



E: KRBL/BIBHU/STK\_EX\_1718/34  
October 4, 2017

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

Dear Sir / Madam,

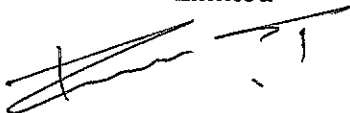
**Sub: Annual Report for the year ended March 31, 2017**

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of KRBL Limited for the Financial Year 2016-17, as approved and adopted in the 24<sup>th</sup> Annual General Meeting of KRBL Limited as held on Tuesday, September 26, 2017 at 11.00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003.

This is for your kind information and record.

Thanking You,

Yours faithfully,  
**For KRBL Limited**

  
**Raman Sapra**  
**Company Secretary**  
M. No. F9233  
267, Street No. 18  
Pratap Nagar, Delhi-110007

Encl.: As Above.

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

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



Outdo. Outlast.  
Outshine.  
Outperform.



Taste  
TOGETHERNESS



Annual  
Report  
2016-17



# India ki Puraani Aadat

Kuch puraani aadatein acchi hoti hain. Jaise ki dua salaam karne ki  
aur India Gate Basmati Rice ke behtareen swaad ki aadat.



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## STATUTORY REPORTS

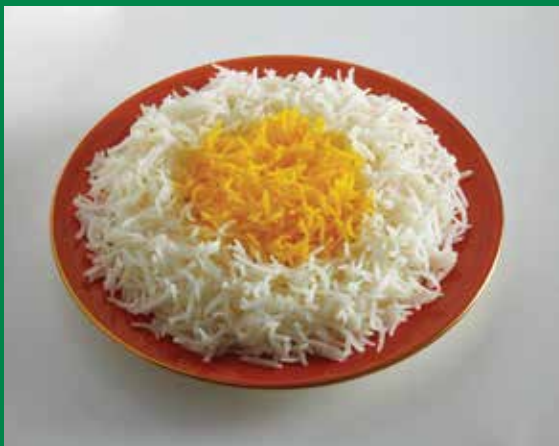
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# Theme Introduction



**27%**

Growth in Net Worth over  
2015-16 to ₹ 1,907 Crores

**29%**

Growth in EBIDTA over 2015-16 to  
₹ 654 Crores

**36%**

Growth in PAT over 2015-16  
to ₹ 399 Crores

**85%**

Growth in market capitalisation over  
2015-16 to ₹ 9,699 Crores

The past few years have been challenging for players engaged in the agriculture sector.

Droughts, Restriction on import of Basmati Rice by some of the key importers, Sharp fluctuation in the prices of commodity, Indian currency and Demonetisation have been some of the key issues.

Amidst, such scenario, only the tough could survive and the best could outlast.

When most other industry players were reeling under pressure and finding difficulties in sustaining operations, we outdid the industry by recording highest ever profitability and margins.

When others were playing it safe by focussing on existing products, we outshined by creating a new business segment of super-premium foods by re-launching brown rice new packaging and launching 'Quinoa' a new health-oriented product.

When most others were hard hit during demonetisation due to cash crunch, we outperformed the industry by growing our market share, media presence and distribution network.

**At KRBL, our business model enables us to...  
Outdo, outlast, outshine and outperform.**

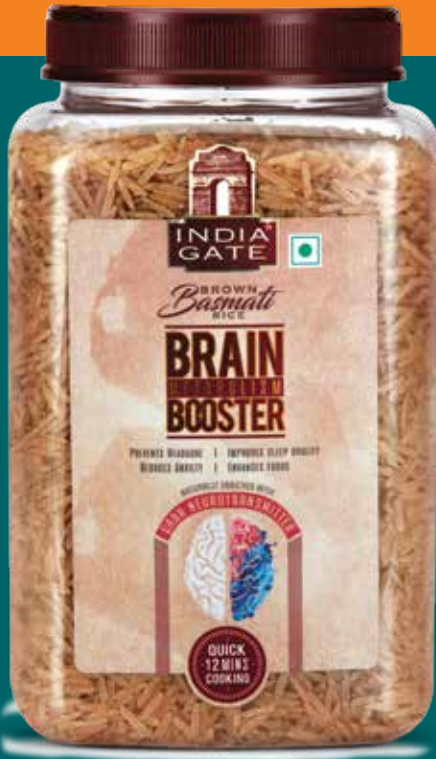


# New Product Launches

Driven by the rising awareness for health and premium food, in 2016-17, the Company created the super-premium segment and launched several products under it. This shall enable it to stay relevant to the changing consumer preference, while at the same time command better margins owing to its premium quality. The new products launched during the year under this category include:

## India Gate Quinoa





## Top of your class. Top of your game. Be the best at everything you do.

Introducing India Gate Basmati Brown Rice.

It is naturally infused with GABA Neurotransmitters which boosts the brain's ability to concentrate and be at its best. So bring home a pack today and start being great at everything you do.

**India Gate Basmati  
Brown Rice**



**India Gate Brown Rice**



It takes longer to digest and keeps one full for long, reducing the urge to snack too often. So you control your weight, not your diet. Bring home a pack today and give wings to your fitness plan.

*Eat Healthy. Live Healthy.  
Stay Energised.*

## INDIA GATE QUINOA – A Superfood for Superfamily

**With the addition of India Gate Quinoa to our product basket we have forayed into the healthy food category.**

### Launch Rationale

One of the greatest and perhaps the most under-recognised threats in India today is the rising instances of lifestyle diseases and stress arising from hectic schedules for people of all ages living in crowded urban locations. Demanding jobs, rising competition in education, eating out and packed days are the new norm.

Despite rising awareness amongst the urban elite, on the importance of leading a healthy and balanced life, it is difficult to maintain a healthy schedule given the demands of the modern lifestyle.

Studies have revealed several worrying statistics over the last few years: in India 33% of those over 30 suffer from at least one lifestyle disease, obesity is rising at an alarming pace, stress levels among professionals and students is continuously rising and diseases like diabetes and cholesterol are claiming millions every year.

### Product USP

Driven by this, we launched India Gate Quinoa, which is a superfood providing balanced nutrition, can be cooked quickly and is good in taste. The product caters to the cream of the Indian society, who is willing to spend energy and money

### Some Worrying Health Statistics:

**33%**

of individuals in India over the age of 30 suffer from one or more lifestyle diseases.

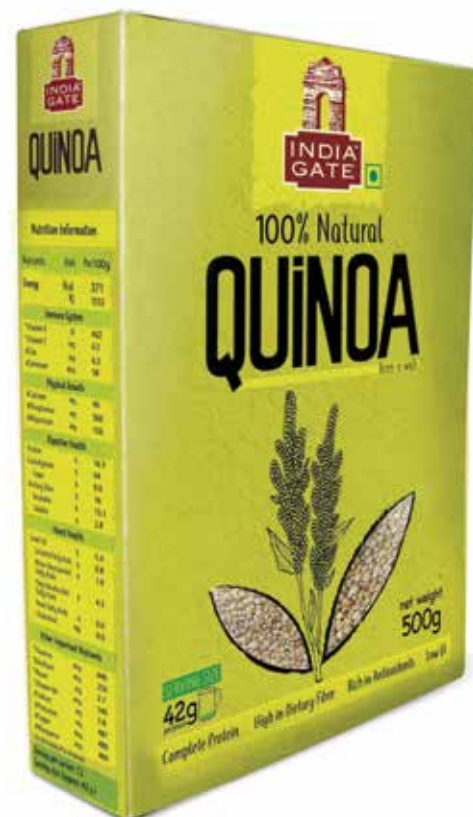
**14.4 million**

Children in India suffer from obesity.

focussed on health and fitness. Rightly tagged a superfood, Quinoa is a protein-rich grain that is full of goodness – a complete protein source, rich in minerals and high on dietary fibre that helps in countering the effects of modern, hectic lives by keeping families healthy, energised and satisfied.

### Positioning

Quinoa is positioned as ‘superfood for the superfamily’ to bring out its many benefits. This positioning is targeted to the women-of-the-house for trying something new that can be beneficial for the entire family. Geared towards a super launch of this superfood, India Gate has the unique opportunity and challenge to create this category and lead the movement towards a healthier and happier India.



*Eat Healthy. Stay Calm.  
Improve Productivity.*

## INDIA GATE BASMATI BROWN RICE – Brain Metabolism Booster

### Launch Rationale

The pace at which stress levels are rising and taking toll on millions of working professionals and students across the country is alarming. It is essential to give consumers something natural for relaxing and relieving stress.

### Product USP

The India Gate Basmati Brown Rice, enriched with Gamma Amino Butyric Acid (GABA), a naturally occurring neurotransmitter that plays a vital role in spreading a calming effect throughout the nervous system. It also helps in increasing the brain metabolism through enhanced flow of oxygen which facilitates in better concentration, focus, sleep quality and reduces anxiety. As per researchers, continuous intake of GABA Rice has several health benefits on the human body like better sleep quality and improved focus and retention.

### Positioning

The product is positioned as 'Brain Metabolism Booster'. Adopting this extremely sharp positioning for Basmati Brown Rice has two benefits. One, it creates differentiation from rest of the India Gate products which facilitates the Company to provide additional offering to existing India Gate customers, thereby increasing purchase occasions and enabling it to retain existing customers. Two, its unique proposition differentiates it from all other competitor brown rice available in the market, thereby facilitating in acquiring new market share.

The target audiences for this product are school-going children and working professionals as it facilitates them in increasing brain activity while reducing stress level, which enables them to be more productive and efficient in work environment.



*Eat Healthy. Control Weight.  
Improve Productivity.*

## INDIA GATE BROWN RICE – Weight Watchers Special

### Re-Launch Rationale

With increasing number of people in urban India falling prey to sedentary lifestyles, there has been rising cases of obesity. As per National Family Health Survey, in 2015-16, 20.7% of women and 18.6% of men aged 15-49 years in India were obese compared to 12.6% and 9.3% respectively in 2005-06. This stark increase is leading to rising consciousness among urban consumers to watch one's diet and weight.

Driven by this, we re-launched brown rice in a new packaging with new positioning to better connect with targeted consumers. Besides, with consumers getting more calorie-conscious and more particular about what they eat, it is important to leverage brown rice within our portfolio to ensure that rice doesn't lose its 'share-of-plate'.

### Product USP

Brown rice has traditionally been known to be healthier. With 100% whole grain brown rice and low GI (glycaemic index) levels, the India Gate Brown Rice offers high fibre density that helps people stay satisfied and full for longer duration.

### Positioning

The product is positioned as 'Weight-watcher's special'. It shall help in creating significant buzz in the market with this sharp positioning towards weight-loss and fitness through hi-fibre healthy eating. It ensures that we are in tandem with our consumers as they focus on weight management for looking good and feeling great.



# Corporate Information

## BOARD OF DIRECTORS

**Chairman & Managing Director**  
Mr. Anil Kumar Mittal

## Joint Managing Directors

Mr. Arun Kumar Gupta  
Mr. Anoop Kumar Gupta

## Whole Time Directors

Mr. Ashok Chand  
Ms. Priyanka Mittal

## Independent Non-Executive Directors

Mr. Alok Sabharwal (Additional Director)  
Mr. Ashwani Dua  
Mr. Devendra Kumar Agarwal  
Mr. Shyam Arora  
Mr. Vinod Ahuja

## CHIEF FINANCIAL OFFICER

Mr. Rakesh Mehrotra

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Raman Sapra

## BOARD COMMITTEES

### • Audit Committee

Mr. Devendra Kumar Agarwal - Chairman  
Mr. Ashwani Dua - Member  
Mr. Vinod Ahuja - Member  
Mr. Shyam Arora - Member

### • Borrowing and Investment Committee

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

### • Corporate Social Responsibility Committee

Mr. Anil Kumar Mittal - Chairman  
Mr. Anoop Kumar Gupta - Member  
Mr. Ashwani Dua - Member  
Ms. Priyanka Mittal - Member

### • Nomination and Remuneration Committee

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

### • Risk Management Committee

Mr. Arun Kumar Gupta - Chairman  
Mr. Anoop Kumar Gupta - Member  
Mr. Ashok Chand - Member  
Mr. Rakesh Mehrotra - Member

### • Stakeholders Relationship Committee

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

## STATUTORY AUDITORS

M/s. Vinod Kumar Bindal & Co.  
Chartered Accountants  
Shiv Shushil Bhawan,  
D-219, Vivek Vihar, Phase-I,  
New Delhi - 110 095

## SECRETARIAL AUDITORS

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

## INTERNAL AUDITORS

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

## COST AUDITORS

M/s. HVMN & Associates  
Cost Accountants  
1011, Pearls Best Heights-II, C-09,  
Netaji Subhash Place, Pitampura,  
Delhi - 110 034

## REGISTRAR & SHARE TRANSFER AGENTS

Alankit Assignments Limited  
Alankit Heights, 1E/13,  
Jhandewalan Extension,  
New Delhi - 110 055  
Phone: (011) 4254 1955/59

## REGISTERED OFFICE

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Fax: 011 - 2396 8327  
E-mail: investor@krblindia.com  
Website: www.krblrice.com  
CIN: L01111DL1993PLC052845  
**CORPORATE OFFICE**  
C-32, 5<sup>th</sup> & 6<sup>th</sup> Floor, Sector 62,  
Noida, Uttar Pradesh - 201 301  
Phone: 0120 - 4060 300  
Fax: 0120 - 4060 398

## BANKERS

State Bank of India  
ICICI Bank Limited  
DBS Bank Limited  
HDFC Bank Limited  
Kotak Mahindra Bank Limited  
Karnataka Bank Limited  
Corporation Bank  
Societe Generale  
CITI Bank N.A.  
IDBI Bank Limited  
The Bank of Tokyo-Mitsubishi UFJ Ltd.

## WORKS

### • Gautam Budh Nagar Unit

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

### • Dhuri Unit

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

### • Alipur Unit 1

29/15-29/16, Village Jindpur,  
G.T. Karnal Road, Alipur, Delhi - 110 036

### • Alipur Unit 2

Plot 258-260, Extended Lal Dora,  
Alipur, Delhi - 110 036

### • Sonipat Unit

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

# Management Discussion & Analysis



## ECONOMIC SCENARIO

### Global Economy

The year 2016 witnessed the global economy stabilising to pick up the momentum for second year in a row. Market sustained a period of volatility, feeble trade scenario and uncertainties relating to policies which dampened markets across the globe. While growth amongst the advanced economies was stronger than expected, the Emerging Nations and Developing Economies (EMDEs) was slower. The year witnessed two key global events contributing to global anxiety – the Brexit, which saw the UK exiting the European Union and the crucial Presidential elections in the USA, which saw the Republican candidate Mr. Donald Trump winning.

Amongst the advanced economies, the growth declined from 2.1% in 2015 to 1.7% in 2016 driven by slowdown in the USA and Euro area. The USA witnessed growth plunging down from 2.6% in 2015 to 1.6% in 2016, driven by potential policy uncertainties led by elections, impact of appreciating dollar on trade, and decline in spending. For the coming years, President Trump's focus on inward-looking policies and expected initiatives for reform have the potential to improve outlook. In Euro areas, the persistent low demand and capital formation coupled with weak investments and high levels of unemployment led to growth slowing down from 2.6% in 2015 to 1.7% in 2016.

The EMDEs continued to face resistance in growth owing to political turmoil and recessions across some regions in addition to the slowdown in major economies of the region i.e. the growth amongst these nations declined marginally from 4.2% in 2015 to 4.1% in 2016. China continued to witness pressures of economic rebalancing, weak private investments and declining productivity. Its economic growth slowed down to 6.7% compared to 6.9% in 2015. However, continuous policy stimulus and strong real estate investments buoyed some recovery in China. Countries like Brazil, Argentina and Turkey faced sharp contraction in tourism revenues, while in Russia scenario seemed to improve on the back of firming oil prices.

### Outlook

Driven by partial recovery towards the second half of the year, that saw recoveries in manufacturing, stabilising political

**During the end of the current fiscal, the country's inflation declined to 3.81%, forex reserves increased to over ₹ 24 Lac Crore, while the fiscal deficit is likely to be 3.5% of the GDP.**

scenario, reducing inventory drags and improving scenario amongst the EMDEs, the outlook for the global remains positive. Strengthening oil prices and stabilising interest rates are further expected to improve market sentiments. By the favourable turn of events, it is expected that the global economy will grow 3.5% in 2017 and then by 3.6% in 2018. (Source: IMF Economic Outlook, 2017).

### Indian Economy

In 2016-17, the Indian economy rated as one of the fastest growing major economies and considered amongst the world's fourth largest manufacturer, recorded a growth of 7.1%. All the primary sectors of the economy witnessed growth. The gross value added in the services, industrial and agricultural sector grew at 7.7%, 5.6% and 4.9% respectively. The robust growth in agriculture was on account of normal monsoon after two successive years of drought. Besides the positive initiatives undertaken by the government to meet its fiscal targets are steadily improving the country's macro-economic fundamentals.

During the end of the current fiscal, the country's inflation decline to 3.81%, forex reserves increased to over ₹ 24 Lac Crore, while the fiscal deficit is likely to be 3.5% of the GDP. The repo rates in the country further declined by 50 basis points to 6.25%, its lowest level since highs of 8% in 2014. Rupee depreciated by 2.12% against dollar, with RBI reference rate for one US dollar on March 31, 2017, being ₹ 64.8386. Exports during the year grew 4.71% to USD 274.64 billion against a decline of 0.17% in imports to USD 380.3 billion. This resulted in trade deficit declining by nearly 11% to USD 105 billion. (Source: Reserve Bank of India, The Economic Times).

## Government Initiatives

The year also witnessed one of the historic events of the recent times in the form of demonetisation. Nearly 86% of the currency in circulation were withdrawn in a bid to curb currency counterfeiting, terrorism funding and black money accumulation. Though the move created temporary cash crunch and hardships for the citizens, it is likely to be beneficial in the long run with large sum of idle funds getting channelised into the economy, while facilitating in bringing a large chunk of informal sector into the formal sector. The digitisation initiative which emerged as a follow-up event shall also facilitate in reducing cash transactions in the country.

During the year, the government also undertook several crucial initiatives which included relaxation of FDI forms for attracting foreign investments, passing of the Goods and Services Tax bill for simplifying the taxation regime in the country, and reducing red tapes for enhancing decision-making speeds. There is a clear intent from the government on faster implementation of projects and improving the lagging infrastructural scenario. In its Union Budget 2016-17, the government enhanced its

allocation to the infrastructure sector to ₹ 3.96 Lac Crore, which includes allocation to the railways of ₹ 1.31 Lac Crore. (Source: Business Line).

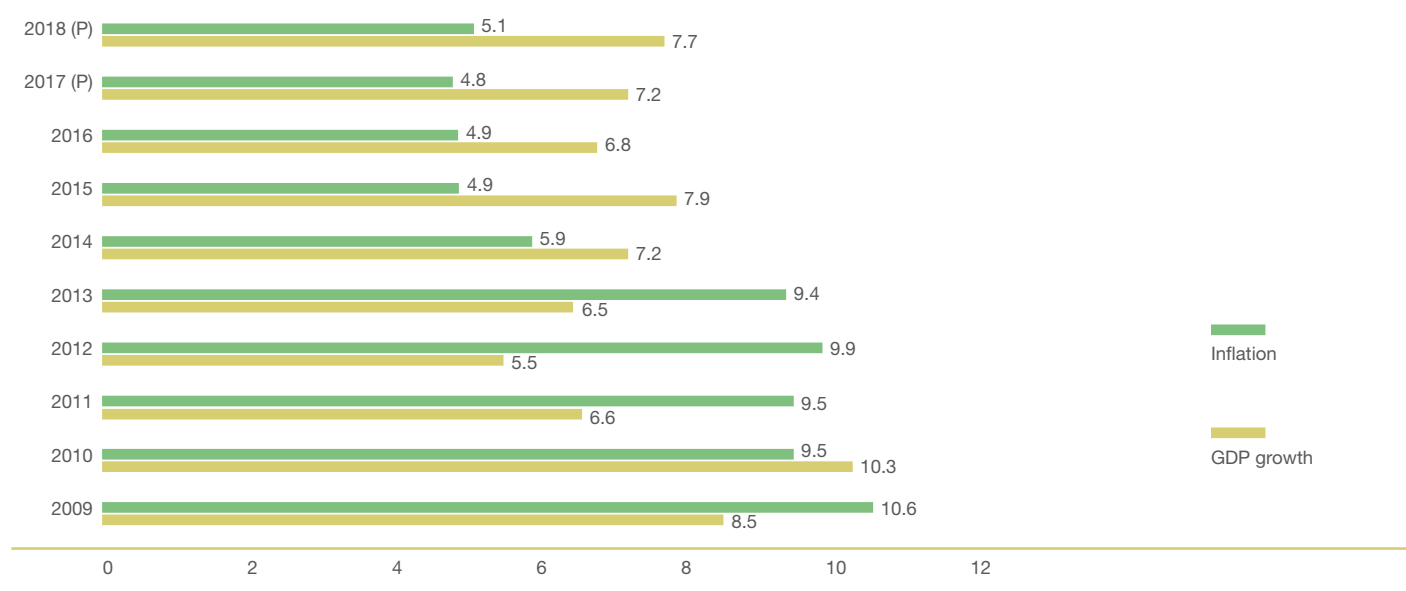
## Important Assembly Elections

Another major developments during the year has been the current Central Government's win in the crucial state assembly elections in Uttar Pradesh, Goa, Uttarakhand and Manipur. This is likely to stabilise the political scenario in the country, while facilitating the government to make better decisions and pass important bills.

## Outlook

The outlook for the country remains moderate in the short term as the country adjusts to various structural changes. However, in the longer run with increasing financial inclusion, rising investor confidence, infrastructural development and easing business scenario, India is headed to continue being the fastest growing major economies in the world. International Monetary Fund projects the country to grow 7.2% in 2017-18, while gaining momentum and growing by 7.7% in 2018-19.

### Indian GDP and inflation trend



(Source: IMF)

**The outlook for the country remains moderate in the short term as the country adjusts to various structural changes.**



## AGRICULTURE SECTOR IN INDIA

### Overview

The agriculture and its allied sector are amongst the most vital sectors of India. The sector provides employment to nearly 58% of the country's population and is amongst the largest contributors to the GDP. In terms of exports, it is the fourth largest exported principal commodity accounting for nearly 10% of the country's export. Despite, such strong numbers, a major concern for the sector has been low farm income, low productivity, less area under irrigation and crop losses which is leading to the sector witnessing decline in workforce. However, with the renewed focus of the present government and implementation of various positive schemes, the sector is expected to add 12 million people to its workforce till 2018-19.

### Performance in 2016-17

In 2016-17, the Gross Value Added (GVA) from the agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is likely to grow by 4.9%. The total foodgrains production is likely to increase by 8.7% from 251.57 million tonnes (MMT) in 2015-16 to 273.38 MMT in 2016-17. Rice production, post two years of decline, is likely to grow by 4.5% from 104.41 MMT in 2015-16 to 109.15 MMT in 2016-17. As per APEDA, the total exports of agri and processed food products increased by 2.70% from ₹ 1,06,002 Crores in 2015-16 to ₹ 1,08,867 Crores in 2016-17. (Source: RBI monetary policy report, 3<sup>rd</sup> advanced estimates of production of food grains, APEDA)

### Union Budget Developments

The government in a bid to address challenges in the agriculture increased its allocation to the sector by 24% to ₹ 1.87 trillion for the year 2017-18. The budget primarily focussed on pushing market reforms and increasing funds for crop insurance to tackle farmers' distress. NABARD (National Bank for Agriculture and Rural Development), was also assigned the task for implementing schemes to improve access to irrigation and develop the dairy sector.

For enhancing the farmers' income, the government focusses on developing a model of contract farming and delisting perishables from Agriculture Produce Marketing Committees (APMCs) such that farmers can directly sell produce to consumers for earning better margins.

### Key Highlights of the Budget:



Focus on reforms and contract farming



Increase crop insurance from ₹ 5,500 Crores in 2016-17 to ₹ 9,000 Crores in 2017-18



Target agriculture credit disbursement of ₹ 10 trillion against ₹ 9 trillion in 2016-17



Additional allotment of ₹ 20,000 Crores to NABARD for long-term irrigation fund and ₹ 5,000 Crores for setting up a dedicated micro irrigation fund



Assistance to rural entrepreneurs for setting-up soil testing labs in Krishi Vigyan Kendras

(Source: Union Budget, 2017-18)

### Evergreen Revolution

The Ministry of Agriculture has developed a three-year roadmap that focusses on the growth of farm sector and doubling farmers income by 2022. The various initiatives under this scheme includes:

- Use of cutting-edge technology to enhance farm productivity
- Promotion of climate-resilient indigenous breeds of cows and buffaloes
- Leverage the advantages of space technology in agriculture and allied sectors
- Promotion of deep sea fishing
- Setting up of seed production and processing units at 'panchayat' level
- Increase cropping intensity by 1 million hectares per year through the utilisation of rice fallow areas for pulses and oil-seeds
- Consolidating online trading and inter-market transactions

### Outlook

The outlook for the agricultural sector in 2017-18 remains positive with Indian Meteorological Department's projection of normal rainfall in 2017. This is likely to improve agricultural output resulting in growth of gross value added from the sector. Driven by this, FICCI expects the Indian agriculture sector to grow 3.5% in 2017-18.



## GLOBAL RICE OVERVIEW

### Production and Utilisation

The year 2016 turned out to be a record year for paddy production post two years of poor outcome which was marked with El Niño weather anomaly. With weather conditions getting back to normalcy, the paddy producers, especially the ones in the northern hemisphere, were able to reclaim lands for paddy cultivation leading to expansion of area under cultivation by 2.7 million hectares. As a result, paddy production in Asia, led by strong growth in India and Thailand, reached record levels of 680.1 MMT, grown by 1.6% in 2016-17. Countries like Cambodia, Iran, Iraq, North Korea, Japan, Lao, Nepal, Myanmar and Philippines also witnessed good growth. However, the production in China, Malaysia, Sri Lanka and Vietnam declined.

During the year, Africa witness growth in production by nearly 7% to 30.8 MMT. A majority of this growth would come from sizeable expansion in Eastern and Western Africa, especially Mali and the United Republic of Tanzania.

Rice utilisation in 2016-17 is forecasted to grow 1% to 500.3 MMT. Of this, nearly 401.8 MMT would be towards food intake, 18.3 MMT for animal feed and the remaining 80.2 MMT for other uses. (Source: Rice Market Monitor, April 2017 – Food and Agriculture Organisation).

### Region-wise Paddy Production (in MMT)

|                               | 2016  | 2015  |
|-------------------------------|-------|-------|
| Asia                          | 680.1 | 669.6 |
| Africa                        | 30.8  | 28.8  |
| Central America and Caribbean | 2.8   | 2.6   |
| South America                 | 23.7  | 25.7  |
| North America                 | 10.2  | 8.8   |
| Europe                        | 4.2   | 4.2   |
| Oceania                       | 0.3   | 0.7   |

(Source: Rice Market Monitor, April 2017– Food and Agriculture Organisation)

### Top Five Producer Countries (in MMT)

|            | 2016  | 2015  |
|------------|-------|-------|
| China      | 208.5 | 209.8 |
| India      | 163.3 | 156.6 |
| Indonesia  | 72.7  | 73.0  |
| Bangladesh | 52.6  | 52.5  |
| Vietnam    | 43.6  | 45.2  |

(Source: Rice Market Monitor, April 2017– Food and Agriculture Organisation)

### Global Paddy Production and Area



(Source: Rice Market Monitor, April 2017– Food and Agriculture Organisation)

The U.S. Department of Agriculture (USDA) projects the global rice production on milled basis to reach record levels of 481.1 MMT in 2016-17, an increase of 8.89 MMT over 2015-16. China, despite a fall in production over 2015-16 levels, would still continue to be the largest rice producer with 144.85 MMT production followed by India at 106.50 MMT and Indonesia at 37.15 MMT. The area under production reached the record levels of 161.5 million hectares, while the yield per hectare at 4.44 tonnes was marginally higher than in 2015-16. (Source: USDA Rice Outlook, April 2017)

### Trade

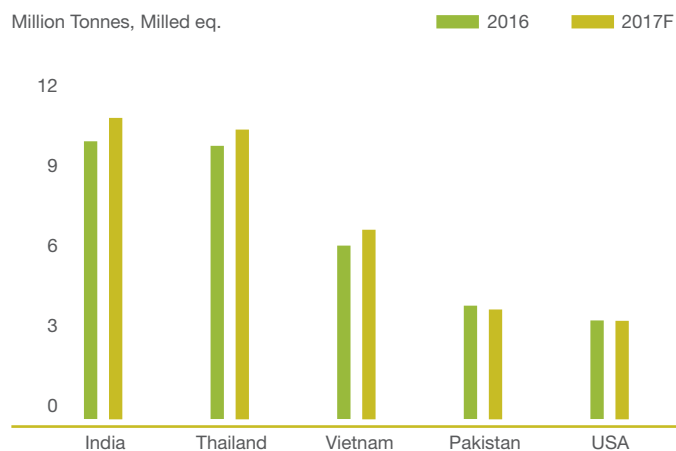
The international rice trade, post two years of decline, is likely to grow 4% to 41.6 MMT in 2016-17 as major buyers in Asia and Africa focus on meeting production shortfall and reconstituting reserves. Import demand from America and Europe is likely to remain low amid comfortable supply situations. Driven by the on-going scenario, the competition among various global suppliers is expected to be intense. India is likely to remain the

largest supplier for the fifth consecutive year. However, it faces intense competition from Thailand driven by output rebound and stock releases from the Government. Exports from Australia, Myanmar, Paraguay, Uruguay and Vietnam are seen increasing, while that from Argentina, Brazil and Pakistan is expected to decline driven by weaker demand from traditional outlets.

International rice prices, after touching multi-year lows during the end of 2016 witnessed some recovery in 2017. The FAO All Rice Price Index (2002-2004=100) rose 6% from its December 2016 levels as it averaged 198 points in mid-April 2017. (Source: Rice Market Monitor, April 2017– Food and Agriculture Organisation)

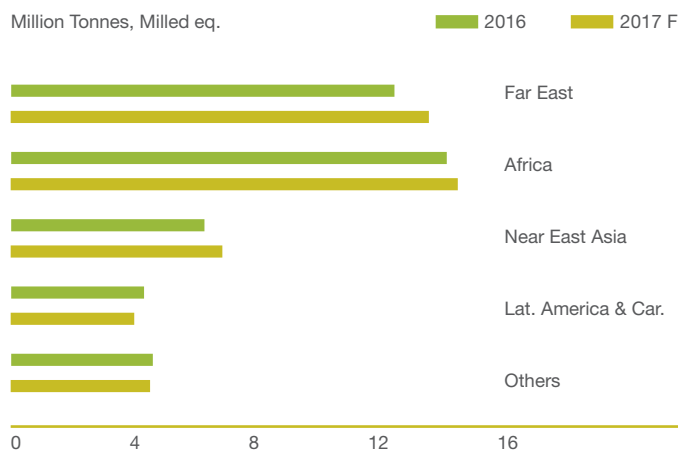
As per the USDA, the global rice export in 2016-17 is likely to increase by 1.48% from 40.40 MMT in 2015-16 to 41 MMT in 2016-17. The exports from India and Thailand are expected to be around 10 MT each, while together they would account for nearly half of the total global exports.

