

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(formerly KLRF Limited)

Regd. Office & Flour Mill
75/8, Benares cape Road
Gangaikondan - 627352
Tirunelveli District
Tamil Nadu
CIN : L15314TN1961PLC004674

Phone : +91 - 462 - 2486532 (4 Lines)
Mobile: +91 - 94433 - 75445
Fax : +91 - 462 - 2486132
E-Mail: ho@klrf.in
Web : www.klrf.in
GSTN : 33AAACK6029N1ZF

FN/SEC/BSE/2020 -21

20th August, 2020

BSE Limited
BSE's Corporate Relationship Department
First Floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Mumbai - 400001.

Dear Sir, **Script Code : 507598 Script ID "KLRFM"**

Sub : Submission of Annual Report -2020

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we submit herewith the Annual Report for the financial year 2019-20 along with the notice, attendance slip and proxy form.

The Annual Report - 2020 is being dispatched/sent to the shareholders by the permitted mode(s) and is also available on the Company's website.

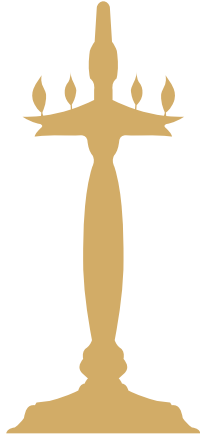
We request you to kindly take the same on record and acknowledge receipt

Thanking you,

Yours faithfully,

For Kovilpatti Lakshmi Roller Flour Mills Limited


S. Piramuthu
Company Secretary



2020
Annual Report

Kovilpatti Lakshmi Roller Flour Mills Limited

(Formerly KLRFL Limited)

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CIN : L15314TN1961PLC004674

Board of Directors

Sudarsan Varadaraj

K.Gnanasekaran

Kalyani Jagannathan

R.Kannan

Ashwin Chandran

Suresh Jagannathan

Managing Director

Chief Financial Officer

K.R. Badrinarayanan (upto 29.02.2020)

J. Kanna (w.e.f. 01.03.2020)

Company Secretary

S. Piramuthu

Auditor

M/s Arun & Co

Chartered Accountants, Tirunelveli

Branch Auditors

M/s VKS Aiyer & Co

Chartered Accountants, Coimbatore

Secretarial Auditor

M.D. Selvaraj

MDS & Associates

Company Secretary in Practice

Coimbatore

Bankers

Canara Bank

HDFC Bank Ltd

Registered Office

75/8, Benares Cape Road

Gangaikondan - 627352

Administrative Office

8th Floor, Time Square,

62, Balasundaram Road,

Coimbatore-641018

Food Division

Gangaikondan-627352

Engineering Division

Coimbatore-641020

Registrar and Share Transfer Agent

Link Intime India Private Limited

"Surya" 35, Mayflower Avenue

Senthil Nagar, Sowripalayam Road

Coimbatore – 641028, Tamilnadu

Telephone : +91 422 231 4792

E-mail : coimbatore@linkintime.co.in

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

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NOTICE OF 58TH ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty Eighth Annual General Meeting of the Shareholders of Kovilpatti Lakshmi Roller Flour Mills Limited will be held on Monday the 14th September, 2020 at 09:00 a.m., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31st March, 2020 including audited Balance Sheet as at 31st March, 2020, Statement of Profit and Loss and Cash Flow Statement and changes in Equity for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in the place of Mr.R.Kannan (DIN00951451) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 139, 142 and 143 (8) of the Companies Act, 2013 M/s VKS Aiyer & Co Chartered Accountants, Coimbatore (Firm Registration No.000066S) be and are hereby re-appointed as Branch Auditors of the company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting to audit the books of accounts of the engineering division of the company for the financial year 2020 - 21 on a remuneration of ₹ 7,15,680/- (Rupees seven lakhs fifteen thousand six hundred and eighty only) excluding applicable taxes and out of pocket expenses incurred in connection with the audit.

4. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s P. Mohankumar & Co., (Membership Number 18692 / FRN 100490), Cost Accountants, as Cost Auditor by the Board of Directors to audit the cost records of the Engineering Division of the company for the financial year 2020-21, on a remuneration of ₹ 72,800/- (Rupees seventy two thousand eight hundred only) plus applicable tax and out of pocket expenses that may be incurred during the course of audit, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Statement pursuant under Section 102 of the Companies Act, 2013

Item No.3

As per Section 143 (8) of the Companies Act, 2013, Branch Auditor is required to be appointed at the Annual General Meeting. Accordingly, Branch Auditor is being appointed at every annual general meeting for the respective financial year to audit the accounts of the engineering division of your company.

The ordinary resolution set out in Item No.3 of the Notice seeks the approval of the members to re-appoint M/s VKS Aiyer & Co Chartered Accountants, Coimbatore (Firm Registration No.000066S) as the Branch Auditors to audit the accounts of the engineering division of the company for the financial year 2020-21 on the remuneration as set out therein. Your Directors recommend the passing of this resolution.

None of the Directors, Key Managerial Personnel of the company or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out in Item No.3 of the Notice.

Item No.4

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s P. Mohankumar & Co., Cost Accountant, as Cost Auditor to conduct the audit of the cost records of the engineering division of the company for the financial year 2020-21. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the company. Accordingly, approval of the Members is sought for passing the ordinary resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2020-21. Your Directors recommend the passing of this resolution.

None of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

Notes:

- 1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No.20/2020 dated 05.05.2020 read with Circular No. 14/2020 dated 08.04.2020 and Circular No.17/2020 dated 13.04.2020 (collectively referred to as "MCA Circulars") permitted the conduct of the 58th Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the company situated at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 58th AGM of the company is being held through VC / OAVM.**

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- 2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the company. Since this 58th AGM is being held pursuant to the MCA Circulars through VC / OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 58th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
3. Members may note that M/s Arun & Co., Chartered Accountants (Firm Registration No.014464S) were appointed as Statutory Auditors of the company at the 55th Annual General Meeting (AGM) held on 15th September, 2017, to hold their office for a period of 5 consecutive years till the conclusion of the 60th AGM to be held during the year 2022, subject to ratification by the shareholders at every AGM, if so required under the Act. However, the Ministry of Corporate Affairs vide notification dated 7th May, 2018 had amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Hence, no resolution is being proposed for ratification of the appointment of Statutory Auditors at this 58th Annual General Meeting.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mds@mdsassociates.in with a copy marked to the company to cosec@klrf.in
5. The Register of Members and share transfer books of the company will remain closed from Tuesday, 8th September, 2020 to Monday 14th September, 2020 (both days inclusive) as per Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 91 of the Companies Act, 2013.
6. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2) is furnished as annexed and forms a part of this notice.
7. Members whose shareholding is in the electronic mode are requested to update their bank account details (Bank Account No., name of the Bank, Branch, IFSC code, MICR code and place with PIN Code) to their respective Depository Participants. Members whose shareholding is in the physical mode are requested to direct the above details to the company or to Link Intime India Private Limited, the RTA. Regular updation of bank particulars is intended to prevent fraudulent encashment of dividend warrants, as and when dividend is declared.
8. The company has entered into agreements with National Securities Depository Limited

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("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.

9. Securities and Exchange Board of India ("SEBI") has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the Company / its Registrars and Share Transfer Agents with effect from 1st April, 2019. Therefore, the members, who are holding share(s) in physical form, are requested to immediately dematerialize their shareholding in the company. Necessary prior intimation in this regard has already been provided to the shareholders.
10. a) Members are requested to notify immediately any change of address:
 - i. to their Depository Participants ("DPs") in respect of the shares held in electronic form, and
 - ii. to the company or its RTA, in respect to the shares held in physical form together with a proof of address viz, Aadhaar /Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.
- b) In case the registered mailing address is without the Postal Identification Number Code ("PIN CODE"), Members are requested to kindly inform their PIN CODE immediately to the Company / RTA/ DPs.
11. Non-Resident Indian ("NRI") Members are requested to inform the company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
 - a. the change in the residential status on return to India for permanent settlement; (or)
 - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
12. As per the provisions of Section 72 of the Act, the facility for making nominations is now available to individuals holding shares in the company. Members holding shares in physical form may obtain the Nomination Form from the RTA of the company or can download the form from the company's website namely www.klrf.in. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
13. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the company or its RTA, namely, M/s Link Intime India Private Limited (LIPL), 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028, Tamil Nadu, by quoting the Folio

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number or the Client ID number with DP ID number.

14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote at the AGM.
15. A member who needs any clarification on accounts or operations of the company shall write to the Company Secretary, so as to reach him at least 7 days before the meeting. The same will be replied by the company suitably.
16. Members who have not encashed the dividend warrant(s) in relation to the financial year 2016-17 are requested to send their claim with a cancelled cheque containing name of the shareholder (for their Bank details) immediately to the Company/Registrar and Transfer Agent (RTA) for receiving the amounts through electronic channels such as RTGS/ NEFT in lieu thereof. Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unpaid dividend can be viewed on the company's website www.klrf.in. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the company will be transferring the share(s), in respect of which the beneficial owner has not encashed any dividend during the last seven years, to the IEPF demat account as identified by the IEPF Authority. Details of shareholders whose shares has been transferred / are liable to be transferred to IEPF are available at the company website: www.klrf.in. The shareholders whose unclaimed dividend /share has been transferred to the 'Investor Education and Protection Fund', may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 58th AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the physical copy of the Annual Report will not be sent. Members may note that the Notice and Annual Report 2019-20 will also be available on the company's website www.klrf.in, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in>. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members

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holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or RTA.

21. **Registration of email ID and Bank Account details:** In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, login details for e-voting are being sent to the registered email address. In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. OR
- (ii) In the case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

22. Members holding shares in electronic form may please note that as per the regulations of Securities Exchange Board of India (SEBI), National Security Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the company is obliged to print the bank details on the dividend warrants as furnished by these depositories to the company and the company cannot entertain any request for deletion/change of Bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, Members should contact their Depository Participants (DP) and furnish particulars of any changes desired by them.

23. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form in order to enable the company to serve documents in electronic mode.

24. Soft copies of the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM.

25. Voting through electronic means:

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide its members the facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and all the business

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as set out in the said notice may be transacted through e-voting services provided by Link Intime India Private Limited (LIPL).

- b) Any person, who acquires shares of the company and becomes Member of the company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e. Monday, 7th September, 2020, may refer to this Notice of the Annual General Meeting, posted on company's website www.klrf.in for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- c) The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- d) The instructions for members for voting electronically are as under:-
 - i. The voting period begins on Friday, 11th September, 2020 at 9:00 AM and ends on Sunday, 13th September, 2020 at 5:00 PM.
 - ii. During this period, the shareholders of the company, holding shares either in physical form or in dematerialized form, as on Monday, 7th September, 2020 (the cut-off date), may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

Instructions for shareholders to vote electronically:

Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time

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or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form

PAN

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).

- Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is shared to the members.

DOB/ DOI

Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.

Bank Account Number

Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number.

- Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction.

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/ her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral,

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at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event Number" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

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- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : +91 22 4918 6000.

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

1. For physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to cosec@klrf.in or coimbatore@linkintime.co.in
2. For Demat shareholders - please provide Demat account details (CDSL- 16 digit beneficiary ID or NSDL- 16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) to cosec@klrf.in or coimbatore@linkintime.co.in
3. The Company/Registered Share Transfer Agent shall provide the login credentials to the above mentioned shareholders.

Instructions for Shareholders/Members to attend the Annual General Meeting through Insta Meet (VC/OAVM) are as under:

- Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by LIPL by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (thirty) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

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Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet < <<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN) (members who have not updated their PAN with the depository participant or company shall use the sequence number provided to you, if applicable.)
 - c. Enter your Mobile No.
 - d. Email ID
2. Click "Go to Meeting"

Note:

- Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : +91 22 4918 6175; InstaMeet Support Desk of Link Intime India Private Limited

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

- Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at cosec@klrf.in from 7th September, 2020 at 09:00 AM to 12th September, 2020 at 05:00 PM.
- The first 10 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.
- Shareholders/Members, who would like to ask questions, may send their questions in

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advance mentioning their name demat account number/folio number, email id, mobile number at cosec@klrf.in. The same will be replied by the company suitably.

- Those Shareholders/Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
- Shareholders/Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the Scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

- Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.
- Shareholders/Members who have voted through Remote e-Voting prior to the Annual

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General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

- In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : +91 22 4918 6175
- e) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cutoff date (record date) of 7th September, 2020.
- f) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.
- g) Mr. M D Selvaraj, FCS, Practicing Company Secretary of M/s. MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- h) The Chairman of the meeting shall allow e-voting for all those members who are present at the 58th Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility.
- i) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes casted during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- j) The results declared along with the consolidated scrutinizer's report shall be placed on the company's website www.klrf.in and on the website of LIPL and communicated to the Stock Exchange where the company's shares are listed.

By and on behalf of the Board
For Kovilpatti Lakshmi Roller Flour Mills Limited

Place : Gangaikondan
Date : August 12, 2020

S.Piramuthu
Company Secretary

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Annexure - Details of Director seeking re-appointment in the 58th Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard for General Meetings (SS-2) are mentioned below:

Name	Mr.R.Kannan
Directors Identification Number (DIN)	00951451
Age	64 years
Nationality	Indian
Date of first appointment on the Board	1-7-2014
Relationship with Other Directors, Manager and KMP	Not related to any Director, Manager and KMP
Qualification	B.Com.,
Experience / Area of Expertise	38 years of experience in managing Finance and Accounts
Shareholding in Kovilpatti Lakshmi Roller Flour Mills Limited	1450 shares
Terms of appointment or Director re-appointment	Non-Executive Non-Independent Director, liable to retire by rotation
Remuneration sought to be paid	Sitting fees only
Remuneration last drawn	₹ 0.50 lakh (sitting fees)
No. of Board Meetings attended	4 of 5
List of Directorship held in other Companies	NIL
Membership / Chairmanship of the Committees of the Board of other Companies in which he is a Director	NIL

By and on behalf of the Board
For Kovilpatti Lakshmi Roller Flour Mills Limited

Place : Gangaikondan
Date : August 12, 2020

S.Piramuthu
Company Secretary

DIRECTOR'S REPORT**Dear Shareholders,**

The Directors present their Fifty Eighth Annual Report together with the audited statement of accounts for the year ended 31st March, 2020.

(₹ in Lakhs)

FINANCIAL RESULTS	31.3.2020	31.3.2019
Total Income	23,247.34	23,236.41
Profit before finance cost and depreciation	1,453.80	807.78
Less: Financial charges	592.12	624.20
Profit before depreciation	861.68	183.58
Less: Depreciation	345.97	378.96
Profit/ (Loss) before tax	515.71	(195.38)
Add/Less: Income tax expense-Current	86.10	-
-Deferred tax charge / (credit)	4.53	(50.21)
Profit / (Loss) for the year from operations	425.08	(145.17)
Other comprehensive Income net of tax	(10.94)	1.25
Total comprehensive income for the year	414.14	(143.92)

REVIEW OF BUSINESS OPERATIONS

During the year ended 31st March 2020, the Company has recorded a total income of ₹ 23,247 lakhs as against ₹ 23,236 lakhs achieved during the previous year. The profit after tax amounted to ₹ 425 lakhs as against loss of ₹ 145 lakhs in the previous year. The Profit before Interest, Depreciation, Taxes and Amortization (EBIDTA) amounted to ₹ 1454 lakhs as against ₹ 808 lakhs in the previous year.

There was no change in the nature of business of the Company during the financial year ended 31st March 2020.

The performance of each business segment of the Company has been comprehensively discussed in the Management Discussion and Analysis Report (forming part of this Directors' Report).

IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS

In order to contain the spread of the novel Corona Virus Disease ('COVID-19') and in line with the nationwide lockdown and other directives announced by the Central and the State Governments, the manufacturing and administrative operations of the engineering division of the Company was closed from 25th March, 2020 and the manufacturing and administrative operations of the food division was partially operational during the lockdown period in compliance with all health, safety and quality measures. The closure of manufacturing

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operations have adversely affected the operations of the Company but however the same does not affect the Company's ability to meet its debt and other financial commitments.

