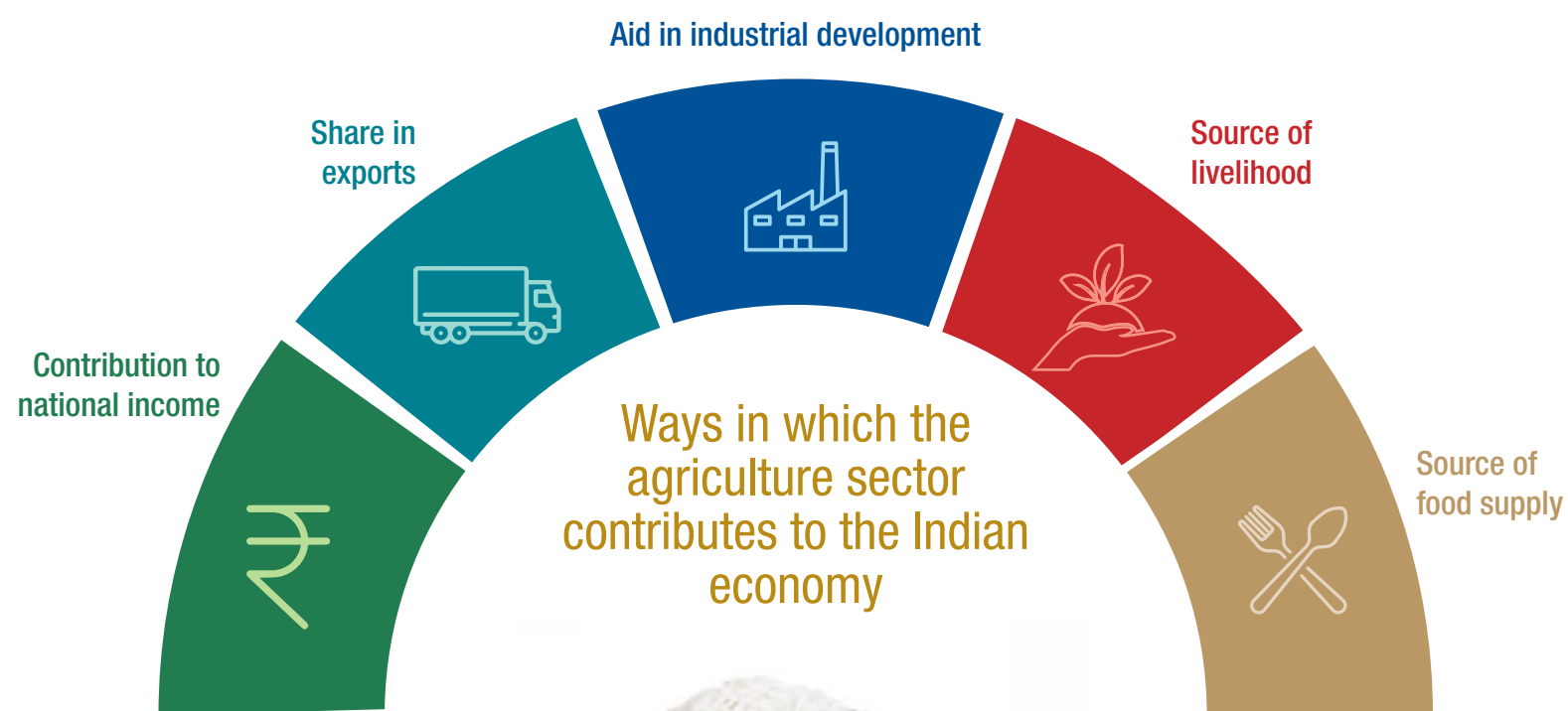
(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1693205>) | #Growth rate of GVA at basic prices in percent. | \* 1st Revised Estimates | \*\* Provisional Estimates | \*\*\* 1st Advanced Estimates

Agriculture is an important sector of the Indian economy. Covering 11.24% of the world's arable land area and 4% of the world's renewable water resources, India produces sufficient food, feed and fibre to sustain ~18% (1.38 billion) of the world's population (as at the end of 2020). Over the last few decades, the sector has registered an average annual growth of 3.2% almost double the population growth of 1.7% per annum during the same period. As a

result, it has helped India emerge from a food deficit country to one with a net trade surplus of 3.7% of agri-gross domestic product (GDP) in 2018-19. According to the government's first advance estimate, the Indian agriculture and allied activities sector recorded a growth of 3.4% at constant prices during 2020-21.

Considered as the primary source of livelihood for about 58% of India's population.

Gross Value Added by agriculture, forestry and fishing was estimated at ₹19.48 lacs crores (US\$ 276.37 billion) in FY20. The share of agriculture and its allied sectors in gross value added (GVA) of India at current prices stood at 17.8% in FY20. Further, the impetus to the agri industry is expected to be provided by the return of the growth in consumer spending in India in 2021 post the pandemic-led contraction, expanding by as much as 6.6%.



# NUMBERS DEFINING THE INDIAN AGRI INDUSTRY

## 2ND LARGEST

India has the second-largest arable land area in the world and a coastline of over 7,500 kilometres.

## LARGEST PRODUCER



## SECOND-LARGEST PRODUCER



58%

Source of livelihood of the country's population

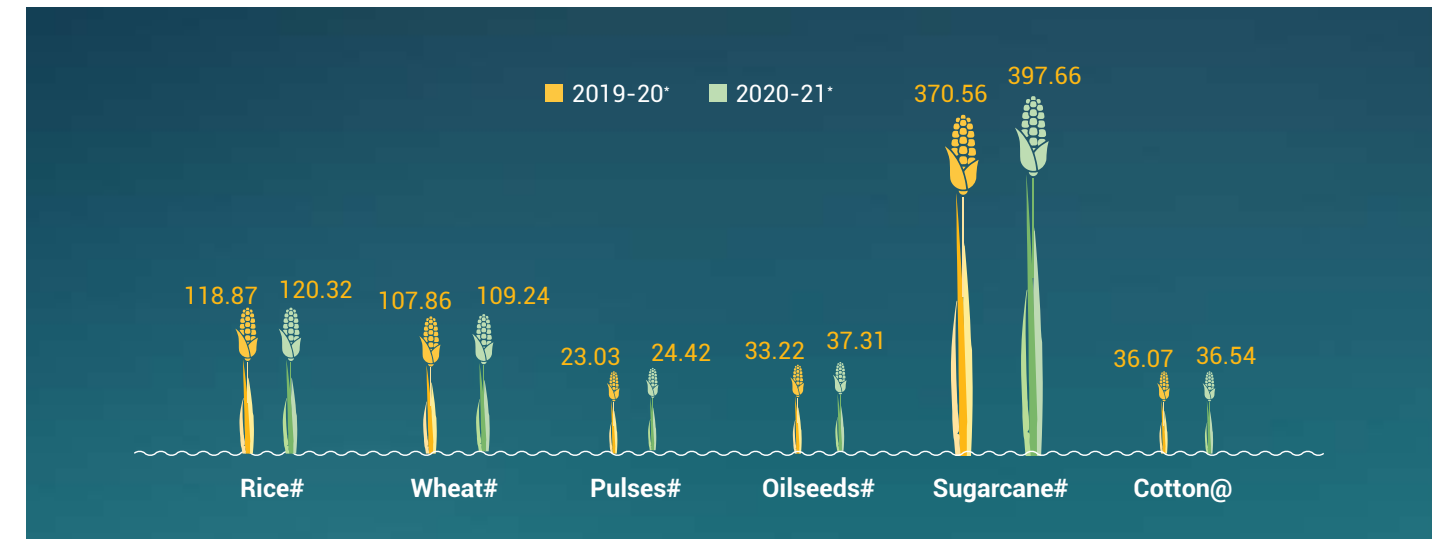
44%

Percentage of country's workforce employed in agriculture

## FOOD GRAIN PRODUCTION

India's food grain production in the 2020-21 crop year is estimated to rise by 2% to reach an all-time high production of 303.34 million tonnes (MT) on the back of better output of rice, wheat, pulses and coarse cereals amid good monsoon rains last year. In the 2019-20 crop year, the country's food grain output (comprising wheat, rice, pulses and coarse cereals) stood at a record 297.5 million tonnes (MT).

## YEAR-ON-YEAR PRODUCTION OF MAJOR CROPS



(Source: [https://www.business-standard.com/article/economy-policy/india-s-foodgrain-production-to-rise-2-in-2020-21-government-121022401224\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-foodgrain-production-to-rise-2-in-2020-21-government-121022401224_1.html)) [# - in MT | @ - in million bales | \* - 2019-20 and 2020-21 crop season]

## AGRICULTURAL EXPORTS FROM INDIA

2020-21 saw India's agricultural export grew at 17.5% to cross \$41.8 billion, despite the country's overall merchandise exports, dropped by 7.2% to \$290.8 billion in 2020-21 compared to \$313.4 billion in 2019-20. The agriculture sector's standout export performance, the best since 2013-14's export of \$43.25 billion, was thanks to a good monsoon, agriculture production being

relatively unaffected by the COVID-19-induced lockdown and a steep surge in global commodity prices.

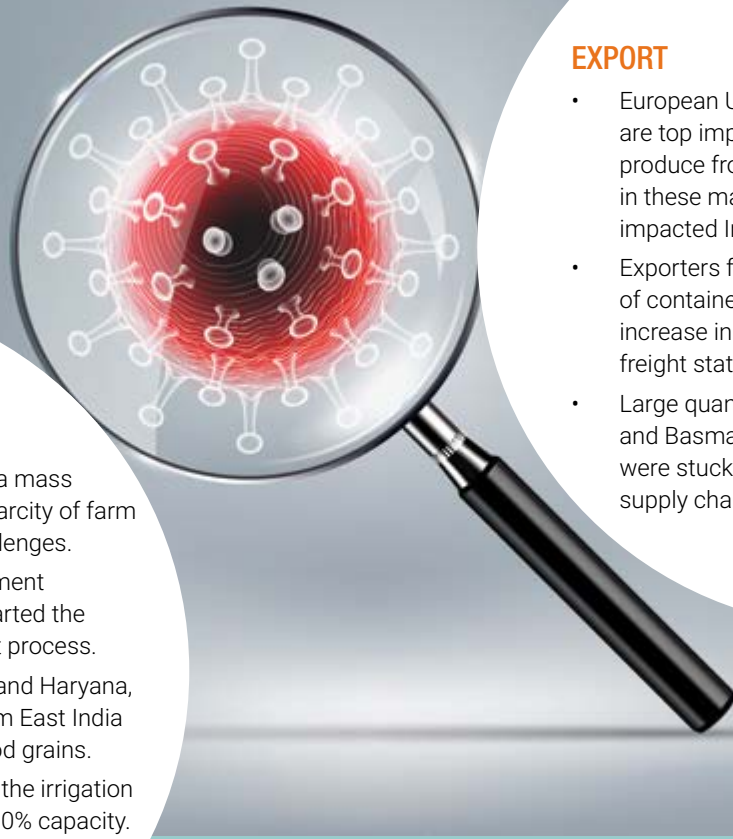
During 2020-21, India also recorded all-time-high exports of sugar (\$2.79 billion), spices (\$3.98 billion) and processed fruits & vegetables (\$1.12 billion).

## INDIA'S AGRI EXPORT IN FY21 (IN US\$ BILLION)



(Source: <https://indianexpress.com/article/india/agricultural-exports-rose-17-5-in-20-21-but-rural-surge-cloud-over-repeat-7312851/>)

## Key challenges thrown by the COVID-19 to the Agri sector



### EXPORT

- European Union and the United States are top importers of agricultural produce from India. Lockdowns in these markets have severely impacted India's exports.
- Exporters faced delays in clearances of containers, which attracted an increase in demurrage and container freight station charges.
- Large quantities of Non-Basmati Rice and Basmati Rice meant for export were stuck in the ports owing to supply chain issues.

### LABOUR SCARCITY

- The pandemic and consequent nationwide lockdown resulted in a mass exodus of migrant labour. The scarcity of farm labour has posed significant challenges.
- Initial restriction on labour movement imposed by the government thwarted the Rabi harvesting and procurement process.
- Northern states, such as Punjab and Haryana, rely mainly on migrant labour from East India to harvest winter-sown staple food grains.
- Manufacturing plants catering to the irrigation industry have been operating at 30% capacity.

### Major initiatives on the part of the government to boost the Indian agricultural sector

With the onset of the pandemic and subsequent lockdown, the government has announced an economic stimulus package worth ₹1,70,000 crores (US\$ 22.5 billion) and 15% of the allocation will be deployed towards the agriculture sector.

#### The major initiatives under this scheme:

#### For small and marginal farmers

- NABARD to provide ₹30,000 crores emergency working capital fund to small and marginal farmers, with an aim to assist farmers by helping meet their post-harvest (Rabi) and current Kharif requirements.
- ₹2,00,000 crores concessional credit to be extended to 2.5 crores farmers through Kisan Credit Card (KCC) special drive, to enable 2.5 crores farmers to gain access to institutional credit at concessional interest rates.

#### Support for the Agri sector Atmanirbhar Bharat Abhiyan

- Minimum support price (MSP) purchase of more than ₹74,300 crores
- Fund transfer of ₹18,700 crores under PM-KISAN released

- Payment of ₹6,400 crores released under PM Fasal Bima Yojana

#### Budget announcements for Agri sector

- Reduction of the excise duty component to compensate for the additional cess
- Target for agricultural credit has been increased to ₹16.5 lacs crores to ensure availability of higher credit to farmers and for agricultural sectors such as animal husbandry, dairy and fisheries
- Allocation towards rural infrastructure development fund is proposed to be increased to ₹40,000 crores by 2021-22
- Water conservation commitment stands further enhanced since the Micro Irrigation Fund corpus has been increased to ₹10,000 crores via NABARD
- The 'Operation Greens' scheme is likely to be extended to 22 perishable products to boost value-addition in agriculture and allied sectors
- Extension of SWAMITVA scheme to all states and union territories
- 1,000 more mandis to be integrated with e-NAM to help boost transparency in the Agri markets

# RICE INDUSTRY OVERVIEW



## GLOBAL RICE INDUSTRY

Grown in more than 100 countries across the globe, rice is the most important food crop in the world and directly feeds more than half of the global population. With a total harvested area of approximately 158 million hectares, rice is also the most important crop to millions of small farmers across the globe with annual production of more than 700 million tonnes of rice (470 million tonnes of milled rice). With ~640 million tonnes of rice are grown in

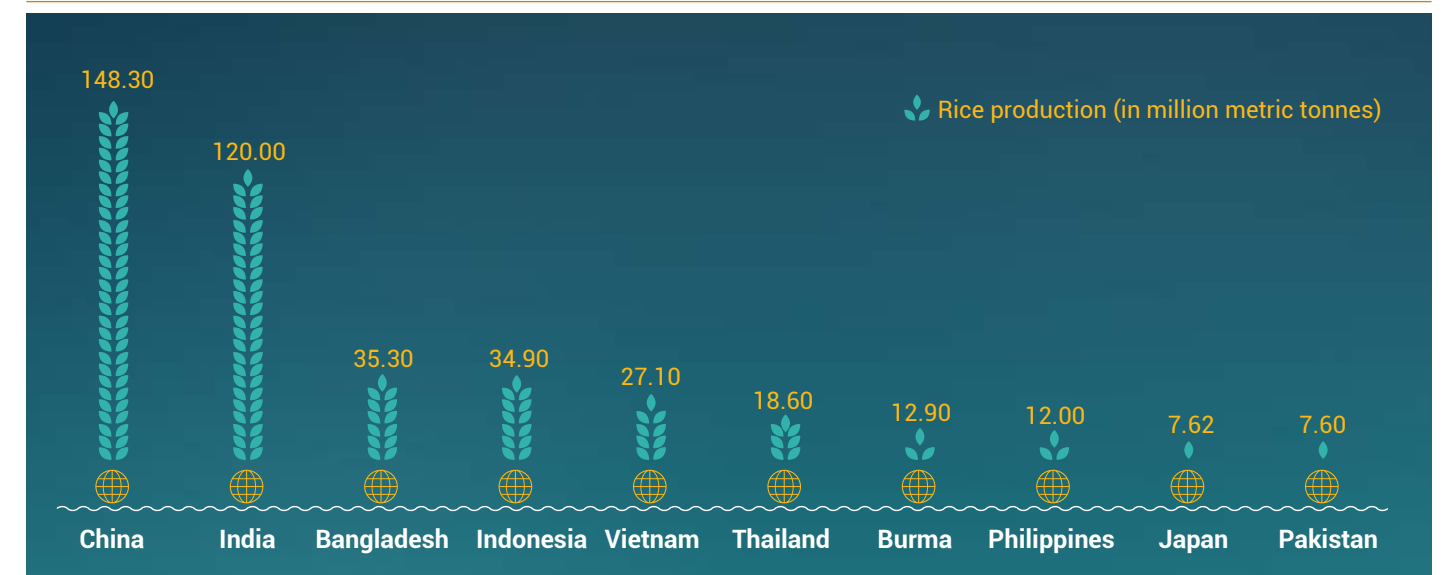
Asia, representing 90% of global production. Sub-Saharan Africa region produces about 19 million tonnes and Latin America some 25 million tonnes.

The total rice production in the 2021-22 season is expected to increase from 1.9 million tonnes to a record 505.4 million tonnes, with Bangladesh, China, South Korea and Taiwan accounting for most of the expected increase. In terms of demand,

the global rice consumption in the 2021-22 season is expected to hover around record 513.3 million tonnes, up nearly 8.0 million tonnes from the previous year. Global exports for 2021-22 is expected to be around 46.5 million tonnes, slightly greater than last year as higher exports from Thailand, Paraguay, Burma, Cambodia and Pakistan helped more than offset reductions for India, Vietnam and the United States.



### TOP 10 RICE PRODUCING NATIONS OF THE WORLD (IN MILLION TONNES)



(Source: <https://indianexpress.com/article/india/agricultural-exports-rose-17-5-in-20-21-but-rural-surge-cloud-over-repeat-7312851/>)



## INDIAN RICE INDUSTRY

The second-largest producer of rice in the world, the Indian rice industry forms an integral part of the national economy. Backed by a favourable wet climatic condition, India accounts for more than 22% of the world's rice production through its 48 million hectares of rice plantation area - only 2.4% of the global land.

Rice is grown in India throughout the year having region-wise favourable rice growing seasons. Eastern, North-eastern and Southern are major rice-producing regions because of a pleasant climate throughout the year. Considered as the staple food for nearly 70% to 75% of the national population, the Indian rice industry is still being largely dominated by unorganised players because of the presence of several local players and the easy availability of rice through small retail stores. However, on account of rising income levels and

increasing awareness about hygiene, the organised industry has started making a mark in the last couple of years in the target Tier I and II cities. The organised segment is expected to grow at a CAGR of 12% over the next few years thereby playing an essential role in developing the packed rice market in India. The packed rice segment in India is being largely dominated by Basmati Rice, but in the last few years, the segment has expanded with a steady rise in the consumption of healthy rice products such as brown rice and organic rice.

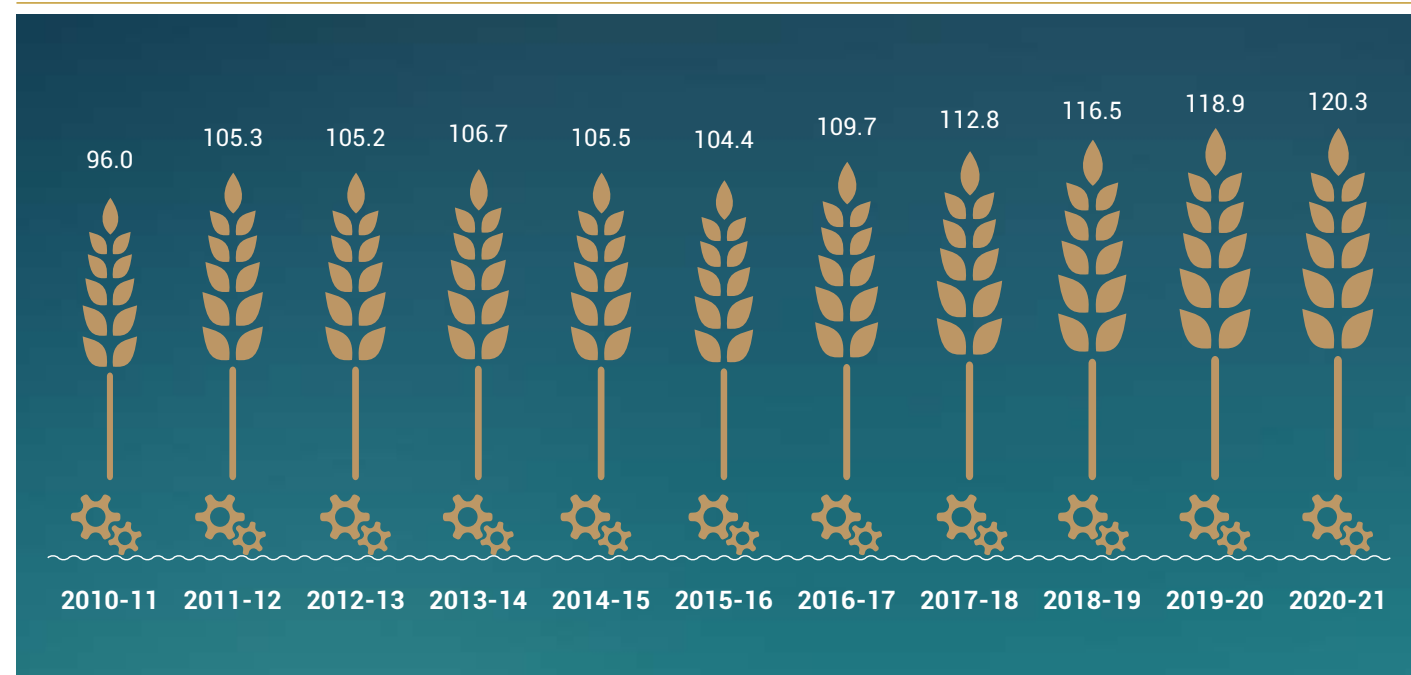
The two major varieties of rice that dominate the Indian market are Basmati and Non-Basmati Rice. Domestically in India's rice market Non-Basmati Rice holds the more significant portion as compared to Basmati Rice as the production of Basmati Rice is limited to only several

states and is considered in the premium segment of rice.

India is amongst the top two rice-consuming nations after China and together with China accounts for nearly 50% of the global rice consumption. Rice consumption in India in 2019-20 was estimated to be around 102 million tonnes, an increase of 3% from the previous year. Consumption is expected to increase further in 2020-21 to 108 million tonnes with the government pushing more subsidized rice.

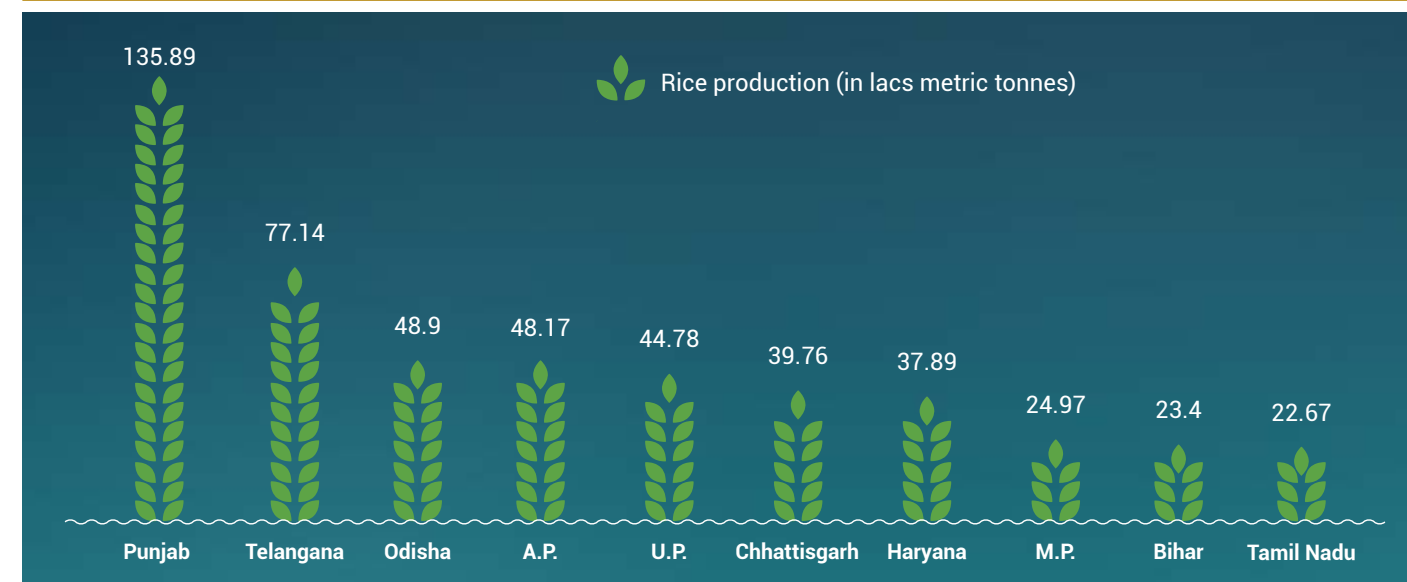
In a bid to aid the rice farmers of India, the government in its recent announcement approved an increase in minimum support prices (MSP) for various Kharif crops or the summer-sown crops for marketing season 2021-22. The Centre has hiked paddy MSP by ₹72 to ₹1,940 per quintal for 2021-22 crop year from ₹1,868 per quintal last year.

## INDIA'S GROWING RICE PRODUCTION (IN MILLION TONNES)



(Source: <https://www.bloomberg.com/news/articles/2021-05-11/india-seen-keeping-lid-on-global-rice-prices-with-record-exports>)

## TOP 10 RICE PRODUCING STATES IN INDIA IN KHARIF MARKET SEASON 2020-21



(Source: [http://fci.gov.in/app/webroot/upload/Procurement/Statewise%20Procurement%20of%20Rice\(KMS%202020-21\)\\_50.pdf](http://fci.gov.in/app/webroot/upload/Procurement/Statewise%20Procurement%20of%20Rice(KMS%202020-21)_50.pdf)) [LMT - lacs metric tonnes]

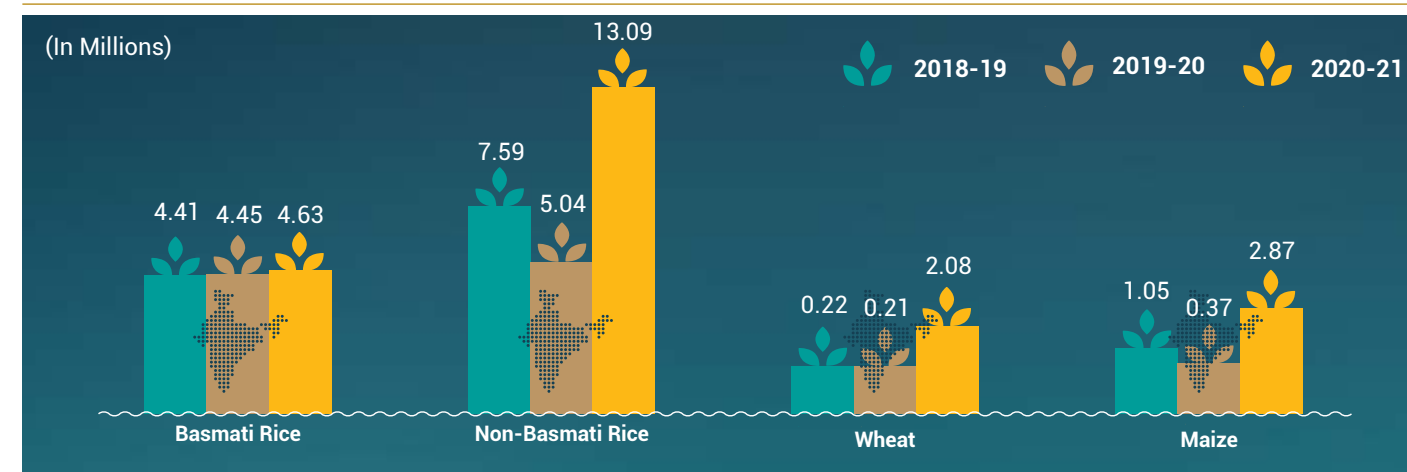
## EXPORT SCENARIO

India is also the top rice exporting nation and accounts for ~ 25% of global rice export. Overall India's rice export is dominated by Basmati Rice as India being the highest producer of Basmati Rice globally. Iran and Saudi Arabia are the largest importer of Basmati Rice from India and contribute the highest value share in India's overall Basmati Rice export.

2020-21 proved to be a fruitful year for the Indian rice export, as more and more countries from South America, Eastern Africa and South East Asia welcomed Indian rice. Rice exports including both Basmati and Non-Basmati types are expected to range between 16 and 17 million tonnes (mt) against previous fiscal's

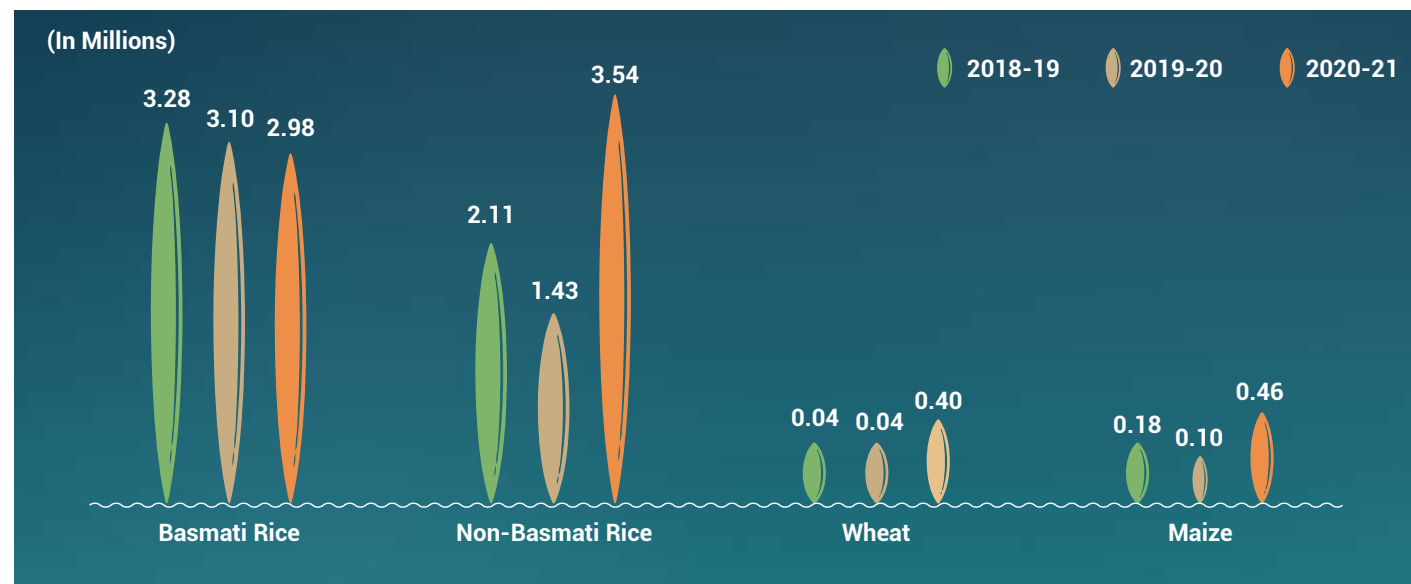
9.48 mt. India's record rice exports included 13.09 million tonnes Non-Basmati worth ₹35,448.24 crores and 4.63 million tonnes of Basmati worth ₹29,849.40 crores. India witnessed a significant growth of 132% in the export of Non-Basmati Rice.

## INDIA'S GROWING AGRI EXPORTS - IN TERMS OF QUANTITY (MT)



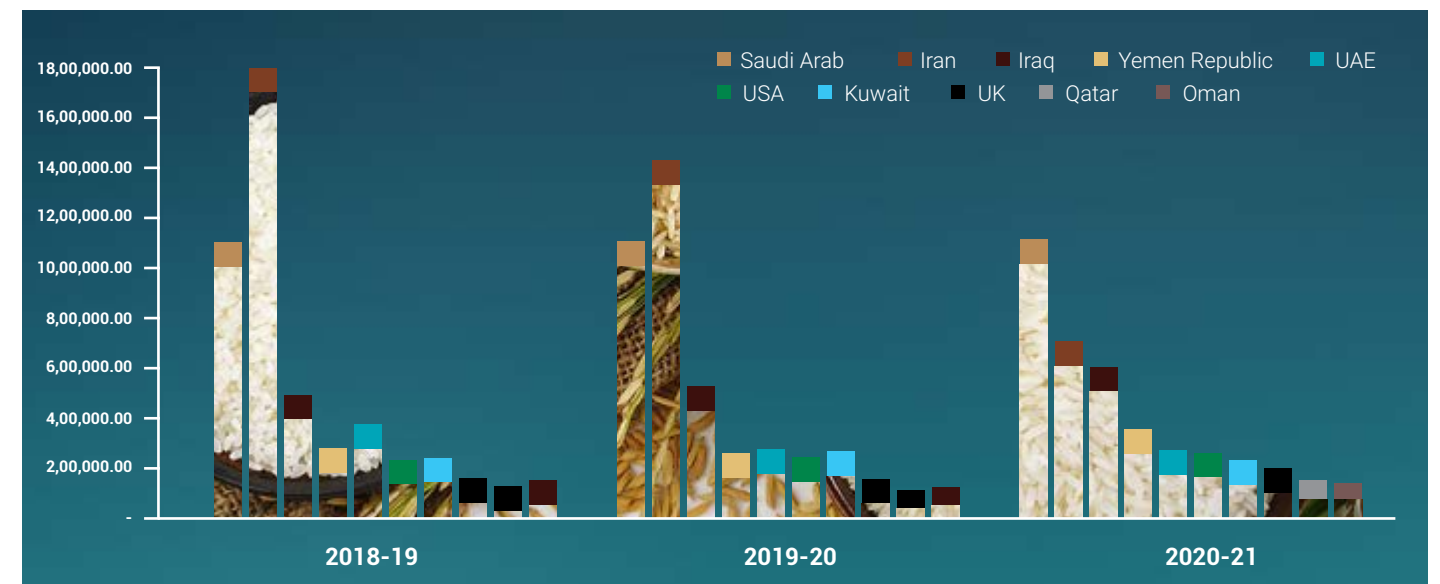
(Source: <http://www.agriexchange.apeda.gov.in/index/exportstatement.aspx>)

### INDIA'S GROWING AGRI EXPORTS - IN TERMS OF VALUE (₹ IN LACS)



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

### INDIA'S TOP 10 BASMATI RICE EXPORTING COUNTRIES (VALUE IN US\$ THOUSAND)



(Source: [https://agriexchange.apeda.gov.in/indexp/Product\\_description\\_32head.aspx?gcode=0601&value=2](https://agriexchange.apeda.gov.in/indexp/Product_description_32head.aspx?gcode=0601&value=2))

## INDIAN BASMATI RICE INDUSTRY

The aromatic long grain rice, also known as the Basmati Rice, is pride rice for India. The reason being India is the largest producer and exporter of Basmati Rice. Haryana, Punjab, Himachal Pradesh, Uttarakhand, Uttar Pradesh, Jammu and Kashmir and Delhi are the major Basmati Rice-producing states in India. Grown only once a year in the Indo-Gangetic plain, Basmati Rice is considered the finest variety of rice produced in India. Basmati Rice accounts for 2.1% of the total rice production. In 2020, the global production of rice reached almost 497.76 million metric tonnes. Valued at around US\$ 11,230 million in 2020, the global Basmati Rice market is expected to reach US\$ 18,320 million by 2026 after growing at a CAGR of 8.5%.

More than 85% of the global Basmati exports (by quantity and by value) are from India. Haryana contributes 7% of India's agricultural exports and 60% of India's Basmati Rice export. In India the

Basmati exports are about 37% of the total rice exports by quantity and 60% by value. Exporting Basmati Rice to nearly 90 countries, nearly 60% of India's Basmati Rice production is exported.

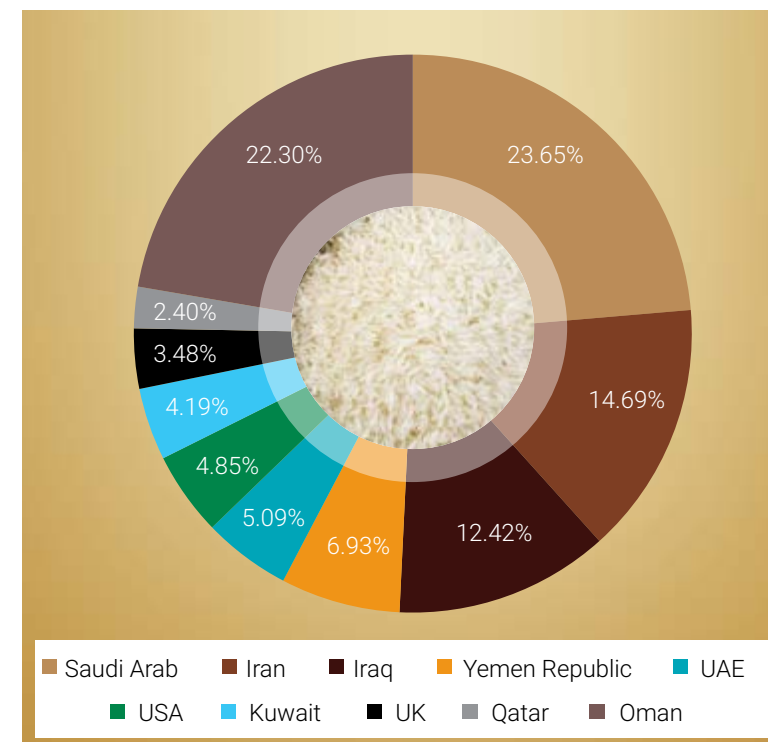
Since the outbreak of the pandemic COVID-19, India's Basmati Rice exports have halved to 2 lacs tonnes per month on a shortage of cargo containers at the ports. Further, the sudden sharp increase of about 30% in freight rates of shipping containers has also proved to be a cause of concern for the Indian Basmati Rice exporters. However, for the FY21 the overall Basmati Rice export is expected to witness a 4% growth over the previous on the back of the easing lockdown restrictions and rise in the pent-up demand. Basmati Rice demand from the EU soared over 70% in FY 2020-21. Increased demand from countries including Belgium, Italy and the Netherlands supported the Basmati Rice industry amid uncertainty over export to Iran. This not only helped the exporters in term of a 10% increase in the export prices but also helped offset the restricted exports in the middle-east.

## BASMATI RICE EXPORT SCENARIO

India is the leading exporter of Basmati Rice to the global market. The country has exported 44,54,656.70 mt of Basmati Rice to the world worth ₹31,025.91 crores (or 4,330.68 US\$ million) during the year 2019-20. In FY21, Basmati Rice exports from India stood at 46,30,444.10 mt in terms of volume and US\$ 40,18,692.05 in terms of value. Amongst all the countries, the top five countries i.e. Saudi Arabia, Iran, Iraq, Yemen Republic and UAE, consumed more than 67% of the total Basmati Rice exports from India.



## Composition of India's Basmati Rice export basket in 2020-21 (in %)



(Source: [https://agriexchange.apeda.gov.in/indexp/Product\\_description\\_32head.aspx?gcode=0601&value=2](https://agriexchange.apeda.gov.in/indexp/Product_description_32head.aspx?gcode=0601&value=2))

## OUTLOOK

Indian Basmati Rice industry has already an established presence across different international markets thanks to its superior taste and distinctive flavour. This has led to a steady rise of the Indian Basmati Rice industry over the years, validated by its growing export numbers. However, FY21 proved to be different. The pandemic and the subsequent movement restrictions owing to lockdown had led to a slow movement on the exports front in the first quarter. But with the slow easing of the lockdowns things started to improve and by the year-end the total exports almost matched the pre-pandemic levels.

But, then again, the nation was hit by the second wave of the COVID during the first quarter of FY22, which led to wide spread disruptions across the country. So as the industry was on the verge of recovery, the second wave has again set in uncertainty in the market. The concerns for the industry were further aggravated by the rising freight cost, which led many buyers to adopt a wait-and-watch stance. As a result, the first quarter of FY22 witnessed a slow growth in exports. However, the industry experts opined that with the growing confidence of the economy in its vaccination program, any further COVID waves are likely to cause lesser business disruptions. This is expected to bring back the market confidence and also result in creating a favourable domestic and export business scenario.



## COMPANY OVERVIEW



**K**RBL Limited is the most prominent player in India's organized branded rice products business. Founded 1889, KRBL Limited today is the nation's largest and best integrated rice manufacturing company and also has captive power generation capacities. With the largest milling capacity in the world, KRBL's milling plants are located in Punjab and Uttar Pradesh which strategically cover the northernmost and southernmost tip of Basmati land. Further the Company has in place state-of-the-art grading and polishing stations that are supported by a strong and well-spread procurement network across Punjab, Haryana, Uttarakhand and Uttar Pradesh. This enables the Company to handle gigantic proportions of paddy in the short harvesting period of Basmati. With a presence across the entire value-chain of the rice industry, KRBL Limited today has emerged as a

brand name in itself, evoking enormous respect and recognition among the other players in the industry.

With a strong commitment towards quality, the Company has in place a special state-of-the-art research and development (R&D) unit. The R&D unit brings together a team of experienced rice professionals including farmers to blend a wealth of traditional knowledge with modern know-how and technology to improve pre & post-harvesting techniques. The key objective of the R&D unit is to boost quality, improve head rice yields and lower costs. Our research efforts have a direct bearing on our success in developing new seed varieties and our ability to source and adopt the world's front line rice making technologies to conditions prevailing in India.

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

One of KRBL's proudest moments came in FY19 when the Company was featured on globally renowned Discovery Channel's flagship series Inside Out in an

episode named 'God of Grains' depicting the entire journey of Basmati Rice from Farms of India to the plates of unlimited cuisines across the world and the role played by KRBL in popularising the Basmati Rice variety across the globe.

The power division of the company comprises of 8 power plants located across 7 states of India and consists of wind turbines, solar power plants and husk-based power plants.



## DETAILS OF KRBL'S POWER GENERATION CAPACITY

### INSTALLED POWER GENERATION CAPACITY

Particulars	2020-21
Total Wind power project capacity	112.25 MW
Total Solar power project capacity	17 MW
Total Biomass capacity	17.59 MW

### POWER GENERATED

Details of Project	Details of Units Generated	
	2019-20	2020-21
<b>(A) WIND</b>		
Maharashtra		
Dhule (1.25 MW*10)	1,68,98,984	1,10,85,442
Sangli (2.10 MW*09)	4,16,72,272	3,38,13,156
Tamil Nadu		
Tirupur (1.50 MW*4)	1,04,11,288	1,07,90,870
Tirunelveli (2.10MW*1)	30,42,217	30,05,417
Karnataka		
Raichur & Koppal (1.50MW*6)	2,16,64,815	1,91,47,060
Bellary (2.10MW*1)	42,84,784	36,87,382
Rajasthan		
Jodhpur (1.50MW*4)	97,09,475	86,99,090
Jaisalmer (2.10MW*1)	30,88,380	26,40,656
Jodhpur (1.25MW*3)	53,61,204	48,43,949
Andhra Pradesh		
Kaddappa (2.10MW*1)	41,51,329	33,91,280
Anantapuram (2.10MW*4)	1,62,36,565	1,26,83,501
Madhya Pradesh		
Agar-Malwa (1.50MW*4)	99,42,555	87,08,281
Mandsaur (1.50MW*4)	79,43,641	69,25,367
Gujarat		
Devbhoomi Dwarka (2.10MW*13)	7,78,80,723	5,74,67,780
<b>Sub Total (A)</b>	<b>23,22,88,232</b>	<b>18,68,89,231</b>

Details of Project	Details of Units Generated	
	2019-20	2020-21
<b>(B) SOLAR</b>		
Madhya Pradesh		
Rajgarh (2.50MW)	38,80,513	38,70,865
Agar-Malwa (6.63MW)	1,01,64,838	1,05,46,109
Agar Malwa (5.60MW)	87,24,226	87,60,857
Sehore (0.27MW)	3,49,959	3,77,695
Haryana		
Siwani (2 MW)		14,94,831
<b>Sub Total (B)</b>	<b>2,31,19,536</b>	<b>2,50,50,357</b>
<b>TOTAL (A+B)</b>	<b>25,54,07,768</b>	<b>21,19,39,588</b>

### POWER BUSINESS

Plant Location	Function	Capacity (MW)
Dhuri	Biomass	12.34
Gautam Budh Nagar	Biomass	5.25
<b>Sub-Total (A)</b>		<b>17.59</b>
Maharashtra		
	Wind	31.40
Rajasthan		
	Wind	11.85
Tamil Nadu		
	Wind	8.10
Karnataka		
	Wind	11.10
Andhra Pradesh		
	Wind	10.50
Madhya Pradesh		
	Wind	12.00
Gujarat		
	Wind	27.30
<b>Sub-Total (B)</b>		<b>112.25</b>
Madhya Pradesh		
	Solar	15.00
Haryana		
	Solar	2.00
<b>Sub-Total (C)</b>		<b>17.00</b>
<b>Total (A+B+C)</b>	<b>Biomass+Wind+Solar</b>	<b>146.84</b>



## CERTIFICATIONS ENDORSING KRBL'S QUALITY QUOTIENT



### FSSC

Issued by Intertek, an internationally recognized certification that confirms that the organization's food safety management system is in conformance with the scheme requirements and that the organization can maintain compliance with these requirements thus, establishing a high-end quality and safety attributes of the products.