#### Rice Exports by the Five Major Exporters



(Source: Rice Market Monitor, April 2017– Food and Agriculture Organisation)

#### Rice Imports by the Region



(Source: Rice Market Monitor, April 2017– Food and Agriculture Organisation)

**Rice utilisation in 2016-17 is forecasted to grow 1% to 500.3 MMT. Of this, nearly 401.8 MMT would be towards food intake, 18.3 MMT for animal feed and the remaining 80.2 MMT for other uses.**

## Inventory

With the global rice consumption keeping pace with the production growth, the rice inventory at the close of 2016-17 marketing year is likely to remain steady at 171.3 MMT. As a result, the global stock-to-use ratio would remain at comfortable levels of 33.8% this season. China with 101.2 MMT of stock would hold the largest stock of rice. (Source: Rice Market Monitor, April 2017– Food and Agriculture Organisation)

## Outlook

In 2017, the global paddy production is expected to reach 758.9 MMT (503.8 MMT on milled basis) on the assumption of normal

growing conditions, with majority of growth coming from Asian region. However, the growth rate would be slower at 0.9% compared to 1.6% in 2016-17 suggesting a slowdown in rate of production growth. This would be driven by reduced production from large producers in Asia, who have witnessed diminished returns from large harvests. Rice utilisation in 2017-18 is expected to surge by 6.2 MMT to 506.5 MMT. Consumption of rice as food item would continue to be the major driver. Global trade in 2017 is expected to increase by 4% to 43.3 MMT with Asia, especially China, leading in terms of imports at 20.8 MMT. In terms of exports, India is expected to lead with shipment rising 8% to 10.8 MMT followed by Thailand at 10.4 MMT.

| Global Rice Market Summary                                 |                            |             |             |                             |
|------------------------------------------------------------|----------------------------|-------------|-------------|-----------------------------|
|                                                            | 2015-16                    | 2016-17 (E) | 2017-18 (F) | 2017-18/2016-17<br>Variance |
|                                                            | Million Tonnes, Milled eq. |             |             | %                           |
| Production                                                 | 491.6                      | 499.2       | 503.8       | 0.9                         |
| Supply                                                     | 711.0                      | 713.3       | 720.0       | 0.9                         |
| Utilisation                                                | 495.3                      | 500.3       | 506.5       | 1.2                         |
| Food use                                                   | 396.7                      | 401.8       | 406.4       | 1.1                         |
| Feed use                                                   | 18.1                       | 18.3        | 18.0        | -1.8                        |
| Other uses                                                 | 80.5                       | 80.2        | 82.1        | 2.4                         |
| Trade <sup>1</sup>                                         | 41.6                       | 43.3        | 44.2        | 2.0                         |
| Ending stocks <sup>2</sup>                                 | 171.4                      | 171.3       | 170.7       | -0.3                        |
| %                                                          |                            |             |             |                             |
| Global stock-to-use ratio                                  | 34.3                       | 33.8        | 33.2        | -                           |
| Major exporters' stock to-disappearance ratio <sup>3</sup> | 19.2                       | 18.6        | 16.9        | -                           |

<sup>1</sup> Data refer to the calendar year trade (Jan.-Dec.) of the second year shown.

<sup>2</sup> Stocks carried over in the second year shown.

<sup>3</sup> Defined as the sum of five major rice exporters' (India, Pakistan, Thailand, the United States and Vietnam) stocks divided by the sum of their domestic utilisation plus exports.

(Source: Rice Market Monitor, Food and Agriculture Organisation)



## INDIAN RICE OVERVIEW

### Overview

Rice is amongst the most crucial food crops and staple diet for majority of the country's population. India is the second largest producer and largest exporter of rice. West Bengal, Uttar Pradesh, Andhra Pradesh, Telangana, Punjab, Odisha, Bihar, Chhattisgarh and Tamil Nadu are amongst the top rice producing states in the country. Fertile soil, adequate monsoon, favourable weather conditions, and appropriate farming skills make rice farming predominant in India. Besides, low cost of production and quality of paddy makes India one of the most favourable export destinations for rice. It is also the largest producers and exporters of premium Basmati Rice that is highly renowned across the globe.

### Facts on India's Rice Industry

1 **India** is the **second largest producer and largest exporter of rice** in the world

2 **India** continues to remain competitively positioned in the global rice market at the back of surplus rice stockpiles and improved production methods

3 In 2016-17, **India** accounted for nearly 23% of the total global rice production of 500 MMT

4 **Basmati Rice** is a GI (geographical indication) product which is produced only in India and Pakistan



- 70% Basmati Rice is produced by India
- 30% Basmati Rice is produced by Pakistan

5 Currently, the organised Basmati Rice segment is about 40% and the unorganised trade accounts for the remaining 60%

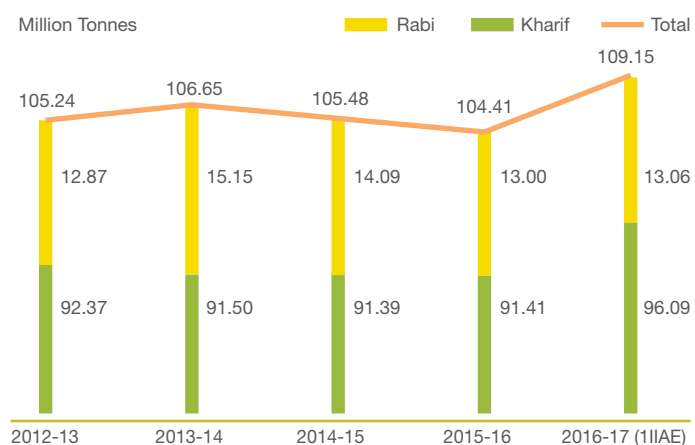
6 The industry is witnessing a steady shift towards organised retail on the back of the strong growth drivers in the Indian FMCG and packaged goods space

### Production

The rice production during the year 2016-17 is expected to reach record levels of 109.15 MMT (4.55 growth over 2015-16). This growth was primarily driven by bumper harvests during the Kharif season which witnessed normal pattern of rainfall resulting in production growing by 5.12% to 96.09 MMT. However, in the Rabi season, the production was nearly flat at 13.06 MMT driven by tight water availabilities in southern producing states, which led to decline in planting of irrigated crops for the third year in a row. (Source: 3rd advanced estimates of food grains production for 2016-17)

The minimum support prices (MSP) or the pre-decided prices at which the government procures paddy from farmers continued its rising trend to incentivise the farmers. For the year 2016-17, the government increased the MSP for common and grade 'A' paddy price to ₹ 1,470/quintal and ₹ 1,510/quintal respectively. Until February 15, 2017, the total paddy procurement by the government reached 292.31 lacs tonnes which was nearly 28 lacs tonnes higher than that in the similar period in the previous year. (Source: Food Corporation of India, Business Line)

### Rice Production Trend in India



(Source: EPW Research Foundation)



## Exports

In 2016-17, India is the largest exporter of rice for fifth year in a row. However the growth rate of exports was lower than that of production driven by Government's fast procurement of Kharif production, prospects of nearly flat Rabi harvest and strengthening of Indian Rupee in the past few months. (Source: RMM – FAO)



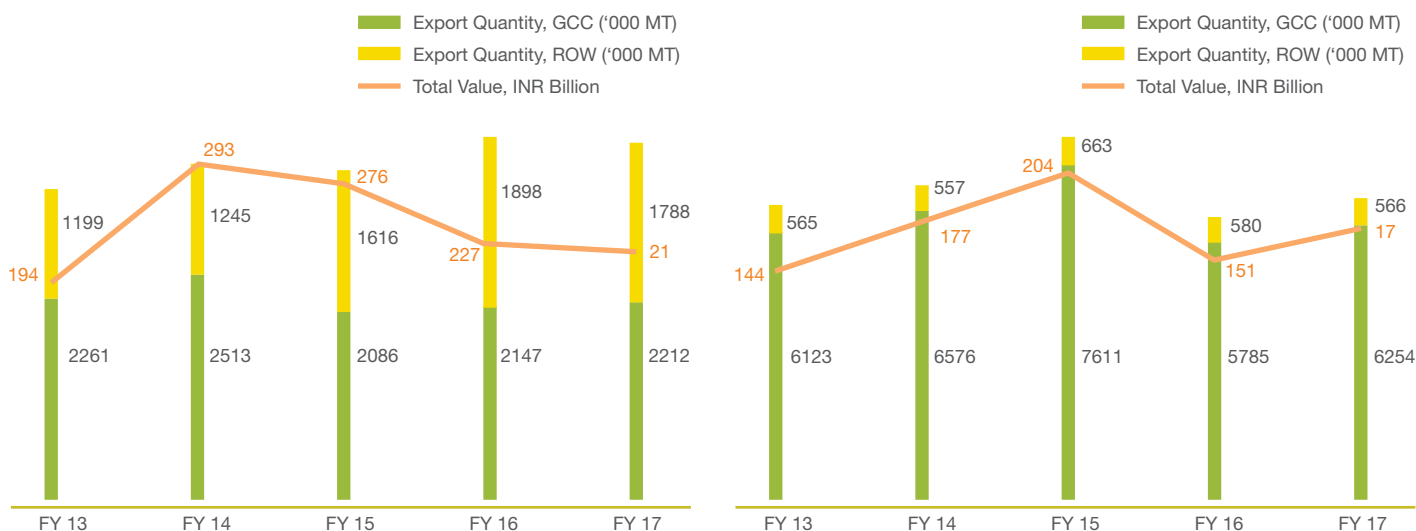
### Rice Export Market – Strong Growth Trends Led by GCC (Gulf Cooperation Council)

#### Basmati

Saudi Arabia imported the largest quantity of Basmati Rice from India in FY17 followed by Iran, UAE and Iraq

#### Non-Basmati

Benin imported the highest quantity of Non-Basmati Rice from India in FY17 followed by Senegal, Nepal and Guinea  
Iran, UAE and Iraq



(Source: APEDA. Note: GCC Countries include UAE, Saudi Arabia, Oman, Qatar, Kuwait and Bahrain)

**Basmati Rice is exported to 156 countries out of which KRBL exports to 75 countries and is the market leader in the important Basmati consuming markets in the branded segment**



The overall shipment of rice from the country increased by 3.94% from 10.41 MMT in 2015-16 to 10.82 MMT in 2016-17. In value terms, the exports of Basmati Rice dropped 4.90% from ₹ 22,718 Crores in 2015-16 to ₹ 21,605 Crores in 2016-17, while that of non-Basmati Rice grew by 13.33% to ₹ 17,145 Crores. Saudi Arabia, United Arab Emirates, Iran, Iraq, Benin and Nepal were the largest buyers during the year accounting for nearly half the exports. (Source: Business Line, Department of Commerce)

| Three-year Exports Statement of APEDA Products |                    |                  |                    |                  | (₹ in Lacs, Volume in Metric Tonnes) |                  |
|------------------------------------------------|--------------------|------------------|--------------------|------------------|--------------------------------------|------------------|
|                                                | 2014-15            |                  | 2015-16            |                  | 2016-17                              |                  |
| Cereals                                        | Volume             | Value            | Volume             | Value            | Volume                               | Value            |
| Basmati Rice                                   | 37,02,260          | 27,59,789        | 40,45,796          | 22,71,844        | 40,00,472                            | 21,60,454        |
| Non-Basmati Rice                               | 82,74,046          | 20,42,854        | 63,66,586          | 15,12,909        | 68,20,773                            | 17,14,536        |
| Wheat                                          | 29,24,070          | 4,99,184         | 6,18,020           | 97,859           | 2,65,909                             | 44,840           |
| Maize                                          | 28,25,611          | 4,03,751         | 6,50,103           | 1,08,990         | 5,69,297                             | 1,03,034         |
| Other Cereals                                  | 6,88,200           | 1,22,402         | 2,64,974           | 51,722           | 1,68,642                             | 39,583           |
| <b>Total</b>                                   | <b>1,84,14,187</b> | <b>58,27,980</b> | <b>1,19,45,479</b> | <b>40,43,323</b> | <b>1,18,25,093</b>                   | <b>40,62,446</b> |

(Source: <http://agriexchange.apeda.gov.in>, DGCIS Annual data)

## Outlook

With IMD's projections of rainfall likely to be 96% of the long period average, the Agriculture Minister Radha Mohan Singh expects the foodgrain production to touch new heights. Government's initiative to make rice production more lucrative by increasing the minimum support prices (MSP) is also likely to contribute to the growth factor. Besides, the government is also focussed on addressing the low productivity problems through its National Food Security Mission and the Bringing Green Revolution to Eastern India programmes. Initiatives to bolster agricultural credit, and enhance coverage of irrigation, soil health and crop insurance (through Pradhan Mantri Fasal Bima Yojana) are likely to benefit the agriculture sector in the coming years. Driven by these, the FAO projects the total rice production in the country is likely to reach 110.2 MMT. (Source: Rice Market Monitor – FAO, Ministry of Agriculture)

## INDIAN BASMATI RICE OVERVIEW

### Overview

The Indian Basmati Rice (aromatic long grain rice) is amongst the most renowned rice variants globally. It has even received Geographical Indicated (GI) Protection which means that only the long grain aromatic rice cultivated in the foothills of the Indo-Gangetic plain can use the term 'Basmati'. It is amongst the best quality rice commanding a premium in the international market. The key Basmati Rice producing states in India includes Jammu and Kashmir, Punjab, Haryana, Uttarakhand, and western Uttar Pradesh.

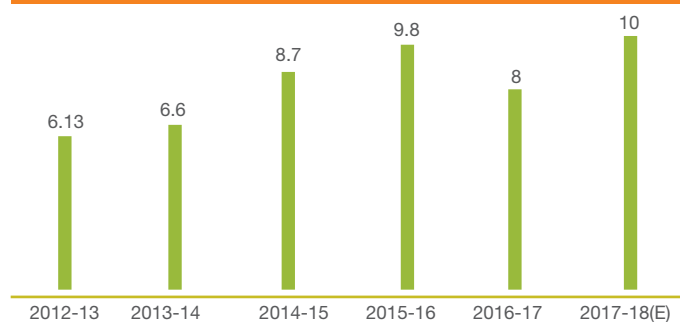
### Production

In 2016-17, the Basmati Rice production is likely to decline by over 18% from 9.8 MMT in 2015-16 to 8 MMT driven by a sharp decline in acreage. Late rainfall coupled with dry spells in key growing areas resulted in area under Basmati paddy declining by nearly 20% from 2.1 million hectares in 2015-16 to 1.6 million hectares in 2016-17. Haryana and Punjab are likely to account for nearly 40-45% production followed by Uttar Pradesh at

10-15%. This resulted in the share of Basmati Rice to total rice production declining from 9.4% in 2015-16 to 7.3%.

One of the major drivers for Basmati Rice has been the increasing domestic demand over the past couple of years. However, in the year 2016-17, 102.72 million tonnes rice is available for the domestic consumption.

### Trends in Basmati Rice Production (in MMT)



(Source: APEDA, 2nd Advance estimates Dept. of Agriculture, ICRA reports compiled by BS Research Beureu)

### Exports

The exports of Basmati Rice in 2016-17 declined from 4.04 MMT in 2015-16 to 4.00 MMT in 2016-17. Gulf countries, Iran and Iraq accounted for nearly 80% of the total exports during the year. The realisation per tonne declined by 3.81% from ₹ 56,156

per tonne in 2015-16 to ₹ 54,016 per tonne in 2016-17. During the year, Basmati Rice exports as a proportion of overall rice exports accounted for nearly 37% in volume terms and nearly 56% in value terms.

### Basmati Rice Exports and Realisation

| Year    | Exports                 |                  | Realisation ( ₹ per Tonnes) |
|---------|-------------------------|------------------|-----------------------------|
|         | Volume (Million Tonnes) | Value (₹ Crores) |                             |
| 2012-13 | 3.46                    | 19,409.39        | 56,099.28                   |
| 2013-14 | 3.75                    | 29,291.82        | 78,026.17                   |
| 2014-15 | 3.70                    | 27,598.71        | 74,545.09                   |
| 2015-16 | 4.04                    | 22,714.37        | 56,156.51                   |
| 2016-17 | 4.00                    | 21,605.13        | 54,016.58                   |

(Source: APEDA, DGCIS Annual Data)

### Outlook

The year 2017-18 is likely to be a good year for Basmati Rice with area under cultivation expected to increase by 25% driven by forecast of normal rainfall and favourable climatic condition. This shall in all likelihood enhance production and exports. Though the export demand for Basmati remained weak in the past two years, it is likely to improve with Iran recommencing procurement from India since January-March 2017 quarter. Procurement from Iran is likely to be around 1 million tonnes.

Besides, China has also identified 14 Indian firms for exports, which opens up opportunity for direct exports to the country contrary to the practice of small indirect exports earlier through Hong Kong route. In addition to this, with the firming up of paddy prices, the average realisations are likely to increase which in turn shall boost revenues. In 2017-18, the exports is likely to be around 4.09 MMT in volume terms and ₹ 22,000-22,500 Crores in value terms. (Source: Business Standard, ICRA).

INDIA  
GATE  
BROWN  
*Basmati*  
RICE



**Top of your class.  
Top of your game.**

**Be the best at everything you do.**

Introducing India Gate Basmati Brown Rice.

It is naturally infused with GABA Neurotransmitters which boosts the brain's ability to concentrate and be at its best. So bring home a pack today and start being great at everything you do.

**BRAIN  
METABOLISM  
BOOSTER**

PREVENTS HEADACHE | IMPROVES SLEEP QUALITY | REDUCES ANXIETY | ENHANCES FOCUS

## COMPANY OVERVIEW

KRBL with its diverse range of quality rice and the legacy spanning over 127 years is the world's largest and most preferred Basmati Rice Company. With robust integration and strong relationship with farmers, the Company's business philosophy is aligned towards attaining the highest quality rice. India Gate is KRBL's flagship brand, which delivers highest quality rice produced from the best paddy sowed in the most fertile soils of India. This provides India Gate brand a premium positioning in the global Basmati Rice market. With unique propositions of being the world's longest rice grain, most aged, high aesthetics and aroma, India Gate Basmati Rice is the most preferred product globally.

Over the years, the Company has developed multiple product brands which include Nur Jahan, Telephone, Train, Unity, Harooz etc. These brands enable it to cater the needs of different categories of consumers across multiple geographies. Presently, KRBL has strong presence in the India and Gulf Cooperation Council (GCC) countries. The Company exports its products to 75 countries and is the market leader in the important Basmati consuming markets in the branded segment.

KRBL's strong retail presence across different sizes and price points, enables it to allure consumers across all age groups and regions making it the leading and most aspirational Basmati Rice player.

**KRBL Limited has been awarded with the Golden Trophy by APEDA (Agricultural and Processed Food Products Export Development Authority), Ministry of Commerce and Industry, the Government of India, for outstanding export performance for the year 2015-16.**



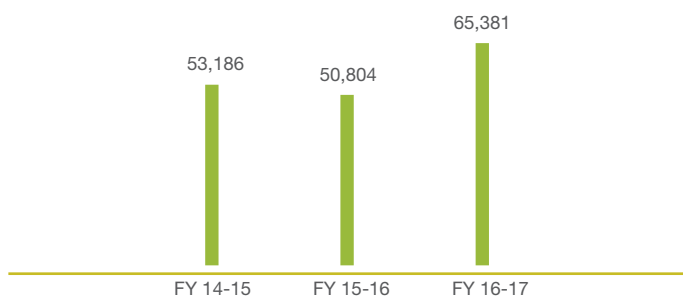
### Performance Highlights for the 2016-17

- **Highest ever EBITDA** of ₹ 654 Crores, an increase of 29% over 2015-16.
- **Highest ever EBITDA Margin** of 21% as against 15% in 2015-16.
- **Highest ever Profit before Tax** of ₹ 538 Crores, an increase of 38% over 2015-16.
- **Highest ever Profit after Tax** of ₹ 399 Crores, an increase of 36% over 2015-16.
- **Highest ever PAT margin** of 13% as against 9% in 2015-16.
- **Earnings per equity share** of ₹ 16.97 compared to ₹ 12.45 per share in the previous year.
- **Net Worth of the Company increased** by 27% to ₹ 1,907 Crores.
- **5-year Net Sales growth CAGR** of 14% and EBITDA growth CAGR of 22%.
- **Market Capitalisation increased** by 85% to ₹ 9,699 Crores.
- **Power Sales increased** by 18% to ₹ 98 Crores.
- **Dividend declared by the Company** for the 2016-17 is 210% as compared to 190% for the previous year.
- **Debt Equity Ratio improved** to 0.57:1 as on March 31, 2017 as compared to 0.78:1 as on March 31, 2016.
- **Strengthening green energy portfolio, with the total Installed Capacity** of 114.35 MW in the Wind Power Projects and 15.00 MW in the Solar Power Projects.

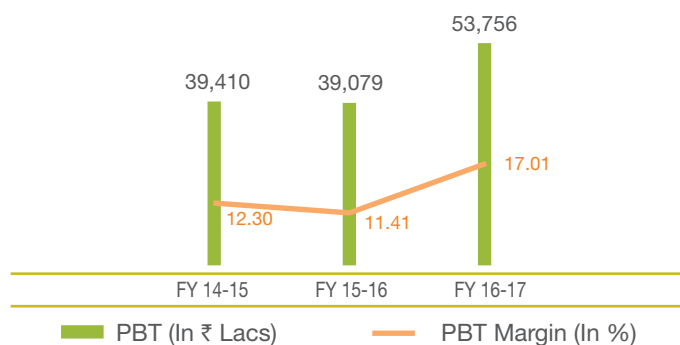
## KEY PERFORMANCE INDICATORS



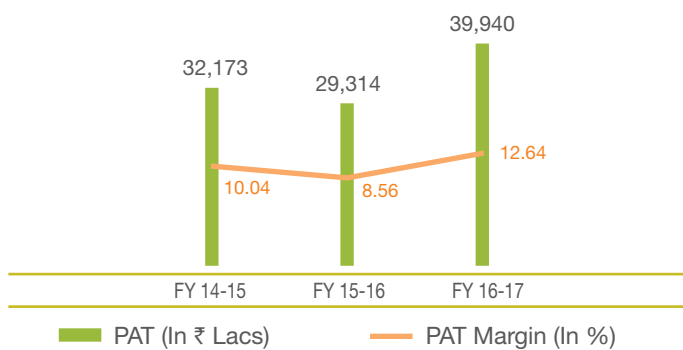
### EBITDA (in ₹ Lacs)



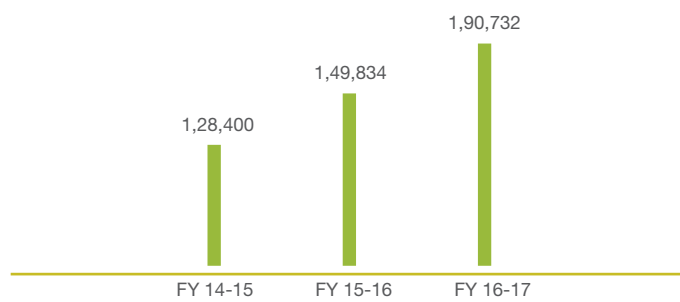
### PBT (in ₹ Lacs) & PBT Margin (in %)



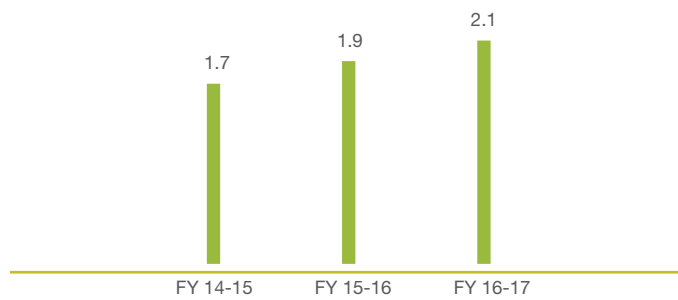
### PAT (in ₹ Lacs) & PAT Margin (in %)



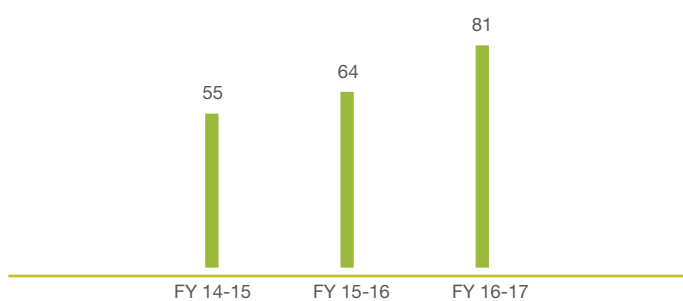
### Net Worth (in ₹ Lacs)



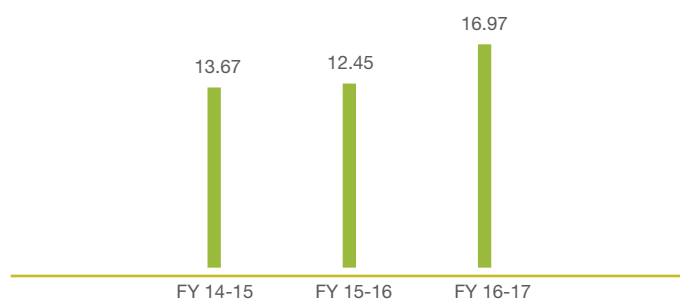
### Dividend Per Share (in ₹)



### Book Value Per Share (in ₹)



### Earnings Per Share (in ₹)



## BUSINESS SEGMENT REVIEW

### Agri division

The Company's agri business spans the entire value chain of rice, right from the seed to the grain, across agro processing and marketing. In 2016-17, KRBL continued to lead the industry ranking in terms of Basmati Rice production and trade, both within and outside the country. Sustained quality focus, in-house R&D capabilities, strong backward and forward linkages and a visionary management supported by a dedicated team continued to steer the quality and growth for KRBL during the year. In addition to this, a favourable monsoon further contributed to good harvests, resulting in the Company's impressive performance in terms of revenue and profitability.

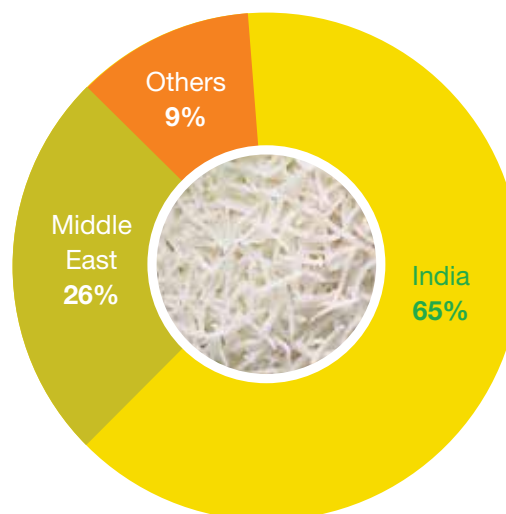
The total sales for the financial year 2016-17 from agri division was ₹ 3,051 Crores, with Rice sales accounted to 92% of total revenue from operations. Export sales during the year remained constant except for export sales of 95,000 MT [in Tender sales] executed by the Company last year and the same did not come this year. Domestic sales grew by 31% to ₹ 2,054 Crores.

Company's rice milling capacity of 195 MT/hour, the largest in the world, lends it a distinctive edge making operations extremely productive and cost effective. Besides, the Company's state-of-the-art storage and warehousing capacities, innovative marketing approach, expanding distribution network, deep-rooted relations with farmers through structured contract farming OR contact farming and strong R&D capabilities further enhances its long-term business sustainability and revenue visibility. These strengths along with rising brand popularity positions the Company favourably to capitalise on the growing demand for Basmati Rice within and outside India.

The Company has also strategically placed its product range across all major price points to garner a major share in the organised Basmati Rice market.



### Regional Revenue Contribution



**250,000 acres**

Contact Rice Farming Network Coverage

**90,000+**

Farmers across the states of Western Uttar Pradesh, Uttarakhand, Punjab and Haryana

**195 MT/hour**

Rice Milling Capacity, Largest in the World

**1.2 MT**

Total Warehousing Capacity

### Strong farmer Relations and Procurement

The Company's deep-rooted relation with farmers is its biggest strength. Through its contact farming methodology, the Company is adequately able to monitor quality while consistently reaching out to farmers with innovative initiatives and technological support for further improvement. This also helps insulate the farmers from market risks and uncertainties. In this mutually beneficial relation, the Company gains through uninterrupted supply of high quality paddy and the farmers get security.

### State-of-the-art Infrastructure

Besides scaling capacities, KRBL consistently focusses on upgrading its facilities through technological investments and focussing on enhancing operational efficiency. Its state-of-the-art, integrated manufacturing facilities in Dhuri and Gautam Budh Nagar unit have given the Company a strong manufacturing edge. The Company also has an ultra-modern packaging unit and foodgrain warehousing facility at Alipur and Sonipat unit.

| KRBL Infrastructure              |                              |                             |                           |
|----------------------------------|------------------------------|-----------------------------|---------------------------|
| Location                         | Function                     | Production Capacity (MT/hr) | Grading & Packing (MT/hr) |
| Dhuri, Punjab                    | Rice Processing              | 150                         | 60                        |
| Gautam Budh Nagar, Uttar Pradesh | Rice Processing              | 45                          | 30                        |
| Alipur, Delhi                    | Grading, Sorting & Packaging | -                           | 30                        |
| Sonipat, Haryana                 | Grading, Sorting & Packaging | -                           | 20                        |
| <b>Total</b>                     |                              | <b>195</b>                  | <b>140</b>                |



## DOMESTIC AGRI BUSINESS PERFORMANCE

In India, KRBL commands a 32% market share, making it the largest player by a margin. With a massive distribution network, the Company has a robust pan-India presence enabling its product to reach the remotest corners of the country, a feat unmatched by any of the peers in the branded rice segment.

In 2016-17, the sales from domestic rice business increased by 34% to ₹ 1,822 Crores in value terms. Basmati contributed 96% to the domestic revenues from rice sales.

Contrary to the previous year where the product prices were lowered driven by declining commodity prices, in 2016-17 the Company undertook calibrated price increase to pass on the steep rise in commodity prices. The average selling prices for branded rice increased by 12.5% to ₹ 45 per kg in 2016-17 as compared to ₹ 40 per kg in 2015-16. As a result, the sales growth in value terms was higher compared to the volume terms. The changing lifestyle and consumer patterns coupled with rising disposable income and middle class population is boosting branded Basmati Rice demand in the country.

India Gate continued to lead the Indian growth story for KRBL by contributing to a majority portion of the Company's domestic sales. India Gate brand performance has been steered by improving sales in the consumer pack categories of 1 kg and 5 kg. This has been aided by healthy marketing, trade investments, market development and in-market execution. Other brands that performed well in some selected regions during the year were Unity, Doon, Necklace which were particularly popular in the institutional segment.

The Non-Basmati India Gate Brown Rice also continued to find an expanding consumer base in the top metros of India on its health factor. The Company's efforts during the past few years to strengthen its brand Unity found considerable success with the products gaining significant acceptance in the domestic market.