The Company has obtained requisite permissions from the local authorities and resumed the operations of the engineering division from 16th June, 2020 onwards in a phased manner. The Company have implemented all necessary standard operating procedures including physical distancing, sanitization, fumigation and other health and safety norms / guidelines / directives issued by the Central and State Governments from time to time, in the factories, administrative & registered office spaces to minimize the health risk and to ensure the well-being of its employees and to ensure the smooth functioning of the operations.

The availability of labour coupled with uncertain and frequently changing situations prevailing due to the COVID-19 pandemic and the unpredictable market conditions continue to pose challenges. However, the management is confident to overcome the crisis and the overall business operations are expected to improve.

FINANCE

Your Company continued to avail need based working capital facilities from Canara Bank and HDFC Bank Ltd.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report are annexed to this report. The Company has complied with the conditions relating to Corporate Governance as stipulated in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate from the statutory auditor relating to the above is annexed.

SHARE CAPITAL

The paid-up equity share capital as on 31st March, 2020 was ₹ 5,54,14,760/-. During the year under review, the Company has not made any fresh issue of shares.

TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to its General Reserves. However, the net profit of ₹ 414 lakhs has been carried forward in the Profit & Loss Account.

DIVIDEND

In order to conserve reserves, your Directors do not recommend any dividend on the paid-up equity share capital of the company for the year ended 31st March, 2020.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND(IEPF)

There is no amount required to be transferred to Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

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However, pursuant to Section 124(6) of the Companies Act, 2013 read with the Explanation to Rule 6(1) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (inserted vide the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019, effective from 20.08.2019) the Company has transferred 59,869 shares, in respect of which the dividend relating to the financial year(s) 1999-2000 to 2007-2008 has already been transferred to the Investor Education and Protection Fund, to the designated demat account of the Investor Education and Protection Fund Authority (IEPFA) in accordance with the said provisions.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "Annexure-B" and is attached to this Report.

BOARD AND COMMITTEE MEETINGS

Details of the composition of the Board and its Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and of the Meetings held and attendance of the Directors at such Board / Committee Meetings are provided in the Corporate Governance Report under relevant heads which forms a part of this Report.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on the meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that;

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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- d) The Directors have prepared the annual accounts for the financial year ended 31st March, 2020 on a going concern basis.
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

All the Independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with Schedules and Rules issued thereunder and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their Remuneration. The Remuneration Policy is furnished in the Company's website at www.klrf.in and abstract of which is furnished as "Annexure - D" and forms part of this report.

AUDITORS

M/s.Arun & Co (Firm Registration Number 014464S) Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 55th Annual General Meeting held on 15th September, 2017 till the conclusion of 60th Annual General Meeting, subject to ratification of their appointment by the Members at every AGM, if so required under the Act. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Hence, no resolution for ratification of appointment of statutory auditors is included in the Notice convening the 58th Annual General Meeting.

M/s VKS Aiyer & Co (Firm Registration No.000066S), Chartered Accountants, branch auditors of the engineering division of the Company, hold their office up to the conclusion of the ensuing Annual General Meeting and being eligible, it has been proposed to re-appoint them as the branch auditors for the engineering division of the Company to hold such office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting in accordance with the provisions of the Companies Act, 2013 and necessary resolution has been included in the Notice convening the ensuing fifty eighth Annual General Meeting. Your Directors recommend their re-appointment.

COST AUDITOR

The Company has made and maintained cost records as prescribed by the Central Government under Section 148 of the Companies Act, 2013. The Board of Directors at its

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meeting held on 26th June, 2020, based on the recommendation of the audit committee appointed M/s P.Mohankumar & Co., Cost Accountants as Cost Auditor to audit the cost accounts of the Company for the financial year 2020-21.

As required under the provisions of Section 148 of the Companies Act, 2013, necessary resolution seeking members' ratification for the remuneration payable to M/s P. Mohankumar & Co., Cost Accountants is included in the Notice convening the Fifty Eighth Annual General Meeting. The cost audit report for the year ended 31st March, 2020 will be filed with the Central Government within the due date.

SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mr. M.D.Selvaraj, FCS, Proprietor of MDS & Associates, Company Secretaries, Coimbatore to conduct the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith as "Annexure-A"

COMMENTS ON AUDITORS REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors/ Secretarial Auditor in their report. There were no instances of frauds identified or reported by the Statutory auditors during the course of their audit pursuant to Section 143 (12) of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the period under review. Details of investments made in the prior years are given under note 5 of the financial statements.

RELATED PARTY TRANSACTIONS

All transactions entered into during the financial year 31st March, 2020 with related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any transaction referred to in Section 188 of the Companies Act, with related parties which could be considered material under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of related party transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable. Attention of members is drawn to the disclosures of transactions with related parties set out in Other Notes on Accounts 44 forming part of the financial statements.

The Company has formulated a policy on related party transactions for identification and monitoring of such transactions. The policy on related party transactions, as approved by the Board, is available on the company's website www.klrf.in

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Due to the outbreak of COVID 19 pandemic and based on the directives of the Central / State Governments, the operations of the engineering division of the Company was suspended on 25th March 2020 and resumed on 16th June, 2020 in a phased manner with minimal workforce by following requisite precautions/ guidelines. The operations of the food division were partially operational during the lockdown period in compliance with all health, safety and quality measures. This has impacted the turnover and profitability of the Company.

RISK MANAGEMENT

The Company has a structured risk management policy. The risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 the Board has constituted a Corporate Social Responsibility Committee comprising of Mr.Suresh Jagannathan, Mr. Sudarsan Varadaraj, Mr. K.Gnanasekaran and Mr. R.Kannan as its members.

The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report forming part of this Directors' Report. The Company has also formulated a CSR Policy which is available on the website of the Company viz.www.klrf.in

The Annual Report as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure -E and forms an integral part of this Report

BOARD EVALUATION

The Board has made a formal annual evaluation of its own performance, Committees of the Board and every Individual Directors including the Independent Directors of the Company.

The Board's performance was evaluated based on criteria like structure, governance, dynamics and functioning and review of operations, financials, internal controls etc.,

The performance of the Independent Directors as well as Individual Directors were evaluated based on the evaluation criteria laid down under the Nomination and Remuneration Policy and Code of Conduct as laid down by the Board.

The Committees of the Board were evaluated based on the terms of reference specified by the Board to the said Committee, effectiveness of Committee meetings, quality of relationship of the Committee and the management etc. The Board of Directors were satisfied with the evaluation process which ensured that the performance of the Board, its Committees, Independent Directors and Individual Directors adhered to their applicable criteria.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. R.Kannan (DIN : 00951451), Non-Executive Director of the Company, retire by rotation at the ensuing annual general meeting and being eligible, he has offered himself for re-appointment. The Board recommends his re-appointment.

Mrs. Kalyani Jagannathan (DIN:02371318) has been re-appointed as the Independent Director of the Company for the second term of 5 consecutive years with effect from 16th September, 2020 with the approval of the members by means of a special resolution passed through postal ballot voting process.

KEY MANAGERIAL PERSONNEL

Mr. Suresh Jagannathan (DIN: 00011326) has been re-appointed as the Managing Director of the Company for a further period of 3 years with effect from 12th March, 2021 with the approval of the members of the company through postal ballot voting process.

Further, Mr. K. R. Badrinarayanan has resigned as the Chief Financial Officer (CFO) of the company with effect from the closure of business hours of 29th February, 2020.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mr. J. Kanna as the Chief Financial Officer of the company with effect from 1st March, 2020.

Other than the above, there is no change in the composition of the Board of Directors and the Key Managerial Personnel of the company.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company comprises of four members namely Mr.Sudarsan Varadaraj, Mr.K.Gnanasekaran, Mrs.Kalyani Jagannathan and Mr.Ashwin Chandran, all of them being Independent Directors except Mr.Sudarsan Varadaraj. Mr.K.Gnanasekaran, an Independent Director, is the Chairman of the Audit Committee.

The Board had accepted all the recommendations of the Audit Committee, whenever made by the said Committee, during the year.

The details of the number of meetings held and the attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Directors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved

(ii) The steps taken by the Company for utilizing alternate source of energy

The Company has installed 7.00 MW wind energy for captive consumption.

(iii) The capital investment on energy conservation equipment.

As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

B. TECHNOLOGY ABSORPTION

i) Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required.

ii) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

No specific expenditure of recurring or capital nature is involved in research and development directly.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company has earned foreign exchange of ₹ 97.48 lakhs and incurred an outflow of ₹ 33.16 lakhs.

SUBSIDIARY COMPANIES

The company does not have any subsidiary, associate company or joint venture.

FIXED DEPOSITS

Your company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, there are no unclaimed or unpaid deposits as on 31st March, 2020.

Further, the details of the unsecured loans accepted by the Company from its Directors has been disclosed under the relevant notes to the financial statements.

DISCLOSURE UNDER SECTION 197 (12) AND RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc., as stipulated under section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure-C to this Report.

DISCLOSURE UNDER RULE5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate at the rate of not less than ₹ 1,02,00,000/- if employed throughout the year or ₹ 8,50,000/-per month if employed for part of the year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has established a vigil mechanism for employees to report their genuine concerns, details of which have been given in the Corporate Governance Report forming part of this Directors' Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Internal Audit Reports were reviewed by the Audit Committee. Further, the Audit Committee annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate and effective with respect to the operations of the Company. A report of Auditor's pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditor's report.

LISTING

Equity shares of the Company continued to be listed on BSE Limited.

ORDERS BY REGULATORS, COURTS OR TRIBUNALS

No significant and/or material orders were passed by any regulator or court or tribunal impacting the going concern status and the Company's operations in future.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal complaints Committee (ICC) has been setup to redress the complaints received regarding sexual harassment of women at workplace. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any complaint under the said Act during the year 2019-20.

ACKNOWLEDGEMENTS

Your directors acknowledge with gratitude, the co-operation and assistance from its bankers. Your Directors would like to thank all Shareholders, Customers and Employees in appreciation of their continued support.

May the Almighty Goddess Lakshmi continue to shower HER choicest blessings and Continue to grant us prosperity in the years to come.

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : 12th August, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE, DEVELOPMENTS AND FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Results

The total income of the Company for the year is ₹ 23,247 lakhs as against ₹ 23,236 lakhs last year.

The Company earned an EBIDTA of ₹ 1454 lakhs

The Food division earned an EBIDTA of ₹ 1202 lakhs on milling of 52,810 Metric tons of wheat accounting for 69% of the turnover of the Company.

Engineering Division has earned an EBIDTA of ₹ 252 lakhs

Capital Investment

Company has made a total capital investment of ₹ 135.10 lakhs. These investments will result in control of pollution of various emissions.

OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

Food Division

India is heading for a fourth consecutive record wheat harvest, with Financial Year 2020-21 production forecast at 106 million metric tons (MMT) as against 103 MMT in the previous financial year. Food Corporation of India has increased their procurement target from the farmers resulting in huge buffer stocks available at their warehouses. But the impact of COVID pandemic may affect the wheat flour sales during the financial year 2020-21.

Engineering Division

India is emerging as alternate sourcing hub replacing China, globally. Covid-19 Pandemic,

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has shown way to most of the developed nations to relocate their manufacturing setup from China to India, which will provide huge opportunities for Indian Industries. The all-time high in agriculture productivity in our country, will have high potential growth in both Tractor and Pump industry, will help foundry division to cater to the increased volume and off-set the downtrend of automotive industry. The new vehicle scrap policy to be introduced in our country will help to boost the demand for new vehicles in long-run, quick recovery of the automotive industry, in turn support our foundry division to sustain its operation. The pandemic Covid-19 will have impact on the volume for the year 2020-21, but with all cost control initiatives, the division is expected to make reasonable profit.

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

Segment-wise and product-wise results are stated separately under segment reporting.

ECONOMIC OUTLOOK FOR THE YEAR

"India's economy is projected to contract by 4.5% following a longer period of lockdown and slower recovery than anticipated" the IMF said on account of Covid-19 pandemic that has nearly stalled all economic activities.

Unprecedented global sweep of this crisis hampers recovery prospects for export-dependent economies as downside risk, but at the same time on the upside, better news on vaccines and treatments, and additional policy support from Government of India can lead to a quicker resumption of economic activity.

Indian economy will rebound as the impact of the pandemic recedes, with improving economic growth momentum in the second half of 2020 and positive GDP growth of 6.7 % in the 2021-22 financial year. An important positive factor for India is its large and fast-growing middle class, which is helping to drive consumer spending. Total Indian consumer spending is forecast to grow by 42 per cent between 2020 and 2025. Rural sector supported by a steady agriculture performance will be a key demand generator for India this year. Despite the negative short-term shocks from the pandemic, foreign direct investment into India has remained buoyant.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Planned periodic reviews are carried out resulting in identification of deficiencies and formulation of time bound action plans to improve efficiency. The adequacy of the internal control systems is periodically reviewed by the Audit Committee. This, supplemented with existing periodical management reviews, will enable the Company to improve its monitoring system at all levels.

The Company has internal control procedures commensurate with its size and the nature of its business for purchase of raw materials, plant and machinery, components, other items and sale of goods.

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HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and a global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management are corner stones for the success of any organization. The Company is giving direct employment to 215 employees as in the past, the industrial relations continued to remain cordial in all the divisions of the Company.

KEY FINANCIAL RATIOS

Sl. No	Description	31.03.2020	31.03.2019	% change	Explanations, if any
1	Debtors Turnover (in days)	16.97	15.61	8.71%	NA
2	Inventory Turnover (no of times)	6.45	5.00	29.00%	Reduction in holding period
3	Current ratio	1.47	1.29	13.95%	NA
4	Debt Equity ratio	1.22	1.20	1.67%	NA
5	Interest coverage ratio	1.85	1.75	5.71%	NA
6	Operating profit margin %	4.75%	1.85%	156.76%	Due to reduction in input cost and
7	Net profit margin %	1.79%	-0.62%	-388.71%	improvement in
8	Return on Net worth	11.80%	-4.36%	-370.64%	realisation.

CAUTIONARY STATEMENT

Management Discussion and Analysis forming part of the Directors Report is in Compliance with Corporate Governance Standards incorporated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange and such statements may be "forward looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include Economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : 12th August, 2020

FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To

The Members,
Kovilpatti Lakshmi Roller Flour Mills Limited
(formerly known as "KLRF LIMITED")
CIN: L15314TN1961PLC004674
75/8, Benares Cape Road
Gangaikondan, Tirunelveli – 627352

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Kovilpatti Lakshmi Roller Flour Mills Limited (formerly known as "KLRF Limited") (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Kovilpatti Lakshmi Roller Flour Mills Limited's (formerly known as "KLRF Limited") 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2020, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

- b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. 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;
- e. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

The following laws, as identified by the management, are specifically applicable to the industry to which the Company belongs;

- a. Food Safety and Standards Act, 2006 and its Rules/Regulations made thereon;
- b. Legal Metrology Act, 2009 and its Rules made thereon;
- c. Standards, Weights and Measures Act, 1976 and its Rules made thereon;
- d. The Prevention of Food Adulteration Act, 1954;
- e. The Trade Marks Act, 1999.

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

- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI);
- b. The Listing Agreement entered into by the Company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuance of the following Rules/Regulations requiring compliance thereof by the Company:

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

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I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable to the Company.

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and a Woman Director. 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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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 all applicable laws, rules, regulations and guidelines.