### HALAL PRODUCT CERTIFICATION

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

### SQF FOOD SAFETY CODE FOR MANUFACTURING EDITION 8.1

Issued by Intertek. Safe Quality Food (SQF) Program is a rigorous and credible food safety and quality program that is recognized by retailers, brand owners and food service providers world wide. This rigorous farm-to-fork food safety and quality certification also help food producers assure their buyers that their food products meet the highest possible global food safety standards.

## RESEARCH AND DEVELOPMENT



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

Known today for pioneering several cropping methodologies and harvesting techniques, KRBL's R&D team over the years has enormously helped the farmers to enhance their yield. Collaborating with some of the renowned agricultural academic/

research institutions of the nation, the core focus of KRBL's R&D unit is to develop new Basmati seed varieties which are of superior quality. With a keen eye on continuously upgrading the seed quality, KRBL's R&D team works closely with the Indian Agriculture Research Institute (IARI), New Delhi to develop new and improved seed varieties.

### PIONEER

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



### USFDA

Registered



### BRC CERTIFICATION

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

# FINANCIAL REVIEW

## ANALYSIS OF THE PROFIT AND LOSS STATEMENT



**Revenues:** Revenues from operations during FY21 was ₹3,992 crores against ₹4,499 crores in FY20. Revenue from operations decreased by 11% during the year, largely owing to due to the reduction in realization by 12% as compared to last year. Other incomes of the Company in FY21 was ₹23 crores compared to ₹22 crores in FY20 which is just 0.5% share of the Company's revenues reflecting the Company's focus on its core business operations.

**Expenses:** Total operating expenses of the Company decreased by 13% from ₹3,764 crores in FY20 to ₹3,265 crores in FY21, largely owing to due to the reduction in value of the cost of goods sold and interest expense. Cost of Goods Sold reduced by 14% from ₹3,222 crores in FY20 to ₹2,759 crores in FY21 and the same account for 69% of the Company's Total Income. Employee benefits expenses increased by 8% from ₹86 crores in FY20 to ₹92 crores in FY21 and the same accounting for 2% of the Company's revenues.

**Profitability:** Company's EBITDA for the year stood at ₹845 crores in FY21 compared to ₹893 crores in the previous financial year. Total Comprehensive Income of the Company for the year stood at ₹565 crores compared to ₹551 crores in the previous year. Gross Profit Margin for the year stood at 31%, Operating Profit Margin for the year stood at 19%, PBT Margin for the year stood at 19% and Net Profit Margin for the year stood at 14%.

## ANALYSIS OF THE BALANCE SHEET

### SOURCES OF FUNDS

- The net worth of the Company increased by 18% from ₹3,128 crores as of 31 March 2020 to ₹3,693 crores as of 31 March 2021 owing to the profits for FY21. The Company's equity share capital comprising 23,53,89,892 equity shares of ₹1 each, remained unchanged during the year under review.
- The capital employed by the Company stood at ₹4,000 crores as of 31 March 2021 as compared to ₹3,623 crores as of 31 March 2020. The Company garnered a ROCE of 20% in FY21.
- The total debt of the Company as of 31 March 2021 decreased by 38% from ₹496 crores as of 31 March 2020 to ₹308 crores as on 31 March 2021. The Net debt-equity ratio of the Company improved by 76% from 0.15 to 0.04 as on 31 March 2020-21.

- The Debtors' turnover ratio of the Company improved by 29% during the year, from 14.34 to 18.50, owing to the better management of debtors.
- The Interest coverage ratio of the Company improved by 150% during the year, from 13.13 to 32.77, owing to the significant reduction in Finance costs from ₹62 crores to ₹24 crores.
- The Current ratio of the Company improved by 55% during the year, from 3.02 to 4.68, owing to the fact that the Company has made a Cash profit of ₹631 crores during the year which resulted in an increase in current assets by ₹233 crores and decreases in Current Liabilities by ₹324 crores.
- The Debt-equity ratio of the Company improved by 76% from 0.15 to 0.04 as of 31st March 2021. The reason being, the total debt of the Company as of 31 March 2021 came down from ₹496 crores to ₹308 crores and total equity of the company increased from ₹3,128 crores to ₹3,693 crores.

## APPLICATIONS OF FUNDS

The non-current assets of the Company stand at ₹1,222 crores as of 31 March 2021. Depreciation and amortisation expense for the FY21 is ₹72 crores.

Apart from the above-mentioned changes of more than 25% in the key financial ratios, there is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in other key financial ratios.

### Formula used for calculation of the ratios:

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

## WORKING CAPITAL MANAGEMENT

The current ratio of the Company improved by 55% during the year, from 3.02 to 4.68, owing to the fact that the Company has made a Cash profit of ₹631 crores during the year which resulted in an increase in current assets by ₹233 crores and decreases in Current Liabilities by ₹324 crores.

### KEY FINANCIAL RATIOS\*

Particular	FY2020	FY2021
Inventory turnover ratio <sup>1</sup>	2.64	1.99
Debtors' turnover ratio <sup>2</sup>	14.34	18.50
Interest coverage ratio <sup>3</sup>	13.13	32.77
Current ratio <sup>4</sup>	3.02	4.68
Debt equity ratio <sup>5</sup>	0.15	0.04
Operating profit margin (%)	18	19
Net profit margin (%)	12	14
Return on net worth (%)	18	15

\*Based on Consolidated Financials.

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





# RISK MANAGEMENT AT KRBL LIMITED

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

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

## INDUSTRY RISK

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

### Risk Mitigation

- Rice is a staple crop for 70% of the world and thus the demand for rice is expected to continue to grow in the coming years. Food Security concerns all over the world are likely to drive growth for the Indian rice industry.
- Several of subsidy and export incentives are being given by the Central and State Governments to incentivise rice production and export.
- The global rice consumption and residual use in 2020/21 are projected to click record 498 million tonnes, up almost 2% from a year earlier.

## REGULATORY RISK

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

### Risk Mitigation

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

## RAW-MATERIAL RISK

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

### Risk Mitigation

- The state where KRBL is present are some of the largest rice-producing states in India.
- The Company sources its rice from more than 95,000 farmers, with whom the Company has developed a robust multi-decadal relationship, thus facilitating procurement.
- The Company trains farmers extensively in rice seed selection, procurement and the latest farming techniques to counter the probable climatic impact. The Company provides high-yielding seed varieties to farmers, enhancing rice production and growth.
- To further mitigate its raw-material risk the Company has deployed dedicated teams in its command areas to manage rice development and map the farmer's requirements. The Company has also built a widespread farmer network spreading over 250,000 acres of land, thereby ensuring a timely supply of quality raw material.

## GEOGRAPHICAL RISK

Presence in one market or dependence on one region could result in stagnant revenues.

### Risk Mitigation

- The Company has a business presence in more than 90 countries across the world including countries like the USA, Iran and the UK among others.
- Two of the biggest rice markets for the Indian players are the USA and the Middle-East region. The Company has a strong presence in both markets.
- The Company deepened its presence in select countries with an objective to graduate from mere shop share to national share. This multi-country presence is likely to moderate the risks arising from geopolitical instability in select regions.

## COMPETITION RISKS

The Company operates in a competitive environment and, as such, may experience increased competition that could adversely affect KRBL's sales, operating margins and market share.

### Risk Mitigation

- The Company has a continued focus on its operating performance from manufacturing to R&D to distribution to ensure that it continues to service the needs of its customers efficiently and promptly.
- Enhanced focus on a 360-degree brand building exercise comprising of successful brand promotions and engaging customers at multiple points resulting in an integrated communication approach. Thereby, has been successful in maintaining its leadership position for years now.
- Attractive price-value propositions helping the Company in creating new product categories.

## FOREIGN CURRENCY RISKS

The Company is exposed to foreign currency risk arising primarily owing to its business presence in several foreign countries.

### Risk Mitigation

- Foreign exchange rate exposures are managed by the Company by utilizing forward foreign exchange contracts.
- The Company enters into forwarding foreign exchange contracts to manage the risk associated with anticipated future business transactions denominated in foreign currencies.



## HUMAN RESOURCE (HR) DEVELOPMENT

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

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

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

The Company's total employee strength as on 31 March 2021 stands at 2,296.

## INFORMATION TECHNOLOGY

Information technology (IT) has been an integral part of the process of the Company and has been one of the key driving forces behind the growth achieved by KRBL. Effective management of the Company's vast network of distribution channels is facilitated by its use of top-of-the-line technology. We are thus consistently

scaling up our IT investments to upgrade our technological processes and evolve an infrastructure capable of maximizing the potential of the countless growth opportunities in the digital universe.

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

## AUDIT SYSTEMS

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

## 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.





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# DIRECTORS' REPORT



# DIRECTORS' REPORT

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

Your Directors are delighted to present the 28<sup>th</sup> (Twenty Eighth) Annual Report on Company's Business Operations along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31 March 2021.

## 1. RESULTS OF OUR OPERATIONS

The Company's financial performance for the year under review has been encouraging on the backdrop of challenging conditions on ground due to COVID-19 pandemic and related restrictions. Key aspects of Consolidated and Standalone Financial Performance of the Company for the current financial year 2020-21 along with the previous financial year 2019-20 are tabulated below:

Particulars	(₹ in lacs, except as stated)			
	Consolidated		Standalone	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Revenue from operations	3,99,188	4,49,902	3,99,188	4,49,864
Other income	2,268	2,251	2,243	2,226
<b>Total income</b>	<b>4,01,456</b>	<b>4,52,153</b>	<b>4,01,431</b>	<b>4,52,090</b>
Operating expenditure	3,16,966	3,62,866	3,16,808	3,62,687
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>84,490</b>	<b>89,287</b>	<b>84,623</b>	<b>89,403</b>
Finance costs	2,359	6,244	2,359	6,244
Depreciation and amortisation expense	7,195	7,288	7,190	7,282
<b>Profit before tax (PBT)</b>	<b>74,936</b>	<b>75,755</b>	<b>75,074</b>	<b>75,877</b>
Tax expense:				
Current tax	19,824	20,021	19,824	20,021
Deferred tax	(779)	(85)	(779)	(85)
<b>Profit for the year</b>	<b>55,891</b>	<b>55,819</b>	<b>56,029</b>	<b>55,941</b>
<b>Other comprehensive income/(loss) for the year</b>	<b>596</b>	<b>(685)</b>	<b>630</b>	<b>(789)</b>
<b>Total comprehensive income for the year</b>	<b>56,487</b>	<b>55,134</b>	<b>56,659</b>	<b>55,152</b>
<b>Earning per share (Face Value of ₹1 each)</b>				
- Basic (In ₹)	23.74	23.71	23.80	23.76
- Diluted (In ₹)	23.74	23.71	23.80	23.76

## 2. STATE OF COMPANY AFFAIRS

Significant shift in the consumer preference from unbranded to branded Basmati Rice in the Domestic as well as in the International Markets acted in favour of the Company. Therefore, despite the challenging external business environment, KRBL showcased a strong performance and reported exceptional numbers during the financial year 2020-21 under review. The highlights of the performance on a consolidated basis are as under:

- Company's Revenue from operations stood at ₹3,99,188 lacs (31 March 2020 ₹4,49,902 lacs).
- Company's Earnings before interest, tax, depreciation and amortisation (EBITDA) stood at ₹84,490 lacs (31 March 2020 ₹89,287 lacs).
- Company's Profit before tax (PBT) stood at ₹74,936 lacs (31 March 2020 ₹75,755 lacs).

## Directors' Report

- The Company was able to maintain its profitability, seen in Profit after tax (PAT) increasing to ₹55,891 lacs as of 31 March 2021 (31 March 2020 ₹55,819 lacs).
- Company's total comprehensive income for the year stood at ₹56,487 lacs (31 March 2020 ₹55,134 lacs).
- Company's Return on Capital Employed (ROCE) stood at 19%.
- Net worth of the Company increased by 18% to ₹3,69,251 lacs (31 March 2020 ₹3,12,764 lacs).
- The Company achieved 10% CAGR growth in net sales, 13% CAGR growth in EBITDA and 17% CAGR growth in Net Profit over the last decade.
- Earnings per Equity Share (EPS) for the year stood at ₹23.74 (31 March 2020 ₹23.71).
- The proposed dividend declared by the Company on the profits earned in FY 2020-21 was 350% (i.e. ₹3.50 per equity share of face value of ₹1 each) as compared to a declared Dividend of 280% (i.e. ₹2.80 per equity share of face value of ₹1 each for FY 2019-20).

## 3. DIVIDEND

Premised on commendable performance reported during the year along with strong financial position of the Company, the Board of Directors of the Company, in their meeting held on 29 June 2021, had recommended a Final Dividend @ 350% i.e. ₹3.50 per equity share of face value of ₹1 each for the year ended 31 March 2021. 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://www.krblice.com/policy-guidelines/REVISED\\_DIVIDEND\\_DISTRIBUTION\\_POLICY.pdf](https://www.krblice.com/policy-guidelines/REVISED_DIVIDEND_DISTRIBUTION_POLICY.pdf)

The details of Dividend proposed to be paid by the Company for the financial year 2020-21 as compared to the Dividend paid for financial year 2019-20 is as below:

Particulars of Dividend	(Amount in ₹ lacs)	
	Total Dividend (Excluding Taxes)	
	31 March 2021	31 March 2020
Final Dividend on 23,53,89,892 equity shares of ₹1 each @ ₹3.50 per equity share	8,239	-
Interim Dividend on 23,53,89,892 equity shares of ₹1 each @ ₹2.80 per equity share	-	6,591

## 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 2020-21, no entity became or ceased to be the Subsidiary, Joint Venture or Associate of the Company.

## 5. TRANSFER TO RESERVES

In view of the robust financial strength, the Company has voluntarily transferred ₹8,000 lacs (31 March 2020 ₹7,500 lacs) from retained earnings to general reserve and an amount of ₹2,96,744 lacs has been carried over to the Balance Sheet.

## 6. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on 31 March 2021 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 ₹7,67,653 to the Investor Education and Protection Fund during financial year 2020-21. This amount was lying unclaimed with the Company for a period of seven years or more after the declaration of dividend during the financial year 2012-13.

Further, pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) during the financial year 2020-21, the Company has transferred 6,989 equity shares which belonged to a total of 33 shareholders whose dividend has not been paid or claimed for seven consecutive years or more to the demat account of IEPF Authority i.e. INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS, bearing DP ID IN300708 and Client ID 10656671, being maintained with NSDL. Before transferring the above-mentioned shares, the Company had published a newspaper advertisement and had also sent individual letters to the concerned shareholders who hadn't claimed or encashed their dividend for seven or more consecutive years.

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

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

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

There hasn't been any change in the nature of the business of the Company during the financial year 2020-21.

**10. SEGMENT REPORTING**

A separate reportable segment 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 2021 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 PROGRAMME FOR INDEPENDENT DIRECTORS**

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company familiarizes its Directors about their role and responsibilities at the time of their appointment through a formal letter of appointment. Presentations and regulatory updates are regularly made available at the meetings of the Board and its various Committees on the relevant matters. All efforts are made to keep Independent Directors aware. The familiarization of Independent Directors may be accessed on the Company's website at the weblink <https://www.krblice.com/Familiarization-Programs-for-Independent-Directors.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 2020-21.

The Consolidated Financial Statements of the Company for the financial year 2020-21 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 Registered Office/ 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 [www.krblice.com](http://www.krblice.com) under the link Investor Relations.

**14. BOARD OF DIRECTORS**

**Board Composition**

As on 31 March 2021, the Company's Board has a strength of 10 (Ten) 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	40
Independent Non-Executive Directors	6	60

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

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. The Independent Directors of the Company are to hold office for 5 (Five) consecutive years starting from 14 September 2019 to 13 September 2024 (except for Ms. Priyanka Sardana who would hold the office for a period of 5 (Five) consecutive years w.e.f. 25 September 2019).

Mr. Alok Sabharwal, an Independent Non-Executive Director of the Company, ceased to be a Director on the Board of KRBL Limited w.e.f. the closure of business hours on 10 August 2021, due to the completion of his tenure. The Board placed on record their sincere appreciation for the guidance and contribution made by Mr. Alok Sabharwal during his tenure as an Independent Non-Executive Director.

**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 fulfill 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, Mr. Arun Kumar Gupta (DIN: 00030127), the Joint Managing Director of the Company, being longest in his office amongst the Directors is liable to retire by rotation and also retire from the Board by rotation this year. However, being eligible, he has offered his candidature for re-appointment. This shall not constitute a break in the office of Mr. Arun Kumar Gupta as the Joint Managing Director 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. Arun Kumar Gupta seeking re-appointment which inter-alia includes the particulars w.r.t. the experience and expertise of Mr. Arun Kumar Gupta, names of Companies in which Mr. Arun Kumar Gupta is holding Directorships, Committee Memberships/ Chairmanships and Inter-se relationships of Mr. Arun Kumar Gupta with other Directors, is provided in the Notice calling AGM of the Company.

The Ordinary Resolutions for the re-appointment of Mr. Arun Kumar Gupta is included in the Notice calling AGM of the Company. The Board recommends the re-appointment of Mr. Arun Kumar Gupta in the ensuing AGM of the Company.

**15. AUDIT COMMITTEE**

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, as on 31 March 2021, the Audit Committee of

KRBL Limited comprises of the following 5 (Five) Members and out of which 4 (Four) Members are Independent Non-Executive Directors and 1 (One) is Executive Director:

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

The recommendation made by the Audit Committee from time to time 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 forming part of this Report.

**16. KEY MANAGERIAL PERSONNELS**

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

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

There hasn't been any change (appointment or cessation) in the office of KMPs during the year.

**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) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy has been outlined below:

- i) 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.
- ii) 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.
- iii) To devise the criteria for evaluation of performance of the Independent Directors and the Board of Directors.
- iv) To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board. 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.
- v) To recommend to the Board on all remuneration in whatever form, payable to the Directors, the Key Managerial Personnel and the Senior Management.
- vi) To develop a succession plan for the Board and the Senior Management and to regularly review the plan.
- vii) 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://www.krblrice.com/policy-guidelines/nomination-remuneration-policy.pdf>

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 09 February 2021, 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:

- i) that in the preparation of the Annual Accounts for the financial year ending on 31 March 2021, 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 2021 and of the profit of the Company for the financial year ending on 31 March 2021;

- 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 2021 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, the same is annexed and forming part of this Report.

#### 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. PARTICULARS OF REMUNERATION OF DIRECTORS AND KMPs

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

#### 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, A copy of the Extracts of the Annual Return of the Company in Form MGT-9, is attached as 'Annexure 4' and forming part of this Report.

Further, a copy of the Annual Return of the Company containing the particulars as prescribed u/s 92 of the Companies Act, 2013, in Form MGT-7, is available on the Company's website <https://www.krblrice.com> under the link Investor Relations.

#### 25. AUDITORS AND AUDITORS' REPORT

##### i) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Walker Chandiook & 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. The requirement to place the matter relating to ratification of appointment by shareholders at every AGM has been done away by the Companies (Amendment) Act, 2017 w.e.f. 07 May 2018.

The 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 (A) (4) of the Standalone Financial Statements, the Company's Joint Managing Director Mr. Anoop Kumar Gupta had been detained and released on bail by the Enforcement Directorate ('ED') with regard to an ongoing investigation under the Prevention of Money Laundering Act, 2002, for alleged involvement in AgustaWestland case, pursuant to the order of Special Judge, Rouse Avenue Courts dated 30 January 2021 and dated 5 April 2021, respectively. ED, vide their criminal complaint dated 30 March 2021, has made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and Mr. Anoop Kumar Gupta. The Board of Directors of the Company have appointed an independent professional firm to review the aforesaid allegations, by undertaking steps as necessary, in order to assess impact of aforesaid matter, if any, on the standalone financial statements and control environment of the Company. Pending the ongoing investigation on the above matter, we are unable to comment on any adjustment that may be required to the accompanying standalone financial statements of the Company.

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

As stated in Note 47 (A) (4) of the Consolidated Financial Statements, the Company's Joint Managing Director Mr. Anoop Kumar Gupta had been detained and released on bail by the Enforcement Directorate ('ED') with regard to an ongoing investigation under the Prevention of Money Laundering Act, 2002, for alleged involvement in AgustaWestland case, pursuant to the order of Special Judge, Rouse Avenue Courts dated 30 January 2021 and dated 5 April 2021, respectively. ED, vide their criminal complaint dated 30 March 2021, has made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and Mr. Anoop Kumar Gupta. The Board of Directors of the Company have appointed an independent professional firm to review the aforesaid allegations, by undertaking steps as necessary, in order to assess impact of aforesaid matter, if any, on the consolidated financial statements and control environment of the Company. Pending the ongoing investigation on the above matter, we are unable to comment on any adjustment that may be required to the accompanying consolidated financial statements of the Company.

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

The Company's Joint Managing Director, Mr. Anoop Kumar Gupta had been detained and released on bail by the Enforcement Directorate ('ED') with regard to the investigation under the Prevention of Money Laundering Act, 2002, for alleged involvement in AgustaWestland case, pursuant to the order of Special Judge, Rouse Avenue Courts dated 30 January 2021 and dated 05 April 2021, respectively.

ED vide their criminal complaint dated 30 March 2021, has made certain allegations against the Company, KRBL DMCC (a subsidiary of KRBL Limited) and Mr. Anoop Kumar Gupta. As per criminal complaint filed, it has alleged that M/s Rawasi Al Khaleej General Trading LLC ('RAKGT') has received proceeds of crime of USD 24.62 million in AgustaWestland case during the period 2008-2010 which in turn has 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.

The management of the Company has taken an opinion from an independent legal counsel and on the basis of the same is of the view that since the investigation is still ongoing no adverse opinion can be drawn. The Board of Directors of the Company have appointed an independent professional firm to review the aforesaid allegations, by undertaking steps as necessary, in order

to assess impact of aforesaid matter, if any, on the financial statements and control environment of the Company.

The Board of Directors of the Company basis the assessment as undertaken by the management are 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 energy segment, the Company is required to have the audit of its Cost Records pertaining to power segment by a Cost Accountant in Practice. In this connection, considering the recommendation of Audit Committee, the Board of Directors had approved the re-appointment of M/s. HMVN & Associates, Cost Accountants, having their office at, 1011, Pearls Best Heights-II, C-09, Netaji Subhash Place, Pitampura, Delhi-110 034, as Cost Auditors of the Company to conduct the Cost Audit for the financial year 2021-22.

As required under the provisions of Companies Act, 2013, a resolution seeking members approval for the remuneration payable to the Cost Auditors for the financial year 2021-22, forms part of the Notice convening the AGM of the Company.

The Company is maintaining the requisite cost records pertaining to power segment whose turnover for the financial year 2020-21 is ₹9,239 lacs (excluding inter-unit sale).

Further, the Cost Audit Report for the financial year 2019-20 has been filed with the Ministry of Corporate Affairs.

**III) SECRETARIAL AUDITORS**

As required under Section 204(1) of the Companies Act, 2013 read with rules framed thereunder, the Company has appointed M/s. DMK Associates, Company Secretaries, having their office at, 31/36 Basement, Old Rajender Nagar, Delhi-110 060, to conduct the Secretarial Audit for the financial year 2021-22.

The Secretarial Audit Report submitted by M/s. DMK Associates in the prescribed form MR- 3, is attached as 'Annexure 5' 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:**

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

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

**IV) INTERNAL AUDITORS**

The Company has appointed M/s. S S Kothari Mehta & Co., Chartered Accountants, having their office at Plot No. 68, Okhla Industrial Area, Phase -III, New Delhi -110 020, as the Internal Auditor of the Company to focus on Internal Audit functions of the Company. The independence of the audit and compliance is ensured by direct reporting of Internal Audit Team to the Audit Committee of the Company.

**26. CORPORATE GOVERNANCE**

At KRBL Limited, it is our firm belief that the 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.

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://www.krblrice.com/codes/Code-of-Business-Conduct-and-Ethics.pdf>. A separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with Secretarial Auditors Certificate on Corporate Governance.

The Company has also adopted the below mentioned policies and codes in line with 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 <https://www.krblrice.com> under the link Investor Relations.

**27. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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, and profit from our business operations. 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.

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

The Company's policy on CSR envisages the expenditure in areas falling within the purview of Schedule VII of the Companies Act, 2013 and as permitted under the applicable laws. The Committee took note and incorporated all the amendments as notified by the Ministry of Corporate Affairs vide its notification dated 22 January 2021 in the provisions related to CSR and accordingly revised the CSR Policy. The detailed CSR policy is available on the Company's website at the weblink <https://www.krblrice.com/policy-guidelines/policy-corporate-social-responsibility.pdf>

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

### 28. BUSINESS RESPONSIBILITY REPORT (BRR)

In compliance with the SEBI Listing Regulations, the BRR 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 BRR is attached as 'Annexure 7' and forming part of this Report.

### 29. INTERNAL FINANCIAL CONTROL (IFC) SYSTEM AND THEIR ADEQUACY

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

The Company has 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 2021, 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 2021, 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 2020-21.

Kindly refer Statutory Auditors Report on IFC forming part of the Financial Statements which is with qualified opinion.

### 30. RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company and 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.

### 31. RATINGS

During the financial year 2020-21, the Company is holding various ratings, which are as follows:

- **ICRA:** In September 2020 and February 2021, "ICRA" had reviewed and assigned "[ICRA] AA- under watch with negative implications" rating for Fund Based Working Capital Limits and Term Loan Limits and "[ICRA] A1+ under watch with negative implications" rating for Non-Fund Based Limits of KRBL Limited.
- **ICRA:** In September 2020 and February 2021, "ICRA" had also reviewed and assigned "[ICRA] A1+ under watch with negative implications" rating for Commercial Paper (CP) Limits of KRBL Limited.
- **CARE:** In December 2020 and February 2021, "CARE" had reviewed and assigned "[CARE] A1+ under credit watch with negative implications" rating for Commercial Paper (CP) Limits of KRBL Limited.

### 32. DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any Deposits during the financial year 2020-21, 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 2020-21.

### 33. PARTICULARS OF EMPLOYEES

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

The particulars regarding the remuneration of 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.

### 34. PREVENTION OF SEXUAL HARASSMENT AT 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://www.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 2021, almost 99.93% of the Company's Paid-up Equity Share Capital representing 23,52,27,540 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). Given the numerous advantages offered by the Depository System, members holding shares in physical mode are requested to avail of the dematerialization facility with either of the Depositories.

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

### 36. CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

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

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

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

During the financial year 2020-21, 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 2020-21, the Company has availed loan of ₹2,701 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 2020-21, 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 2020-21, 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 46 to the Financial Statements forming part of this Report.

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

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

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

Pursuant to the provisions of Section 177(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 2020-21.

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

regarding income tax demand of ₹6,132 lacs and interest thereupon of ₹3,752 lacs. The Company had already paid ₹21,900 lacs, under protest.

The Income-tax department has also filed appeals in the Hon'ble Income Tax Appellate Tribunal, New Delhi regarding the matters allowed by CIT (Appeals) for appeals filed by the Company.

Further, the Company has received penalty orders for AY 2010-11 to 2016-17 on the matters sustained by CIT (Appeals) amounting to ₹11,896 lacs. In respect of the same, the Company filed appeals before CIT (Appeals). The Company filed stay applications with Hon'ble ITAT, New Delhi against such penalty orders and Hon'ble ITAT vide its order dated 22 July 2021, directed the Department not to enforce the realization of demand arising consequent to the passing of penalty orders till the disposal of quantum appeals.

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 THE 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') under certain allegations against the Company, KRBL DMCC (a subsidiary of KRBL Limited) and JMD.

As per the allegations KRBL Limited, its JMD and KRBL DMCC, a 100% subsidiary of KRBL Limited, have been named as accused in 9th Supplementary Complaint dated 30 March 2021 filed by ED under the Prevention of Money Laundering Act, 2002 (PMLA).

The investigation was being conducted by the ED in this case since long back. KRBL, its Director's and others, whosoever summoned from KRBL, duly appeared before the ED and readily co-operated with the investigation. The statements and the documents were recorded and submitted during the ongoing investigation period, as and when asked for.

Basis the Supplementary Complaint as per above filed by ED, there is no immediate adverse impact on KRBL Limited. Furthermore, this investigation has been ongoing since 2014, thus, there is no likelihood of a trial in the present case commencing immediately.

Based on the opinion taken from the independent legal counsel, the management opines that since the investigation is still ongoing no adverse opinion can be drawn. The Board of Directors of the Company basis the assessment as undertaken by the management are confident that the above-stated matter will be resolved soon.

Since a complaint has been lodged, the Company intends to allow it to take its own legal course to conclude. However, the Company strongly believes that neither KRBL nor anyone associated with the Company is directly or indirectly indulged in any unethical practice, whatsoever. KRBL Limited has always emphasised adopting and practicing the highest standards of corporate governance and transparency, and is determined to take the necessary steps to maintain the same in the future.

**44. INDUSTRIAL RELATIONS**

The Company has been successful in 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.

**45. SECRETARIAL STANDARDS**

The Company is complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India and as approved by the Central Government.

**46. 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://www.krblice.com/codes/Code-of-Conduct-to-Regulate,-Monitor-and-Report-Trading-by-Insiders.pdf>

**47. IMPACT OF COVID-19**

The outbreak of Coronavirus (COVID-19) has severely impacted businesses globally including India. Since the nature of business performed by the Company falls

under the essential category, the Company was allowed by the Government to continue its operations i.e. run the manufacturing facilities and distribute its products after following the COVID-19 guidelines and related safety protocols. Though there have been some operational difficulties owing to the lockdown imposed in various regions, the impact on overall operations has not been significant.

Further, the Management of the Company regularly assessed the impact of the situation on the capital, profitability, liquidity positions, etc. after considering the different internal and external factors. Based on the Management's assessment, the pandemic didn't have any material impact on the financial statements of the Company.

In addition, on account of the ongoing spread of COVID-19 across the country, the Company proactively undertook requisite changes in the business model during the year. The Company is constantly monitoring the current situation arising on account of COVID-19 and will take appropriate action as required.

**48. APPRECIATION**

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in the future. The Board acknowledges with gratitude the co-operation and assistance provided to the Company by its Bankers, Financial Institutions, Government as well as Non-Government Agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the Company during the financial year under review. The Company has been successful in achieving impressive growth during the year, thanks to the competence, hard work, solidarity, cooperation and support of the employees at all levels. Your Directors give their sincere gratitude to the Customers, Clients, Vendors and other business associates for their continued support in the Company's growth journey.

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

*For and on behalf of the Board of Directors*

**Anil Kumar Mittal**

**Place:** Noida, Uttar Pradesh  
**Date:** 04 September 2021

Chairman & Managing Director  
DIN-00030100



# ANNEXURE-1

## FORM AOC-1

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

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

Part "A": Subsidiaries		(₹ in lacs except as stated)			
S. No.	Particulars	Name of the Subsidiaries			
		KRBL DMCC Group		K B Exports Private Limited	
		As on 31 March 2021	As on 31 March 2020	As on 31 March 2021	As on 31 March 2020
1.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA	NA
2.	Reporting currency	AED	AED	INR	INR
3.	Exchange rate to ₹ as on the last date of the relevant financial year in the case of foreign subsidiaries	19.90	20.60	NA	NA
4.	Share Capital	217	217	300	300
5.	Reserves & Surplus	736	907	(5)	(5)
6.	Total Assets	1,037	1,211	296	295
7.	Total Liabilities*	84	87	1	0
8.	Turnover*	318	434	0	0
9.	Profit/(Loss) before taxation*	(137)	(123)	0	0
10.	Provision for taxation*	-	-	0	(0)
11.	Profit/(Loss) after taxation*	(137)	(123)	0	0
12.	Percentage (%) of Shareholding	100%	100%	70%	70%

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

a) Part B of the Annexure is not applicable as there are no Associate Companies / Joint Ventures of the Company as on 31 March 2021.

For and on behalf of the Board of Directors

**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

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

**Raman Sapra**  
Company Secretary  
Membership No. F9233

**Rakesh Mehrotra**  
Chief Financial Officer  
Membership No. 84366

Place: Noida, Uttar Pradesh  
Date: 04 September 2021

# 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:

1. Installed 1 X 55 KW on Silky - D in New 20 TPH
2. Installed 12 X 45 KW on Silky motors in Old 20 TPH
3. Installed 9 X 1.5 KW on Grader motors in New 20 TPH
4. Installed 1 X 2.2 KW on Warm motor in Rice Mill line no. 3
5. Installed 3 X 2.2 KW on Warm motor in Fresh paddy Drier
6. Installed 1 X 11 KW on blower in Fresh paddy Drier

7. Installed 2 X 7.5 KW on Elevator motors in Fresh paddy Drier
8. Installed 3 X 5.5 KW on Elevator motors in Fresh paddy Drier
9. Installed 5 X 18.5 KW on Polisher motors in Rice Mill line no. 3
10. Installed 1 X 55 KW on Silky motor in Rice Mill line no. 3
11. Installed 1 X 7.5 KW on Vacuum pump LT TG in LT TG.
12. Installed 1 X 2.2 KW on Grader motors in Rice Mill line no. 2
13. Installed 2 X 5.5 KW on Heid grader in Rice Mill line no. 3
14. Installed 2 X 30 KW on New blower in Rice Mill line no. 3
15. Installed 1 X 22 KW on sweep auger in Berico

(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.



**Disclosure of Particulars with Respect to Conservation of Energy: 2020-21**

**(a) Power and Fuel Consumption**

S. No.	Particulars	Current Year	Previous Year	Reason for Variation
1.	<b>Electricity</b>			
	<b>(A) Purchased (Including Captive Solar Power)</b>			
	Unit	1,42,64,820	2,25,45,651	Increase in captive production through steam turbine.
	Total Amount	10,23,53,183	15,13,31,791	
	Rate/Unit	7.18	6.71	
	<b>(B) Own Generation</b>			
	(i) Through Diesel Generator (DG)			
	Unit	9,30,141	18,64,508	Dependency on diesel-generated electricity has reduced compared to last year. The reason being the Company started procuring electricity from the State Government (UPSEB) at its Gautam Budh Nagar Unit. Also, the cost of diesel per unit has increased due to the increase in diesel price.
	Units Per Ltrs. of Diesel Oil	3.49	3.55	
	Cost/Unit	18.15	16.28	
	(ii) Through Steam Turbine			
	Unit	6,21,24,610	5,17,27,606	Dependency on diesel-generated electricity decreased.
	Husk/Unit (in KG)	1.11	1.27	
	Cost/Unit	3.94	4.86	
	(iii) Through Captive Solar Power			
	Unit	7,79,028	-	- Started power generation from May 2020
	Cost/Unit	0.12	-	Free Operations and Maintenance during this period
2.	<b>Others/Internal Generation</b>			
	Quantity	-	-	-
	Total Cost	-	-	-

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

**Total Energy Consumption is as under:**

Particulars	(In Units)	
	As at 31 March 2021	As at 31 March 2020
Production Unit-Gautam Budh Nagar, Uttar Pradesh	1,84,09,482	1,85,40,682
Production Unit-Dhuri, Punjab	4,89,68,653	4,81,61,734
Packaging Unit-Barota, Haryana	49,53,703	46,43,521

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

Particulars	(In Units)	
	As at 31 March 2021	As at 31 March 2020
Production Unit-Gautam Budh Nagar, Uttar Pradesh		
Rice	131	136
Production Unit-Dhuri, Punjab		
Rice Bran Oil	192	211
Rice	109	115
Packaging Unit-Barota, Haryana		
Rice	36	40

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

**Disclosure of Particulars with respect to Research and Development (R&D): 2020-21**

**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 2020-21:**

- 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 2020-21 as compared to previous year:

	2020-21	2019-20
i) Capital	Nil	Nil
ii) Recurring	526	528
iii) Total	526	528
iv) Total R&D expenditure as a percentage of total turnover	0.13%	0.12%

**e) Certifications:**

The Company is certified by FSSC 22000 issued by Intertek, 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 8.1, issued by Intertek. 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 USFDA 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 fulfill their legal obligations and provide protection for the end consumer. It promotes building a more coherent food safety culture within the organization and a food safety ecosystem as a whole.

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

**C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Disclosure of particulars with respect to Technology Absorption, Adaptation and Innovation: 2020-21

**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 financial year):**

**I) Technology Imported (during the financial year 2020-21):**

- i) During the financial year 2020-21, the Company has imported capital goods such as Sortex, 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.

**II) Technology Imported (during the financial year 2019-20):**

- i) During the financial year 2019-20, the Company had imported capital goods such as Sortex, Electric Forklift and plastic pallets along with other spare parts and accessories from UK, Japan, Germany and Malaysia.
- ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.
- iii) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

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

- i) During the financial year 2018-19, the Company had imported capital goods such as S5 screen, high speed door control panel screen, cover hood welded grinding wheel and other spare parts and accessories from Turkey, China, Germany and Switzerland.
- ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.
- iii) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Disclosure of particulars with respect to Foreign Exchange initiatives taken, Earnings and Outgo: 2020-21

**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 ₹10,106 lacs (P.Y. ₹6,662 lacs) in Foreign Exchange while Earnings in Foreign Exchange on mercantile basis were ₹1,19,582 lacs (P.Y. ₹93,558 lacs). Thus the net inflow in Foreign Exchange was ₹1,09,476 lacs (P.Y. ₹86,896 lacs) during the year under review.

*For and on behalf of the Board of Directors*

**Anil Kumar Mittal**

**Place:** Noida, Uttar Pradesh **Chairman & Managing Director**  
**Date:** 04 September 2021 **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 2020-21:**

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	68.19:1
b)	Mr. Arun Kumar Gupta	78.39:1
c)	Mr. Anoop Kumar Gupta	68.19:1
d)	Ms. Priyanka Mittal	54.16:1
<b>2</b>	<b>Non-Executive Directors*</b>	
a)	Mr. Alok Sabharwal	0.95:1
b)	Mr. Ashwani Dua	0.71:1
c)	Mr. Devendra Kumar Agarwal	0.95:1
d)	Ms. Priyanka Sardana	0.95:1
e)	Mr. Shyam Arora	0.95:1
f)	Mr. Vinod Ahuja	0.95:1

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

**B. The percentage increase in Remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2020-21:**

S. No.	Name	% Increase in Remuneration
1.	Mr. Anil Kumar Mittal	20%
2.	Mr. Arun Kumar Gupta	20%
3.	Mr. Anoop Kumar Gupta	20%
4.	Mr. Alok Sabharwal*	Nil
5.	Mr. Ashwani Dua*	Nil
6.	Mr. Devendra Kumar Agarwal*	Nil
7.	Ms. Priyanka Mittal	41%
8.	Ms. Priyanka Sardana*	Nil
9.	Mr. Shyam Arora*	Nil
10.	Mr. Vinod Ahuja*	Nil
11.	Mr. Rakesh Mehrotra, Chief Financial Officer	Nil
12.	Mr. Raman Sapra, Company Secretary	Nil

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

**C. The percentage increase in the Median Remuneration of Employees in the Financial Year 2020-21:** There was an increase of 8% in the Median Remuneration of Employees in the financial year 2020-21.

**D. The Number of Permanent Employees on the rolls of the Company:** 2,296.

**E. Average Percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last Financial Year and its Comparison with the Percentile Increase in the Managerial Remuneration:** The average increase in salaries of employees other than Managerial Personnel in 2020-21 was 8%, the average percentage increase in the Managerial Remuneration for the year was 24%.