In domestic market, the Company distributes its products through three channels – traditional, modern and e-commerce. For each channel, the Company has devised diverse strategies to grow business. In traditional, the focus is on improving quality of distribution, in modern, to enhance presence and in e-commerce to build loyalty.



### Consumer Pack Segment

In the consumer pack segment, the Company's sales in 2016-17 increased by 28.66% in volume terms and by 25.55% in value terms. Growth was stronger during the third and fourth quarter of the year driven by implementation of demonetisation which impacted the business of unorganised players who were unable to operate in cash crunch scenario. KRBL, with its brand goodwill, robust distribution network and trade investments was able to capitalise on this opportunity and capture a significant share of market during this phase.

The Company sub-segments its consumer pack segment into India Gate brand and other brands which include Bemisal, Nur Jahan and Doon.

The India Gate brand, having an established market, enjoys a unique premium positioning in the market. Its USP of having the longest rice grains, best in terms of quality, aroma, aesthetics and the concept of two years ageing make it the most premium brand in the segment commanding premium pricing, while the other brands are lower priced and target the bottom of the pyramid.

This premium segment was created with the rationale of capturing market share from the huge unbranded Basmati Rice market, which by estimates account for nearly 40-45% of the overall Basmati Rice market in India, and subsequently upgrade them to India Gate.

**The changing lifestyle and consumer patterns coupled with rising disposable income and middle class population is boosting branded Basmati Rice demand in the country.**

# India ki Puraani Aadat



## # India ki Puraani Aadat

During the year, the Company launched its new brand philosophy 'India Ki Puraani Aadat'. India Ki Puraani Aadat was developed as a campaign to allow us to do just that. Reinforcing both, the claim of 2 years aged rice and establishing us as India's oldest and most preferred Basmati by going beyond the rice category- talking about those endearing Indian habits we have, and love. The campaign focussed on small, sweet habits and customs surrounding our culture, festivals, celebrations and food habits that are uniquely Indian and that we wouldn't change for the world. It is showcasing these hugely relatable everyday Indian 'habits' that helped us connect with consumers across age groups and regions, and made this one of our most successful campaigns.

This campaign was also promoted through radio and digital media. The digital media campaign garnered one million video views and 195,000 fans on Facebook.

The immediate impact of the campaign launched during December 2016-March 2017, was evident in a 30.98% growth in the Company's Q4 sales of India Gate consumer pack. Besides, it also led to enhancement in the consumer brand perception scores on core brand attributes. The consumer perception for:

- Visually appealing rice grains improved from 57% to 66%
- Brand that ages grains longer time improved from 58% to 64%



### # TasteTogetherness

The Company also created a series of 11 cooking videos with star Chef Kunal Kapur. These videos were part of Company's earlier brand campaign '#TasteTogetherness'. Through these videos, Chef Kunal Kapur explained viewers the advantage of ageing rice, and its impact on length, yield and appearance of rice grains. The Chef also communicated that Basmati Rice is best when aged, while bringing out India Gate Basmati Rice's USP (unique selling proposition) of two years ageing, which makes it the best product. These videos, circulated across digital media together garnered over two million views.



### Key Media Highlights

**31%**

India Gate's share of voice on television within the rice industry segment

**41%**

India Gate's share of total expenditure across multimedia (print, radio, TV and outdoor) channels

**36%**

India Gate has the highest share of consumer preference at 36% compared to 17% of the closest competitor

**75%**

Awareness to trail ratio of India Gate rice

(Source: AC Nielsen July 2016)

### Key Triggers for Purchase of India Gate Basmati Rice

A survey indicate India Gate Basmati Rice as the most recommended and affordable product. The key findings of the survey were:

**67%**

consumers say they were recommended by shopkeeper compared to 56% for competitors

**76%**

consumers feel the product is affordable compared to 60% for competitors

**60%**

consumers were recommended by family and friends compared to 52% for competitors

(Source: AC Nielsen July 2016)

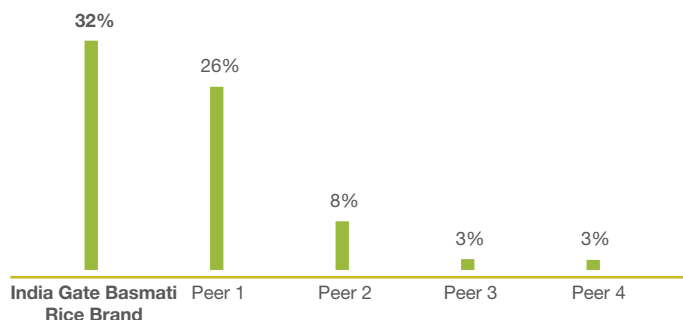
### Digital Aspect and Consumer Engagement

KRBL has identified social strategy as core growth strategy for the future to engage with consumers. In view of this, the Company has focussed on associating with influencers and food bloggers to undertake advocacy programmes. This shall facilitate in spreading digital word of mouth and awareness in social media necessary to engage customers.

The Company is also investing in sampling and distribution initiatives whereby it shall arrange for food stalls across major retail outlets. This shall enable the Company to reach out to target audience and induce trial rate.

## Geography-Wise Market Share:

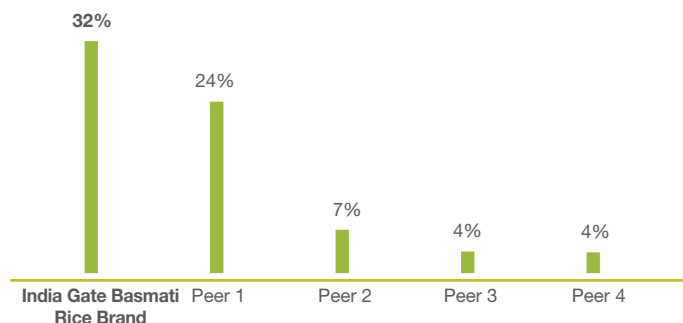
### Top 5 Brands (All India share) (Value-Wise): (in %)



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

In value terms, India Gate Basmati Rice brand enjoys a leading position in the Indian urban and rural areas combined with a 32% market share compared to 29% in the previous year.

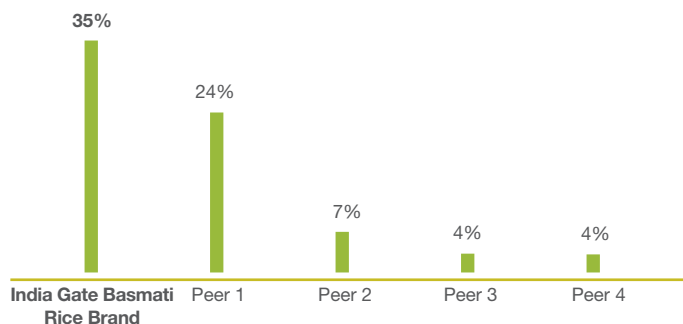
### Top 5 Brands (% Share in Metro Market) (Value-Wise): (in %)



### Highest all-India Metros market share of KRBL Limited

In value terms, India Gate Basmati Rice is a dominant brand in Indian Metropolitan area with a 32% market share compared to 28% in the previous year.

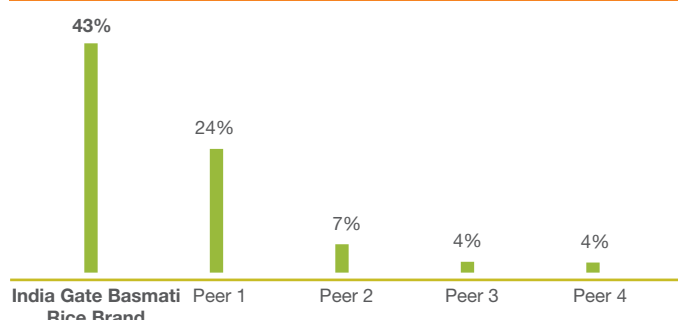
### Top 5 Brands (% Share in Town class I) (Value-Wise): (in %)



### Highest all-India Town class I market share of KRBL Limited

In value terms, India Gate Basmati Rice is a dominant brand in town class I cities with a 35% market share compared to 31% in the previous year.

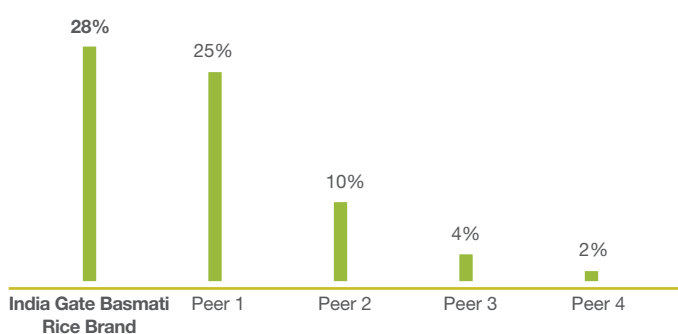
### Top 5 Brands (% Share in Rural areas) (Value-Wise): (in %)



### Highest all-India rural area market share of KRBL Limited

In value terms, India Gate Basmati Rice is a dominant brand in rural areas with a 43% market share compared to 33% in the previous year. In India, the rural category of the Basmati Rice industry segment witnessed a 70% growth and this is where the majority of the growth will come from in the coming years. The Company's strong focus on this segment has enabled it to grow market share while ensuring that it is moving in the right direction.

### Top 5 Brands (% Share in Traditional Market) (Value-Wise): (in %)



### Highest All India Traditional Trade Market Share of KRBL Limited

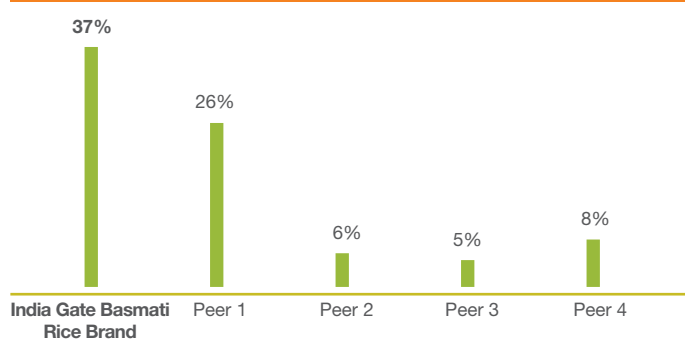
In value terms, India Gate Basmati Rice is a leading brand dominating the all India traditional trade with a 28% market share.

(Source: AC Nielsen MAT March 2017 data)

### Modern trade

In its modern trade distribution channel, the Company has enhanced its presence to 6,500 stores, while growing market share from 27.4% to 36.9%. Initiatives undertaken by the Company towards retail activation and dominating shelf-space, has resulted in improved same-store sales and category share. The Company's strong business development team undertakes significant research and analysis to identify the right city, right catchment area and right store. This facilitates the Company in consistently growing its market share.

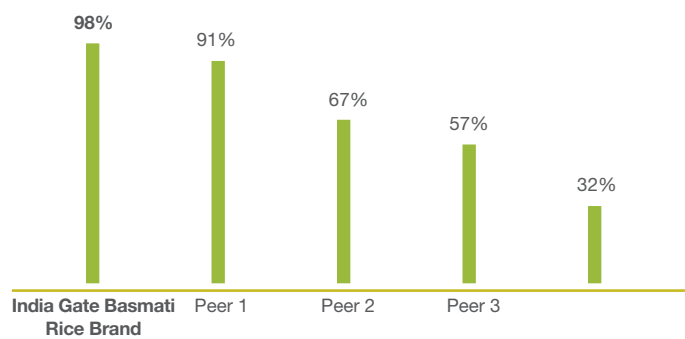
#### Top 5 Brands (% Share in Modern Trade) (Value-Wise): (in %)



#### Highest All India Modern Trade Market Share of KRBL Limited

In value terms, India Gate Basmati Rice is a leading brand dominating the all India modern trade with a 37% market share.

#### Top 5 Brands Weighted Value Distribution in Packaged Basmati Rice Category in Modern Trade (in %)



#### Highest All India Weighted Value Distribution in Packaged Basmati Rice Category in Modern Trade (%)

In terms of Weighted Value Distribution (percentage of stores that sells our products based on their weighted importance), 98% of the modern trade stores sell our packaged Basmati Rice products.

(Source: AC Nielsen MAT March 2017 data)

### E-commerce

Viewing the huge scope of opportunity from the online distribution network, the Company has focussed on strengthening its e-commerce channel. The Company tied-up with major players like Big Basket, Grofers, Amazon, Shopfilo, JBL, and Flipkart among others. It has also created a dedicated team of professionals to build capabilities and devise effective strategy to drive sales through this channel.

With nearly 40-45% Basmati volumes in India still being sold in loose form, there is enough headroom for the branded players to enhance market share in the consumer pack segment.



### Bulk Packaging Segment

In the bulk packaging segment, the Company's sales grew by 26.9% in volume terms and by 43% in value terms, as compared to last financial year. The segment caters to the requirements of institutional buyers such as hotels, restaurants and caterers.

The industry perception to grow this segment is by having stringent focus on quantity and prices, as brand equity does not matter in institutional sales. However, the Company has created a strong brand in this segment.

The Company's brand positioning for this segment is perfection in every grain which talks about the technical aspects of the products such as fluffy and non-sticky, longer holding time, cooking yield, elongation ratio etc. which is the right fit for target audience. The Company's ability to continuously deliver on these propositions makes it a preferred supplier in this segment.

The Company's two key brands in the segment i.e, Unity and India Gate contribute to 85% of the segmental sales. To enhance brand visibility and market brand proposition, the Company consistently participates in various institutional exhibitions across India. This has facilitated in effective communication of

value parameters enabling the Company to create differentiation and command premium over competitors. This has resulted in the growth of Unity brand by 80% in volume terms and by 77% in value terms as compared to last financial year. Some of the prominent institutional buyers include Star Group of Hotels, The Leela and ITC Hotels.





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## The Company launched the super-premium segment comprising KRBL's most premium and health-oriented products.

### Super Premium Segment

This is a new segment created by the Company for building consumer perception. This category comprises KRBL's most premium and health-oriented products. With the rising awareness of health food and rapidly growing super-premium food segment in India, the Company focussed on capitalising this opportunity by re-launching existing product with sharper consumer positioning and also by launching new products. Products in this category include India Gate Classic, India Gate Brown Rice (Basmati and non-Basmati variant) and India Gate Quinoa.

The Company is focussed on growing this segment to enhance its brand equity and margins. In 2016-17, sales volume from this category grew by 19.36%, while in value terms it grew by 10.48%. For 2017-18, the Company intends to grow this segment by nearly 35% in value terms. Products newly launched or re-launched within this category include:

- India Gate Quinoa**

KRBL launched Quinoa in 250g and 500g packaging. Quinoa being a complete source of protein with high dietary fibre, Vitamin B1 and antioxidants content, low GI, and free of Gluten and Cholesterol is categorised as a super food. This is one vegetarian product which caters to nutritional needs of whole family.

Being a completely new product, consumers are still unreceptive for Quinoa. Thus, in order to promote this product, the Company has initiated a campaign 'Quinoa.Life' which focusses on the whole new lifestyle for India, where health and wellness is a top priority. The campaign, through experts, recipes, tips and conversation with users, shall try to establish that Quinoa is for everyone and that it is not a specialist food but rather a healthier alternative of common Indian food.

For this, the Company is in the process of launching a web asset ([www.quinoa.life](http://www.quinoa.life)) that will target six crucial types of consumers – mothers and kids, vegetarians, diabetic and pre-diabetics, people looking to lose weight, people into fitness and athletics, and people following a specific diet because of a lifestyle change such as vegans and gluten free. It would cover all information about Quinoa that a consumer might want to know.

- India Gate Brain Metabolism Booster (Brown Basmati Rice)**

This product is naturally enriched with GABA (gamma-aminobutyric acid) neuro transmitters, a technology from Japan, which increases brain metabolism by enhancing oxygen flow to brain and calm nervous system resulting in enhanced focus, concentration, improved sleep quality and reduced anxiety. The product is primarily targeted to working professionals and school-going children.

- India Gate Weight Watchers Special (Brown Rice)**

The product is targeted to the rising fitness consciousness among youths in India. It is low in GI, helps in increasing metabolic process, keeps one full for longer, is Gluten free and can be cooked quickly. This is an existing product that was re-launched for sharper positioning and focussed brand equity.



### Sales and distribution

In India, metro and class I towns account for nearly 78% of the overall packaged Basmati Rice demand. However, with these markets nearing saturation, the growth momentum has slowed down. Majority of the growth is now coming from Rest of Urban and Rural markets, where the Company has devised strategic plans and undertaken initiatives for improving quality of distribution and improving reach. To tap these markets, the Company has also launched non-premium Basmati Rice brands to grab market share from the unbranded players dominant here. This has enabled the Company to expand market share in the region from 33.5% in 2015-16 to 42.6% in 2016-17, indicating its move in the right direction.

Besides, the Company has identified Go-To-Market as an important driver of growth and business sustainability. For this the Company has been systematically investing in advanced processes and IT infrastructure to strengthen its capability. The Company is focussed on enhancing the interplay of data analytics and decision-making for enhancing effectiveness. Some of the key initiatives undertaken by the Company towards this include:

- Empowering the sales force with GPS-enabled hand-held devices powered with sales force automation software. This facilitates in faster movement and better effectiveness of sales force in addition to tracking sales team movement, track orders on real-time and optimising resources in the field level. This has enabled the Company to add nearly 21,000 retailers in 2016-17, at a time when overall industry retailer count declined by 1.9%. (Source: AC Nielsen data)
- Undertook geo-tagging of 36,000 outlets and identified them as direct service outlets. This shall facilitate in better monitoring the sales force movement, optimise sales effort, demarcate key outlets, make better decisions and figure out areas requiring actions. The move enabled the Company in optimising assortment and improving order placement. The focus for the coming three years shall be on enhancing geo-tagging to 100,000 stores.

### Digital aspect and consumer engagement

KRBL has identified social strategy as core growth strategy for the future to engage with consumers. In view of this, the

Company has focussed on associating with influencers and food bloggers to undertake advocacy programmes. This shall facilitate in spreading digital word of mouth and awareness in social media necessary to engage customers.

The Company is also investing in sampling and distribution initiatives whereby it shall arrange for food stalls across major retail outlets. This shall enable the Company to reach out to target audience and induce trial rate.



## INTERNATIONAL AGRI BUSINESS PERFORMANCE

Backed by its strong brand equity and dealer network, KRBL has developed extensive international presence with products being exported to 75 countries. This makes it the largest player in the Branded Rice Segment with maximum global reach.

The Company further strengthened its export presence in the Middle East, especially Saudi Arabia, UAE, Kuwait, Qatar, Oman and Bahrain among others. The Middle East region accounts for nearly 74% of the Company's total exports sales. KRBL is among the largest branded Basmati Rice player in these countries. It is also amongst the most recognised brands in Lebanon and other Levant Countries.

The Company reported export sales of Rice for ₹ 1,083 Crores in the 2016-17 as against ₹ 1,769 Crores in the same period previous year. The export sales of the Company during the year remains constant except for export sales of 95,000 MT i.e. 514.11 Crores (in tender sale) executed by the Company last year and the same did not come this year.

As the most preferred rice brand, India Gate has 82% market share in the 'premium' category (on RSP basis) in the GCC markets. India Gate's Classic variant is the most preferred brand in Saudi Arabia, Kuwait, UAE, Qatar, Bahrain and Oman.

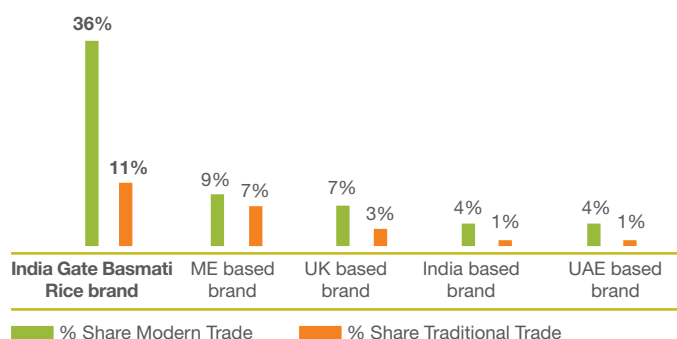
Nur Jahan premium was launched in the Middle East to take advantage of the growing recognition of Nur Jahan brand. It is positioned at a premium position to Nur Jahan and unlike its parent which competes with Pakistani and Lower priced Indian Basmati brands, Nur Jahan premium competes with premium and mid tier Indian Basmati brands. Nur Jahan premium is launched in South Africa, Qatar, Bahrain and Oman and has been listed in all important retail outlets. The brand is well supported via promotions and marketing campaign. Nur Jahan packing is in gold packing and the Company partnered with Paper Products Packaging to come up with a unique design that

uses metallic and Matt lamination. The packaging design took almost 4 months of joint efforts of both teams.

India Gate Quinoa was also launched in the Middle East and rest of the world with great enthusiasm from distributors and retailers. It is listed across the retail network. Consumers are taking the health foray very positively and Company is trying to increase awareness via digital and conventional marketing formats. Quinoa marks the launch of a series of other health products. The Company is tapping the e-commerce and non-conventional retail outlets by tying up with diet centres, gymnasiums and healthy product outlets. The pack is available globally in 1 lbs poly packing in earthen colours to denote Company philosophy to supply nature's goodness to its consumers.

## Market Share of various Rice Brands in UAE Basmati Rice Market:

### Top 5 Brands Channel Wise: (In %)



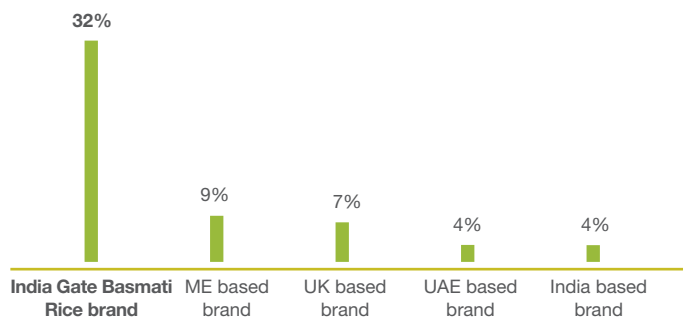
In terms of Channel wise share, India Gate Basmati Rice is the leading brand in UAE Basmati Rice market with 36% market share in Modern trade and 11% in Traditional trade.

(Source: AC Nielsen Middle East - Period ending December 2015 - November 2016)



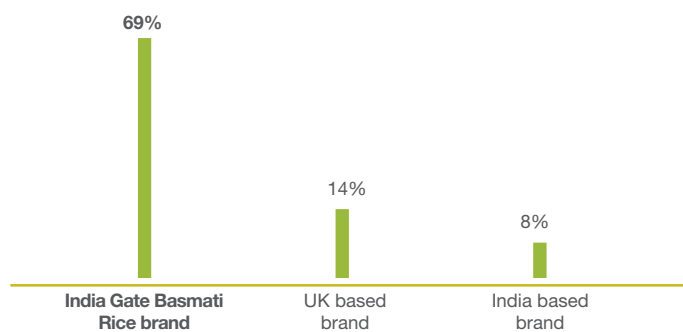
#### Market Share of various Rice Brands in UAE Basmati Rice Market:

##### Top 5 Brands (Value-Wise): (in %)



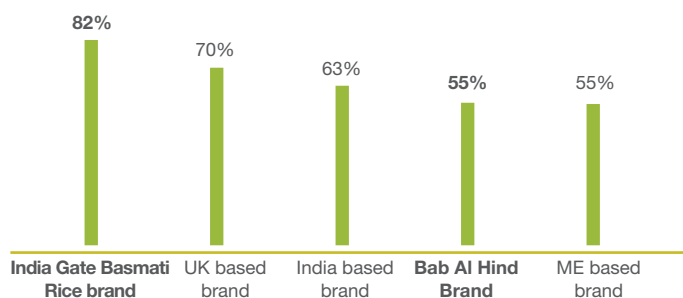
In value terms, India Gate Basmati Rice is the largest selling Basmati Brand in UAE Basmati Rice market with 32% market share.

##### Top 3 Brands (% share in premium Basmati Rice segment) (Value-Wise): (in %)



In value terms, India Gate Basmati Rice is the only dominant premium segment brand in the UAE Basmati Rice market with a 69% market share.

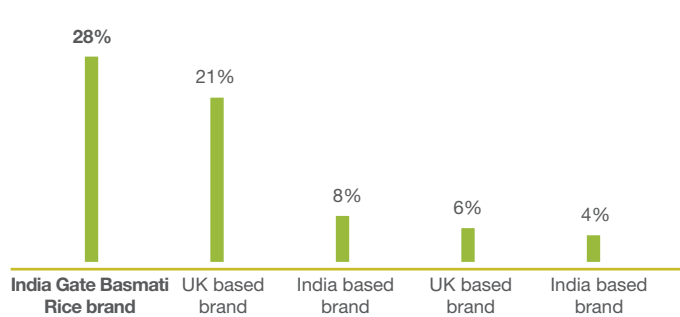
##### Top 5 Brands Weighted Distribution (%): (in %)



In terms of weighted distribution (percentage of stores that sells our products based on weighted importance of the store), India Gate Basmati Rice is the leader in the UAE Basmati Rice market with 82% of the stores selling our products. While our other rice brand 'Bab Al Hind' is sold by 55% of the stores.

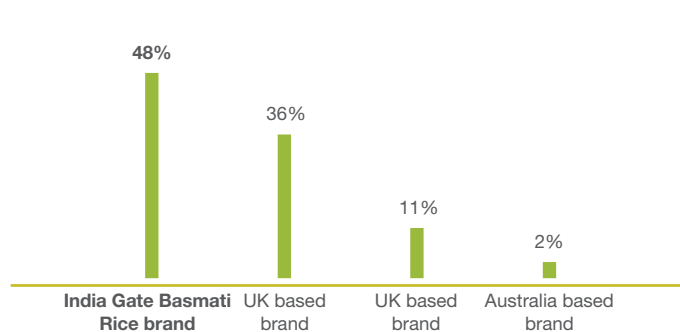
#### Market Share of various Rice Brands in Qatar Basmati Rice Market:

##### Top 5 Brands (Value-Wise) (in %)



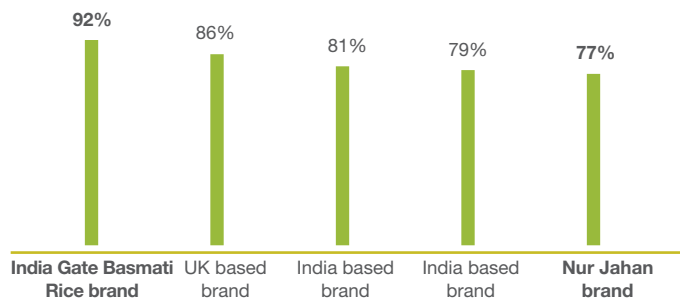
In value terms, India Gate Basmati Rice is a leading brand in Qatar Basmati Rice market with 28% market share.

##### Top 4 Brands (% share in premium Basmati Rice segment) (Value-Wise): (in %)



In value terms, India Gate Basmati Rice is the leading premium Indian Basmati Rice brand in the Qatar Basmati Rice market with a 48% market share.

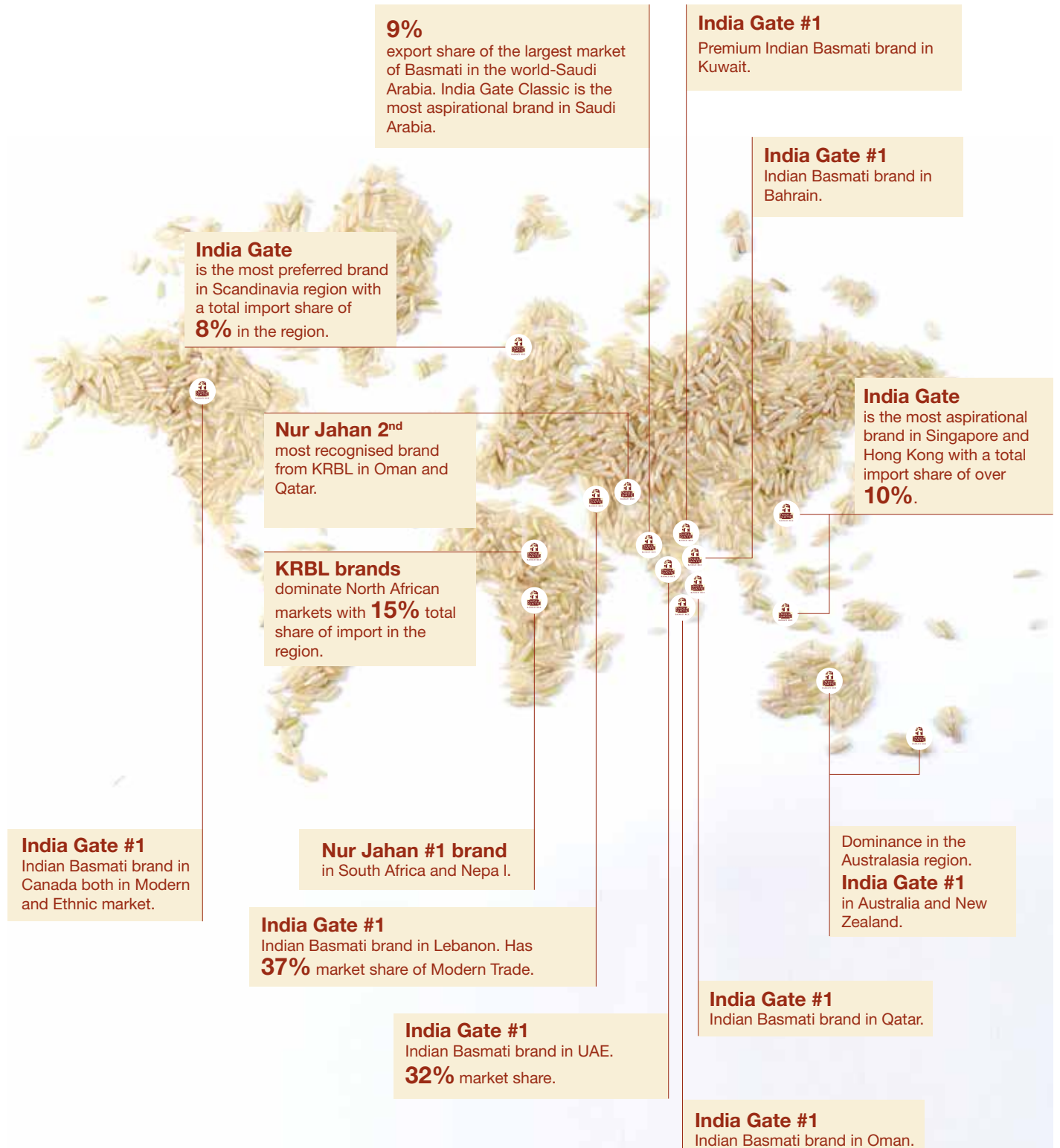
##### Top 5 Brands Weighted Distribution (%): (in %)



In terms of weighted distribution (percentage of store that sells our products based on weighted importance of the store), India Gate Basmati Rice is the leader in the Qatar Basmati Rice market with 92% of stores selling our products. While our other rice brand 'Nur Jahan' is sold by 77% of the stores.