Other than the above, there were no instances of:

- Public / Rights / debentures / sweat equity
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to section 180 of the Companies Act, 2013
- Merger / amalgamation / reconstruction etc
- Foreign technical collaborations

M D SELVARAJ

MDS & Associates

Company Secretaries

FCS No.: 960; C P No.: 411

UDIN : F000960B000571618

Place : Coimbatore

Date : August 12, 2020

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To
The Members,
Kovilpatti Lakshmi Roller Flour Mills Limited
(formerly known as "KLRF LIMITED")
CIN: L15314TN1961PLC004674
75/8, Benares Cape Road
Gangaikondan
Tirunelveli – 627352

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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 and regulation, standards are the responsibility of the management. My examination was limited to the verification of procedures on random 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.

M D SELVARAJ

MDS & Associates

Company Secretaries

FCS No.: 960; C P No.: 411

UDIN : F000960B000571618

Place : Coimbatore

Date : August 12, 2020

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

ANNEXURE-B**FORM NO.MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2020**

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L15314TN1961PLC004674
ii) Registration Date	16th December, 1961
iii) Name of the Company	Kovilpatti Lakshmi Roller Flour Mills Limited (formerly known as KLRF Limited)
iv) Category/Sub-Category of the Company	Company Limited by Shares / Non-Government Company
v) Address of the Registered office and contact details	75/8, Benares Cape Road Gangaikondan-627352, Tirunelveli District, Tamil Nadu, India Phone: +91 462 248 6532 Fax: +91 462 248 6132 E-mail: ho@klrf.in
vi) Whether listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Private Limited "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028, TamilNadu, India Telephone: +91 422 231 4792 E-mail: coimbatore@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :-

Sl. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1	Flour Milling	10611	69.05 %
2	Iron and Steel Castings	24319	28.43 %

**III. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES
(No. of Companies for which information is being filled)**

Sl. No.	Name and address of the Company	CIN/ GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
NIL					

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

IV. SHAREHOLDING PATTERN (equity share capital breakup as percentage of total equity)

i) Category –wise shareholding

Category of shareholders	No.of shares held at the beginning of the year (As on 1st April-2019)				No.of shares held at the end of the year (As on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of total shares	
A Promoters									
1. Indian									
a Individual / HUF	19,43,432		19,43,432	35.07	19,66,069	-	19,66,069	35.48	0.41
b Central Govt									
c State Govt									
d Bodies Corp.	11,78,589		11,78,589	21.27	11,78,589	-	11,78,589	21.27	-
e Banks / FI									
f Any other									
Sub – Total (A)(1)	31,22,021		31,22,021	56.34	31,44,658	-	31,44,658	56.75	0.41
2 Foreign									
a NRIs - Individuals									
b Other Individuals									
c Bodies Corp.									
d Banks/ FI									
e Any Other									
Sub – Total (A)(2)	-	-	-	-	-	-	-	-	-
B Public Shareholding									
1 Institutions									
a Mutual Funds									
b Banks / FI	-	805	805	0.01		805	805	0.01	-
c Central Govt									
d State Govt									
e Venture capital funds									
f Insurance Companies									
g FII									
h Foreign Venture Capital Funds									
l Others (specify)									
Sub – Total (B)(1)	-	805	805	0.01		805	805	0.01	-

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

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Category of shareholders	No. of shares held at the beginning of the year (As on 1st April-2019)				No. of shares held at the end of the year (As on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of total shares	
2. Non Institutions									
a Bodies Corporate	1,16,476	3,511	1,19,987	2.17	1,26,596	3,511	1,30,107	2.35	0.18
i Indian									
ii Overseas									
b Individual									
i Individual shareholders holding nominal share capital upto ₹ 1 lakhs	12,46,841	1,74,531	14,21,372	25.65	12,59,407	1,58,432	14,17,839	25.59	(0.06)
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	6,08,939	22,600	6,31,539	11.40	6,10,413	22,600	6,33,013	11.42	0.02
c Any other (specify)									
Trust	200	-	200	0.00	200	-	200	0.00	-
Unclaimed Shares	1,580	-	1,580	0.02	1,580	-	1,580	0.02	-
Clearing Member	2,573	-	2,573	0.05	1,463	-	1,463	0.03	(0.02)
Foreign Nationals	150	-	150	-	150	-	150	-	-
Market Makers	-	-	-	-	-	-	-	-	-
NRI - Repat	9,314	-	9,314	0.17	8253	-	8,253	0.15	(0.02)
NRI - Non Repat	8,259	-	8,259	0.15	4080	-	4,080	0.07	(0.08)
HUF	2,14,126	1,200	2,15,326	3.89	1,89,778	1200	1,90,978	3.46	(0.43)
Directors and their relatives	8,350	-	8,350	0.15	8350	-	8,350	0.15	-
Sub-total (B) (2)	22,16,808	2,01,842	24,18,650	43.65	22,10,270	1,85,743	23,96,013	43.24	(0.41)
Total Public B= (B)(1)+(B)(2)	22,16,808	2,02,647	24,19,455	43.66	22,10,270	1,86,548	23,96,818	43.25	(0.41)
C Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	53,38,829	2,02,647	55,41,476	100	53,54,928	1,86,548	55,41,476	100	--

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Mr.Suresh Jagannathan (Individual and HUF)	11,80,586	21.30	-	11,80,586	21.30	-	-
2	Mr.V.Jagannathan (late) (Individual and jointly with) Mr.Suresh Jagannathan and Mrs.J.Chandranthi	4,53,736	8.19	-	4,53,736	8.19	-	-
3	Mr.Sharath Jagannathan	3,09,110	5.58	-	3,31,747	5.99	-	0.41
4	M/s Cape Flour Mills Pvt Ltd	11,02,101	19.89	-	11,07,089	19.98	-	0.09
5	M/s Chempaka General Finance Pvt. Ltd	4,988	0.09	-	-	-	-	(0.09)
6	M/s Mckinnon India Pvt Ltd	71,500	1.29	-	71,500	1.29	-	-
	Total	31,22,021	56.34	-	31,44,658	56.75	-	0.41

iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.Sharath Jagannathan	3,09,110	5.58	3,09,110	5.58
	Market purchase 28/02/2020	17,261	0.31	3,26,371	5.89
	Market purchase 27/03/2020	1,705	0.03	3,28,076	5.92
	Market purchase 31/03/2020	3,671	0.07	3,31,747	5.99
	At the end of the year			3,31,747	5.99
2	M/s Chempaka General Finance P Ltd	4,988	0.09	4,988	0.09
	Transfer 20/09/2019#	(4,988)	(0.09)	-	-
	At the end of the year	-	-	-	-
3	M/s. Cape Flour Mills Private Limited	11,02,101	19.89	11,02,101	19.89
	Acquisition 20/09/2019#	4,988	0.09	11,07,089	19.98
	At the end of the year	11,07,089	19.98	11,07,089	19.98

Change in shareholding due to the amalgamation of Chempaka General Finance Private Limited with Cape Flour Mills Private Limited pursuant to the Scheme of Amalgamation approved by the National Company Law Tribunal, Chennai Bench vide its order dated 13.09.2019 and 16.09.2019

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.Krishnaswamy Mohan	2,54,144	4.58	2,54,144	4.58
	At the end of the year	-	-	2,54,144	4.58
2	Mr.Dheeraj Kumar Lohia	50,281	0.91	50,281	0.91
	Transfer 05/04/2019	472	-	50,753	0.91
	Transfer 12/04/2019	200	0.01	50,953	0.92
	Transfer 19/04/2019	1,735	0.03	52,688	0.95
	Transfer 03/05/2019	490	0.01	53,178	0.96
	Transfer 24/05/2019	240	-	53,418	0.96
	Transfer 31/05/2019	8	-	53,426	0.96
	Transfer 07/06/2019	1,981	0.03	55,407	0.99
	Transfer 14/06/2019	863	0.02	56,270	1.01
	Transfer 19/07/2019	231	0.01	56,501	1.02
	Transfer 26/07/2019	666	0.01	57,167	1.03
	Transfer 02/08/2019	175	-	57,342	1.03
	Transfer 09/08/2019	5,720	0.11	63,062	1.14
	Transfer 20/09/2019	2,263	0.04	65,325	1.18
	Transfer 27/09/2019	600	0.01	65,925	1.19
Transfer 30/09/2019	200	-	66,125	1.19	
	At the end of the year	-	-	66,125	1.19
3	Mr.Ashok Kumar Mandhani	47,709	0.86	47,709	0.86
	At the end of the year			47,709	0.86
4	Mr.Mahendra Cahndulal Dharu	38,974	0.70	38,974	0.70
	Transfer 03/01/2020	296	-	39,270	0.70
	Transfer 10/01/2020	337	-	39,607	0.70
	Transfer 17/01/2020	1,464	0.01	41,071	0.71
	Transfer 07/02/2020	793	0.03	41,864	0.74
	Transfer 28/02/2020	25	0.02	41,889	0.76
	At the end of the year		-	41,889	0.76

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	M/s Jaisukh Vinimoy Pvt.Ltd	31,232	0.56	31,232	0.56
	Transfer 30/09/2019	2,157	0.04	33,389	0.60
	Transfer 04/10/2019	2,000	0.04	35,389	0.64
	Transfer 20/12/2019	(1,617)	(0.03)	33,772	0.61
	Transfer 27/12/2019	(139)	-	33,633	0.61
	At the end of the year		-	33,633	0.61
6	Pramilaben Mahendrakumar Dharu	27,627	0.50	27,627	0.50
	Transfer 06/12/2019	850	0.01	28,477	0.51
	Transfer 13/12/2019	697	0.01	29,174	0.52
	Transfer 17/01/2020	1,475	0.03	30,649	0.55
	Transfer 24/01/2020	53	--	30,702	0.55
	Transfer 31/01/2020	25	--	30,727	0.55
	Transfer 14/02/2020	231	0.01	30,958	0.56
	Transfer 28/02/2020	292	--	31,250	0.56
At the end of the year			31,250	0.56	
7	The Property Company Private Ltd (*)	18,439	0.33	18,439	0.33
	Transfer 23/08/2019	400	0.01	18,839	0.34
	Transfer 27/09/2019	18	--	18,857	0.34
	Transfer 11/10/2019	7,666	0.14	26,523	0.48
	Transfer 18/10/2019	500	--	27,023	0.48
	Transfer 25/10/2019	860	0.02	27,883	0.50
	Transfer 27/12/2019	(449)	--	27,434	0.50
	Transfer 10/01/2020	1,208	0.02	28,642	0.52
	Transfer 24/01/2020	(60)	--	28,582	0.52
	Transfer 31/01/2020	(38)	(0.02)	28,544	0.50
	Transfer 07/02/2020	(677)	(0.01)	27,867	0.51
	Transfer 06/03/2020	500	--	28,367	0.51
	Transfer 13/03/2020	75	--	28,442	0.51
	Transfer 20/03/2020	1	--	28,443	0.51
At the end of the year	--	--	28,443	0.51	

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Tipsons Financial Services Private Limited (*)	--	--	--	--
	Transfer 20/12/2019	22,000	0.40	22,000	0.40
	Transfer 27/12/2019	2,500	0.04	24,500	0.44
	Transfer 21/02/2020	2,122	0.04	26,622	0.48
	Transfer 28/02/2020	378	0.01	27,000	0.49
	At the end of the year			27,000	0.49
9	Mr.Ganesh Prasad Chowdhary	26,660	0.48	26,660	0.48
	At the end of the year			26,660	0.48
10	Mr.Prakashkumar Chaturbhai Patel (*)	22,195	0.40	22,195	0.40
	Transfer 18/10/2019	205	--	22,400	0.40
	Transfer 08/11/2019	1	--	22,401	0.40
	Transfer 15/11/2019	519	0.01	22,920	0.41
	Transfer 29/11/2019	5	--	22,925	0.41
	Transfer 13/12/2019	130	0.01	23,055	0.42
	Transfer 20/12/2019	960	0.01	24,015	0.43
	Transfer 27/12/2019	1,636	0.03	25,651	0.46
	Transfer 24/01/2019	10	--	25,661	0.46
	Transfer 14/02/2019	500	0.01	26,161	0.47
	At the end of the year			26,161	0.47
11	Mr.Kailashben Ashokkumar Patel	23,411	0.42	23,411	0.42
	Transfer 30/08/2019	2,589	0.05	26,000	0.47
	At the end of the year			26,000	0.47
12	Mrs.S.Sumitha	24,255	0.44	24,255	0.44
	At the end of the year			24,255	0.44
13	Mr.N.V.Srinivasan	22,600	0.41	22,600	0.41
	At the end of the year			22,600	0.41

(*) Not in the list of top 10 shareholders as on 31/03/2019. The same has been reflected above since the shareholder was of the top 10 shares as on 31/03/2020

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
1	Mr.Suresh Jagannathan - Managing Director At the beginning of the year Increase / (decrease) during the year At the end of the year	11,80,586	21.30	11,80,586	21.30
2	Mr.R.Kannan Non-Executive Non-Independent Director At the beginning of the year Increase / (decrease) during the year At the end of the year	1,450	0.14	1,450	0.02
3	Mr.Sudarsan Varadaraj – Non-Executive Non-Independent Director	-	-	-	-
4	Mr.K.Gnanasekaran - Independent Director	-	-	-	-
5	Mrs.Kalyani Jagannathan - Independent Director	-	-	-	-
6	Mr.Ashwin Chandran - Independent Director				
7	Mr.K.R.Badrinarayanan Chief Financial Officer upto 29th February, 2020				
8	Mr.J.Kanna Chief Financial Officer from 1st March, 2020	-	-	-	-
9	Mr. S. Piramuthu - Company Secretary At the beginning of the year Increase / (decrease) during the year At the end of the year	50	0.00	50	0.00

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(₹ in lakhs)

Particulars	Secured loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2019	3,998.88	415.00	-	4,413.88
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,998.88	415.00	-	4,413.88
Change in Indebtedness during the financial year				
• Addition	21.00	-	-	21.00
• Reduction	(1,429.37)	(240.00)	-	(1,669.37)
Net Change	(1,408.37)	(240.00)	-	(1,648.37)
Indebtedness at the end of the financial year 31.03.2020				
i. Principal Amount	2,590.51	175.00	-	2,765.51
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,590.51	175.00	-	2,765.51

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time directors and /or Manager** (₹ in lakhs)

Sl. No	Particulars of remuneration	Name of the MD/WTD/ Manager	
		Mr.Suresh Jagannathan, Managing Director	Total
1	Gross Salary per annum Salary (a) Salary as per provisions contained in Section 17(1) Income tax Act, 1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	42.00	42.00
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -as % of profit -others	-	-
5	Others, Please specify	-	-
	Total (A)	42.00	42.00
	Ceiling as per the Act	As per Section 197 read with Schedule V of the Companies Act, 2013	

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B. Remuneration to other Directors

(₹ in lakhs)

Sl. No.	Particulars of remuneration	Name of the Directors					Total
		Mr.Sudarsan Varadaraj	Mr.R.Kannan	Mr.K.Gnanasekaran	Mrs.Kalyani Jagannathan	Mr.Ashwin Chandran	
1	Independent Directors						
	Fees for attending board/ committee meetings	-	-	1.16	0.60	0.84	2.60
	Commission	-	-	-	-	-	-
	Others, Please specify	-	-	-	-	-	-
	Total (1)	-	-	1.16	0.60	0.84	2.60
2	Other Non-Executive Directors						
	Fees for attending board/ committee meetings	0.64	0.50	-	-	-	1.14
	Commission	-	-	-	-	-	-
	Others, Please specify	-	-	-	-	-	-
	Total (2)	0.64	0.50	-	-	-	1.14
	Total B = (1+2)	-	-	-	-	-	3.74
	Overall Ceiling as per the Act	Sitting fees not exceeding ₹ 1 lakh per meeting					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lakhs)

Sl. No.	Particulars of remuneration	Name of the Key Managerial Personnel (Mr.K.R.Badrinarayanan Chief Financial Officer upto 29th February, 2020)	Name of the Key Managerial Personnel (Mr.J.Kanna Chief Financial Officer with effect from 1st March, 2020)	Name of the Key Managerial Personnel (Mr.S.Piramuthu Company Secretary)	Total
1	Gross Salary per annum				
	Salary				
	a. Salary as per provisions contained in Section 17(1) Income tax Act, 1961	26.11	2.26	14.86	43.23
	b. Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-	-
	c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-

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Sl. No.	Particulars of remuneration	Name of the Key Managerial Personnel (Mr.K.R.Badrinarayanan Chief Financial Officer upto 29th February, 2020)	Name of the Key Managerial Personnel (Mr.J.Kanna Chief Financial Officer with effect from 1st March, 2020)	Name of the Key Managerial Personnel (Mr.S.Piramuthu Company Secretary)	Total
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	-others	-	-	-	-
5	Others, Please specify	-	-	-	-
	Total	26.11	2.26	14.86	43.23

VII PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. Company					
Penalty			NONE		
Punishment					
Compounding					
B. Directors					
Penalty			NONE		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			NONE		
Punishment					
Compounding					

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : 12th August, 2020

Particulars of Remuneration of Directors and employees pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014s

- i. The ratio of the remuneration of each Director to the median remuneration of the employee of the company for the financial year.