**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.

**G. Employees employed throughout the financial year ended on 31 March 2021 and was in receipt of Remuneration for that financial year, in the aggregate not less than Rupees One Crore Two Lacs only:**

Name	Designation	Remuneration (in ₹)	Age (In years)	Date of Commencement of Employment	Qualifications	Experience (In Years)	Name of Previous Employer	Nature of Employment
Mr. Anil Kumar Mittal	Chairman & Managing Director	1,43,27,280	70	30 March 1993	Arts Graduate from Delhi University	45	-	Contractual
Mr. Arun Kumar Gupta	Joint Managing Director	1,64,70,432	64	30 March 1993	Commerce Graduate from Delhi University	39	-	Contractual
Mr. Anoop Kumar Gupta	Joint Managing Director	1,43,27,280	62	30 March 1993	Science Graduate from Delhi University	35	-	Contractual
Ms. Priyanka Mittal	Whole Time Director	1,13,79,600	44	28 November 2000	Graduate from Harvard Business School's OPM programme, BS in Business Management from University of Southern California, Los Angeles, C.A. and also a Chartered Financial Analyst (AIMR) Candidate, Level II.	24	-	Contractual

For and on behalf of the Board of Directors

Anil Kumar Mittal  
Chairman & Managing Director  
DIN-00030100

Place: Noida, Uttar Pradesh  
Date: 04 September 2021

# ANNEXURE-4

**Form MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

S.No.	Particulars
1.	CIN L01111DL1993PLC052845
2.	Registration Date 30 March 1993
3.	Name of the Company KRBL Limited
4.	Category/ Sub-Category of the Company Public Limited Company/Indian Non-Government Company
5.	Address of the Registered office and contact details 5190, Lahori Gate, Delhi - 110 006 Telephone: +91-11-23968328, Fax: +91-11-23968327 Email Id: investor@krblindia.com Website: www.krblrice.com
6.	Whether listed Company Yes
7.	Name, Address and Contact details of Registrar and Share Transfer Agent M/s. Alankit Assignments Limited Alankit House 4E/2, Jhandewalan Extension, New Delhi - 110 055 Telephone: +91-11-42541234 / 23541234 Fax : +91-11-41543474 Email Id: rta@alankit.com Website: www.alankit.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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

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

S. No.	Name and Address of the Company	CIN/GLN/ License No.	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	KRBL DMCC (Includes step down Wholly Owned Subsidiary) Office 6KL, 6 <sup>th</sup> Floor, Silver Tower, Cluster-I, JLT, Dubai, United Arab Emirates	Trade License No. DMCC-30637	Subsidiary	100%	2(87)(ii)
2.	K B Exports Private Limited 5190, Lahori Gate, Delhi-110 006	CIN: U70200DL1998PTC096113	Subsidiary	70%	2(87)(ii)

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

**i) CATEGORY-WISE SHAREHOLDING:**

Category of Shareholders	No. of Shares held at the beginning of the financial year (As on 01 April 2020)		No. of Shares held at the end of the financial year (As on 31 March 2021)		% Change during the financial year
	Demat	Physical	Demat	Physical	
<b>A. SHAREHOLDING PATTERN OF PROMOTER AND PROMOTER GROUP</b>					
<b>1. INDIAN</b>					
a) Individuals/Hindu Undivided Family	1,57,51,000	-	1,57,51,000	-	6.69
b) Central Government/ State Government(s)	-	-	-	-	-
c) Financial Institutions/Banks	-	-	-	-	-
d) Any Other (Trust)	12,42,00,712	-	12,42,00,712	-	52.76
<b>Sub-total (A) (1):</b>	<b>13,99,51,712</b>	<b>-</b>	<b>13,99,51,712</b>	<b>-</b>	<b>59.46</b>
<b>2. FOREIGN</b>					
a) Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-	-
b) Government	-	-	-	-	-
c) Institutions	-	-	-	-	-
d) Foreign Portfolio Investors	-	-	-	-	-
e) Any Other (Specify)	-	-	-	-	-
<b>Sub-total (A) (2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>13,99,51,712</b>	<b>-</b>	<b>13,99,51,712</b>	<b>-</b>	<b>59.46</b>
<b>B. SHAREHOLDING PATTERN OF PUBLIC SHAREHOLDERS</b>					
<b>1. INSTITUTIONS</b>					
a) Mutual Funds	12,30,385	-	12,30,385	-	0.52
b) Venture Capital Funds	-	-	-	-	-
c) Alternate Investment Funds	83,110	-	83,110	-	0.04
d) Foreign Venture Capital Investors	-	-	-	-	-
e) Foreign Portfolio Investor	1,51,53,930	-	1,51,53,930	-	6.44
f) Financial Institutions/ Banks	26,402	-	26,402	-	0.01
g) Insurance Companies	-	-	-	-	-
h) Provident Funds/Pension Funds	-	-	-	-	-
i) Any Other (Specify)	-	-	-	-	-
<b>Sub-total (B)(1):</b>	<b>1,64,93,827</b>	<b>-</b>	<b>1,64,93,827</b>	<b>-</b>	<b>7.01</b>
<b>2. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)/ PRESIDENT OF INDIA</b>					
<b>Sub-total (B)(2):</b>	<b>1,07,44,911</b>	<b>-</b>	<b>1,07,44,911</b>	<b>-</b>	<b>4.56</b>
<b>TOTAL SHAREHOLDING OF PUBLIC SHAREHOLDERS (B) = (B)(1)+(B)(2)</b>	<b>1,72,38,738</b>	<b>-</b>	<b>1,72,38,738</b>	<b>-</b>	<b>11.57</b>
<b>Sub-total (B)(2):</b>	<b>1,07,44,911</b>	<b>-</b>	<b>1,07,44,911</b>	<b>-</b>	<b>4.56</b>
<b>TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>13,99,51,712</b>	<b>-</b>	<b>13,99,51,712</b>	<b>-</b>	<b>59.46</b>
<b>TOTAL SHAREHOLDING OF PUBLIC SHAREHOLDERS (B) = (B)(1)+(B)(2)</b>	<b>1,72,38,738</b>	<b>-</b>	<b>1,72,38,738</b>	<b>-</b>	<b>11.57</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>15,71,80,450</b>	<b>-</b>	<b>15,71,80,450</b>	<b>-</b>	<b>71.03</b>

Category of Shareholders	No. of Shares held at the beginning of the financial year (As on 01 April 2020)		No. of Shares held at the end of the financial year (As on 31 March 2021)		% Change during the financial year
	Demat	Physical	Demat	Physical	
<b>3. NON-INSTITUTIONS</b>					
a) Individuals					
i) Individual shareholders holding nominal share capital upto ₹2 lacs	1,87,51,919	1,75,362	1,89,27,281	1,57,352	8.04
ii) Individual shareholders holding nominal share capital in excess of ₹2 lacs	1,52,32,549	-	1,52,32,549	-	6.47
b) NBFC Registered with RBI	5,670	-	5,670	-	0.00
c) Employee Trust	-	-	-	-	-
d) Overseas Depository (Holding DRs)	-	-	-	-	-
e) Any Other (Specify)					
i) Bodies Corporate	21,40,296	5,000	21,45,296	5,000	0.91
ii) Limited Liability Partnership	4,96,087	-	4,96,087	-	0.21
iii) Clearing Member /Clearing House	8,19,633	-	8,19,633	-	0.35
iv) Foreign Nationals	46,88,330	-	46,88,330	-	1.99
v) Foreign Body Corporate	2,29,00,000	-	2,29,00,000	-	9.73
vi) Hindu Undivided Family/ Association of Persons	5,68,640	-	5,68,640	-	0.24
vii) Trust	71,624	-	71,624	-	0.03
viii) Investor Education and Protection Fund (IEPF)	62,700	-	62,700	-	0.03
ix) Non-Resident Indian-Non Repatriable	7,39,138	-	7,39,138	-	0.31
x) Non-Resident Indian- Repatriable	15,42,494	-	15,42,494	-	0.66
<b>Sub-total (B)(3):-</b>	<b>6,80,19,080</b>	<b>1,80,362</b>	<b>6,81,99,442</b>	<b>1,62,352</b>	<b>28.97</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>9,52,57,818</b>	<b>1,80,362</b>	<b>9,54,38,180</b>	<b>1,62,352</b>	<b>40.54</b>
<b>C. SHAREHOLDING PATTERN OF NON PROMOTER-NON PUBLIC SHAREHOLDER</b>					
<b>1. CUSTODIAN/DR HOLDER</b>					
<b>Sub-total (C)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. EMPLOYEE BENEFIT TRUST (Under SEBI (Share Based Employee Benefit), Regulations, 2014)</b>					
<b>TOTAL NON PROMOTER-NON PUBLIC SHAREHOLDING (C)=(C)(1)+(C)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>23,52,09,530</b>	<b>1,80,362</b>	<b>23,53,89,892</b>	<b>1,62,352</b>	<b>100</b>

(ii) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP :

S. No.	Shareholding at the beginning of the financial year (As on 01 April 2020)		Shareholding at the end of the financial year (As on 31 March 2021)		% Change during the financial year
	No. of Shares of the Company	% of total Shares Pledged / encumbered to total shares	No. of Shares of the Company	% of total Shares Pledged / encumbered to total shares	
<b>Individuals/HUF</b>					
1.	Mr. Anil Kumar Mittal	100	-	100	-
2.	Mr. Anil Kumar Mittal	35,99,900	-	35,99,900	1.53
3.	Karta of Mr. Anil Kumar Mittal (HUF)	-	-	-	-
4.	M/s. Anil Mittal Family Trust	4,30,49,796	-	4,30,49,796	18.29
5.	Mr. Arun Kumar Gupta	100	-	100	-
6.	Mr. Arun Kumar Gupta	48,49,900	-	48,49,900	2.06
7.	Karta of Mr. Arun Kumar Gupta (HUF)	-	-	-	-
8.	M/s. Arun Kumar Gupta Family Trust	4,17,97,646	-	4,17,97,646	17.76
9.	Mr. Anoop Kumar Gupta	100	-	100	-
10.	Mr. Anoop Kumar Gupta	72,99,900	-	72,99,900	3.10
11.	Karta of Anoop Kumar Gupta (HUF)	-	-	-	-
12.	M/s. Anoop Kumar Gupta Family Trust	3,88,49,338	-	3,88,49,338	16.50
13.	M/s. Binita Gupta Family Trust	5,03,932	-	5,03,932	0.21
14.	Mr. Ashish Mittal	100	-	100	-
15.	Mr. Ayush Gupta	100	-	100	-
16.	Mr. Akshay Gupta	100	-	100	-
17.	Ms. Anulika Gupta	100	-	100	-
18.	Ms. Binita Gupta	100	-	100	-
19.	Mr. Kunal Gupta	100	-	100	-
20.	Ms. Neha Gupta	100	-	100	-
21.	Ms. Priyanka Mittal	100	-	100	-
22.	Ms. Preeti Mittal	100	-	100	-
23.	Ms. Rashi Gupta	100	-	100	-
<b>Total Shareholding of Promoters</b>		<b>13,99,51,712</b>	<b>59.46</b>	<b>13,99,51,712</b>	<b>59.46</b>

(iii) CHANGE IN SHAREHOLDING OF PROMOTER AND PROMOTER GROUP :

Particulars	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the financial year	13,99,51,712	59.46	13,99,51,712	59.46
Changes during the financial year	-	-	-	-
At the end of the financial year	13,99,51,712	59.46	13,99,51,712	59.46

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

S. No.	Shareholder's Name	Weekly benpos date	No of Shares	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Reliance Commodities DMCC</b>	At the beginning of the financial year		2,29,00,000	9.73	2,29,00,000	9.73
		Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares			
		Nil	Nil	-	-	-	-
	At the end of financial year					2,29,00,000	9.73
2.	<b>Joint Director of Enforcement, Central Region</b>	At the beginning of the financial year		1,07,44,891	4.56	1,07,44,891	4.56
		Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares			
		29.05.2020	35,88,330			1,43,33,221	
	At the end of financial year					1,43,33,221	6.09
3.	<b>Mr. Anil Kumar Goel</b>	At the beginning of the financial year		65,11,201	2.77	65,11,201	2.77
		Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares			
		26.06.2020	1,20,000			66,31,201	
		10.07.2020	979			66,32,180	
		17.07.2020	820			66,33,000	
		14.08.2020	(2,47,000)			63,86,000	
		04.09.2020	1,000			63,87,000	
		11.09.2020	2,000			63,89,000	
		06.11.2020	2,000			63,91,000	
		13.11.2020	1,000			63,92,000	
		18.12.2020	1,000			63,93,000	
		25.12.2020	3,000			63,96,000	
		12.02.2021	1,000			63,97,000	
		19.02.2021	1,000			63,98,000	
		05.03.2021	14,000			64,12,000	
		12.03.2021	81,125			64,93,125	
		19.03.2021	67,875			65,61,000	
		26.03.2021	4,000			65,65,000	
	At the end of financial year					65,65,000	2.79

S. No.	Shareholder's Name	Weekly benpos date	No of Shares	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	<b>Mr. Som Nath Aggarwal</b>						
	At the beginning of the financial year			36,64,678	1.56	36,64,678	1.56
	Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares				
		03.04.2020	4			36,64,682	
	At the end of financial year					36,64,682	1.56
5.	<b>Ms. Seema Goel</b>						
	At the beginning of the financial year			28,17,000	1.20	28,17,000	1.20
	Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares				
		22.05.2020	1,000			28,18,000	
		05.06.2020	26,000			28,44,000	
	At the end of financial year					28,44,000	1.21
6.	<b>Mr. Ashish Kacholia*</b>						
	At the beginning of the financial year			0.00	0.00	0.00	0.00
	Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares				
		26.06.2020	6,21,300			6,21,300	
		03.07.2020	7,32,921			13,54,221	
		17.07.2020	4,500			13,58,721	
		24.07.2020	1,40,500			14,99,221	
		18.12.2020	1,00,000			15,99,221	
		31.12.2020	24,000			16,23,221	
		01.01.2021	26,779			16,50,000	
		08.01.2021	1,00,000			17,50,000	
		15.01.2021	1,00,000			18,50,000	
		26.02.2021	1,50,000			20,00,000	
	At the end of financial year					20,00,000	0.85

S. No.	Shareholder's Name	Weekly benpos date	No of Shares	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	<b>Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund*</b>						
	At the beginning of the financial year			0.00	0.00	0.00	0.00
	Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares				
		10.07.2020	24,79,000			24,79,000	
		07.08.2020	3,24,720			28,03,720	
		14.08.2020	19,651			28,23,371	
		21.08.2020	78,403			29,01,774	
		18.09.2020	1,00,000			30,01,774	
		11.12.2020	(85,200)			29,16,574	
		12.02.2021	(1,17,732)			27,98,842	
		19.02.2021	(1,67,191)			26,31,651	
		26.02.2021	(2,55,887)			23,75,764	
		05.03.2021	(3,75,659)			20,00,105	
		12.03.2021	(3,04,318)			16,95,787	
	At the end of financial year					16,95,787	0.72
8.	<b>Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund</b>						
	At the beginning of the financial year			15,04,132	0.64	15,04,132	0.64
	Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares				
		22.05.2020	(13,060)			14,91,072	
		29.05.2020	(21,215)			14,69,857	
		19.06.2020	(49,293)			14,20,564	
		26.06.2020	(1,94,805)			12,25,759	
		29.01.2021	81,356			13,07,115	
	At the end of financial year					13,07,115	0.56
9.	<b>Vanguard Total International Stock Index Fund</b>						
	At the beginning of the financial year			15,74,363	0.67	15,74,363	0.67
	Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares				
		21.08.2020	(3,571)			15,70,792	
		04.09.2020	(35,689)			15,35,103	
		30.09.2020	(58,264)			14,76,839	
		30.10.2020	(56,226)			14,20,613	
		04.12.2020	(61,302)			13,59,311	
		15.01.2021	(60,280)			12,99,031	
		05.02.2021	(63,219)			12,35,812	
	At the end of financial year					12,35,812	0.53
10.	<b>Mr. Hussam Ali Obeid Balsharaf*</b>						
	At the beginning of the financial year			7,00,000	0.30	7,00,000	0.30
	Sale(-)/Purchase(+) during the year	As on benpos date	No. of Shares				
		Nil	Nil			-	-
	At the end of financial year					7,00,000	0.30

\*Not in the list of Top 10 shareholders as on 31 March 2020. The same has been reflected above since the shareholders was one of the top 10 shareholders as on 31 March 2021.

The above details are given as of 31 March 2021. The Company is listed and 99.93% shareholding of the Company is in dematerialized form. Hence, it is not feasible to track the movement of shares on daily basis. The aforesaid holdings by top ten (10) shareholders are due to market operations and the changes are identified basis the weekly data received from the Registrar and Share Transfer Agent of the Company. Further, the Company has not allotted/ transferred or issued any bonus or sweat equity shares during the year.

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

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

V. **INDEBTEDNESS**

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

(Amount in ₹ lacs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01 April 2020)				
i) Principal Amount	42,609	6,962	-	49,571
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	965	-	-	965
<b>Total (i+ii+iii)</b>	<b>43,574</b>	<b>6,962</b>	-	<b>50,536</b>
Change in Indebtedness during the financial year				
Addition	12,196	2,375	-	14,572
Reduction	(34,253)	-	-	(34,253)
Exchange Difference	-	-	-	-
<b>Net Change</b>	<b>(22,057)</b>	<b>2,375</b>	-	<b>(19,681)</b>
Indebtedness at the end of the financial year (31 March 2021)				
i) Principal Amount	21,441	9,337	-	30,778
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	76	-	-	76
<b>Total (i+ii+iii)</b>	<b>21,517</b>	<b>9,337</b>	-	<b>30,854</b>

Directors' Report

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Amount in ₹ lacs)

S. No.	Particulars of Remuneration	Name of the Managing Directors and Whole-Time Directors				Total Amount
		Mr. Anil Kumar Mittal	Mr. Arun Kumar Gupta	Mr. Anoop Kumar Gupta	Ms. Priyanka Mittal	
1.	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	142.87	142.87	142.87	90.00	518.61
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	21.83	0.40	23.80	46.43
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission -as % of profit -Other, specify	-	-	-	-	-
5.	Other, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>143.27</b>	<b>164.70</b>	<b>143.27</b>	<b>113.80</b>	<b>565.04</b>
	<b>Overall Ceiling as per the Act</b>	10% of Net profit for all Executive Directors - Managing and Whole-Time Directors i.e. ₹7,485 lacs 5% of Net profit to any one Managing or Whole-Time Director- ₹3,742 lacs				

B. **REMUNERATION TO OTHER DIRECTORS:**

(Amount in ₹ lacs)

S. No	Particulars of Remuneration	Name of the Independent Non-Executive Directors						Total Amount
		Mr. Ashwani Dua	Mr. Alok Sabharwal	Mr. Devendra Kumar Agarwal	Ms. Priyanka Sardana	Mr. Shyam Arora	Mr. Vinod Ahuja	
1.	Independent Directors							
	• Fee for attending Board Meetings	1.50	2.00	2.00	2.00	2.00	2.00	11.50
	• Committee Meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others	-	-	-	-	-	-	-
	<b>Total(1)</b>	<b>1.50</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>11.50</b>
2.	Other Non-Executive Directors							
	• Fee for attending Board Meetings				None			
	• Committee Meetings				N.A.			
	• Commission							
	• Others							
	<b>Total (2)</b>	-	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>1.50</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>11.50*</b>
	<b>Overall Ceiling as per the Act</b>	1% of Net Profits of the Company for all Non-Executive Directors i.e. ₹748 lacs						

\* The above is the sitting fees and the same is excluding GST.



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL (OTHER THAN MANAGING DIRECTOR AND WHOLE-TIME DIRECTORS):**  
(Amount in ₹ lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Rakesh Mehrotra, CFO	Mr. Raman Sapra, CS	Total
1.	Salary	84.75	15.28	100.03
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-as % of profit	-	-	-
	-Other, specify	-	-	-
5.	Other, please specify	-	-	-
<b>Total (C)</b>		<b>84.75</b>	<b>15.28</b>	<b>100.03</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

For and on behalf of the Board of Directors

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

Place: Noida, Uttar Pradesh  
Date: 04 September 2021

# ANNEXURE-5

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**  
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
M/s KRBL Limited  
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 2021 ("**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 2021 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 ODI was made by the Company during the Audit Period);**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period);**
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period);**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period) and;**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period).**

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

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 and National Stock Exchange of India Limited.

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:

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

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

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

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.
3. Majority decision is carried through and recorded in the minutes of the meetings. Further, as informed 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 General Manager-Gautam Budh 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. Rakesh Mehrotra and Company Secretary & Compliance Officer Mr. Raman Sapra of the Company and taken on record by the Board of Directors at their meeting(s), **we further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For DMK Associates  
Company Secretaries**

**(Deepak Kukreja)**  
**FCS, LLB., ACIS (UK), IP,**  
**PARTNER**  
**CP No.8265**  
**FCS No. 4140**  
**Peer Review No. 779/2020**  
**UDIN: F004140C000896911**

**Date:** 04 September 2021  
**Place:** New Delhi

# 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 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) The demand notices which the Company had received under section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-2011 to 2016-2017, amounting to ₹75,744 lacs and interest thereon ₹51,176 lacs during the FY ending 31 March 2019 against which the Company had filed the appeal before the Commissioner of Income Tax (Appeal) for which partial relief was given by Commissioner of Income Tax (Appeal). The Company has filed appeals before Income Tax Appellate Tribunal ('ITAT'), New Delhi on 18 June 2020 for remaining matters confirmed by CIT(Appeals) in respect of income tax demand of ₹6,132 lacs and interest thereupon of ₹3,752 lacs.  
  
To keep penalty proceedings in abeyance, Company filed penalty stay applications for all 7 years (AY 2010-11 to 2016-17) before Hon'ble ITAT, Delhi with the request to direct tax authorities not to impose penalty till the time, disposal of quantum appeals filed by the Company before Hon'ble ITAT. Applications were listed for hearing on 26 February 2021 pursuant to which income tax department, imposed penalty for all 7 years and raised a demand of ₹118.96 crores to adjust out of refund due. However, Hon'ble ITAT vide its order dated 16 April 2021, has granted interim relief against such recovery of demand till 12 May 2021, which was further extended sine die due to COVID-19 pandemic. The Company had filed appeals before CIT(A) in respect of such penalty orders on 24 March 2021.
  - (ii) The Enforcement Directorate ("ED") had provisionally attached a portion of land and parcel and building thereupon situated at Dhuri, Tehsil Sangrur District of Punjab to the extent of value of ₹1,532 lacs in connection with its money laundering investigation vide order dated 03 July 2019. The Company filed an appeal with the Appellate Tribunal, (PMLA), Government of India ("Appellate Tribunal") and vide order dated 17 January 2020, Appellate Tribunal ordered to restore the possession in favour of the Company. Against this order Appellate Tribunal, the ED has filed an appeal before the Hon'ble High Court of Delhi currently lying pending. The Company has also filed an application with the Hon'ble High Court of Delhi on 29 May 2020 for execution of the Appellate order. The High Court vide an order dated 23 October 2020 has modified the order dated 11 June 2020, whereby the Company is allowed to use the said land and building for specified purpose against the deposit of ₹1,113 lacs without prejudice to the rights and contentions of the parties to be decided in the appeal and the said amount has been deposited by the Company on 05 November 2020.

- (iii) The Company's Joint Managing Director, Mr. Anoop Kumar Gupta had been detained and released on bail by the Enforcement Directorate ('ED') with regard to an ongoing investigation under the Prevention of Money Laundering Act, 2002, for alleged involvement in AgustaWestland case, pursuant to the order of Special Judge, Rouse Avenue Courts dated 30 January 2021 and dated 05 April 2021, respectively. ED vide their criminal complaint dated 30 March 2021 has made certain allegations against KRBL Limited, KRBL DMCC (a Subsidiary of KRBL Limited) and Mr. Anoop Kumar Gupta. The matter is still under the investigation stage.
8. Due to prevailing second wave of COVID-19 and subsequent lockdowns, we have conducted online verification & examination of records as provided by the Company and based on these records, this report is being issued.

**For DMK Associates  
Company Secretaries**

**(Deepak Kukreja)**  
FCS, LLB., ACIS (UK), IP  
PARTNER  
CP No.8265  
FCS No. 4140  
Peer Review No. 779/2020  
UDIN: F004140C000896911

Date: 04 September 2021  
Place: New Delhi

# ANNEXURE-6

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**  
[Pursuant to Section 135 of the Companies Act, 2013 read with  
Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. 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 programmes 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://www.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 2020-21 are as follows:

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

\* Mr. Alok Sabharwal, ceased to be a member of the CSR Committee of KRBL Limited w.e.f. the closure of business hours on 10 August 2021, due to completion of his tenure as Director of the Company.

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://www.krblrice.com/Composition%20of%20Various%20Committees.pdf>

**CSR Policy**

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

**CSR Programmes**

<https://www.krblrice.com/fy-2021/annual-report/CSR%20Projects%20or%20Programmes%20Undertaken%20in%20FY%202020-21.pdf>

4. Provide the details 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 (attach the report):

Not applicable for financial year 2020-21.

8. (a) CSR amount spent or unspent for the financial year.

Total Amount Spent for the Financial Year	Amount Unspent (₹ in lacs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
180.54	1,270.68	30 April 2021	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year.

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name	Mode of Implementation - Through Implementing Agency CSR Registration Number
1.	<b>Eradicating Hunger, Poverty and Malnutrition / Promoting education</b>										
	Setting up the Centralized Kitchen with the capacity to serve 25,000 mid-day meals per day to school childrens	(i)	Yes	Uttar Pradesh Gautam Budh Nagar	3 Years	1282.04	11.36	1270.68	No	The Akshaya Patra Foundation	CSR00000286
<b>TOTAL</b>						<b>1282.04</b>	<b>11.36</b>	<b>1270.68</b>			

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
		Nil	

6. Average Net Profit of the Company as per section 135(5): ₹72,560.74 lacs.

7. (a) Two percent of average net profit of the Company as per section 135(5) : ₹1,451.22 lacs

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

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹1,451.22 lacs

Directors' Report

(c) Details of CSR amount spent against other than ongoing projects for the financial year.

(₹ in lacs)

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name	CSR Registration Number
1.	<b>Promoting education, including special education especially among the differently abled and livelihood enhancement projects / Promoting health care including preventive health care</b>							
	Rehabilitation Program for specially abled children's		Yes	Delhi Delhi	95.00	No	JSR Charitable Trust	NA
	CSR Support in publishing the "Hypertension Textbook" in public interest	(i)/(ii)	Yes	Delhi Delhi	5.00	No	World Wellness Foundation	NA
	Scholarships		Yes	Punjab Sangrur	0.07	Yes	NA	NA
2.	<b>Eradicating Hunger, Poverty and Malnutrition/ Mid-Day Meal (MDM) / COVID -19 Relief Programme</b>							
	Distribution of meals to the underprivileged people and families affected due to COVID-19 Crisis		Yes	Uttar Pradesh Gautam Budh Nagar	1.50	No	The Akshaya Patra Foundation	CSR00000286
	Distribution of ration kits to Dabbawala and their family members. Mumbai's Dabbawala Association got severely impacted owing to the COVID-19 crisis and subsequent lockdown	(i)/(xii)	No	Maharashtra Mumbai	8.40	No	Shikha Seva Foundation	NA
	Distribution of food & medical supplies to excluded women and children, who got impacted by the COVID-19 Crisis		Yes	Delhi/NCR Delhi/NCR	24.75	No	Apne Aap Women Worldwide Trust	NA
3.	<b>Promoting health care including preventive health care / COVID -19 Relief Programme</b>							
	10 BLS Ambulance for COVID-19 patients for 2 Months		Yes	Delhi/NCR Delhi/NCR	12.60	Yes	NA	NA
	CSR Project for Promoting health care	(i)/(xii)	Yes	Punjab Sangrur	5.00	No	Dayanand Medical College & Hospital Managing Society	NA
	Purchase of healthcare equipment's, Oxygen Cylinders, Pulse Oximeters, Patient Monitors		Yes	Punjab Sangrur	10.00	Yes	NA	NA
4.	<b>Promoting Sports</b>							
	CSR Project for Promoting Sports	(vii)	Yes	Punjab Sangrur	6.86	Yes	NA	NA
<b>TOTAL</b>					<b>169.18</b>			

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹1,451.22 lacs
- (g) Excess amount for set off, if any

S. No.	Particulars	Amount (₹ in lacs)
i.	Two percent of average net profit of the company as per Section 135(5)	1,451.22
ii.	Total amount spent for the financial year	1,451.22
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
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)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding financial year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ In lacs)	Amount spent in the Reporting financial year (₹ In lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ In lacs)
				Name of the Fund	Amount (₹ In lacs)	Date of transfer	
NA							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S. No.	Project Id	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount Allocated for the project (₹ In lacs)	Amount spent on the project in the reporting financial year (₹ In lacs)	Cumulative amount spent at the end of reporting financial year (₹ In lacs)	Status of the project - Completed/ Ongoing
NA								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s) : Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset(s) : Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

For and on behalf of the Board of Directors

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

Place: Noida, Uttar Pradesh  
Date: 04 September 2021

# ANNEXURE-7

## BUSINESS RESPONSIBILITY REPORT

### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L01111DL1993PLC052845
2. Name of the Company	KRBL Limited
3. Registered Address	5190, Lahori Gate, Delhi – 110006
4. Website	www.krblrice.com
5. E-mail ID	investor@krblindia.com
6. Financial Year reported	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	<p><b>Agri Division-Group: 106 &amp; Group: 011</b></p> <p><u>Group: 106</u> Rice, Rice Products and Other By-products (Class: 1061, Sub-Class: 10612 - Rice milling)</p> <p><u>Quinoa</u> (Class: 1061, Sub-Class: 10614 - Grain milling other than wheat, rice and dal)</p> <p><u>Seed</u> Class: 1061, Sub-Class: 10619 - Other Grain milling and processing)</p> <p><u>Glucose</u> (Class: 1062, Sub-Class: 10623 - Manufacture of glucose, glucose syrup, maltose etc.)</p> <p><u>Group: 011</u> Chia Seed and Flax Seed (Class:0111,Sub-Class: 01119- Other Oil Seeds)</p> <p><b>Energy Division- Group: 351</b> <u>Solar Power Plant</u> (Class: 3510, Sub-Class: 35105- Electric power generation using Solar Energy)</p> <p><u>Wind Power Plant</u> (Class: 3510, Sub-Class: 35106 - Electric power generation using other non-conventional sources)</p>

8. List three key products/services that the Company manufactures/ provides	<ol style="list-style-type: none"> <li>1) Rice - India Gate, Unity, Nur Jahan and other rice brands along with other by-products</li> <li>2) Healthy Food Products - Quinoa, Chia Seeds, Flax Seeds, Amaranth and Sprouted Brown Rice</li> <li>3) Solar Power Plant</li> <li>4) Wind Power Plant</li> </ol>
9. Number of locations where business activities are undertaken by the Company	<p>The Company's business and operations are spread across the Country and in other geographies. The details of plant and business locations are provided here-in below:</p> <p><b>Agri division:</b> <b>Manufacturing facilities:</b> Gautam Budh Nagar, Uttar Pradesh Dhuri, Punjab</p> <p><b>Other facilities (grading, sorting and packaging):</b> Gautam Budh Nagar, Uttar Pradesh Dhuri, Punjab Sonepat, Haryana Alipur, Delhi</p> <p><b>Energy Division:</b></p> <p><b>Wind Division</b> Maharashtra (Dhule, Sangli), Rajasthan (Jodhpur, Jaisalmer), Tamil Nadu (Tirupur, Tirunelveli), Karnataka (Raichur &amp; Koppal, Bellary), Andhra Pradesh (Kaddappa, Anantapuram), Madhya Pradesh (Agar-Malwa, Mandsaur), Gujarat (Devbhoomi-Dwarka)</p> <p><b>Solar Division:</b> Madhya Pradesh (Rajgarh, Agar-Malwa, Sehore)</p> <p><b>Biomass - Dhuri, Gautam Budh Nagar</b></p> <p><b>Corporate Office - Noida-Uttar Pradesh</b></p> <p><b>Registered Office - Lahori Gate, Delhi</b></p>

<b>10. Markets served by the Company Local/ State/National/ International</b>	KRBL has a strong distributor network spread across India. The Company exports its products to more than 90 countries spread across the globe. The Company is also a market leader in the Basmati Rice consumer market in the branded rice segment.
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**initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and more than 60%)?**

No, however, KRBL works with its farmers to ensure that they participate in sustainable agricultural practices. The Company ensures that the farmers undertake sustainable agricultural practices by providing them with training on the latest agricultural practices and supplies them with high-quality seeds to ensure optimal resource consumption and maximum rice production. The other entities e.g. Suppliers, Distributors, etc. with whom the Company does business, do not participate in the BR Initiatives of the Company.

**Section D: BR Information**

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

- Principle-wise (as per NVGs) BR Policy/Policies:  
The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

- Principle 1** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Principle 2** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Principle 3** - Businesses should promote the wellbeing of all employees.
- Principle 4** - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Principle 5** - Businesses should respect and promote human rights.
- Principle 6** - Businesses should respect, protect, and make efforts to restore the environment.
- Principle 7** - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Principle 8** - Businesses should support inclusive growth and equitable development.
- Principle 9** - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**Section B: Financial Details of the Company**

- Paid Up Equity Share Capital (₹):** ₹2,354 lacs
- Total Turnover (₹):** ₹3,99,188 lacs
- Total Profit after Taxes (₹) and Other comprehensive income (₹):** ₹56,659 lacs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%):**

The Company's total CSR contribution for FY 2020-21 is ₹1,451.22 lacs which is 2% of average net profits of the last three financial years. The Company has spent a total of ₹180.54 lacs on CSR activities during the financial year in the following areas:

- Promoting Education.
- Eradicating Hunger, Poverty and Malnutrition/ Mid-Day Meal (MDM) and COVID -19 Programme.
- Promoting Health Care including Preventive Health Care/ COVID -19 Programme.
- Promoting Sports.

Since, the Company during the year has initiated the CSR Project with The Akshaya Patra Foundation for setting up the Centralized Kitchen having a capacity to serve 25,000 mid-day meals per day to school children, the balance amount of 1,270.68 lacs shall be spent on this project.

- List of activities in which the expenditure in 4 above has been incurred**  
Please refer Board Report Section "Annual Report on Corporate Social Responsibility (CSR) Activities".

**Section C: Other Details**

- Does the Company have any Subsidiary Company / Companies?**  
The Company has two Subsidiaries viz., KRBL DMCC, Dubai, UAE (includes step down Wholly Owned Subsidiary) and K B Exports Private Limited, India.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)?**  
The Subsidiary Companies do not participate in the BR Initiatives of the Company.
- Do any other entity/ entities (e.g. Supplier, Distributor etc.) that the Company does business with, participate in the BR**

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>(a) Details of Compliances (Reply in Y/N)</b>										
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Relevant internal and external stakeholders were consulted, as deemed appropriate, during the formulation of the policies								
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Refer list of policies below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Apart from the internal policies of the Company in the nature of Employment, Leave, Quality, which are available on Company's intranet, the policies on all the aforementioned 9 principles are available on Company's website www.krblrice.com under the link Investor Relations.

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:</b>										
1.	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6.	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

**3. Governance related to BR**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.**  
KRBL Limited assesses the BR performance annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**  
As required under SEBI Listing Regulations, The Business Responsibility Report is published annually. The same is forming part of Directors' Report in Annual Report 2020-21 and is available on Company's website www.krblrice.com under the link Investor Relations.

**Section E: Principle Wise Performance**

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

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?**  
KRBL's Anti-Bribery & Anti-Corruption Policy includes the Company's policy on Ethics, Bribery and Corruption which covers the Company and all its Vendors, Contractors, Suppliers, Associates along with other Stakeholders. The Company's Code of Business Conduct and Ethics for the Board of Directors, Senior Management Personnel and other Employees of the Company is followed and practiced by its permanent staff. All the Employees sign this Code at the time of joining the Company. Further, the Company has also established a mechanism called Vigil Mechanism

(Whistle Blower Policy) to report unethical behaviour, malpractices, fraud and other incidents of misconduct. Under Whistle Blower Policy all the Directors, Employees and Business Associates can directly report the incidents of misconduct with the Chairman of Audit Committee. In addition to this, the Company is having a mechanism to develop a supply chain policy to ensure that best practices are followed throughout its supply chain.

**2. How many Stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management?**

During the year, the Company has not received any complaint from Stakeholders.

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

**1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**

- (a) All Rice Brands- India Gate, Unity, NurJahan etc.
- (b) Healthy Food Products- Quinoa, Chia Seeds, Flax Seeds, Amaranth and Sprouted Brown Rice.
- (c) Solar Power Plant.
- (d) Wind Power Plant.

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

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

Division	Resources	Reduction
Rice	Energy Savings	5,66,113 kwh
	Carbon Reduction	4,63,216 CO2

For more details on Energy Conservation Measures please refer to the **Annexure-2** of this Report.

**(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Not Applicable

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

Since, the Company is extensively involved in rice processing, our major suppliers are farmers. In this regard, the KRBL has a policy for sustainable sourcing through which the Company chooses its farmers through a stringent selection and engagement procedure. Further, the Company also ensures that farmers follow best agricultural practices to optimise resource consumption during the agricultural phase. By implementing modern agricultural techniques, the farmers have been able to

achieve a reduction in the usage of energy and water along with efficient utilization of materials like fertilizer and reduced usage of pesticides. KRBL ensures that farmers maintain good soil conditions throughout agricultural processes.

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

KRBL procures rice from local farmers since the Company works with the Indian farming communities in the Basmati Rice-growing regions. To ensure harvest and grain quality, the Company provides the farmers with superior quality seeds that are a result of extensive research and development. Apart from this, the Company also helps them with adequate training on agricultural techniques and best practices to optimize production and minimize the usage of pesticides and fertilizer. The Company also paid appropriate prices for their agricultural produce. KRBL ensures that its farmer community is a part of its CSR activities too. Further, the Company has also put various projects into place to improve their livelihood.

**5. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling products and waste?**

KRBL has in place a mechanism to recycle waste and ensures that none of the operational by-products are wasted. The Company uses state-of-the-art processing technologies within its divisions to ensure the minimal amount of waste generation across its facilities. The main by-products generated in KRBL's facilities are Rice Bran and Paddy Husk. Rice Bran is used in making edible oil, and paddy husk is used in the manufacture of rice husk boards, silica gel, and manufacture of furfural. Further, Soluble Rice Bran is used as cattle feed. KRBL uses the by-product rice husk to produce non-conventional power, used to meet its power requirements. Any excess energy generated is sold to the Punjab State Electricity Board. All of the Company's by-products are recycled. In the energy division, the cotton waste and the oil waste are distributed to the recycling vendors.

**Principle 3: Businesses should promote the wellbeing of all Employees**

- 1. Please indicate the total number of employees.**  
2,296
- 2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.**  
710
- 3. Please indicate the number of permanent women employees.**  
77

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

Nil

**5. Do you have an employee association that is recognized by Management?**

No unions within the Company.

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

Not Applicable

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

KRBL has not received any complaints on any labour issues including child labor, forced labour, involuntary labour and sexual harassment during the reporting period.

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

**8. What percentage of the under mentioned Employees were given safety and skill up-gradation training in the last year?**

KRBL provides training to all employees for enhancement of performance and skill development. In the year 2020-21, training sessions of 6-8 hours / month were conducted for the employees. Different types of training programs were undertaken - ISO / SQF / BRC, Personal Hygiene, Quality Parameter, Stock Rotation, Fire Safety, First Aid, Machine Operation, Regular Affairs, Site Security, maintenance related to Food Safety, Pest Control, Rice Grain Identification, Industrial Relation, Problem Solving, etc.

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

- 1. Has the Company mapped its Internal and External Stakeholders? Yes/No**  
Yes, the Company has mapped its internal and external stakeholders.
- 2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized Stakeholders?**  
Yes

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized Stakeholders? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?**

Yes, the Company had undertaken special initiatives like funding education of children studying in government schools, interacting with farmers to consult them on various agricultural aspects, rural development projects in the form of construction of roads and sewage lines, etc. The Company has filed the environmental statement for the same.

**Principle 5: Businesses should respect and promote Human Rights**

**1. Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

KRBL's Human Rights Policy extends across all its operating facilities and covers all employees, suppliers, farmers and contractors associated with the Company. The Company has also extended its Human Rights Policy across different Stakeholder groups.

**2. How many Stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

The Company has not received any complain related to human rights violation during the reporting period.

**Principle 6: Business should respect, protect, and make efforts to restore the Environment**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

The Company has Environment Protection Policy which aims to ensure that environmental considerations are taken into account across all our operations which includes reduction of environmental footprint and protection of environment at different levels. Further, the policy extends to employees, service partners, vendors and farmers.

**2. Does the Company have strategies/ initiatives to address Global Environmental Issues such as Climate Change, Global Warming, etc? Y/N. If yes, please give hyperlink for webpage etc?**

KRBL is actively involved in addressing issues in relation to Environment. In order to reduce energy consumption within its Rice division, KRBL has undertook various initiatives- the major one being setting up a Biomass Energy Generation facility that uses Rice Husk (by product generated at KRBL's facility) as fuel.

The Company is also committed to continuously reduce energy consumption at its various units. List of initiatives taken in this regard are mention in "Annexure 2" of Directors' Report.

Moreover, KRBL recycles waste water within its facilities.

KRBL's Energy division was started to reduce dependency on fossil fuels, with wind and solar energy assets. Further details can be viewed on the weblink <http://www.krblrice.com/ourstrengths.html>

**3. Does the Company identify and assess potential Environmental Risks?**

Yes, KRBL has identified and assessed potential Environmental Risks in relation to its operations. The key risks are:

- (a) Climate change risks;
- (b) Water availability risks;
- (c) Agricultural risks; and
- (d) Risk pertaining to Raw Material.

The Company has Environment Protection Policy which identified the environment risks and took steps to reduce negative environment impact on the business.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any Environmental Compliance Report is filed?**

Yes, KRBL has a project in relation to Clean Development Mechanism for its Biomass Energy Generation facility.

With a vision to reduce energy consumption and GHG impact, KRBL implemented Rice Husk-based cogeneration plants in Dhuri and Ghaziabad. These cogeneration facilities have helped reduce the energy cost in the Company's Dhuri as well as Ghaziabad Unit by reducing the amount of diesel and grid electricity that would otherwise have been consumed. The Biomass powered plants also displace possible GHG emissions from use of DG. Through the Biomass powered plants, KRBL's requirement of thermal energy is being met.

Baseline emissions (tons CO2)	Emissions (tons per GWh)	Energy displaced (GWh)
16,934	800	21.168

**5. Has the Company undertaken any other initiatives on Clean Technology, Energy Efficiency, Renewable Energy, etc. Y/N. If yes, please give hyperlink for web page etc?**

KRBL's Rice division has a Biomass Power Generation Unit to meet along with its energy requirements, thus helping the Company reduce its dependency on grid electricity and DG.

KRBL is committed to continuously reduce its energy consumption at its various units. List of initiatives taken in this regard are mention in "Annexure 2" of Directors' Report.

KRBL's Energy division is completely focused on production of Solar and Wind energy. Focusing on clean energy production, KRBL is working extensively towards clean energy portfolio having 146.84 MW in 2020-21.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?**

Yes, KRBL's emission and generated waste are within the permissible limits given by CPCB/SPCB.

**7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is the Company a member of any Trade and Chamber or Association? If Yes, Name only those major ones that the business deals with:**

The Company has been associated with Indian Basmati Farmers from past many decades. Even in the face of severe competition, the company continues to receive the support from its network of Farmers, Distributors, Retailers, Stockists, Suppliers and Trading Partners.

The Company is member of various trade and chamber associations, some of the major are listed below:

- (a) AIREA (All India Rice Exporters Association).
- (b) Federation of Indian Export Organisations (FIEO).
- (c) The PHD Chamber of Commerce and Industry (PHDCCI).
- (d) Confederation of Indian Industry (CII).
- (e) The Federation of Indian Chambers of Commerce & Industry (FICCI).

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)?**

Yes, KRBL is associated with various Indian Basmati Farmers with whom it works to improve Basmati Rice agricultural process at different levels, by providing them with high quality seeds, providing them with training to ensure that sustainable agricultural practices are followed, that reduce resource consumption- water, energy, pesticide, fertilizers and at the same time, increase the rice that is produced.

**Principle 8: Businesses should support inclusive growth and equitable development**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof?**

KRBL has a CSR Committee, which is responsible for the development of the Company's CSR activities and to monitor

and review various CSR initiatives as specified under Companies Act, 2013 pertaining to environmental protection as well as community involvement and development. At KRBL, CSR projects and programs are undertaken after identifying the communities that require development.

The Company undertook several initiatives for supporting inclusive growth and equitable development through its CSR activities. Details of CSR initiatives taken by Company are given in "Annexure 6" of Directors' Report.

**2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO / government structures / any other organization?**

KRBL has a dedicated in-house team which undertakes CSR activities and initiatives. To drive the maximum value for the society, the Company believes in doing things on its own and through engagement with external partners like NGOs and Government bodies, etc.

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

No

**4. What is the Company's direct contribution to Community Development Projects- Amount in INR and the details of the projects undertaken?**

The Details of CSR initiatives undertaken by Company during the year are given in "Annexure 6" of this Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the Community?**

Yes, KRBL frequently monitors its initiatives and projects to ensure that it's successfully adopted by the Community.

It also conducts regular feedback surveys to ensure the successful implementation of its projects. KRBL's CSR policy ensures effective implementation of various CSR programs by monitoring them periodically.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?**

Only 1 consumer case is pending as on the end of financial year.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A./ Remarks (additional information)?**

Yes, product information details are always displayed on the label over and above what is being mandated as per local laws. Being a Rice Processing Company, product safety is of extreme importance to KRBL.

**3. Is there any case filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Financial Year? If so, provide details thereof, in about 50 words or so?**

No

**4. Did the Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, The Company regularly conducts consumer survey to understand their feedback on product quality and its acceptance by the people at large.



# ANNEXURE-8

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:**  
**None; during the reporting period, all transactions were at arm's length basis.**
  - (a) Name(s) of the related party and nature of relationship: **N.A.**
  - (b) Nature of contracts/ arrangements/ transactions: **N.A.**
  - (c) Duration of the contracts/ arrangements/ transactions: **N.A.**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
  - (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
  - (f) Date(s) of approval by the Board: **N.A.**
  - (g) Amount paid as advances, if any: **N.A.**
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**
  
2. **Details of material contracts or arrangement or transactions at arm's length basis:**  
**None; during the reporting period, there was no material\* contract or arrangement.**  
(\*As defined under SEBI Listing Regulations and adopted by the Board of Directors in the Policy on Related Party Transactions of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company.)
  - (a) Name(s) of the related party and nature of relationship: **N.A.**
  - (b) Nature of contracts/ arrangements/ transactions: **N.A.**
  - (c) Duration of the contracts/ arrangements/ transactions: **N.A.**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
  - (e) Date(s) of approval by the Board, if any: **N.A.**
  - (f) Amount paid as advances, if any: **N.A.**

For and on behalf of the Board of Directors

Place: Noida, Uttar Pradesh  
Date: 04 September 2021

Anil Kumar Mittal  
Chairman & Managing Director  
DIN-00030100



# REPORT ON CORPORATE GOVERNANCE

# REPORT ON CORPORATE GOVERNANCE

*“Corporate Governance is about promoting corporate fairness, transparency and accountability”*

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 is responsible for identifying and taking reasonable actions to help and assure that the Company is managed in a way designed to achieve this result.

The Company is compliant with the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") formulated by the Securities and Exchange Board of India.

## 2. BOARD OF DIRECTORS

### A. SIZE AND COMPOSITION OF BOARD

The present policy of KRBL regarding 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 March 2021, the Board comprises of 10 (Ten) members, 6 (Six) of which are Independent Non-Executive Directors including 1 (One) Independent Woman Director, constituting 60% of the Board's strength and 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. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations as well as the Companies Act, 2013 read with the rules issued thereunder.

As per Regulation 17(1)(b) of the SEBI Listing Regulations, where the listed entity does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors. Since the Chairperson of KRBL Limited Board is an Executive Director and Promoter as well, more than half of the Board of KRBL Limited comprises of Independent Non- Executive Directors.

Mr. Alok Sabharwal, an Independent Non-Executive Director of the Company, ceases to be a Director on the Board of KRBL Limited w.e.f. the closure of business hours on 10 August 2021, due to the completion of his tenure. The Board placed on record their sincere appreciation for the guidance and contribution as made by Mr. Alok Sabharwal during his tenure as an Independent Non-Executive Director.

### B. ROTATION/REAPPOINTMENT OF DIRECTORS

**Retirement by rotation and subsequent re-appointment**  
Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Article 126 of the Articles of the Association of the Company, 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, Mr. Arun Kumar Gupta (DIN: 00030127), the Joint Managing Director of the Company, being longest in his office amongst the Directors is liable to retire by rotation and also retire from the Board by rotation this year. However, being eligible, he has offered his candidature for re-appointment. This shall not constitute a break in his office as the Joint Managing Director of the Company.

### Declaration by Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors

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.

All Independent Directors are drawn from amongst eminent professionals with relevant expertise in Business/Finance/Law/Public Enterprises and other allied field.

### C. DIRECTORS ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIP(S) AND COMMITTEE MEMBERSHIP(S)

As mandated by 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 during the financial year and the last AGM and also their Directorships and Memberships in other committees are given below:

### Composition of the Board, Attendance Record, Directorships and Committee Membership for the Financial Year 2020-21:

Name of the Directors	Directors Identification Number (DIN)	Attendance record during Financial Year 2020-21		Attendance at the last AGM	Directorship/Membership /Chairmanship as on 31 March 2021		
		Number of Board Meeting held and attended	Number of Directorships in all Companies* as on 31 March 2021		Number of Committee Positions held in all Companies** as on 31 March 2021		
					Held	Attended	Chairman
<b>Executive Directors</b>							
Mr. Anil Kumar Mittal	00030100	4	4	Yes	14	2	2
Mr. Arun Kumar Gupta	00030127	4	3	Yes	14	1	2
Mr. Anoop Kumar Gupta	00030160	4	3	Yes	14	-	4
Ms. Priyanka Mittal	00030479	4	4	Yes	2	-	1
<b>Independent Non-Executive Directors</b>							
Mr. Ashwani Dua	01097653	4	3	Yes	5	2	4
Mr. Alok Sabharwal	03342276	4	4	Yes	1	-	1
Mr. Devendra Kumar Agarwal	06754542	4	4	Yes	1	1	1
Ms. Priyanka Sardana	00049811	4	4	Yes	3	-	-
Mr. Shyam Arora	00742924	4	4	Yes	2	-	3
Mr. Vinod Ahuja	00030390	4	4	Yes	15	-	4

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

\*\* For the purpose of considering the limit of the committees on which a Directors can serve, all Public Limited Companies, whether listed or not, including KRBL Limited 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, CSR Committee, Risk Management Committee and Borrowing and Investment Committee are also taken into consideration.

**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 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. Alok Sabharwal has completed his tenure as an Independent Non-Executive Director w.e.f. the closure of business hours on 10 August 2021, and because of this development, the Company was required to re-appoint Mr. Alok Sabharwal for a second term pursuant to the provisions of the Companies, Act 2013 and SEBI Listing Regulations. However, the Company has received a formal letter from Mr. Alok Sabharwal stating that he would not be available for re-appointment for another term owing to personal reasons and other prior commitments.

**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 22 March 2021, 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, a separate Meeting of the Independent Directors of the Company was held on 23 March 2021, at Le Meridien, Windsor Place, Janpath, New Delhi - 110001, wherein 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, 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.

Mr. Alok Sabharwal was appointed as the Chairman to lead the meeting of the Independent Directors.