(Source: AC Nielsen Middle East - Period ending December 2015-November 2016)

## HIGHLIGHTS OF EXPORT MARKET



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

## ENERGY DIVISION

The Energy division continued to witness strong growth momentum during 2016-17, contributing 18% to the Company's total cash profits. The total power sales for the year stood at ₹ 97.99 Crores as against ₹ 83.21 Crores in 2015-16. With its increasing focus on green manufacturing, KRBL strengthened its green energy portfolio to 129.35 MW in 2016-17 from 102.05 MW last year, of which wind energy portfolio comprised 114.35 MW.

This division has not only helped the Company in becoming self-sufficient for power requirements, but it has also opened up a new revenue stream.

| Installed Power Generation Capacity |           |          |
|-------------------------------------|-----------|----------|
| Particulars                         | 2016-17   | 2015-16  |
| Total Wind power project capacity   | 114.35 MW | 87.05 MW |
| Total Solar power project capacity  | 15.00 MW  | 15.00 MW |
| Total Biomass capacity              | 17.59 MW  | 17.59 MW |

| Power Generated            |                            |                    |
|----------------------------|----------------------------|--------------------|
| Details of Project         | Details of Units Generated |                    |
|                            | 2016-17                    | 2015-16            |
| <b>(A) Wind</b>            |                            |                    |
| Maharashtra (1.25*10 MW)   | 18,767,772                 | 17,836,003         |
| Maharashtra (2.10*10 MW)   | 22,749,200                 | 12,072,758         |
| <b>Tamil Nadu</b>          |                            |                    |
| Tirupur (1.50*4 MW)        | 13,588,331                 | 7,384,463          |
| Tirunelveli (2.10*1 MW)    | 3,301,821                  | 2,072,980          |
| <b>Karnataka</b>           |                            |                    |
| Kalmangi (1.50*6 MW)       | 23,906,694                 | 20,799,014         |
| Bellary (2.10*1 MW)        | 4,578,822                  | 4,050,736          |
| <b>Rajasthan</b>           |                            |                    |
| Ajmer (1.50*4 MW)          | 9,361,512                  | 9,083,081          |
| Jaisalmer (2.10*1 MW)      | 2,485,744                  | 2,428,096          |
| Rathkuriya (1.25*3 MW)     | 5,386,847                  | 5,270,503          |
| <b>Andhra Pradesh</b>      |                            |                    |
| Gandikota (2.10*1 MW)      | 4,657,765                  | 4,288,290          |
| Tallimadugulla (2.10*4 MW) | 18,268,574                 | 16,706,462         |
| <b>Madhya Pradesh</b>      |                            |                    |
| Mahuriya (1.50*4 MW)       | 11,234,842                 | 11,809,934         |
| Garora (1.50*4 MW)         | 8,417,106                  | 8,691,109          |
| <b>Gujarat</b>             |                            |                    |
| Bhanvad (2.10*13 MW)       | 20,806,617                 | -                  |
| <b>Sub-Total (A)</b>       | <b>167,511,647</b>         | <b>122,493,429</b> |
| <b>(B) Solar</b>           |                            |                    |
| <b>Madhya Pradesh</b>      |                            |                    |
| (2.50*1 MW)                | 4,276,893                  | 4,301,219          |
| (6.63*1 MW)                | 11,434,027                 | 11,385,836         |
| (5.60*1 MW)                | 9,613,739                  | 9,694,648          |
| (0.27*1 MW)                | 1,048,533                  | 1,045,962          |
| <b>Sub-Total (B)</b>       | <b>26,373,192</b>          | <b>26,427,665</b>  |
| <b>TOTAL (A+B)</b>         | <b>193,884,839</b>         | <b>148,921,094</b> |



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



## RESEARCH AND DEVELOPMENT

The Company's strong in-house R&D capability facilitates it to consistently drive quality and operational excellence across its business segments. The various endorsements and certifications received by the Company underlines its quality strength. KRBL is certified as BRC (British Retail Consortium) for meeting the requirements of Global Standard for Food Safety issued by SGS and the SQF Code, 7th Edition, for Comprehensive Safety and Quality Management System. KRBL is also certified by SGS for FSSC (Food Safety System Certification) 22000. This is a clear endorsement of its strong quality thrust.

Being the largest manufacturer of Basmati Rice seed, KRBL has the capacity to handle 20% of India's total Basmati production. Its R&D cell undertakes extensive research on various parameters such as chemistry, quality and ageing of Basmati Rice to constantly improve quality. The R&D cell brings together a team of experienced rice professionals, including farmers, who blend their traditional knowledge with modern technology focussed on improving pre and post harvesting techniques.

The Company's core R&D strength comes from its modern seed farm and product testing centre. The thrust is on continuous upgradation of seed quality, for which the Company works in close coordination with the Indian Agriculture Research Institute (IARI), New Delhi. The collaboration also facilitates continuous improvement in quality cropping methodologies, seed varieties and harvesting techniques of the farmer partners.

The Company has also entered into technical tie-ups with leading machine manufacturers like Bühler (Switzerland), Brock Grain System (USA), Carterday International (USA), Komatsu (Japan), M/s Satake International Bangkok (Thailand) and M/s. Bühler Sortex (England) and Schimaga (Europe). This enables the Company to constantly improve process and enhance operational efficiency.

**The Company pioneered the development of premium Pusa 1121 seed variety, which is considered superior than the Pakistan Basmati seed variants.**





## STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

### Strengths



#### Strong Legacy & Brand Equity

Core competencies built over 127 years of operations propels robust business growth

Strong brand reputation and recall contributes to KRBL's global leadership in the Basmati Rice market

#### Management Strength & Committed Team

Presence of experienced, visionary and far-sighted management team facilitates in making strategic decisions

A team of dedicated, committed and talented people enables the realisation of the Company's vision

#### Integrated Value Chain & R&D Capabilities

Integrated operations and presence across the entire value chain facilitates in controlling costs and quality

Strong R&D capabilities facilitates in consistent improvement in quality and operational excellence

#### Strong Farmer Relations & Dealer Network

Contact farming operations (providing farmers high quality seeds, knowledge on best agricultural practices and facilitating them in sourcing quality inputs) ensures consistency in quality

Strong supply chain network enables products to reach pan-India retailers on time to avoid stocking out

#### State-of-the-art Plants & Storage Facilities

Investment in scaling capacities and upgrading milling technology provide the benefits of economies of scale, and improvement in productivity and product quality

Large automated facilities for storage and warehousing enhances operational efficiencies and facilitates in stocking rice for ageing

#### Strong Legacy & Brand Equity

Own power generation capacities ensures consistent power supply at low cost for continuous production

Investments in eco-friendly non-conventional power generation capacities reduces carbon emission

### Weaknesses

#### Climate Dependent

Low rainfall and improper climatic conditions can adversely impact rice plantations

#### Risks of Crop Damage

Rice, being an agricultural commodity, is prone to plant diseases that can damage the crop.

#### High Working Capital

Ageing of rice for enhancing quality requires time and high investments making it a capital intensive industry.

#### Inventory Losses

Fluctuations in the market prices of paddy can lead to inventory losses





## Opportunities

### Evolving Lifestyles and Consumer Preferences

Changes in consumer lifestyle and preferences is increasing demand for branded rice across modern retail chains

### Global Market Expansion and Increased Consumption

Increasing preference and consumption of high quality, aromatic and aesthetically pleasing Basmati Rice globally, especially in the Middle East region is leading to significant increase in demand

### Changing Quality Consciousness and Consumer Perception

Consumers' increasing preference for super-premium and healthy food instead of low quality and cheap ones is leading to rise in demand for Basmati Rice

### Greater Access to World Market

Increasing acceptance of rice as a staple diet has enhanced accessibility of Basmati Rice in global markets

## Threats

### Competition from Unorganised Segment

Unorganised players accounting for nearly 40-45% of the Basmati market and operating at low margins pose a threat to the large organised players

### Economic Slowdown and Currency Fluctuations

Declining economies of major importing countries and currency fluctuations adversely impacts international/export business

### Competition from Pakistan

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



## RISKS & CONCERNS

### Economic Risk

Various structural initiatives undertaken by the government such as implementation of demonetisation, Goods and Services Tax and other policies may take the country time to adjust and slowdown its economic growth momentum. This in turn can adversely impact the rice industry.

Though, the short-term outlook of the country remains moderate, over the longer run, IMF expects various supply side bottlenecks to clear up with improving private consumption. It expects the Indian economy to grow by 7.2% in 2017-18 and 7.7% in 2018-19. Besides, the economic activities across major countries across the globe is expected to bounce back with revival in financial markets, reducing inventory drags, improving manufacturing and increased trade. This shall facilitate in supporting the Company's international business.

### Raw Material Risk

Production of premium quality rice necessitates consistent supply of premium paddy as the key raw material. Inability to procure good quality paddy at right prices can impact production and adversely impact the Company's profitability.

### Risk Mitigation

The Company's strong farmer relations, built over decades through a well-established contact farming system, insulate it from this risk. In addition to this, the Company has a wide farming network spread across 250,000 acres in the states of Western Uttar Pradesh, Uttarakhand, Punjab and Haryana.

### Premiumness and Quality Risk

KRBL brand reputation and customer loyalty is established on the foundation of premium and high quality products demanded by consumers across the globe. Inability to maintain this premium quality can negatively impact goodwill.

### Risk Mitigation

The ability of the Company to procure good paddy, invest in research and development, better equipment and manufacturing facilities, and continuously improve operations has facilitated in consistency in the quality of products. The Company's continuous efforts to rise up to the quality value chain with introduction of new products enables it to remain relevant to the changing preference of consumer, who are looking for health conscious and super-premium foods.

### Competition Risk

Rice markets across the globe are witnessing rising competition from unbranded and unorganised players, as well as imitations and private labels. Besides, the rising competition from Pakistan Basmati Rice markets is also negatively impacting India's dominance in the global market.

**The Company's strong farmer relations, built over decades through a well-established contact farming system, insulate it from this risk.**

### Risk Mitigation

The Company undertakes robust branding and marketing initiatives that has enabled it to build robust goodwill and consumer loyalty, which facilitates it to retain its leadership position. Additionally, the Company produces diverse range of products catering to diverse consumer segment. This has not only enabled it to cater to the super premium consumers but also the bottom of the pyramid consumers who presently consume unbranded Basmati. This strategy shall enable it to grab market share from the unbranded segment. The Company is also enhancing its distribution quality to enhance its presence in the rural markets. It has also devised diverse strategies to enhance effectiveness of all its trade channels – traditional, modern and e-commerce.

As far as competition from Pakistan market is concerned, the geographical indication (GI) recognition to Indian Basmati Rice shall be crucial. This recognition allows only the aromatic Basmati Rice grown in the Indo-Gangetic plains to use the term 'Basmati Rice' while barring others. This shall enable the Indian players the much-needed immunity for the international markets.

### Foreign Exchange Risk

The Company has exports presence in a number of countries. A significant depreciation of Indian rupee can negatively impact revenues.

### Risk Mitigation

The Company has in place a well-structured foreign exchange risk management policy to hedge all foreign exchange exposures.

### Cost Risk

The nature of Company's business requires significant storage facilities for ageing rice to enhance its premiumness. This involves huge capital and operational cost which in turn makes the business capital intensive. Inability to compensate for this can lead to decline in margins.

### Risk Mitigation

The ability of the Company to provide significantly higher quality than competitors enables it to command higher prices for its premium products which easily covers various costs involved.

Besides, the Company also has other lower variant brands that enable it to have regular cash flows. The Company's diversification to power generation further enables it to reduce energy costs, while contributing significantly to the bottom-line as excess power is sold in the open market.

### Regulatory Risk

Any regulatory policies that adversely affect the industry would impact the Company's business.

### Risk Mitigation

The Company's diversified model with brands catering to bottom of pyramid consumers to super premium consumers insulates it from this challenge. Presence in diverse countries also facilitates in negating downfall in sales from one country with focussed increase in sales in the other.

### Product Concentration Risk

The Company's main product is Basmati Rice which makes it susceptible to operational risks as any impact on the Basmati Rice business will badly hit the overall revenues.

### Risk Mitigation

As a strategic diversification measure, the Company has ventured in several value-added products and Power business. The Company's multi-brand, multi-product strategy spanning various consumer price points further facilitates in countering this risk.

### Geo-political Risk

Frequent political turmoil and unrest in the Middle East - India's biggest export market for Basmati Rice - poses a serious risk to exports.

### Risk Mitigation

The Company is negating this risk by strategically diversifying to newer regions like US, Europe, Australia and New Zealand. Africa and China are other markets that have opened up to Indian Basmati Rice.

## HUMAN RESOURCE (HR) DEVELOPMENT

People relations are integral to KRBL's growth strategy. The Company has built-up a dedicated and committed team focussed on steering ahead the Management's vision of sustaining the position of being the world's biggest and most preferred rice player. The Company, with its strong HR practices, strives to enhance employee competitiveness by investing in training and skill development. Inspired by the ongoing digital trend and its effectiveness, the Company has also leveraged the digital platform to train its employees and provide the team relevant data anytime anywhere on the go. This allows the employees to remain updated with market information, which is important in making critical decisions.

The Company lays great importance to incentive and welfare schemes, which forms an integral part of its HR programme. This enables it to ensure high levels of people motivation and bonding throughout the KRBL hierarchy. Employees are encouraged and motivated to grow across the organisation, while personal and professional growth is ensured through regular interventions.

The Company believes in ethical growth through a transparent and honest work culture. The approach is collaborative, leading to mutual growth of the Company and its employees. With effective efforts being made towards maintaining harmonious and friendly relations with the workers, the Company did not see any labour problems affecting its business during the year under review. As on March 31, 2017, the Company had a total of 2,162 employees.

## INFORMATION TECHNOLOGY

Information technology (IT) has been one of the key factors driving the robust growth of the Company and facilitating it to effectively manage its vast network of distribution channels. KRBL is consistently scaling up its IT investments to upgrade its technological processes and develop a framework capable of harnessing the mega opportunities coming in from the online channel.

The Company has implemented SAP for its employees and distributors, facilitating real-time tracking at the distributor and sub-distributor level too. This has led to strengthening of the supply chain efficiencies, with increased qualitative control. Processes have been standardised across the Company to ensure streamlining of the systems across the operational value chain. The Company is also investing massively in data analytics to devise effective sales and distribution strategy.

## AUDIT SYSTEMS

With its focus on transparency, ethics and corporate governance of the highest levels, the Company established strong internal controls, which continue to boost its leadership and growth across regions and brands. The Company maintains proper accounting control and monitoring of operational efficiency. Policies are structured to ensure stringent compliance with applicable laws and the Company works towards maintaining the reliability of financial and operational information.

The Company's Audit Committee periodically reviews all audit reports, audit plans, significant audit findings, adequacy of internal controls and compliance with Indian Accounting Standards (Ind AS). The Committee, after detailed reviews, also suggests improvements where it is deemed necessary.

## FUTURE OUTLOOK

As a visionary and future-focussed organisation, KRBL has undertaken a series of scaling, branding and operational efficiency improvement initiatives that shall enable it to sustain its success

during the coming years. The Company's focus on creating a niche for through positioning itself as a premium player shall enable it to generate better margins and enhance its return on equity. With a robust financial position and balance leveraged only to the extent of its working capital, the Company is well positioned to surge confidently ahead to further augment growth.

Besides, investments in technology and infrastructure, the Company is also undertaking initiatives to strengthen relations with farmers and build robust people team. This will further enhance its competitive position in the industry, domestically and globally.

The Company shall continue to strengthen its portfolio of renewable energy, which not only facilitates it in reducing carbon footprint but also contributes to the bottom-line through reducing captive power consumption costs and sale of excess

power. The segment ensures a diversified source of earning for the Company.

For the coming years, the Company will continue to focus on growing its core rice business by expanding domestic distribution network. The various expansion plan target includes:

- Expanding retail network from 6,65,000 to 8,00,000 within next 2-3 years;
- Deeper penetration in modern trade through engaging 20,000 outlets in the next 2-3 years compared to 6,500 presently;
- Strengthen e-commerce presence and focus on direct delivery to customers; and
- Focus on wellness trend by offering more variants such as brown and organic rice to further consolidate the premium market.

## FINANCIAL REVIEW

| Key Financial Indicators                 |         | (₹ in Lacs except as Stated) |         |         |
|------------------------------------------|---------|------------------------------|---------|---------|
| For the Financial Year                   | 2016-17 | 2015-16                      | 2014-15 | 2013-14 |
| Revenue from Operations                  | 314,903 | 336,281                      | 319,720 | 291,046 |
| Other Income                             | 1,028   | 6,122                        | 611     | 1,454   |
| Total Income                             | 315,931 | 342,403                      | 320,331 | 292,500 |
| Operating Expenditure                    | 250,550 | 291,599                      | 267,145 | 246,991 |
| EBIDTA                                   | 65,382  | 50,804                       | 53,186  | 45,509  |
| Growth in EBIDTA                         | 28.70%  | (4.48%)                      | 16.87%  | 49.65%  |
| Depreciation                             | 6,142   | 4,978                        | 5,269   | 5,766   |
| EBIT                                     | 59,240  | 45,827                       | 47,917  | 39,743  |
| Interest                                 | 5,484   | 6,748                        | 8,089   | 7,602   |
| PBT before exceptional Items             | 53,756  | 39,079                       | 39,828  | 32,141  |
| Foreign Currency Fluctuation (Gain)/Loss | -       | -                            | 419     | (502)   |
| PBT                                      | 53,756  | 39,079                       | 39,409  | 32,643  |
| Tax                                      | 13,816  | 9,766                        | 7,237   | 7,131   |
| PAT                                      | 39,940  | 29,314                       | 32,173  | 25,512  |
| Net Profit Margin                        | 12.64%  | 8.56%                        | 10.04%  | 8.72%   |
| Earnings per Share                       | 16.97%  | 12.45%                       | 13.67   | 10.84   |
| Cash EPS                                 | 19.58   | 14.57                        | 15.91   | 13.29   |
| Net Worth                                | 190,732 | 149,834                      | 128,400 | 104,481 |
| Capital Employed                         | 308,668 | 269,399                      | 259,648 | 233,165 |
| Average Capital Employed                 | 288,699 | 254,743                      | 243,562 | 220,409 |
| Return on Capital Employed               | 20.52%  | 17.99%                       | 19.50%  | 18.26%  |
| Return on Equity                         | 23.39%  | 21.69%                       | 28.65%  | 27.81%  |
| Market Capitalisation (As on March 31)   | 969,924 | 523,978                      | 392,513 | 116,367 |
| Gross Fixed Assets (Including CWIP)      | 148,801 | 129,622                      | 112,506 | 89,846  |

KRBL continued with its sustained excellent performance on the back of growing demand and strengthening brand equity, reporting yet another year of path-breaking performance in 2016-17.

The Company's revenue from operations stood at ₹ 3,149.03 Crores, India Gate brand continues to strengthen its market position in the domestic and Middle East market for Basmati Rice.

The Profit before Tax of the Company grew by 38% to ₹ 537.56 Crores. The Profit after Tax (PAT) grew by 36% to reach all-time high of ₹ 399.39 Crores and the EPS for the year ended March 2017 stood at ₹ 16.97 per share as against ₹ 12.45 per share in the previous year.

As consumer preference for branded Basmati Rice is day by day gaining more momentum in the domestic market, the revenue split between domestic and export sales saw a shift in the ratio to 65:35 from 47:53 in the previous fiscal. This is a clear indication of the increasing presence of KRBL in the domestic market.

#### Revenue

The Company's total income during the year stood at ₹ 3,159.31 Crores as compared to ₹ 3,424.03 Crores in

**“The Company continues to be on strong footing with its intrinsic strengths enabling sustained growth and its ‘Make in India’ focus giving additional impetus to its progressive plans”**

2015-16. Revenues from operations at ₹ 3,149.03 Crores comprised 99.67% of the total revenues.

#### Expenditure

During the year under review, the Company incurred operational expenditure amounting to ₹ 2,505.50 Crores as compared to ₹ 2,915.99 Crores in 2015-16, a decline of 14%. This was mainly driven by the reduction in cost of material consumed, finance cost and also due to the optimum utilisation of resources. The break-up of the operational expenses incurred is as below:

| Expenses (as % of total expenditure) |         |         |         |
|--------------------------------------|---------|---------|---------|
| Particulars                          | 2016-17 | 2015-16 | 2014-15 |
| Materials cost                       | 85.04%  | 87.09%  | 85.60%  |
| Employee benefit cost                | 2.73%   | 2.08%   | 1.94%   |
| Finance cost                         | 2.09%   | 2.22%   | 2.88%   |
| Depreciation                         | 2.34%   | 1.64%   | 1.88%   |
| Other expense                        | 7.80%   | 6.97%   | 7.70%   |

| Expenses (as % of total income) |         |         |         |
|---------------------------------|---------|---------|---------|
| Particulars                     | 2016-17 | 2015-16 | 2014-15 |
| Materials cost                  | 70.57%  | 77.15%  | 74.96%  |
| Employee benefit cost           | 2.26%   | 1.84%   | 1.70%   |
| Finance cost                    | 1.74%   | 1.97%   | 2.53%   |
| Depreciation                    | 1.94%   | 1.45%   | 1.64%   |
| Other expense                   | 6.47%   | 6.17%   | 6.74%   |

## MARGINS AND PROFITABILITY

### EBIDTA & EBIDTA margins

The EBIDTA margin of the Company increased 585 basis points to 20.69% in 2016-17 as compared to 14.84% in 2015-16. In absolute terms, EBIDTA increased by 28.69% from ₹ 508.04 Crores in 2015-16 to ₹ 653.81 Crores in 2016-17. This increase in profitability was driven by better overhead coverage, reducing interest, lower cost of material consumed and rising contribution from external power sales.

### Depreciation

Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation and Amortisation. Depreciation increased by 23.39% from ₹ 49.78 Crores in 2015-16 to ₹ 61.42 Crores in 2016-17.

### Interest

Interest and finance costs decreased by 18.73% to ₹ 54.84 Crores in 2016-17 as against ₹ 67.48 Crores in 2015-16. The average cost of debt for Term Loans stood at 10.75% and that for Working Capital Loans stood at 4.50%.

### PBT and PBT margins

Profit before Tax increased by 37.56% to ₹ 537.56 Crores in 2016-17 as against ₹ 390.79 Crores in 2015-16. The pre-tax margin also increased to 17.01% in 2016-17 as against 11.41% in 2015-16.

### PAT and PAT margins

With increase in PBT, Profit after Tax also went up by 36.25% to ₹ 399.40 Crores in 2016-17 as against ₹ 293.14 Crores in 2015-16. The post-tax margin increased by 408 basis points to 12.64% in 2016-17 as compared to 8.56% in 2015-16.

### Capital Efficiency

Investments in scaling and costs reductions has enabled the Company to achieve better capital efficiency. The Return on Capital Employed (ROCE) for the year increased by 253 basis points from 17.99% in 2015-16 to 20.52% in 2016-17.

### Transfer to Reserves

Out of the amount of ₹ 1,516.84 Crores which is available for appropriation, your Directors proposes to transfer ₹ 60 Crores to General Reserve. The total Reserves and Surplus increased from ₹ 1,474.80 Crores as at March 31, 2016 to ₹ 1,883.78 Crores as at March 31, 2017.

### Application of Funds

The Company made total investments of ₹ 307.50 Crores in Fixed Assets which includes setting up of 27.3 MW Wind

Power Plant in Gujarat and Rice processing plant at Barota, Sonipat, apart from this, normal capital expenditure incurred during the year.

### Inventory Cycle

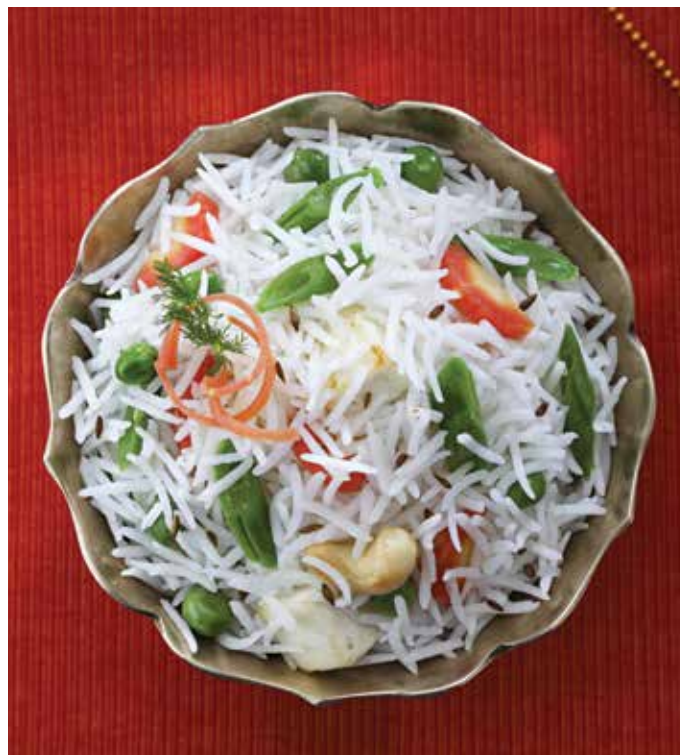
Taking advantage of lower price of raw material, Company during the year invested higher amount into inventory so as to build the aged inventory stock and meet the higher sales target in the years to come. Total Inventory days increased from 225 days in 2015-16 to 281 days in 2016-17.

### Loan Profile and Funding Cost

The Company's total debt as on March 31, 2017 stood at ₹ 1,090.07 Crores, while cash and cash equivalents were at ₹ 4.76 Crores and the resultant net debt stood at ₹ 1,085.31 Crores as compared to ₹ 1,139.15 Crores in the previous year. Debt equity ratio improved from 0.78:1 as on March 31, 2016 to 0.57:1 as on March 31, 2017.

## FORWARD-LOOKING STATEMENTS

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





# *Directors' Report*

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

Your Directors are delighted to present their Annual Report on Company's Business Operations along with the Audited Statement of Accounts for the Financial Year ended March 31, 2017.

## 1. RESULTS OF OUR OPERATIONS

Your Company's financial performance for the year under review has been encouraging. Key aspects of Consolidated and Standalone Financial Performance of KRBL Limited for the current financial year 2016-17 along with the previous financial year 2015-16 are tabulated below:

| Particulars                                                                                 |                              |                              | (₹ in Lacs, except as stated) |                              |
|---------------------------------------------------------------------------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|
|                                                                                             | Consolidated                 |                              | Standalone                    |                              |
|                                                                                             | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 | Year Ended<br>March 31, 2017  | Year Ended<br>March 31, 2016 |
| Revenue from Operations                                                                     | 314,903.44                   | 336,281.48                   | 314,787.11                    | 334,790.24                   |
| Other Income                                                                                | 1,028.04                     | 6,121.67                     | 607.00                        | 9,216.81                     |
| <b>Total Income</b>                                                                         | <b>315,931.48</b>            | <b>342,403.15</b>            | <b>315,394.11</b>             | <b>344,007.05</b>            |
| Operating Expenditure                                                                       | 250,549.70                   | 291,598.70                   | 249,849.05                    | 289,780.87                   |
| <b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)</b>                | <b>65,381.78</b>             | <b>50,804.45</b>             | <b>65,545.06</b>              | <b>54,226.18</b>             |
| Depreciation and Amortization Expenses                                                      | 6,141.99                     | 4,977.64                     | 6,134.95                      | 4,976.07                     |
| Finance Costs                                                                               | 5,483.99                     | 6,747.52                     | 5,481.79                      | 6,741.02                     |
| <b>Profit before Exceptional Items and Tax</b>                                              | <b>53,755.80</b>             | <b>39,079.29</b>             | <b>53,928.32</b>              | <b>42,509.09</b>             |
| Exceptional Items                                                                           | -                            | -                            | -                             | -                            |
| <b>Profit before Tax (PBT)</b>                                                              | <b>53,755.80</b>             | <b>39,079.29</b>             | <b>53,928.32</b>              | <b>42,509.09</b>             |
| Tax Expense:                                                                                |                              |                              |                               |                              |
| Current Year                                                                                | 11,395.87                    | 10,048.43                    | 11,395.65                     | 10,048.43                    |
| Deferred Tax Credit                                                                         | 2,239.27                     | 1,138.01                     | 2,239.27                      | 1,138.01                     |
| Mat Credit Entitlement                                                                      | 181.02                       | (1,420.91)                   | 181.02                        | (1,420.91)                   |
| <b>Profit After Tax (PAT)</b>                                                               | <b>39,939.64</b>             | <b>29,313.76</b>             | <b>40,112.38</b>              | <b>32,743.56</b>             |
| <b>Other Comprehensive Income</b>                                                           | <b>83.91</b>                 | <b>65.98</b>                 | <b>83.91</b>                  | <b>65.98</b>                 |
| <b>Total Comprehensive Income for the year</b>                                              | <b>39,855.73</b>             | <b>29,247.78</b>             | <b>40,028.47</b>              | <b>32,677.58</b>             |
| <b>Balance as per the last Financial Statements</b>                                         | <b>110,804.63</b>            | <b>96,030.89</b>             | <b>108,890.42</b>             | <b>90,686.88</b>             |
| <b>Appropriations</b>                                                                       |                              |                              |                               |                              |
| i) Transfer from Radha Raj Ispat Private Limited Pursuant to amalgamation into KRBL Limited | 1,026.17                     | -                            | 1,026.17                      | -                            |
| ii) Dividends                                                                               | -                            | 8,474.04                     | -                             | 8,474.04                     |
| iii) Transfer to General Reserve                                                            | 6,000.00                     | 6,000.00                     | 6,000.00                      | 6,000.00                     |
| iv) Prior Period Items                                                                      | 2.55                         | -                            | 2.55                          | -                            |
| <b>Retained Earnings</b>                                                                    | <b>145,683.98</b>            | <b>110,804.63</b>            | <b>143,942.51</b>             | <b>108,890.42</b>            |
| <b>Earning per equity share<br/>(Face value of ₹ 1 each)</b>                                |                              |                              |                               |                              |
| i) Basic                                                                                    | 16.97                        | 12.45                        | 17.04                         | 13.91                        |
| ii) Diluted                                                                                 | 16.97                        | 12.45                        | 17.04                         | 13.91                        |

## 2. FINANCIAL REVIEW

Pushed by strong shift in consumer preference towards branded basmati rice in the domestic market and export market, KRBL reported excellent numbers during the year 2016-17. The Company performed extremely well and the highlights of the performance on consolidated basis are as under:

- Company's Revenue from Operations is ₹ 3,149.03 Crores (P.Y. ₹ 3,362.81 Crores).
- Company is able to maintain its strong Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) and the same is increased by 29% to ₹ 653.82 Crores (P.Y. ₹ 508.04 Crores).
- Company's Profit before Tax increased by 38% to ₹ 537.56 Crores (P.Y. ₹ 390.79 Crores) and Profit after Tax (PAT) increased by 36% to ₹ 399.40 Crores (P.Y. ₹ 293.14 Crores).
- Company's Return on Capital Employed (ROCE) stands at 21% as compared to 18% in the previous year.
- Net Worth of the Company increased by 27% to ₹ 1,907.32 Crores (P.Y. ₹ 1,498.34 Crores).
- Market Capitalization increased by 85% to ₹ 9,699 Crores (P.Y. ₹ 5,240 Crores).
- 5 years Net Sales growth at CAGR of 14% and EBITDA growth at CAGR of 22%.
- Earning per Equity Share increased to ₹ 16.97 (P.Y. ₹ 12.45).
- Dividend payable by the Company on the Profits earned in FY 2016-17 is 210% (i.e. ₹ 2.10) per equity share of face value of ₹ 1 each as compared to 190% (i.e. ₹ 1.90) per equity share of face value of ₹ 1 each as paid in the previous year.