Sl.No	Name of the director	Ratio
1	Mr.Suresh Jagannathan – Managing Director	17.58 : 1

Sitting fees paid to the non-executive directors have not been considered as remuneration

- ii. The percentage increase in remuneration of each director, Managing Director, Chief Financial Officer and Company Secretary in the financial year

Sl.No	Name of the director	Percentage
1	Mr.Suresh Jagannathan, Managing Director	Nil
2	Mr.K.R.Badrinarayanan, Chief Financial Officer upto 29th February, 2020	11.96 %
3	Mr.J.Kanna – Chief Financial Officer with effect from 1st March, 2020	NA
4	Mr.S.Piramuthu, Company Secretary	10.08 %

- iii. The percentage increase in the median remuneration of employees in the financial year is 8.71 %

- iv. Number of permanent employees on the rolls of the Company – 215

- v. 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 and justification thereof and exceptional circumstances, if any, for increase in the managerial remuneration.

The average percentile increase granted to employees other than managerial personnel is 11.36 % The increase granted to managerial personnel is 11.02 %

- vi. We affirm that the remuneration paid to Directors, Key Managerial Personnel as per the remuneration policy of the Company.

- vii. Particulars of employees ; Rule 5 (2) and 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – NIL

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : 12th August, 2020

EXTRACT OF REMUNERATION POLICY

1. Remuneration to Managing Director/Whole-time Directors:
 - a. The Remuneration/ Commission etc., to be paid to Managing Director / Whole- time Directors, etc., shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
2. Remuneration to Non-Executive/Independent Directors:
 - a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
 - c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The services are rendered by such Director in his capacity as a professional;
and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- 3) Remuneration to Key Managerial Personnel and Senior Management:
 - a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay/ commission/ incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund etc. as decided from to time.
 - c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Through Kovilpatti Lakshmi Roller Flour Mills Limited long standing commitment to service the society, Company will strive to attain leadership in business through a socially and environmentally responsible way, while taking care of the interests of the stakeholders.

The Company works with the primary objective of contributing to the sustainable development of the society and creating a greener and cleaner environment. The main objective of Company's CSR policy is to lay down the guidelines for community centric activities taken up by the Company for the sustainable development of the society and the environment around us. In alignment with vision of the company, through its CSR initiatives, will strive to enhance value to the society and the environment through continuous initiatives. The Company will directly or indirectly take up projects in and around its operational locations in purview of the laid out guidelines.

Web Link to the CSR Policy is www.klrf.in/Policy-CSR.pdf

2. The composition of CSR Committee

Members	Mr.Sudarsan Varadaraj
	Mr.K.Gnanasekaran
	Mr.Suresh Jagannathan
	Mr.R.Kannan

Average net profit of the company for last three financial years	₹ 163.72 lakhs
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Prescribed CSR expenditure (two per cent of the amount as above)	₹ 3.28 lakhs
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3. Details of CSR spent during the financial:

Total amount spent for the financial year	₹ 5.24 lakhs
Amount unspent	NIL

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Manner in which the amount spent during the financial year is detailed below; (₹ in lakhs)

Sl. No.	CSR project or Activity identified	Sector in which the project is covered	District and State where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programs	Cumulative expenditures upto the reporting period	Amount spent: Direct or through implementing agency
1	Plantation of trees	Environmental sustainability	Coimbatore Tamil Nadu	2.28	2.28	2.28	Through Implementing Agency. Siruthuli Noyyal Life Center : Sungam By Pass Road, Near Flyover Coimbatore - 641045
2	Supply of relief materials	Eradication of hunger, poverty and malnutrition	Coimbatore	1.96	1.96	1.96	Direct
3	Development of handicrafts	Promotion and development of traditional art and handicrafts	Tirunelveli	1.00	1.00	1.00	Through Implementing agency, The Crafts Council of India GF Temple Trees, New No.37, T.Nagar Venkataranarayana Road, Chennai 600017
	Total			5.24	5.24	5.24	

4. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in the Board Report : Not Applicable

5. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and governance of CSR programmes have been elaborated in the company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : 12th August, 2020

REPORT ON CORPORATE GOVERNANCE

In compliance with Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Company's Philosophy on code of Corporate Governance

The company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. The company will endeavour to improve on these aspects on an ongoing basis.

2. Board of Directors

The Board comprises of a Managing Director, two Non-Executive Non-Independent Directors and three Non-Executive Independent Directors including a woman director. There are three Independent directors who bring independent judgement in the board's deliberations and decisions. Accordingly, the composition of the Board of Directors meets the requirement of Section 149 of the Companies Act, 2013 read with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The composition of the Board of Directors and their attendance at the board meetings during the year and at the last Annual General Meeting held on 16th September, 2019 and also the number of the other directorships are as follows;

Name of the Director	Category	Attendance particulars			No. of other Directors held in Public Limited Companies (*)	No. of Committee positions in all Companies @	
		No. of Board meetings held	No. of Board meetings attended	AGM		Chairman	Member
Mr.Suresh Jagannathan (DIN: 00011326) Managing Director	Executive - Promoter	5	5	Yes	2	Nil	2
Mr.Sudarsan Varadaraj (DIN: 00133533)	Non-Executive – Non-Independent	5	3	No	5	Nil	2
Mr.K.Gnanasekaran (DIN: 00133645)	Non-Executive - Independent	5	5	Yes	1	Nil	2

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Name of the Director	Category	Attendance particulars			No. of other Directors held in Public Limited Companies (*)	No. of Committee positions in all Companies @	
		No. of Board meetings held	No. of Board meetings attended	AGM		Chairman	Member
Mr.R.Kannan (DIN: 00951451)	Non-Executive – Non-Independent	5	4	Yes	Nil	Nil	Nil
Mrs.Kalyani Jagannathan (DIN: 02371318)	Non-Executive - Independent	5	3	No	Nil	Nil	Nil
Mr.Ashwin Chandran (DIN: 00001884)	Non-Executive - Independent	5	4	No	5	Nil	2

* Exclude directorship in private companies and foreign companies.

@ only Audit Committee and Stakeholders Relationship Committee are considered.

Disclosure of Directorships in other Listed Entities:

Name of the Director	Details of the other listed entities where the Directors hold directorship	
	Name of the Listed Entity	Designation
Mr. Sudarsan Varadaraj (DIN: 00133533)	Elgi Rubber Company Limited	Promoter Managing Director
	Super Spinning Mills Limited	Non-Executive Independent Director
	Elgi Equipments Limited	Non-Executive Promoter Director
Mr. Suresh Jagannathan (DIN: 00011326)	Elgi Rubber Company Limited	Non-Executive Non-Independent Director
	Pricol Limited	Non-Executive Independent Director
Mr. K. Gnanasekaran (DIN: 00133645)	Magna Electro Castings Limited	Non-Executive Independent Director
Mr. Ashwin Chandran (DIN: 00001884)	Precot Meridian Limited	Promoter Managing Director
Mr. R. Kannan (DIN: 00951451)	NIL	NA
Mrs. Kalyani Jagannathan (DIN: 02371318)	NIL	NA

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None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 committees nor are they the Chairman / Chairperson of more than 5 committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has held at least one Board meeting in every quarter and the gap between two consecutive meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Agenda papers were circulated to the Directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time.

The Board met five times during the financial year on 29th May, 2019, 2nd August, 2019, 16th September, 2019, 14th November, 2019 and 14th February, 2020. The attendance of Directors at the Board Meetings held during the years are as under:

Name of the Director	Board meeting	
	Held	Attended
Mr.Suresh Jagannathan	5	5
Mr.Sudarsan Varadaraj	5	3
Mr.K.Gnanasekaran	5	5
Mr.R.Kannan	5	4
Mrs.Kalyani Jagannathan	5	3
Mr.Ashwin Chandran	5	4

Shareholdings of Non-Executive Directors

Name of the Director	No. of shares held (as on March 31, 2020)
Mr. R. Kannan	1,450

Other than the above, none of the Non-Executive directors hold any share in the company

Directors Inter se relationship

None of the Directors of the company are related to each other.

Key Board qualifications, expertise and attributes:

The Board of Directors comprises of qualified members who bring in the required skills,

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competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of company's business vertical(s) and those already available with the Board are as follows:

Core Skill/Expertise/ Competencies	DESCRIPTION
Industry Skills	<ul style="list-style-type: none"> ● Knowledge /experience in the manufacturing of Engineering and Food products.
	<ul style="list-style-type: none"> ● Knowledge of the flour milling industry, foundry products, business model and the market
	<ul style="list-style-type: none"> ● Broad range of commercial / business experience
Governance Skills	<ul style="list-style-type: none"> ● In-depth knowledge/ experience in the field of finance administration and the ability to analyze and assess the key financial statements
	<ul style="list-style-type: none"> ● Knowledge / experience in the governance, legal compliances and the ability to identify key risks in a wide range of areas.
	<ul style="list-style-type: none"> ● Knowledge / experience of the capital market and its developments
	<ul style="list-style-type: none"> ● Ability to constructively manage crisis, provide leadership
Personal Attributes / Qualities	<ul style="list-style-type: none"> ● Ability to understand the role and fulfillment of the duties and responsibilities of a Director while being transparent in disclosing potential conflict of interest, continue to self-educate on legal responsibility and ability to maintain board confidentiality;
	<ul style="list-style-type: none"> ● Ability to constructively contribute to board discussions and communicate effectively with management and other directors

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted :

Name of the Director	Industry skills	Governance skills	Personal attributes / Qualities
Mr.Suresh Jagannathan	✓	✓	✓
Mr.Sudarsan Varadaraj	✓	✓	✓
Mr.K.Gnanasekaran	✓	✓	✓
Mr.R.Kannan	✓	✓	✓
Mrs.Kalyani Jagannathan	✓	✓	✓
Mr.Ashwin Chandran	✓	✓	✓

Familiarization Programme for Independent Directors

The company familiarizes its Independent Directors of their roles, rights, responsibilities in the company, nature of the Industry in which the company operates, business model of the company, etc., through various programmes. These include orientation programmes as well as other initiatives to update the Directors on a continuing basis.

The familiarization programmes for Independent Directors conducted during the financial year 2019-20 is available on the company's website at www.klrf.in

Independent Directors' Meeting

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of Independent Directors was held on 14th February, 2020, inter alia to discuss:

- a. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole and
- b. Evaluation of the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonable perform its duties.

Except Mrs. Kalyani Jagannathan all other Independent Directors had attended the meeting

Confirmation on the fulfillment of the conditions of independence:

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

Resignation of Independent Directors before expiry of tenure:

None of the Independent Directors have resigned before the expiry of the tenure during the year under review.

3. Audit Committee

The company has constituted an Audit Committee in line with the provisions of Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. This Committee comprises of four Non-Executive Directors, three being Independent Directors. The terms of reference of this Committee are as per Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Besides having access to all the required information from/within the company the Committee can obtain external professional advice whenever required. The Committee

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acts as a link between the Statutory Auditor, Internal Auditors and the Board of Directors of the company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditor, Branch Auditors, Internal Auditors and Cost Auditor of the company.

The Committee had met 5 times during the financial year on 29th May, 2019, 2nd August, 2019, 16th September, 2019, 14th November, 2019 and 14th February, 2020. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

Name of the Member	Category	Attendance
Mr.K.Gnanasekaran (Chairman)	Non-Executive - Independent	5
Mr.Sudarsan Varadaraj	Non-Executive – Non-Independent	3
Mr.Ashwin Chandran	Non-Executive - Independent	4
Mrs.Kalyani Jagannathan	Non-Executive - Independent	3

The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer, Branch, Internal and the Statutory Auditor of the company had also attended the meetings. The constitution of Audit Committee also meets with the requirements under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The minutes of the Audit Committee meetings were circulated to the Board, and the Board discussed and took note of the same. The Audit Committee has considered and reviewed the audited Annual Financial Statements for the year 2019-20, before it was placed before the Board of Directors.

The Chairman of the Audit Committee, Mr.K.Gnanasekaran, was present at the Annual General Meeting of the company held on 16th September, 2019.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has been constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required under regulation 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprises of 2 Independent Non-Executive Directors and one Non-Executive Non-Independent Director. During the year under review, the Committee had met three times on 29th May, 2019, 16th September, 2019 and 14th February, 2020. The

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attendance of the members is as under:

Name of the Member	Category	No of Meetings during the year 2019-2020	
		Held	Attended
Mr.Ashwin Chandran (Chairman)	Non-Executive - Independent	3	2
Mr.Sudarsan Varadaraj	Non-Executive – Non-Independent	3	2
Mr.K.Gnanasekaran	Non-Executive - Independent	3	3

This Committee would basically look into and determine the company's policy on Remuneration packages to the Executive Directors and Senior Management. The Committee shall identify the persons, who are qualified to become Directors of the company/ who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance. The Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other senior management employees.

While recommending the appointment of the directors, key managerial personnel and senior management personnel, the nomination and remuneration committee considers criteria / attributes like qualification, expertise and experience of them in their respective fields. The nomination and remuneration committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The board of directors have adopted a nomination and remuneration policy, which, inter alia, deals with the criteria for appointment of the directors, key managerial personnel and senior management personnel and their remuneration. The remuneration policy of the company is annexed to the Board's Report and can also be accessed on the company's website at www.klrf.in.

Due to pre-occupation of Mr. Ashwin Chandran, Chairman of the Nomination and Remuneration Committee, Mr.K.Gnanasekaran, a duly authorized Member of the said Committee, was present at the Annual General Meeting of the company held on 16th September, 2019.

Performance evaluation criteria for Independent Directors

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates evaluation of performance of Independent Directors and Non-

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Independent Directors. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of the performance of the Independent Directors are based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the company and ability to articulate independent views and judgement. Accordingly, the performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance of the Board as a whole was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Nomination and Remuneration Committee ("NRC") has evaluated the performance of the individual directors on the basis of the criteria approved by the Board.

5. Remuneration of Directors

The remuneration and sitting fees paid to the Directors during the year under review are given below; (₹ in lakhs)

Name	Service Term	Salary & Perquisites	Sitting Fees	Total
Mr.Suresh Jagannathan Managing Director	12.3.2016 to 11.3.2021	42.00	-	42.00
Mr.R.Kannan	NA	NA	0.50	0.50
Mr.Sudarsan Varadaraj	NA	NA	0.64	0.64
Mr.K.Gnanasekaran	NA	NA	1.16	1.16
Mrs.Kalyani Jagannathan	NA	NA	0.60	0.60
Mr.Ashwin Chandran	NA	NA	0.84	0.84

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the company.

The company does not have any Employee Stock Option Scheme

The company does not pay remuneration to any of its Non-Executive Directors except sitting fees.

No commission was paid to the Directors during the year.