**I. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In compliance with the provisions of Regulation 25 of the SEBI Listing Regulations, all Independent Directors are familiarized 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 and Leadership Development; 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://www.krblrice.com/Familiarization-Programs-for-Independent-Directors.pdf>

**J. BOARD MEMBERSHIP CRITERIA AND LIST OF CORE SKILLS/EXPERTISE/ COMPETENCIES IDENTIFIED IN THE CONTEXT OF THE BUSINESS**

The Board of Directors 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:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- Desired age and diversity on the Board;
- Size of the Board with optimal balance of skills and experience, along with balance of Executive and Non-Executive Directors in consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of relevance to the Company;
- Balance of skills and 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. Alok Sabharwal	Mr. Ashwani Dua	Mr. Devendra Kumar Agarwal	Ms. Priyanka Mittal	Ms. Priyanka Sardana	Mr. Shyam Arora	Mr. Vinod Ahuja
Experience in leading well-governed organizations*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience of crafting Business Strategies**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance and Accounting Experience***	✓		✓		✓	✓	✓			✓
Experience of large Companies and understanding of the changing regulatory landscape****	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

\* **Experience in leading well-governed organizations** - Experience in leading well-governed organizations, with an understanding of organizational systems, 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 is not having 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 monitors and manages 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 the 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 acts on a fully informed basis, in good faith with Due Diligence and Care and in the best interest of the Company and the Shareholders.
- The Board encourages continuing Directors training to ensure that the Board Members are kept up to date.
- Where 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 exercises 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 should be able to 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 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 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 compliances 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 2020-21:**

S. No.	Date of Board Meetings	Board Strength	Number of Directors Present	% of attendance
1.	Tuesday, 09 June 2020	10	9	90.00
2.	Tuesday, 11 August 2020	10	10	100.00
3.	Friday, 06 November 2020	10	9	90.00
4.	Tuesday, 09 February 2021	10	9	90.00

In terms of Section 173(1) of the Companies Act, 2013 and Regulation 17(2) of the SEBI Listing Regulations the gap between any two meetings did not exceed 120 (One Hundred and Twenty) days.

**D. SHAREHOLDING OF DIRECTORS**

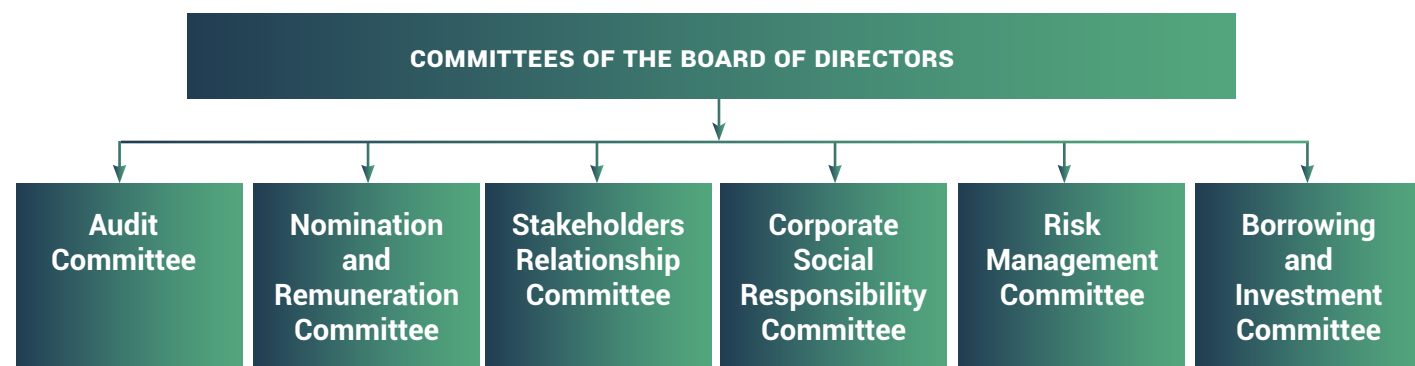
The Shareholding of Directors (In individual capacity) as on 31 March 2021 are given below:

Name	Number of Shares Held
Mr. Anil Kumar Mittal	100
Mr. Arun Kumar Gupta	100
Mr. Anoop Kumar Gupta	100
Ms. Priyanka Mittal	100

The Independent Non-Executive Directors of the Company are not holding any shares in the Company as on 31 March 2021.

**4. COMMITTEES OF THE BOARD**

KRBL has 6 (Six) Board level Committees:



**DETAILS OF ROLE AND COMPOSITION OF THESE COMMITTEES, INCLUDING THE NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR AND THE RELATED ATTENDANCE ARE PROVIDED BELOW:**

**A. AUDIT COMMITTEE**

**I. Composition of the Committee**

As on 31 March 2021, the Audit Committee of KRBL comprises of following Members:

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

The Members of Audit Committee of the Company have good knowledge of Finance, Accounts and Business Management. The Chairman of the Committee, Mr. Devendra Kumar Agarwal, has considerable Accounting and related Financial Expertise. The Statutory Auditors, the Internal Auditors and the Cost Auditors of the Company attend the meetings of the Committee, 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.

Mr. Raman Sapra, 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.

**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 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.
- Recommendation to Board, the appointment, re-appointment and remuneration of the Statutory Auditors.
- Approval for payment to the Statutory Auditors for any other services rendered by them.
- Reviewing with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement and in the Board's Report in terms of Section 134(5) of the Companies Act, 2013.
  - Changes, if any, in accounting policies, practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by Management.

- Significant adjustments made in the Financial Statements arising out of Audit Findings.
- Compliance with Listing and Other Legal requirements relating to Financial Statements.
- Disclosure of Related Party Transactions.
- Qualifications in the Audit Report.
- Reviewing with the Management, the quarterly Financial Statements before submission to the Board for approval.
- Approval or any subsequent modification of transactions of the Listed Entity with Related Parties.
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of any Internal Investigations into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of Non-payment of declared dividends) and creditors.
- To review the functioning of the Vigil Mechanism / Whistle Blower Policy.
- Approval for 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.

**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 2020-21, 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.	Tuesday, 9 June 2020	5	4	80.00
2.	Tuesday, 11 August 2020	5	5	100.00
3.	Friday, 06 November 2020	5	5	100.00
4.	Tuesday, 09 February 2021	5	4	80.00

The attendance details of the Audit Committee Members are as follows:

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Devendra Kumar Agarwal	Chairman	4	4	100.00
2.	Mr. Anoop Kumar Gupta	Member	4	3	75.00
3.	Mr. Ashwani Dua	Member	4	3	75.00
4.	Mr. Shyam Arora	Member	4	4	100.00
5.	Mr. Vinod Ahuja	Member	4	4	100.00

## B. NOMINATION AND REMUNERATION COMMITTEE

### I. Composition of the Committee

As on 31 March 2021, the Nomination and Remuneration Committee of KRBL Limited comprises of following Members:

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

The primary objective of the Nomination and Remuneration Committee is to screen and review individuals who are qualified to serve as 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.

Mr. Raman Sapra, 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 develop a succession plan for the Board and to regularly review the plan.
- To consider and determine the Remuneration Policy, based on the performance and also keeping in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board.
- To delegate any of its powers to one or more of its members or the Secretary to the Committee.

### III. MEETINGS AND ATTENDANCE

During the financial year 2020-21, 2 (Two) 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.	Tuesday, 11 August 2020	3	2	66.67
2.	Monday, 22 March 2021	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	2	2	100.00
2.	Mr. Shyam Arora	Member	2	2	100.00
3.	Mr. Vinod Ahuja	Member	2	0	-

### 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 with the sitting fee 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://www.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 with the sitting fees for attending Board Meetings.

Details of Sitting Fees paid to the Independent Non-Executive Directors during the Financial Year 2020-21 are as follows:

Name of the Directors	Sitting Fees Paid in FY 2020-21* Board Meeting	No. of shares held as on 31 March 2021
Mr. Ashwani Dua	1.50	Nil
Mr. Alok Sabharwal	2.00	Nil
Mr. Devendra Kumar Agarwal	2.00	Nil
Ms. Priyanka Sardana	2.00	Nil
Mr. Shyam Arora	2.00	Nil
Mr. Vinod Ahuja	2.00	Nil

\* The same is excluding GST.

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 2020-21 are as follows:

(₹ in lacs)

Name & Designation of Director	Salaries	Perquisites	Total
Mr. Anil Kumar Mittal Chairman & Managing Director	142.87	0.40	143.27
Mr. Arun Kumar Gupta Joint Managing Director	142.87	21.83	164.70
Mr. Anoop Kumar Gupta Joint Managing Director	142.87	0.40	143.27
Ms. Priyanka Mittal Whole Time Director	90.00	23.80	113.80

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**I. Composition of the Committee**

As on 31 March 2021, the Stakeholders Relationship Committee of KRBL Limited comprises of following Members:

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

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Stakeholders Relationship Committee.

**II. Terms of Reference**

The terms of reference and the ambit of powers of Stakeholders Relationship Committee 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 2020-21, 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.	Tuesday, 09 June 2020	3	2	66.67
2.	Tuesday, 11 August 2020	3	2	66.67
3.	Friday, 06 November 2020	3	3	100.00
4.	Tuesday, 09 February 2021	3	3	100.00

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	75.00
2.	Mr. Shyam Arora	Member	4	4	100.00
3.	Mr. Vinod Ahuja	Member	4	3	75.00

**IV. INVESTORS GRIEVANCE REDRESSAL**

Pursuant to the provisions of Regulation 13 of SEBI Listing Regulations, KRBL Limited has submitted with the recognized Stock Exchange(s) on a quarterly basis, within 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 did not receive any complaints during

the year and no complaints were outstanding as on 31 March 2021. No requests for Transfer/Transmission and Dematerialization were pending for approval as on 31 March 2021. The Registrar and Share Transfer Agent (RTA), M/s. Alankit Assignments Limited, dealt with all grievances of the Shareholders and Investors received directly through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving complaints/queries of the Shareholders/ Investors and also takes initiatives for solving critical issues. Shareholders are requested to furnish/update their telephone numbers and/or e-mail addresses to facilitate prompt action. The Company has designated the e-mail id: investor@krblindia.com exclusively for the purpose of registering complaints by investors electronically. All other investors' information is available on the Company's website at the weblink <https://www.krblrice.com/krbl-investors-information.pdf>

**D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

In accordance with provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a well established Corporate Social Responsibility (CSR) Committee at the Board Level along with the CSR Monitoring Committee and Unit CSR Teams under the CSR Committee, to formulate and recommend the CSR activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and to recommend to Board the amount of expenditure to be incurred on such activities and to monitor the CSR Policy of the Company from time to time.

**I. Composition of the Committee**

As on 31 March 2021, the CSR 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. Alok Sabharwal*	Member	Independent Non-Executive Director
Mr. Ashwani Dua	Member	Independent Non-Executive Director
Ms. Priyanka Mittal	Member	Executive & Whole Time Director
Mr. Vinod Ahuja	Member	Independent Non-Executive Director

\* Mr. Alok Sabharwal, ceased to be a member of CSR Committee of KRBL Limited w.e.f. closure of business hours on 10 August 2021, due to the completion of his tenure as Director of the Company.

Mr. Raman Sapra, Company Secretary, acts as Secretary to the CSR Committee.

**II. Terms of Reference**

The terms of reference and the ambit of powers of CSR 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 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/ programme or activities, that are approved to be undertaken as specified under Schedule VII of the Act;
  - The manner of execution of CSR projects or programme;
  - The modalities of utilization of funds and implementation schedules for the CSR projects or programme;
  - To monitor the execution of CSR projects or programme and adherence to the CSR Policy from time to time;
  - To conduct impact assessment, if required.
- To hold meetings at regular intervals to review and monitor the progress of the various projects/ activates 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 programme.
- To ensure that any surplus arising out of the CSR projects/programme 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/programme 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 Obligations and Disclosure Requirements) Regulations, 2015, 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.

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 took note and incorporated all the amendments as notified by the Ministry of Corporate Affairs vide its notification dated 22 January 2021 in the provisions related to CSR and accordingly recommended to Board for approval of the revised CSR Policy of the Company which was further approved by the Board. The detailed CSR policy is available on the Company's website at the weblink <https://www.krblrice.com/policy-guidelines/policy-corporate-social-responsibility.pdf>



The detailed Annual Report on Corporate Social Responsibility is disclosed as **Annexure-6** in the Directors' Report section, forming part of this Report.

**III. Meeting and Attendance**

During the financial year 2020-21, 4 (Four) meetings of Corporate Social Responsibility Committee were held. The details of Corporate Social Responsibility Committee Meetings held and attended by the Members are as follows:

S. No.	Date of Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Monday, 11 May 2020	6	4	66.67
2.	Wednesday, 24 June 2020	6	4	66.67
3.	Thursday, 13 August 2020	6	5	83.33
4.	Wednesday, 27 January 2021	6	5	83.33

The attendance details of the Corporate Social Responsibility Committee Members are as follows:

S. No.	Name	Position held	Meetings held	Meetings attended	% of attendance
1.	Mr. Anil Kumar Mittal	Chairman	4	4	100.00
2.	Mr. Anoop Kumar Gupta	Member	4	4	100.00
3.	Mr. Alok Sabharwal	Member	4	4	100.00
4.	Mr. Ashwani Dua	Member	4	2	50.00
5.	Ms. Priyanka Mittal	Member	4	2	50.00
6.	Mr. Vinod Ahuja	Member	4	2	50.00

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 to identify risks relating to 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. Further, the Committee is also to 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 March 2021, 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. Rakesh Mehrotra	Member	Chief Financial Officer

\*Mr. Ashwani Dua was inducted to the Risk Management Committee w.e.f. 04 August 2021.

Mr. Raman Sapra, 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, 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. Meeting and Attendance**

During the financial year 2020-21, 1 (One) Meeting of the Risk Management Committee was held. The details of Risk Management Committee Meeting held and attended by the Members are as follows:

S. No.	Date of Meeting	Committee Strength	Number of Members Present	% of attendance
1.	Wednesday, 27 January 2021	3	3	100

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	1	1	100.00
2.	Mr. Anoop Kumar Gupta	Member	1	1	100.00
3.	Mr. Rakesh Mehrotra	Member	1	1	100.00

**F. BORROWING AND INVESTMENT COMMITTEE**

The Board of Directors of the Company in its meeting held in September 2016, 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 2021, the Borrowing and Investment Committee of KRBL comprises of following 4 (Four) Members out of which 3 (Three) are Executive Directors and 1 (One) is Chief Financial Officer.

S. No.	Name	Designation	Category
1.	Mr. Anil Kumar Mittal	Chairman	Executive Chairman & Managing Director
2.	Mr. Arun Kumar Gupta	Member	Executive & Joint Managing Director
3.	Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director
4.	Mr. Rakesh Mehrotra	Member	Chief Financial Officer

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Borrowing and Investment Committee.

**II. Terms of References**

**The Role, Duties and Responsibilities of the Borrowing and Investment Committee 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. Meeting and Attendance**

During the Financial Year 2020-21, No Meeting of the Borrowing and Investment Committee was held.

**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://www.krblice.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
27 <sup>th</sup> AGM - 2020	12.00 Noon Wednesday 30 September 2020 Through Video Conferencing, 5190, Lahori Gate, Delhi - 110 006 was the deemed venue	No Special Resolution was passed in AGM.
26 <sup>th</sup> AGM - 2019	11.00 A.M. Friday 13 September 2019 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Devendra Kumar Agarwal (DIN: 06754542) as an Independent Non-Executive Director.</li> <li>Re-appointment of Mr. Ashwani Dua (DIN: 01097653) as an Independent Non-Executive Director.</li> <li>Re-appointment of Mr. Shyam Arora (DIN: 00742924) as an Independent Non-Executive Director.</li> <li>Re-appointment of Mr. Vinod Ahuja (DIN: 00030390) as an Independent Non-Executive Director.</li> <li>Re-appointment of Mr. Anil Kumar Mittal (DIN: 00030100) as Chairman &amp; Managing Director of the Company and revision in remuneration.</li> <li>Re-appointment of Mr. Arun Kumar Gupta (DIN: 00030127) as Joint Managing Director of the Company and revision in remuneration.</li> <li>Re-appointment of Mr. Anoop Kumar Gupta (DIN: 00030160) as Joint Managing Director of the Company and revision in remuneration.</li> </ul>
25 <sup>th</sup> AGM - 2018	11.00 A.M. Monday 20 August 2018 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110 003	No Special Resolution was passed in AGM.

**B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE FINANCIAL YEAR 2020-21**

During the Financial Year 2020-21, 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. Also, 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 46 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://www.krblice.com/policy-guidelines/Policy-on-Related-Party-Transactions.pdf>

**C. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

The Company has complied with the Indian Accounting Standards (Ind AS) as laid down by the Institute of Chartered Accountants of India (ICAI) and 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 promoted 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://www.krblice.com/policy-guidelines/Vigil-Mechanism-\(Whistle-Blower%20Policy\).pdf](https://www.krblice.com/policy-guidelines/Vigil-Mechanism-(Whistle-Blower%20Policy).pdf)

**G. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS**

There is no pecuniary relationship or transactions with Non-Executive Directors except payment of sitting fees to them.

**H. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS**

The disclosure regarding the appointment of Directors is given under the head Board of Directors, forming part of the Report on Corporate Governance. The relevant details are also forming part of Notice calling AGM of the Company.

**I. RISK MANAGEMENT**

The Company from time to time appraises 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://www.krblice.com/policy-guidelines/SEXUAL%20HARASSMENT%20POLICY.pdf>

A statement giving details of Sexual Harassment Complaints during the year is as below:

S. No.	Particulars	No. of Complaints
1.	No. of complaints received during the financial year	Nil
2.	No. of complaints disposed of during the financial year	Nil
3.	No. of complaints pending as on end of the financial year	Nil

**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, i.e. Economic Times, Nav Bharat Times, Business Standard (English & Hindi) and Financial Express.

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 link Investor Relations.

**INVESTOR RELEASES/ PRESENTATIONS**

Official press releases, presentations made to the Media, Analysts, Investors, Conference Call Transcripts and all other information which is mandatorily required to be placed on the website as per SEBI Listing Regulations may be retrieved by Investors from the website of the Company [www.krblrice.com](http://www.krblrice.com) under the link Investor Relations.

**9. GENERAL SHAREHOLDER'S INFORMATION**

**i. ANNUAL GENERAL MEETING**

Day, Date & Time	Thursday, 30 September 2021, 01.00 P.M.
Financial Calendar	The Financial year of the Company start from 1 <sup>st</sup> April each year and ends on 31 <sup>st</sup> March of the following year.

**ii. FINANCIAL REPORTING**

Financial Year	01 April to 31 March
For the Financial Year 2020-21 results were announced on:	
1 <sup>st</sup> Quarter ended 30 June 2020	11 August 2020
2 <sup>nd</sup> Quarter and Half Year ended 30 September 2020	06 November 2020
3 <sup>rd</sup> Quarter ended 31 December 2020	09 February 2021
4 <sup>th</sup> Quarter and Year ended 31 March 2021	29 June 2021
For the Financial Year 2021-22, results are likely to be announced on: (Tentative and subject to change)	
1 <sup>st</sup> Quarter ended 30 June 2021	By Second week of August 2021
2 <sup>nd</sup> Quarter and Half Year ended 30 September 2021	By First week of November 2021
3 <sup>rd</sup> Quarter ended 31 December 2021	By First week of February 2022
4 <sup>th</sup> Quarter and Year ended 31 March 2022	By Second week of May 2022

**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 2021.

**Anil Kumar Mittal**  
Chairman & Managing Director  
DIN: 00030100

Noida, Uttar Pradesh  
04 September 2021

**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 Saturday, 18 September 2021 to Thursday, 30 September 2021 (both days inclusive).

**13. DIVIDEND**

The Board of Directors of the Company in their meeting held on 29 June 2021, had recommended the Final Dividend @

350% i.e. ₹3.50 per equity share of face value of ₹ 1 each aggregating to ₹8,239 lacs for the financial year 2020-21. The Final Dividend shall be paid to those Shareholders whose names will be provided by the Depositories after the close of business hours on 17 September 2021, 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 29 October 2021.

**14. REGISTRAR AND SHARE TRANSFER AGENT**

The Company has appointed M/s. Alankit Assignments Limited, having its office at Alankit Heights, 4E/2, Jhandewalan Extension, New Delhi-110055, as its Registrar and Share Transfer Agent (RTA) for transfer of shares 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 2020-21 have been paid to both the Depositories.

During the year under review 14,010 equity shares of the Company covered in 4 requests were converted into dematerialized form and 4,000 equity shares of the Company, which were in physical form, were transferred to the Demat account of IEPF Authority. As on 31 March 2021, 23,52,27,540 equity shares of the Company constituting 99.93% 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 Telephone: 1800-1020-990 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 Futorex, A-Wing, 25 <sup>th</sup> Floor, N.M. Joshi Marg, Lower Parel, Mumbai-400 013 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 half-yearly basis and also placed before the Stakeholders Relationship Committee Members and Board of Directors of the Company for noting, comments and advise.

**17. LISTING ON STOCK EXCHANGES**

The Company's shares are listed and actively traded on the below mentioned Stock Exchanges:

**I. NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)**

"Exchange Plaza" C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400 051  
Website: [www.nseindia.com](http://www.nseindia.com)  
Symbol: KRBL, Series: Eq.

**II. BSE LIMITED (BSE)**

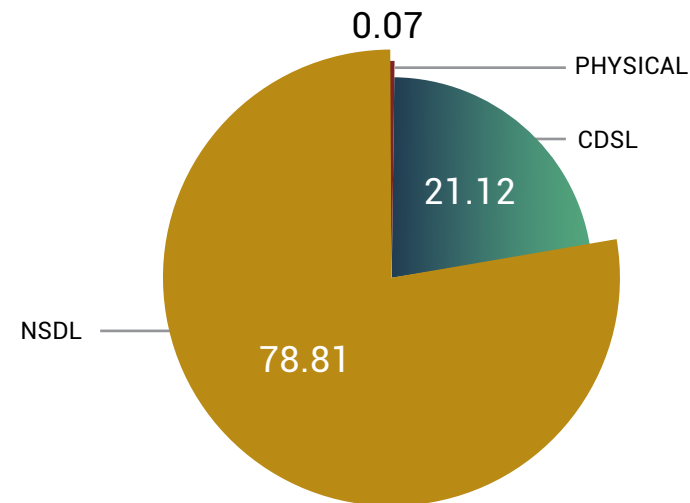
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001  
Website: [www.bseindia.com](http://www.bseindia.com)  
Stock Code: 530813

Your Company has paid the Annual Listing Fees to NSE and BSE for the Financial Year 2020-21.

**18. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH 2021**

Number of Shares held (₹1 each Fully Paid-up)	Folios		Shares of ₹1 each Fully Paid up	
	Numbers	%	Numbers	%
1 – 50	26,904	44.52	5,72,021	0.24
51 – 100	9,625	15.93	8,26,948	0.35
101 – 500	16,744	27.71	43,26,253	1.84
501 – 1,000	3,600	5.96	27,60,549	1.17
1,001 – 5,000	2,792	4.62	60,27,533	2.56
5,001 – 10,000	340	0.56	24,82,164	1.06
10,001 – 50,000	316	0.52	67,20,736	2.86
50,001 – 1,00,000	44	0.07	31,17,505	1.32
1,00,001 & above	66	0.11	20,85,56,183	88.60
<b>Total</b>	<b>60,431</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 2021 (IN %)**

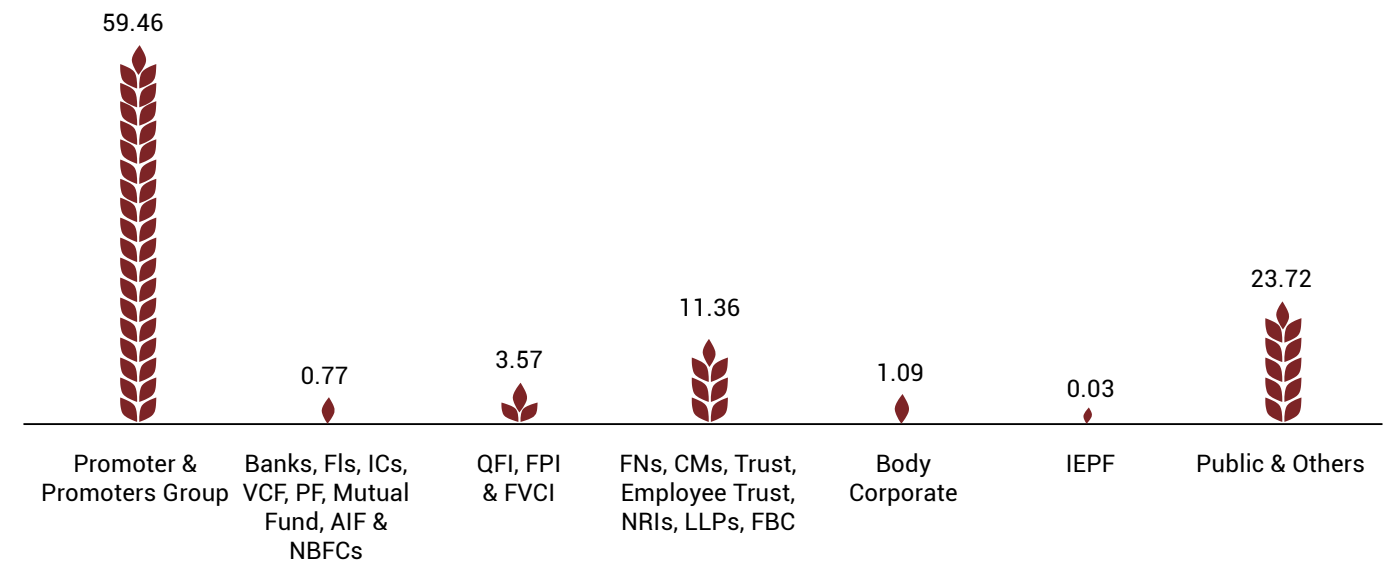


**20. CATEGORY OF SHAREHOLDING AS ON 31 MARCH 2021**

Category	Number of Shares held	%
Promoter & Promoters Group	13,99,51,712	59.46
Banks, Financial Institutions (FIs), Insurance Companies (ICs), Venture Capital Fund (VCF), Provident Fund (PF), Mutual Fund, Alternate Investment Fund (AIF) & NBFCs	18,06,721	0.77
Qualified Foreign Investor (QFI), Foreign Portfolio Investor (FPI) & Foreign Venture Capital Investor (FVCI)	83,94,416	3.57
Foreign Nationals (FNs), Clearing Members (CMs), Trust, Employee Trust, NRIs, LLPs, Foreign Body Corporate (FBC)	2,67,35,400	11.36
Body Corporate	25,55,496	1.09
Investor Education and Protection Fund (IEPF)	69,689	0.03
Public and Others	5,58,76,458	23.72
<b>Total</b>	<b>23,53,89,892</b>	<b>100.00</b>

Report on Corporate Governance

**Category of Shareholders (%)**



**21. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON 31 MARCH 2021**

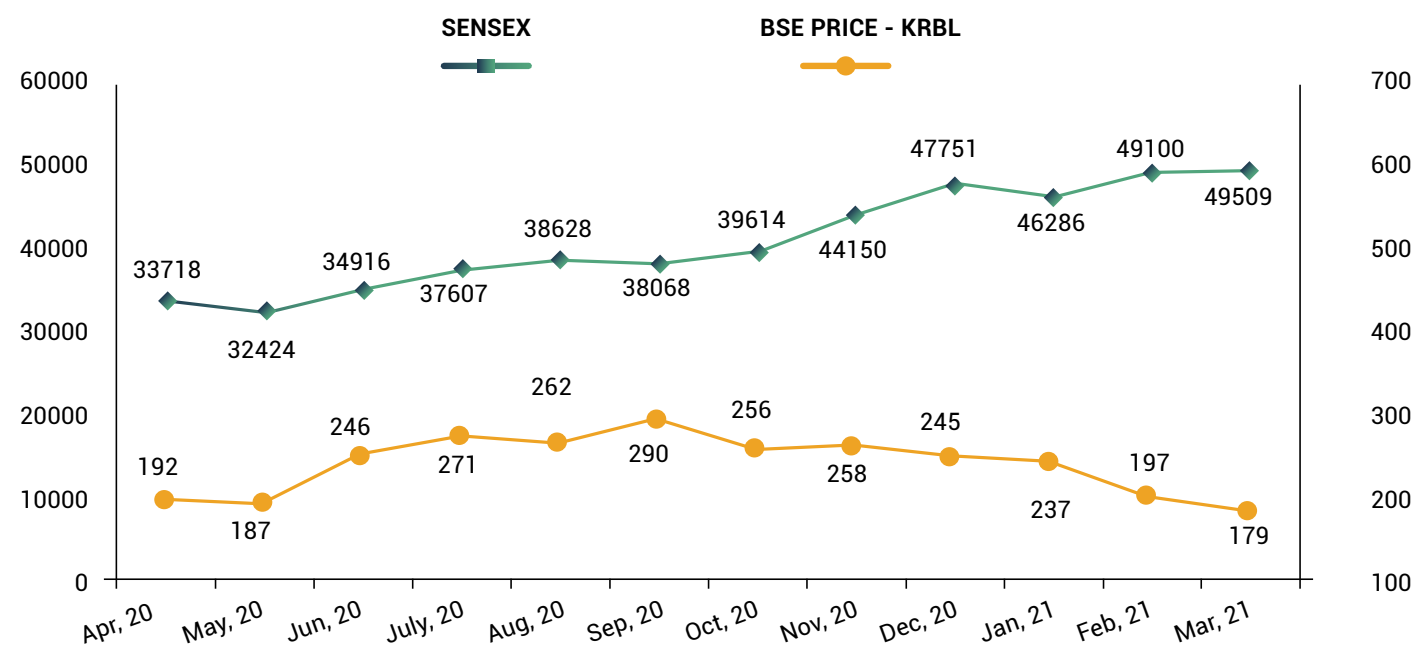
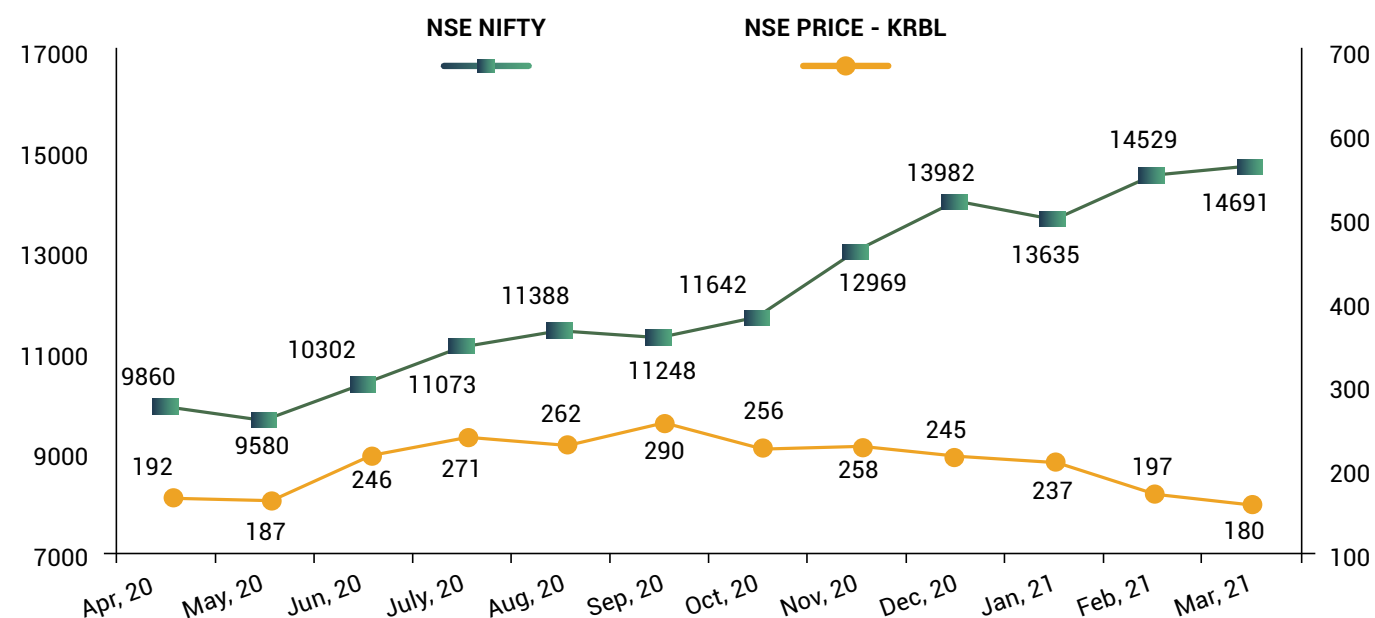
S. No.	Name	Number of Shares
1.	Reliance Commodities DMCC	2,29,00,000
2.	Joint Director of Enforcement, Central Region	1,43,33,221
3.	Anil Kumar Goel	65,65,000
4.	Som Nath Aggarwal	36,64,682
5.	Seema Goel	28,44,000
6.	Ashish Kacholia	20,00,000
7.	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	16,95,787
8.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	13,07,115
9.	Vanguard Total International Stock Index Fund	12,35,812
10.	Hussam Ali Obeid Balsharaf	7,00,000

**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, 2020	239	148	64,03,239	12,520	240	147	7,56,466	1,464
May, 2020	199	177	28,40,119	5,254	200	175	1,17,161	218
June, 2020	265	194	1,41,53,203	33,917	265	192	6,88,027	1,648
July, 2020	280	245	1,29,27,619	33,885	280	245	26,62,027	6,874
August, 2020	339	260	1,09,31,391	32,959	340	260	6,86,407	2,047
September, 2020	299	232	56,62,812	15,266	299	233	4,30,911	1,146
October, 2020	299	249	40,15,856	10,896	299	250	2,19,248	595
November, 2020	272	238	61,68,952	15,913	271	245	3,72,168	959
December, 2020	293	225	1,20,55,556	31,362	293	225	7,12,703	1,836
January, 2021	254	220	68,04,189	16,384	254	220	4,23,301	1,010
February, 2021	221	185	1,69,25,258	34,277	222	185	15,06,573	3,056
March, 2021	206	176	84,68,872	16,273	205	176	10,49,636	2,016

**23. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES**



**24. OUTSTANDING ADRS/GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND LIKELY IMPACT ON EQUITY**

The Company had allotted 34,28,594 nos. of underlying equity shares of ₹10 each at a premium of ₹145.08 aggregating to ₹5,316.94 lacs pursuant to the offer of 17,14,297 Global Depository Receipts (GDRs) made by the Company on 24 February 2006 to Foreign Investors, in accordance with the provisions of Section 81 and 81(1A) of the Companies Act, 1956 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, on preferential basis.

The Company's Global Depository Receipts (GDRs) were listed on the Luxembourg Stock Exchange (Code: US4826571030), at de la Bourse de Luxembourg, 11, Av de la Porter-Neuve, L-2227 Luxembourg. As all GDRs were converted into Equity Shares, so the Company delisted its GDRs from Luxembourg Stock Exchange w.e.f. 07 July 2010. However, listing of the underlying equity shares are continued on the BSE Limited and National Stock Exchange of India Limited.

**25. RECONCILIATION OF SHARE CAPITAL AUDIT**

Mr. Deepak Kukreja Proprietor, Deepak Kukreja & Associates, FCS Number 4140, CP Number 8265, Practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit 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/FITTC/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.

**26. UNPAID DIVIDEND**

Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, (previously Section 205C of the Companies Act, 1956), the Company is required to transfer the Dividend unpaid for a period of 7 (Seven) years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the unclaimed Final Dividend for the year ended 2012-13 have been transferred and necessary Statement in Form IEPF-1 pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 has been filed.

The time frame for transfer of Unclaimed Dividends, which are lying in the Unclaimed Dividends Accounts of the Company, to Investor Education and Protection Fund (IEPF) is as below:

Date of Declaration of Dividend	Dividend for the year	Due Date of transfer to IEPF
09 September 2014	2013-14	16 October 2021
28 September 2015	2014-15	05 November 2022
10 March 2016	2015-16 (Interim)	16 April 2023
26 September 2017	2016-17	02 November 2024
20 August 2018	2017-18	26 September 2025
13 September 2019	2018-19	20 October 2026
27 February 2020	2019-20 (Interim)	04 April 2027

Attention is drawn that the Unclaimed Final Dividend for the Financial Year 2013-14, will be due for transfer to IEPF later this year. Communication has been sent by the Company to the concerned shareholders advising them to lodge their claim with respect to Unclaimed Dividend. Once Unclaimed Dividend is transferred to IEPF, no claims will lie in respect thereof with the Company.

**27. DETAILS OF DEMAT/ UNCLAIMED SUSPENSE ACCOUNT**

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

**28. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

Pursuant to the provisions of Regulation 17(7) read with Part A of Schedule II of SEBI Listing Regulations, the Company placed before the Board of Directors on Quarterly basis, the quarterly details of Foreign Exchange Exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

During the year 2020-21, the Company had managed the foreign exchange risk and hedged it to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of financial risk management under the head financial instruments are disclosed in Note 44 to the Financial Statements for the financial year 2020-21.

**29. CERTIFICATE PURSUANT TO THE REGULATION 34 AND SCHEDULE V (C)(10)(I) OF SEBI LISTING REGULATIONS READ WITH SECTION 164 OF COMPANIES ACT, 2013 REGARDING QUALIFICATION/DISQUALIFICATION TO ACT AS DIRECTOR**

On the basis of written representations/declarations received from the directors, as on 31 March 2021, Mr. Deepak Kukreja, Proprietor, Deepak Kukreja & Associates FCS Number 4140, CP Number 8265, Practicing Company

Secretaries, have issued a certificate, 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.

**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.

**30. CERTIFICATE PURSUANT TO THE REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF REGULATION 46(2) OF SEBI LISTING REGULATIONS**

The Company has received the certificate from Mr. Deepak Kukreja, Partner, DMK Associates, FCS Number 4140, CP Number 8265, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations. The same is attached as 'Annexure 3' and forming part of this Report.

**31. AUDITORS' REMUNERATION**

The Company has appointed M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No.001076N/ N500013) as the Statutory Auditors. The particulars of payment to Statutory Auditors' by the Company during the financial year 2020-21 are as below:

Particulars	Amount (₹ in lacs)
Statutory Audit (including fees for limited reviews)	41
Tax Audit	4
Other audit related work	6
Out of pocket expenses#	0
<b>Total</b>	<b>51</b>

# Rounded off to Zero

**32. RATINGS**

During the financial year 2020-21 the Company is holding various ratings, which are as follows:

- **ICRA:** In September 2020 and February 2021, "ICRA" has reviewed and assigned "[ICRA]AA- under watch with negative implications" rating for Fund Based Working Capital Limits and Term Loan Limits and "[ICRA]A1+ under watch with negative implications" rating for Non-Fund Based Limits of KRBL Limited.
- **ICRA:** In September 2020 and February 2021, "ICRA" has also reviewed and assigned "[ICRA]A1+ under watch with negative implications" rating for Commercial Paper (CP) Limits of KRBL Limited.
- **CARE:** In December 2020 and February 2021, "CARE" has reviewed and assigned "[CARE]A1+ under credit watch with negative implications" rating for Commercial Paper (CP) Limits of KRBL Limited.

**33. NON-MANDATORY REQUIREMENTS**

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as per Regulation 27(1) of SEBI Listing Regulations:

**34. COMPLIANCE OFFICER**

Raman Sapra  
Company Secretary  
5190, Lahori Gate, Delhi-110 006  
Telephone: +91-11-23968328  
E-mail: investor@krblindia.com

**35. REGISTERED OFFICE & ADDRESS FOR CORRESPONDENCE**

**REGISTERED OFFICE:**

5190, Lahori Gate,  
Delhi-110 006  
Telephone: +91-11-23968328  
Fax: +91-11-23968327

**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  
Fax: +91-120-4060398

**36. PLANT LOCATIONS**

- 9<sup>th</sup> Milestone, Post-Dujana, Bulandshahr Road, Distt. Gautam Budh Nagar, Uttar Pradesh-203 207.
- Village Bhasaur, (Dhuri), Distt. Sangrur, Punjab-148 024.
- Village Akbarpur Barota, Distt. Sonapat, Haryana-131 104.
- 29/15-29/16, Village Jindpur, G. T. Karnal Road, Alipur, Delhi-110 036.
- Plot Number 258-260, Extended Lal Dora, Alipur, Delhi-110 036.

**37. ADDRESS OF REDRESSAL AGENCIES TO LODGE THE GRIEVANCES**

**MINISTRY OF CORPORATE AFFAIRS**

'A' Wing, Shastri Bhawan, Rajendra Prasad Road,  
New Delhi - 110 001  
Telephone.: +91-11-23389602  
Website: www.mca.gov.in

**SEBI**

Plot No.C4-A, 'G' Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051, Maharashtra  
Telephone: +91-22-26449000 / 40459000  
Fax: +91-22-26449019-22 / 40459019-22  
Toll Free Investor Helpline: 1800-266-7575  
E-mail: sebi@sebi.gov.in  
Website: www.sebi.gov.in

**SEBI COMPLAINTS REDRESS SYSTEM (SCORES)**

The Investors' Complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company.

Through SCORES the investors can view online, the action taken and current status of the complaints. SEBI vide its Circular dated 26 March 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at the weblink [https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures\\_38481.html](https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures_38481.html)

**STOCK EXCHANGES**

**National Stock Exchange of India Ltd.**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051  
Telephone: +91-22-26598100/8114  
Fax: +91-22-26598120  
Website: www.nseindia.com

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001  
Telephone: +91-22-22721233/34,  
+91-22-66545695 (Hunting)  
Fax: +91-22-22721919  
Email: corp.comm@bseindia.com  
Website: www.bseindia.com

**DEPOSITORIES**

**National Securities Depository Limited (NSDL)**

Trade World, A Wing, 4<sup>th</sup> Floor,  
Kamala Mills Compound,  
Lower Parel, Mumbai - 400 013  
Telephone: 1800-222-990  
E-mail: info@nsdl.co.in  
Website: www.nsdl.co.in

**Central Depository Services (India) Limited (CDSL)**

Marathon Futurex, A-Wing, 25<sup>th</sup> Floor,  
NM Joshi Marg, Lower Parel,  
Mumbai 400 013  
Telephone: 1800-225-533  
E-mail: helpdesk@cdslindia.com  
Website: www.cdslindia.com

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Alankit Assignments Limited  
Alankit House  
4E/2, Jhandewalan Extension  
New Delhi-110 055  
Telephone: +91-11-42541234 / 23541234  
Fax: +91-11-41543474  
Email id- rta@alankit.com  
Website: www.alankit.com

For and on behalf of the Board of Directors

Anil Kumar Mittal

Place: Noida, Uttar Pradesh Chairman & Managing Director  
Date: 04 September 2021 DIN-00030100

# ANNEXURE 1

## CEO'S AND CFO CERTIFICATION

We, Anil Kumar Mittal, Chairman & Managing Director and Rakesh Mehrotra, Chief Financial Officer, responsible for finance function certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on 31 March 2021 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 2021 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 2020-21.
  - ii. Significant changes in accounting policies during the year 2020-21 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:** 29 June 2021

**Anil Kumar Mittal**  
Chairman & Managing Director

**Rakesh Mehrotra**  
Chief Financial Officer

# ANNEXURE 2

## PRACTICING COMPANY SECRETARIES' CERTIFICATE OF 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, 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** and having registered office at 5190, Lahori Gate, 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 ending on 31 March 2021 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.	Anil Kumar Mittal	00030100	30/03/1993
2.	Arun Kumar Gupta	00030127	30/03/1993
3.	Anoop Kumar Gupta	00030160	30/03/1993
4.	Vinod Ahuja	00030390	05/08/2002
5.	Priyanka Mittal	00030479	28/11/2000
6.	Shyam Arora	00742924	09/06/2007
7.	Ashwani Dua	01097653	09/06/2007
8.	Devendra Kumar Agarwal	06754542	16/01/2014
9.	Alok Sabharwal	03342276	11/08/2016
10.	Priyanka Sardana	00049811	25/09/2019

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**

**(DEEPAK KUKREJA)**  
**FCS, LL.B., B.COM, ACIS(UK), I.P.**  
FCS No. 4140  
CP No. 8265  
UDIN: F004140C000896922

**Place:** New Delhi  
**Date:** 04 September 2021

# ANNEXURE 3

## PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Regulations 17 to 27, Clauses (b) to (i) of Sub Regulation (2) of Regulation 46 and Paragraph C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the compliance of the conditions of Corporate Governance by KRBL Limited ('the Company') for the year ended on 31 March 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31 March 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR DMK ASSOCIATES  
COMPANY SECRETARIES

(DEEPAK KUKREJA)  
B.COM., FCS, LL.B., ACIS(UK), IP  
PARTNER  
UDIN: F004140C000897010  
C.P. No. 8265  
M No. 4140

Place: New Delhi  
Date: 04 September 2021





# STANDALONE FINANCIAL STATEMENTS

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## Independent Auditors' Report on the Standalone Financial Statements of KRBL Limited for the year ended 31 March 2021

To the Members of KRBL Limited

Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

- We have audited the accompanying standalone financial statements of KRBL Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, 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

- As stated in Note 47(A)(4) of the Standalone Financial Statements, the Company's Joint Managing Director Mr. Anoop Kumar Gupta had been detained and released on bail by the Enforcement Directorate ('ED') with regard to an ongoing investigation under the Prevention of Money Laundering Act, 2002, for alleged involvement in AgustaWestland case, pursuant to the order of Special Judge, Rouse Avenue Courts dated 30 January 2021 and dated 5 April 2021, respectively. ED, vide their criminal complaint dated 30 March 2021, has made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and Mr. Anoop Kumar Gupta. The Board of Directors of the Company have appointed an independent professional firm to review the aforesaid allegations, by undertaking steps as necessary, in order to assess impact of aforesaid matter, if any, on the standalone financial statements and control environment of the Company. Pending the ongoing investigation on the above matter,

we are unable to comment on any adjustment that may be required to the accompanying standalone financial statements of the Company.