## 3. DIVIDEND

Based on Company's performance in the current year, the Board of Directors of the Company in their meeting held on May 29, 2017, has recommended a final dividend @ 210% i.e. ₹ 2.10 per equity share of face value of ₹ 1/- each for the year ended March 31, 2017. The same shall be paid subject to the approval of shareholders in the ensuing Annual General Meeting of the Company. The Dividend proposed is in accordance with the dividend distribution policy of the company and the details of

Dividend proposed by the Company for the financial year 2016-17 as compared to 2015-16 are as below:

| Particulars of Dividend                                                              | (Amount in ₹)  |                |
|--------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                      | March 31, 2017 | March 31, 2016 |
| Final Dividend on 235,389,892 Equity shares of ₹ 1 each @ ₹ 2.10 per equity share.   | 494,318,773    | -              |
| Interim Dividend on 235,389,892 Equity shares of ₹ 1 each @ ₹ 1.90 per equity share. | -              | 447,240,795    |

In view of the amended provision of section 115-O(1A)(i) of the Income Tax Act, 1961, no Corporate Dividend Tax has been deposited in the previous year as the same has been set-off by Foreign Dividend received from its Subsidiary Company against declared dividend of KRBL Limited.

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

During the financial year ended March 31, 2017, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

## 5. TRANSFER TO RESERVES

In view of the robust financial strength of the Company, a sum of ₹ 60 Crores has been transferred to General Reserves out of the amount available for appropriations and an amount of ₹ 1,456.84 Crores has been carried over to the Balance Sheet.

## 6. SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2017 was ₹ 23.54 Crores. There has been no change in the Equity Share Capital of the Company during the year. The Company has no other type of securities except equity shares forming part of paid up capital.

## 7. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, (previously Section 205C of the Companies Act, 1956), your Company during the year 2016-17 has transferred a total amount aggregating to ₹ 488,692 (i.e. ₹ 296,598 as Unpaid Final Dividend for FY 2008-09 and ₹ 192,094 as Unpaid Interim Dividend for FY 2009-10) to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of seven years after Declaration of Dividend for the financial year 2008-09 and during the year 2009-10.

## 8. AMALGAMATION OF RADHA RAJ ISPAT PRIVATE LIMITED WITH KRBL LIMITED

The Scheme of Amalgamation between Radha Raj Ispat Private Limited ("Amalgamating Company") and their respective shareholders and creditors with KRBL Limited ("the Amalgamated Company") was approved by the Hon'ble High Court of Delhi vide its order dated April 7, 2016 (Pronouncement Date). The formal order of Hon'ble High Court of Delhi was issued on May 24, 2016 which was placed before the Board at their meeting held on May 26, 2016. The appointed date for the Scheme was April 1, 2015. The Scheme was effective from June 1, 2016, being the date of filing of the High Court order with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

The Amalgamated Company has also issued and allotted Equity Shares to the Equity Shareholders of the Amalgamating Company in the proportion to their Equity Shareholding in the Amalgamating Company.

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

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

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

There is no change in the nature of business of the Company during the financial year 2016-17.

## 11. SEGMENT REPORTING

A separate reportable segment forms part of Notes to the Accounts.

## 12. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Your Company has two subsidiaries viz., KRBL DMCC, Dubai and K B Exports Private Limited, India. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiaries during the financial year 2016-17.

The Consolidated Financial Statements of your Company for the financial year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Indian

Accounting Standards (Ind AS) and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations"). The consolidated financial statements have been prepared by consolidating audited financial statements of your Company and its subsidiaries, as approved by the respective Board of Directors. Further, pursuant to the proviso of sub section (3) of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 a separate statement containing the salient features of the financial statements of Subsidiaries of the Company in the prescribed form AOC-1 is given in the Consolidated Financial Statements, forming part of this Annual Report.

Consolidated Turnover is ₹ 3,149.03 Crores as compared to ₹3,362.81 Crores in the same period previous year. Consolidated Net Profit after Tax increase to ₹ 399.40 Crores as compared to ₹ 293.14 Crores in the previous year.

The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Sunday and holiday upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office / Corporate Office of your Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents shall also be available on Company's website [www.krbllimited.com](http://www.krbllimited.com) in downloadable format.

## 13. QUALITY AND ACCOLADES

Your Company continues to win awards year-after-year, thus reiterating its credible market position. Details of the award won have been given in the 'Management Discussion & Analysis Report' forming part of this Annual Report.

## 14. BOARD OF DIRECTORS

As on March 31, 2017, your Company's Board has a strength of 10 (Ten) Directors including 1 (One) Woman Director. The Chairman of the Board is an Executive Director. The composition of the Board is as below:

| Category                                          | Number of Directors | % to Total Number of Directors |
|---------------------------------------------------|---------------------|--------------------------------|
| Executive Directors<br>(Including Woman Director) | 5                   | 50                             |
| Independent Non-Executive Directors               | 5                   | 50                             |

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

During the year the Board of Directors of the Company in their meeting held on August 11, 2016, has appointed Mr. Alok Sabharwal (DIN: 03342276) as an Additional Director under the category Independent Non-Executive Director. The Board of Directors also fixed his tenure as an Independent Non-Executive Director w.e.f. August 11, 2016. Mr. Alok Sabharwal ceases to be a Director on the last AGM of the Company held on September 8, 2016, as he was appointed as an additional director after sending the notice of 23<sup>rd</sup> AGM held on September 8, 2016 to the shareholders. Thereafter, Mr. Alok Sabharwal was again appointed as an Additional Director in the Board Meeting held on September 8, 2016 after the AGM of the Company w.e.f. September 9, 2016. The tenure of his office as an Additional director will be expiring in the ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all directors except Independent Directors are liable to retire by rotation. The Independent Directors of your Company will hold office for 5 (Five) consecutive years from the date of 21<sup>st</sup> Annual General Meeting held on September 9, 2014, (except Mr. Alok Sabharwal who will hold office for 5 (Five) consecutive years w.e.f. August 11, 2016, if appointed in the ensuing Annual General Meeting). No Independent Directors are liable to retire by rotation. However, they can resign from directorship any time before their respective tenure.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Anil Kumar Mittal, Chairman & Managing Director and Ms. Priyanka Mittal, Whole Time Director, retiring by rotation at the ensuing Annual General Meeting, are eligible for re-appointment. This shall not constitute a break in the office of Mr. Anil Kumar Mittal and Ms. Priyanka Mittal as the Chairman & Managing Director and Whole Time Director respectively in the Company.

The brief resume of the Directors being re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, Committee Memberships/ Chairmanships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing Annual General Meeting and also forming part of corporate Governance Report.

The Board recommends their re-appointment at the ensuing Annual General Meeting.

## 15. AUDIT COMMITTEE

As on March 31, 2017, the Audit Committee of KRBL Limited comprises of following 4 (four) Members, all are Independent Non-Executive Directors:

| Name                       | Designation | Category                    |
|----------------------------|-------------|-----------------------------|
| Mr. Devendra Kumar Agarwal | Chairman    | Non-Executive & Independent |
| Mr. Ashwani Dua            | Member      | Non-Executive & Independent |
| Mr. Vinod Ahuja            | Member      | Non-Executive & Independent |
| Mr. Shyam Arora            | Member      | Non-Executive & Independent |

All the recommendation made by the Audit Committee was accepted by the Board of Directors. The Powers and role of the Audit Committee are included in report on Corporate Governance forming part of this Annual Report.

## 16. KEY MANAGERIAL PERSONNELS

The Key Managerial Personnels (KMPs) of the Company in accordance with the provisions of Sections 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) are as follows:

| S. No. | Name of KMPs          | Designation                  |
|--------|-----------------------|------------------------------|
| 1.     | Mr. Anil Kumar Mittal | Chairman & Managing Director |
| 2.     | Mr. Anoop Kumar Gupta | Joint Managing Director      |
| 3.     | Mr. Arun Kumar Gupta  | Joint Managing Director      |
| 4.     | Mr. Ashok Chand       | Whole Time Director          |
| 5.     | Ms. Priyanka Mittal   | Whole Time Director          |
| 6.     | Mr. Rakesh Mehrotra   | Chief Financial Officer      |
| 7.     | Mr. Raman Sapra       | Company Secretary            |

During the year there was no change (appointment or cessation) in the office of any KMP.

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

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

Nomination and Remuneration Policy have been outlined below:

- i) To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- ii) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees of KRBL Limited.
- iii) To formulate the criteria for evaluation of Independent Director and the Board.
- iv) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- v) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- vi) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- vii) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- viii) To develop a succession plan for the Board and to regularly review the plan.
- ix) To assist the Board in fulfilling responsibilities.
- x) To implement and monitor policies and processes regarding principles of corporate governance.

The Nomination and Remuneration policy of KRBL Limited is available on the website of the company at the weblink [www.krblice.com/policy-guidelines/nomination-remuneration-policy.pdf](http://www.krblice.com/policy-guidelines/nomination-remuneration-policy.pdf)

## 18. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2016-17, 9 (Nine) Board meetings were held. For details thereof kindly refer to the section 'Board Meeting and Procedures - Details of Board Meetings held and attended by the directors during the financial year 2016-17, in the report of Corporate Governance forming part of this Annual Report.

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

As the ultimate responsibility for sound governance and prudential management of a company lies with its Board, it is imperative that the Board remains continually energized, proactive and effective. An important way to achieve this is through an objective stock taking by the Board of its own performance.

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

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

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

In accordance with the framework as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the Board of Directors of the Company in their Meeting held on February 14, 2017, had carried out the performance evaluation process.

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

In compliance with the provisions of SEBI Listing Regulations, the Board of Directors has also carried out evaluation of every Independent Director's performance during the year. Board members had submitted to Nomination and Remuneration Committee, their response on a scale from 5 (Excellent) to 1 (Performance Needs Improvement) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

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

The Directors expressed their satisfaction with the evaluation process.

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

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable Indian Accounting Standards (Ind AS) have been followed and that there are no material departures;
- ii) that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs as at March 31, 2017 and of the profit of the Company for the Financial year ended March 31, 2017;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts for the year ended March 31, 2017 have been prepared on a going concern basis;
- v) that they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 21. DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

All Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 read with SEBI Listing Regulations, so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

## 22. OPERATIONS, PERFORMANCE AND FUTURE OUTLOOK OF THE COMPANY

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

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

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of activities in the nature of Energy Conservation, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as 'Annexure 1' which forms part of this Report.

## 24. PARTICULARS OF REMUNERATION OF DIRECTORS AND KMPs

A statement containing the details of the Remuneration of Directors and KMPs as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure 2' which forms part of this Report.

## 25. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is attached as 'Annexure 3' which forms part of this Report.

## 26. AUDITORS AND AUDITORS' REPORT

### I) STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and rules framed thereunder the tenure of current auditors M/s. Vinod Kumar Bindal & Co., Chartered Accountants, shall come to an end at the conclusion of forthcoming AGM.

Further, subject to the approval of shareholders of the Company in the ensuing Annual General Meeting M/s. Vinod Sanjeev Bindal & Co., Chartered Accountants, (Firm Registration No. 012493N) was recommended for appointment by the Audit Committee and approved by the Board as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 24th Annual General Meeting till the conclusion of 29th Annual General Meeting.

Meeting of the Company to be held in the year 2022, subject to annual ratification by members at every Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company in consultation with statutory auditors.

They being eligible have consented and offered themselves for appointment as statutory auditors for conducting audit of accounts for five consecutive financial years starting from financial year 2017-18.

The Company has also received a certificate dated August 1, 2017 from the Auditors to the effect, inter-alia, that their appointment, if made, would be within the limits laid down by the Act and they are not disqualified for such appointment under the provisions of applicable laws.

The present Statutory Auditors- M/s. Vinod Kumar Bindal & Co., Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the FY 2016-17, which forms part of the Annual Report 2016-17. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

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

## II) COST AUDITORS

As per Section 148 of the Companies Act, 2013 read with notification issued by Ministry of Corporate Affairs regarding the Cost Audit of Power Generation segment, the Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. In this connection, the Audit Committee of KRBL Limited has recommended to the Board of Directors and the Board of Directors has approved the re-appointment of M/s. HVMN & Associates, Cost Accountants, having their office at, 1011, Pearls Best Heights-II, C-09, Netaji Subhash Place, Pitampura, Delhi-110034, as Cost Auditors of the Company to conduct the Cost Audit for the financial year 2017-18.

As required under the provisions of Companies Act, 2013, a resolution seeking members approval for the remuneration payable to the Cost Auditors for the financial year 2017-18 forms part to the Notice convening the Annual General Meeting of the Company.

Further the Cost Audit Report for the financial year 2015-16 was filed with Ministry of Corporate Affairs.

## III) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s DMK Associates, Company Secretaries, having their office at, 31/36 Basement, Old Rajender Nagar, Delhi-110060, to undertake the Secretarial Audit functions of the Company.

The Secretarial Audit Report submitted by M/s DMK Associates in the prescribed form MR- 3 is attached as '**Annexure 4**' which forms part of this Report.

As per the observations given by the Secretarial Auditors, the explanation to the same has been given to them which forms part of the Secretarial Audit Report. Further the justification for unspent CSR amount is also being given in '**Annexure 5**' under Annual Report on CSR Activities which forms part of this Report.

## 27. CORPORATE GOVERNANCE

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

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

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

The Board has also evolved and implemented a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is available on the Company's website at the web link: [www.krbllrice.com/policyguidelines/code\\_of\\_business\\_conduct\\_ethics.pdf](http://www.krbllrice.com/policyguidelines/code_of_business_conduct_ethics.pdf). A separate section

titled 'Report on Corporate Governance' has been included in this Annual Report along with Secretarial Auditors Certificate on Corporate Governance.

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

- Policy on Preservation of Documents and Archival.
- Nomination and Remuneration Policy.
- Vigil Mechanism (Whistle Blower Policy).
- Corporate Social Responsibility Policy.
- Dividend Distribution Policy.
- Policy for Determination of Materiality.
- Policy on Related Party Transactions.
- Policy for Determining Material Subsidiaries.
- Board Diversity Policy.
- Code of Fair Disclosure.
- Code of Conduct to Regulate, Monitor and Report Trading by Insiders.
- Code of Business Conduct and Ethics for The Board of Directors, Senior Management Personnel and Other Employees.

All the above mentioned policies are available on the Company's website [www.krbtrice.com](http://www.krbtrice.com) under the head Investors Relations.

## 28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

During the year Company was involved in various CSR activities. The Annual Report on CSR activities is attached as 'Annexure 5' which forms part of this report.

## 29. BUSINESS RESPONSIBILITY REPORT (BRR)

Fulfillment of environmental, social and governance responsibilities is part of KRBL's business culture. KRBL is fortunate to be among the top 500 listed entities and finds itself within the ambit of SEBI's Listing Regulations, which mandate the inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for the top 500 listed entities based on market capitalization. In compliance, the BRR disclosures are integrated into the Annual report and aimed at describing KRBL's initiatives in discharging responsibilities from an environmental, social and governance perspective. The copy of BRR is available on the company's website under the weblink <http://www.krbtrice.com/investorrelation.html>.

KRBL for the first time has also prepared the sustainability report. The report covers all sustainability related aspects and initiatives. The copy of the Sustainability Report is available on company's website under the weblink <http://www.krbtrice.com/investorrelation.html>.

## 30. INTERNAL FINANCIAL CONTROL SYSTEM

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

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

Your Company has appointed M/s. S S Kothari Mehta & Co., Chartered Accountants, having their office at Plot No. 68, Okhla Industrial Area, Phase-III, New Delhi-110020, as the Internal Auditors of the Company w.e.f. April 1,

2017, to focus on internal audit function which includes strengthening the standard operating procedure and accounting manual of the company.

Independence of the audit and compliance is ensured by direct reporting of Internal Audit Team to the Audit Committee of the Board.

### 31. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

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

- All operations are executed through Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- The Company's books of accounts are maintained in SAP and transactions are executed through SAP (ERP) setups to ensure correctness/effectiveness of all transactions, integrity and reliability of reporting.
- The Company has a comprehensive risk management framework.
- The Company has in place a well-defined Vigil Mechanism (Whistle Blower Policy).
- Compliance of secretarial functions is ensured by way of secretarial audit.
- Compliance relating to cost records of the company is ensured by way of cost audit.
- Compliance relating to internal control system of the company is ensured by way of internal audit.

### 32. RISK MANAGEMENT

A key factor in determining a company's capacity to create sustainable value is the risk that the company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risk exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed.

The company has laid down a risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor non-business risks.

### 33. RATINGS

The Company received various ratings, which are as follows:

- **ICRA:** In September 2016, "ICRA" has reviewed and reaffirmed [ICRA] AA- (pronounced as ICRA AA Minus) rating for Fund Based Working Capital facilities and A1+ (pronounced as ICRA A one plus) for Non Fund Based Facilities.
- **ICRA:** In December 2016, "ICRA" has also reviewed and reaffirmed [ICRA] A1+ (pronounced as ICRA A one plus) rating for Commercial Paper (CP) programme.

### 34. DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the Financial Year 2016-17 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any Unpaid or Unclaimed Deposits at the end of the Financial Year.

### 35. PERSONNEL

During the year under review, no employees, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as laid down u/s 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The particulars regarding the remuneration of directors and KMPs as per Section 197 of the Companies Act, 2013, ("the Act") read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is also being given in Annexure 2 forms part of the Director's Report. However, as per the provisions of Section 136 of the Act, the report and accounts are being sent to the Members and others entitled thereto, excluding the information on employees' remuneration particulars as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is available for inspection by the members at the Registered Office/ Corporate Office of the Company during business hours on working days of the company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member in this regard may write to the Company Secretary at the Registered Office/ Corporate Office of your Company.

### 36. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

### 37. DEPOSITORY SYSTEMS

Company's shares are compulsorily tradable in electronic form. As on March 31, 2017, almost 99.85% of the Company's Paid-up Equity Share Capital representing 235,042,170 Equity Shares are in dematerialized form with both the depositories.

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

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

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

During the year under review there was no Change in Capital Structure and Listing of Shares.

The Company's shares are listed and actively traded on the below mentioned Stock Exchanges:

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

### II. BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai – 400 001

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

During the financial year ended March 31, 2017, the Company has neither made any investment(s) nor given any loan(s) or guarantee(s) or provided any security.

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

During the financial year 2016-17, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013, read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the SEBI Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the SEBI Listing Regulations.

The Audit Committee of KRBL Limited has considered, approved and recommended to Board for Omnibus Approval and criteria for omnibus approval for entering into transactions with related parties for the financial year 2016-17, which was further approved by the Board. The transactions entered pursuant to the omnibus approval so granted and statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

The details of the related party transactions as per Indian Accounting Standard Ind AS 24 are set out in Note 31.04 to the Standalone Financial Statements forming part of this report. Further Form No. AOC-2 is attached as 'Annexure 6' which forms part of this report.

The Company has also adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the weblink: [www.krbllrice.com/policy-guidelines/policy-related-party.pdf](http://www.krbllrice.com/policy-guidelines/policy-related-party.pdf).

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

Pursuant to Regulation 22 of SEBI Listing Regulations, your Company has established a mechanism called

'Vigil Mechanism (Whistle Blower Policy)' for directors and employees to report to the appropriate authorities of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company.

'The Vigil Mechanism (Whistle Blower Policy)' as approved by the Board, is uploaded on the Company's website at the weblink [www.krbllimited.com/policy-guidelines/vigilmechanism-whistle-blower-policy.pdf](http://www.krbllimited.com/policy-guidelines/vigilmechanism-whistle-blower-policy.pdf).

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

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

#### **43. INDUSTRIAL RELATIONS**

The Company has maintained healthy, cordial and harmonious industrial relations at all levels. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the

forefront of the Industry. It has taken various steps to improve productivity across organization.

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

#### **44. APPRECIATION**

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

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

*for and on behalf of the Board of Directors*

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director

DIN: 00030100

Place: Noida, Uttar Pradesh

Date: August 10, 2017

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

### A. CONSERVATION OF ENERGY

#### (a) Energy Conservation Measures Taken:

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

##### At Gautam Budh Nagar Unit of KRBL Limited:

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

- i) Installation of Reverse Osmosis Plant for treatment of treated effluent to be reused.
- ii) Installation of Power Capacitors for improvement of Power Factor.
- iii) Replacement of 28 watt tube lights with the 18 watt LED lights for indoor illumination in the plant.
- iv) Installation of various number of steam traps on the steam lines either in the process plant or on the steam line, which increases the maximize reuse of condensate water.
- v) Reduces the power consumption on the Blower by the use of VFD.
- vi) Installation of level sensor to reduce the running hours of motors.
- vii) Installation of condensation pump to transfer entire condensate water to boiler.

##### At Dhuri Unit of KRBL Limited:

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

- i) Low Pressure Steam boiler has been converted to Medium Pressure steam boiler so that it is used in co-generation mode.
- ii) VFD's installed on Berico dryers air fans.
- iii) VFD's installed on all printing conveyors.
- iv) VFD's installed on air circulating fans of 3 new dryers of new sella plants.

##### At Sonipat Unit of KRBL Limited:

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

- i) Installation of VFD on Blowers 10 Nos, Compressor & all length graders.
- ii) Average monthly power factor is maintained above 0.99.
- iii) Installation of LED Light at all points in factory.
- iv) Zero water discharge. STP is installed & treated water used for green area.
- v) Two battery operated forklift are in operation which is economical & environmental friendly in comparison with diesel operated forklift.
- vi) Use of transparent sheet in godowns & plant area which eliminates the use of LED lights in day time.

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

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

**Disclosure of Particulars with Respect to Conservation of Energy: 2016-17**
**(a) Power and Fuel Consumption**

| S. No.    | Particulars                                   | Current Year | Previous Year | Reason for Variation                                                                                                                      |
|-----------|-----------------------------------------------|--------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.</b> | <b>Electricity</b>                            |              |               |                                                                                                                                           |
|           | <b>(A) Purchased</b>                          |              |               |                                                                                                                                           |
|           | Unit                                          | 5,390,217    | 2,491,400     | Due to Boiler breakdown and installation of new plant in Sonipat                                                                          |
|           | Total Amount                                  | 41,620,738   | 18,009,259    |                                                                                                                                           |
|           | Rate/Unit                                     | 7.72         | 7.23          |                                                                                                                                           |
|           | <b>(B) Own Generation</b>                     |              |               |                                                                                                                                           |
|           | <b>(i) Through Diesel Generator (DG)</b>      |              |               |                                                                                                                                           |
|           | Unit                                          | 1,356,979    | 495,606       | Due to installation of new plant in Sonipat and also due to dependency on diesel generated electricity increased as compared to last year |
|           | Units Per ltrs. of Diesel Oil                 | 3.27         | 3.13          |                                                                                                                                           |
|           | Cost/Unit                                     | 14.03        | 14.17         |                                                                                                                                           |
|           | <b>(ii) Through Steam Turbine</b>             |              |               |                                                                                                                                           |
|           | Unit                                          | 52,965,600   | 57,527,998    | Dependency on diesel generated electricity is increased                                                                                   |
|           | Husk/Unit (in KG)                             | 1.45         | 1.41          |                                                                                                                                           |
|           | Cost/Unit                                     | 4.78         | 4.75          |                                                                                                                                           |
| <b>2.</b> | <b>Coal (Specify quantity and where used)</b> |              |               |                                                                                                                                           |
|           | Quantity (Tonnes)                             | -            | -             | -                                                                                                                                         |
|           | Total Cost                                    | -            | -             | -                                                                                                                                         |
|           | Average Rate                                  | -            | -             | -                                                                                                                                         |
| <b>3.</b> | <b>Furnace Oil</b>                            |              |               |                                                                                                                                           |
|           | Quantity (k. ltrs.)                           | -            | -             | -                                                                                                                                         |
|           | Total Cost                                    | -            | -             | -                                                                                                                                         |
|           | Average Cost                                  | -            | -             | -                                                                                                                                         |
| <b>4.</b> | <b>Other/Internal Generation</b>              |              |               |                                                                                                                                           |
|           | Quantity                                      | -            | -             | -                                                                                                                                         |
|           | Total Cost                                    | -            | -             | -                                                                                                                                         |
|           | Rate/Unit                                     | -            | -             | -                                                                                                                                         |

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

Total Energy Consumption is as under:

| Particulars                                | As at<br>March 31, 2017 | (In Units)<br>As at<br>March 31, 2016 |
|--------------------------------------------|-------------------------|---------------------------------------|
| <b>Production Unit - Gautam Budh Nagar</b> | 18,697,568              | 19,301,897                            |
| <b>Production Unit - Dhuri</b>             | 32,919,947              | 35,808,338                            |
| <b>Production Unit - Sonipat</b>           | 2,932,217               | -                                     |

Energy Consumption per MT of Production is as under:

| Particulars                                | As at<br>March 31, 2017 | (In Units)<br>As at<br>March 31, 2016 |
|--------------------------------------------|-------------------------|---------------------------------------|
| <b>Production Unit - Gautam Budh Nagar</b> |                         |                                       |
| Rice                                       | 136                     | 118                                   |
| <b>Production Unit - Dhuri</b>             |                         |                                       |
| Rice Bran Oil                              | 207                     | 213                                   |
| Rice                                       | 115                     | 101                                   |
| <b>Production Unit - Sonipat</b>           |                         |                                       |
| Rice                                       | 37                      | -                                     |

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

### Disclosure of Particulars with Respect to Research and Development (R & D): 2016-17

- a) Your Company continues to pursue innovation and applied research as means to sustain its global leadership in a competitive environment. Following are the areas in which the R&D is being carried out by the Company in the Financial Year 2016-17:
  - i) Development, testing and specification setting of packaging materials.
  - ii) Formulation and evaluation of Agricultural inputs to enhance farm productivity, crop quality and for other such applications.
- b) Benefits derived as a result of the above R&D:
  - i) Cost reduction, import substitution and strategic resource management.
  - ii) Quality evaluation of finished products and raw materials.
  - iii) Ensuring product quality.
  - iv) Entering new market segments.
- c) Future plan of action:
 

Your Company's creative & innovation team will continue to work on energy efficient process like:

  - i) Reducing packaging weight / volume.
  - ii) Roll out of new range of differentiated products of international quality.
  - iii) Improvement of process and resource use efficiencies.
  - iv) Enlarge the scope of Agri-inputs options.
  - v) All the efforts are being continued in the directions of product/process development as mentioned above.
- d) Expenditure on R & D (₹ in Lacs)

Your Company has incurred the following expenditure on R & D in the Financial Year 2016-17 as compared to previous year:

|      |                                                           |        |               |
|------|-----------------------------------------------------------|--------|---------------|
| i)   | Capital                                                   | Nil    | (P.Y. Nil)    |
| ii)  | Recurring                                                 | 423.07 | (P.Y.369.31)  |
| iii) | Total                                                     | 423.07 | (P.Y. 369.31) |
| iv)  | Total R & D expenditure as a percentage of total turnover | 0.13%  | (P.Y. 0.11%)  |

## C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

### Disclosure of Particulars with Respect to Technology Absorption, Adaptation and Innovation: 2016-17

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

Technologies were successfully absorbed, resulting in a high production and new product development to meet existing and new customer requirements.

Technology innovations were successfully implemented to increase production and reduce the consumption of raw material, energy and utilities.
- b) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.:
 

Low density Boiler was commissioned to cope with existing turbine depending on the usage.

  - a) Imported Technology(imported during the last three year reckoned from the beginning of the financial year):
    - I) Technology Imported (during the Financial year 2016-17):
      - i) During the Financial year 2016-17, Company has imported Capital Goods like Sortex Colour Sorting Machine, Flow Controller, Gas Chromatography Paddy Separator, Floor Washer, Mysilo 5.5mtr dia Commercial Hopper, Adaptive Frequency Drive Kit, Sweeper set with essential parts and Metal Separator from U.K., Germany, Singapore Thailand, China, Italy, Turkey and U.S.A.
      - ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.
      - iii) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.
    - II) Technology Imported (during the Financial year 2015-16):
      - i) During the Financial year 2015-16, Company has imported Capital Goods like Wet Holding Bin, Carter Day Indent Cylinders, Komatsu Diesel Engine Forklift Truck, Rice Polisher with standard Accessories, Combilift, Sortex Electronic Auto Colour Sorting, Toyota Internal Combustion Engine Forklift Truck from USA, Japan, Thailand,

Ireland and U.K. Hongkong, China U.K. and Japan and Spares of Capital Goods like Spare Parts for Steam Turbine, Wood Frame Bottom for Destoner Part, Wood Frame Top for Destoner Part, Screen (with Teflon Coating) from Japan, Spain and Thailand.

- ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.
- iii) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

III) Technology Imported (during the Financial year 2014-15):

- i) During the Financial year 2014-15, Company has imported Plant & Machinery and Spares of Capital Goods like Furniture, Sortex Colour Sorting Machine, Hard Bound Marketing Broucher, Spare parts for Steam Turbine, Spare Parts of Rice Dryer Machine from Hongkong, China U.K. and Japan.
- ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.
- iii) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

## D. FOREIGN EXCHANGE EARNINGS AND OUTGO

### Disclosure of Particulars with respect to Foreign Exchange Earnings and Outgo: 2016-17

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

The Company's major income comes from rice, which are sold throughout the world and company highly professional teams of marketing personnel,

distributors, dealers and retailers continuously steering the Company's growth strategy in the global markets. Company Brand India Gate continued to command a significant premium over most other brands in the Global industry. Company's other brand is also have overwhelming response in overseas market.

Your Company is certified as BRC for meeting the requirements of Global Standard for Food Safety issued by SGS and also meeting the requirements of the SQF Code, 7th Edition, for Comprehensive Safety and Quality Management System. Your Company is also certified by SGS for Food Safety System Certification, 22000 – a clear endorsement of its strong quality thrust.

- ii) Total foreign exchange used and earned:

The Company is engaged continuously in exploring new international markets. During the year under review, the Company reported exports (FOB value) of ₹107,806.28 Lacs (P.Y. ₹176,619.04 Lacs) on Standalone basis.

Further, the Company, on Standalone basis, expended ₹ 2,472.46 Lacs (P.Y. ₹ 2,375.67 Lacs) in foreign exchange while earnings in foreign exchange on mercantile basis were ₹ 106,704.53 Lacs (P.Y. ₹ 177,154.57 Lacs). Thus the net inflow in foreign exchange was ₹ 104,232.27 Lacs (P.Y. ₹ 174,778.90 Lacs) during the year under review.