The Remuneration policy of the company along with the criteria of making payments to Non-Executive Directors can be accessed on the company's website www.klrf.in

6. Stakeholders' Relationship Committee

The Board has constituted Stakeholder's Relationship Committee (SRC) pursuant to the applicable provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The Committee comprises of the following Directors;

Name of the Member	Category	Status
Mr.K.Gnanasekaran	Non-Executive Independent	Chairman
Mr.Suresh Jagannathan	Executive - Promoter	Member
Mr.R.Kannan	Non-Executive – Non-Independent	Member

The Chairman of the Stakeholders Relationship Committee, Mr.K.Gnanasekaran was present at the Annual General Meeting of the company held on 16th September, 2019

The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate shares certificates and looks into the shareholders/ Investor complaints, if any, on transfer of shares, non-receipt of dividend, annual report etc., In addition, the Committee looks into other issues including status of dematerialization/ re-dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The Compliance Officer is Mr.S.Piramuthu, Company Secretary.

The Minutes of Shareholders Committee were placed at the Board Meeting. During the year, no complaint was received from the shareholders.

During the year under review, the Committee had met four times to deliberate on various matters referred above. The constitution of Stakeholders Relationship Committee also meets with the requirements under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the company from Practicing Company Secretary has been submitted to the Stock Exchange within the stipulated time.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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The company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Investor complaints:

The company has attended to the investors' grievances and correspondences within a maximum period of 15 days from the date of receipt of the same during the year 2019-20. There were no outstanding complaints as on March 31, 2020.

Unclaimed shares demat suspense account

In terms of Regulation 39(4) of Securities of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereof, the company has opened a demat account in the name and style "KLRFL Limited - Unclaimed Shares Suspense Account". The disclosures with respect to demat suspense account are as follows:

Sl.No	Particulars	No.of cases	No.of Equity Shares
1	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the beginning of the year;	173	1,580
2	Number of shareholders who approached the company for transfer of equity shares from suspense account during the year;	Nil	Nil
3	Number of shareholders to whom equity shares were transferred from suspense account during the year;	Nil	Nil
4	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the end of the year.	173	1,580

Voting rights in respect of these shares have been frozen till the rightful owner claims the same. All corporate benefits, if any, on such shares shall be credited to the unclaimed suspense account, as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Section 124(5) and Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules).

Corporate Social Responsibility (CSR) Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the company has constituted a Corporate Social Responsibility Committee and the Committee comprises Mr. Suresh Jagannathan, Mr. Sudarsan Varadaraj, Mr. K. Gnanasekaran and Mr. R. Kannan as members.

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The CSR Committee had met one time during the year on 29th May, 2019. The necessary quorum was present at the Meeting. The attendance record of the members at the meeting was as follows.

Name of the Member	Category	Designation	No of Meetings	
			Held	Attended
Mr.Suresh Jagannathan	Executive - Promoter	Member	1	1
Mr.Sudarsan Varadaraj	Non-Executive – Non-Independent	Member	1	-
Mr.K.Gnanasekaran	Non-Executive - Independent	Member	1	1
Mr.R.Kannan	Non-Executive – Non-Independent	Member	1	1

The Committee evaluates and recommends the CSR proposals to the Board for approval. The company formulated CSR Policy, which is uploaded on the website of the company viz. www.klrf.in

The Annual Report on CSR activities for the financial year 2019-20 forms part of the Board's Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report is given in a separate section forming part of the Director's Report in this Annual Report.

7. Annual General Meetings

Location and time for last three AGMs held and the special resolutions, if any, passed there at, are as given below:

Year	Date of Meeting	Time of Meeting	Location	Special Resolutions, if any
2016 - 17	15.09.2017	09.30 a.m.,		Nil
2017 - 18	30.08.2018	10.45 a.m.,	75/8, Benares Cape Road Gangaikondan Tirunelveli	Adoption of new set of Articles of Association Re-appointment of Mr. Gnanasekaran (DIN:00133645) as an Independent Director for a second term of 5 years with effect from 18.09.2019
2018 - 19	16.09.2019	10.00 a.m.,	District-627352	

EGM & Postal Ballots

No Extra-Ordinary General Meeting and postal ballot was held during the financial year.

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No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

8. Means of Communication

- a) The quarterly/half yearly unaudited financial results and the annual audited financial results are normally published in Business Standard (National Daily) and Dina Malar (Regional Newspaper). The financial results are regularly and promptly updated on the website of the company at www.klrf.in
- b) The copies of the results are forwarded to concerned Stock Exchange immediately after they are approved by the Board for dissemination in their website. The company has a dedicated e-mail ID cosec@klrf.in for registering complaint from the Investors.
- c) There were no specific presentations made to Institutional Investors or to the analysts during the year.

9. General Shareholder information

a. Annual General Meeting

Date : 14th September, 2020

Time : 09.00 A.M.,

Venue : In view of the COVID-19, the 58th Annual General Meeting will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the company situated at 75/8, Benares Cape Road, Gangaikondan-627352 shall be deemed as the venue for the Meeting.

b. Financial Year : 1st April to 31st March

For the quarter and year ended March 31, 2020, the financial results were announced on June 26, 2020

c. Dividend payment date : Not applicable

d. Listing on Stock Exchange

The shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Annual listing fees for the year 2019 - 20 was paid to BSE Limited.

Type of security	: Equity
Trading group in stock exchange	: BSE Limited - B group
Stock Code	: Scrip ID : KLRFM
Scrip Code	: 507598
ISIN number allotted for equity shares	: INE 014E01015

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The shares of the company are regularly traded and in no point of time the shares were suspended for trading in any of the stock exchanges.

e. Market Price Data

(in Rupees)

Month	Apr' 19	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan' 20	Feb	Mar
High	44.95	47.00	42.00	41.40	33.80	33.90	30.70	35.95	42.45	40.75	41.95	35.90
Low	38.00	32.10	31.25	21.35	21.25	27.00	24.00	28.00	27.05	30.10	21.00	19.25

f. Registrars & Share Transfer Agents

Head Office

M/s Link Intime India Private Limited, C/ 101, 247 Park, L.B.S.Marg Vikroli (West) Mumbai-400083

Ph.: +91 22 4918 6270, E-mail : rnt.helpdesk@linkintime.co.in

Branch

M/s Link Intime India Private Limited " Surya" No.35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028

Ph. : +91 422 231 4792 E mail : Coimbatore@linkintime.co.in

g. Reconciliation of share capital audit

A qualified Company Secretary has carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

h. Share Transfer System

The company's shares are transferable through the depository system. With effect from 1st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agent, except in case of transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, our Registrar and Share Transfer Agents, Link Intime India Private Limited processed the applications for transmission or transposition within a period of 15 days from the date of receipt of the transfer documents by Link Intime India Private Limited, if the documents are complete in all respects. All request for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL within 15 days. The Stakeholders Relationship Committee generally meets as and when necessary for approving share

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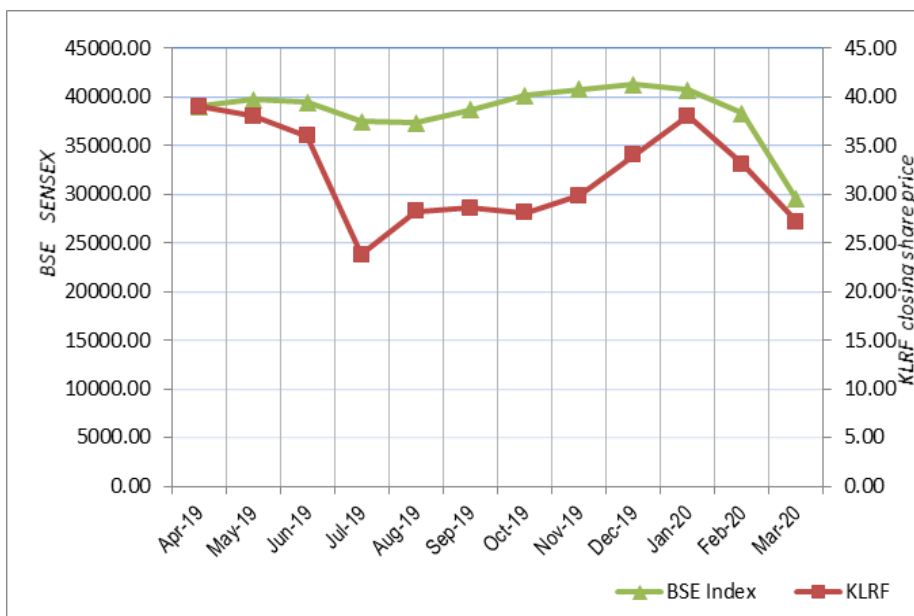
transfers and other related activities.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form at the earliest and avail of the various benefits of dealing in securities in electronic/dematerialized form. The shareholders have the option to hold company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

Legal proceedings / disputes on share transfer against the company : Nil

Shares under lock-in period : 5,20,832

Performance comparison to BSE Sensex



i. Shareholding Pattern as on 31st March, 2020

Particulars	No. of shares held	Percentage of shareholding
Promoters Holding	31,44,658	56.75
Directors and their Relatives	8,350	0.15
Banks/FIS/Mutual Funds	805	0.01
Private Corporate Bodies	1,30,107	2.35
NRI / OCBs	12,333	0.22
Indian Public	22,45,223	40.52
Total	55,41,476	100.00

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j. Distribution of Shareholding as on 31st March, 2020

Shareholding range	No. of Holders	% of share holders	No. of shares	% of shareholding
1 – 500	4,420	87.56	5,50,757	9.94
501-1,000	312	6.18	2,49,456	4.50
1,001 – 2,000	157	3.11	2,37,315	4.28
2,001 – 3,000	46	0.91	1,15,742	2.09
3,001 – 4,000	22	0.44	80,173	1.45
4,001 – 5,000	20	0.40	91,490	1.65
5,001 - 10,000	37	0.73	2,65,362	4.79
10,001 and above	34	0.67	39,51,181	71.30
Total	5,048	100.00	55,41,476	100.00

k. Dematerialisation of shares and liquidity as on 31st March, 2020

Your company obtained necessary approvals from the NSDL and CDSL for providing demat facilities to our shareholders. The equity shares of the company are compulsory traded in dematerialized form.

Extent of Dematerialisation

Name of the Depository	No. of shares	% to total paid-up capital
National Securities Depository Limited	10,20,585	18.42
Central Depository Services (India) Limited	43,34,343	78.22
Physical	1,86,548	3.36
Total	55,41,476	100.00

l. Outstanding GDRs/ ADR/ Warrants, Convertible Bonds, conversion date and likely impact on equity : NIL**m. Commodity price risk or foreign exchange risk & hedging activities : NIL****n. Plant location**

Food Division	:	Gangaikondan, Tirunelveli District
Wind Farms	:	Aralvoimozhi Village, Kanyakumari District Pazhavor Village, Radhapuram Taluk, Tirunelveli District Dhanukkarkulam Village, Radhapuram Taluk, Tirunelveli District, Parameshwarapuram Village, Radhapuram Taluk, Tirunelveli District
Engineering Division	:	Periyanaickenpalayam, Coimbatore

o. Address for correspondence

For annual report, transfer of physical / demat shares, change of address & other query relating to shares of the company and investors correspondence may be addressed to

Contact address for Investors

Link Intime India Private Limited
(Unit : Kovilpatti Lakshmi Roller Flour Mills Limited)
"Surya" 35, Mayflower Avenue
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore - 641028
Phone : +91 422 231 4792
E-mail : coimbatore@linkintime.co.in
Contact Person Mrs. S. Dhanalakshmi
Mr. S. Piramuthu
Company Secretary
Regd Office :
75/8, Benares Cape Road,
Gangaikondan - 627352,
Tirunelveli Dt.
Phone : +91 462 248 6532
Fax : +91 462 248 6132
E-mail : cosec@klrf.in

10. Other Disclosures

a. Disclosures on materially significant related party transactions

There are no materially significant related party transactions that would have potential conflict with the interests of the company at large. Details of related party transactions are given elsewhere in the annual report.

All the related party transactions are presented to the Audit Committee and the Board of Directors. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transaction.

b. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange, SEBI or any Statutory Authorities on any matter related to capital markets during the last three years

The company has complied with all the requirements of the listing agreement of the Stock Exchange as well as regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets in the last three years.

c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee

The company has adopted a Whistle Blower Policy, to provide a formal mechanism to the employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the company have been denied access to the Audit Committee. Your company hereby affirms that no complaints were received during the year under review.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The company has complied with all the mandatory requirements of corporate governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has adopted the non-mandatory requirement of Reporting of internal auditors to Audit Committee as recommended under Regulation 27 (1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The company has not adopted any other non-mandatory requirements.

e. Policy for determining material subsidiaries

As the company doesn't have any subsidiaries under the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement for adopting the Policy for determining "material" subsidiaries does not apply to the company.

f. Policy on dealing with related party transactions

Policy on dealing with Related Party Transactions has been disclosed on the website of the company at www.klrf.in

g. Commodity price risk and commodity hedging activities

The company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

h. Disclosure of Accounting Treatment

The company has followed the Accounting Standards laid down by the Companies (Indian Accounting Standards) Rules, 2015 in the preparation of its financial statements

i. Disclosure on risk management

Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the Board.

Other disclosures

- The company does not have any debt instruments or fixed deposits programme or any scheme involving mobilization of funds either in India or abroad that requires credit rating as on 31.03.2020.
- The company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- A certificate from a Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- The company has paid a sum of ₹ 9.44 lakhs as fees on consolidated basis to the Statutory auditor and all entities in the network firm / entity of which the Statutory auditor is a part for the services rendered by them.
- As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the company has constituted an Internal Complaints Committee. During the year 2019-20, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

11. There has been no instance of non-compliance of any requirement of Corporate Governance Report as stated above in sub-paras 2 to 10 above.

12. The company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Certificate from CEO and CFO

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of Directors, at its meeting held on 26th June, 2020 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Code of conduct for prevention of insider trading

The company has framed a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated employees. The code ensures the prevention of dealing in shares by persons having accessed to unpublished price sensitive information.

The company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The company has also adopted structured data base system to monitor and control the Prohibition of Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015

14. Code of Conduct

The Board of Directors have laid down a code of conduct for all Board members and senior management of the company. The same has been posted on the website of the company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review. The company's Managing Director's declaration to this effect forms a part of this report.

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : 12th August, 2020

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby affirm and state that all the board members and senior management personnel of the company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. compliance with the said code of conduct for the financial year 2019 - 2020.

By Order of the Board

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : 12th August, 2020

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Kovilpatti Lakshmi Roller Flour Mills Limited

I have examined the compliance of conditions of Corporate Governance by Kovilpatti Lakshmi Roller Flour Mills Limited ('the Company') for the year ended March 31, 2020 as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in listing regulations.

Auditor's Responsibility

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have examined the books of accounts and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the company

I conducted my examination in accordance with the Guidance Note on certification of corporate governance issued by the Institute of Chartered Accountants of India (ICAI), the standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, which requires that I comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

I have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2020, as applicable.

I state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Coimbatore

Date : 12th August, 2020

For M/s ARUN & CO
Chartered Accountants
Firm Registration No.0014464S

A. ARUN
Proprietor
Membership No. 227831
UDIN: 20227831AAAADI2256

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

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,
Kovilpatti Lakshmi Roller Flour Mills Limited
(formerly known as "KLRF LIMITED")
CIN: L15314TN1961PLC004674
75/8, Benares Cape Road
Gangaikondan, Tirunelveli – 627 352

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Kovilpatti Lakshmi Roller Flour Mills Limited (formerly known as "KLRF Limited")** having **CIN: L15314TN1961PLC004674** and having registered office at 75/8, Benares Cape Road, Gangaikondan, Tirunelveli – 627 352, Tamil Nadu, India (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the company & its officers, I hereby certify that none of the Directors on the Board of the company, as stated below for the Financial Year ending on 31st March, 2020, 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.