- 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 standalone 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 Matters

- We draw attention to:
  - Note 47(A) (1) to the standalone financial statements which describes the details of certain income tax matters currently pending before appropriate appellate authorities as at 31 March 2021. Based on the legal assessment of the outcome of such litigations, the management is of the view that no adjustment is required in the accompanying standalone financial statements.
  - Note 47(A)(3) 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 Directorate of Enforcement ("ED"), which is being contested by the Company. The Company had filed an appeal with the Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal had ordered to restore the possession in favor of the Company while the aforesaid attachment would continue till the conclusion of the matter. The matter is being contested in the Hon'ble High Court of Delhi ('High Court'). The High Court vide its order dated 23 October 2020 has restored the physical possession

## Independent Auditors' Report on the Standalone Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

of the aforesaid land parcels and building thereupon for specified purposes against a 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 above matters.

### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- 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 ₹399,188 lacs revenue for the year ended 31 March 2021, 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>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. Further, reconciling revenue recorded during the year with statutory returns;</li> <li>Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, 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>

## Independent Auditors' Report on the Standalone Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><b>Inventory existence and valuation</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 ₹296,421 lacs as at 31 March 2021. 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, and storage bags. High quantity of inventory makes inventory physical verification an extensive procedure for the management, at the year end.</p> <p>The valuation of finished rice and by products is a 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 Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.</p>	<p>Our audit work included, but was not limited to the following procedures:</p> <p><b>Existence:</b></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 senior 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 senior 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> </ul> <p><b>Valuation:</b></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; and</li> <li>• Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.</li> </ul>

## Independent Auditors' Report on the Standalone Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

### Information other than the Standalone Financial Statements and Auditor's Report thereon

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

9. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

11. Those Board of Directors is 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, 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;

## Independent Auditors' Report on the Standalone Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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.
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, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure A, as required by section 143(3) of the Act, 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 effects 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 effects of the matters 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section
  - h) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 June 2021 as per Annexure B expressed modified opinion; and

## Independent Auditors' Report on the Standalone Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

- i) 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 effects of the matter described in the Basis for Qualified Opinion section the standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company as at 31 March 2021, as detailed in Note 47A to the standalone financial statements;
  - 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 2021;
  - 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 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No.: 504774

UDIN: 21504774AAAAER2760

Place: New Delhi

Date: 29 June 2021

## Annexure A to the Independent Auditor's Report of even date to the members of KRBL Limited, on the standalone financial statements for the year ended 31 March 2021

### Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets (in the nature of Property, Plant and Equipment and other intangible assets)
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties, as disclosed in Note 3 to the standalone financial statements:

Particulars	Land (freehold)	Building
Total number of cases	78	1
Gross block as on 31 March 2021 (₹ in lacs)	844	153
Net block on 31 March 2021 (₹ in lacs)	844	148

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

## Annexure A to the Independent Auditor's Report of even date to the members of KRBL Limited, on the standalone financial statements for the year ended 31 March 2021

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Punjab value Added Tax Act, 2005	Value added tax	3,199	-	Financial years 2009-2010	Hon'ble Punjab and Haryana High Court Chandigarh
Punjab value Added Tax Act, 2005	Value added tax	1,708	641	Financial years 2005-2007 and 2010-2014	VAT Tribunal, Chandigarh.
Central Excise Act, 1944	Excise duty	684	185	Financial years 2014-2017	Deputy Excise and Taxation Commissioner, Patiala
Central sale tax Act, 1956	Sale tax	39	39	Financial years 2014-2016	Deputy Commissioner of Sales Tax (Appeal), Mumbai
Central sale tax Act, 1956	Sale tax	2	1	Financial year 2017-2018	Deputy Commissioner of Sales Tax, Greater Noida
Central sale tax Act, 1956	Sale tax	2	2	Financial year 2013-2014	Additional Commissioner Grade-2 (Appeal), Noida
Income-tax Act, 1961	Income-tax	9,884	21,900	Financial years 2009-2016	Income Tax Appellate Tribunal, New Delhi
Income-tax Act, 1961	Penalty under section 271AB/271(1)(c)	11,896	-	Financial years 2009-2016	Commissioner of Income-tax (Appeal), New Delhi

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to government and did not have any outstanding debentures during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit. However, certain allegations of violation of the Prevention of Money Laundering Act, 2002, have been made by Enforcement Directorate (ED) against the Company during the period 2008-2010, which are currently being investigated as stated in Note 47(A) (4) to the Standalone Financial Statements.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No.: 504774  
UDIN: 21504774AAAAER2760

Place: New Delhi  
Date: 29 June 2020

## Annexure B to the Independent Auditor's Report of even date to the members of KRBL Limited on the standalone financial statements for the year ended 31 March 2021

### Annexure B

#### 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 2021, 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 internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

## Annexure B to the Independent Auditor's Report of even date to the members of KRBL Limited on the standalone financial statements for the year ended 31 March 2021

#### 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 explanations given to us ED vide their criminal complaint dated 30 March 2021 has made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and Mr. Anoop Kumar Gupta (Joint Managing Director) as fully explained in Note 47 (A)(4) of the standalone financial statements. Pending the ongoing investigation, 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 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 2021, based the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 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 2021, 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.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No.: 504774  
UDIN: 21504774AAAAER2760

Place: New Delhi  
Date: 29 June 2021

## Standalone Balance sheet

as at 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	86,862	88,428
Capital work-in-progress	3	891	1,214
Right of use assets	4	6,469	8,138
Other intangible assets	5	143	143
Intangible assets under development	5	16	
Financial assets			
- Investments	6	427	427
- Loans	7	1,051	929
- Other financial assets	8	32	14
Other non-current assets	9	25,562	24,973
<b>Sub total non-current assets</b>		<b>1,21,453</b>	<b>1,24,266</b>
<b>Current assets</b>			
Inventories	10	2,96,421	2,85,242
Financial assets			
- Investments	11	1,889	584
- Trade receivables	12	20,129	23,020
- Cash and cash equivalents	13	15,873	1,345
- Other bank balances	14	233	3,801
- Loans	15	1,137	16
- Other financial assets	16	1,793	1,134
Other current assets	17	2,993	1,936
<b>Sub total current assets</b>		<b>3,40,468</b>	<b>3,17,078</b>
<b>TOTAL ASSETS</b>		<b>4,61,921</b>	<b>4,41,344</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	2,354	2,354
Other equity	19	3,66,162	3,09,503
<b>Sub total equity</b>		<b>3,68,516</b>	<b>3,11,857</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
- Borrowings	20	597	1,957
- Lease liabilities	4	5,324	6,965
Provisions	21	874	733
Deferred tax liabilities (net)	22	13,809	14,588
<b>Sub total non-current liabilities</b>		<b>20,604</b>	<b>24,243</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	23	28,837	46,270
- Trade payables	24		
- Total outstanding due to micro enterprises and small enterprises		698	439
- Total outstanding dues of creditors other than enterprises and small enterprises		21,238	38,053
- Lease liabilities	4	828	615
- Other financial liabilities	25	16,789	15,994
Other current liabilities	26	2,688	2,066
Provisions	27	419	493
Current tax liabilities (net)		1,304	1,314
<b>Sub total current liabilities</b>		<b>72,801</b>	<b>1,05,244</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,61,921</b>	<b>4,41,344</b>

The accompanying notes form an integral part of these standalone financials statements

1-54

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

Rohit Arora  
Partner  
Membership No. 504774

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021

Place : New Delhi  
Date : 29 June 2021

## Standalone Statement of Profit and Loss

for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	28	3,99,188	4,49,864
Other income	29	2,243	2,226
<b>Total income</b>		<b>4,01,431</b>	<b>4,52,090</b>
<b>Expenses</b>			
Cost of materials consumed	30	3,14,515	3,03,592
Purchase of stock-in-trade	31	681	1,212
Changes in inventories of finished goods and stock-in-trade	32	(39,300)	17,340
Employee benefits expenses	33	8,847	8,235
Finance costs	34	2,359	6,244
Depreciation and amortisation expense	35	7,190	7,282
Other expenses	36	32,065	32,308
<b>Total expenses</b>		<b>3,26,357</b>	<b>3,76,213</b>
<b>Profit before tax</b>		<b>75,074</b>	<b>75,877</b>
<b>Tax expense</b>			
Current tax	39	19,824	20,021
Deferred tax		(779)	(85)
<b>Total tax expense</b>		<b>19,045</b>	<b>19,936</b>
<b>Profit for the year</b>		<b>56,029</b>	<b>55,941</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(66)	(224)
Tax on above		18	59
Items that will be reclassified to profit or loss			
Cash flow hedge reserve		922	(848)
Tax on above		(244)	224
<b>Other comprehensive (loss) / income for the year</b>		<b>630</b>	<b>(789)</b>
<b>Total comprehensive income for the year</b>		<b>56,659</b>	<b>55,152</b>
<b>Earnings per share (face value of ₹1 each)</b>			
- Basic (in ₹)		23.80	23.76
- Diluted (in ₹)		23.80	23.76

The accompanying notes form an integral part of these standalone financials statements 1-54

This is the Standalone Profit and Loss referred to in our report of even date.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No. 504774

Place : New Delhi  
Date : 29 June 2021

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021

## Standalone Cash flow Statement

for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	75,074	75,877
Adjustment for :		
Depreciation and amortisation expenses	7,190	7,282
Loss/ (Profit) on sale of property, plant and equipment	14	(6)
Unrealised foreign exchange (net)	(31)	(193)
Net (gain)/ loss on redemption and fair valuation of investments	(1,046)	124
Balances credit impaired	245	130
Liabilities/provisions no longer required, written back	(67)	(45)
Gain on modification/termination of lease	(86)	-
Finance costs	2,359	6,244
Interest income	(443)	(709)
Dividend income	(41)	(38)
<b>Operating profit before working capital changes</b>	<b>83,168</b>	<b>88,666</b>
Adjustments for working capital changes :		
Increase in financial and other assets	(2,764)	(15,157)
(Increase)/ Decrease in inventories	(11,179)	27,643
Decrease in trade receivables	2,652	16,795
(Decrease)/ Increase in trade payables	(16,489)	16,120
Increase in liabilities and provisions	3,074	5,890
<b>Cash generated from operations</b>	<b>58,462</b>	<b>1,39,957</b>
Income tax paid (net)	(20,060)	(18,757)
<b>Net cash flow from operating activities (A)</b>	<b>38,402</b>	<b>1,21,200</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets <sup>1</sup>	(4,142)	(4,267)
Sale of property, plant and equipment	49	1,229
Sale proceeds from investments	87,896	90,058
Purchase of investments	(88,155)	(90,000)
Movement from deposits (net)	2,775	(2,938)
Interest received	369	526
Dividend income	41	38
<b>Net cash used in investing activities (B)</b>	<b>(1,167)</b>	<b>(5,354)</b>
<b>C Cash flow from financing activities</b>		
Repayment of long term borrowings	(1,360)	(1,367)
Payment of lease liabilities	(738)	(564)
Movement in short term borrowings (net)	(16,585)	(92,732)
Finance cost paid	(3,248)	(5,895)
Dividend paid	(776)	(11,695)
Dividend distribution tax paid	-	(2,564)
<b>Net cash used in financing activities (C)</b>	<b>(22,707)</b>	<b>(1,14,817)</b>

## Standalone Cash flow Statement

for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>D Net increase in cash and cash equivalents during the year (A+B+C)</b>	<b>14,528</b>	<b>1,029</b>
Cash and cash equivalents-opening balance	1,345	316
<b>Cash and cash equivalents at the year end</b>	<b>15,873</b>	<b>1,345</b>
<b>E Cash and cash equivalents (refer note 13)</b>		
Cash in hand	43	72
Balances with banks	15,830	1,273
	<b>15,873</b>	<b>1,345</b>

### Notes

- Net of movement in capital work-in-progress and capital advances.
- 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 50 for reconciliation of liabilities arising from financing activities.

The accompanying notes form an integral part of these standalone financials statements (1-54)

This is the Standalone Cash flows statement referred to in our report of even date.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No. 504774

Place : New Delhi  
Date : 29 June 2021

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021



## Standalone Statement of Changes in Equity

for the year ended 31 March 2021

### A. Equity share capital (refer note 18)

(All amounts stated in ₹ lacs, unless otherwise stated)

Equity shares of ₹ 1 each, fully paid up	Number of shares	Amount
As at 1 April 2019	23,53,89,892	2,354
Movement during the year	-	-
As at 31 March 2020	23,53,89,892	2,354
Movement during the year	-	-
As at 31 March 2021	23,53,89,892	2,354

### B. Other equity (refer note 19)

Particulars	Reserve and surplus					Other comprehensive income	Total
	Retained earnings	General reserve	Securities premium	Capital reserve	Capital redemption reserve	Cash flow hedge reserve	
Balance as at 1 April 2019	2,15,527	44,050	9,655	82	77	-	2,69,391
Profit for the year	55,941	-	-	-	-	-	55,941
<b>Other comprehensive income for the year:-</b>							
Remeasurement of defined benefit obligations (net of tax)	(165)	-	-	-	-	-	(165)
Cash flow hedge reserve (net of tax)	-	-	-	-	-	(624)	(624)
<b>Total comprehensive income as at 31 March 2020</b>	<b>55,776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(624)</b>	<b>55,152</b>
Transaction with owners							
Dividends paid (refer note 43)	(12,476)	-	-	-	-	-	(12,476)
Dividend distribution tax paid	(2,564)	-	-	-	-	-	(2,564)
Transferred to general reserve <sup>1</sup>	(7,500)	-	-	-	-	-	(7,500)
Transferred from profit and loss account <sup>1</sup>	-	7,500	-	-	-	-	7,500
<b>Balance as at 31 March 2020</b>	<b>2,48,763</b>	<b>51,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>(624)</b>	<b>3,09,503</b>
Balance as at 01 April 2020	2,48,763	51,550	9,655	82	77	(624)	3,09,503
Profit for the year	56,029	-	-	-	-	-	56,029
<b>Other comprehensive income for the year:</b>							
Remeasurement of defined benefit obligations (net of tax)	(48)	-	-	-	-	-	(48)
Cash flow hedge reserve (net of tax)	-	-	-	-	-	678	678
<b>Total comprehensive income as at 31 March 2021</b>	<b>55,981</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>678</b>	<b>56,659</b>
Transferred to general reserve <sup>1</sup>	(8,000)	-	-	-	-	-	(8,000)
Transferred from profit and loss account <sup>1</sup>	-	8,000	-	-	-	-	8,000
<b>Balance as at 31 March 2021</b>	<b>2,96,744</b>	<b>59,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>54</b>	<b>3,66,162</b>

1. The Company has voluntarily transferred amount of ₹8,000 lacs (31 March 2020 ₹7,500 lacs) from retained earning to general reserve.

The accompanying notes form an integral part of these standalone financials statements (1-54)

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No. 504774

Place : New Delhi  
Date : 29 June 2021

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

### 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 Ltd. and BSE Limited.

The Company is world's leading basmati rice producer and has fully integrated operations in every aspect of basmati value chain, right from seed development, contact farming, procurement of paddy, storage, processing, packaging, branding and marketing. Among the many brands owned by the Company "India Gate" is the flagship brand both in domestic and international markets.

### 2. Basis of preparation, measurement and significant accounting policies

#### (i) General information

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Company has uniformly applied the accounting policies during the periods presented, however during the previous year, the Company has adopted hedge accounting, as mentioned in para j below.

The financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 29 June 2021.

#### (ii) Basis of accounting

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorized into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

#### (iii) Functional and presentation currency

These financial statements are presented in Indian rupees (₹) which is also the Company's functional currency. All amounts have been rounded-off to

the nearest lac as per the requirements of Part II of Schedule III of the Act, unless otherwise indicated.

#### (iv) Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These were used throughout all periods presented in the financial statements.

#### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

#### b. Property, plant and equipment

##### Recognition, measurement and subsequent expenditure

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, if any. Freehold land is stated at original cost of acquisition.

Cost of an item of property, plant and equipment includes acquisition / installation inclusive of freight, duties, and taxes and all incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

All other repairs and maintenance are generally charged to the statement of profit and loss during the reporting period in which they are incurred.

In respect of major projects involving construction, related preoperational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

### Depreciation

Depreciation on property, plant and equipment has been provided on straight line method, in terms of useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is capitalised/disposed off.

Depreciation method and useful lives are reviewed annually. If the useful life of an asset is estimated to be significantly different from previous estimates, the depreciation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the depreciation method is changed to reflect the changed pattern.

### De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

### c. Investment property

#### Recognition and measurement

Property held to earn rentals or / and for capital appreciation or both but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purposes, are categorized as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and

impairment, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

### Depreciation

Investment properties are depreciated using the straight-line method over the useful lives as mentioned in Part C of Schedule II of the Act.

### Reclassification to/from investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying cost (including accumulated depreciation) on the date of reclassification and vice-a-versa.

### d. Intangible assets

#### Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

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 is depreciated in 6 years on straight line method based upon life of servers where it is installed.

### De-recognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the statement of profit and loss when the asset is derecognized.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

### e. Investment in subsidiaries

Investment in equity instruments of subsidiaries are measured at cost as per Ind AS 27 'Separate Financial Statements.

### f. Inventory

#### Raw materials, stores and spares and packing materials

Raw materials, stores and spares and packing materials are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is calculated on weighted average cost method and it comprises all costs incurred in bringing the inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

#### Finished goods and by products

Finished goods are valued at lower of cost and net realisable value. Cost of inventories of finished goods includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition.

By-products are valued at net 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 governments under the 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. Sale of Certified Emission Reduction (CER) is recognized as income on delivery of CERs to the customer. Sale of Renewable Energy Certificate (REC) is recognized as income on sale of REC on the IEX/PXIL.

### Dividend income

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### Interest income

Interest income is recognized using the time proportion method based on the rates implicit in the transaction.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

### h. Employee Benefit

#### Short term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, allowances and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees. Further, the liabilities are presented as provisions for employee benefits under other current liabilities in the balance sheet.

#### Defined contribution plan

The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### Defined benefit plan

The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

#### Other long-term employee benefits

Other long-term employee benefits are recognised as an expense in the statement of profit and loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the statement of profit and loss.

### i. Research and development

Revenue expenditure on research and development is charged to the statement of profit and loss in

the year in which it is incurred. Capital expenditure on research and development is included under property, plant and equipment and/or intangible assets, as the case may be.

### j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a) Financial assets

##### Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

##### 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

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### De-recognition

A financial asset is primarily de recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

##### Impairment of financial assets

The Company assesses impairment based on Expected Credit Losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables.

### b) Financial liabilities

#### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

##### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently

measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

##### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and full currency swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

### e) Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets

and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### f) Hedge accounting

#### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

Any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

### k. Leases

#### Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset.
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease

liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### l. Foreign currency transactions

#### Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

#### Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognised in the statement of profit and loss.

### m. Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

### Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognised in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer

probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

### n. Provision, contingent assets and contingent liability

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed.

### o. Government grants

Grants from the government are recognised when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grant received from government towards fixed assets acquired/ constructed by the Company is deducted out of gross value of the asset acquired/ constructed and depreciation is charged accordingly.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

### p. Cash and cash equivalents

Cash comprises cash in hand and at bank. Cash and cash equivalents are short-term (highly liquid), that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### q. Segment reporting

According to Ind AS 108 'Operating Segment', identification of operating segments is based on Chief Operating Decision Maker ('CODM') approach for making decisions about allocating resources to the segment and assessing its performance.

### Identification of segments

An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Results of the operating segments are reviewed regularly by the management team (Chairman, Joint Managing Directors and Chief Financial Officer) which has been identified as the CODM, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

### Allocation of common costs

Common allocable costs are allocated to each segment 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 financial statements of the Company as a whole.

### r. Borrowing cost

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised upto the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying major assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### s. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

### t. Dividend to shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### (v) Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities including contingent liability and the related disclosures.

### Significant judgements

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

#### Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

external and internal factors which could result in deterioration of recoverable amount of the assets.

### Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

### Significant estimates

#### Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

#### Defined benefit obligation (DBO)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets,

their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future market-driven changes that may reduce future selling prices.

#### Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### (vi) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 1 April 2019</b>	<b>6,276</b>	<b>20,398</b>	<b>1,21,457</b>	<b>1,828</b>	<b>473</b>	<b>3,242</b>	<b>1,53,674</b>	<b>59</b>
Additions for the year	134	319	2,361	8	26	189	3,037	1,213
Disposals/capitalised (refer note H)	(84)	-	(1,589)	(3)	(3)	(70)	(1,749)	(58)
<b>Balance as at 31 March 2020</b>	<b>6,326</b>	<b>20,717</b>	<b>1,22,229</b>	<b>1,833</b>	<b>496</b>	<b>3,361</b>	<b>1,54,962</b>	<b>1,214</b>
Additions for the year	172	1,355	2,632	24	39	378	4,600	844
Disposals/capitalised	-	(1)	(25)	(403)	(37)	(247)	(713)	(1,167)
<b>Balance as at 31 March 2021</b>	<b>6,498</b>	<b>22,071</b>	<b>1,24,836</b>	<b>1,454</b>	<b>498</b>	<b>3,492</b>	<b>1,58,849</b>	<b>891</b>
<b>Accumulated depreciation</b>								
<b>Balance as at 1 April 2019</b>	<b>-</b>	<b>4,936</b>	<b>52,570</b>	<b>1,031</b>	<b>332</b>	<b>1,949</b>	<b>60,818</b>	<b>-</b>
Additions for the year	-	848	4,932	126	54	282	6,242	-
Disposals (refer note H)	-	-	(475)	(3)	(3)	(45)	(526)	-
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>5,784</b>	<b>57,027</b>	<b>1,154</b>	<b>383</b>	<b>2,186</b>	<b>66,534</b>	<b>-</b>
Additions for the year	-	813	4,852	123	37	277	6,102	-
Disposals	-	-0	(24)	(383)	(35)	(207)	(649)	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>6,597</b>	<b>61,855</b>	<b>894</b>	<b>385</b>	<b>2,256</b>	<b>71,987</b>	<b>-</b>
<b>Net carrying amount</b>								
<b>Balance as at 31 March 2020</b>	<b>6,326</b>	<b>14,933</b>	<b>65,202</b>	<b>679</b>	<b>113</b>	<b>1,175</b>	<b>88,428</b>	<b>1,214</b>
<b>Balance as at 31 March 2021</b>	<b>6,498</b>	<b>15,474</b>	<b>62,981</b>	<b>560</b>	<b>113</b>	<b>1,236</b>	<b>86,862</b>	<b>891</b>

#### Notes:

- A Contractual obligations  
Refer note 47 B for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- B Property, plant and equipment pledged as security  
Refer note 20 and 23 for information on property, plant and equipment pledged as security by the Company.
- C During the year, the Company has given a portion of warehouse, situated at Kandla, Gujarat on operating lease for short term duration. The said warehouse has been and will be utilised by the Company for its business purpose only. The net carrying value of the said building is ₹346 lacs (31 March 2020: ₹363 lacs)
- D Out of the total land parcels, 52 land parcels amounting to ₹761 lacs (31 March 2020 : ₹761 lacs) are registered in the name of Mr Anil Kumar Mittal, Mr Arun Kumar Gupta and Mr Anoop Kumar Gupta ("KMPs") and their relative namely, Mr Ashish Mittal, though the payment had been made by the Company. The Company has physical possession of such land parcels vide Memorandum of Understandings (MOUs) entered into by the Company with each of the above KMPs and their relative. Further the Company had already executed and registered the General Power of Attorney, Will and other documents with the respective KMPs and their relative in favour of the Company.
- E Out of the total land parcels, also 26 land parcels amounting to ₹83 lacs (31 March 2020 : ₹83 lacs) of which title deeds are in the name of KB Overseas, the erstwhile firm merged with the Company.
- F Buildings amounting to ₹148 lacs (31 March 2020 : ₹150 lacs) are pending registration in the name of the Company.
- G Capital work-in-progress mainly comprise of plant and machinery which are under installation at the premises of the Company.
- H During the previous year, the Company had sold one of its wind turbine generator and corresponding freehold land (pending registration as at the reporting date) since the power purchase agreement for the same was not executed due to technical difficulties. However the Company has already transferred the control to the said customer and accordingly, the same had been recorded as sale of the said plant and machinery and corresponding freehold land in the year ended 31 March 2020.
- I Rounded off to zero.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 4 Leases

#### A. Right of use assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Gross carrying amount</b>		
Opening gross carrying amount	9,152	-
Additions for the year	1,124	9,152
Disposals (including termination and modification)	(1,984)	-
<b>Balance at the end of the year</b>	<b>8,292</b>	<b>9,152</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1,014	-
Additions for the year	1,065	1,014
Disposals (including termination and modification)	(256)	-
<b>Balance at the end of the year</b>	<b>1,823</b>	<b>1,014</b>
<b>Net carrying amount at the end of the year</b>	<b>6,469</b>	<b>8,138</b>

#### B. Lease Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current	5,324	6,965
Current	828	615
	<b>6,152</b>	<b>7,580</b>

#### C. Lease related disclosures

The Company has leases mainly for the land and buildings. With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. There are no variable lease payments included in the agreement.

##### i. Extension and termination options

Extension and termination options are included in all leases. These terms are used to maximise operational flexibility in terms of managing contracts.

##### ii. Lease payments not included in measurement of lease liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount of leases which are for short term of 12 months or less	102	60

##### iii. The following are amounts recognised in profit or loss with respect to leasing arrangements:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on right of use assets	1,065	1,014
Interest expense on lease liabilities	557	675

##### iv. Total cash outflow in respect of leases in the year amounts to ₹ 1,296 lacs. (31 March 2020 ₹ 1,239 lacs)

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### v. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 44.

#### D. Assets given on operating lease (Refer Note 3C)

Rental income on assets given on operating lease for short term basis is ₹31 lacs (31 March 2020 : Nil)

### 5 Other Intangible assets

Particulars	Patents, trademark and design	Computer software	Total	Intangible assets under development <sup>1</sup>
<b>Gross carrying amount</b>				
<b>Balance as at 1 April 2019</b>	<b>22</b>	<b>289</b>	<b>311</b>	-
Additions for the year	37	31	68	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>59</b>	<b>320</b>	<b>379</b>	-
Additions for the year	-	23	23	16
Disposals	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>59</b>	<b>343</b>	<b>402</b>	<b>16</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 1 April 2019</b>	<b>18</b>	<b>192</b>	<b>210</b>	-
Additions for the year	4	22	26	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>22</b>	<b>214</b>	<b>236</b>	-
Additions for the year	6	17	23	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>28</b>	<b>231</b>	<b>259</b>	-
<b>Net carrying amount</b>				
<b>Balance as at 31 March 2020</b>	<b>37</b>	<b>106</b>	<b>143</b>	-
<b>Balance as at 31 March 2021</b>	<b>31</b>	<b>112</b>	<b>143</b>	<b>16</b>

#### Notes:

- Intangible asset under development comprises of distributor management software.
- Refer note 47B for disclosure of contractual commitments for the acquisition of intangible Assets

### 6 Investments

#### A. Non-current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Unquoted equity instruments - at cost, fully paid-up (Refer Note 44)</b>		
<b>Investment in subsidiaries</b>		
KRBL DMCC	217	217
[1,800 equity shares of AED 1,000 each, (31 March 2020 - 1,800 equity shares)]		
K B Exports Private Limited	210	210
[21,00,000 equity shares of ₹10 each, (31 March 2020 - 21,00,000 equity shares)]		
	<b>427</b>	<b>427</b>
Aggregate amount of unquoted investments	427	427
Aggregate amount of impairment in the value of investments	-	-

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 7 Loans

#### Non-current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Security deposits <sup>1</sup>	1,028	923
Loan to employees <sup>2</sup>	23	6
	<u>1,051</u>	<u>929</u>

#### Notes:

1. Deposit given to the Company in which director of Company is a director or a member: KRBL Infrastructure Limited
2. Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

### 8 Other financial assets

#### Non-current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Fixed deposits <sup>1</sup>	32	14
	<u>32</u>	<u>14</u>

#### Note:

1. Liened as security issued to the various government authorities and other parties of ₹32 lacs (31 March 2020 ₹14 lacs).

### 9 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Capital advance	7	180
Balance with statutory authorities (including taxes/duty paid under protest)	24,398	24,771
Deposits with statutory authorities (Refer note 47 A3)	1,113	-
Pre-payments	44	22
	<u>25,562</u>	<u>24,973</u>

### 10 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	93,659	1,23,593
Finished goods <sup>1</sup>	1,91,400	1,52,043
Stock-in-trade	761	818
Packing material, consumables and others	8,997	7,197
Stores and spares	1,604	1,591
	<u>2,96,421</u>	<u>2,85,242</u>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

#### Notes:

1. Includes goods in transit of ₹11,066 lacs (31 March 2020 ₹3,613 lacs).
2. Refer note 30, 31 and 32 for consumption of inventory recorded by the Company during the year.
3. The Company has recorded few class of finished goods at the Net Realisable Value (NRV), as their realisable value is lower than the cost of production. The total NRV adjustments made in the value of such product ₹7,595 lacs (31 March 2020 ₹3,052 lacs). This was recognized as an expense during the year and included in 'changes in inventories of finished goods and stock-in-trade' in the Statement of Profit and Loss.

### 11 Investments

#### Current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investment carried at fair value through profit or loss</b>		
<b>Investments in equity instruments - quoted, fully paid-up</b>		
NHPC Limited [8,82,712 equity shares of ₹10 each, (31 March 2020 - 8,82,712 equity shares)]	216	176
Coal India Limited [76,437 equity shares of ₹10 each, (31 March 2020 - 76,437 equity shares)]	100	107
Power Grid Corporation of India Limited [1,07,667 equity shares of ₹10 each, (31 March 2020 - 1,07,667 equity shares)]	232	171
Shipping Corporation of India Limited [2,42,265 equity shares of ₹10 each, (31 March 2020 - 2,42,265 equity shares)]	268	91
MOIL Limited [37,846 equity shares of ₹10 each, (31 March 2020 - 37,846 equity shares)]	57	39
Suzlon Energy Limited [2,04,08,000 equity shares of ₹1 each, (31 March 2020 - Nil equity shares)]	1,016	-
	<u>1,889</u>	<u>584</u>
Aggregate amount of quoted investments at cost	1,457	957
Aggregate amount of quoted investments at market value	<u>1,889</u>	<u>584</u>

### 12 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good <sup>1</sup>	20,129	23,020
Trade receivables which have significant increase in Credit Risk	-	-
Less: Allowance for expected credit loss	-	-
	<u>20,129</u>	<u>23,020</u>

#### Note:

1. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or amounts dues from firms or private companies in which any director is a partner, director or a member



## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 13 Cash and cash equivalents<sup>1</sup>

Particulars	As at 31 March 2021	As at 31 March 2020
Balance with banks in current accounts	15,830	1,273
Cash in hand	43	72
	<b>15,873</b>	<b>1,345</b>

**Note:**

1. There is no restriction in repatriation of cash and cash equivalents.

### 14 Other bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Unclaimed dividends- earmarked balances with banks <sup>1</sup>	48	824
Deposits with original maturity more than 3 months and less than 12 months <sup>2</sup>	185	2,977
	<b>233</b>	<b>3,801</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 2021, the deposits of ₹185 lacs (31 March 2020 ₹2,977 lacs) are restricted as they are held as margin money deposits against the facilities extended to the Company by banks.

### 15 Loans

**Current**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Security deposits	1,107	-
Loan to employees <sup>1</sup>	30	16
	<b>1,137</b>	<b>16</b>

**Note:**

- Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.  
No loans are due from firms or private companies in which any director is partner, director or a member.

### 16 Other financial assets

**Current**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Income receivable	858	1,134
Derivative assets	101	-
Other receivables	834	-
	<b>1,793</b>	<b>1,134</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 17 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Balance with statutory authorities	77	319
Advances to suppliers	1,387	410
Pre-payments	1,449	1,138
Other receivables	80	69
	<b>2,993</b>	<b>1,936</b>

### 18 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
30,00,00,000 (31 March 2020 - 30,00,00,000) equity shares of ₹1 each	3,000	3,000
	<b>3,000</b>	<b>3,000</b>
<b>Issued and subscribed<sup>1</sup></b>		
23,62,44,892 (31 March 2020 - 23,62,44,892) equity shares of ₹1 each	2,362	2,362
	<b>2,362</b>	<b>2,362</b>
<b>Fully paid-up<sup>1</sup></b>		
23,53,89,892 (31 March 2020 - 23,53,89,892) equity shares of ₹1 each	2,354	2,354
	<b>2,354</b>	<b>2,354</b>

**Note:**

- Difference between the issued and subscribed and paid up share capital represents the shares forfeited by the Company in the preceding previous years.

#### a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2021		As at 31 March 2020	
	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	<b>23,53,89,892</b>	<b>2,354</b>	23,53,89,892	2,354

#### b) Terms/ rights attached to ordinary equity shares

The Company has only one class of equity shares having a face value of ₹1 per share. Each holder of equity shares is entitled to have one vote per share.

The board of directors of the Company in their meeting held on 29 June 2021 has recommended a final dividend @ 350 % i.e. ₹3.50 per equity share of face value of ₹1/- each (31 March 2020 - ₹2.80 per share). The same shall be paid subject to the approval of shareholders in ensuing annual general meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
1. Anil Mittal Family Trust	4,30,49,796	18.29%	4,30,49,796	18.29%
2. Arun Kumar Gupta Family Trust	4,17,97,646	17.76%	4,17,97,646	17.76%
3. Anoop Kumar Gupta Family Trust	3,88,49,338	16.50%	3,88,49,338	16.50%
4. Reliance commodities DMCC	2,29,00,000	9.73%	2,29,00,000	9.73%

### d) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options.

### e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

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.

## 19 Other equity<sup>1</sup>

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Retained earnings	2,96,744	2,48,763
(ii) General reserve	59,550	51,550
(iii) Securities premium	9,655	9,655
(iv) Capital reserve	82	82
(v) Capital redemption reserve	77	77
(vi) Cash flow hedge reserve	54	(624)
	<b>3,66,162</b>	<b>3,09,503</b>

#### Note:

1. Refer Standalone statement of changes in equity for the movement in equity.

#### Description and purpose of reserve

##### (i) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

##### (ii) General reserve

The Company has transferred a portion of the net profit of the Company 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

The amount received in excess of face value of the equity shares is recognised in securities premium.

##### (iv) Capital reserve

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### (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.

## 20 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Secured term loan from banks (refer note below)		
Rupee loans	1,941	3,301
	<b>1,941</b>	<b>3,301</b>
Less: Current maturities of non-current borrowings (refer note 25)	1,344	1,344
	<b>597</b>	<b>1,957</b>

### A. Details of security of non-current borrowings

The Company has created hypothecation in favour of SBICAP Trustee Company Limited (acting as Security Trustee) and created mortgage on its movable and immovable properties located at various locations for an amount of ₹18,405 lacs (31 March 2020 - ₹18,405 lacs) in the form of term loan facilities taken from various banks under consortium.

First pari-passu charge on all movable and immovable properties of the Company and second pari-passu charge on all current assets including but not limited to stock of raw materials, semi-finished and finished goods, consumable stores and spares, bills receivables and book debts and all other movable of whatsoever nature and where ever arising, both present and future of the Company.

### B. Details of repayment of the non-current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
a. Rupee term loan from State Bank of India of ₹9,400 lacs, interest to be paid on monthly basis at 10 bps above 3 Months MCLR subject to quarterly reset i.e. 6.75% p.a. (31 March 2020-3 Months MCLR subject to quarterly reset i.e. 7.5% p.a. ) and Repayable in 28 quarterly instalments of ₹336 lacs each, starting from December 2015.	1,941	3,301
	<b>1,941</b>	<b>3,301</b>

## 21 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current provision for employee benefits</b>		
Provision for compensated absences (refer note 40 C)	874	733
	<b>874</b>	<b>733</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 22 Deferred tax liabilities (net)<sup>1</sup>

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	14,314	14,952
Right to use assets	1,473	1,883
	<u>15,787</u>	<u>16,835</u>
<b>Deferred tax assets</b>		
Lease liabilities	(1,548)	(1,908)
Provision for employee benefit expenses	(262)	(220)
Others	(168)	(119)
	<u>(1,978)</u>	<u>(2,247)</u>
	<u>13,809</u>	<u>14,588</u>

#### Note:

1. Refer note 39C for the movement in deferred tax.

### 23 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
<b>Secured</b>		
Working capital facilities from bank		
- Rupee loan (refer note B (i), (ii) and (iii) below)	19,500	17,478
- Foreign currency loan (refer note B (iv) below)	-	21,830
	<u>19,500</u>	<u>39,308</u>
<b>Unsecured</b>		
Loans from related parties (refer note C (i) below)	9,337	6,962
	<u>9,337</u>	<u>6,962</u>
	<u>28,837</u>	<u>46,270</u>

#### A. Details of security of current borrowings

- i. The Company has created hypothecation in favour of SBICAP Trustee Company Limited (acting as Security Trustee) and created mortgage on its movable and immovable properties located at various locations for an amount of ₹1,75,400 lacs (31 March 2020 - ₹1,75,400 lacs) in the form of loan and other facilities taken under consortium.

First pari-passu charge on entire current assets including but not limited to stock of raw materials, semi-finished and finished goods, consumable stores and spares, bills receivables and book debts and all other movable of whatsoever nature and where ever arising, both present and future of the Company and second pari-passu charge on entire movable and immovable properties of the Company.

Further, Mr Anil Kumar Mittal, Mr Arun Kumar Gupta, Mr Anoop Kumar Gupta and Mr. Ashish Mittal (to the extent of the properties mortgaged by him) has given their personal guarantees in favour of working capital lenders.

- ii. During the year ended 31 March 2020, the Company has created subservient charge by way of hypothecation in favour of HDFC Bank Limited and created mortgage on its movable and immovable properties located at various locations for an amount of ₹20,000 lacs. There is no amount outstanding against the said facility, as at the balance sheet date.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### B. Details of repayment of the current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Secured:</b>		
<b>(i) Cash credit facilities from banks</b>		
The Company has obtained credit facilities from consortium banks. The facilities carries interest at MCLR along with spread (i.e. 7.6% p.a. to 8.15% p.a.) of respective banks.	-	174
<b>(ii) 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 ( i.e. 4.2% p.a. to 7.85% p.a.) of respective banks.	9,500	17,304
<b>(iii) EPC - Rupee loan</b>		
The Company has obtained Export Packing credit facility from consortium banks and is repayable after the stipulated period. The facilities carries interest at T- bills along with spread ( i.e. 4.00% p.a. to 4.22% p.a.) of respective banks.	10,000	-
<b>(iv) PCFC - foreign currency loan</b>		
The Company has obtained Packing credit facility from consortium banks and is repayable after the stipulated period. The facilities carries interest at LIBOR along with spread (i.e. 2.21% p.a. to 2.47% p.a.) of respective banks.	-	21,830
<b>C. Unsecured:</b>		
<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)	9,337	6,962

### 24 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding due to micro enterprises and small enterprises	698	439
Total outstanding due of creditors other than micro enterprises and small enterprises	8,948	8,055
Acceptances	12,290	29,998
	<u>21,936</u>	<u>38,492</u>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

**Note:****A. Detail of dues of Micro and Small Enterprises as defined MSME Act, 2006, to the extent the Company has received intimation from the 'Supplier' regarding their status under the Act.**

Particulars	As at 31 March 2021	As at 31 March 2020
(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year - Principal amount remaining unpaid <sup>1</sup> , and Interest accrued and remaining unpaid	698	439
(ii) the amount of interest paid by the buyer under MSME 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 MSME 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>698</b>	<b>439</b>

1. According to the records of the Company, there are no overdue principal amount/interest payable for delayed payment to such vendors at the balance sheet date. The amount payable to Micro and Small enterprises doesn't include any amount due for period more than the stipulated time prescribed under the MSME Act, 2006.

**25 Other financial liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of non-current borrowings (refer note 20)	1,344	1,344
Interest accrued but not due on borrowings	76	965
Employees related payables	981	873
Expenses payable <sup>1</sup>	14,305	11,948
Security deposits	35	40
Unclaimed dividend <sup>2</sup>	48	824
	<b>16,789</b>	<b>15,994</b>

**Notes:**

- It included the provision for CSR on ongoing project. (Refer note 41)
- The amount is not due for deposit to Investor Education and Protection Fund.

**26 Other current liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	1,930	1,328
Statutory dues payable	758	738
	<b>2,688</b>	<b>2,066</b>

**27 Provisions**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current provision for employee benefits</b>		
Provision for gratuity (refer note 40B)	251	353
Provision for compensated absences (refer note 40C)	168	140
	<b>419</b>	<b>493</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

**28 Revenue from operations**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Revenue from sale of finished goods</b>		
Export	1,89,667	2,08,459
Domestic	1,98,187	2,26,915
<b>B Revenue from sale of stock in trade</b>		
Domestic	1,084	1,668
<b>C Sale of electricity</b>		
Export	12	-
Domestic <sup>1</sup>	9,239	11,371
<b>D Other operating revenue</b>		
Liquidated damages received <sup>2</sup>	45	638
Scrap sales	954	813
	<b>3,99,188</b>	<b>4,49,864</b>

**Notes:**

- It includes generation based incentive of ₹69 lacs (31 March 2020 ₹80 lacs) and the company has complied all the attached condition.
- Liquidity damages received by the Company from its vendor for non execution of contract terms.
- Refer note 38, for disaggregation of revenue from operations and other disclosures.