*for and on behalf of the Board of Directors*

Sd/-

**Anil Kumar Mittal**

Place: Noida, Uttar Pradesh  
Date: August 10, 2017

Chairman & Managing Director  
DIN: 00030100

## Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### PARTICULARS OF REMUNERATION

**A. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2016-17:**

| S. No.   | Nature of Directorships Held & Name of Directors | Ratio of Median Remuneration |
|----------|--------------------------------------------------|------------------------------|
| <b>1</b> | <b>Executive Directors</b>                       |                              |
| a)       | Mr. Anil Kumar Mittal                            | 54.74:1                      |
| b)       | Mr. Arun Kumar Gupta                             | 54.74:1                      |
| c)       | Mr. Anoop Kumar Gupta                            | 54.74:1                      |
| d)       | Mr. Ashok Chand                                  | 16.27:1                      |
| e)       | Ms. Priyanka Mittal                              | 30.87:1                      |
| <b>2</b> | <b>Non-Executive Directors</b>                   |                              |
| a)       | Mr. Ashwani Dua                                  | Nil                          |
| b)       | Mr. Devendra Kumar Agarwal                       | Nil                          |
| c)       | Mr. Shyam Arora                                  | Nil                          |
| d)       | Mr. Vinod Ahuja                                  | Nil                          |
| e)       | Mr. Alok Sabharwal                               | Nil                          |

**B. The Percentage Increase in Remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the Financial Year 2016-17:**

| S. No. | Name of Key Managerial Personnel                | % Increase in Remuneration |
|--------|-------------------------------------------------|----------------------------|
| 1      | Mr. Anil Kumar Mittal                           | 20%                        |
| 2      | Mr. Arun Kumar Gupta                            | 20%                        |
| 3      | Mr. Anoop Kumar Gupta                           | 20%                        |
| 4      | Mr. Ashok Chand                                 | Nil                        |
| 5      | Mr. Ashwani Dua                                 | Nil                        |
| 6      | Mr. Devendra Kumar Agarwal                      | Nil                        |
| 7      | Ms. Priyanka Mittal                             | 20%                        |
| 8      | Mr. Shyam Arora                                 | Nil                        |
| 9      | Mr. Vinod Ahuja                                 | Nil                        |
| 10     | Mr. Alok Sabharwal                              | Nil                        |
| 11     | Mr. Rakesh Mehrotra,<br>Chief Financial Officer | 28%                        |
| 12     | Mr. Raman Sapra,<br>Company Secretary           | 51%                        |

**C. The Percentage Increase in the Median Remuneration of Employees in the Financial Year 2016-17:** There was decrease of 5% in the median remuneration of employees in the financial year 2016-17.

**D. The Number of Permanent Employees on the rolls of Company:** 2162

**E. Average Percentile increase already made in the Salaries of Employees other than the Managerial Personnel in the last Financial Year and its Comparison with the Percentile Increase in the Managerial Remuneration:** The average increase in salaries of employees other than managerial personnel in 2016-17 was 4%, Percentage increase in the managerial remuneration for the year was 18%.

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

for and on behalf of the Board of Directors

Sd/-

**Anil Kumar Mittal**

Place: Noida, Uttar Pradesh  
Date: August 10, 2017

Chairman & Managing Director  
DIN: 00030100

## Annexure-3

**Form MGT-9****EXTRACT OF ANNUAL RETURN****AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 read with Rule12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

| <b>S. No.</b> | <b>Particulars</b>                                                              |                                                                                                                                                                                                                          |
|---------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.            | CIN                                                                             | L01111DL1993PLC052845                                                                                                                                                                                                    |
| 2.            | Registration Date                                                               | 30/03/1993                                                                                                                                                                                                               |
| 3.            | Name of the Company                                                             | KRBL Limited                                                                                                                                                                                                             |
| 4.            | Category / Sub-Category of the Company                                          | Public Limited company/Indian Non-Government Company                                                                                                                                                                     |
| 5.            | Address of the Registered office and contact details                            | 5190, Lahori Gate, Delhi - 110006<br>Tel: (011) 23968328, Fax : (011) 23968327<br>Email Id- investor@krblindia.com<br>Website: www.krblrice.com                                                                          |
| 6.            | Whether listed company                                                          | Yes                                                                                                                                                                                                                      |
| 7.            | Name, Address and Contact details of Registrar and Share Transfer Agent, if any | M/s. Alankit Assignments Limited<br>Alankit Heights, 1E/13,<br>Jhandewalan Extension,<br>New Delhi-110055<br>Tel: (011)-42541955,59,<br>Fax : (011)-23552001<br>Email id- ramap@alankit.com<br>Website : www.alankit.com |

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

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

| <b>S. No.</b> | <b>Name and Description of main Products / Services</b> | <b>NIC Code of the Product/ Service</b> | <b>% to total turnover of the company</b> |
|---------------|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| 1.            | Rice                                                    | 10,612                                  | 92%                                       |

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

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

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

##### i) CATEGORY-WISE SHAREHOLDING:

| Category of Shareholders                                  | No. of Shares held at the beginning of the year<br>(As on April 01, 2016) |              |                    | No. of Shares held at the end of the year<br>(As on March 31, 2017) |                    |             | % Change during the year |              |                   |
|-----------------------------------------------------------|---------------------------------------------------------------------------|--------------|--------------------|---------------------------------------------------------------------|--------------------|-------------|--------------------------|--------------|-------------------|
|                                                           | Demat                                                                     | Physical     | Total              | % of Total Shares                                                   | Demat              | Physical    |                          | Total        | % of Total Shares |
| <b>A. PROMOTERS</b>                                       |                                                                           |              |                    |                                                                     |                    |             |                          |              |                   |
| <b>(1) INDIAN</b>                                         |                                                                           |              |                    |                                                                     |                    |             |                          |              |                   |
| a) Individuals/HUF                                        | 110,526,024                                                               | -            | 110,526,024        | 46.95                                                               | 138,439,616        | -           | 138,439,616              | 58.81        | 11.86             |
| b) Central Government / State Government(s)               | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| c) Bodies Corporate                                       | 27,913,892                                                                | -            | 27,913,892         | 11.86                                                               | -                  | -           | -                        | -            | (11.86)           |
| d) Financial Institutions/ Banks                          | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| e) Any Other (Trust)                                      | -                                                                         | -            | -                  | -                                                                   | 300                | -           | 300                      | -            | -                 |
| <b>Sub-total (A) (1):</b>                                 | <b>138,439,916</b>                                                        | <b>-</b>     | <b>138,439,916</b> | <b>58.81</b>                                                        | <b>138,439,916</b> | <b>-</b>    | <b>138,439,916</b>       | <b>58.81</b> | <b>-</b>          |
| <b>(2) FOREIGN</b>                                        |                                                                           |              |                    |                                                                     |                    |             |                          |              |                   |
| a) NRIs - Individuals                                     | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| b) Other – Individuals                                    | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| c) Bodies Corporates                                      | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| d) Banks / Financial Institutions                         | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| e) Any Other                                              | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| <b>Sub-total (A) (2):</b>                                 | <b>-</b>                                                                  | <b>-</b>     | <b>-</b>           | <b>-</b>                                                            | <b>-</b>           | <b>-</b>    | <b>-</b>                 | <b>-</b>     | <b>-</b>          |
| <b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>138,439,916</b>                                                        | <b>-</b>     | <b>138,439,916</b> | <b>58.81</b>                                                        | <b>138,439,916</b> | <b>-</b>    | <b>138,439,916</b>       | <b>58.81</b> | <b>-</b>          |
| <b>B. PUBLIC SHAREHOLDING</b>                             |                                                                           |              |                    |                                                                     |                    |             |                          |              |                   |
| <b>1. INSTITUTIONS</b>                                    |                                                                           |              |                    |                                                                     |                    |             |                          |              |                   |
| a) Mutual Funds / UTI                                     | 43,353                                                                    | 3,000        | 46,353             | 0.02                                                                | 100,000            | 3,000       | 103,000                  | 0.04         | 0.02              |
| b) Financial Institutions / Banks                         | 42,377                                                                    | -            | 42,377             | 0.02                                                                | 47,181             | -           | 47,181                   | 0.02         | -                 |
| c) Central Government / State Government(s)               | 20                                                                        | -            | 20                 | -                                                                   | 20                 | -           | 20                       | -            | -                 |
| d) Alternate Investment Funds                             | -                                                                         | -            | -                  | -                                                                   | 168,764            | -           | 168,764                  | 0.07         | 0.07              |
| e) Venture Capital Funds                                  | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| f) Insurance Companies                                    | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| g) Foreign Institutional Investors                        | 3,026,073                                                                 | -            | 3,026,073          | 1.29                                                                | 1,469,974          | -           | 1,469,974                | 0.62         | (0.66)            |
| h) Foreign Venture Capital Investors                      | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| i) Qualified Foreign Investors                            | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| j) Foreign Portfolio Investor                             | 12,243,728                                                                | -            | 12,243,728         | 5.20                                                                | 14,161,130         | -           | 14,161,130               | 6.01         | 0.82              |
| k) Any Other (Specify)                                    | -                                                                         | -            | -                  | -                                                                   | -                  | -           | -                        | -            | -                 |
| <b>Sub-total (B)(1):</b>                                  | <b>15,355,551</b>                                                         | <b>3,000</b> | <b>15,358,551</b>  | <b>6.52</b>                                                         | <b>15,947,069</b>  | <b>3000</b> | <b>15,950,069</b>        | <b>6.76</b>  | <b>0.25</b>       |

| Category of Shareholders                                                        | No. of Shares held at the beginning of the year<br>(As on April 01, 2016) |                |                    | No. of Shares held at the end of the year<br>(As on March 31, 2017) |                |                    | % Change during the year |
|---------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------|--------------------|---------------------------------------------------------------------|----------------|--------------------|--------------------------|
|                                                                                 | Demat                                                                     | Physical       | Total              | Demat                                                               | Physical       | Total              |                          |
|                                                                                 |                                                                           |                | % of Total Shares  |                                                                     |                | % of Total Shares  |                          |
| <b>2. NON-INSTITUTIONS</b>                                                      |                                                                           |                |                    |                                                                     |                |                    |                          |
| a) <b>Bodies Corporates</b>                                                     |                                                                           |                |                    |                                                                     |                |                    |                          |
| i) Indian                                                                       | 3,533,747                                                                 | 13,000         | 3,546,747          | 1,895,885                                                           | 13,000         | 1,908,885          | 0.81                     |
| ii) Overseas                                                                    | 22,900,000                                                                | -              | 22,900,000         | 22,900,000                                                          | -              | 22,900,000         | 9.73                     |
| b) <b>Individuals</b>                                                           |                                                                           |                |                    |                                                                     |                |                    |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 2 lacs          | 16,724,025                                                                | 383,486        | 17,107,511         | 16,297,983                                                          | 331,722        | 16,629,705         | 7.06                     |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lacs | 19,944,756                                                                | -              | 19,944,756         | 19,324,418                                                          | -              | 19,324,418         | 8.21                     |
| <b>Others:</b>                                                                  |                                                                           |                |                    |                                                                     |                |                    |                          |
| i) Foreign Nationals                                                            | 16,100,000                                                                | -              | 16,100,000         | 16,105,065                                                          | -              | 16,105,065         | 6.84                     |
| ii) NRI                                                                         | 955,767                                                                   | -              | 955,767            | 2,188,887                                                           | -              | 2,188,887          | 0.93                     |
| iii) Clearing House/Clearing Member                                             | 283,682                                                                   | -              | 283,682            | 178,871                                                             | -              | 178,871            | 0.08                     |
| iv) NBFC Registered with RBI                                                    | 112,630                                                                   | -              | 112,630            | 22,750                                                              | -              | 22,750             | 0.01                     |
| v) Limited Liability Partnership                                                | 42,892                                                                    | -              | 42,892             | 1,176,667                                                           | -              | 1,176,667          | 0.50                     |
| vi) Hindu Undivided Family/ Association of Persons                              | 595,940                                                                   | -              | 595,940            | 557,169                                                             | -              | 557,169            | 0.24                     |
| vii) Trust                                                                      | 1,500                                                                     | -              | 1,500              | 7,490                                                               | -              | 7,490              | -                        |
| <b>Sub-total (B)(2):</b>                                                        | <b>81,194,939</b>                                                         | <b>396,486</b> | <b>81,591,425</b>  | <b>80,655,185</b>                                                   | <b>344,722</b> | <b>80,999,907</b>  | <b>(0.25)</b>            |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                              | <b>96,550,490</b>                                                         | <b>399,486</b> | <b>96,949,976</b>  | <b>96,602,254</b>                                                   | <b>347,722</b> | <b>96,949,976</b>  | <b>-</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                          | -                                                                         | -              | -                  | -                                                                   | -              | -                  | -                        |
| <b>Grand Total (A+B+C)</b>                                                      | <b>234,990,406</b>                                                        | <b>399,486</b> | <b>235,389,892</b> | <b>235,042,170</b>                                                  | <b>347,722</b> | <b>235,389,892</b> | <b>-</b>                 |

## ii) SHAREHOLDING OF PROMOTERS:

| S. No.                           | Shareholding at the beginning of the year |                                  |                                                 | Shareholding at the end of the year |                                  |                                                 | % Change during the year |
|----------------------------------|-------------------------------------------|----------------------------------|-------------------------------------------------|-------------------------------------|----------------------------------|-------------------------------------------------|--------------------------|
|                                  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares |                          |
| Individuals/HUF                  |                                           |                                  |                                                 |                                     |                                  |                                                 |                          |
| 1.                               | Rashi Gupta                               | 150,000                          | 0.06                                            | -                                   | 100                              | -                                               | (0.06)                   |
| 2.                               | Neha Gupta                                | 180,000                          | 0.08                                            | -                                   | 100                              | -                                               | (0.08)                   |
| 3.                               | Priyanka Mittal                           | 250,000                          | 0.11                                            | -                                   | 250,000                          | 0.11                                            | -                        |
| 4.                               | Ayush Gupta                               | 400,000                          | 0.17                                            | -                                   | 100                              | -                                               | (0.17)                   |
| 5.                               | Akshay Gupta                              | 400,000                          | 0.17                                            | -                                   | 100                              | -                                               | (0.17)                   |
| 6.                               | Anil Kumar Mittal                         | 3,600,000                        | 1.53                                            | -                                   | 3,599,900                        | 1.53                                            | -                        |
| Karta of Anil Kumar Mittal (HUF) |                                           |                                  |                                                 |                                     |                                  |                                                 |                          |
| 7.                               | Kunal Gupta                               | 4,100,000                        | 1.74                                            | -                                   | 100                              | -                                               | (1.74)                   |
| 8.                               | Ashish Mittal                             | 4,600,000                        | 1.95                                            | -                                   | 4,600,000                        | 1.95                                            | -                        |
| 9.                               | Arun Kumar Gupta                          | 4,850,000                        | 2.06                                            | -                                   | 4,849,900                        | 2.06                                            | -                        |
| Karta of Arun Kumar Gupta (HUF)  |                                           |                                  |                                                 |                                     |                                  |                                                 |                          |
| 10.                              | Anulika Gupta                             | 5,550,000                        | 2.36                                            | -                                   | 41,293,714                       | 17.54                                           | 15.18                    |
| 11.                              | Binita Gupta                              | 6,700,000                        | 2.85                                            | -                                   | 38,849,338                       | 16.50                                           | 13.65                    |
| 12.                              | Preeti Mittal                             | 6,900,000                        | 2.93                                            | -                                   | 16,205,515                       | 6.88                                            | 3.95                     |
| 13.                              | Anil Kumar Mittal                         | 7,100,000                        | 3.02                                            | -                                   | -                                | -                                               | (3.02)                   |
| Karta of Bhagirath Lal (HUF)     |                                           |                                  |                                                 |                                     |                                  |                                                 |                          |
| 14.                              | Anoop Kumar Gupta                         | 7,300,000                        | 3.10                                            | -                                   | 7,299,900                        | 3.10                                            | -                        |
| Karta of Anoop Kumar Gupta (HUF) |                                           |                                  |                                                 |                                     |                                  |                                                 |                          |
| 15.                              | Anil Kumar Mittal                         | 19,123,982                       | 8.12                                            | -                                   | 21,490,649                       | 9.13                                            | 1.01                     |
| 16.                              | Anoop Kumar Gupta                         | 19,530,209                       | 8.30                                            | -                                   | 100                              | -                                               | (8.30)                   |
| 17.                              | Arun Kumar Gupta                          | 19,791,833                       | 8.41                                            | -                                   | 100                              | -                                               | (8.41)                   |
| 18.                              | Anil Mittal Family Trust                  | -                                | -                                               | -                                   | 100                              | -                                               | -                        |
| 19.                              | Arun Kumar Gupta Family Trust             | -                                | -                                               | -                                   | 100                              | -                                               | -                        |
| 20.                              | Anoop Kumar Gupta Family Trust            | -                                | -                                               | -                                   | 100                              | -                                               | -                        |
| Bodies Corporate                 |                                           |                                  |                                                 |                                     |                                  |                                                 |                          |
| 21.                              | Radha Raj Ispat Pvt. Ltd.                 | 27,913,892                       | 11.86                                           | -                                   | -                                | -                                               | (11.86)                  |
| Total Shareholding of Promoters  |                                           | 138,439,916                      | 58.81                                           | -                                   | 138,439,916                      | 58.81                                           | -                        |

**iii) CHANGE IN PROMOTERS' SHAREHOLDING:**

| S. No.     | Particulars                                   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|------------|-----------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|            |                                               | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>1.</b>  | <b>Anoop Kumar Gupta</b>                      |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 19,530,209                                | 8.30                             | 19,530,209                              | 8.30                             |
|            | Inter-se Acquisition on 16/09/2016            | 2,366,667                                 | 1.00                             | 21,896,876                              | 9.30                             |
|            | Inter se Transfer on 28/09/2016               | 21,896,776                                | 9.30                             | 100                                     | 0.00                             |
|            | At the End of the year                        | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>2.</b>  | <b>Anil Kumar Mittal</b>                      |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 19,123,982                                | 8.12                             | 19,123,982                              | 8.12                             |
|            | Inter-se Acquisition on 16/09/2016            | 2,366,667                                 | 1.01                             | 21,490,649                              | 9.13                             |
|            | At the End of the year                        | 21,490,649                                | 9.13                             | 21,490,649                              | 9.13                             |
| <b>3.</b>  | <b>Arun Kumar Gupta</b>                       |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 19,791,833                                | 8.41                             | 19,791,833                              | 8.41                             |
|            | Inter-se Acquisition on 16/09/2016            | 2,366,666                                 | 1.00                             | 22,158,499                              | 9.41                             |
|            | Inter se Transfer on 28/09/2016               | 22,158,399                                | 9.41                             | 100                                     | 0.00                             |
|            | At the End of the year                        | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>4.</b>  | <b>Binita Gupta</b>                           |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 6,700,000                                 | 2.85                             | 6,700,000                               | 2.85                             |
|            | Inter-se Acquisition on 28/09/2016-30/09/2016 | 22,846,476                                | 9.71                             | 29,546,476                              | 12.56                            |
|            | Inter-se Acquisition on 24/10/2016            | 9,302,862                                 | 3.95                             | 38,849,338                              | 16.51                            |
|            | At the End of the year                        | 38,849,338                                | 16.51                            | 38,849,338                              | 16.51                            |
| <b>5.</b>  | <b>Anulika Gupta</b>                          |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 5,550,000                                 | 2.36                             | 5,550,000                               | 2.36                             |
|            | Inter-se Acquisition on 28/09/2016            | 26,438,199                                | 11.23                            | 31,988,199                              | 13.59                            |
|            | Inter-se Acquisition on 24/10/2016            | 9,305,515                                 | 3.95                             | 41,293,714                              | 17.54                            |
|            | At the End of the year                        | 41,293,714                                | 17.54                            | 41,293,714                              | 17.54                            |
| <b>6.</b>  | <b>Preeti Mittal</b>                          |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 6,900,000                                 | 2.93                             | 6,900,000                               | 2.93                             |
|            | Inter-se Acquisition on 24/10/2016            | 9,305,515                                 | 3.95                             | 16,205,515                              | 6.88                             |
|            | At the End of the year                        | 16,205,515                                | 6.88                             | 16,205,515                              | 6.88                             |
| <b>7.</b>  | <b>Ayush Gupta</b>                            |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 400,000                                   | 0.17                             | 400,000                                 | 0.17                             |
|            | Inter se Transfer on 30/09/2016               | 399,900                                   | 0.17                             | 100                                     | 0.00                             |
|            | At the End of the year                        | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>8.</b>  | <b>Akshay Gupta</b>                           |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 400,000                                   | 0.17                             | 400,000                                 | 0.17                             |
|            | Inter se Transfer on 29/09/2016               | 399,900                                   | 0.17                             | 100                                     | 0.00                             |
|            | At the End of the year                        | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>9.</b>  | <b>Kunal Gupta</b>                            |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 4,100,000                                 | 1.74                             | 4,100,000                               | 1.74                             |
|            | Inter se Transfer on 28/09/2016               | 4,099,900                                 | 1.74                             | 100                                     | 0.00                             |
|            | At the End of the year                        | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>10.</b> | <b>Neha Gupta</b>                             |                                           |                                  |                                         |                                  |
|            | At the beginning of the year                  | 180,000                                   | 0.08                             | 180,000                                 | 0.08                             |
|            | Inter se Transfer on 28/09/2016               | 179,900                                   | 0.08                             | 100                                     | 0.00                             |
|            | At the End of the year                        | 100                                       | 0.00                             | 100                                     | 0.00                             |

| S. No.                                    | Particulars                                | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------------------------------------------|--------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|                                           |                                            | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| <b>11. Rashmi Gupta</b>                   |                                            |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | 150,000                                   | 0.06                             | 150,000                                 | 0.06                             |
|                                           | Inter se Transfer on 30/09/2016            | 149,900                                   | 0.06                             | 100                                     | 0.00                             |
|                                           | At the End of the year                     | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>12. Anil Mittal Family Trust</b>       |                                            |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | -                                         | -                                | -                                       | -                                |
|                                           | Inter se Acquisition on 12/01/2017         | 100                                       | 0.00                             | 100                                     | 0.00                             |
|                                           | At the End of the year                     | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>13. Arun Kumar Gupta Family Trust</b>  |                                            |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | -                                         | -                                | -                                       | -                                |
|                                           | Inter se Acquisition on 20/02/2017         | 100                                       | 0.00                             | 100                                     | 0.00                             |
|                                           | At the End of the year                     | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>14. Anoop Kumar Gupta Family Trust</b> |                                            |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | -                                         | -                                | -                                       | -                                |
|                                           | Inter se Acquisition on 12/01/2017         | 100                                       | 0.00                             | 100                                     | 0.00                             |
|                                           | At the End of the year                     | 100                                       | 0.00                             | 100                                     | 0.00                             |
| <b>15. Anil Kumar Mittal</b>              |                                            |                                           |                                  |                                         |                                  |
|                                           | <b>Karta of Anil Kumar Mittal (HUF)</b>    |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | 3,600,000                                 | 1.53                             | 3,600,000                               | 1.53                             |
|                                           | Inter se Transfer on 12/01/2017            | 100                                       | 0.00                             | 3,599,000                               | 1.53                             |
|                                           | At the End of the year                     | 3,599,900                                 | 1.53                             | 3,599,900                               | 1.53                             |
| <b>16. Arun Kumar Gupta</b>               |                                            |                                           |                                  |                                         |                                  |
|                                           | <b>Karta of Arun Kumar Gupta (HUF)</b>     |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | 4,850,000                                 | 2.06                             | 4,850,000                               | 2.06                             |
|                                           | Inter se Transfer on 20/02/2017            | 100                                       | 0.00                             | 4,849,900                               | 2.06                             |
|                                           | At the End of the year                     | 4,849,900                                 | 2.06                             | 4,849,900                               | 2.06                             |
| <b>17. Anoop Kumar Gupta</b>              |                                            |                                           |                                  |                                         |                                  |
|                                           | <b>Karta of Anoop Kumar Gupta (HUF)</b>    |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | 7,300,000                                 | 3.10                             | 7,300,000                               | 3.10                             |
|                                           | Inter se Transfer on 12/01/2017            | 100                                       | 0.00                             | 7,299,900                               | 3.10                             |
|                                           | At the End of the year                     | 7,299,900                                 | 3.10                             | 7,299,900                               | 3.10                             |
| <b>18. Anil Kumar Mittal</b>              |                                            |                                           |                                  |                                         |                                  |
|                                           | <b>Karta of Bhagirath Lal (HUF)</b>        |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | 7,100,000                                 | 3.02                             | 7,100,000                               | 3.02                             |
|                                           | Inter se Transfer on 16/09/2016            | 7,100,000                                 | 3.02                             | -                                       | 0.00                             |
|                                           | At the End of the year                     | -                                         | -                                | -                                       | -                                |
| <b>19. Radha Raj Ispat Pvt. Ltd.</b>      |                                            |                                           |                                  |                                         |                                  |
|                                           | At the beginning of the year               | 27,913,892                                | 11.86                            | 27,913,892                              | 11.86                            |
|                                           | Transfer due to Amalgamation on 24/10/2016 | 27,913,892                                | 11.86                            | -                                       | -                                |
|                                           | At the End of the year                     | -                                         | -                                | -                                       | -                                |

**iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

| S. No. | Shareholder's Name                                                                               | Shareholding at the beginning of the year |                                  | Change in Shareholding during the year |                                  | Shareholding at the end of the year |                                  |
|--------|--------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|----------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
|        |                                                                                                  | No. of Shares                             | % of total Shares of the Company | No. of Shares                          | % of total Shares of the company | No. of Shares                       | % of total Shares of the company |
| 1.     | Reliance Commodities DMCC                                                                        | 22,900,000                                | 9.73                             | -                                      | -                                | 22,900,000                          | 9.73                             |
| 2.     | Anil Kumar Goel                                                                                  | 8,840,000                                 | 3.76                             | 385,022                                | 0.16                             | 9,225,022                           | 3.92                             |
| 3.     | Abdulla Ali Obeid Balsharaf                                                                      | 7,500,000                                 | 3.19                             | -                                      | -                                | 7,500,000                           | 3.19                             |
| 4.     | Omar Ali Obeid Balsharaf                                                                         | 7,500,000                                 | 3.19                             | -                                      | -                                | 7,500,000                           | 3.19                             |
| 5.     | Kotak Mahindra International Limited                                                             | 4,527,529                                 | 1.92                             | 1,671,741                              | 0.71                             | 6,199,270                           | 2.63                             |
| 6.     | Som Nath Aggarwal                                                                                | 3,738,412                                 | 1.59                             | (9,000)                                | -                                | 3,729,412                           | 1.58                             |
| 7.     | Seema Goel                                                                                       | 2,520,000                                 | 1.07                             | 57,813                                 | 0.03                             | 2,577,813                           | 1.10                             |
| 8.     | Premier Investment Fund Limited                                                                  | 932,555                                   | 0.40                             | 360,524                                | 0.15                             | 1,293,079                           | 0.55                             |
| 9.     | Vanguard Emerging Markets Stocks Index Fund Aseries of Vanguard International Equity Index Fund* | 11,964                                    | 0.01                             | 1,273,349                              | 0.54                             | 1,285,313                           | 0.55                             |
| 10.    | Vanguard Total International Stock Index Fund                                                    | 787,176                                   | 0.33                             | 330,594                                | 0.14                             | 1,117,770                           | 0.47                             |

\* Not in the list of Top 10 shareholders as on March 31, 2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2017.

The above details are given as on March 31, 2017. The Company is listed and 99.85% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. Further, Company has not allotted/ transferred or issued any bonus or sweat equity shares during the year.