Sl.No.	Name of the Director	DIN	Date of Appointment in Company
1.	Mr. Suresh Jagannathan Managing Director	00011326	12-03-1981
2.	Mr. Sudarsan Varadaraj	00133533	05-10-1990
3.	Mr. Ramasamy Kannan	00951451	01-07-2014
4.	Mr. Karuppuswamy Gnanasekaran	00133645	06-05-2004
5.	Mr. Ashwin Chandran	00001884	01-09-2018
6.	Mrs. Kalyani Jagannathan	02371318	19-03-2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the company. My responsibility is to express an opinion on these based on my 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.

M D SELVARAJ
MDS & Associates
Company Secretaries

Place : Coimbatore
Date : 12th August, 2020

FCS No.: 960; C P No.: 411
UDIN : F000960B000571629

Independent Auditor Report – Standalone Financial Results

The Members of Kovilpatti Lakshmi Roller Flour Mills Limited, Gangaikondan.

Report on the Audit of the Standalone Financial Statements

Opinion

I have audited the standalone financial statements of Kovilpatti Lakshmi Roller Flour Mills Limited (“the Company”), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the financial statements/ information for the year ended on that date audited by the branch auditors of the company’s branches located at Coimbatore, Tamilnadu.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Companies Act (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information other than the Financial Statements and Auditor’s Report Thereon

The company’s Board of Directors are responsible for the other information. The other information comprises the Board’s Report and the Corporate Governance Report, but does not include the standalone financial statements and my auditor’s report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained during the

course of my audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was addressed in my audit
Evaluation of uncertain tax positions	<ul style="list-style-type: none"> ● Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management.
	<ul style="list-style-type: none"> ● Reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.
	<ul style="list-style-type: none"> ● Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
	<ul style="list-style-type: none"> ● Also considered the effect of new information in respect of uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.

Management's Responsibility for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends

to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs 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.

I give in "Annexure A" a detailed description of Auditors; responsibilities for Audit of the standalone Financial Statements

Other Matter

I did not audit the financial statements/ information of 2 (Two) branches included in the stand alone financial statements of the company whose financial statements/financial information reflect total assets of ₹ 3,468.68 lakhs as at 31st March 2020 and the total revenue of ₹ 7,116.32 lakhs for the year ended on that date, as considered in the standalone financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to me, and my opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

My opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, I report that:

- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- (b) In my opinion, proper books of account as required by law have been kept by the company so far as it appears from my examination of those books and proper returns adequate for the purposes of my audit have been received from the branches not visited by me.
- (c) The reports on the accounts of the branch offices of the company audited under Section 143(8) of the Act by branch auditors have been sent to me and have been properly dealt with by me in preparing this report.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by me.
- (e) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- I. The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;
 - II. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

As required by the Companies (Amendment) Act, 2017, in my opinion and according to the information and explanations given to me, the remuneration paid by the company to its directors are within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M/s ARUN & CO

Chartered Accountants
Firm Registration No.0014464S

A. ARUN

Proprietor

Membership No. 227831

UDIN: 20227831AAAACT6244

Place : Coimbatore

Date : 26th June, 2020

Annexure "A" to the Independent Auditor's Report

(Referred to in Auditor's Responsibilities for the Audit of the Financial Statements section of my report to the members of Kovilpatti Lakshmi Roller Flour Mills Company Limited of even date)

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- I. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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.
- II. 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 Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the company to cease to continue as a going concern.
- V. 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matter that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that the matter should not be communicate in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of my report to the members of Kovilpatti Lakshmi Roller Flour Mills Limited of even date)

1. In respect of the company's fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The company has a program of verification to cover all the items of fixed assets in a phased manner which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to me, the records examined by me and based on the examination of the conveyance deeds provided to me, I report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date.
2. The inventory has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable.
3. According to information and explanation given to me, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In my opinion and according to information and explanation given to me, the company has not granted any loans or provided any guarantees or given any security to which the provision of section 185 of the companies Act are applicable. In respect of investments

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made by the company, the company had complied with the provisions of section 186 of the Companies Act, 2013.

5. In my opinion and according to the information and explanations given to me, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. In my opinion and according to the information and explanations given to me, and based on the report of the branch auditors, the Engineering Divisions of the company had maintained cost records specified under section 148 (1) (d) of the Companies Act, 2013 and the relevant rules prescribed. However, I have not carried out a detailed examination of the same.
7. According to the information and explanations given to me, in respect of statutory dues:
 - (a) The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tamil Nadu Value Added Tax Act	TNVAT	25.05	FY 2008-09 to 2013-14	Commercial Tax appellate Tribunal, Madurai
Kerala Value Added Tax Act	KVAT	199.17	July 2016 to December 2016 & April 2017 to June, 2017	Case disposed off in favour of the company by the Hon'ble High Court of Kerala, Ernakulam
Kerala Value Added Tax Act	KVAT	66.90	January 2017 to March 2017	Deputy Commissioner appeal, Kollam

8. In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of dues to its bankers during the year. According to the information and explanations given to me, the company has no outstanding dues to any financial institutions or any government or any debenture holders during the year.

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9. In my opinion and according to the information and explanations given to me, the term loans taken by the company have been applied for the purpose for which they were raised. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. During the course of my audit, examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, I have neither come across any instance of material fraud by the company or on the company by its officers or employees.
11. In my opinion and according to the information and explanations given to me, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In my opinion and according to the information and explanations given to me, the company is not a Nidhi company and hence reporting under clause 3 (xii) of the Order is not applicable to the company.
13. According to the information and explanations given to me and based on my examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to me and based on my examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the order are not applicable.
15. According to the information and explanations given to me and based on my examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to me and based on my examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For M/s ARUN & CO

Chartered Accountants
Firm Registration No.0014464S

A. ARUN

Proprietor

Membership No. 227831

UDIN: 20227831AAAAC6244

Place : Coimbatore

Date : 26th June, 2020

Annexure “C” to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of my report to the Members of Kovilpatti Lakshmi Roller Flour Mills Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

I have audited the internal financial controls over financial reporting of Kovilpatti Lakshmi Roller Flour Mills Limited (“the Company”) as of March 31, 2020, in conjunction with my audit of the financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 Companies Act, 2013.

Auditors’ Responsibility

My responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 in the financial statements, whether due to fraud or error.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

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I believe that the audit evidence I have obtained, is sufficient and appropriate to provide a basis for my audit opinion on the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion and according to the information and explanations given to me, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s ARUN & CO

Chartered Accountants
Firm Registration No.0014464S

A. ARUN

Proprietor

Place : Coimbatore

Date : 26th June, 2020

Membership No. 227831
UDIN: 20227831AAAAC6244

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Balance Sheet as at March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-current assets			
(a) Property, Plant and equipment	4	2,668.63	3,380.72
(b) Capital work in progress		125.33	-
(c) Investment Property			
(d) Intangible assets	4	4.08	7.85
(e) Financial assets			
(i) Investments	5	45.86	46.18
(ii) Trade Receivables			
(f) Other financial assets	6	205.68	159.68
(g) Other non-current assets	7	6.48	2.46
Total non-current assets		3,056.06	3,596.89
Current assets			
(a) Inventories	8	3,618.93	3,542.39
(b) Financial assets			
(i) Trade receivables	9	1,152.77	1,569.37
(ii) Cash and cash equivalents	10	24.49	31.69
(iii) Bank balances other than above	11	1.42	1.42
(c) Other Financial Assets			
(d) Other current assets	12	398.17	327.27
Total current assets		5,195.78	5,472.14
Total Assets		8,251.84	9,069.03
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	554.14	554.14
(b) Other equity	14	3,161.48	2,747.35
Total equity		3,715.62	3,301.49
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	752.14	969.55
(b) Trade Payables			
(c) Other Financial Liabilities			
(d) Provisions			
(e) Deferred Tax Liabilities (net)	16	245.97	245.65
(f) Other Non current Liabilities			
Total non-current liabilities		998.11	1,215.20

KOVLIPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Particulars	Notes	As at	As at
		March 31, 2020	March 31, 2019
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,777.04	3,123.19
(ii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		118.31	128.87
Total outstanding dues of creditors other than micro enterprises and small enterprises		991.42	696.35
(iii) Other financial liabilities	19	236.33	321.14
(b) Short Term Provisions	20	86.10	-
(c) Other current liabilities	21	328.91	282.79
Total current liabilities		3,538.11	4,552.34
Total liabilities		4,536.22	5,767.54
Total Equity and Liabilities		8,251.84	9,069.03

The accompanying notes form an integral part of the financial statements

In accordance with my report of date attached

For M/s Arun & Co
Chartered Accountants
(FRN No. 014464S)

A. Arun
Chartered Accountant
Membership No.227831

Place : Coimbatore
Date : June 26, 2020

K. Gnanasekaran
Director
DIN : 00133645

For and on behalf of the Board

Suresh Jagannathan
Managing Director
DIN : 00011326

J. Kanna
Chief Financial Officer

S. Piramuthu
Company Secretary

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Statement of profit and loss for the year ended March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing Operations			
A Income			
Revenue from operations	22	22,995.66	23,157.40
Other income	23	251.68	79.01
Total income		<u>23,247.34</u>	<u>23,236.41</u>
B Expenses			
Cost of materials consumed	24	15,643.24	15,936.52
Purchase of Stock in Trade		124.21	3.43
Changes in inventories of finished goods	25	158.89	(193.48)
Employee Benefits Expense	26	1,311.22	1,251.23
Depreciation and amortisation expense	27	345.97	378.96
Other expenses	28	4,555.98	5,430.93
Finance costs	29	592.12	624.20
Total expenses		<u>22,731.63</u>	<u>23,431.79</u>
C Profit before exceptional items and tax		515.71	(195.38)
Exceptional items		-	-
D Profit/ (Loss) before tax from continuing operations		515.71	(195.38)
Income tax expense	30	-	-
Current tax		86.10	-
Deferred tax charge/ (credit)		4.53	(50.21)
E Profit for the year from continuing operations		425.08	(145.17)
Profit/ (loss) from discontinued operations before tax expense		-	-
Tax charge/ (credit) from discontinued operations		-	-
F Profit/(loss) from discontinued operations		-	-
G Profit for the year		425.08	(145.17)
H Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefit obligations		(15.16)	1.73
Income tax relating to these items		4.22	(0.48)
Other comprehensive income for the year, net of tax		(10.94)	1.25
Total comprehensive income for the year		414.14	(143.92)
Earnings per share	31		
Basic earnings per share		7.67	(2.62)
Diluted earnings per share		7.67	(2.62)

The accompanying notes form an integral part of the financial statements

In accordance with my report of date attached

For M/s Arun & CoChartered Accountants
(FRN No. 014464S)**A. Arun**Chartered Accountant
Membership No.227831
Place : Coimbatore
Date : June 26, 2020**K. Gnanasekaran**Director
DIN : 00133645**J. Kanna**
Chief Financial OfficerFor and on behalf of the Board
Suresh JagannathanManaging Director
DIN : 00011326**S. Piramuthu**
Company Secretary

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Cash Flow Statement for the year ended 31st March, 2020

₹ in lakhs

Particulars	31.03.2020	31.03.2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	515.71	(195.38)
Adjustments for		
Depreciation and amortisation expense	345.97	378.96
(Profit)/ Loss on sale of fixed asset (net)	(185.37)	(16.98)
Interest received	(7.41)	(29.55)
Dividend income	(0.05)	(0.05)
Finance costs	592.12	624.20
	1,260.97	761.20
Change in operating assets and liabilities		
(Increase) / decrease in other financial assets	(46.00)	83.54
(Increase) / decrease in inventories	(76.54)	2,047.98
(Increase) / decrease in trade receivables	416.60	(171.60)
(Increase) / decrease in other assets	(11.30)	5.83
(Increase) / decrease in other non-current assets	(4.03)	
Increase / (decrease) in provisions and other liabilities	30.94	(98.20)
Increase / (decrease) in trade payables	284.51	99.81
Cash generated from operations	1,855.15	2,728.56
Less : Income taxes paid (net of refunds)	(59.60)	5.32
Net cash from / (used in) operating activities (A)	1,795.55	2,733.88
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE (including changes in CWIP)	(260.43)	(938.82)
Sale proceeds of PPE	690.71	44.89
(Purchase) / disposal proceeds of investments	-	(43.77)
(Investments in) / Maturity of fixed deposits with banks	-	-
Dividend received	0.05	0.05
Interest income	7.41	29.55
Net cash used in investing activities (B)	437.74	(908.10)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares (including premium)	-	-
Proceeds from/ (repayment of) long term borrowings (net)	(302.21)	242.28
Proceeds from/ (repayment of) short term borrowings (net)	(1,346.16)	(1,966.89)
Dividends paid (including dividend distribution tax)	-	(0.05)
Finance costs	(592.12)	(624.20)
Net cash from/ (used in) financing activities (C)	(2,240.49)	(2,348.86)
Net decrease in cash and cash equivalents (A+B+C)	(7.20)	(523.08)
Net cash flows from discontinued operations	-	-
Cash and cash equivalents at the beginning of the financial year	31.69	554.77
Cash and cash equivalents at end of the year	24.49	31.69
Notes:		
1. The above cash flow statements have been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements"		
2. Components of cash and cash equivalents		
Balance with banks		
- in current accounts	2.30	4.25
Cash on Hand	22.19	27.44
	24.49	31.69

In accordance with my report of date attached

For M/s Arun & CoChartered Accountants
(FRN No. 014464S)**A. Arun**Chartered Accountant
Membership No.227831
Place : Coimbatore
Date : June 26, 2020**K. Gnanasekaran**Director
DIN : 00133645**J. Kanna**

Chief Financial Officer

For and on behalf of the Board

Suresh JagannathanManaging Director
DIN : 00011326**S. Piramuthu**

Company Secretary

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Statement of Changes in Equity for the year ended March 31, 2020**(A) Equity Share Capital**

Balance at the beginning of April 1, 2019	554.14
Changes in equity share capital during the year	-
Balance at the end of March 31, 2020	554.14

(B) Other Equity

Particulars	General Reserve	Securities Premium	Other Comprehensive Income	Retained Earnings	Capital Reserve	Total
Balance as at April 1, 2018	994.97	2,090.07	7.06	(225.12)	20.71	2,887.69
Additions / (Deductions) during the year	-	-	(1.73)	5.30	-	3.57
Total Comprehensive Income for the year	-	-	1.26	(145.17)	-	(143.91)
Balance as at March 31, 2019	994.97	2,090.07	6.59	(364.99)	20.71	2,747.35
Additions / (Deductions) during the year	-	-	15.16	425.08	-	440.24
Total Comprehensive Income for the year	-	-	(10.95)	(15.16)	-	(26.11)
Balance as at March 31, 2020	994.97	2,090.07	10.80	44.93	20.71	3,161.48

In accordance with my report of date attached

For M/s Arun & CoChartered Accountants
(FRN No. 014464S)**A. Arun**Chartered Accountant
Membership No.227831

Place : Coimbatore

Date : June 26, 2020

K. GnanasekaranDirector
DIN : 00133645

For and on behalf of the Board

Suresh JagannathanManaging Director
DIN : 00011326**J. Kanna**

Chief Financial Officer

S. Piramuthu

Company Secretary

Notes to Financial Statements for the year ended March 31, 2020**1 Corporate Information**

Kovilpatti Lakshmi Roller Flour Mills Limited was established in 1964 with an initial milling capacity of 15,600 MT per annum and has since expanded to 74,900 MT per annum. The wheat products are marketed in varied SKUs across Tamilnadu and Kerala. The engineering division producing ferrous castings with an installed capacity of 12,000 MT per annum caters to a range of clients in the automotive, capital equipment, pumps & valves and general engineering sectors.