**29 Other income**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on financial assets carried at amortised cost	443	709
Rental Income	31	-
Dividend income	41	38
Net gain on redemption and fair valuation of investments through profit and loss	1,046	-
Net gain on foreign currency transaction and translation	165	840
Net gain on sale of property, plant and equipment	-	6
Liabilities/provisions no longer required written back	67	45
Gain on modification/termination of lease	86	-
Other non operating income	364	588
	<b>2,243</b>	<b>2,226</b>

**30 Cost of materials consumed**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Paddy	1,98,412	2,08,342
Semi finished rice	1,00,020	78,720
Packing and other consumables	16,083	16,339
Amount of opening stock-in-trade used as raw material for production (refer note 32C)	-	191
	<b>3,14,515</b>	<b>3,03,592</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 31 Purchase of stock-in-trade

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Seeds	681	1,212
	<b>681</b>	<b>1,212</b>

### 32 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
<b>A. Opening stock</b>		
Finished goods	1,52,043	1,69,599
Stock-in-trade	818	793
	<b>1,52,861</b>	<b>1,70,392</b>
<b>B. Closing stock</b>		
Finished goods	1,91,400	1,52,043
Stock-in-trade	761	818
	<b>1,92,161</b>	<b>1,52,861</b>
<b>C. Amount of opening stock-in-trade used as raw material (refer note 30)</b>	<b>-</b>	<b>(191)</b>
	<b>(39,300)</b>	<b>17,340</b>

### 33 Employee benefits expenses

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Salaries wages and bonus	7,989	7,431
Contribution to provident and other funds (refer note 40A)	500	499
Gratuity (refer note 40B)	185	129
Staff welfare expenses	173	176
	<b>8,847</b>	<b>8,235</b>

### 34 Finance costs

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Interest expense on:-		
- Term loans	194	333
- Cash credit/working capital facility	1,528	5,166
- Lease liabilities	557	675
Other borrowing costs	80	70
	<b>2,359</b>	<b>6,244</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 35 Depreciation and amortisation expense

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Depreciation on property, plant and equipment (Refer Note 3)	6,102	6,242
Depreciation on right of use assets (Refer Note 4)	1,065	1,014
Amortisation on intangible assets (Refer Note 5)	23	26
	<b>7,190</b>	<b>7,282</b>

### 36 Other expenses

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Power and fuel	1,819	2,213
Consumption of stores and spares	1,058	971
Repairs and maintenance:-		
- Machinery	2,769	2,854
- Buildings	364	409
- Others	69	75
Fumigation	571	490
Freight inward	1,567	1,482
Travelling and conveyance	277	466
Communication expense	62	82
Rent	102	60
Legal and professional expense (refer note A)	846	705
Fees, rates and taxes	1,044	1,597
Vehicle running and maintenance	193	210
Insurance	898	276
Printing and stationery	95	117
Testing and inspection	533	659
Donation and charity (refer note B)	39	75
Clearing, forwarding and freight charges	11,429	10,049
Sales and business promotion	382	1,028
Advertisement	4,024	5,337
Meeting and seminar expense	12	285
Commission and brokerage	915	1,040
Corporate social responsibility expenses (refer note 41)	1,451	188
Security service charges	327	324
Sub-contractual expense	548	595
Balances credit impaired	245	130
Net loss on redemption and fair valuation of investments through profit and loss	-	124
Net loss on sale of property, plant and equipment	14	-
Miscellaneous expenses	412	467
	<b>32,065</b>	<b>32,308</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### A. Auditors' remuneration (excluding Goods and services tax)

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Statutory audit (including fees for limited reviews)	41	41
Tax audit	4	4
Other audit related work	6	6
Reimbursement of expenses <sup>1</sup>	0	4
	<b>51</b>	<b>55</b>

1. Rounded off to Zero

### B. Political Contribution

-

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### 37. Earnings per share

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Profit attributable to equity shareholders	56,029	55,941
Numbers of weighted average equity share outstanding at the year end for basic and diluted	23,53,89,892	23,53,89,892
Nominal value per share in ₹	1.00	1.00
<b>Basic / Diluted earnings per share in ₹</b>	<b>23.80</b>	<b>23.76</b>

### 38. Disaggregation of revenue from operations

#### A. Revenues by Geography

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
<b>Rice and other related products</b>		
- within India	1,99,271	2,28,583
- other than India	1,89,667	2,08,459
	<b>3,88,938</b>	<b>4,37,042</b>
<b>Electricity</b>		
- within India	9,239	11,371
- other than India	12	-
	<b>9,251</b>	<b>11,371</b>
<b>Liquidated damages received</b>		
- within India	45	638
	<b>45</b>	<b>638</b>
<b>Sale of scrap</b>		
- within India	954	813
	<b>954</b>	<b>813</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### B. Revenues by offerings

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
<b>Sale of goods</b>		
- Rice	3,68,930	4,17,475
- Seeds	1,084	1,668
- Quinoa and others	1,610	789
<b>By products</b>		
- Furfural Alcohol	1,629	1,679
- Bran Oil	7,904	5,061
- Furfural oil	821	643
- Doil cake	3,824	5,235
- Glucose	190	515
- Others	2,946	3,977
	<b>3,88,938</b>	<b>4,37,042</b>
<b>Sale of electricity</b>	<b>9,251</b>	<b>11,371</b>
<b>Sale of scrap</b>	<b>954</b>	<b>813</b>
<b>Liquidated damages received</b>	<b>45</b>	<b>638</b>

### C. Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Contracted price	4,09,776	4,62,987
Less: Trade discounts, volume rebates, etc	10,588	13,123
<b>Sale of products</b>	<b>3,99,188</b>	<b>4,49,864</b>

### D. Contract balances

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
- Contract assets <sup>1</sup>	858	1,134
- Contract liabilities <sup>2</sup>	1,930	1,328

#### 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 for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### E. Movement in contract assets and contract liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance of contract liabilities</b>	1,328	1,941
Addition in balance of contract liabilities for current year	1,930	1,328
Amount of revenue recognised against opening contract liabilities	1,328	1,941
<b>Closing balance of contract liabilities</b>	<b>1,930</b>	<b>1,328</b>
<b>Opening balance of contract assets</b>	1,134	1,016
Addition in balance of contract assets for current year	858	1,134
Amount of billing recognised against opening contract assets	1,134	1,016
<b>Closing balance of contract assets</b>	<b>858</b>	<b>1,134</b>

### 39 Income tax

#### A. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Enacted income tax rate applicable to the Company (refer sub-note D below)</b>	<b>25.17%</b>	<b>25.17%</b>
<b>Profit before tax</b>	<b>75,074</b>	<b>75,877</b>
Expected tax expenses	18,895	19,097
<b>Tax effect of:</b>		
Non deductible expenses (net)	382	136
Tax for earlier years	(27)	-
Changes in the tax assumptions for claiming deduction under 80IA of the Act on eligible projects and others, including creation of MAT entitlement (Refer sub-note D below)	-	4,894
Impact due to change in the tax rates (Refer sub-note D below)	-	(4,106)
Non taxable Income	(203)	-
Others	(2)	(85)
<b>Total income tax expense in the Statement of Profit and Loss</b>	<b>19,045</b>	<b>19,936</b>

#### B. The major components of income tax expense for the period end are:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Statement of Profit and Loss section</b>		
Current income tax		
Current tax	19,824	20,021
Deferred tax	(779)	(85)
	<b>19,045</b>	<b>19,936</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### Other comprehensive income section

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Tax expense on the items recognised in other comprehensive income during the year		
Remeasurement of defined benefit plans	18	59
Loss on cash flow hedge reserve	(244)	224
	<b>(226)</b>	<b>283</b>

### C. Movement of temporary differences

Particulars	Balance as at 1 April 2020	Recognised in Statement of Profit and Loss during the year	Balance as at 31 March 2021
<b>Deferred tax liabilities</b>			
Property, plant and equipment and intangible assets	14,952	(638)	14,314
Right to use assets	1,883	(410)	1,473
<b>Deferred tax assets</b>			
Lease liabilities	(1,908)	360	(1,548)
Provision for employee benefit expenses	(220)	(42)	(262)
Others	(119)	(49)	(168)
	<b>14,588</b>	<b>(779)</b>	<b>13,809</b>

#### II

Particulars	Balance as at 1 April 2019	Recognised in Statement of Profit and Loss during the year	Balance as at 31 March 2020
<b>Deferred tax liabilities</b>			
Property, plant and equipment and intangible assets	14,987	(35)	14,952
Right of use assets	-	1,883	1,883
<b>Deferred tax assets</b>			
Lease liabilities	-	(1,908)	(1,908)
Provision for employee benefit expenses	(256)	36	(220)
Others	(58)	(61)	(119)
	<b>14,673</b>	<b>(85)</b>	<b>14,588</b>

D. During the previous year, the Company had exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 ("Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in quarter ended 30 September 2019, which had resulted in lower tax rate of 25.17% as compared to 34.94% on the taxable profits, computed without any exemption/incentives under the different provisions of the Act. Consequent to such change, the accumulated deferred tax liabilities (net) has been remeasured, which has resulted in a onetime additional charge of ₹788 lacs recognised in the Statement of Profit and loss for the year ended 31 March 2020.

E. The Company doesn't have any carry forward losses at the year end.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 40 Employee benefit obligations

#### A. Defined contribution plans

Particulars	As at 31 March 2021	As at 31 March 2020
Employer's contribution to provident fund	415	393
Employer's contribution to employees state insurance	85	106
	<b>500</b>	<b>499</b>

#### B. Defined benefit plans

##### Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Kotak Mahindra Life Insurance Company Limited with whom the plan assets are maintained.

##### Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risk are investment risk, interest rate risk, mortality risk and salary risk.

##### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in INR. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

##### Investment risk

Plan assets comprise funds managed by the insurer i.e. Kotak Mahindra Life Insurance Company Limited and details of assets are not available and hence not accordingly disclosed.

##### Mortality risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

##### Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The following table sets out the funded status and the amount recognised in the Company's financial statements:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>a. Amounts to be recognised</b>		
Present value of obligation	(1,858)	(1,519)
Fair value of plan assets	1,607	1,166
<b>Net (liability) recognised</b>	<b>(251)</b>	<b>(353)</b>
<b>Current liability</b>	<b>(251)</b>	<b>(353)</b>
<b>Non-current liability</b>	<b>-</b>	<b>-</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>b. Changes in present value of defined benefit obligation</b>		
Defined benefit at the beginning of the year	1,519	1,126
Current service cost	161	120
Interest cost	104	88
Remeasurements-actuarial loss -due to change demographic assumption	19	-
Remeasurements-actuarial loss -due to change financial assumptions	172	169
Remeasurements-actuarial (gain)/loss -due to experience	(36)	61
Benefits paid	(81)	(45)
<b>Present value of benefit obligation at the end of the year</b>	<b>1,858</b>	<b>1,519</b>
<b>c. Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	1,166	1,006
Expected return on plan assets	80	79
Contributions made	353	120
Benefits paid	(81)	(45)
Return on plan assets, excluding interest income	89	6
<b>Fair value of plan assets at the end of the year</b>	<b>1,607</b>	<b>1,166</b>
<b>d. Expenses recognized in Statement of profit or loss (refer note 33)</b>		
Current service cost	161	120
Interest expense (net)	24	9
Past service cost	-	-
<b>Expense for the year ended</b>	<b>185</b>	<b>129</b>
<b>e. Recognized in other comprehensive income</b>		
Remeasurements-actuarial loss on obligation for the period	155	230
Return on plan assets, excluding interest income	(89)	(6)
<b>Net income at the end of the period</b>	<b>66</b>	<b>224</b>
<b>f. Actuarial assumptions</b>		
Discount rate	6.93%	6.82%
Expected rate of return on plan assets	6.93%	6.82%
Expected rate of increase in compensation levels	7.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (06-08)	Indian Assured Lives Mortality (06-08)
Retirement Age	60 Years	60 Years
Attrition / Withdrawal rates	2%	1%
<b>g. Investment details</b>		
Insurance Fund	1,607	1,166
<b>h. The Company expects to contribute ₹ 418 lacs to gratuity fund in the next financial year.</b>		



## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### i. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Discount rate</b>		
1% increase	(201)	(176)
1% decrease	242	213
<b>Future salary increase</b>		
1% increase	225	200
1% decrease	(193)	(170)
<b>Employee turnover rate</b>		
1% increase	1	17
1% decrease	(1)	(21)

### j. Maturity profile of defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Within next 12 months	171	139
Between 1-5 years	243	184
Beyond 5 years	4,770	4,117

### C. Other long term benefit plans

Other long term benefit plans represents the compensated absences provided to the employees of the Company.

#### a. Amounts to be recognised

Particulars	As at 31 March 2021	As at 31 March 2020
Current liability	168	140
Non-current liability	874	733

#### b. Changes in present value of other long term benefit plans

Particulars	As at 31 March 2021	As at 31 March 2020
Defined Benefit at the beginning of the year	873	732
Current service cost	75	61
Interest cost	60	57
Remeasurements-actuarial loss -due to change demographic assumptions	9	-
Remeasurements-actuarial loss -due to change financial assumptions	92	87
Remeasurements-actuarial loss -due to experience	37	64
Benefits paid	(104)	(128)
<b>Present value of benefit obligation at the end of the year</b>	<b>1,042</b>	<b>873</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### c. Expenses recognised in Statement of Profit and Loss

Particulars	As at 31 March 2021	As at 31 March 2020
Current service cost	75	61
Interest cost	60	57
Actuarial losses	137	151
<b>Expense for the year ended</b>	<b>272</b>	<b>269</b>

### d. Actuarial valuation has been done with the following assumptions

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.93%	6.82%
Expected rate of return on plan assets	NA	NA
Expected rate of increase in compensation levels	7.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (06-08)	Indian Assured Lives Mortality (06-08)
Attrition / Withdrawal rates	2%	1%

### 41 Corporate social responsibility

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted CSR Committee. The details for CSR activities is as follows:-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year	1,451	1,302
b) Amount spent during the year on the following:		
1. Construction / Acquisition of any asset	11	-
2. On purpose other than 1 above	169	188

The details of amount remaining unspent during the year under sub section (5), pursuant to an activity other than ongoing project is as follows:

Particulars	For the year ended 31 March 2021
<b>Opening Balance at the beginning of the year</b>	-
Amount deposited in specified fund of Schedule VII	-
Amount required to spent during the year	1,451
Amount spent during the year	180
Amount to be spent on ongoing project	1,271
<b>Closing Balance at the end of the year</b>	-

Based on the recommendation of CSR Committee, the Board of Directors of the Company during the financial year 2020-21, had considered and approved the CSR Project for setting up the Centralized Kitchen for running mid-day meals programme in Gautam Budh Nagar, Uttar Pradesh with the Akshaya Patra Foundation ('the Foundation'). The Company had entered into "Memorandum of Understanding" (MOU) with the Foundation for the same. This being an ongoing project, during the financial year 2020-21 the Company had incurred an expenditure of ₹11.36 lacs on this project and the balance amount is yet to be spend which shall be transferred to Unspent Corporate Social responsibility account as per the relevant rules of the Companies Act, 2013.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### The details of ongoing project and amount unspent during the year.

Particulars	For the year ended 31 March 2021
<b>Opening Balance at the beginning of the year</b>	
- With the company	-
- In separate CSR unspent account	-
Amount required to be spend during the year	1,451
Amount Spent during the year	
- From the company Account	180
- From separate CSR unspent account	-
Amount transferred to Unspent to CSR account	-
Amount deposited in specified fund of Schedule VII	-
<b>Closing balance at the end of the year</b>	
- With the company	1,271
- In separate CSR unspent account	-

### 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	As at 31 March 2021	As at 31 March 2020
Non-current borrowings	597	1,957
Current borrowings	28,837	46,270
Current maturities of non-current borrowings	1,344	1,344
Less: Cash and cash equivalents	(15,873)	(1,345)
<b>Net debt</b>	<b>14,905</b>	<b>48,226</b>
Equity share capital	2,354	2,354
Other equity	3,66,162	3,09,503
<b>Total equity</b>	<b>3,68,516</b>	<b>3,11,857</b>
<b>Net debt to total equity ratio</b>	<b>0.04</b>	<b>0.15</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 43 Dividends

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Dividend declared and paid during the year</b>		
Interim dividend declared and paid for the financial year ended 31 March 2021 at ₹ Nil per share. (Interim dividend declared and paid for the financial year ended 31 March 2020 at ₹2.80 per share and the same was considered as final dividend for the financial year ended 31 March 2020 and Final dividend at ₹2.50 per share for the financial year ended 31 March 2019)	-	12,476
Dividend distribution tax on final dividend	-	2,564
<b>B Proposed dividends on equity shares not recognised as liability</b>		
Proposed dividends for the year ended 31 March 2021 ₹3.50 per share (For the year ended 31 March 2020 : ₹ Nil per share)	8,239	-
Dividend distribution tax on proposed dividend	-	-
<b>C Remittance in foreign currency on account of dividend</b>		
Number of shareholders to whom final dividend for the financial year 2018-19 remitted in foreign currency	NA	5
Number of shareholders for remittance of interim dividend for the financial year 2019-20 in foreign currency.	NA	4
Number of equity shares held by the shareholders to whom final dividend for the financial year 2018-19 remitted in foreign currency	-	3,18,38,330
Number of equity shares held by the shareholders for remittance of interim dividend for the financial year 2019-20 in foreign currency	-	2,75,88,330
Amount of dividend paid (₹ in lacs)	-	1,568
Year to which the dividend relates	NA	2018-19 & 2019-20

### 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, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not make significant investments in equity shares, except for entities where it exercises control or joint control or significant influence.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### A Disclosure in respect of financial risk management

#### 1. Credit risk

Credit risk is the risk that counter party 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 ₹245 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 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 2021	As at 31 March 2020
Loans	2,188	945
Trade receivables	20,129	23,020
Other financial assets	1,724	1,148
<b>Total</b>	<b>24,041</b>	<b>25,113</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 2021	As at 31 March 2020
Not past due	12,456	15,262
Past due 0-30 days	1,888	1,808
Past due 31-120 days	2,035	1,959
Past due 120 days-one year	3,042	3,175
More than one year	708	816
<b>Total</b>	<b>20,129</b>	<b>23,020</b>
Loss allowance	-	-
	<b>20,129</b>	<b>23,020</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### Reconciliation of loss allowance- Trade receivable

Particulars	As at 31 March 2021	As at 31 March 2020
Loss allowances in the beginning of the year	-	-
Loss allowance recognised during the year	-	-
Loss allowances actualised	-	-
Loss allowances at the close of the year	-	-

The following table gives details in respect of percentage of revenue generated from top customer:

Particulars	As at 31 March 2021	As at 31 March 2020
Top one customer	17.36%	20.77%
Revenue from top customer amounting to ₹69,300 lacs (31 March 2020 - 93,443 lacs) pertains to Agri Segment.		

#### 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 2021	As at 31 March 2020
Fund Based	1,38,000	1,18,192
- Expiring with in one year (cash credit and other facilities)		

#### (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 2021

Particulars	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	More than 2 years
Non-current borrowings	1,941	-	672	672	597	-
Current borrowings	19,500	19,500	-	-	-	-
Loan from related party	9,337	9,337	-	-	-	-
Trade payables	21,936	-	21,936	-	-	-
Lease liabilities (including interest payable)	6,152	-	411	417	476	4,848
Other financial liabilities	15,445	83	15,362	-	-	-

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### For the year ended 31 March 2020

Particulars	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	More than 2 years
Non-current borrowings	3,301	-	672	672	1,957	-
Current borrowings	39,308	39,308	-	-	-	-
Loan from related party	6,962	6,962	-	-	-	-
Trade payables	38,492	-	38,492	-	-	-
Lease liabilities (including interest payable)	7,580	-	632	632	1,243	10,808
Other financial liabilities	14,650	864	13,786	-	-	-

### 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 2021	As at 31 March 2020
Variable rate borrowings	21,441	42,609

#### Interest rate sensitivity

Particulars	As at 31 March 2021	As at 31 March 2020
-------------	---------------------	---------------------

#### A change of 100 bps in interest rates would have following impact on profit before tax

100 bps increase- decrease in profits	107	213
100 bps decrease- increase in profits	107	213

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments) were utilised for the whole financial year.

#### (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.

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Impact on profit before tax</b>		
Share price increase by 5%	94	29
Share price decrease by 5%	(94)	(29)

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### (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 420 lacs (P.Y. Nil).

Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument are as under:

Particulars	₹ in lacs		USD in lacs	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Financial assets</b>				
Trade receivables	4,727	5,429	65	72
Cash and cash equivalents	15,368	1,075	210	14
Other receivables	834	-	11	-
Security deposits	1,097	-	15	-
<b>Financial liabilities</b>				
Trade payables <sup>1</sup>	605	224	8	2
Borrowings	-	21,830	-	288
Advance from customers	1,793	567	25	7

#### Foreign currency risk sensitivity:

A change of 5% in foreign currency would have following impact on profit before tax

Particulars	USD	
	5% increase	5% decrease
31-03-2021 (₹ in lacs)	167	167
31-03-2020 (₹ in lacs)	(801)	801

1. The foreign currency exposure on currencies other than USD is immaterial to the Company.

#### Foreign currency risk

Effective from 1 April 2019, the Company has designated certain forward contracts and borrowings as eligible hedging instruments for hedge of foreign currency forecast sales. Pursuant to this, the effective portion of change in value of the hedging instruments has been recognised in 'cash flow hedge reserve' in other comprehensive income. Such amount is reclassified to profit or loss as and when the forecast transaction occurs or the hedges are no longer effective.

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, AED, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### Impact of hedging activities

#### (a) Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	For the year ended 31 March 2021							
	Notional amount	Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
Cash flow hedge Foreign currency risk (i) Pre-shipment credit in foreign currency (PCFCs)	-	-	-	-	-	-	(434)	(433)
(ii) Forward Contracts and options	USD 420 lacs	(100.73)	-	April 2021 - May 2021	1:1	73.70	-	-

Type of hedge and risks	For the year ended 31 March 2020							
	Notional amount	Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets	Liabilities					
Cash flow hedge Foreign currency risk (i) Pre-shipment credit in foreign currency (PCFCs)	USD 288	-	21,830	June 2020- September 2020	1:1	USD 72.72	(1,308)	(1,305)

#### (b) Disclosure of effects of hedge accounting on financial performance

Type of hedge and risks	For the year ended 31 March 2021			
	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge Foreign currency risk (i) Pre-shipment credit in foreign currency (PCFCs)	433.63	-0.72	432.91	Revenue

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Type of hedge and risks	For the year ended 31 March 2020			
	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge Foreign currency risk (i) Pre-shipment credit in foreign currency (PCFCs)	USD 1,305	USD 3	USD (457)	Revenue

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arisen in the hedges have been disclosed in above table.

#### (c) Movements in cash flow hedging reserve

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Opening Balance at the beginning of the year</b>	624	-
Add: Changes in value of PCFCs/ forward	(74)	1,305
Less: Amount reclassified to profit or loss	(848)	(457)
Less: Deferred tax relating to above (net)	244	(224)
<b>Closing Balance at the end of the year</b>	(54)	624

### B Fair value disclosure

#### 1. Fair value measurement of Financial Instruments ( criteria for recognition of financial instrument is explained in note 2j)

Particulars	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost <sup>1</sup>	FVTPL	FVOCI	Amortised cost <sup>1</sup>
<b>Financial Assets</b>						
Investments (other than in subsidiary) <sup>2</sup>	1,889	-	-	584	-	-
Loans	-	-	2,187	-	-	945
Cash and cash equivalents	-	-	15,873	-	-	1,345
Other bank balances	-	-	233	-	-	3,801
Trade receivables	-	-	20,129	-	-	23,020
Other financial assets	-	101	1,724	-	-	1,148
<b>Total</b>	<b>1,889</b>	<b>101</b>	<b>40,146</b>	<b>584</b>	<b>-</b>	<b>30,259</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost <sup>1</sup>	FVTPL	FVOCI	Amortised cost <sup>1</sup>
<b>Financial liabilities</b>						
Borrowings	-	-	30,778	-	-	49,571
Trade payables	-	-	21,936	-	-	38,492
Lease liabilities	-	-	6,152	-	-	7,580
Other financial liabilities	-	-	15,445	-	-	14,650
<b>Total</b>	-	-	<b>74,311</b>	-	-	<b>1,10,293</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.

### (A) Financial instruments valued at fair value through profit and loss and fair value through other comprehensive income

Particulars	31 March 2021		31 March 2020	
	Level 1	Level 2	Level 1	Level 2
<b>Financial Assets</b>				
Investments (other than in subsidiary)	1,889	-	584	-
Other financial assets	-	101	-	-
<b>Total</b>	<b>1,889</b>	<b>101</b>	<b>584</b>	<b>-</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### (B) Financial instruments valued at amortised cost

Particulars	31 March 2021	31 March 2020
	Level 3	Level 3
<b>Financial assets</b>		
Loans	2,187	945
Cash and cash equivalents	15,873	1,345
Other bank balances	233	3,801
Trade receivables	20,129	23,020
Other financial assets	1,724	1,148
<b>Total</b>	<b>40,146</b>	<b>30,259</b>
<b>Financial liabilities</b>		
Borrowings	30,778	49,571
Trade payables	21,936	38,492
Lease liabilities	6,152	7,580
Other financial liabilities	15,445	14,650
<b>Total</b>	<b>74,311</b>	<b>1,10,293</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, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature.

The fair value for loans and security deposits were calculated based on cash flow discounted using a current lending rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount.

The fair value for borrowings was calculated based on cash flow discounted using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of borrowings approximates the carrying amount.

The fair valuation of investments in quoted equity shares is based on the current bid price of respective investments as at the balance sheet date.

## 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 & 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.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### C Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure. Refer note 2q of the accounting policies for segment revenue and results.

### 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 2021	For the year ended 31 March 2020
<b>1.</b>	<b>Segment revenue</b>		
(a)	Agri	3,89,892	4,37,855
(b)	Energy	17,986	20,151
	<b>Total segment revenue</b>	<b>4,07,878</b>	<b>4,58,006</b>
	Inter segment revenue - Energy	(8,690)	(8,142)
	<b>Net segment revenue</b>	<b>3,99,188</b>	<b>4,49,864</b>
<b>2.</b>	<b>Segment results</b>		
(a)	Agri	72,333	74,447
(b)	Energy	5,513	7,854
	<b>Total segment results (before finance costs and tax)</b>	<b>77,846</b>	<b>82,301</b>
	Less: Finance costs	2,167	5,911
	Less: Other unallocable expenditures (net of unallocable incomes)	605	513
	<b>Total profit before tax</b>	<b>75,074</b>	<b>75,877</b>
<b>3.</b>	<b>Segment assets</b>		
(a)	Agri	3,99,700	3,75,410
(b)	Energy	62,221	65,934
	<b>Total segment assets</b>	<b>4,61,921</b>	<b>4,41,344</b>
<b>4.</b>	<b>Segment liabilities</b>		
(a)	Agri	47,096	63,496
(b)	Energy	2,303	3,775
(c)	Unallocable	44,006	62,216
	<b>Total segment liabilities</b>	<b>93,405</b>	<b>1,29,487</b>
<b>5.</b>	<b>Depreciation and amortisation</b>		
	Agri	3,944	4,022
	Energy	3,246	3,260
	<b>Non- Cash income/ (expenditure) (other than depreciation and amortisation)</b>		
	Unallocable	744	(73)
<b>6.</b>	<b>Segment revenue - Geographical information:</b>		
(a)	<b>Agri</b>		
	With in India	2,00,225	2,29,396
	Outside India	1,89,667	2,08,459
	<b>Sub-total (a)</b>	<b>3,89,892</b>	<b>4,37,855</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(b)	<b>Energy</b>		
	With in India	17,974	20,151
	Outside India	12	-
	<b>Sub-total (b)</b>	<b>17,986</b>	<b>20,151</b>
	<b>Total (a)+(b)</b>	<b>4,07,878</b>	<b>4,58,006</b>
	Inter-segment revenue - Energy	(8,690)	(8,142)
	<b>Total</b>	<b>3,99,188</b>	<b>4,49,864</b>

### F Information about Major Customers

Refer Note 44 (Credit Risk)

### G Information about Major Products

Refer note 38

### 46 Related party transactions

#### A Related parties and their relationships

##### (a) Subsidiaries

K B Exports Private Limited  
KRBL DMCC, Dubai  
KRBL LLC, a subsidiary of KRBL DMCC, Dubai

##### (b) Key Managerial Personnel's (KMPs):

Mr. Anil Kumar Mittal	Chairman & Managing Director
Mr. Arun Kumar Gupta	Joint Managing Director
Mr. Anoop Kumar Gupta	Joint Managing Director
Ms. Priyanka Mittal	Whole Time Director

##### (c) Additional related parties (KMPs) as per the Companies Act 2013 with whom transactions have taken place during the year:

Mr. Rakesh Mehrotra	Chief Financial Officer
Mr. Raman Sapra	Company Secretary

##### (d) Independent Non-Executive Directors:

Mr. Vinod Ahuja  
Mr. Ashwani Dua  
Mr. Shyam Arora  
Mr. Devendra Kumar Agarwal  
Mr. Alok Sabharwal  
Ms. Priyanka Sardana

##### (e) Employee benefit plans where there is significant influence:

KRBL Limited Employees Group Gratuity Trust

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

**f) Relatives of KMPs\*:**

Mrs. Preeti Mittal	Wife of Mr. Anil Kumar Mittal
Mrs. Anulika Gupta	Wife of Mr. Arun Kumar Gupta
Mrs. Binita Gupta	Wife of Mr. Anoop Kumar Gupta
Mr. Ashish Mittal	Son of Mr. Anil Kumar Mittal
Mrs. Neha Singh	Daughter of Mr. Arun Kumar Gupta
Mr. Kunal Gupta	Son of Mr. Arun Kumar Gupta
Mrs. 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

**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 & Mr. Anoop Kumar Gupta are Partners.
Adwet Warehousing Private Limited	Private Limited Company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta are Directors.
KRBL Foods Limited	Public Limited Company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.
KRBL Infrastructure Limited	Public Limited Company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.
Holistic Farms Private Limited	Private Limited Company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta are Directors.

**h) Trust/Society over which KMPs are able to exercise significant influence\*:**

Anil Mittal Family Trust	Trust in which Mr. Anil Kumar Mittal, Mrs. Anil Kumar Mittal, Mr. Ashish Mittal and Ms. Priyanka Mittal are beneficiaries.
Arun Kumar Gupta Family Trust	Trust in which Mr. Arun Kumar Gupta and Mr. Kunal Gupta are beneficiaries.
Anoop Kumar Gupta Family Trust	Trust in which Mr. Anoop Kumar Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are beneficiaries.
Binita Gupta Family Trust	Trust in which Mr. Anoop Kumar Gupta and Ms. Binita Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are beneficiaries.

\* This includes only those parties with whom Company had related party transactions.

**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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>B Transactions entered during the year</b>								
<b>i Purchase of goods<sup>1</sup></b>								
Khushi Ram Behari Lal	2	15	-	-	-	-	-	-
<b>ii Sale of goods<sup>1</sup></b>								
Khushi Ram Behari Lal	975	885	-	-	-	-	-	-
<b>iii Arrangement fees paid</b>								
KRBL LLC	-	-	42	92	-	-	-	-
KRBL DMCC	-	-	14	25	-	-	-	-
<b>iv Rent paid<sup>1</sup></b>								
Mr. Anil Kumar Mittal	-	-	-	-	3	2	-	-
Mr. Arun Kumar Gupta	-	-	-	-	8	6	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	8	6	-	-
KRBL Infrastructure Limited	314	293	-	-	-	-	-	-
KRBL Foods Limited	651	651	-	-	-	-	-	-
Adwet Warehousing Private Limited	155	150	-	-	-	-	-	-
Holistic Farms Private Limited	48	48	-	-	-	-	-	-
Mrs. Anulika Gupta	-	-	-	-	-	-	16	16
Mrs. Binita Gupta	-	-	-	-	-	-	2	2
Mrs. Preeti Mittal	-	-	-	-	-	-	3	2
Mr. Ashish Mittal	-	-	-	-	-	-	18	17
Anoop Kumar Gupta HUF	-	-	-	-	-	-	14	14
<b>v Expense incurred (on behalf of company by others)/by company for others</b>								
Khushi Ram behari lal	0	3	-	-	-	-	-	-
KRBL LLC	-	-	-	(6)	-	-	-	-
KRBL DMCC	-	-	(295)	(385)	-	-	-	-
<b>vi Remuneration on account of salary and perquisites<sup>2</sup></b>								
Mr. Anil Kumar Mittal	-	-	-	-	143	119	-	-
Mr. Arun Kumar Gupta	-	-	-	-	165	137	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	143	119	-	-
Ms. Priyanka Mittal	-	-	-	-	114	81	-	-
Mr. Raman Sapra	-	-	-	-	15	15	-	-
Mr. Rakesh Mehrotra	-	-	-	-	85	85	-	-
Mr. Ashish Mittal	-	-	-	-	-	-	35	26
Mr. Kunal Gupta	-	-	-	-	-	-	35	26
Mr. Akshay Gupta	-	-	-	-	-	-	35	26
Mr. Ayush Gupta	-	-	-	-	-	-	35	26



## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>B Transactions and balances with related parties (cont'd)</b>								
<b>vii Electricity charges paid</b>								
KRBL Infrastructure Limited	17	19	-	-	-	-	-	-
<b>viii Maintenance charges paid</b>								
KRBL Infrastructure Limited	82	68	-	-	-	-	-	-
<b>ix Sitting fees paid</b>								
Mr. Vinod Ahuja	-	-	-	-	-	-	2	2
Mr. Ashwani Dua	-	-	-	-	-	-	2	0
Mr. Shyam Arora	-	-	-	-	-	-	2	2
Mr. Devendra Kumar Agarwal	-	-	-	-	-	-	2	2
Mr. Alok Sabharwal	-	-	-	-	-	-	2	1
Ms. Priyanka Sardana	-	-	-	-	-	-	2	1
<b>x Dividend paid</b>								
Anil Mittal Family Trust	-	2,267	-	-	-	-	-	-
Arun Kumar Gupta Family Trust	-	2,201	-	-	-	-	-	-
Anoop Kumar Gupta Family Trust	-	2,059	-	-	-	-	-	-
Binita Gupta Family Trust	-	12	-	-	-	-	-	-
Anil Kumar Mittal HUF	-	-	-	-	-	-	-	191
Arun Kumar Gupta HUF	-	-	-	-	-	-	-	257
Anoop Kumar Gupta HUF	-	-	-	-	-	-	-	387
Mr. Anil Kumar Mittal <sup>3</sup>	-	-	-	-	-	0	-	-
Mr. Arun Kumar Gupta <sup>3</sup>	-	-	-	-	-	0	-	-
Mr. Anoop Kumar Gupta <sup>3</sup>	-	-	-	-	-	0	-	-
Ms. Priyanka Mittal <sup>3</sup>	-	-	-	-	-	0	-	-
Mr. Ashish Mittal <sup>3</sup>	-	-	-	-	-	-	-	0
Mr. Kunal Gupta <sup>3</sup>	-	-	-	-	-	-	-	0
Mr. Akshay Gupta <sup>3</sup>	-	-	-	-	-	-	-	0
Mr. Ayush Gupta <sup>3</sup>	-	-	-	-	-	-	-	0
Mrs. Binita Gupta <sup>3</sup>	-	-	-	-	-	-	-	0
Mrs. Anulika Gupta <sup>3</sup>	-	-	-	-	-	-	-	0
Mrs. Neha Singh <sup>3</sup>	-	-	-	-	-	-	-	0
Mrs. Rashmi Gupta <sup>3</sup>	-	-	-	-	-	-	-	0
Mrs. Preeti Mittal <sup>3</sup>	-	-	-	-	-	-	-	0
<b>xii Advances adjusted against salary</b>								
Mr. Rakesh Mehrotra <sup>3</sup>	-	-	-	-	0	1	-	-

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>B Transactions and balances with related parties (cont'd)</b>								
<b>xiii Borrowings- Unsecured loans availed</b>								
Mr. Anil Kumar Mittal	-	-	-	-	867	3,458	-	-
Mr. Arun Kumar Gupta	-	-	-	-	978	2,094	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	856	1,775	-	-
<b>xiv Borrowings-Unsecured loans repaid</b>								
Mr. Anil Kumar Mittal	-	-	-	-	101	1,376	-	-
Mr. Arun Kumar Gupta	-	-	-	-	127	1,566	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	96	1,566	-	-
<b>xv Interest paid</b>								
Khushi Ram Behari Lal	79	154	-	-	-	-	-	-
<b>xvi Discount allowed on sale of goods</b>								
Khushi Ram Behari Lal	47	43	-	-	-	-	-	-
<b>xvii Advance received against supply of goods</b>								
Khushi Ram Behari Lal	1,823	2,162	-	-	-	-	-	-
<b>xviii Advance received against supply of goods, refunded</b>								
Khushi Ram Behari Lal	1,557	2,300	-	-	-	-	-	-
<b>II Balances outstanding at the year end</b>								
<b>i Unsecured borrowings-Current</b>								
Mr. Anil Kumar Mittal	-	-	-	-	3,189	2,424	-	-
Mr. Arun Kumar Gupta	-	-	-	-	2,644	1,794	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	3,470	2,711	-	-
Ms. Priyanka Mittal	-	-	-	-	34	34	-	-
<b>ii Advance received from customers</b>								
Khushi Ram Behari Lal	-	588	-	-	-	-	-	-
<b>iii Payables</b>								
KRBL Infrastructure Limited	(5)	(14)	-	-	-	-	-	-
KRBL Foods Limited	-	-	-	-	-	-	-	-
KRBL LLC	-	-	-	(15)	-	-	-	-
KRBL DMCC	-	-	(48)	(121)	-	-	-	-

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>II Balances outstanding at the year end (cont'd)</b>								
<b>iv Receivable on account of Security deposit/Prepaid Lease</b>								
KRBL Infrastructure Limited	971	971	-	-	-	-	-	-
<b>v Employee related payables</b>								
Mr. Anil Kumar Mittal	-	-	-	-	7	7	-	-
Mr. Arun Kumar Gupta	-	-	-	-	1	3	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	7	6	-	-
Ms. Priyanka Mittal	-	-	-	-	2	3	-	-
Mr. Raman Sapra	-	-	-	-	1	1	-	-
Mr. Rakesh Mehrotra	-	-	-	-	0	1	-	-
Mr. Ashish Mittal	-	-	-	-	-	-	2	2
Mr. Kunal Gupta	-	-	-	-	-	-	2	1
Mr. Akshay Gupta	-	-	-	-	-	-	2	1
Mr. Ayush Gupta	-	-	-	-	-	-	2	1
<b>vi Other balances outstanding at the end of the year, net (payable)/receivable</b>								
Mr. Arun Kumar Gupta <sup>3</sup>	-	-	-	-	-	0	-	-
Mr. Anoop Kumar Gupta <sup>3</sup>	-	-	-	-	-	(0)	-	-
Ms. Priyanka Mittal	-	-	-	-	-	-	-	-
Mr. Rakesh Mehrotra	-	-	-	-	-	0	-	-
Mr. Ashish Mittal <sup>3</sup>	-	-	-	-	-	-	0	(0)
Mr. Ayush Gupta <sup>3</sup>	-	-	-	-	-	-	-	0
Mr. Raman Sapra	-	-	-	-	(0)	-	-	-

1. Transactions are inclusive of Goods and Services tax.

2. As gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to relatives of KMPs cannot be individually identified.

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

4. Personal guarantee has been given by Mr. Anil Kumar Mittal, Mr. Anoop Kumar Gupta and Mr. Arun Kumar Gupta in respect of working capital consortium loan taken by the Company, as at the year ended 31 March 2021, the outstanding amount of loan is ₹19,500 lacs (31 March 2020 ₹39,308 lacs) and Mr. Ashish Mittal (relative of key managerial personnel) to the extent of the immovable properties as specified in consortium agreement.

5. All related party transactions are at arms length price and in the ordinary course of business.

6. Refer note 3(D) for transactions related to Property, Plant and Equipment with KMP and their relatives.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 47 Contingent liabilities and commitments

#### A Contingent liabilities

##### (i) Claims against the Company not acknowledged as debts\*

	As at 31 March 2021	As at 31 March 2020
Income tax matters <sup>1</sup>	21,780	9,884
Indirect taxes <sup>2</sup>	7,126	7,501
Enforcement directorate investigation matter <sup>3</sup>	1,532	1,532
Other matters	1,093	1,115
	<b>31,531</b>	<b>20,032</b>

1. During the year ended 31 March 2019, the Company had received demand notices under section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, amounting to ₹75,744 lacs and interest thereon ₹51,176 lacs, which were contested by the management at CIT (Appeals), New Delhi. During the year ended 31 March 2020, CIT (Appeals) had granted partial relief on certain matters in favor of the Company, vide order dated 11 March 2020, and correspondingly, income tax demand had been reduced by ₹69,612 lacs and interest thereon by ₹47,424 lacs.

The Company had filed further appeals before Hon'ble Income-tax Appellate Tribunal (ITAT), New Delhi on 18 June 2020 for remaining matters sustained by CIT (Appeals) in respect of income tax demand of ₹6,132 lacs and interest thereupon of ₹3,752 lacs. The Company had already paid ₹21,900 lacs, under protest

The Income-tax department has also filed appeals in Hon'ble Income Tax Appellant Tribunal, New Delhi in respect of the matters allowed by CIT (Appeals) for appeals filed by the Company. However, a copy of appeal had not been received by the company, in respect of said filing by the department.

The management, based on legal assessment, is confident that it has a favorable case and the remaining demand shall also be deleted at the ITAT level.

Further, the Company has received penalty orders under section 271(1) (c)/ 271AAB (1) for AY 2010-11 to 2016-17 on the matters sustained by CIT (Appeals) of amounting to ₹11,896 lacs. The Company has filed appeals before CIT (Appeals) in respect of such penalty orders on 24th March, 2021.

However, Hon'ble Income Tax Appellate Tribunal vide its order dated 12 March, 2021 has granted interim relief till 12 May 2021, which has been extended till 16 July 2021, to the Company against such recovery of demand.

2. Indirect taxes mainly comprise of matter relating to VAT, sales tax pending at various levels and also includes the matters related to mandi fee levied under the Agricultural Produce Market Committee Act, 2003 for an amount of ₹1493 lacs.

3. A portion of land parcels and building thereupon, situated at Dhuri, Punjab was attached by the Enforcement Directorate ("ED") vide its order dated 3 July 2019, to the extent of value of ₹1,532 lacs in connection with a money laundering investigation.

The Company filed an appeal against the aforementioned order with Appellate Tribunal, PMLA, New Delhi, ("Appellate Tribunal") who vide its order dated 17 January 2020, had restored the possession of the attached land on interim basis in favour of the Company. However, aforesaid attachment would continue till the 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 in accordance with the order dated 17 January 2020 passed by the Appellate Tribunal. The High Court vide its order dated 23 October 2020 has allowed the Company to take physical possession of the said land parcels and building thereupon for specified purpose against the deposit of ₹1,113 lacs, (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.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

- 4 The Company's Joint Managing Director, Mr. Anoop Kumar Gupta had been detained and released on bail by the Enforcement Directorate ('ED') with regard to the investigation under the Prevention of Money Laundering Act, 2002, for alleged involvement in AgustaWestland case, pursuant to the order of Special Judge, Rouse Avenue Courts dated 30 January 2021 and dated 05 April 2021, respectively.

ED vide their criminal complaint dated 30 March 2021, has made certain allegations against the Company, KRBL DMCC (a subsidiary of KRBL Limited) and Mr. Anoop Kumar Gupta. As per criminal complaint filed it is alleged that M/s Rawasi Al Khaleej General Trading LLC ('RAKGT') has received proceeds of crime of USD 24.62 million in AgustaWestland case during the period 2008-2010 which in turn has 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 has been received by Balsharaf Group from RAKGT. Pursuant to this, ED had attached 1,43,33,221 shares of Balsharaf Group held in KRBL Limited.

The management of the Company has taken an opinion from an independent legal counsel and on the basis of the same is of the view that since the investigation is still ongoing no adverse opinion can be drawn. The Board of Directors of the Company have appointed an independent professional firm to review the aforesaid allegations, by undertaking steps as necessary, in order to assess impact of aforesaid matter, if any, on the standalone financial statements and control environment of the Company. Pending the ongoing investigation on the above matter, no adjustment has been made in the standalone financial statements of the Company. 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.

### B Capital commitments

Estimated amount of contracts remaining to be executed, to the extent not provided for:

Particulars	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment (net of advances)	285	727
Intangible assets (net of advance)	75	-

### 48 Research and development expenditure

Particulars	As at 31 March 2021	As at 31 March 2020
Revenue expenditure	526	528

### 49 Assets pledged as security

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current assets</b>		
First charge		
Property, plant and equipments including capital work in progress	86,161	87,915
Intangible assets	159	143
<b>Total non-current assets pledged as security</b>	<b>86,320</b>	<b>88,058</b>
<b>Current assets</b>		
First charge		
Pari-passu		
Inventories	2,96,421	2,85,242
Financial assets (current and non-current)	42,563	31,270
Other assets (current and non-current)	28,555	26,909
<b>Total current assets pledged as security</b>	<b>3,67,539</b>	<b>3,43,421</b>
<b>Total assets pledged as security</b>	<b>4,53,859</b>	<b>4,31,479</b>

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 50 Reconciliation of liabilities arising from financing activities:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Non-current borrowings</b>		
Opening balance	3,301	4,668
Proceeds	-	-
Repayment	1,360	1,367
Net (gain) /loss on foreign currency transactions and translation	-	-
<b>Closing balance</b>	<b>1,941</b>	<b>3,301</b>
<b>Current borrowings</b>		
Opening balance	46,270	1,38,151
Movement (net)	(16,585)	(92,732)
Net (gain)/loss on foreign currency transactions and translation	(848)	851
<b>Closing balance</b>	<b>28,837</b>	<b>46,270</b>
<b>Lease liabilities (As per Ind AS 116)</b>		
Opening balance	7,580	-
Non cash proceeds	(690)	8,144
Payment of lease liabilities	(738)	(564)
<b>Closing balance</b>	<b>6,152</b>	<b>7,580</b>
<b>Finance cost</b>		
Interest Accrued as at 1 April	965	616
Expenses incurred	2,359	6,244
Expenses paid	(3,248)	(5,895)
<b>Interest Accrued as at 31 March</b>	<b>76</b>	<b>965</b>

### 51 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 6 for details of Investment in subsidiaries and note 11 for details of other investments.

### 52 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.

## Summary of the standalone significant accounting policies and other explanatory information for the year ended 31 March 2021

- 53** The Indian Parliament has approved the Code on Social Security, 2020 which is expected to impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.
- 54** The outbreak of Coronavirus (Covid-19) has severally impacted business globally including India. Since the nature of business performed by the Company falls under the essential category, the Company continued to operate its manufacturing facilities and distribute its products in accordance with the prescribed guidelines. Though there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. Further, the management of the Company has also assessed the impact of the situation on the capital, profitability, liquidity positions etc. giving due consideration to the internal and external factors, and based on its assessment, the pandemic doesn't have any material impact on the standalone financial statements of the Company. Further, on account of continued spread of COVID-19 in the country, the Company has made timely and requisite changes in business model during the year. The Company is continuously monitoring the situation arising on account of COVID-19 and will make appropriate action required, if any.

As per our report of even date

*For Walker Chandniok & Co LLP*  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Rohit Arora**  
Partner  
Membership No. 504774

Place : New Delhi  
Date : 29 June 2021

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

**Anil Kumar Mittal**  
Chairman and Managing Director  
DIN-00030100

**Raman Sapra**  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

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

**Rakesh Mehrotra**  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021



# CONSOLIDATED FINANCIAL STATEMENTS

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## Independent Auditors' Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2021

### To the Members of KRBL Limited

#### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

- We have audited the accompanying consolidated financial statements of KRBL Limited ('the Holding Company' or the 'Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- 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 effects 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, 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

- As stated in Note 47(A) (4) of the Consolidated Financial Statements, the Company's Joint Managing Director Mr. Anoop Kumar Gupta had been detained and released on bail by the Enforcement Directorate ('ED') with regard to an ongoing investigation under the Prevention of Money Laundering Act, 2002, for alleged involvement in AgustaWestland case, pursuant to the order of Special Judge, Rouse Avenue Courts dated 30 January 2021 and dated 5 April 2021, respectively. ED, vide their criminal complaint dated 30 March 2021, has made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and Mr. Anoop Kumar Gupta. The Board of Directors of the Company have appointed an independent

professional firm to review the aforesaid allegations, by undertaking steps as necessary, in order to assess impact of aforesaid matter, if any, on the consolidated or consolidated financial statements and control environment of the Company. Pending the ongoing investigation on the above matter, we are unable to comment on any adjustment that may be required to the accompanying consolidated financial statements of the Company.

- 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 is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matters

- We draw attention to:
  - Note 47(A)(1) to the consolidated financial statements which describes the details of certain income tax matters currently pending before appropriate appellate authorities as at 31 March 2021. Based on the legal assessment of the outcome of such litigations, the management is of the view that no adjustment is required in the accompanying consolidated financial statements.
  - Note 47(A)(3) 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 Directorate of Enforcement ("ED"), which is being contested by the Company. The Company had filed an appeal with the Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal had ordered to restore the possession in favor of the Company while the aforesaid attachment would continue till the conclusion of the matter. The matter is being contested in the Hon'ble High Court of Delhi

## Independent Auditors' Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

('High Court'). The High Court vide its order dated 23 October 2020 has restored the physical possession of the aforesaid land parcels and building thereupon for specified purposes against a deposit of Rs. 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 above matters.

#### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><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 Group recognised an amount of ₹3,99,188 lacs revenue for the year ended 31 March 2021, as disclosed in Note 28 to the Consolidated financial statements.</p> <p>Revenue for the Group 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 Group'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. Further, reconciling revenue recorded during the year with statutory returns;</li> <li>Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, 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>

## Independent Auditors' Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><b>Inventory existence and valuation</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 ₹2,96,421 lacs as at 31 March 2021. 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, and storage bags. High quantity of inventory makes inventory physical verification an extensive procedure for the management, at the year end.</p> <p>The valuation of finished rice and by products is a 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>	<p>Our audit work included, but was not limited to the following procedures:</p> <p><b>Existence:</b></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 senior 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 senior 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> </ul> <p><b>Valuation:</b></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; and</li> <li>• Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.</li> </ul>

## Independent Auditors' Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that

are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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 Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

### Auditor's Responsibilities for the Audit of the Financial Statements

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 financial statements.

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

## Independent Auditors' Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
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 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 three subsidiaries, whose financial statements reflect total assets of ₹1,333 lacs, and net assets of ₹1,332 lacs, as at 31 March 2021, total revenues of ₹319 lacs and net cash outflows amounting to ₹29 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Further, of these subsidiaries, two subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries.

The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries, located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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.

## Independent Auditors' Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2021 (Cont'd)

### 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 16, on separate financial statements of the subsidiaries, we report that the Holding Company, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that a subsidiary company, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.
19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- a) we have sought and 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) except for the possible effects of the matter described in the Basis for Qualified Opinion section in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) except for the possible effects of the matters 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;
  - 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 Group
  - 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 companies, covered under the Act, none of the directors of the Group companies, under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section
- h) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
  - i. except for the effects of the matter described in 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 detailed in Note 47A to the consolidated financial statements;
  - ii. the Holding Company, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, during the year ended 31 March 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No.: 504774  
UDIN: 21504774AAAAEQ1051

Place: New Delhi  
Date: 29 June 2021



## 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 2021

### Annexure A Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of KRBL Limited ('the Company') or ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, which is a company covered under the Act, as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for 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.

## 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 2021

### 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 explanations given to us ED vide their criminal complaint dated 30 March 2021 has made certain allegations against the Company, KRBL DMCC (a subsidiary of the Company) and Mr. Anoop Kumar Gupta (Joint Managing Director) as fully explained in Note 47 (A)(4) of the consolidated financial statements. Pending the ongoing investigation, 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 Holding 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 2021, based on based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 Group as at and for the year ended 31 March 2021, 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 Matters

12. We did not audit the internal financial controls with reference to financial statements in so far as it relates to a subsidiary company and, which is company covered under the Act, whose financial statements reflect total assets of ₹296 lacs and net assets of ₹295 lacs as at 31 March 2021, total revenues of ₹1 lacs and cash outflows (net) amounting to ₹1 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company, is based solely on the reports of the auditors of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No.: 504774

UDIN: 21504774AAAAEQ1051

Place: New Delhi

Date: 29 June 2021

## Consolidated Balance Sheet

as at 31 March 2021

Particulars	Note	(All amounts stated in ₹ lacs, unless otherwise stated)	
		As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	87,169	88,740
Capital work in progress	3	891	1,214
Right of use assets	4	6,469	8,138
Investment property	5	877	908
Goodwill		16	16
Other intangible assets	6	143	143
Intangible assets under development	6	16	-
Financial assets			
- Loans	7	1,051	929
- Other financial assets	8	32	14
Other non-current assets	9	25,562	24,973
<b>Sub total non-current assets</b>		<b>1,22,226</b>	<b>1,25,075</b>
<b>Current assets</b>			
Inventories	10	2,96,421	2,85,242
Financial assets			
- Investments	11	1,889	584
- Trade receivables	12	20,129	23,020
- Cash and cash equivalents	13	15,942	1,443
- Other bank balances	14	244	3,812
- Loans	15	1,140	22
- Other financial assets	16	1,793	1,157
Other current assets	17	2,999	1,936
<b>Sub total current assets</b>		<b>3,40,557</b>	<b>3,17,216</b>
<b>TOTAL ASSETS</b>		<b>4,62,783</b>	<b>4,42,291</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	2,354	2,354
Other equity	19	3,66,897	3,10,410
<b>Equity attributable to the owners of the Holding Company</b>		<b>3,69,251</b>	<b>3,12,764</b>
Non-controlling interest		88	89
<b>Sub total equity</b>		<b>3,69,339</b>	<b>3,12,853</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
- Borrowings	20	597	1,957
- Lease liabilities	4	5,324	6,965
Provisions	21	874	733
Deferred tax liabilities (net)	22	13,809	14,588
<b>Sub total non-current liabilities</b>		<b>20,604</b>	<b>24,243</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	23	28,839	46,270
- Trade payables	24		
- Total outstanding due to micro enterprises and small enterprises		698	439
- Total outstanding dues of creditors other than enterprises and small enterprises		21,208	37,917
- Lease liabilities	4	828	615
- Other financial liabilities	25	16,856	16,081
Other current liabilities	26	2,688	2,066
Provisions	27	419	493
Current tax liabilities (net)		1,304	1,314
<b>Sub total current liabilities</b>		<b>72,840</b>	<b>1,05,195</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,62,783</b>	<b>4,42,291</b>
The accompanying notes form an integral part of these consolidated financials statements	1 - 55		

This is the consolidated Balance Sheet referred to in our report of even date

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No. 504774

Place : New Delhi  
Date : 29 June 2021

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021

## Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

Particulars	Note	(All amounts stated in ₹ lacs, unless otherwise stated)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	28	3,99,188	4,49,902
Other income	29	2,268	2,251
<b>Total income</b>		<b>4,01,456</b>	<b>4,52,153</b>
<b>Expenses</b>			
Cost of materials consumed	30	3,14,515	3,03,592
Purchase of stock-in-trade	31	681	1,212
Changes in inventories of finished goods and stock-in-trade	32	(39,300)	17,395
Employee benefits expenses	33	9,221	8,562
Finance costs	34	2,359	6,244
Depreciation and amortisation expenses	35	7,195	7,288
Other expenses	36	31,849	32,105
<b>Total expenses</b>		<b>3,26,520</b>	<b>3,76,398</b>
<b>Profit before tax</b>		<b>74,936</b>	<b>75,755</b>
<b>Tax expense</b>	39		
Current tax		19,824	20,021
Deferred tax		(779)	(85)
<b>Total tax expense</b>		<b>19,045</b>	<b>19,936</b>
<b>Profit for the year</b>		<b>55,891</b>	<b>55,819</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(66)	(224)
Tax on above		18	59
Items that will be reclassified to profit or loss			
Foreign currency translation Reserve		(34)	104
Cash flow hedge reserve		922	(848)
Tax on above		(244)	224
<b>Other comprehensive (loss) / income for the year</b>		<b>596</b>	<b>(685)</b>
<b>Total comprehensive income for the year</b>		<b>56,487</b>	<b>55,134</b>
<b>Profit attributable to:</b>			
Owners of the parent		55,891	55,818
Non-controlling interest <sup>1</sup>		(0)	1
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		56,487	55,134
Non-controlling interest <sup>1</sup>		(0)	0
<b>Earnings per share (face value of ₹1 each)</b>	37		
- Basic (in ₹)		23.74	23.71
- Diluted (in ₹)		23.74	23.71

1. Rounded off to zero

The accompanying notes form an integral part of these consolidated financials statements 1 - 55

This is the consolidated 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

Rohit Arora  
Partner  
Membership No. 504774

Place : New Delhi  
Date : 29 June 2021

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021

## Consolidated Cash Flow Statement

for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	74,936	75,755
Adjustment for :		
Depreciation and amortisation expenses	7,195	7,288
Loss/ (Profit) on sale of property, plant and equipment	14	(6)
Unrealised foreign exchange (net)	(33)	(167)
Net (gain)/ loss on redemption and fair valuation of investments	(1,046)	124
Balances credit impaired	245	130
Liabilities/provisions no longer required, written back	(67)	(45)
Gain on modification/termination of Lease	(86)	-
Finance costs	2,359	6,244
Interest income	(443)	(709)
Dividend income	(41)	(38)
<b>Operating profit before working capital changes</b>	<b>83,033</b>	<b>88,576</b>
Adjustments for working capital changes :		
Increase in financial and other assets	(2,744)	(15,147)
(Increase)/Decrease in inventories	(11,179)	27,697
Decrease in trade receivables	2,652	16,795
(Decrease)/Increase in trade payables	(16,384)	16,022
Increase in liabilities and provisions	3,055	6,002
<b>Cash generated from operations</b>	<b>58,433</b>	<b>1,39,945</b>
Income tax paid (net)	(20,060)	(18,757)
<b>Net cash flow from operating activities (A)</b>	<b>38,373</b>	<b>1,21,188</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets <sup>1</sup>	(4,142)	(4,266)
Sale of property, plant and equipment	49	1,229
Sale proceeds from investments	87,896	90,058
Purchase of investments	(88,155)	(90,000)
Movement from deposits (net)	2,774	(2,938)
Interest received	370	526
Dividend income	41	38
<b>Net cash used in investing activities (B)</b>	<b>(1,167)</b>	<b>(5,353)</b>
<b>C Cash flow from financing activities</b>		
Repayment of long term borrowings	(1,360)	(1,367)
Payment of lease liabilities	(738)	(564)
Movement in short term borrowings (net)	(16,585)	(92,732)
Finance cost paid	(3,248)	(5,895)
Dividend paid	(776)	(11,695)
Dividend distribution tax paid		(2,564)
<b>Net cash used in financing activities (C)</b>	<b>(22,707)</b>	<b>(1,14,817)</b>

## Consolidated Cash Flow Statement

for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>D Net increase in cash and cash equivalents during the year (A+B+C)</b>	<b>14,499</b>	<b>1,018</b>
Cash and cash equivalents-opening balance	1,443	425
<b>Cash and cash equivalents at the year end</b>	<b>15,942</b>	<b>1,443</b>
<b>E Cash and cash equivalents (refer note 13)</b>		
Cash in hand	43	72
Balances with banks	15,899	1,371
	<b>15,942</b>	<b>1,443</b>

### Notes

- Net of movement in capital work-in-progress and capital advances.
- 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 50 for reconciliation of liabilities arising from financing activities.

The accompanying notes form an integral part of these consolidated financials statements (1-55)  
This is the consolidated Cash flows statement referred to in our report of even date.

For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No. 504774

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021

Place : New Delhi  
Date : 29 June 2021

## Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

### A. Equity share capital (refer note 18)

(All amounts stated in ₹ lacs, unless otherwise stated)

Equity shares of ₹ 1 each, fully paid up	Number of shares	Amount
<b>As at 1 April 2019</b>	<b>23,53,89,892</b>	<b>2,354</b>
Movement during the year	-	-
<b>As at 31 March 2020</b>	<b>23,53,89,892</b>	<b>2,354</b>
Movement during the year	-	-
<b>As at 31 March 2021</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	Capital reserve	Capital redemption reserve	Foreign currency translation reserve	Cash flow hedge reserve	
<b>Balance as at 1 April 2019</b>	<b>2,14,508</b>	<b>44,050</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>1,944</b>	-	<b>2,70,316</b>
Profit for the year	55,819	-	-	-	-	-	-	55,819
<b>Other comprehensive income for the year:-</b>								
Remeasurement of defined benefit obligations (net of tax)	(165)	-	-	-	-	-	-	(165)
Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	(624)	(624)
Foreign Currency Translation Reserve	-	-	-	-	-	104	-	104
<b>Total comprehensive income as at 31 March 2020</b>	<b>55,654</b>	-	-	-	-	<b>104</b>	<b>(624)</b>	<b>55,134</b>
<b>Transaction with owners</b>								
Dividends paid (refer note 43)	(12,476)	-	-	-	-	-	-	(12,476)
Dividend distribution tax paid	(2,564)	-	-	-	-	-	-	(2,564)
Transferred to general reserve <sup>1</sup>	(7,500)	-	-	-	-	-	-	(7,500)
Transferred from profit and loss account <sup>1</sup>	-	7,500	-	-	-	-	-	7,500
<b>Balance as at 31 March 2020</b>	<b>2,47,622</b>	<b>51,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>2,048</b>	<b>(624)</b>	<b>3,10,410</b>
<b>Balance as at 01 April 2020</b>	<b>2,47,622</b>	<b>51,550</b>	<b>9,655</b>	<b>82</b>	<b>77</b>	<b>2,048</b>	<b>(624)</b>	<b>3,10,410</b>
Profit for the year	55,891	-	-	-	-	-	-	55,891
<b>Other comprehensive income for the year:</b>								
Remeasurement of defined benefit obligations (net of tax)	(48)	-	-	-	-	-	-	(48)
Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	678	678
Foreign Currency Translation Reserve	-	-	-	-	-	(34)	-	(34)
<b>Total comprehensive income as at 31 March 2021</b>	<b>55,843</b>	-	-	-	-	<b>(34)</b>	<b>678</b>	<b>56,487</b>
Transferred to general reserve <sup>1</sup>	(8,000)	-	-	-	-	-	-	(8,000)
Transferred from profit and loss account <sup>1</sup>	-	8,000	-	-	-	-	-	8,000
<b>Balance as at 31 March 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>

1. The Company has voluntarily transferred amount of ₹8,000 lacs (31 March 2020 ₹7,500 lacs) from retained earning to general reserve.

The accompanying notes form an integral part of these consolidated financials statements (1-55)  
This is the consolidated Statement of Changes in Equity referred to in our report of even date

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No. 504774

Place : New Delhi  
Date : 29 June 2021

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

### 1. Group information

KRBL Limited ('the Company' or 'the Holding Company') is a limited Company domiciled in India and was incorporated on 30 March 1993. The registered office of the Company is located at 5190, Lahori gate, Delhi 110006. The shares of the Company are listed in India on National Stock Exchange of India Ltd. and BSE Limited.

The Company is world's leading basmati rice producer and has fully integrated operations in every aspect of basmati value chain, right from seed development, contact farming, procurement of paddy, storage, processing, packaging, branding and marketing. Among the many brands owned by the Company "India Gate" is the flagship brand both in domestic and international markets.

These consolidated financial statements relate to KRBL Limited ('the Holding Company') or ('the Company'), its subsidiaries ('the Holding Company and its subsidiaries together referred to as 'the Group').

#### Subsidiaries comprises of following:-

Name of the Subsidiaries	Country of incorporation	Shareholding as at 31 March 2021	Shareholding as at 31 March 2020
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.

### 2. Basis of preparation, measurement and significant accounting policies

#### (i) General information

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Company has uniformly applied the accounting policies during the periods presented, however during the year, the Company has adopted hedge accounting, as mentioned in para j below.

The Consolidated financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on 29 June 2021.

#### (ii) Basis of accounting

The Consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the Consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorized into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

#### (iii) Basis of Consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiaries as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's Consolidated financial statements in preparing the Consolidated financial statements to ensure conformity with the group's accounting policies. The Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on 31 March 2021.

The Consolidated financial statements have been prepared on the following basis:

The Consolidated financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, revenues and expenses after eliminating intra-group balances / transactions and resulting profits in full.

The results and financial position of all the Subsidiaries Companies are translated into the reporting currency as follows:

- (i) Current assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) Income and expenses for each income statement are translated at average exchange rates (unless average rate is not reasonable at the rates prevailing on the transaction dates, in such case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) All resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of net investment.

Non-Controlling interest share in net assets of 'the Group' is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

#### (iv) Functional and presentation currency

These Consolidated financial statements are presented in Indian rupees (₹) which is also the Company's functional currency. All amounts have been rounded-

off to the nearest lac as per the requirements of Part II of Schedule III of the Act, unless otherwise indicated.

#### (v) Summary of significant accounting policies

The Consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These were used throughout all periods presented in the Consolidated financial statements.

##### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

##### b. Property, plant and equipment

###### Recognition, measurement and subsequent expenditure

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, if any. Freehold land is stated at original cost of acquisition.

Cost of an item of property, plant and equipment includes acquisition / installation inclusive of freight, duties, and taxes and all incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as 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

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

charged to the statement of profit and loss during the reporting period in which they are incurred.

In respect of major projects involving construction, related preoperational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

#### Depreciation

Depreciation on property, plant and equipment has been provided on straight line method, in terms of useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is capitalised/ disposed off.

Depreciation method and useful lives are reviewed annually. If the useful life of an asset is estimated to be significantly different from previous estimates, the depreciation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the depreciation method is changed to reflect the changed pattern.

#### De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

#### c. Investment property

##### Recognition and measurement

Property held to earn rentals or / and for capital appreciation or both but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purposes, are categorized as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits

associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

#### Depreciation

Investment properties are depreciated using the straight-line method over the useful lives as mentioned in Part C of Schedule II of the Act.

#### Reclassification to/from investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying cost (including accumulated depreciation) on the date of reclassification and vice-a-versa.

#### d. Intangible assets

##### Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

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 is depreciated in 6 years on straight line method based upon life of servers where it is installed.

#### De-recognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the statement of profit and loss when the asset is derecognized.

#### e. Investment in subsidiaries

Investment in equity instruments of subsidiaries are measured at cost as per Ind AS 27 'Separate financial statements'.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

### f. Inventory

#### Raw materials, stores and spares and packing materials

Raw materials, stores and spares and packing materials are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is calculated on weighted average cost method and it comprises all costs incurred in bringing the inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

#### Finished goods and by products

Finished goods are valued at lower of cost and net realisable value. Cost of inventories of finished goods includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition.

By-products are measured at realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### g. Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

The Company derives revenue primarily from two segments - Agri and Energy. Agri segment of the Company principally generate revenue from sale of goods (rice and by products) and Energy segment generates revenue by generating power units and selling it to governments under the agreements (for more detailed information about reportable segments, refer note 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. 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.

### h. Employee Benefits

#### Short term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, allowances and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees. Further, the liabilities are presented as provisions for employee benefits under other current liabilities in the balance sheet.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

### Defined contribution plan

The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Defined benefit plan

The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

### Other long-term employee benefits

Other long-term employee benefits are recognised as an expense in the statement of profit and loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the statement of profit and loss.

### i. Research and development

Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is included under property, plant and equipment and/or intangible assets, as the case may be.

### j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial assets

#### Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

#### Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that 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.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

### De-recognition

A financial asset is primarily de recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### Impairment of financial assets

The Company assesses impairment based on Expected Credit Losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables.

### b) Financial liabilities

#### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and full currency swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

### e) Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### f) Hedge accounting

#### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial

liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

Any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

### k. Leases

#### Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset.
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease

payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### l. Foreign currency transactions

#### Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

#### Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognised in the statement of profit and loss.

### m. Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit and loss. Management

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognised in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal

income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

### n. Provision, contingent assets and contingent liability

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed.

### o. Government grants

Grants from the government are recognised when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grant received from government towards fixed assets acquired/ constructed by the Company is deducted out of gross value of the asset acquired/ constructed and depreciation is charged accordingly.

### p. Cash and cash equivalents

Cash comprises cash in hand and at bank. Cash and cash equivalents are short-term (highly liquid), that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### q. Segment reporting

According to Ind AS 108 'Operating Segment', identification of operating segments is based on Chief Operating Decision Maker ('CODM') approach for making decisions about allocating resources to the segment and assessing its performance.



## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

### Identification of segments

An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Results of the operating segments are reviewed regularly by the management team (Chairman, Joint Managing Directors and Chief Financial Officer) which has been identified as the CODM, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

### Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

### Unallocated items

Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses". Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

### Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated financial statements of the Company as a whole.

### r. Borrowing cost

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised up to the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying major assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### s. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

### t. Dividend to shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### (vi) Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of the Company's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities including contingent liability and the related disclosures.

### Significant judgements

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

#### Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

### Provisions

At each balance sheet date basis, the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

### Significant estimates

#### Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

#### Defined benefit obligation (DBO)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models

are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future market-driven changes that may reduce future selling prices.

### Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### (vii) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 1 April 2019</b>	<b>6,561</b>	<b>20,398</b>	<b>1,21,457</b>	<b>1,842</b>	<b>487</b>	<b>3,277</b>	<b>1,54,022</b>	<b>59</b>
Additions for the year	134	319	2,361	8	26	189	3,037	1,213
Disposals/capitalised (refer note H)	(84)	-	(1,589)	(3)	(3)	(70)	(1,749)	(58)
Foreign currency translation difference (refer note I below)	-	-	-	0	0	2	2	-
<b>Balance as at 31 March 2020</b>	<b>6,611</b>	<b>20,717</b>	<b>1,22,229</b>	<b>1,847</b>	<b>510</b>	<b>3,398</b>	<b>1,55,312</b>	<b>1,214</b>
Additions for the year	172	1,355	2,632	24	39	378	4,600	844
Disposals/capitalised	-	(1)	(25)	(403)	(37)	(247)	(713)	(1,167)
Foreign currency translation difference (refer note I below)	-	-	-	2	0	(0)	2	-
<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>
<b>Accumulated depreciation</b>								
<b>Balance as at 1 April 2019</b>	-	<b>4,936</b>	<b>52,570</b>	<b>1,039</b>	<b>337</b>	<b>1,968</b>	<b>60,850</b>	-
Additions for the year	-	848	4,932	127	56	285	6,248	-
Disposals (refer note H)	-	-	(475)	(3)	(3)	(45)	(526)	-
Foreign currency translation difference (refer note I below)	-	-	-	0	0	0	0	-
<b>Balance as at 31 March 2020</b>	-	<b>5,784</b>	<b>57,027</b>	<b>1,163</b>	<b>390</b>	<b>2,208</b>	<b>66,572</b>	-
Additions for the year	-	813	4,852	125	39	280	6,109	-
Disposals (refer note I below)	-	-0	(24)	(384)	(35)	(208)	(651)	-
Foreign currency translation difference (refer note I below)	-	-	-	2	0	(0)	2	-
<b>Balance as at 31 March 2021</b>	-	<b>6,597</b>	<b>61,855</b>	<b>906</b>	<b>394</b>	<b>2,280</b>	<b>72,032</b>	-
<b>Net carrying amount</b>								
<b>Balance as at 31 March 2020</b>	<b>6,611</b>	<b>14,933</b>	<b>65,202</b>	<b>684</b>	<b>120</b>	<b>1,190</b>	<b>88,740</b>	<b>1,214</b>
<b>Balance as at 31 March 2021</b>	<b>6,783</b>	<b>15,474</b>	<b>62,981</b>	<b>564</b>	<b>118</b>	<b>1,249</b>	<b>87,169</b>	<b>891</b>

#### Notes:

- A Contractual obligations  
Refer note 47B for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- B Property, plant and equipment pledged as security  
Refer note 20 and 23 for information on property, plant and equipment pledged as security by the Company.
- C During the year, the holding Company has given a portion of warehouse, situated at Kandla, Gujarat on operating lease for short term duration. The said warehouse has been and will be utilised by the holding Company for its business purpose only. The net carrying value of the said building is ₹346 lacs (31 March 2020 : ₹363 lacs)
- D Out of the total land parcels, 52 land parcels amounting to ₹761 lacs (31 March 2020 : ₹761 lacs) are registered in the name of Mr Anil Kumar Mittal, Mr Arun Kumar Gupta and Mr Anoop Kumar Gupta ("KMPs") and their relative namely, Mr Ashish Mittal, though the payment had been made by the holding Company. The holding Company has physical possession of such land parcels vide Memorandum of Understandings (MOUs) entered into by the Company with each of the above KMPs and their relative. Further the Company had already executed and registered the General Power of Attorney, Will and other documents with the respective KMPs and their relative in favour of the Company.
- E Out of the total land parcels, another 26 land parcels amounting to ₹83 lacs (31 March 2020 : ₹83 lacs) of which title deeds are in the name of KB Overseas, the erstwhile firm merged with the Company.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

- F Buildings amounting to ₹148 lacs (31 March 2020 : ₹150 lacs) are pending registration in the name of the Company.
- G Capital work-in-progress mainly comprise of plant and machinery which are under installation at the premises of the Company.
- H During the previous year, the holding Company had sold one of its wind turbine generator and corresponding freehold land (pending registration as at the reporting date) since the power purchase agreement for the same was not executed due to technical difficulties. However the Company has already transferred the control to the said customer and accordingly, the same had been recorded as sale of the said plant and machinery and corresponding freehold land in the year ended 31 March 2020.
- I Rounded off to zero.

### 4 Leases

#### A. Right of use assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Gross carrying amount</b>		
Opening gross carrying amount	9,152	-
Additions for the year	1,124	9,152
Disposals (including termination and modification)	(1,984)	-
<b>Balance at the end of the year</b>	<b>8,292</b>	<b>9,152</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1,014	-
Additions for the year	1,065	1,014
Disposals (including termination and modification)	(256)	-
<b>Balance at the end of the year</b>	<b>1,823</b>	<b>1,014</b>
<b>Net carrying amount at the end of the year</b>	<b>6,469</b>	<b>8,138</b>

#### B. Lease Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current	5,324	6,965
Current	828	615
	<b>6,152</b>	<b>7,580</b>

#### C. Lease related disclosures

The holding Company has leases mainly for the land and buildings. With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. There are no variable lease payments included in the agreement.

#### i. Extension and termination options

Extension and termination options are included in all leases. These terms are used to maximise operational flexibility in terms of managing contracts.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### ii. Lease payments not included in measurement of lease liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount of leases which are for short term of 12 months or less	121	75

### iii. The following are amounts recognised in profit or loss with respect to leasing arrangements:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on right of use assets	1,065	1,014
Interest expense on lease liabilities	557	675

### iv. Total cash outflow in respect of leases in the year amounts to ₹ 1,296 lacs. (PY ₹ 1,239 lacs)

### v. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 44.

## D. Assets Given on operating lease (Refer Note 3C and 5)

Rental income on assets given on operating lease is ₹56 lacs (31 March 2020 : ₹25 lacs )

## 5 Investment property

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Gross carrying amount</b>		
Opening gross carrying amount	908	833
Additions for the year	-	-
Transfer (refer note A below)	-	-
Foreign currency translation difference	(31)	75
<b>Balance at the end of the year</b>	<b>877</b>	<b>908</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	-	-
Additions for the year	-	-
Transfer (refer note A below)	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount at the end of the year</b>	<b>877</b>	<b>908</b>

### Note:

A. One of the subsidiary of the Company has building situated at Dubai, United Arab Emirates, which is classified as investment property.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### B.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Amount recognized in statement of profit and loss for investment property</b>		
Rental income derived from investment property	25	25
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
<b>Profit arising from investment property before depreciation</b>	<b>25</b>	<b>25</b>
Less: Depreciation	-	-
<b>Profit arising from investment property</b>	<b>25</b>	<b>25</b>
<b>C. Fair value of investment property at United Arab Emirates, same as of the carrying value</b>	<b>877</b>	<b>908</b>

## 6 Other Intangible assets

Particulars	Patents, trademark and design	Computer software	Total	Intangible Assets under development <sup>1</sup>
<b>Gross carrying amount</b>				
<b>Balance as at 1 April 2019</b>	<b>22</b>	<b>289</b>	<b>311</b>	-
Additions for the year	37	31	68	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>59</b>	<b>320</b>	<b>379</b>	-
Additions for the year	-	23	23	16
Disposals	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>59</b>	<b>343</b>	<b>402</b>	<b>16</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 1 April 2019</b>	<b>18</b>	<b>192</b>	<b>210</b>	-
Additions for the year	4	22	26	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>22</b>	<b>214</b>	<b>236</b>	-
Additions for the year	6	17	23	-
Disposals	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>28</b>	<b>231</b>	<b>259</b>	-
<b>Net carrying amount</b>				
<b>Balance as at 31 March 2020</b>	<b>37</b>	<b>106</b>	<b>143</b>	-
<b>Balance as at 31 March 2021</b>	<b>31</b>	<b>112</b>	<b>143</b>	<b>16</b>

### Notes:

- Intangible asset under development comprises of distributor management software.
- Refer note 47B for disclosure of contractual commitments for the acquisition of intangible Assets

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 7 Loans

#### Non-current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured, considered good unless otherwise stated)</b>		
Security deposits <sup>1</sup>	1,028	923
Loan to employees <sup>2</sup>	23	6
	<b>1,051</b>	<b>929</b>

#### Notes:

1. Deposit given to the Company in which director of Company is a director or a member: KRBL Infrastructure Limited
2. Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

### 8 Other financial assets

#### Non-current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Fixed deposits <sup>1</sup>	32	14
	<b>32</b>	<b>14</b>

#### Note:

1. Liened as security issued to the various government authorities of ₹32 lacs (31 March 2020 ₹14 lacs)

### 9 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Capital advance	7	180
Balance with statutory authorities (including taxes/duty paid under protest)	24,398	24,771
Deposits with statutory authorities (Refer note 47 A3)	1,113	-
Pre-payments	44	22
	<b>25,562</b>	<b>24,973</b>

### 10 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	93,659	1,23,593
Finished goods <sup>1</sup>	1,91,400	1,52,043
Stock-in-trade	761	818
Packing material, consumables and others	8,997	7,197
Stores and spares	1,604	1,591
	<b>2,96,421</b>	<b>2,85,242</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

#### Notes:

1. Includes goods in transit of ₹11,066 lacs (31 March 2020 ₹3,613 lacs).
2. Refer note 30, 31 and 32 for consumption of inventory recorded by the Company during the year.
3. The Company has recorded few class of finished goods at the net realisable value (NRV), as their realisable value is lower than the cost of production. The total NRV adjustments made in the value of such product ₹7,595 lacs (31 March 2020 ₹3,052 lacs). This was recognized as an expense during the year and included in 'changes in inventories of finished goods and stock-in-trade' in the Statement of Profit and Loss.

### 11 Investments

#### Current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investment carried at fair value through profit or loss</b>		
<b>Investments in equity instruments - quoted, fully paid-up</b>		
NHPC Limited	216	176
[8,82,712 equity shares of ₹10 each, (31 March 2020 - 8,82,712 equity shares)]		
Coal India Limited	100	107
[76,437 equity shares of ₹10 each, (31 March 2020 - 76,437 equity shares)]		
Power Grid Corporation of India Limited	232	171
[1,07,667 equity shares of ₹10 each, (31 March 2020 - 1,07,667 equity shares)]		
Shipping Corporation of India Limited	268	91
[2,42,265 equity shares of ₹10 each, (31 March 2020 - 2,42,265 equity shares)]		
MOIL Limited	57	39
[37,846 equity shares of ₹10 each, (31 March 2020 - 37,846 equity shares)]		
Suzlon Energy Limited	1,016	-
[2,04,08,000 equity shares of ₹1 each, (31 March 2020 - Nil equity shares)]		
	<b>1,889</b>	<b>584</b>
Aggregate amount of quoted investments at cost	1,457	957
Aggregate amount of quoted investments at market value	1,889	584

### 12 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good <sup>1</sup>		
Trade receivables which have significant increase in Credit Risk	20,129	23,020
Less: Allowance for expected credit loss	-	-
	<b>20,129</b>	<b>23,020</b>

#### Note:

1. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or amounts dues from firms or private companies in which any director is a partner, director or a member

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 13 Cash and cash equivalents<sup>1</sup>

Particulars	As at 31 March 2021	As at 31 March 2020
Balance with banks in current accounts	15,899	1,371
Cash in hand	43	72
	<b>15,942</b>	<b>1,443</b>

#### Note:

1. There is no restriction in repatriation of cash and cash equivalents.

### 14 Other bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Unclaimed dividends- earmarked balances with banks <sup>1</sup>	48	824
Deposits with original maturity more than 3 months and less than 12 months <sup>2</sup>	196	2,988
	<b>244</b>	<b>3,812</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 2021, the deposits of ₹185 lacs (31 March 2020 ₹2,977 lacs) are restricted as they are held as margin money deposits against the facilities extended to the holding Company by banks.

### 15 Loans

#### Current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Security deposits	1,110	-
Loan to employees <sup>1</sup>	30	22
	<b>1,140</b>	<b>22</b>

#### Note:

- Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.  
No loans are due from firms or private companies in which any director is partner, director or a member.

### 16 Other financial assets

#### Current

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Income receivable	858	1,157
Derivative assets	101	-
Other receivables	834	-
	<b>1,793</b>	<b>1,157</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 17 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(Unsecured- considered good unless otherwise stated)</b>		
Balance with statutory authorities	83	319
Advances to suppliers	1,387	410
Pre-payments	1,449	1,138
Other receivables	80	69
	<b>2,999</b>	<b>1,936</b>

### 18 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
30,00,00,000 (31 March 2020 - 30,00,00,000) equity shares of ₹1 each	3,000	3,000
	<b>3,000</b>	<b>3,000</b>
<b>Issued and subscribed<sup>1</sup></b>		
23,62,44,892 (31 March 2020 - 23,62,44,892) equity shares of ₹1 each	2,362	2,362
	<b>2,362</b>	<b>2,362</b>
<b>Fully paid-up<sup>1</sup></b>		
23,53,89,892 (31 March 2020 - 23,53,89,892) equity shares of ₹1 each	2,354	2,354
	<b>2,354</b>	<b>2,354</b>

#### Note:

- Difference between the issued and subscribed and paid up share capital represents the shares forfeited by the Company in the preceding previous years.

#### a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	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	<b>23,53,89,892</b>	<b>2,354</b>	23,53,89,892	2,354

#### b) Terms/ rights attached to ordinary equity shares

The Company has only one class of equity shares having a face value of ₹1 per share. Each holder of equity shares is entitled to have one vote per share.

The board of directors of the Company in their meeting held on 29 June 2021 has recommended a final dividend @ 350 % i.e. ₹3.50 per equity share of face value of ₹1/- each (31 March 2020 - ₹2.80 per share). The same shall be paid subject to the approval of shareholders in ensuing annual general meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021		As at 31 March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
1. Anil Mittal Family Trust	4,30,49,796	18.29%	4,30,49,796	18.29%
2. Arun Kumar Gupta Family Trust	4,17,97,646	17.76%	4,17,97,646	17.76%
3. Anoop Kumar Gupta Family Trust	3,88,49,338	16.50%	3,88,49,338	16.50%
4. Reliance Commodities DMCC	2,29,00,000	9.73%	2,29,00,000	9.73%

### d) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options.

### e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

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.

## 19 Other equity<sup>1</sup>

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Retained earnings	2,95,465	2,47,622
(ii) General reserve	59,550	51,550
(iii) Securities premium	9,655	9,655
(iv) Capital reserve	82	82
(v) Capital redemption reserve	77	77
(vi) Cash flow hedge reserve	54	(624)
(vii) Foreign currency translation reserve	2,014	2,048
	<b>3,66,897</b>	<b>3,10,410</b>

#### Notes:

1. Refer consolidated statement of changes in equity for the movement in equity.

#### Description and purpose of reserve

##### (i) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

##### (ii) General reserve

The Company has transferred a portion of the net profit of the Company 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

The amount received in excess of face value of the equity shares is recognised in securities premium.

##### (iv) Capital reserve

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### (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.

### (vii) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the subsidiaries foreign operations from their functional currencies to the Company presentation currency i.e. ₹ (34) 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 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Secured term loan from banks (refer note below)		
Rupee loans	1,941	3,301
	<b>1,941</b>	<b>3,301</b>
Less: Current maturities of non-current borrowings (refer note 25)	1,344	1,344
	<b>597</b>	<b>1,957</b>

### A. Details of security of non-current borrowings

The Company has created hypothecation in favour of SBICAP Trustee Company Limited (acting as Security Trustee) and created mortgage on its movable and immovable properties located at various locations for an amount of ₹18,405 lacs (31 March 2020 - ₹18,405 lacs) in the form of term loan facilities taken under consortium.

First pari-passu charge on all movable and immovable properties of the Company and second pari-passu charge on all current assets including but not limited to stock of raw materials, semi-finished and finished goods, consumable stores and spares, bills receivables and book debts and all other movable of whatsoever nature and where ever arising, both present and future of the Company.

### B. Details of repayment of the non-current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
a. Rupee term loan from State Bank of India of ₹9,400 lacs, interest to be paid on monthly basis at 10 bps above 3 Months MCLR subject to quarterly reset i.e. 6.75% p.a. (31 March 2020-3 Months MCLR subject to quarterly reset i.e. 7.5% p.a.) and Repayable in 28 quarterly instalments of ₹336 lacs each, starting from December 2015.	1,941	3,301
	<b>1,941</b>	<b>3,301</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 21 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current provision for employee benefits</b>		
Provision for compensated absences (refer note 40 C)	874	733
	<b>874</b>	<b>733</b>

### 22 Deferred tax liabilities (net)<sup>1</sup>

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	14,314	14,952
Right to use assets	1,473	1,883
	<b>15,787</b>	<b>16,835</b>
<b>Deferred tax assets</b>		
Lease liabilities	(1,548)	(1,908)
Provision for employee benefit expenses	(262)	(220)
Others	(168)	(119)
	<b>(1,978)</b>	<b>(2,247)</b>
	<b>13,809</b>	<b>14,588</b>

#### Note:

1. Refer note 39C for the movement in deferred tax.

### 23 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
<b>Secured</b>		
Working capital facilities from bank		
- Rupee loan (refer note B (i), (ii) and (iii) below)	19,500	17,478
- Foreign currency loan (refer note B (iv) below)	-	21,830
	<b>19,500</b>	<b>39,308</b>
<b>Unsecured</b>		
Loans from related parties (refer note C (i) below)	9,339	6,962
	<b>9,339</b>	<b>6,962</b>
	<b>28,839</b>	<b>46,270</b>

#### A. Details of security of current borrowings

- i. The Company has created hypothecation in favour of SBICAP Trustee Company Limited (acting as Security Trustee) and created mortgage on its movable and immovable properties located at various locations for an amount of ₹1,75,400 lacs (31 March 2020 - ₹1,75,400 lacs) in the form of loan and other facilities taken from various banks under consortium.

First pari-passu charge on entire current assets including but not limited to stock of raw materials, semi-finished and finished goods, consumable stores and spares, bills receivables and book debts and all other movable of whatsoever nature and where ever arising, both present and future of the Company and second pari-passu charge on entire movable and immovable properties of the Company.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Further, Mr Anil Kumar Mittal, Mr Arun Kumar Gupta, Mr Anoop Kumar Gupta and Mr. Ashish Mittal (to the extent of the properties mortgaged by him) has given their personal guarantees in favour of working capital lenders.

- ii. During the year ended 31 March 2020, the Company has created subservient charge by way of hypothecation in favour of HDFC Bank Limited and created mortgage on its movable and immovable properties located at various locations for an amount of ₹20,000 lacs. There is no amount outstanding against the said facility, as at the balance sheet date.

### B. Details of repayment of the current borrowings

#### Secured:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(i) Cash credit facilities from banks</b>		
The Company has obtained credit facilities from consortium banks. The facilities carries interest at MCLR along with spread (i.e. 7.6% p.a. to 8.15% p.a.) of respective banks.	-	174
<b>(ii) 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 ( i.e. 4.2% p.a. to 7.85% p.a.) of respective banks.	9,500	17,304
<b>(iii) EPC - Rupee loan</b>		
The Company has obtained Export Packing credit facility from consortium banks and is repayable after the stipulated period. The facilities carries interest at T- bills along with spread ( i.e. 4.00% p.a. to 4.22% p.a.) of respective banks.	10,000	-
<b>(iv) PCFC - foreign currency loan</b>		
The Company has obtained Packing credit facility from consortium banks and is repayable after the stipulated period. The facilities carries interest at LIBOR along with spread (i.e. 2.21% p.a. to 2.47% p.a.) of respective banks.	-	21,830
<b>C. Unsecured:</b>		
<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)	9,339	6,962

### 24 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding due to micro enterprises and small enterprises	698	439
Total outstanding due of creditors other than micro enterprises and small enterprises	8,918	7,919
Acceptances	12,290	29,998
	<b>21,906</b>	<b>38,356</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

**Note:****A. Detail of dues of Micro and Small Enterprises as defined MSME Act, 2006, to the extent the Company has received intimation from the 'Supplier' regarding their status under the Act.**

Particulars	As at 31 March 2021	As at 31 March 2020
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year - Principal amount remaining unpaid, and Interest accrued and remaining unpaid	698	439
(ii) The amount of interest paid by the buyer under MSME 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 MSME 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>698</b>	<b>439</b>

1. According to the records of the Company, there are no overdue principal amount/interest payable for delayed payment to such vendors at the balance sheet date. The amount payable to Micro and Small enterprises doesn't include any amount due for period more than the stipulated time prescribed under the MSME Act, 2006.

**25 Other financial liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of non-current borrowings (refer note 20)	1,344	1,344
Interest accrued but not due on borrowings	76	965
Employees related payables	991	873
Expenses payable <sup>1</sup>	14,361	12,035
Security deposits	36	40
Unclaimed dividend <sup>2</sup>	48	824
	<b>16,856</b>	<b>16,081</b>

**Notes:**

- It included the provision for CSR on ongoing project. (Refer note 41)
- The amount is not due for deposit to Investor Education and Protection Fund.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

**26 Other current liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	1,930	1,328
Statutory dues payable	758	738
	<b>2,688</b>	<b>2,066</b>

**27 Provisions**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current provision for employee benefits</b>		
Provision for gratuity (refer note 40B)	251	353
Provision for compensated absences (refer note 40C)	168	140
	<b>419</b>	<b>493</b>

**28 Revenue from operations**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Revenue from sale of finished goods</b>		
Export	1,89,667	2,08,497
Domestic	1,98,187	2,26,915
<b>B Revenue from sale of stock in trade</b>		
Domestic	1,084	1,668
<b>C Sale of electricity</b>		
Export	12	-
Domestic <sup>1</sup>	9,239	11,371
<b>D Other operating revenue</b>		
Liquidated damages received <sup>2</sup>	45	638
Scrap sales	954	813
	<b>3,99,188</b>	<b>4,49,902</b>

**Notes:**

- It includes generation based incentive of ₹69 lacs (31 March 2020 ₹80 lacs) and the company has complied all the attached condition.
- Liquidity damages received by the Company from its vendor for non execution of contract terms.
- Refer note 38, for disaggregation of revenue from operations and other disclosures.



## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 29 Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on financial assets carried at amortised cost	443	709
Rental Income	56	25
Dividend income	41	38
Net gain on redemption and fair valuation of investments through profit and loss	1,046	-
Net gain on foreign currency transaction and translation	165	840
Net gain on sale of property, plant and equipment	-	6
Liabilities/provisions no longer required written back	67	45
Gain on modification/termination of lease	86	-
Other non operating income	364	588
	<b>2,268</b>	<b>2,251</b>

### 30 Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Paddy	1,98,412	2,08,342
Semi finished rice	1,00,020	78,720
Packing and other consumables	16,083	16,339
Amount of opening stock-in-trade used as raw material for production (refer note 32C)	-	191
	<b>3,14,515</b>	<b>3,03,592</b>

### 31 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Seeds	681	1,212
	<b>681</b>	<b>1,212</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 32 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Opening stock</b>		
Finished goods	1,52,043	1,69,653
Stock-in-trade	818	793
	<b>1,52,861</b>	<b>1,70,446</b>
<b>B. Closing stock</b>		
Finished goods	1,91,400	1,52,043
Stock-in-trade	761	818
	<b>1,92,161</b>	<b>1,52,861</b>
<b>C. Amount of opening stock-in-trade used as raw material (refer note 30)</b>	-	(191)
<b>D. Others</b>	-	1
	<b>(39,300)</b>	<b>17,395</b>

### 33 Employee benefits expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries wages and bonus	8,363	7,758
Contribution to provident and other funds (refer note 40A)	500	499
Gratuity (refer note 40B)	185	129
Staff welfare expenses	173	176
	<b>9,221</b>	<b>8,562</b>

### 34 Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on:-		
- Term loans	194	333
- Cash credit/working capital facility	1,528	5,166
- Leases Liabilities	557	675
Other borrowing costs	80	70
	<b>2,359</b>	<b>6,244</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 35 Depreciation and amortisation expense

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Depreciation on property, plant and equipment (Refer Note 3)	6,107	6,248
Depreciation on right of use assets (Refer Note 4)	1,065	1,014
Amortisation on intangible assets (Refer Note 6)	23	26
	<b>7,195</b>	<b>7,288</b>

### 36 Other expenses

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Power and fuel	1,819	2,213
Consumption of stores and spares	1,058	971
Repairs and maintenance:-		
- Machinery	2,769	2,854
- Buildings	364	409
- Others	69	75
Fumigation	577	490
Freight inward	1,567	1,482
Travelling and conveyance	284	471
Communication expense	71	89
Rent	121	75
Legal and professional expense (refer note A)	861	734
Fees, rates and taxes	1,050	1,602
Vehicle running and maintenance	194	210
Insurance	898	295
Printing and stationery	95	117
Testing and inspection	533	659
Donation and charity (refer note A)	39	75
Clearing, forwarding and freight charges	11,373	10,073
Sales and business promotion	156	1,073
Advertisement	4,024	5,349
Meeting and seminar expense	12	285
Commission and brokerage	915	668
Corporate social responsibility expenses (refer note 41)	1,451	188
Security service charges	327	324
Sub-contractual expense	548	595
Net loss on foreign currency transactions and translation	-	-
Balances written off	245	130
Net loss on redemption and fair valuation of investments through profit and loss	-	124
Net loss on sale of property, plant and equipment	14	-
Miscellaneous expenses	415	475
	<b>31,849</b>	<b>32,105</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### A. Auditors' remuneration (excluding Goods and services tax)

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Statutory audit (including fees for limited reviews)	41	41
Tax audit	4	4
Other audit related work	6	6
Reimbursement of expenses <sup>1</sup>	0	4
	<b>52</b>	<b>55</b>

1. Rounded off to Zero

**B. Political Contribution** - 20

### 37 Earnings per share

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Profit attributable to equity shareholders	55,891	55,819
Numbers of weighted average equity share outstanding at the year end for basic and diluted	23,53,89,892	23,53,89,892
Nominal value per share in ₹	1.00	1.00
<b>Basic / Diluted earnings per share in ₹</b>	<b>23.74</b>	<b>23.71</b>

### 38 Disaggregation of revenue from operations

#### A. Revenues by Geography

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
<b>Rice and other related products</b>		
- within India	1,99,271	2,28,583
- outside India	1,89,667	2,08,497
	<b>3,88,938</b>	<b>4,37,080</b>
<b>Electricity</b>		
- within India	9,239	11,371
- other than India	12	-
	<b>9,251</b>	<b>11,371</b>
<b>Liquidated damages received</b>		
- within India	45	638
	<b>45</b>	<b>638</b>
<b>Sale of scrap</b>		
- within India	954	813
	<b>954</b>	<b>813</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### B. Revenues by offerings

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of goods</b>		
- Rice	3,68,930	4,17,513
- Seeds	1,084	1,668
- Quinoa and others	1,610	789
<b>By products</b>		
- Furfural Alcohol	1,629	1,679
- Bran products	7,904	5,061
- Furfural oil	821	643
- Doil cake	3,824	5,235
- Glucose	190	515
- Others	2,946	3,977
	<b>3,88,938</b>	<b>4,37,080</b>
<b>Sale of electricity</b>	<b>9,251</b>	<b>11,371</b>
<b>Sale of scrap</b>	<b>954</b>	<b>813</b>
<b>Liquidated damages received</b>	<b>45</b>	<b>638</b>

### C. Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contracted price	4,09,776	4,63,025
Less: Trade discounts, volume rebates, etc	10,588	13,123
<b>Sale of products</b>	<b>3,99,188</b>	<b>4,49,902</b>

### D. Contract balances

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Contract assets <sup>1</sup>	858	1,157
- Contract liabilities <sup>2</sup>	1,930	1,328

#### 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 consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### E. Movement in contract assets and contract liabilities

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance of contract liabilities</b>	<b>1,328</b>	<b>1,941</b>
Addition in balance of contract liabilities for current year	1,930	1,328
Amount of revenue recognised against opening contract liabilities	1,328	1,941
<b>Closing balance of contract liabilities</b>	<b>1,930</b>	<b>1,328</b>
<b>Opening balance of contract assets</b>	<b>1,157</b>	<b>1,041</b>
Addition in balance of contract assets for current year	858	1,157
Amount of billing recognised against opening contract assets	1,157	1,041
<b>Closing balance of contract assets</b>	<b>858</b>	<b>1,157</b>

### 39 Income tax

#### A. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Enacted income tax rate applicable to the Company (refer sub-note D below)</b>	<b>25.17%</b>	<b>25.17%</b>
<b>Profit before tax</b>	<b>74,936</b>	<b>75,755</b>
Add: Loss from foreign operation not taxable	138	123
<b>Taxable profit of the Company</b>	<b>75,074</b>	<b>75,877</b>
Expected tax expenses	18,895	19,097
<b>Tax effect of:</b>		
Non deductible expenses (net)	382	136
Tax for earlier years	(27)	
Changes in the tax assumptions for claiming deduction under 80IA of the Act on eligible projects and others, including creation of MAT entitlement (Refer sub-note D below)	-	4,894
Impact due to change in the tax rates (Refer sub-note D below)	-	(4,106)
Non taxable Income	(203)	
Others	(2)	(85)
<b>Total income tax expense in the Statement of Profit and Loss</b>	<b>19,045</b>	<b>19,936</b>

#### B. The major components of income tax expense for the year end are:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Statement of Profit and Loss</b>		
Current income tax		
Current tax	19,824	20,021
Deferred tax	(779)	(85)
	<b>19,045</b>	<b>19,936</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### Other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Tax expense on the items recognised in other comprehensive income during the year		
Remeasurement of defined benefit plans	18	59
Loss on Cash flow hedge reserve	(244)	224
	<u>(226)</u>	<u>283</u>

### C. Movement of temporary differences

#### I

Particulars	Balance as at 1 April 2020	Recognised in Statement of Profit and Loss during the year	Balance as at 31 March 2021
<b>Deferred tax liabilities</b>			
Property, plant and equipment and intangible assets	14,952	(638)	14,314
Right of use Assets	1,883	(410)	1,473
<b>Deferred tax assets</b>			
Lease Liabilities	(1,908)	360	(1,548)
Provision for employee benefit expenses	(220)	(42)	(262)
Others	(119)	(49)	(168)
	<u>14,588</u>	<u>(779)</u>	<u>13,809</u>

#### II

Particulars	Balance as at 1 April 2019	Recognised in Statement of Profit and Loss during the year	Balance as at 31 March 2020
<b>Deferred tax liabilities</b>			
Property, plant and equipment and intangible assets	14,987	(35)	14,952
Right of use Assets	-	1,883	1,883
<b>Deferred tax assets</b>			
Lease Liabilities	-	(1,908)	(1,908)
Provision for employee benefit expenses	(256)	36	(220)
Others	(58)	(61)	(119)
	<u>14,673</u>	<u>(85)</u>	<u>14,588</u>

- D. During the previous year, the Company had exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 ("Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in quarter ended 30 September 2019, which had resulted in lower tax rate of 25.17% as compared to 34.94% on the taxable profits, computed without any exemption/incentives under the different provisions of the Act. Consequent to such change, the accumulated deferred tax liabilities (net) has been remeasured, which has resulted in a onetime additional charge of ₹788 lacs recognised in the Statement of Profit and loss for the year ended 31 March 2020.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

- E. The Company doesn't have any carry forward losses at the year end.

### 40 Employee benefit obligations

#### A. Defined contribution plans

Particulars	As at 31 March 2021	As at 31 March 2020
Employer's contribution to provident fund	415	393
Employer's contribution to employees state insurance	85	106
	<u>500</u>	<u>499</u>

#### B. Defined benefit plans

##### Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Kotak Mahindra Life Insurance Company Limited with whom the plan assets are maintained.

##### Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risk are investment risk, interest rate risk, mortality risk and salary risk.

##### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in INR. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

##### Investment risk

Plan assets comprise funds managed by the insurer i.e. Kotak Mahindra Life Insurance Company Limited and details of assets are not available and hence not accordingly disclosed.

##### Mortality risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

##### Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

The following table sets out the funded status and the amount recognised in the Company's financial statements:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>a. Amounts to be recognised</b>		
Present value of obligation	(1,858)	(1,519)
Fair value of plan assets	1,607	1,166
<b>Net (liability) recognised</b>	<b>(251)</b>	<b>(353)</b>
<b>Current liability</b>	<b>(251)</b>	<b>(353)</b>
<b>Non-current liability</b>	<b>-</b>	<b>-</b>
<b>b. Changes in present value of defined benefit obligation</b>		
Defined benefit at the beginning of the year	1,519	1,126
Current service cost	161	120
Interest cost	104	88
Remeasurements-actuarial loss -due to change demographic assumption	19	
Remeasurements-actuarial loss -due to change financial assumptions	172	169
Remeasurements-actuarial (gain)/loss -due to experience	(36)	61
Benefits paid	(81)	(45)
<b>Present value of benefit obligation at the end of the year</b>	<b>1,858</b>	<b>1,519</b>
<b>c. Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	1,166	1,006
Expected return on plan assets	80	79
Contributions made	353	120
Benefits paid	(81)	(45)
Return on plan assets, excluding interest income	89	6
<b>Fair value of plan assets at the end of the year</b>	<b>1,607</b>	<b>1,166</b>
<b>d. Expenses recognized in Statement of profit or loss (refer note 33)</b>		
Current service cost	161	120
Interest expense (net)	24	9
Past service cost	-	-
<b>Expense for the year ended</b>	<b>185</b>	<b>129</b>
<b>e. Recognized in other comprehensive income</b>		
Remeasurements-actuarial loss on obligation for the period	155	230
Return on plan assets, excluding interest income	(89)	(6)
<b>Net income at the end of the period</b>	<b>66</b>	<b>224</b>
<b>f. Actuarial assumptions</b>		
Discount rate	6.93%	6.82%
Expected rate of return on plan assets	6.93%	6.82%
Expected rate of increase in compensation levels	7.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (06-08)	Indian Assured Lives Mortality (06-08)
Retirement Age	60 Years	60 Years
Attrition / Withdrawal rates	2%	1%
<b>g. Investment details</b>		
Insurance Fund	1,607	1,166
<b>h. The Company expects to contribute ₹ 418 lacs to gratuity fund in the next financial year.</b>		

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### i. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Discount rate</b>		
1% increase	(201)	(176)
1% decrease	242	213
<b>Future salary increase</b>		
1% increase	225	200
1% decrease	(193)	(170)
<b>Employee turnover rate</b>		
1% increase	1	17
1% decrease	(1)	(21)

### j. Maturity profile of defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Within next 12 months	171	139
Between 1-5 years	243	184
Beyond 5 years	4,770	4,117

### C. Other long term benefit plans

Other long term benefit plans represents the compensated absences provided to the employees of the Company.

#### a. Amounts to be recognised

Particulars	As at 31 March 2021	As at 31 March 2020
Current liability	168	140
Non-current liability	874	733

#### b. Changes in present value of other long term benefit plans

Particulars	As at 31 March 2021	As at 31 March 2020
Defined Benefit at the beginning of the year	873	732
Current service cost	75	61
Interest cost	60	57
Remeasurements-actuarial loss -due to change demographic assumptions	9	-
Remeasurements-actuarial loss -due to change financial assumptions	92	87
Remeasurements-actuarial loss -due to experience	37	64
Benefits paid	(104)	(128)
<b>Present value of benefit obligation at the end of the year</b>	<b>1,042</b>	<b>873</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### c. Expenses recognised in Statement of Profit and Loss

Particulars	As at	
	31 March 2021	31 March 2020
Current service cost	75	61
Interest cost	60	57
Actuarial losses	137	151
<b>Expense for the year ended</b>	<b>272</b>	<b>269</b>

### d. Actuarial valuation has been done with the following assumptions

Particulars	As at	
	31 March 2021	31 March 2020
Discount rate	6.93%	6.82%
Expected rate of return on plan assets	NA	NA
Expected rate of increase in compensation levels	7.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (06-08)	Indian Assured Lives Mortality (06-08)
Attrition / Withdrawal rates	2%	1%

## 41 Corporate social responsibility

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted CSR Committee. The details for CSR activities is as follows.

Particulars	For the year ended	
	31 March 2021	31 March 2020
a) Gross amount required to be spent by the Company during the year	1,451	1,302
b) Amount spent during the year on the following:		
1. Construction / Acquisition of any asset	11	-
2. On purpose other than 1 above	169	188

The details of amount remaining unspent during the year under sub section (5), pursuant to an activity other than ongoing project is as follows:

Particulars	For the year ended	
	31 March 2021	
<b>Opening Balance at the beginning of the year</b>	-	
Amount deposited in specified fund of Schedule VII	-	
Amount required to spent during the year	1,451	
Amount spent during the year	180	
Amount to be spent on ongoing project	1,271	
<b>Closing Balance at the end of the year</b>	-	

Based on the recommendation of CSR Committee, the Board of Directors of the Company during the financial year 2020-21, had considered and approved the CSR Project for setting up the Centralized Kitchen for running mid-day meals programme in Gautam Budh Nagar, Uttar Pradesh with the Akshaya Patra Foundation ('the Foundation'). The Company had entered into "Memorandum of Understanding" (MOU) with the Foundation for the same. This being an ongoing project, during the financial

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

year 2020-21 the Company had incurred an expenditure of ₹11.36 lacs on this project and the balance amount is yet to be spend which shall be transferred to Unspent Corporate Social responsibility account as per the relevant rules of the Companies Act, 2013.

### The details of ongoing project and amount unspent during the year:

Particulars	For the year ended	
	31 March 2021	
<b>Opening Balance at the beginning of the year</b>		
- With the company	-	
- In Separate CSR unspent account	-	
Amount required to be spend during the year	1,451	
Amount Spent during the year		
- From the company account	180	
- From Separate CSR unspent account	-	
Amount transferred to Unspent to CSR account	-	
Amount deposited in specified fund of Schedule VII	-	
<b>Closing balance at the end of the year</b>		
- With the company	1,271	
- In Separate CSR unspent account	-	

## 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	As at	
	31 March 2021	31 March 2020
Non-current borrowings	597	1,957
Current borrowings	28,839	46,270
Current maturities of non-current borrowings	1,344	1,344
Less: Cash and cash equivalents	(15,942)	(1,443)
<b>Net debt</b>	<b>14,838</b>	<b>48,128</b>
Equity share capital	2,354	2,354
Other equity	3,66,897	3,10,410
<b>Total equity</b>	<b>3,69,251</b>	<b>3,12,764</b>
<b>Net debt to total equity ratio</b>	<b>0.04</b>	<b>0.15</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### 43 Dividends

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A Dividend declared and paid during the year</b>		
Interim dividend declared and paid for the financial year ended 31 March 2021 at ₹ Nil per share. (Interim dividend declared and paid for the financial year ended 31 March 2020 at ₹2.80 per share and the same was considered as final dividend for the financial year ended 31 March 2020 and Final dividend at ₹2.50 per share for the financial year ended 31 March 2019)	-	12,476
Dividend distribution tax on final dividend	-	2,564
<b>B Proposed dividends on equity shares not recognised as liability</b>		
Proposed dividends for the year ended 31 March 2021 ₹3.50 per share (For the year ended 31 March 2020 : ₹ Nil per share)	8,239	-
Dividend distribution tax on proposed dividend	-	-
<b>C Remittance in foreign currency on account of dividend</b>		
Number of shareholders to whom final dividend for the financial year 2018-19 remitted in foreign currency	NA	5
Number of shareholders for remittance of interim dividend for the financial year 2019-20 in foreign currency.	NA	4
Number of equity shares held by the shareholders to whom final dividend for the financial year 2018-19 remitted in foreign currency	-	3,18,38,330
Number of equity shares held by the shareholders for remittance of interim dividend for the financial year 2019-20 in foreign currency	-	2,75,88,330
Amount of dividend paid (₹ in lacs)	-	1,568
Year to which the dividend relates	NA	2018-19 & 2019-20

### 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 (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not make significant investments in equity shares, except for entities where it exercises control or joint control or significant influence.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### A Disclosure in respect of financial risk management

#### 1. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The 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 ₹245 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 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 2021	As at 31 March 2020
Loans	2,191	951
Trade receivables	20,129	23,020
Other financial assets	1,724	1,171
<b>Total</b>	<b>24,044</b>	<b>25,142</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 2021	As at 31 March 2020
Not past due	12,456	15,262
Past due 0-30 days	1,888	1,808
Past due 31-120 days	2,035	1,959
Past due 120 days-one year	3,042	3,175
More than one year	708	816
<b>Total</b>	<b>20,129</b>	<b>23,020</b>
Loss allowance	-	-
	<b>20,129</b>	<b>23,020</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### Reconciliation of loss allowance- Trade receivable

Particulars	As at 31 March 2021	As at 31 March 2020
Loss allowances in the beginning of the year	-	-
Loss allowance recognised during the year	-	-
Loss allowances actualised	-	-
<b>Loss allowances at the close of the year</b>	<b>-</b>	<b>-</b>

The following table gives details in respect of percentage of revenue generated from top customer:

Particulars	As at 31 March 2021	As at 31 March 2020
Top one customer	17.36%	20.77%
Revenue from top customer amounting to ₹69,300 lacs (31 March 2020 - ₹93,443 lacs) pertains to Agri Segment.		

## 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 2021	As at 31 March 2020
Fund Based	1,38,000	1,18,192
- Expiring within one year (cash credit and other facilities)		

### (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 2021

Particulars	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	More than 2 years
Non-current borrowings	1,941	-	672	672	597	-
Current borrowings	19,500	19,500	-	-	-	-
Loan from related party	9,339	9,339	-	-	-	-
Trade payables	21,906	-	21,906	-	-	-
Lease liabilities (including interest payable)	6,152	-	411	417	476	4,848
Other financial liabilities	15,512	84	15,428	-	-	-

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### For the year ended 31 March 2020

Particulars	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	More than 2 years
Non-current borrowings	3,301	-	672	672	1,957	-
Current borrowings	39,308	39,308	-	-	-	-
Loan from related party	6,962	6,962	-	-	-	-
Trade payables	38,356	-	38,356	-	-	-
Lease liabilities (including interest payable)	7,580	-	632	632	1,243	10,808
Other financial liabilities	14,737	864	13,873	-	-	-

## 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	31 March 2021	31 March 2020
Variable rate borrowings	21,441	42,609

### Interest rate sensitivity

Particulars	31 March 2021	31 March 2020
<b>A change of 100 bps in interest rates would have following impact on profit before tax</b>		
100 bps increase- decrease in profits	107	213
100 bps decrease- increase in profits	107	213

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments) were utilised for the whole financial year.

### (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.

Particulars	31 March 2021	31 March 2020
<b>Impact on profit before tax</b>		
Share price increase by 5%	94	29
Share price decrease by 5%	(94)	(29)



## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### (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 420 lacs (P.Y. Nil).

Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument are as under:

Particulars	₹ in lacs		USD in lacs	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>Financial assets</b>				
Trade receivables	4,727	5,429	65	72
Cash and cash equivalents	15,368	1,075	210	14
Other Receivables	834	-	11	-
Security deposits	1,097	-	15	-
<b>Financial liabilities</b>				
Trade payables <sup>1</sup>	605	224	8	2
Borrowings	0	21,830	-	288
Advance from customers	1,793	567	25	7

### (ii) Foreign currency risk sensitivity:

A change of 5% in foreign currency would have following impact on profit before tax

Particulars	USD	
	5% increase	5% decrease
31-03-2021 (₹ in lacs)	167	167
31-03-2020 (₹ in lacs)	(801)	801

1. The foreign currency exposure on currencies other than USD is immaterial to the Company.

### Foreign currency risk

Effective from 1 April 2019, the Company has designated certain forward contracts and borrowings as eligible hedging instruments for hedge of foreign currency forecast sales. Pursuant to this, the effective portion of change in value of the hedging instruments has been recognised in 'cash flow hedge reserve' in other comprehensive income. Such amount is reclassified to profit or loss as and when the forecast transaction occurs or the hedges are no longer effective.

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, AED, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### Impact of hedging activities

#### (a) Disclosure of effects of hedge accounting on financial position

Type of hedge and risks	Notional amount	For the year ended 31 March 2021		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
		Carrying amount of hedging instrument						
		Assets	Liabilities					
Cash flow hedge Foreign currency risk								
(i) Pre-shipment credit in foreign currency (PCFCs)	-	-	-	-	-	-	(434)	(433)
(ii) Forward Contracts and options	USD 420 lacs	(100.73)	-	April 2021 - May 2021	1:1	73.70	-	-
Type of hedge and risks	Notional amount	For the year ended 31 March 2020		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
		Carrying amount of hedging instrument						
		Assets	Liabilities					
Cash flow hedge Foreign currency risk								
(i) Pre-shipment credit in foreign currency (PCFCs)	USD 288	-	21,830	June 2020-September 2020	1:1	72.72	(1,308)	(1,305)

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### (b) Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2021				
Type of hedge and risk	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Pre-shipment credit in foreign currency (PCFCs)	433.63	-0.72	432.91	Revenue
For the year ended 31 March 2020				
Type of hedge and risk	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Pre-shipment credit in foreign currency (PCFCs)	USD 1,305	USD 3	USD (457)	Revenue

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arising in the hedges have been disclosed in above table.

### (c) Movements in cash flow hedging reserve

Particulars	As at	As at
	31 March 2021	31 March 2020
Opening Balance at the beginning of the year	624	-
Add: Changes in value of PCFCs/ Forward	(74)	1,305
Less: Amount reclassified to profit or loss	(848)	(457)
Less: Deferred tax relating to above (net)	244	(224)
Closing Balance at the end of the year	(54)	624

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2j)

	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost <sup>1</sup>	FVTPL	FVOCI	Amortised cost <sup>1</sup>
<b>Financial Assets</b>						
Investments (other than in subsidiary) <sup>2</sup>	1,889	-	-	584	-	-
Loans	-	-	2,190	-	-	951
Cash and cash equivalents	-	-	15,942	-	-	1,443
Other bank balances	-	-	244	-	-	3,812
Trade receivables	-	-	20,129	-	-	23,020
Other financial assets	-	101	1,724	-	-	1,171
<b>Total</b>	<b>1,889</b>	<b>101</b>	<b>40,230</b>	<b>584</b>	<b>-</b>	<b>30,397</b>
<b>Financial liabilities</b>						
Borrowings	-	-	30,780	-	-	49,571
Trade payables	-	-	21,906	-	-	38,356
Lease liabilities	-	-	6,022	-	-	7,580
Other financial liabilities	-	-	15,512	-	-	14,737
<b>Total</b>	<b>-</b>	<b>-</b>	<b>74,220</b>	<b>-</b>	<b>-</b>	<b>1,10,244</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.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

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

	31 March 2021		31 March 2020	
	Level 1	Level 2	Level 1	Level 2
<b>Financial Assets</b>				
Investments (other than in subsidiary)	1,889	-	584	-
Other Financial Assets	-	101	-	-
<b>Total</b>	<b>1,889</b>	<b>101</b>	<b>584</b>	<b>-</b>

### (B) Financial instruments valued at amortised cost

	31 March 2021	31 March 2020
	Level 3	Level 3
<b>Financial assets</b>		
Loans	2,191	951
Cash and cash equivalents	15,942	1,443
Other bank balances	244	3,812
Trade receivables	20,129	23,020
Other financial assets	1,724	1,171
<b>Total</b>	<b>40,230</b>	<b>30,397</b>
<b>Financial liabilities</b>		
Borrowings	30,780	49,571
Trade payables	21,906	38,356
Lease liabilities	6,022	7,580
Other financial liabilities	15,512	14,737
<b>Total</b>	<b>74,220</b>	<b>1,10,244</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, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature.

The fair value for loans and security deposits were calculated based on cash flow discounted using a current lending rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

The fair value for borrowings was calculated based on cash flow discounted using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of borrowings approximates the carrying amount.

The fair valuation of investments in quoted equity shares is based on the current bid price of respective investments as at the balance sheet date.

### 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 & solar power plant.

#### B Identification of segments

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

#### C Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure. Refer note 2q of the accounting policies for segment revenue and results.

#### 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 2021	For the year ended 31 March 2020
<b>1.</b>	<b>Segment revenue</b>		
(a)	Agri	3,89,892	4,37,893
(b)	Energy	17,986	20,151
	<b>Total segment revenue</b>	<b>4,07,878</b>	<b>4,58,044</b>
	Inter segment revenue - Energy	(8,690)	(8,142)
	<b>Net segment revenue</b>	<b>3,99,188</b>	<b>4,49,902</b>
<b>2.</b>	<b>Segment results</b>		
(a)	Agri	72,195	74,325
(b)	Energy	5,513	7,854
	<b>Total segment results (before finance costs and tax)</b>	<b>77,708</b>	<b>82,179</b>
	Less: Finance costs	2,167	5,911
	Less: Other unallocable expenditures (net of unallocable incomes)	605	513
	<b>Total profit before tax</b>	<b>74,936</b>	<b>75,755</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>3.</b>	<b>Segment assets</b>		
(a)	Agri	4,00,562	3,76,357
(b)	Energy	62,221	65,934
	<b>Total segment assets</b>	<b>4,62,783</b>	<b>4,42,291</b>
<b>4.</b>	<b>Segment liabilities</b>		
(a)	Agri	47,133	63,446
(b)	Energy	2,303	3,775
(c)	Unallocable	44,008	62,217
	<b>Total segment liabilities</b>	<b>93,444</b>	<b>1,29,438</b>
<b>5.</b>	<b>Depreciation and amortisation</b>		
	Agri	3,949	4,028
	Energy	3,246	3,260
	<b>Non- Cash income/ (expenditure) (other than depreciation and amortisation)</b>		
	Unallocable	746	(99)
<b>6.</b>	<b>Segment revenue - Geographical information:</b>		
(a)	<b>Agri</b>		
	With in India	2,00,225	2,29,396
	Outside India	1,89,667	2,08,497
	<b>Sub-total (a)</b>	<b>3,89,892</b>	<b>4,37,893</b>
(b)	<b>Energy</b>		
	With in India	17,974	20,151
	Outside India	12	-
	<b>Sub-total (b)</b>	<b>17,986</b>	<b>20,151</b>
	<b>Total (a)+(b)</b>	<b>4,07,878</b>	<b>4,58,044</b>
	Inter-segment revenue - Energy	(8,690)	(8,142)
	<b>Total</b>	<b>3,99,188</b>	<b>4,49,902</b>

### F Information about Major Customers

Refer Note 44 (Credit Risk)

### G Information about Major Products

Refer note 38

## 46 Related party transactions

### A Related parties and their relationships

#### (a) Key Managerial Personnel's (KMPs):

Mr. Anil Kumar Mittal	Chairman & Managing Director
Mr. Arun Kumar Gupta	Joint Managing Director
Mr. Anoop Kumar Gupta	Joint Managing Director
Ms. Priyanka Mittal	Whole Time Director

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

### (b) Additional related parties (KMPs) as per the Companies Act 2013 with whom transactions have taken place during the year:

Mr. Rakesh Mehrotra	Chief Financial Officer
Mr. Raman Sapra	Company Secretary

### (c) Independent Non-Executive Directors:

Mr. Vinod Ahuja
Mr. Ashwani Dua
Mr. Shyam Arora
Mr. Devendra Kumar Agarwal
Mr. Alok Sabharwal
Ms. Priyanka Sardana

### (d) Employee benefit plans where there is significant influence:

KRBL Limited Employees Group Gratuity Trust

### (e) Relatives of KMPs\*:

Mrs. Preeti Mittal	Wife of Mr. Anil Kumar Mittal
Mrs. Anulika Gupta	Wife of Mr. Arun Kumar Gupta
Mrs. Binita Gupta	Wife of Mr. Anoop Kumar Gupta
Mr. Ashish Mittal	Son of Mr. Anil Kumar Mittal
Mrs. Neha Singh	Daughter of Mr. Arun Kumar Gupta
Mr. Kunal Gupta	Son of Mr. Arun Kumar Gupta
Mrs. Rashmi Gupta	Daughter of Mr. Anoop Kumar Gupta
Mr. Akshay Gupta	Son of Mr. Anoop Kumar Gupta
Mr. Ayush Gupta	Son of Mr. Anoop Kumar Gupta
Anil Kumar Mittal HUF	Mr. Anil Kumar Mittal is Karta of Anil Kumar Mittal HUF
Arun Kumar Gupta HUF	Mr. Arun Kumar Gupta is Karta of Arun Kumar Gupta HUF
Anoop Kumar Gupta HUF	Mr. Anoop Kumar Gupta is Karta of Anoop Kumar Gupta HUF

### (f) Enterprises over which KMPs are able to exercise significant influence\*:

Khushi Ram Behari Lal	Partnership Firm in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta are Partners.
Adwet Warehousing Private Limited	Private Limited Company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta are Directors.
KRBL Foods Limited	Public Limited Company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.
KRBL Infrastructure Limited	Public Limited Company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.
Holistic Farms Private Limited	Private Limited Company in which Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta & Mr. Anoop Kumar Gupta are Directors.

### (g) Trust/Society over which KMPs are able to exercise significant influence\*:

Anil Mittal Family Trust	Trust in which Mr. Anil Kumar Mittal, Mrs. Anil Kumar Mittal, Mr. Ashish Mittal and Ms. Priyanka Mittal are beneficiaries.
Arun Kumar Gupta Family Trust	Trust in which Mr. Arun Kumar Gupta and Mr. Kunal Gupta are beneficiaries.
Anoop Kumar Gupta Family Trust	Trust in which Mr. Anoop Kumar Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are beneficiaries.
Binita Gupta Family Trust	Trust in which Mr. Anoop Kumar Gupta and Ms. Binita Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are beneficiaries.

\* This includes only those parties with whom Company had related party transactions.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### B Transactions and balances with related parties

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	<b>B Transactions entered during the year</b>					
<b>i Purchase of goods<sup>1</sup></b>						
Khushi Ram Behari Lal	2	15	-	-	-	-
<b>ii Sale of goods<sup>1</sup></b>						
Khushi Ram Behari Lal	975	885	-	-	-	-
<b>iii Rent paid<sup>1</sup></b>						
Mr. Anil Kumar Mittal	-	-	3	2	-	-
Mr. Arun Kumar Gupta	-	-	8	6	-	-
Mr. Anoop Kumar Gupta	-	-	8	6	-	-
KRBL Infrastructure Limited	314	293	-	-	-	-
KRBL Foods Limited	651	651	-	-	-	-
Adwet Warehousing Private Limited	155	150	-	-	-	-
Holistic Farms Private Limited	48	48	-	-	-	-
Mrs. Anulika Gupta	-	-	-	-	16	16
Mrs. Binita Gupta	-	-	-	-	2	2
Mrs. Preeti Mittal	-	-	-	-	3	2
Mr. Ashish Mittal	-	-	-	-	18	17
Anoop Kumar Gupta HUF	-	-	-	-	14	14
<b>iv Expense incurred (on behalf of company by others)/by company for others</b>						
Khushi Ram behari Lal	0	3	-	-	-	-
<b>v Remuneration on account of salary and perquisites<sup>2</sup></b>						
Mr. Anil Kumar Mittal	-	-	143	119	-	-
Mr. Arun Kumar Gupta	-	-	165	137	-	-
Mr. Anoop Kumar Gupta	-	-	143	119	-	-
Ms. Priyanka Mittal	-	-	114	81	-	-
Mr. Raman Sapra	-	-	15	15	-	-
Mr. Rakesh Mehrotra	-	-	85	85	-	-
Mr. Ashish Mittal	-	-	-	-	35	26
Mr. Kunal Gupta	-	-	-	-	35	26
Mr. Akshay Gupta	-	-	-	-	35	26
Mr. Ayush Gupta	-	-	-	-	35	26
<b>vi Electricity charges paid</b>						
KRBL Infrastructure Limited	17	19	-	-	-	-
<b>vii Maintenance Charges paid</b>						
KRBL Infrastructure Limited	82	68	-	-	-	-

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	<b>B Transactions and balances with related parties (cont'd)</b>					
<b>viii Sitting fees paid</b>						
Mr. Vinod Ahuja	-	-	-	-	2	2
Mr. Ashwani Dua <sup>3</sup>	-	-	-	-	2	0
Mr. Shyam Arora	-	-	-	-	2	2
Mr. Devendra Kumar Agarwal	-	-	-	-	2	2
Mr. Alok Sabharwal	-	-	-	-	2	1
Ms. Priyanka Sardana	-	-	-	-	2	1
<b>ix Dividend paid</b>						
Anil Mittal Family Trust	-	2,267	-	-	-	-
Arun Kumar Gupta Family Trust	-	2,201	-	-	-	-
Anoop Kumar Gupta Family Trust	-	2,059	-	-	-	-
Binita Gupta Family Trust	-	12	-	-	-	-
Anil Kumar Mittal HUF	-	-	-	-	-	191
Arun Kumar Gupta HUF	-	-	-	-	-	257
Anoop Kumar Gupta HUF	-	-	-	-	-	387
Mr. Anil Kumar Mittal <sup>3</sup>	-	-	-	0	-	-
Mr. Arun Kumar Gupta <sup>3</sup>	-	-	-	0	-	-
Mr. Anoop Kumar Gupta <sup>3</sup>	-	-	-	0	-	-
Ms. Priyanka Mittal <sup>3</sup>	-	-	-	0	-	-
Mr. Ashish Mittal <sup>3</sup>	-	-	-	-	-	0
Mr. Kunal Gupta <sup>3</sup>	-	-	-	-	-	0
Mr. Akshay Gupta <sup>3</sup>	-	-	-	-	-	0
Mr. Ayush Gupta <sup>3</sup>	-	-	-	-	-	0
Mrs. Binita Gupta <sup>3</sup>	-	-	-	-	-	0
Mrs. Anulika Gupta <sup>3</sup>	-	-	-	-	-	0
Mrs. Neha Singh <sup>3</sup>	-	-	-	-	-	0
Mrs. Rashmi Gupta <sup>3</sup>	-	-	-	-	-	0
Mrs. Preeti Mittal <sup>3</sup>	-	-	-	-	-	0
<b>x Advances given</b>						
Mr. Raman Sapra <sup>3</sup>	-	-	-	-	-	-
Mr. Rakesh Mehrotra	-	-	-	-	-	-
<b>xi Advances adjusted against salary</b>						
Mr. Rakesh Mehrotra <sup>3</sup>	-	-	0	1	-	-
<b>xii Borrowings- Unsecured loans availed</b>						
Mr. Anil Kumar Mittal	-	-	867	3,458	-	-
Mr. Arun Kumar Gupta	-	-	978	2,094	-	-
Mr. Anoop Kumar Gupta	-	-	856	1,775	-	-

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>B Transactions and balances with related parties (cont'd)</b>						
<b>xiii Borrowings-Unsecured loans repaid</b>						
Mr. Anil Kumar Mittal	-	-	101	1,376	-	-
Mr. Arun Kumar Gupta	-	-	127	1,566	-	-
Mr. Anoop Kumar Gupta	-	-	96	1,566	-	-
<b>xiv Interest paid</b>						
Khushi Ram Behari Lal	79	154	-	-	-	-
<b>xv Discount allowed on sale of goods</b>						
Khushi Ram Behari Lal	47	43	-	-	-	-
<b>xvi Advance received against supply of goods</b>						
Khushi Ram Behari Lal	1,823	2,162	-	-	-	-
<b>xvii Advance received against supply of goods refunded</b>						
Khushi Ram Behari Lal	1,557	2,300	-	-	-	-
<b>II Balances outstanding at the year end</b>						
<b>i Unsecured borrowings-Current</b>						
Mr. Anil Kumar Mittal	-	-	3,189	2,424	-	-
Mr. Arun Kumar Gupta	-	-	2,644	1,794	-	-
Mr. Anoop Kumar Gupta	-	-	3,471	2,711	-	-
Ms. Priyanka Mittal	-	-	34	34	-	-
<b>ii Advance received from customers</b>						
Khushi Ram Behari Lal	-	588	-	-	-	-
<b>iii Payables</b>						
KRBL Infrastructure Limited	(5)	(14)	-	-	-	-
KRBL Foods Limited	-	-	-	-	-	-
<b>iv Receivable on account of Security deposit/Prepaid Lease</b>						
KRBL Infrastructure Limited	971	971	-	-	-	-
<b>v Employee related payables</b>						
Mr. Anil Kumar Mittal	-	-	7	7	-	-
Mr. Arun Kumar Gupta	-	-	1	3	-	-
Mr. Anoop Kumar Gupta	-	-	7	6	-	-
Ms. Priyanka Mittal	-	-	2	3	-	-
Mr. Raman Sapra	-	-	1	1	-	-
Mr. Rakesh Mehrotra	-	-	0	1	-	-
Mr. Ashish Mittal	-	-	-	-	2	2
Mr. Kunal Gupta	-	-	-	-	2	1
Mr. Akshay Gupta	-	-	-	-	2	1
Mr. Ayush Gupta	-	-	-	-	2	1

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
<b>II Balances outstanding at the year end (cont'd)</b>						
<b>vi Other balances outstanding at the end of the year, net (payable)/receivable</b>						
Mr. Arun Kumar Gupta <sup>3</sup>	-	-	-	0	-	-
Mr. Anoop Kumar Gupta <sup>3</sup>	-	-	-	(0)	-	-
Ms. Priyanka Mittal	-	-	-	-	-	-
Mr. Rakesh Mehrotra	-	-	-	0	-	-
Mr. Ashish Mittal <sup>3</sup>	-	-	-	-	0	(0)
Mr. Ayush Gupta <sup>3</sup>	-	-	-	-	-	0
Mr. Raman Sapra	-	-	(0)	-	-	-

1. Transactions are inclusive of Goods and Services tax.

2. As gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to relatives of KMPs cannot be individually identified.

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

4. Personal guarantee has been given by Mr. Anil Kumar Mittal, Mr. Anoop Kumar Gupta and Mr. Arun Kumar Gupta in respect of working capital consortium loan taken by the Company, as at the year ended 31 March 2021, the outstanding amount of loan is ₹19,500 lacs (31 March 2020 ₹39,308 lacs) and Mr. Ashish Mittal (relative of key managerial personnel) to the extent of the immovable properties as specified in consortium agreement.

5. All related party transactions are at arms length price and in the ordinary course of business.

6. Refer note 3(D) for transactions related to Property, Plant and Equipment with KMP and their relatives.

### 47 Contingent liabilities and commitments

#### A Contingent liabilities

##### (i) Claims against the Company not acknowledged as debts\*

	As at 31 March 2021	As at 31 March 2020
Income tax matters <sup>1</sup>	21,780	9,884
Indirect taxes <sup>2</sup>	7,126	7,501
Enforcement directorate investigation matter <sup>3</sup>	1,532	1,532
Other matters	1,093	1,115
	<b>31,531</b>	<b>20,032</b>

1 During the year ended 31 March 2019, the Company had received demand notices under section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, amounting to ₹75,744 lacs and interest thereon ₹51,176 lacs, which were contested by the management at CIT (Appeals), New Delhi. During the year ended 31 March 2020, CIT (Appeals) had granted partial relief on certain matters in favor of the Company, vide order dated 11 March 2020, and correspondingly, income tax demand had been reduced by ₹69,612 lacs and interest thereon by ₹47,424 lacs.

The Company had filed further appeals before Hon'ble Income-tax Appellate Tribunal (ITAT), New Delhi on 18 June 2020 for remaining matters sustained by CIT (Appeals) in respect of income tax demand of ₹6,132 lacs and interest thereupon of ₹3,752 lacs. The Company had already paid ₹21,900 lacs, under protest.

The Income-tax department has also filed appeals in Hon'ble Income Tax Appellant Tribunal, New Delhi in respect of the matters allowed by CIT (Appeals) for appeals filed by the Company. However, a copy of appeal had not been received by the company, in respect of said filing by the department.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

The management, based on legal assessment, is confident that it has a favorable case and the remaining demand shall also be deleted at the ITAT level.

Further, the Company has received penalty orders under section 271(1) (c)/ 271AAB (1) for AY 2010-11 to 2016-17 on the matters sustained by CIT (Appeals) of amounting to ₹11,896 lacs. The Company has filed appeals before CIT (Appeals) in respect of such penalty orders on 24th March, 2021.

However, Hon'ble Income Tax Appellate Tribunal vide its order dated 12 March, 2021 has granted interim relief till 12 May 2021, which has been extended till 16 July 2021, to the Company against such recovery of demand.

- 2 Indirect taxes mainly comprise of matter relating to VAT, sales tax pending at various levels and also includes the matters related to mandi fee levied under the Agricultural Produce Market Committee Act, 2003 for an amount of ₹1493 lacs.
- 3 A portion of land parcels and building thereupon, situated at Dhuri, Punjab was attached by the Enforcement Directorate ("ED") vide its order dated 3 July 2019, to the extent of value of ₹1,532 lacs in connection with a money laundering investigation.

The Company filed an appeal against the aforementioned order with Appellate Tribunal, PMLA, New Delhi, ("Appellate Tribunal") who vide its order dated 17 January 2020, had restored the possession of the attached land on interim basis in favour of the Company. However, aforesaid attachment would continue till the 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 in accordance with the order dated 17 January 2020 passed by the Appellate Tribunal. The High Court vide its order dated 23 October 2020 has allowed the Company to take physical possession of the said land parcels and building thereupon for specified purpose against the deposit of ₹1,113 lacs, (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.

- 4 The Company's Joint Managing Director, Mr. Anoop Kumar Gupta had been detained and released on bail by the Enforcement Directorate ('ED') with regard to the investigation under the Prevention of Money Laundering Act, 2002, for alleged involvement in AgustaWestland case, pursuant to the order of Special Judge, Rouse Avenue Courts dated 30 January 2021 and dated 05 April 2021, respectively.

ED vide their criminal complaint dated 30 March 2021, has made certain allegations against the Company, KRBL DMCC (a subsidiary of KRBL Limited) and Mr. Anoop Kumar Gupta. As per criminal complaint filed it is alleged that M/s Rawasi Al Khaleej General Trading LLC ('RAKGT') has received proceeds of crime of USD 24.62 million in AgustaWestland case during the period 2008-2010 which in turn has 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 has been received by Balsharaf Group from RAKGT. Pursuant to this, ED had attached 1,43,33,221 shares of Balsharaf Group held in KRBL Limited.

The management of the Company has taken an opinion from an independent legal counsel and on the basis of the same is of the view that since the investigation is still ongoing no adverse opinion can be drawn. The Board of Directors of the Company have appointed an independent professional firm to review the aforesaid allegations, by undertaking steps as necessary, in order to assess impact of aforesaid matter, if any, on the consolidated financial statements and control environment of the Company. Pending the ongoing investigation on the above matter, no adjustment has been made in the consolidated financial statements of the Company. 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.

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

### B Capital commitments

Estimated amount of contracts remaining to be executed, to the extent not provided for:

Particulars	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment (net of advances)	285	727
Intangible assets (net of advance)	75	-

### 48 Research and development expenditure

Particulars	As at 31 March 2021	As at 31 March 2020
Revenue expenditure	526	528

### 49 Assets pledged as security

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current assets</b>		
First charge		
Property, plant and equipments including capital work in progress	86,161	87,915
Intangible assets including assets under development	159	143
<b>Total non-current assets pledged as security</b>	<b>86,320</b>	<b>88,058</b>
<b>Current assets</b>		
First charge		
Pari-pasu		
Inventories	2,96,421	2,85,242
Financial assets (current and non-current)	42,563	31,270
Other assets (current and non-current)	28,555	26,909
<b>Total current assets pledged as security</b>	<b>3,67,539</b>	<b>3,43,421</b>
<b>Total assets pledged as security</b>	<b>4,53,859</b>	<b>4,31,479</b>

### 50 Reconciliation of liabilities arising from financing activities:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Non-current borrowings</b>		
Opening balance	3,301	4,668
Proceeds	-	-
Repayment	1,360	1,367
Net (gain) /loss on foreign currency transactions and translation	-	-
<b>Closing balance</b>	<b>1,941</b>	<b>3,301</b>
<b>Current borrowings</b>		
Opening balance	46,270	1,38,151
Movement (net)	(16,585)	(92,732)
Net (gain)/loss on foreign currency transactions and translation	-	851
<b>Closing balance</b>	<b>29,686</b>	<b>46,270</b>
<b>Lease liabilities (As per Ind AS 116)</b>		
Opening balance	7,580	-
Non cash proceeds	(690)	8,144
Payment of lease liabilities	(738)	(564)
<b>Closing balance</b>	<b>6,152</b>	<b>7,580</b>

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Finance cost</b>		
Interest Accrued as at 1 April	965	616
Expenses incurred	2,359	6,244
Expenses paid	(3,248)	-5,895
<b>Interest Accrued as at 31 March</b>	<b>76</b>	<b>965</b>

### 51 Additional information as required for preparation of consolidated financial statements to Schedule III to the Act: 31 March 2021

Particulars	Holding Company	Subsidiaries Companies		Consolidation adjustments/ eliminations	Total
	KRBL Limited	KRBL DMCC, Group	K B Exports Private Limited		
<b>Net assets (i.e. total assets minus total liabilities)</b>					
- as % of consolidated net assets	100%	0%	0%	0%	100%
- Amount	3,68,516	953	295	-425	3,69,339
<b>Share in profit and loss after tax</b>					
- as % of consolidated profit and loss	100%	0%	0%	0%	100%
- Amount	56,029	-138	-0	-	55,891
<b>Share in other comprehensive income</b>					
- as % of consolidated other comprehensive income	115%	-15%	0%	0%	100%
- Amount	630	-34	-	-	596
<b>Share in total comprehensive income</b>					
- as % of consolidated total comprehensive income	100%	0%	0%	0%	100%
- Amount	56,659	-172	-0	-	56,487

### 31 March 2020

Particulars	Holding Company	Subsidiaries Companies		Consolidation adjustments/ eliminations	Total
	KRBL Limited	KRBL DMCC, Group	K B Exports Private Limited		
<b>Net assets (i.e. total assets minus total liabilities)</b>					
- as % of consolidated net assets	100%	0%	0%	0%	100%
- Amount	3,11,857	1,124	295	-423	3,12,853
<b>Share in profit and loss after tax</b>					
- as % of consolidated profit and loss	100%	0%	0%	0%	100%
- Amount	55,941	-122	0	-	55,819
<b>Share in other comprehensive income</b>					
- as % of consolidated other comprehensive income	115%	-15%	0%	0%	100%
- Amount	-789	104	-	-	-685
<b>Share in total comprehensive income</b>					
- as % of consolidated total comprehensive income	100%	0%	0%	0%	100%
- Amount	55,152	-18	0	-	55,134

## Summary of the consolidated significant accounting policies and other explanatory information for the year ended 31 March 2021

### 52 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 11 for details of other investments.

### 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.

54 The Indian Parliament has approved the Code on Social Security, 2020 which is expected to impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.

55 The outbreak of Coronavirus (Covid-19) has severally impacted business globally including India. Since the nature of business performed by the Company falls under the essential category, the Company continued to operate its manufacturing facilities and distribute its products in accordance with the prescribed guidelines. Though there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. Further, the management of the Company has also assessed the impact of the situation on the capital, profitability, liquidity positions etc. giving due consideration to the internal and external factors, and based on its assessment, the pandemic doesn't have any material impact on the consolidated financial statements of the Company. Further, on account of continued spread of COVID-19 in the country, the Company has made timely and requisite changes in business model during the year. The Company is continuously monitoring the situation arising on account of COVID-19 and will make appropriate action required, if any.

As per our report of even date

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Rohit Arora  
Partner  
Membership No. 504774

Place : New Delhi  
Date : 29 June 2021

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal  
Chairman and Managing Director  
DIN-00030100

Raman Sapra  
Company Secretary  
Membership No. F9233  
Place : Noida  
Date : 29 June 2021

Anoop Kumar Gupta  
Joint Managing Director  
DIN-00030160

Rakesh Mehrotra  
Chief Financial Officer  
Membership No. 84366  
Place : Noida  
Date : 29 June 2021







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