**v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

| S. No.    | Shareholder's Name    | Shareholding at the beginning of the year |                                  | Change in Shareholding during the year        |                                  | Shareholding at the end of the year |                                  |
|-----------|-----------------------|-------------------------------------------|----------------------------------|-----------------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
|           |                       | No. of Shares                             | % of total Shares of the Company | Date of Change and No. of Shares              | % of total Shares of the Company | No. of Shares                       | % of total Shares of the Company |
| Directors |                       |                                           |                                  |                                               |                                  |                                     |                                  |
| 1.        | Mr. Anil Kumar Mittal | 19,123,982                                | 8.12                             | 16.09.2016 – 2,366,667 (Inter se Acquisition) | 1.01                             | 21,490,649                          | 9.13                             |
| 2.        | Mr. Arun Kumar Gupta  | 19,791,833                                | 8.41                             | 16.09.2016 – 2,366,666 (Inter se Acquisition) | 1.00                             | 100                                 | 0.00                             |
|           |                       |                                           |                                  | 28.09.2016- 22,158,399 (Inter se Transfer)    | 9.41                             |                                     |                                  |
| 3.        | Mr. Anoop Kumar Gupta | 19,530,209                                | 8.30                             | 16.09.2016 – 2,366,667 (Inter se Acquisition) | 1.00                             | 100                                 | 0.00                             |
|           |                       |                                           |                                  | 28.09.2016 – 21,896,776 (Inter se Transfer)   | 9.30                             |                                     |                                  |

| S. No.                          | Shareholder's Name         | Shareholding at the beginning of the year |                                  | Change in Shareholding during the year |                                  | Shareholding at the end of the year |                                  |
|---------------------------------|----------------------------|-------------------------------------------|----------------------------------|----------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
|                                 |                            | No. of Shares                             | % of total Shares of the Company | Date of Change and No. of Shares       | % of total Shares of the Company | No. of Shares                       | % of total Shares of the Company |
| 4.                              | Mr. Ashok Chand            | -                                         | -                                | -                                      | -                                | -                                   | -                                |
| 5.                              | Mr. Ashwani Dua            | -                                         | -                                | -                                      | -                                | -                                   | -                                |
| 6.                              | Mr. Devendra Kumar Agarwal | -                                         | -                                | -                                      | -                                | -                                   | -                                |
| 7.                              | Ms. Priyanka Mittal        | 250,000                                   | 0.11                             | -                                      | -                                | 250,000                             | 0.11                             |
| 8.                              | Mr. Shyam Arora            | -                                         | -                                | -                                      | -                                | -                                   | -                                |
| 9.                              | Mr. Vinod Ahuja            | -                                         | -                                | -                                      | -                                | -                                   | -                                |
| 10.                             | Mr. Alok Sabharwal         | -                                         | -                                | -                                      | -                                | -                                   | -                                |
| <b>Key Managerial Personnel</b> |                            |                                           |                                  |                                        |                                  |                                     |                                  |
| 11.                             | Mr. Rakesh Mehrotra        | -                                         | -                                | -                                      | -                                | -                                   | -                                |
| 12.                             | Mr. Raman Sapra            | -                                         | -                                | -                                      | -                                | -                                   | -                                |

## V. INDEBTEDNESS

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

| Particulars                                                         | (Amount in ₹ Lacs)               |                  |          |                    |
|---------------------------------------------------------------------|----------------------------------|------------------|----------|--------------------|
|                                                                     | Secured Loans excluding deposits | Unsecured Loans  | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year (April 1, 2016) |                                  |                  |          |                    |
| i) Principal Amount                                                 | 101,883.55                       | 14,727.26        | -        | 116,610.81         |
| ii) Interest due but not paid                                       | -                                | -                | -        | -                  |
| iii) Interest accrued but not due                                   | 134.04                           | -                | -        | 134.04             |
| <b>Total (i+ii+iii)</b>                                             | <b>102,017.59</b>                | <b>14,727.26</b> | <b>-</b> | <b>116,744.85</b>  |
| Change in Indebtedness during the financial year                    |                                  |                  |          |                    |
| Addition                                                            | 11,674.40                        | 20,606.26        | -        | 32,280.67          |
| Reduction                                                           | (28,565.69)                      | (9,802.26)       | -        | (38,367.95)        |
| Exchange Difference                                                 | (1,650.37)                       | -                | -        | (1,650.37)         |
| <b>Net Change</b>                                                   | <b>(18,541.66)</b>               | <b>10,804.00</b> | <b>-</b> | <b>(7,737.67)</b>  |
| Indebtedness at the end of the financial year (March 31, 2017)      |                                  |                  |          |                    |
| i) Principal Amount                                                 | 83,284.70                        | 25,531.26        | -        | 108,815.95         |
| ii) Interest due but not paid                                       | -                                | -                | -        | -                  |
| iii) Interest accrued but not due                                   | 191.23                           | -                | -        | 191.23             |
| <b>Total (i+ii+iii)</b>                                             | <b>83,475.93</b>                 | <b>25,531.26</b> | <b>-</b> | <b>109,007.18</b>  |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹ Lacs)

| S. No. | Particulars of Remuneration                                                         | Name of Managing Directors and Whole-time Directors                                                    |                      |                       |                 |                     | Total Amount  |
|--------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------|-----------------------|-----------------|---------------------|---------------|
|        |                                                                                     | Mr. Anil Kumar Mittal                                                                                  | Mr. Arun Kumar Gupta | Mr. Anoop Kumar Gupta | Mr. Ashok Chand | Ms. Priyanka Mittal |               |
| 1.     | Gross salary                                                                        |                                                                                                        |                      |                       |                 |                     |               |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 86.40                                                                                                  | 86.40                | 86.40                 | 25.68           | 48.72               | 333.6         |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0.40                                                                                                   | 118.48               | 0.40                  | 0.40            | 0.40                | 120.08        |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                                                                                                      | -                    | -                     | -               | -                   | -             |
| 2.     | Stock option                                                                        | -                                                                                                      | -                    | -                     | -               | -                   | -             |
| 3.     | Sweat Equity                                                                        | -                                                                                                      | -                    | -                     | -               | -                   | -             |
| 4.     | Commission                                                                          |                                                                                                        |                      |                       |                 |                     |               |
|        | - as % of profit                                                                    | -                                                                                                      | -                    | -                     | -               | -                   | -             |
|        | - Other, specify                                                                    | -                                                                                                      | -                    | -                     | -               | -                   | -             |
| 5.     | Other, please specify                                                               | -                                                                                                      | -                    | -                     | -               | -                   | -             |
|        | <b>Total (A)</b>                                                                    | <b>86.80</b>                                                                                           | <b>204.88</b>        | <b>86.80</b>          | <b>26.08</b>    | <b>49.12</b>        | <b>453.68</b> |
|        | <b>Overall Ceiling as per the Act</b>                                               | 10% of Net profit for all Executive Directors - Managing and Whole-time Directors i.e. ₹ 5,438.20 Lacs |                      |                       |                 |                     |               |

### B. REMUNERATION TO OTHER DIRECTORS:

(Amount in ₹ Lacs)

| S. No. | Particulars of Remuneration           | Name of Directors                                                                        |                            |                    |                 |                 | Total Amount |
|--------|---------------------------------------|------------------------------------------------------------------------------------------|----------------------------|--------------------|-----------------|-----------------|--------------|
|        |                                       | Mr. Ashwani Dua                                                                          | Mr. Devendra Kumar Agarwal | Mr. Alok Sabharwal | Mr. Shyam Arora | Mr. Vinod Ahuja |              |
| 1.     | Independent Directors                 |                                                                                          |                            |                    |                 |                 |              |
|        | Fee for attending board meetings      | 0.30                                                                                     | 0.70                       | 0.30               | 0.80            | 0.80            | 2.90         |
|        | Committee meetings                    | -                                                                                        | -                          | -                  | -               | -               | -            |
|        | Commission                            | -                                                                                        | -                          | -                  | -               | -               | -            |
|        | Others                                | -                                                                                        | -                          | -                  | -               | -               | -            |
|        | <b>Total(1)</b>                       | <b>0.30</b>                                                                              | <b>0.70</b>                | <b>0.30</b>        | <b>0.80</b>     | <b>0.80</b>     | <b>2.90</b>  |
| 2.     | Other Non-Executive Directors         |                                                                                          |                            | None               |                 |                 |              |
|        | Fee for attending board meetings      |                                                                                          |                            |                    |                 |                 |              |
|        | Committee meetings                    |                                                                                          |                            |                    |                 |                 |              |
|        | Commission                            |                                                                                          |                            | N.A.               |                 |                 |              |
|        | Others                                |                                                                                          |                            |                    |                 |                 |              |
|        | <b>Total (2)</b>                      | <b>-</b>                                                                                 | <b>-</b>                   | <b>-</b>           | <b>-</b>        | <b>-</b>        | <b>-</b>     |
|        | <b>Total (B)=(1+2)</b>                | <b>0.30</b>                                                                              | <b>0.70</b>                | <b>0.30</b>        | <b>0.80</b>     | <b>0.80</b>     | <b>2.90*</b> |
|        | <b>Overall Ceiling as per the Act</b> | 1% of Net Profits of the Company for all Non-Executive Directors i.e. i.e. ₹ 543.82 Lacs |                            |                    |                 |                 |              |

\* The Above is the sitting fees and the same is excluding Service Tax.

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

| S. No. | Particulars of Remuneration                                                     | Key Managerial Personnel |                     | Total        |
|--------|---------------------------------------------------------------------------------|--------------------------|---------------------|--------------|
|        |                                                                                 | Mr. Rakesh Mehrotra, CFO | Mr. Raman Sapra, CS |              |
| 1.     | Gross salary                                                                    |                          |                     |              |
| a)     | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 45.35                    | 10.80               | 56.15        |
| b)     | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -                   | -            |
| c)     | Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -                   | -            |
| 2.     | Stock option                                                                    | -                        | -                   | -            |
| 3.     | Sweat Equity                                                                    | -                        | -                   | -            |
| 4.     | Commission                                                                      |                          |                     |              |
| -      | - as % of profit                                                                | -                        | -                   | -            |
| -      | - Other, specify                                                                | -                        | -                   | -            |
| 5.     | Other, please specify                                                           | -                        | -                   | -            |
|        | <b>Total (C)</b>                                                                | <b>45.35</b>             | <b>10.80</b>        | <b>56.15</b> |

**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) |
|-------------------------------------|------------------------------|-------------------|-----------------------------------------------------------|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                                           |                              |                                    |
| Penalty                             |                              |                   |                                                           |                              |                                    |
| Punishment                          |                              |                   | None                                                      |                              |                                    |
| Compounding                         |                              |                   |                                                           |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |                                                           |                              |                                    |
| Penalty                             |                              |                   |                                                           |                              |                                    |
| Punishment                          |                              |                   | None                                                      |                              |                                    |
| Compounding                         |                              |                   |                                                           |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                           |                              |                                    |
| Penalty                             |                              |                   |                                                           |                              |                                    |
| Punishment                          |                              |                   | None                                                      |                              |                                    |
| Compounding                         |                              |                   |                                                           |                              |                                    |

for and on behalf of the Board of Directors

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director

DIN: 00030100

Place: Noida, Uttar Pradesh

Date: August 10, 2017

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with **Annexure 1** attached to this report:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 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; **(Not applicable to the Company during the Audit Period)**
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings(ECB); **(No fresh FDI, ODI and ECB was taken by the company during the Audit Period)**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period);**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

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

- 1) Foods Safety & Standards Act, 2006 & Foods Safety & Standards (Licensing & Registration of Food Business), Regulations, 2011;
- 2) The Boilers Act, 1923 and rules made thereunder;
- 3) The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964 and rules made thereunder;
- 4) Legal Metrology Act, 2009 and Rules & Regulations made there under;
- 5) The Punjab Agricultural Produce Market Act, 1961 and rules made thereunder;
- 6) The Petroleum Act, 1934 and rules made thereunder.
- 7) Electricity Act, 2003 and the respective State Government Policy/ Guidelines for the Wind and Solar Power Projects.
- 8) MPERC (Terms & Conditions for the intra-state Open Access in Madhya Pradesh) Regulation, 2005.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited & BSE Limited ;
- c) Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- 1) As per provision of Section 135 of the Companies Act, 2013, the eligible amount required to be spent by the Company is ₹ 7.43 Crore during the financial year, 2016-17, however as per information provided,

the Company despite of best efforts for the utilization of eligible amount towards CSR, could spend only ₹ 2.08 Crores.

- 2) It is observed that certain statutory returns under Factories Act, 1948, related to the Company's unit located at Sonapat, Haryana, which was set up in the month of September 2016, are yet to be filed, however as per information provided, the company is in process of filing the same.

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting except one Board Meeting which was held at shorter notice in compliance of the Act.
3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) issued by Whole Time Director Mr. Ashok Chand , COO, Mr. Ravinder Kumar Sharma, CFO Mr. Rakesh Mehrotra and CS, Mr. Raman Sapra of the Company, and taken on record by the Board of Directors at their meeting (s),

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

**We further report that** during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred

laws, rules, regulations; guidelines, standards etc. except as follows:

- a) The Board of Directors at its meeting held on May 11, 2016 has accorded to avail working capital facilities by issue of commercial paper or such other instruments within overall limit of ₹ 500 crore.
- b) During the period, the scheme of Amalgamation u/s 391 & 394 read with Section 100 & 103 of the Companies Act, 1956 in the matter of M/s Radha Raj Ispat Pvt. Ltd. and the company has been sanctioned by the Hon'ble High Court of Delhi on April 7, 2016 and the company has received the formal orders from the High Court on May 24, 2016 and has made necessary compliance in this respect.

- c) Special Resolution under section 42 of the Companies Act, 2013 was passed by the members at its Annual General Meeting held on September 8, 2016 for issue of redeemable non convertible debentures upto an aggregate amount not exceeding ₹ 500 Crores. However the Company has not issued any non convertible debenture so far.

for **DMK Associates**  
Company Secretaries

Sd/-

**Deepak Kukreja**

FCS, LL.B, ACIS(UK)

Partner

FCS No. 4140, C.P. No. 8265

Place: New Delhi

Date: August 10, 2017

## Annexure-1 to the Secretarial Audit Report

To,

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

**Sub: Our Secretarial Audit for the Financial Year ended March 31, 2017 of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **DMK Associates**  
Company Secretaries

Sd/-

**Deepak Kukreja**

FCS, LL.B, ACIS(UK)

Partner

FCS No. 4140, C.P. No. 8265

Place: New Delhi

Date: August 10, 2017

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

### 1. Company's policy on CSR – An Overview:

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

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

### 2. Our CSR Vision:

Endeavour to serve the society and achieve excellence.

### 3. Our CSR Mission:

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

### 4. Composition of the CSR Committee:

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

### 5. Average Net Profit of the Company for last three Financial Years: ₹ 371.65 Crore.

### 6. Required CSR Expenditure (Two Percent of the amount as in item 5 above): ₹ 7.43 Crore.

### 7. Justification for unspent money out of 2% of the average net profit of the last 3 (three) financial years:

As per Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 743.29 Lac towards CSR activities out of which ₹ 208.31 Lac was utilized on

activities specified in Schedule VII of the Companies Act, 2013. The Company's CSR initiatives usually involve setting of various programs in project form at a medium/small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. Likewise, due to non-identification of proper projects and agencies which may guide the company towards such philanthropic activities to serve and match the needs of the society, the company wasn't able to spend whole budgeted allocable amount towards CSR Activities the expenditure incurred on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable which coupled with new initiatives that may be considered in future, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.

### Here are certain major projects undertaken by the company as the part of ongoing CSR programmes of the Company:

1. The KRBL "Vidhya Jyoti" CSR initiative by way of setting up a library in village school in Gautam Budh Nagar, Uttar Pradesh which requires an expenditure of ₹ 10 Lacs.
2. The CSR Village Development project of the Company by way of providing and laying of sewage line at Bhasur village, Punjab, which requires an expenditures of ₹ 1.60 Crores.
3. The CSR Rural Development Project of the Company by way of Construction of Road in Achega Village, Gautam Budh Nagar, which requires an expenditure of ₹ 1 Crore.

The CSR Committee of KRBL Limited during the financial year 2016-17 met three times to discuss the CSR Initiatives. The Company is also in the process of aggressively identifying feasible projects/programmes wherein it can deploy the CSR expenditure amount.

We strongly believe that your Company plays a very significant role in improving the quality of the society within which it operates and the Company can flourish only if it operates in a society that is healthy, orderly, just and which grants freedom and scope to individuals and their lawful enterprises. Your Company is committed to spend in CSR activities over a period of time as it scales up its initiatives and the supporting infrastructure. Your Company will spend its resources very judiciously as it does in all areas.

## 8. Details of CSR spent during the financial year:

- Amount spent during the year: ₹ 208.31 Lac
- Amount unspent, if any: ₹ 534.98 Lac;
- Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹ Lacs)

| A. CSR PROJECTS IDENTIFIED IN THE YEAR 2016-17 AND SUCCESSFULLY COMPLETED |                                                                                                                        |                                                 |                                                                    |                                                 |                                           |           |                                                  |                                                     |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|-----------|--------------------------------------------------|-----------------------------------------------------|
| 1                                                                         | 2                                                                                                                      | 3                                               | 4                                                                  | 5                                               | 6                                         |           | 7                                                | 8                                                   |
| S. No.                                                                    | CSR Project or Activity                                                                                                | Sector in which the Project is covered          | Location where project was undertaken State (Local Area/ District) | Amount outlay (budget) project or programe wise | Amount spent on the project or programmes |           | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|                                                                           |                                                                                                                        |                                                 |                                                                    |                                                 | Direct expenditure                        | Overheads |                                                  |                                                     |
| 1                                                                         | Project for Sponsoring Scholarship for providing Education to the Students*                                            | Promoting Education including Special Education | Sangrur, Punjab                                                    | 0.30                                            | 0.30                                      | -         | 0.30                                             | Direct                                              |
| 2                                                                         | Project for Sponsoring 1 Year Residential Education of 1 Tribal Child                                                  | Promoting Education including Special Education | Bhubaneswar, Odisha                                                | 0.25                                            | 0.25                                      | -         | 0.25                                             | Implementing Agency-Society                         |
| 3                                                                         | Improving Infrastructure of Government Girls Senior Secondary School                                                   | Promoting Education and Preventive Health Care  | Sohana, Mohali                                                     | 0.30                                            | 0.30                                      | -         | 0.30                                             | Direct                                              |
| Total (A)                                                                 |                                                                                                                        |                                                 |                                                                    | 0.85                                            | 0.85                                      | -         | 0.85                                             |                                                     |
| B. CSR PROJECTS IDENTIFIED IN THE YEAR 2016-17 AND IN PROCESS             |                                                                                                                        |                                                 |                                                                    |                                                 |                                           |           |                                                  |                                                     |
| 1.                                                                        | “Vidhya Jyoti” project as an initiative to promote the education in the form of setting up a library in village school | Promoting Education including Special Education | Gautam Budh Nagar, Uttar Pradesh                                   | 10.00                                           | 0.72                                      | -         | 2.91                                             | Direct                                              |
| 2.                                                                        | Village Development Activity/ Sanitation**                                                                             | Village Development Project                     | Sangrur, Punjab                                                    | 159.74                                          | 133.94                                    | -         | 134.52                                           | Direct                                              |
| 3.                                                                        | Village Development Activity                                                                                           | Rural Development Project                       | Gautam Budh Nagar, Uttar Pradesh                                   | 100.00                                          | 72.80                                     | -         | 72.80                                            | Direct                                              |
| Total (B)                                                                 |                                                                                                                        |                                                 |                                                                    | 260.00                                          | 207.46                                    | -         | 210.23                                           |                                                     |
| Total expenditure on CSR initiatives upto the reporting period (A+B)      |                                                                                                                        |                                                 |                                                                    | 260.85                                          | 208.31                                    | -         | 211.08                                           |                                                     |

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

\*\*This project has been completed in May 2017 and the Company has incurred the overall expenditure of ₹ 159.74 Lacs as against the Budgeted Expenditure of ₹ 150 Lacs. Also the excess expenditure of ₹ 9.74 Lacs was ratified and approved by the CSR Committee of the Company.

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

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

for and on behalf of the Board of Directors

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director &

Chairman - CSR Committee

DIN: 00030100

Place: Noida, Uttar Pradesh

Date: August 10, 2017

## Annexure-6

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis –**

**NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.**

- (a) Name(s) of the related party and nature of relationship: **N.A.**
- (b) Nature of contracts/ arrangements/ transactions: **N.A.**
- (c) Duration of the contracts/ arrangements/ transactions: **N.A.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
- (f) Date(s) of approval by the Board: **N.A.**
- (g) Amount paid as advances, if any: **N.A.**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

**NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL\* CONTRACT OR ARRANGEMENT.**

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)

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

*for and on behalf of the Board of Directors*

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director

DIN: 00030100

Place: Noida, Uttar Pradesh

Date: August 10, 2017



Report on  
Corporate  
Governance

***“Corporate governance is not a matter of right or wrong - it is more nuanced than that.”***

*Advocate Johan Myburgh*

KRBL Limited ('KRBL' or 'the Company') believe that good corporate governance is about ensuring that companies are managed as efficiently as possible in the interests of the stakeholders. Efficient corporate governance requires a clear understanding of the respective roles of the Board and of senior management and their relationships with others in the corporate structure. The relationship of the Board and management shall be characterized by sincerity, their relationship with employees shall be characterized by fairness, their relationship with the communities in which they operate shall be characterized by good citizenship, and their relationship with government shall be characterized by a commitment to compliance.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In KRBL, Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence level. The Board of Directors has the important role of overseeing management performance on behalf of Stakeholders. Stakeholders necessarily have little voice in the day to day management of corporate operations, but have the right to elect representatives (Directors) to look out for their interests and to receive the information they need to make investment and voting decisions.

Over the last few years, the Board of Directors of your Company has from time to time developed corporate governance practices to enable the Directors to effectively and efficiently discharge their responsibilities individually and collectively to the shareholders of the Company in the areas of;

- fiduciary duties - oversight of the Management - evaluation of the Management performance – support and guidance in shaping company policies and business strategies.

KRBL Corporate Governance has been a high priority both in letter as well as in spirit. The Company's Board of Directors represents the Stakeholders interest in perpetuating a successful business and optimizing long term financial returns in a manner consistent with applicable legal requirements and ethical considerations. The Board is responsible for identifying and taking reasonable actions to help and assure that the Company is managed in a way designed to achieve this result.

The Company is fully compliant with the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “SEBI

Listing Regulations”) formulated by the Securities and Exchange Board of India.

## 2. BOARD OF DIRECTORS

### A. SIZE AND COMPOSITION OF BOARD

The present policy of KRBL regarding size and composition of the Board is to have an optimum combination of Executive and Non-Executive Directors along with Woman Director which clearly demarcate the functions of governance and management.

As on March 31, 2017, your Company's Board has a strength of 10 (Ten) Directors including 1 (One) Women Director. The Chairman of the Board is an Executive Director. The composition of the Board is given below:

| Category                                          | Number of Directors | % to Total No. of Directors |
|---------------------------------------------------|---------------------|-----------------------------|
| Executive Directors<br>(Including Woman Director) | 5                   | 50                          |
| Independent<br>Non-Executive Directors            | 5                   | 50                          |

As per Regulation 17(b) of the SEBI Listing Regulations, where the listed entity does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors. The Chairperson of KRBL Board is an executive director and a promoter as well. Accordingly, at least half of the Board of KRBL should comprise of Independent Non-Executive Directors.

Further, at present there are 5 (five) Independent Non-Executive directors on the Board of KRBL Limited which is in compliance with the provisions of Composition of Board as per SEBI Listing Regulations.

All Independent Directors are drawn from amongst eminent professionals with expertise in Business/Finance/Law/Public Enterprises and other allied field. All Independent Directors adhere to the criteria defined under Regulation 16 of SEBI Listing Regulations read with the provisions of Section 152, 149 and other applicable provisions of the Companies Act, 2013, at every Annual General Meeting.

### B. ROTATION OF DIRECTORS

The Independent Directors of your Company will hold office for 5 (Five) consecutive years from the date of 21st Annual General Meeting held on September 9, 2014, (except Mr. Alok Sabharwal who will hold office for 5 (Five) consecutive years w.e.f August 11, 2016, if appointed in the ensuing Annual General Meeting). No Independent Directors are liable to retire by rotation. However, they can resign from directorship any time before their respective tenure.

During the year the Board of Directors of the Company in their meeting held on August 11, 2016, had appointed Mr. Alok Sabharwal (DIN: 03342276) as an Additional Director under the category Independent Non-Executive. The Board of Directors also fixed his tenure as an Independent Non-Executive Director w.e.f. August 11, 2016. Mr. Alok Sabharwal ceases to be a Director on the last AGM of the Company as held on September 8, 2016, as he was appointed as an additional director after sending the notice of 23<sup>rd</sup> AGM to the members. Thereafter, Mr. Alok Sabharwal was again appointed as an Additional Director in the Board Meeting held on September 8, 2016 after the AGM of the Company w.e.f. September 9, 2016 The tenure of his office as an Additional director will be expiring in the ensuing Annual General Meeting of the Company.

Pursuant to the provision of Section 149(13) of the Companies Act, 2013, and as per Amended Articles of Association of the Company, all directors except Independent Directors are liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013, and as per Amended Articles of Association of the Company, Mr. Anil Kumar Mittal, Chairman & Managing Director and Ms. Priyanka Mittal, Whole Time Director, will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. This shall not constitute a break in office of Mr. Anil Kumar Mittal and Ms. Priyanka Mittal as Chairman & Managing Director and Whole Time Director, respectively in the Company.

All the Directors of the Company are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

#### C. DIRECTORS ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIP(S) AND COMMITTEE MEMBERSHIP(S)

As mandated by Regulation 26 of the SEBI Listing Regulations, none of the Director is a member of more than 10 (Ten) Board level Committees or Chairman of more than 5 (Five) Committees across all listed companies in which he/she is a Director. Directors' attendance at the Board Meetings during the financial year and the last Annual General Meeting (AGM) and also their Directorships and Memberships in other committees are given below:

Composition of the Board, Attendance Record, Directorships and Committee Membership for the Financial Year 2016-17

| Brief Information about Directors   |                                 | Attendance record during Financial Year 2016-17 |          |                            | Directorship/Membership/ Chairmanship as on March 31, 2017     |                                                                            |        |
|-------------------------------------|---------------------------------|-------------------------------------------------|----------|----------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------|--------|
| Name of the Directors               | Directors Identification Number | Number of Board Meeting held and attended       |          | Attendance at the last AGM | Number of Directorships in all Companies* as on March 31, 2017 | Number of Committee Positions held in all Companies** as on March 31, 2017 |        |
|                                     |                                 | Held                                            | Attended |                            |                                                                | Chairman                                                                   | Member |
| Executive Directors                 |                                 |                                                 |          |                            |                                                                |                                                                            |        |
| Mr. Anil Kumar Mittal               | 00030100                        | 9                                               | 8        | Yes                        | 14                                                             | 1                                                                          | 1      |
| Mr. Arun Kumar Gupta                | 00030127                        | 9                                               | 8        | Yes                        | 14                                                             | -                                                                          | -      |
| Mr. Anoop Kumar Gupta               | 00030160                        | 9                                               | 9        | Yes                        | 14                                                             | -                                                                          | 1      |
| Mr. Ashok Chand                     | 00030318                        | 9                                               | 8        | Yes                        | 1                                                              | -                                                                          | -      |
| Ms. Priyanka Mittal                 | 00030479                        | 9                                               | 6        | Yes                        | 3                                                              | -                                                                          | 1      |
| Independent Non-Executive Directors |                                 |                                                 |          |                            |                                                                |                                                                            |        |
| Mr. Ashwani Dua                     | 01097653                        | 9                                               | 3        | Yes                        | 5                                                              | 2                                                                          | 4      |
| Mr. Devendra Kumar Agarwal          | 06754542                        | 9                                               | 7        | Yes                        | 1                                                              | 1                                                                          | 1      |
| Mr. Shyam Arora                     | 00742924                        | 9                                               | 8        | Yes                        | 2                                                              | -                                                                          | 3      |
| Mr. Vinod Ahuja                     | 00030390                        | 9                                               | 8        | Yes                        | 16                                                             | -                                                                          | 3      |
| Mr. Alok Sabharwal^                 | 03342276                        | 9                                               | 3        | Yes                        | 1                                                              | -                                                                          | -      |

<sup>^</sup> Mr. Alok Sabharwal was appointed as an additional director w.e.f August 11, 2016, Mr. Alok Sabharwal ceases to be a Director on the last AGM of the Company as held on September 8, 2016. But he was re-appointed as an additional director in the board meeting held on September 8, 2016 upto the term of ensuring Annual General Meeting.

\* This includes Directorships in all Companies, including KRBL Limited, (Listed, Unlisted Public and Private Limited Companies) incorporated in India. Further, Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta, Mr. Anoop Kumar Gupta and Ms. Priyanka Mittal were also Directors of Radha Raj Ispat Private Limited Which was amalgamated with KRBL Limited effectively from June 1, 2016, pursuant to the scheme of Amalgamation approved by the Hon'ble High Court of Delhi vide its formal order dated May 24, 2016.

\*\* For the purpose of considering the limit of the committees on which a directors can serve, all public limited companies, whether listed or not, are considered. Further Committees considered for the purpose are those prescribed under explanation to Regulation 26(1)(b) of the SEBI Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee of Indian public limited companies including KRBL Limited. Further in addition to Audit Committee and Stakeholders Relationship Committee the Nomination and Remuneration Committee and CSR Committee is also taken into consideration.

#### D. LIMIT ON THE NUMBER OF DIRECTORSHIPS

In compliance with Regulation 25 of the SEBI Listing Regulations, the Independent Directors on the Board of the Company does not serve as an Independent Directors in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time Director in any Listed Company, does not hold position of Independent Director in more than 3 (Three) Listed Companies.

#### E. MAXIMUM TENURE OF INDEPENDENT DIRECTORS

In accordance with the provisions of Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company, (excluding Mr. Alok Sabharwal whose tenure as an additional Director commence from August 11, 2016, for a period of 5 (Five) consecutive years) has been fixed for a period of 5 (Five) consecutive years from the date of Annual General Meeting held on September 9, 2014 upto the conclusion of Annual General Meeting to be held in the year 2019.

#### F. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

- In accordance with the provisions of SEBI Listing Regulations read with Schedule IV of the Companies Act, 2013, the Company has issued formal letters of appointment to all the Independent Directors.
- The terms and conditions of Appointment of Independent Directors has been disseminated on the Company's website at the weblink [www.krbllrice.com/policy-guidelines/terms\\_conditions\\_for\\_appointment\\_of\\_independent\\_directors.pdf](http://www.krbllrice.com/policy-guidelines/terms_conditions_for_appointment_of_independent_directors.pdf).

#### G. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee, in its meeting held on February 14, 2017, has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors.

The performance evaluation of Independent Directors was done by the entire Board of Directors excluding the directors being evaluated.

#### H. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the reporting Financial Year, a separate Meeting of the Independent Directors of the Company was held on February 14, 2017, at the Corporate Office of the Company at C-32, 6th Floor, Sector 62, Noida-201301, Uttar Pradesh, where in the following items as enumerated under Schedule IV of the Companies Act, 2013, read with Regulation 25 of the SEBI Listing Regulations were discussed:

- Review of Performance of Non-Independent Directors and Board as a whole.

- Review of Performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Devendra Kumar Agarwal was appointed as Chairman to lead the meeting of the Independent Directors.

#### I. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

- In compliance with the provisions of Regulation 25 of the SEBI Listing Regulations, all Independent Directors are familiarized about the company, through various programs from time to time, including the following:
  - nature of the industry in which the company operates;
  - business model of the company;
  - roles, rights and responsibilities of Independent Directors; and
  - any other relevant information.
- The policy on the familiarization programs for Independent Directors has been uploaded on the Company's website at the weblink [www.krbllrice.com/policy-guidelines/familiarization\\_programme\\_for\\_independent\\_directors.pdf](http://www.krbllrice.com/policy-guidelines/familiarization_programme_for_independent_directors.pdf).

#### J. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS

Non-Executive Directors neither holds any Equity Shares nor hold any convertible instruments of the company.

#### K. ROLES AND RESPONSIBILITIES OF THE BOARD

The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic direction to the company. As trustee, the Board of Directors has fiduciary responsibility to ensure that the company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

- Disclosure of Information
  - Members of Board of Directors and key managerial personnel shall disclose to the Board

of Directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

- The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

- **Key functions of the Board**

- The Board reviews and guides Corporate Strategy, Major Plans of Action, Risk Policy, Annual Budgets and Business Plans; Setting Performance Objectives; Monitoring Implementation and Corporate Performance; and Overseeing Major Capital Expenditures, Acquisitions and Divestments.
- Board monitors the effectiveness of the Company's governance practices and making changes as needed.
- Selects, Compensates, Monitors and, when necessary, replaces key executives and overseeing succession planning.
- Ensures a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitors and manages potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensures the integrity of the Company's Accounting and Financial Reporting Systems, including the Independent Audit, and that appropriate systems of control are in place, in particular, systems for Risk Management, Financial and Operational Control, and Compliance with the law and relevant standards.
- Oversees the process of disclosure and communications.
- Monitors and reviews Board Evaluation Framework.
- Aligned key managerial personnel and remuneration of Board of Directors with the longer term interests of the company and its shareholders.
- Company has well established committees of the Board of Directors, and their mandate, composition and working procedures have been well defined and disclosed by the Board of Directors.

- **Other responsibilities**

- The Board provides the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.
- The Board sets corporate culture and the values by which executives throughout a group will behave.
- Board members acts on a fully informed basis, in good faith, with Due Diligence and Care, and in the best interest of the Company and the shareholders.
- The Board encourages continuing directors training to ensure that the Board members are kept up to date.
- Where Board decisions affect different shareholder groups differently, the Board treats all shareholders fairly.
- The Board applies high ethical standards. It takes into account the interests of stakeholders.
- The Board is able to exercise objective Independent Judgement on Corporate Affairs.
- Board considers assigning a sufficient number of Non-Executive Board Members capable of exercising Independent Judgement to tasks where there is a potential for conflict of interest.
- The Board ensures that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.
- The Board has ability to 'Step Back' to assist executive management by challenging the assumptions underlying: Strategy, Strategic Initiatives (such as acquisitions), Risk Appetite, Exposures and the Key areas of the Company's focus.
- Board members should be able to commit themselves effectively to their responsibilities.
- In order to fulfil their responsibilities, board members have access to accurate, relevant and timely information.
- The Board and Senior Management facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

- **Role of Independent Directors**

Independent Directors have emerged as the cornerstones of the worldwide Corporate Governance movement. Their increased presence in the boardroom has been hailed as an effective deterrent to fraud

and mismanagement, inefficient use of resources, inequality and unaccountability of decisions and as a harbinger for striking the right balance between individual, economic and social interests.