2 Basis of preparation of financial statements**Basis of preparation and presentation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on June 26, 2020.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment and Intangible Assets

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/ amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets (including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/ Intangible Assets)

The impairment assessment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time in their annual reporting period commencing April 01, 2019

- 1) Ind AS 116 - Leases
- 2) Ind AS 12 - Income taxes - Amendments in Appendix 'C', uncertainty over Income tax treatments & Income tax consequences of dividend.
- 3) Ind AS 19 - Employee Benefits - Amendments in Plan amendments, curtailments or settlements

- 4) Ind AS 23 - Borrowing Costs - Amendments in borrowing costs eligible for capitalisation.
- 5) Amendments in Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements

Ind AS 116 replaces the existing lease standard, Ind AS 17, Leases and related interpretations. Therefore the company had to change the accounting policies, following the adoption of Ind AS 116.

The amendments listed above did not have any impact on the amounts recognised in prior periods and not expected to significantly affect the current or future periods.

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified approximately 5 months as its average operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

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 market 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; and |
| 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 recognized in the financial statements 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.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

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. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

Sale of services

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and capital work in progress

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified and have been accounted separately. The useful life of such components are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold. Additions to fixed assets, costing ₹ 5000 each or less are fully depreciated.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. However, 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The Company classifies a debt instrument as at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

The Company classifies a debt instrument at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes finance income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

The Company classifies all debt instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in OCI, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

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Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents SPPI, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans given to employees and related parties, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than subsidiary and associate, if an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, mutual funds, forward exchange contracts (to the extent not designated as a hedging instrument).

Derecognition

A financial asset is primarily derecognised 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 or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net

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carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

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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.

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, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL 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 profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in

profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

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 or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the

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Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S. No.	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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 realise the assets and settle the liabilities simultaneously.

i) Foreign currency transactions and translations

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with Foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

j) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing

cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

k) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to 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 in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

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 liabilities are recognised for all taxable temporary differences.

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. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

I) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

As per the policy of the Company, compensated absences are not entitled to be carried forward to the subsequent financial year and paid within the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

m) Leases

Till March 31, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy

on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

From April 01, 2019

(a) As a lessee:

At inception of a contract, the company assesses whether the contract is, or contains, a lease. 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.

Initially, as a lessee, the company recognises a right-of-use asset and a lease liability and measure the right-of-use asset at cost. The company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company shall use the lessee's incremental borrowing rate. After the commencement date, the company measures the right-of-use asset applying a cost model.

Subsequently, the company measures the lease liability by:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company elects not to apply the requirements to either short-term leases or leases for which the underlying asset is of low value, the company recognises the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The Company applies another systematic basis if that basis is more representative of the pattern of the lessee's benefit. Short term leases are leases with a lease term of 12 months or less.

(b) As a Lessor

As a lessor, the company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

In case of a financial lease, at the commencement date, the company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Subsequently, the company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. Any modification to a finance lease shall be accounted as a separate lease if the modification increases both the scope of the lease and the consideration for the lease.

In case of an operating lease, the company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis or the company applies another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. In case of any modification to an operating lease, the company accounts for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

The respective leased assets are included in their balance sheet based on their nature.

The Company did not need to make any adjustments to the accounting as a result of adoption of this new standard.

n) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

o) Provisions, Contingent liabilities and Contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

q) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

r) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

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4 Property, Plant and Equipment and Intangible Assets

PARTICULARS	Tangible Assets						Intangible Assets			
	Land	Buildings	Plant and Equipment	Furniture and Fittings	Vehicle	Office Equipment	Electrical Equipment	Total	Intangible	Total
Cost as at March 31, 2019	214.02	1,248.27	2,073.39	40.13	272.32	38.11	72.48	3,958.72	36.84	36.84
Additions	-	-	70.09	-	57.10	4.57	3.34	135.10	-	-
Disposal / Adjustments	-	505.44	-	-	52.47	-	-	557.91	-	-
Cost as at March 31, 2020	214.02	742.83	2,143.48	40.13	276.95	42.68	75.82	3,535.90	36.84	36.84
Depreciation / Amortisation										
As at March 31, 2019	-	97.36	360.51	7.58	72.23	10.02	30.30	578.00	28.99	28.99
Charge for the year	-	32.50	241.72	6.76	48.27	2.67	10.28	342.20	3.77	3.77
Disposals	-	31.82	-	-	21.10	-	-	52.92	-	-
As at March 31, 2020	-	98.04	602.23	14.34	99.39	12.69	40.58	867.27	32.76	32.76
Net Block										
As at March 31, 2020	214.02	644.79	1,541.25	25.79	177.56	29.99	35.24	2,668.63	4.08	4.08
As at March 31, 2019	214.02	1,150.91	1,712.88	32.55	200.09	28.09	42.18	3,380.72	7.85	7.85

Notes to Financial Statements for the year ended 31st March, 2020

	31.03.2020	31.03.2019
5 Non-current investments		
Investment in equity instruments at FVTPL		
Trade - Unquoted		
M/s Cape Power Private Limited	0.18	0.18
[1,800 (previous year : 1,800) fully paid equity shares of ₹ 10/-]		
M/s Suryadev Alloys and Power Private Limited		
(1) [500 (previous year : 500) fully paid (Class-C) equity shares of ₹ 136/-] &	0.68	1.00
(2) [1,50,000 (previous year : 1,50,000) fully paid equity (Class -B) equity shares of ₹ 10/- each with a premium of ₹ 20 per share]	45.00	45.00
Total non-current investments	45.86	46.18
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	45.86	46.18
Aggregate amount of impairment in value of investments	-	-
* In respect investments made pursuant to power purchase agreements, the exit price is equivalent to the initial investment. Accordingly, the fair value of those investments has been considered at the original investment value as per Ind AS 113		
6 Other non-current financial assets		
(Unsecured, considered good unless otherwise stated)		
Deposits with government authorities and others	205.68	159.68
Unamortised interest expense	-	-
	205.68	159.68
7 Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital advances	6.48	-
Deposits	-	2.46
Tax pending for adjustments	-	-
	6.48	2.46
8 Inventories		
Raw Materials and components	2,939.95	2,700.04
Work-in-progress	262.77	364.64
Finished products (Other than acquired for trading)	237.34	303.27
Stores and spares	142.00	146.47
Impurities, Runner and Riser	36.87	27.97
	3,618.93	3,542.39

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	31.03.2020	31.03.2019
9 Trade receivables		
Secured & considered good	-	-
Unsecured & considered good	1,180.61	1,601.07
Having significant increase in credit risk		-
Credit Impairment		-
Less: Provision for doubtful debts	(27.84)	(31.70)
	<u>1,152.77</u>	<u>1,569.37</u>
10 Cash and cash equivalents		
Cash on hand	22.19	27.44
Balances with banks		
In current accounts	2.30	4.25
In deposit account (margin money deposits)	-	-
	<u>24.49</u>	<u>31.69</u>
11 Other Bank Balances		
Earmarked balances	1.42	1.42
	<u>1.42</u>	<u>1.42</u>
12 Other current assets (Unsecured, considered good)		
Advance to suppliers	52.67	42.21
Prepaid expenses	54.46	53.66
Balances with statutory agencies	277.80	216.14
Others	13.24	15.26
	<u>398.17</u>	<u>327.27</u>
13 Capital		
Authorised Share Capital		
1,20,00,000 Equity shares of ₹ 10 each	1,200.00	1,200.00
30,00,000 10% cumulative Redeemable Preference shares of ₹ 10/- each	300.00	300.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued Share Capital		
56,40,430 (Previous year 56,40,430) equity shares of ₹ 10 each	564.04	564.04
	<u>564.04</u>	<u>564.04</u>
Subscribed and fully paid-up share capital		
55,41,476 (Previous year 55,41,476) equity shares of ₹ 10 each	554.14	554.14
	<u>554.14</u>	<u>554.14</u>

* 98,954 partly paid shares were forfeited on March 25, 1998
vide board resolution dated March 25, 1998

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31.03.2020

31.03.2019

Notes:

- 1) Reconciliation of number of equity shares subscribed
- | | | |
|---|------------------|-----------|
| Balance as at the beginning of the year | 55,41,476 | 55,41,476 |
| Add: Issued during the year | - | - |
| Balance at the end of the year | 55,41,476 | 55,41,476 |
- 2) The Company has no Holding or Subsidiary Companies.
- 3) There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.
- 4) Rights, preferences and restrictions in respect of equity shares issued by the Company
- a. The company has issued only one class of equity shares having a par value of ` 10 each. The equity shares of the company having par value of ` 10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
- b. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.
- 5) Shareholders holding more than 5% of the total share capital

Name of the shareholder	31.03.2020		31.03.2019	
	No of shares	% of Holding	No of shares	% of Holding
Mr. Suresh Jagannathan	11,80,586	21.30%	11,80,586	21.30%
M/s Cape Flour Mills Private Limited	11,07,089	19.98%	11,02,101	19.89%
Mr.V Jagannathan, Individual and Jointly with Mr.Suresh Jagannathan & Mrs.J.Chandranthi	4,53,776	8.19%	4,53,776	8.19%
Mr.Sharath Jagannathan	3,31,747	5.99%	3,09,110	5.58%
			31.03.2020	31.03.2019

14 Other Equity

Capital reserve	20.71	20.71
Securities premium reserve	2,090.07	2,090.07
Revaluation Reserve	-	-
General reserve	994.97	994.97
Other comprehensive income	10.80	6.59
Retained earnings	44.93	(364.99)
Total	3,161.48	2,747.35
a) Capital Reserve		
Balance at the beginning and end of the year	20.71	20.71

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	31.03.2020	31.03.2019
b) Securities Premium Reserve		
Balance at the beginning of the year	2,090.07	2,090.07
Additions/ (deductions) during the year	-	-
Balance at the end of the year	<u>2,090.07</u>	<u>2,090.07</u>
c) General reserve		
Balance at the beginning and end of the year	<u>994.97</u>	<u>994.97</u>
d) Other comprehensive income		
Balance at the beginning of the year	6.59	7.06
Transfer to profit and loss account	15.16	(1.73)
Deductions/Adjustments during the year	(10.95)	1.26
Balance at the end of the year	<u>10.80</u>	<u>6.59</u>
e) Balance in profit and loss account		
Balance at the beginning of the year	(364.99)	(225.12)
Net profit for the period	515.71	(145.17)
Transfer from other comprehensive income	(15.16)	1.73
Current tax	(86.10)	-
Deferred tax	(4.53)	-
Income tax provision for earlier years written back	-	3.57
Balance at the end of the year	<u>44.93</u>	<u>(364.99)</u>
15 Long Term Borrowings		
Term loans (secured)		
From Banks	988.47	1,275.33
From NBFC's	-	15.36
	<u>988.47</u>	<u>1,290.69</u>
Less : Current maturities due within 1 year (refer note 19 below)	236.33	321.14
	<u>752.14</u>	<u>969.55</u>
16 Deferred Tax Liability / (Asset) - Net		
Deferred Tax Liability		
On fixed assets	4.53	(50.21)
On expenses allowed under income tax on payment basis	-	-
Others	-	-
Adjustments	245.65	295.86
Net deferred tax liability / (asset)	<u>250.18</u>	<u>245.65</u>
Deferred Tax Asset		
Carried forward losses	-	-
Others	(4.21)	-
	<u>(4.21)</u>	<u>-</u>

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	31.03.2020	31.03.2019
Net deferred tax liability/ (asset)	245.97	245.65
MAT credit entitlement	-	-
	<u>245.97</u>	<u>245.65</u>
17 Current liabilities - Financial Liabilities: Borrowings		
Secured		
Loans repayable on demand		
From Banks	1,602.04	2,708.19
Unsecured		
Loans from directors	175.00	55.00
Inter corporate loans	-	360.00
	<u>1,777.04</u>	<u>3,123.19</u>
Also refer note 40 for terms and conditions and security details		
18 Trade payables		
Due to Micro, Small and Medium enterprises *	118.31	128.87
Due to others	991.42	696.35
	<u>1,109.73</u>	<u>825.22</u>
* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Also refer note 36.		
19 Other current financial liabilities		
Current maturities of long-term debt (refer note 15 above)	236.33	321.14
	<u>236.33</u>	<u>321.14</u>
20 Provisions (Current)		
Provision for tax (net of advance tax)	86.10	-
	<u>86.10</u>	<u>-</u>
21 Other current liabilities		
Statutory dues payable	37.44	34.04
Employee benefits payable	47.24	52.04
Other expenses payable	218.56	177.35
Advance and deposits from customers etc.,	25.67	17.94
Unclaimed dividend	-	1.42
	<u>328.91</u>	<u>282.79</u>
22 Revenue from operations		
(a) Sale of products		
Wheat, wheat products and impurities	15,766.02	14,461.29
Sheet metal components	479.43	699.82

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	31.03.2020	31.03.2019
Castings	6,532.99	7,902.08
(b) Sale of services – fabrication charges	97.54	6.13
(c) Other operating revenues – sale of scrap and gunnies	119.68	88.08
	<u>22,995.66</u>	<u>23,157.40</u>
23 Other income		
Dividend Income	0.05	0.05
Interest Income	7.40	29.55
Profit on sale of fixed assets (net)	185.69	18.17
Other non-operating income	43.50	31.24
Rental Income	6.40	-
Provision no longer required	8.64	-
	<u>251.68</u>	<u>79.01</u>
24 Cost of materials consumed		
Wheat	12,876.39	12,032.14
Iron materials	2,766.85	3,904.38
	<u>15,643.24</u>	<u>15,936.52</u>
25 Changes in inventories of work-in-progress, stock in trade and finished goods		
Opening Balance		
Work-in-progress	364.64	255.57
Finished goods	331.23	246.82
	<u>695.87</u>	<u>502.39</u>
Closing Balance		
Work-in-progress	262.77	364.64
Finished goods	274.21	331.23
	<u>536.98</u>	<u>695.87</u>
Changes in excise duty on finished goods	-	-
Total changes in inventories - Increase / (Decrease)	(158.89)	(193.48)
26 Employee benefits expense		
Director's remuneration and fees	45.74	52.84
Salaries, wages and bonus	1,110.99	1,065.67
Contribution to provident and other funds	79.07	86.06
Staff welfare expenses	58.86	39.24
Contribution to gratuity fund	16.56	7.42
	<u>1,311.22</u>	<u>1,251.23</u>

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

	31.03.2020	31.03.2019
27 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	332.06	368.78
Amortisation of intangible assets	13.91	10.18
	<u>345.97</u>	<u>378.96</u>
28 Other expenses		
Fabrication Charges	1,092.80	1,468.63
Power and Fuel	914.32	1,061.66
Stores, spares and packing material	1,310.45	1,451.79
Repairs to machineries	307.03	319.56
Factory maintenance and building repairs	228.10	304.68
Commission and discount	17.98	24.71
Freight	116.70	125.80
Auditors' fees and expenses [refer note 28 (a)]	9.44	7.64
Rent and office maintenance	39.78	41.49
Rates and taxes	31.12	25.22
Advertisement and Sales promotion expenses	40.32	55.31
Donations	-	8.00
CSR expenditure [refer note 28 (b)]	5.24	6.95
Printing and stationery	10.83	19.77
Postage and telephone	12.49	16.85
Vehicle maintenance	59.77	53.05
Travelling	111.33	141.33
Legal and professional charges	159.97	191.12
Data processing	28.53	20.81
Bank charges	21.42	21.44
Loss on sale of fixed assets / investments (net)	0.32	1.19
Miscellaneous expenses	36.28	32.23
Foreign exchange loss	0.72	-
Provision for bad & doubtful trade receivables	1.04	31.70
	<u>4,555.98</u>	<u>5,430.93</u>
28 (a) Auditors' fees and expenses		
Statutory Audit fees	7.70	6.88
Fees for other services	1.74	0.76
	<u>9.44</u>	<u>7.64</u>

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	31.03.2020	31.03.2019
28 (b) Expenditure on Corporate Social Responsibility		
(i) Gross amount required to be spent on Corporate Social Responsibility during the year	5.24	6.95
(ii) Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	-	-
(ii) Other purposes [other than (i) above]]	5.24	6.95
	<u>5.24</u>	<u>6.95</u>
(iii) Amount unspent during the year	Nil	Nil
29 Finance Cost		
Interest - Banks and financial institutions	544.48	516.37
Interest - Others	47.64	101.42
Other Borrowing Costs	-	6.41
	<u>592.12</u>	<u>624.20</u>
30 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	86.10	-
Total current tax expense	86.10	-
Deferred tax		
Deferred tax adjustments	4.53	(50.21)
Total deferred tax expense/(benefit)	4.53	(50.21)
Income tax expense	<u>90.63</u>	<u>(50.21)</u>
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	515.71	(195.38)
Income tax expense calculated at effective rates	86.10	-
Tax Rate Changes	-	-
Effect of expenses that are not deductible in determining taxable profit	4.53	(50.21)
Income tax expense	90.63	(50.21)
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	4.22	(0.48)
Total income tax recognised in other comprehensive income	4.22	(0.48)

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d) Movement of deferred tax expense during the year ended March 31, 2020

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(539.94)	(4.25)	-	(544.19)
Expenses allowable on payment basis under the Income Tax Act	185.55	0.78	-	186.33
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	108.74	(1.07)	4.22	111.89
Total	(245.65)	(4.54)	4.22	(245.97)
MAT Credit entitlement	-	-	-	-
Total	(245.65)	(4.54)	4.22	(245.97)

e) Movement of deferred tax expense during the year ended March 31, 2019

Deferred tax (liabilities)/assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(481.09)	(58.37)	(0.48)	(539.94)
Expenses allowable on payment basis under the Income Tax Act	185.72	(0.17)	-	185.55
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	-	108.74	-	108.74
Total	(295.37)	50.20	(0.48)	(245.65)
MAT Credit entitlement	-	-	-	-
Total	(295.37)	50.20	(0.48)	(245.65)

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	31.03.2020	31.03.2019		
31 Earnings per share				
Profit / (loss) for the year attributable to owners of the Company	425.08	(145.17)		
Number of ordinary shares outstanding (previous year weighted average)	55,41,476	55,41,476		
Basic earnings per share (₹)	7.67	(2.62)		
Diluted earnings per share (₹)	7.67	(2.62)		
Nominal Value of equity shares (₹)	10.00	10.00		
32 Earnings in foreign currency				
FOB value of exports	97.48	28.33		
	<u>97.48</u>	<u>20.55</u>		
33 Expenditure in foreign currency				
Travel expenses	11.41	0.72		
Other expenses	-	-		
	<u>11.41</u>	<u>0.72</u>		
34 Value of Imports (on C.I.F basis)				
Raw Materials	21.75	-		
Machinery	-	-		
	<u>21.75</u>	<u>-</u>		
35 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption				
Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Value	Percentage (%)	Value	Percentage (%)
Imported	21.75	0.14	-	-
Indigenous	15,745.70	99.86	15,939.95	100.00
	<u>15,767.45</u>	<u>100.00</u>	<u>15,939.95</u>	<u>100.00</u>
36 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under				
(a) The principal amount remaining unpaid at the end of the year	118.31		128.87	
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-		-	
(c) Interest actually paid under Section 16 of MSMED Act	-		-	
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-		-	
(e) Total interest accrued during the year and remaining unpaid	-		-	

* This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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31.03.2020

31.03.2019

37 Commitments and contingent liability**Contingent Liability**

Disputed Liabilities

Income Tax

-

-

Sales Tax

91.95

291.12

Service Tax

-

4.88

PF dues and damages

-

-

Guarantees by banks

-

-

38 Operating Segments

The company is engaged in the business of "Food Processing and Engineering" and therefore has two reportable segments as per Ind AS 108 "Operating Segments" namely 'Foods Division' and 'Engineering Division'.

Segment Revenue

a) Foods division

16,122.12

14,597.49

b) Engineering division

7,125.22

8,638.92

Revenue from operations (Net)**23,247.34**

23,236.41

Segment Results**Profit (+) / Loss (-) before tax and finance cost**

a) Foods division

1,101.34

485.42

b) Engineering division

6.49

(56.60)

Total**1,107.83**

428.82

Less : Finance Cost

592.12

624.20

Profit/(Loss) from continuing operations

515.71

(195.38)

Profit/(Loss) from discontinuing operations

-

-

Profit Before Tax**515.71**

(195.38)

Segment Assets

a) Foods division

4,581.16

4,988.94

b) Engineering division

3,468.68

3,936.04

b) Other unallocable corporate assets

202.00

144.05

Total assets**8,251.84**

9,069.03

Segment Liabilities

a) Foods division

1,675.77

2,181.55

b) Engineering division

2,498.05

3,340.35

b) Other unallocable corporate liabilities

362.39

245.65

Total liabilities**4,536.21**

5,767.55

Capital Employed (Segment assets-Segment liabilities)

a) Foods division

2,905.39

2,807.39

b) Engineering division

970.63

595.69

Total capital employed in segments**3,876.02**

3,403.08

Unallocable corporate assets less corporate liabilities

(160.39)

(101.60)

Total Capital Employed**3,715.63**

3,301.48

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Disclosure relating to geographical area of operation

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India. The exports of the company are less than 10% of the total turnover and accordingly, no disclosure in respect of revenue from external customers based on geographical location is provided.

31.03.2020

31.03.2019

39 Operating lease arrangements**As Lessee**

The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties.

Lease payments recognised in the Statement of Profit and Loss	39.78	41.49
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40 Government Grants

The details of Government Grants received by the Company are as follows :

Duty drawback on exports	0.40
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There are no unfulfilled conditions and other contingencies attached to government assistance that has been recognised in the financial statements.

41 Details of Long Term Borrowings

Terms and conditions of Long term loans taken from banks

- i) Rupee term loan availed from HDFC Bank Ltd.,
 - a) Carries interest @ 10.95% pa., (3 year MCLR+1.75%) The loan is repayable on 60 monthly instalments. The loan matures in March, 2023. The loan is secured by exclusive charge on the specified flour mill, foundry and wind mill machineries including wind mill lands and buildings for 3 nos 250 KW mills situated at Aralvoimozhi Village.
 - b) Carries interest @ 9.55% pa., (1year MCLR+1.40%) The loan is repayable on 26 monthly instalments. The loan matures in July, 2020. The loan is secured by pari passu first charge on the land and building of foundry division situated at Periyanaickenpalayam, Coimbatore.
 - c) Carries interest @ 10.20% pa., (1year MCLR+1.40%) The loan is repayable on 72 monthly instalments. The loan matures in May, 2025. The loan is secured by exclusive charge on the specified assets created by term loan amount and pari passu first charge on the land and building of foundry division situated at Periyanaickenpalayam, Coimbatore.
- ii) Working Capital Term loan from HDFC Limited carrying interest rate at 9.55% (base rate+1.75%). The loan is repayable on 72 instalments. The loan matures in February 2023. The loan is secured by a charge on the Fixed Assets purchased out of term loan, being Plant and Machinery.
- iii) Vehicle loan availed from Canara Bank and HDFC Bank Ltd. The loan is repayable on monthly basis and are secured by the respective vehicles.

42 Details of Short Term Borrowings

Terms and conditions of short term loans taken from banks and financial institutions

- i) Working capital loans from Canara Bank carries an interest rate @ 11.70% p.a. (1 year MCLR+3.05%) and is secured by pari-passu first charge on all the current assets and pari-passu second charge on flour mill and sheet metal immovable assets except those under exclusive charge.
- ii) Working capital loans from HDFC Bank Ltd. carries an interest rate @ 9.80% p.a. (1 year MCLR +2.15 %) and secured by pari-passu first charge on all the current assets and pari-passu second charge on flour mill and sheet metal immovable assets except those under exclusive charge to the extent mortgaged.

All loans are guaranteed by Managing Director of the Company, except vehicle loans.

43 Financial Instruments**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	31.03.2020	31.03.2019
Debt	988.47	1,290.68
Less: Cash and bank balances	25.90	33.11
Net debt	962.57	1,257.57
Total equity	3,715.62	3,301.49
Net debt to equity ratio (%)	25.91%	38.09%
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	205.68	159.68
Trade receivables	1,152.77	1,569.37
Cash and cash equivalents	24.49	31.69
Bank balances other than above	1.42	1.42
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Investments	45.86	46.18
Financial liabilities		
a. Measured at amortised cost		
Borrowings (Long term)	988.47	1,290.68
Borrowings (short term)	1,777.04	3,123.19
Trade payables	1,109.73	825.22
Other financial liabilities	236.33	321.14
b. Mandatorily measured at fair value through profit or loss (FVTPL)		
Derivative instruments	-	-

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Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
As on March 31, 2020 (all amounts are in lakhs)							
EUR	-	-	-	0.04	-	0.04	0.04
In INR	-	-	-	3.27	-	3.27	3.27
As on March 31, 2019 (all amounts are in lakhs)							
EUR	-	-	-	0.10	-	0.10	0.10
in INR	-	-	-	7.83	-	7.83	7.83

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability approximately by INR 12.69 Lakhs for the year (Previous INR 15.30 Lakhs)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivable

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

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The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Investments of surplus funds are made only with approved banks as fixed deposits. Investments primarily represent investments pursuant to power purchase agreement with power generation companies. These investments do not have any market risk as the Company will get back the face value when terminating the agreement.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2020				
Trade payables	1,109.73	-	-	1,109.73
Borrowings (including interest accrued thereon upto the reporting date)	236.32	737.63	14.52	988.47
	1,346.05	737.63	14.52	2,098.20
March 31, 2019				
Trade payables	825.22	-	-	825.22
Borrowings (including interest accrued thereon upto the reporting date)	321.14	776.56	192.99	1,290.69
	1,146.36	776.56	192.99	2,115.91
			31.03.2020	31.03.2019
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):			Nil	Nil

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44 Related party disclosure**a) List of parties having significant influence**

Holding company	The Company does not have any holding company
Subsidiaries	The Company does not have any subsidiaries and joint ventures
Associate Companies	The Company does not have any associate companies
Entities in which directors or their relatives are interested	The Lakshmi Textile Suppliers Ellargi & Co Cape Flour Mills Private Limited Cape Power Private Limited Mckinnon India Private Limited Super Springs Private Limited Wm Mckinnon India Private Limited (formerly Prokop Eltex India Private Limited) Elgi Rubber Company Limited Kaapi Machines (India) Private Limited Probat Kaapi (India) Private Limited Eltex Marketing LLP Elgi Ultra Limited (formerly known as "Elgi Ultra Industries Limited") Elgi Equipments Limited

Key management personnel and their relatives

Mr. Suresh Jagannathan	Managing Director
Mr. K R Badrinarayanan	Chief Financial Officer (Upto February 29, 2020)
Mr. J.Kanna	Chief Financial Officer (From March 1, 2020)
Mr. S. Piramuthu	Company Secretary
Mr. Sharath Jagannathan	Director - Operations (From September 16, 2019) Relative of Key management personnel

b) Transactions during the year

S. No.	Particulars	Amount	
		March 31, 2020	March 31, 2019
1	Purchase of goods		
	The Lakshmi Textile Suppliers	20.96	1.89
	Ellargi & Co	3.95	2.94
	Cape Flour Mills Private Limited	62.38	36.42
	Mckinnon India Private Limited	15.23	6.56
	Wm Mckinnon India Private Limited	0.89	0.66
	Super Springs Private Limited	-	0.05
	Elgi Ultra Industries Limited	16.26	28.38
	Kaapi Machines India P Ltd	3.84	-

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S. No.	Particulars	Amount	
		March 31, 2020	March 31, 2019
2	Sale of goods		
	Cape Flour Mills Private Limited	94.74	134.30
	Mckinnon India Private Limited	34.59	75.10
	Wm Mckinnon India Private Limited	7.00	5.47
	Super Springs Private Limited	-	0.73
	Elgi Ultra Industries Limited	-	1.35
3	Services availed/ rendered		
	Super Springs Private Limited	0.94	2.90
	Mckinnon India Private Limited	0.24	1.83
	Wm Mckinnon India Private Limited	1.55	0.71
	Kaapi Machines India Private Limited	0.11	0.09
	Cape Flour Mills Private Limited	2.61	2.96
	Eltex Marketing LLP	0.08	0.29
	Elgi Ultra Industries Limited	1.89	1.85
	Mr.Suresh Jagannathan	34.33	35.04
	Mr.Sharath Jagannathan	-	-
4	Purchase of power		
	Cape Power Private Limited	27.11	28.91
5	Remuneration to Key Managerial Personnel & their relatives		
	Mr. Suresh Jagannathan	42.00	42.00
	Mr. R Kannan	-	6.08
	Mr. K R Badrinarayanan	26.11	25.44
	Mr. J.Kanna	2.26	-
	Mr. S Piramuthu	14.86	12.26
	Mr. Sharath Jagannathan	13.92	-
c) Balances outstanding at the end of the year			
1	Ellargi & Co	-	-
2	Super Springs Private Limited	-	0.02
3	Cape Power Private Limited	-	-
4	Mckinnon India Private Limited	-	-
5	Elgi Ultra Industries Limited	(1.00)	(7.40)

45 Retirement benefit plans**Defined contribution plans**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company

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make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total expense recognised in profit or loss of ₹ 79.07 Lakhs (previous year ₹ 86.06 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2020	March 31, 2019
Discount Rate	6.86% p.a.	7.50% p.a.
Salary Escalation	6.00% p.a.	6.50% p.a.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

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	March 31, 2020	March 31, 2019
	₹ Lakhs	₹ Lakhs
Current service cost	16.58	12.53
Net interest expense	12.73	15.45
Return on plan assets (excluding amounts included in net interest expense)	17.38	(1.73)
Components of defined benefit costs recognised in profit or loss	<u>46.69</u>	<u>26.25</u>
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	17.38	(1.73)
Components of defined benefit costs recognised in other comprehensive income	<u>17.38</u>	<u>(1.73)</u>
Total	<u>64.07</u>	<u>24.52</u>

- i. The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss and the remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Particulars	March 31, 2020	March 31, 2019
Present value of defined benefit obligation	216.17	203.50
Fair value of plan assets	(172.37)	(190.59)
Net liability/ (asset) arising from defined benefit obligation	43.80	12.91
Funded	<u>43.80</u>	<u>12.91</u>
Unfunded	-	-
	<u>43.80</u>	<u>12.91</u>

The above provisions are reflected under 'Provision for employee benefits' (short-term provisions) [Refer note 21]

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	201.66	193.14
Current service cost	16.58	12.53
Interest cost	12.73	15.45
Actuarial (gains)/losses	17.39	(1.73)
Benefits paid	(32.19)	(15.89)
Closing defined benefit obligation	<u>216.17</u>	<u>203.50</u>

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	190.59	161.62
Return on plan assets	12.45	14.17
Contributions	13.81	30.69
Benefits paid	(32.19)	(15.89)
Actuarial gains/(loss)	(12.29)	-
Closing fair value of plan assets	172.37	190.59

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

As per the policy of the Company, the compensated absences are not entitled to be carried forward to the subsequent financial year and are paid at the end of the reporting period. Accordingly, no liability towards compensated absences are recognised in these financial statements.

The accompanying notes form an integral part of the financial statement.

In accordance with my report of date attached

For M/s Arun & Co

Chartered Accountants
(FRN No. 014464S)

A. Arun

Chartered Accountant
Membership No.227831

Place : Coimbatore

Date : June 26, 2020

K. Gnanasekaran

Director
DIN : 00133645

For and on behalf of the Board

Suresh Jagannathan

Managing Director
DIN : 00011326

J. Kanna

Chief Financial Officer

S. Piramuthu

Company Secretary

Kovilpatti Lakshmi Roller Flour Mills Limited

(Formerly KLRF Limited)

Registered Office 75/8, Benares Cape Road

Gangaikondan - 627352, Tirunelveli District.

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