Independent Directors plays a key role in the decision-making process of the Board. The Independent Directors are committed to act in what they believe to be in the best interest of the Company and its Shareholders. The Independent Directors are professionals, with expertise and experience in general corporate management, Public Policy, Finance, Financial Services and Other allied fields. This wide knowledge of their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, Independent and experienced perspective. The company benefits immensely from their inputs in achieving its strategic direction.

#### L. INTER-SE RELATIONSHIP AMONGST DIRECTORS

Mr. Anil Kumar Mittal, Chairman & Managing Director, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, both Joint Managing Directors, all three are brothers and Ms. Priyanka Mittal, Whole Time Director is the daughter of Mr. Anil Kumar Mittal, Chairman & Managing Director of the Company.

### 3. BOARD MEETINGS AND PROCEDURES

#### A. BOARD MEETINGS

Company's Corporate Governance Policy requires the Board to meet at least four times in a year. The maximum gap between two board meetings should not be more than 120 (One hundred and twenty) days as prescribed under Regulation 17 of the SEBI Listing Regulations. Additional board meetings may be convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, the board may also approve resolution by circulation as permitted by the Companies Act, 2013.

#### B. BOARD PROCEDURE

Board Meetings are governed by a structured agenda. The Agenda is prepared in consultation with the Chairman of the Board of Directors and all other Board Members. The agenda for the meetings of the board together with the appropriate supporting documents are circulated well in advance to all the Board members. Detailed presentations are also made to the Board covering operations, Business Performance, Finance, Sales, Marketing, Global and Domestic Business Environment and related details. All necessary information including but not limited to those as mentioned in Part-A Schedule II of the SEBI Listing Regulations are placed before the Board to enable it to discharge its responsibility of strategic supervision of the

Company. The Board also reviews periodical compliances of all laws, rules and regulations. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations. Members of the senior management team are invited to attend the Board Meetings as and when required, which provides additional inputs to the items being discussed by the Board.

#### C. DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS DURING FINANCIAL YEAR 2016-17

| S. No. | Date of Board Meetings      | Board Strength | Number of Directors Present | % of attendance |
|--------|-----------------------------|----------------|-----------------------------|-----------------|
| 1.     | Wednesday, May 11, 2016     | 9              | 6                           | 66.67           |
| 2.     | Thursday, May 26, 2016      | 9              | 8                           | 88.89           |
| 3.     | Thursday, June 16, 2016     | 9              | 6                           | 66.67           |
| 4.     | Saturday, July 23, 2016     | 9              | 8                           | 88.89           |
| 5.     | Thursday, August 11, 2016   | 10             | 10                          | 100.00          |
| 6.     | Thursday, September 8, 2016 | 10             | 10                          | 100.00          |
| 7.     | Monday, November 14, 2016   | 10             | 6                           | 60.00           |
| 8.     | Monday, January 16, 2017    | 10             | 7                           | 70.00           |
| 9.     | Tuesday, February 14, 2017  | 10             | 7                           | 70.00           |

In terms of Regulation 17 of the SEBI Listing Regulations the gap between any two meetings did not exceed 120 (One hundred and twenty) days.

#### D. SHAREHOLDING OF DIRECTORS

The Shareholding of Directors (including shares held as Karta of HUF and Trustee of Trust) as on March 31, 2017 are given below:

| Name                  | Number of Shares Held |
|-----------------------|-----------------------|
| Mr. Anil Kumar Mittal | 25,090,649            |
| Mr. Arun Kumar Gupta  | 4,850,100             |
| Mr. Anoop Kumar Gupta | 7,300,100             |
| Ms. Priyanka Mittal   | 250,000               |

#### E. DISCLOSURE PURSUANT TO REGULATION 36 OF THE SEBI LISTING REGULATIONS REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AT THE FORTHCOMING AGM

##### 1. Mr. Anil Kumar Mittal

Mr. Anil Kumar Mittal, aged about 66 years, is an arts graduate from Delhi University. He is one of the first director of the Company, named in the Articles of

Association and has been appointed as Chairman & Managing Director since December 1994.

**Nature of his expertise in specific functional areas:**

Mr. Mittal is having more than 41 years of experience in the field of Rice Industry. The Visionary behind the success of the Company, Mr. Mittal is the founder Chairman of KRBL Limited. He has been instrumental, in turning the Company into a global brand and the leader in Indian Basmati Industry. He was also the President of All India Rice Exporters Association and presently he is the Vice President of the Basmati Rice Farmers & Exporters Development Forum. He has been the Board Member of the Export Inspection Council and the Basmati Development Fund. He also formulates the marketing strategy of the Company and supervises the marketing functions.

**Disclosure of relationship between directors inter-se:**

Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, both Joint Managing Directors are brothers and Ms. Priyanka Mittal, Whole Time Director is the daughter of Mr. Anil Kumar Mittal.

Listed Entities (other than KRBL Limited) in which Mr. Anil Kumar Mittal Chairman and Managing Director holds directorship and membership in committees are as follows:

**Directorship:** Nil

**Chairperson of Board Committees:**

He is the Chairman of the CSR Committee.

**Member of Board Committees:**

He is the Member of the CSR Committee.

**Shareholding in the Company (including HUF and Trust):** 2,50,90,649

**2. Ms. Priyanka Mittal**

Ms. Priyanka Mittal, aged about 40 years, is BS in Business Management from University of Southern California, Los Angeles; C.A. and also a Chartered Financial Analyst (AIMR) Candidate, Level II. She is the first woman director of the Company.

**Nature of her expertise in specific functional areas:**

Ms. Priyanka Mittal has 16 years of experience in the field of International Marketing and she heads the entire International market division of the Company. She brings innovative management strategies into the company. Ms. Priyanka Mittal specializes in International Marketing of Agricultural and Food Products and presides over the marketing and branding initiatives of the company as the Marketing Director.

**Disclosure of relationship between directors inter-se:**

Ms. Priyanka Mittal, Whole Time Director is daughter of Mr. Anil Kumar Mittal Chairman & Managing Director of the Company.

Listed Entities (other than KRBL Limited) in which Ms. Priyanka Mittal holds directorship and membership in committees are as follows:

**Directorship:** Nil

**Chairperson of Board Committees:** Nil

**Member of Board Committees:**

She is a member of CSR Committee.

**Shareholding in the Company:** 250,000

**3. Mr. Alok Sabharwal**

Mr. Alok Sabharwal, aged about 65 years, is Chartered Engineer from The Institution of Engineers (India) having membership No. 053059 and B.SC. (Engg) Production from B.I.T Mesra, Ranchi in 1<sup>st</sup> Division in 1974. This was the second Batch of Production Engineers in India.

**Nature of his expertise in specific functional areas**

Mr. Alok Sabharwal is Innovative Executive with 40+ years of Professional experience in High -Technology, Multi Unit Business Operations. Proven Management Leader wide ranging Sales and Business Development Expertise in successfully identifying and capturing new Market Opportunities Yielding strong and Sustainable revenue growth and driving process improvements to enhance productivity, Profitability and optimum customer satisfaction.

Regarded as Natural Leader and Skilled Mediator with an Entrepreneurial Attitude, he has successfully created strategic Alliances with organization Leaders to effectively align with and support key Business Initiatives and helped groom cross-culture Teams by Hiring, Developing and Motivational Employees at all levels.

**Disclosure of relationship between directors inter-se:** Nil

Listed Entities (other than KRBL Limited) in which Mr. Alok Sabharwal holds directorship and membership in committees are as follows:

**Directorship:** Nil

**Chairperson of Board Committees:** Nil

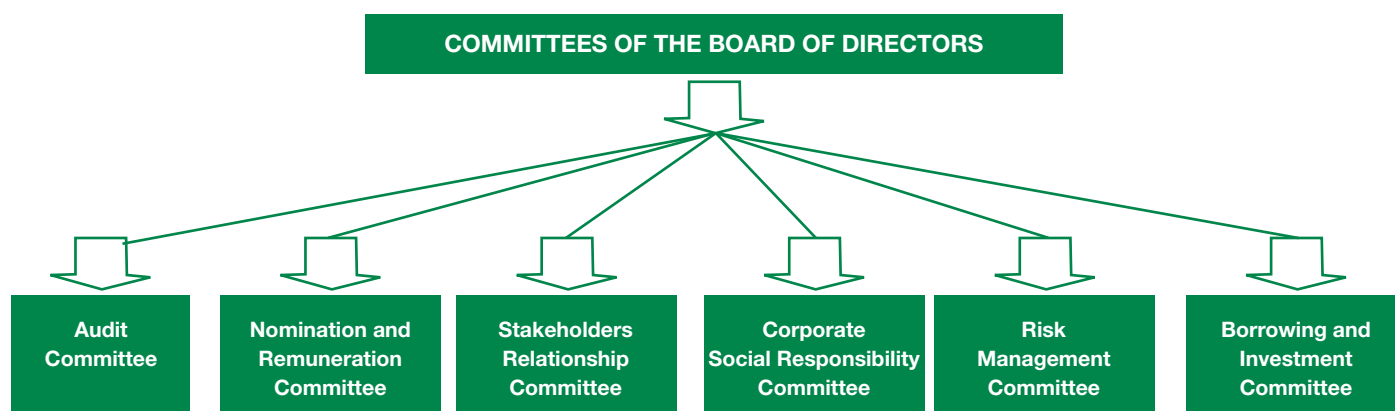
**Member of Board Committees:** Nil

**Shareholding in the Company:** Nil

Further, the relevant details also forms part of the notice of 24<sup>th</sup> Annual General Meeting.

#### 4. COMMITTEES OF THE BOARD

KRBL has 6 (six) Board level Committees:



**DETAILS OF ROLE AND COMPOSITION OF THESE COMMITTEES, INCLUDING THE NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR AND THE RELATED ATTENDANCE ARE PROVIDED BELOW:**

##### A. AUDIT COMMITTEE

###### I. Composition of the Committee

As on March 31, 2017, the Audit Committee of KRBL comprises of following Members:

| Name                       | Designation | Category                    |
|----------------------------|-------------|-----------------------------|
| Mr. Devendra Kumar Agarwal | Chairman    | Non-Executive & Independent |
| Mr. Ashwani Dua            | Member      | Non-Executive & Independent |
| Mr. Vinod Ahuja            | Member      | Non-Executive & Independent |
| Mr. Shyam Arora            | Member      | Non-Executive & Independent |

All the members of the Committee have good knowledge of Finance, Accounts and Business Management. The Chairman of the Committee, Mr. Devendra Kumar Agarwal, has considerable accounting and related Financial Expertise. The Statutory Auditors, the Internal Auditors and the Cost Auditors of the Company attend the meetings of the Committee on the invitation of the Chairman.

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 read with the Regulation 18 of SEBI Listing Regulations.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The audit

committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors, and notes the process and safeguards employed by each of them.

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Audit Committee.

###### II. Terms of Reference

The roles, powers and functions of the Audit Committee of KRBL are in accordance with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 and Part-C of Schedule II of the SEBI Listing Regulations.

**The Audit Committee of KRBL has powers, which includes the following:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

**The Role of the Audit Committee of KRBL includes the following:**

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of Inter-Corporate Loans and Investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of Internal Financial Controls and Risk Management Systems.
- Monitoring the end use of funds raised through public offer and related matters.
- Oversight of the Company's Financial Reporting Process and disclosure of its Financial Information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the Annual Financial Statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134 (5) of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the Financial Statements arising out of Audit Findings.
  - Compliance with Listing and Other Legal requirements relating to Financial Statements.
  - Disclosure of any Related Party Transactions.
  - Qualifications in the draft Audit Report.

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and Internal Auditors, adequacy of the Internal Control Systems.
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of any Internal Investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of Non-payment of declared dividends) and creditors.
- To review the functioning of the Vigil Mechanism/ Whistle Blower, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the Terms of Reference of the Audit Committee.

**The Audit Committee of KRBL review the following information :**

- Management discussion and analysis of financial condition and result of operation;

- Statement of significant related party transaction (as defined by the audit committee) submitted by management;
- Management letter/letter of internal control weaknesses issued by the statutory auditor;
- Internal audit reports relating to internal control weakness; and
- The appointment, removal and term of remuneration of the chief internal auditor shall be subject to review by audit committee.

### III. Meetings and Attendance

During the financial year 2016-17, 4 (four) meetings of Audit Committee were held. Details of Audit Committee Meetings held and attended by members during the financial year 2016-17 are as follows:

| S. No. | Date of Committee Meetings | Committee Strength | Number of Members Present | % of attendance |
|--------|----------------------------|--------------------|---------------------------|-----------------|
| 1.     | Thursday, May 26, 2016     | 4                  | 3                         | 75.00           |
| 2.     | Thursday, August 11, 2016  | 4                  | 4                         | 100.00          |
| 3.     | Monday, November 14, 2016  | 4                  | 2                         | 50.00           |
| 4.     | Tuesday, February 14, 2017 | 4                  | 3                         | 75.00           |

The attendance details of the Audit Committee members are as follows:

| S. No. | Name                       | Position held | Meetings Held | Meetings attended | % of attendance |
|--------|----------------------------|---------------|---------------|-------------------|-----------------|
| 1.     | Mr. Devendra Kumar Agarwal | Chairman      | 4             | 4                 | 100.00          |
| 2.     | Mr. Ashwani Dua            | Member        | 4             | 1                 | 25.00           |
| 3.     | Mr. Shyam Arora            | Member        | 4             | 4                 | 100.00          |
| 4.     | Mr. Vinod Ahuja            | Member        | 4             | 3                 | 75.00           |

## B. NOMINATION AND REMUNERATION COMMITTEE

### I. Composition of the Committee

As on March 31, 2017, the Nomination and Remuneration Committee of KRBL comprises of following members:

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

The purpose of the committee is to screen and to review individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors, consistent with criteria approved by the Board.

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Nomination and Remuneration Committee.

### II. Terms of Reference

The role of the Nomination and Remuneration Committee of KRBL also covers such functions and scope as prescribed under Section 178 of the Companies Act, 2013 read with allied Rules framed thereunder and Regulation 19 and Part-D of Schedule II of the SEBI Listing Regulations.

#### The Role of the Nomination and Remuneration Committee of KRBL includes the following:

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, Senior Management Personnel and other employees of KRBL;
- formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devising a policy on diversity of Board of Directors;
- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal; and
- determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.

#### The Nomination and Remuneration Committee of KRBL have the following Duties and Responsibilities:

- To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees of KRBL.
- To formulate the criteria for performance evaluation of Independent Directors and the Board.

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to determine whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of Independent Directors.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.
- To assist the Board in fulfilling responsibilities.
- To implement and monitor policies and processes regarding principles of corporate governance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### III. Meetings and Attendance

During the financial year 2016-17, 3 (Three) meetings of Nomination and Remuneration Committee were held. Details of Nomination and Remuneration Committee Meetings held and attended by members during the financial year 2016-17 are as follows:

| S. No. | Date of Committee Meetings  | Committee Strength | Number of Members Present | % of attendance |
|--------|-----------------------------|--------------------|---------------------------|-----------------|
| 1.     | Thursday, August 11, 2016   | 3                  | 3                         | 100.00          |
| 2.     | Thursday, September 8, 2016 | 3                  | 3                         | 100.00          |
| 3.     | Tuesday, February 14, 2017  | 3                  | 2                         | 66.67           |

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

| S. No. | Name            | Position held | Meetings Held | Meetings attended | % of attendance |
|--------|-----------------|---------------|---------------|-------------------|-----------------|
| 1.     | Mr. Ashwani Dua | Chairman      | 3             | 2                 | 66.67           |
| 2.     | Mr. Shyam Arora | Member        | 3             | 3                 | 100.00          |
| 3.     | Mr. Vinod Ahuja | Member        | 3             | 3                 | 100.00          |

### IV. Remuneration Policy

The Remuneration policy of the Company is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other Employees and directed towards rewarding performance, based on review of achievements on periodic basis.

The remuneration paid to Directors, Key Managerial Personnel (KMP) and Senior Management is recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the subsequent approval by the shareholders (for Directors only) at the General Meeting and such other authorities, as the case may be.

The Non-Executive Directors will be paid with the sitting fee, if any, subject to the approval of Board of Directors/ including any sub-committee thereof, upto the limit as specified under the Companies Act, 2013 and also in Compliance with the SEBI Listing Regulations.

The Nomination and Remuneration policy is available on the website of the company at the web link [www.krbllrice.com/policy-guidelines/nomination-remuneration-policy.pdf](http://www.krbllrice.com/policy-guidelines/nomination-remuneration-policy.pdf).

### V. Remuneration of Directors

Details of Remuneration and Sitting Fees paid to the Directors during the Financial Year 2016-17 are as follows:

| Name of Directors          | Salaries  | Perquisites | Sitting Fees* | Total      |
|----------------------------|-----------|-------------|---------------|------------|
| Mr. Anil Kumar Mittal      | 8,640,000 | 39,600      | -             | 8,679,600  |
| Mr. Arun Kumar Gupta       | 8,640,000 | 11,847,984  | -             | 20,487,984 |
| Mr. Anoop Kumar Gupta      | 8,640,000 | 39,600      | -             | 8,679,600  |
| Mr. Ashok Chand            | 25,68,000 | 39,600      | -             | 2,607,600  |
| Ms. Priyanka Mittal        | 4,872,960 | 39,600      | -             | 4,912,560  |
| Mr. Ashwani Dua            | -         | -           | 30,000        | 30,000     |
| Mr. Devendra Kumar Agarwal | -         | -           | 70,000        | 70,000     |

| Name of Directors  | Salaries | Perquisites | Sitting Fees* | Total  |
|--------------------|----------|-------------|---------------|--------|
| Mr. Alok Sabharwal | -        | -           | 30,000        | 30,000 |
| Mr. Shyam Arora    | -        | -           | 80,000        | 80,000 |
| Mr. Vinod Ahuja    | -        | -           | 80,000        | 80,000 |

\* Independent Non-Executive Directors are being paid with the Sitting fees, further the same is exclusive of Service Tax which is borne by the Company.

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE

### I. Composition of the Committee

As on March 31, 2017, the Stakeholders Relationship Committee of KRBL comprises of following members:

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

Mr. Raman Sapra, Company Secretary, acts as Secretary and compliance officer to the Stakeholders Relationship Committee.

### II. Terms of Reference

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per Regulation 20 and Part-D of Schedule II of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013, and allied rules as may be notified from time to time.

**The Stakeholders Relationship Committee of KRBL is responsible for the Duties and functions which includes the following:**

- To approve or deal with applications for Transfer, Transmission, Transposition and Mutation of Share Certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters.
- To look into and redress Shareholders/Investors Grievances relating to:
  - Transfer of shares;
  - Non-receipt of Declared Dividends;
  - Non-receipt of Annual Reports;
  - All such complaints directly concerning the Shareholders/Investors as stakeholders of the Company; and
  - Any such matters that may be considered necessary in relation to Shareholders and investors of the Company.

### III. Meetings and Attendance

During the financial year 2016-17, 4 (four) meetings of Stakeholders Relationship Committee were held. Details of Stakeholders Relationship Committee Meetings held and attended by members during the financial year 2016-17 are as follows:

| S. No. | Date of Committee Meetings | Committee Strength | Number of Members Present | % of attendance |
|--------|----------------------------|--------------------|---------------------------|-----------------|
| 1.     | Thursday, May 26, 2016     | 3                  | 2                         | 66.67           |
| 2.     | Thursday, August 11, 2016  | 3                  | 3                         | 100.00          |
| 3.     | Monday, November 14, 2016  | 3                  | 2                         | 66.67           |
| 4.     | Tuesday, February 14, 2017 | 3                  | 2                         | 66.67           |

The attendance details of the Stakeholders Relationship Committee members are as follows:

| S. No. | Name            | Position held | Meetings Held | Meetings attended | % of attendance |
|--------|-----------------|---------------|---------------|-------------------|-----------------|
| 1.     | Mr. Ashwani Dua | Chairman      | 4             | 1                 | 25.00           |
| 2.     | Mr. Shyam Arora | Member        | 4             | 4                 | 100.00          |
| 3.     | Mr. Vinod Ahuja | Member        | 4             | 4                 | 100.00          |

### IV. Investors Grievance Redressal

Pursuant to the Regulation 13 of SEBI Listing Regulations, KRBL has duly filed with the recognized stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed off during the quarter and those remaining unresolved at the end of the quarter.

No complaints were pending at the beginning of the year and no complaint received by the company during the year. So, no complaints were outstanding as on March 31, 2017. No requests for Transfer/Transmission and for Dematerialization were pending for approval as on March 31, 2017. The Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited (RTA) dealt with all grievances of the Shareholders and Investors received directly through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving complaints/queries of the shareholders/Investors and also takes initiatives for solving critical issues. Shareholders are requested to furnish their

telephone numbers and / or e-mail addresses to facilitate prompt action. The Company has designated the e-mail id: investor@krblindia.com exclusively for the purpose of registering complaints by Investors electronically. This e-mail id has been displayed on the Company's website: www.krbllrice.com.

## D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Company has a well-established Corporate Social Responsibility Committee, to formulate and recommend to the Board, CSR activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the company from time to time.

### I. Composition of the Committee

As on March 31, 2017, the Corporate Social Responsibility Committee of KRBL comprises of following 4 (Four) Members out of which 3 (Three) are Executive Directors and 1 (one) is Non-Executive Director:

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

Mr. Raman Sapra, Company Secretary, acts as Secretary to the CSR Committee.

### II. Terms of Reference

The Terms of Reference of Corporate Social Responsibility Committee includes the Duties and Functions of the Corporate Social Responsibility Committee of KRBL are as per Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**The Corporate Social Responsibility Committee of KRBL is responsible for the functions which includes the following:**

- Formulate and Recommend to the Board, a Corporate Social responsibility Policy which shall indicate the activities to be under taken by the company as specified in Schedule VII of the Companies Act, 2013.

- To recommend the amount of expenditure to be incurred on the activities referred in policy.
- Monitoring Corporate Social Responsibility Policy of the company from time to time.
- Prepare transparent monitoring mechanism for ensuring implementation of the projects, programmes, activities proposed to be undertaken by the Company.

### The Duties of the Corporate Social Responsibility Committee of KRBL includes the following:

- Consider and formulate the Company's value and strategy as regards to CSR.
- Develop and review the CSR policies relating to workplace quality, environmental protection, operating practices and community involvement.
- Identify CSR issues, and related risks and opportunities that are relevant to the Company's operations, and incorporate the issues or factors into the Company's existing risk management.
- Monitor and oversee the implementation of the Company's CSR policies and practices to ensure compliance with the applicable legal and regulatory requirements.
- Evaluate and enhance the Company's CSR performance and make recommendation to the Board for improvement.
- Review and endorse the Company's Annual CSR Report for Board's approval for public disclosure.
- Contribute towards better society and a Cleaner Environment.
- Develop and review the CSR policies relating to workplace quality, Environmental Protection, Operating Practices and Community Involvement.
- Identify CSR issues, and related risks and opportunities that are relevant to the Company's operations, and incorporate the issues or factors into the Company's existing Risk Management.
- Evaluate and enhance Company's CSR performance and make recommendation to the Board for improvement.
- Prepare Transparent monitoring mechanism for ensuring implementation of the projects, programs, activities proposed to be undertaken by KRBL.
- Monitor Corporate Social Responsibility Policy of KRBL from time to time.

The company has formulated the CSR Policy in line with Schedule VII of the Companies Act, 2013, which is available on the website of the Company at the web link [www.krblrice.com/policy-guidelines/policycorporate-social-responsibility.pdf](http://www.krblrice.com/policy-guidelines/policycorporate-social-responsibility.pdf).

### III. Meeting and Attendance

During the financial year 2016-17, 3 (Three) meetings of Corporate Social Responsibility Committee were held. Details of Corporate Social Responsibility Committee Meetings held and attended by members during the financial year 2016-17 are as follows:

| S. No. | Date of Committee Meetings  | Committee Strength | Number of Members Present | % of attendance |
|--------|-----------------------------|--------------------|---------------------------|-----------------|
| 1.     | Thursday, May 26, 2016      | 4                  | 3                         | 75.00           |
| 2.     | Tuesday, September 20, 2016 | 4                  | 3                         | 75.00           |
| 3.     | Tuesday, February 14, 2017  | 4                  | 2                         | 50.00           |

The attendance details of the Corporate Social Responsibility Committee members are as follows:

| S. No. | Name                  | Position held | Meetings Held | Meetings attended | % of attendance |
|--------|-----------------------|---------------|---------------|-------------------|-----------------|
| 1.     | Mr. Anil Kumar Mittal | Chairman      | 3             | 2                 | 66.67           |
| 2.     | Mr. Anoop Kumar Gupta | Member        | 3             | 3                 | 100.00          |
| 3.     | Mr. Ashwani Dua       | Member        | 3             | 0                 | 00.00           |
| 4.     | Ms. Priyanka Mittal   | Member        | 3             | 3                 | 100.00          |

## E. RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, the company through its Board of Directors has constituted a Risk Management Committee on February 18, 2015.

The purpose of Risk Management Committee of the Board of Directors is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the Identification, Evaluation and Mitigation of Operational, Strategic and External Environment Risks.

### I. Composition of the Committee

As on March 31, 2017, the Risk Management Committee of KRBL comprises of following 4 (Four) Members out of which 3 (Three) are Executive Directors and 1 (one) is Chief Financial Officer:

| S. No. | Name                  | Designation | Category                            |
|--------|-----------------------|-------------|-------------------------------------|
| 1.     | Mr. Arun Kumar Gupta  | Chairman    | Executive & Joint Managing Director |
| 2.     | Mr. Anoop Kumar Gupta | Member      | Executive & Joint Managing Director |
| 3.     | Mr. Ashok Chand       | Member      | Executive & Whole Time Director     |
| 4.     | Mr. Rakesh Mehrotra   | Member      | Chief Financial Officer             |

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

## II. Terms of References

The role of the Risk Management Committee of KRBL is to identify the risks impacting Company's business and formulate and administer Policies/ Strategies aimed at Risk Minimization and risk mitigation as part of risk management.

**The Risk Management Committee of KRBL is responsible for the Duties and functions which includes the following:**

- The Risk Management Committee shall annually review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.
- The Risk Management Committee shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- The Risk Management Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- The Risk Management Committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
- The Risk Management Committee may form and delegate authority to sub-committees when appropriate. The risk management committee shall make regular reports to the Board.
- The Risk Management Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- The Board shall review the performance of the risk management committee annually.

- The Risk Management Committee shall have access to any internal information necessary to fulfill its oversight role. The risk management committee shall also have authority to obtain advice and assistance from internal or External Legal, accounting or other advisors.

### III. Meeting and Attendance

During the Financial Year 2016-17, 1 (One) Meeting of the Risk Management committee was held. Meeting and Attendance details of Risk Management Committee meeting are as follows:

| S. No. | Date of Committee Meetings | Committee Strength | Number of Members Present | % of attendance |
|--------|----------------------------|--------------------|---------------------------|-----------------|
| 1.     | Tuesday, February 14, 2017 | 4                  | 4                         | 100.00          |

The attendance details of the Risk Management Committee members are as follows:

| S. No. | Name                  | Position held | Meetings Held | Meetings attended | % of attendance |
|--------|-----------------------|---------------|---------------|-------------------|-----------------|
| 1.     | Mr. Arun Kumar Gupta  | Chairman      | 1             | 1                 | 100.00          |
| 2.     | Mr. Anoop Kumar Gupta | Member        | 1             | 1                 | 100.00          |
| 3.     | Mr. Ashok Chand       | Member        | 1             | 1                 | 100.00          |
| 4.     | Mr. Rakesh Mehrotra   | Member        | 1             | 1                 | 100.00          |

## F. BORROWING AND INVESTMENT COMMITTEE

The Board of Directors of the Company in its meeting held on September 08, 2016 constituted a committee namely **"Borrowing and Investment Committee"**, to formulate the timely and effective decisions related to availing of borrowings and investments made by the Company from time to time.

### I. Composition of the Committee

As on March 31, 2017, the Borrowing and Investment Committee of KRBL comprises of following 4 (Four) Members out of which 3 (Three) are Executive Directors and 1 (one) Chief Financial Officer:

| S. No. | Name                  | Designation | Category                                 |
|--------|-----------------------|-------------|------------------------------------------|
| 1.     | Mr. Anil Kumar Mittal | Chairman    | Executive & Chairman & Managing Director |
| 2.     | Mr. Arun Kumar Gupta  | Member      | Executive & Joint Managing Director      |
| 3.     | Mr. Anoop Kumar Gupta | Member      | Executive & Joint Managing Director      |
| 4.     | Mr. Rakesh Mehrotra   | Member      | Chief Financial officer                  |

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Borrowing and Investment Committee.

## II. Terms of References

**The Borrowing and Investment Committee of KRBL is responsible for the Duties and functions which includes the following:**

- To approve all investment proposals, related borrowings and execution of instruments in relation thereto.
- To approve any significant disposition of any investment that would have strategic implication for an asset or class of asset when deemed appropriate.
- To identify and assessment of risks associated with while taking the decisions of investments and borrowings and introduce the measures to mitigate such risks.
- The committee shall ensure that the Company is taking appropriate measures to achieve prudent balance between investments and borrowings.
- The committee may form and delegate authority to sub-committees when deem appropriate. The committee shall make regular reports to the Board.
- The committee shall have access to any internal information necessary to fulfill its oversight role. The committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

### III. Meeting and Attendance

During the Financial Year 2016-17, 3 (Three) Meeting of the Borrowing and Investment Committee were held. Meeting and Attendance details of Borrowing and Investment Committee meeting are as follows:

| S. No. | Date of Committee Meetings  | Committee Strength | Number of Members Present | % of attendance |
|--------|-----------------------------|--------------------|---------------------------|-----------------|
| 1.     | Thursday, September 8, 2016 | 4                  | 4                         | 100.00          |
| 2.     | Monday, November 14, 2016   | 4                  | 4                         | 100.00          |
| 3.     | Tuesday, February 14, 2017  | 4                  | 3                         | 75.00           |

The attendance details of the Borrowing and Investment Committee members are as follows:

| S. No. | Name                  | Position held | Meetings Held | Meetings attended | % of attendance |
|--------|-----------------------|---------------|---------------|-------------------|-----------------|
| 1.     | Mr. Anil Kumar Mittal | Chairman      | 3             | 2                 | 66.67           |

| S. No. | Name                  | Position held | Meetings Held | Meetings attended | % of attendance |
|--------|-----------------------|---------------|---------------|-------------------|-----------------|
| 2.     | Mr. Arun Kumar Gupta  | Member        | 3             | 3                 | 100.00          |
| 3.     | Mr. Anoop Kumar Gupta | Member        | 3             | 3                 | 100.00          |
| 4.     | Mr. Rakesh Mehrotra   | Member        | 3             | 3                 | 100.00          |

## 5. SUBSIDIARY COMPANIES – MONITORING FRAMEWORK

KRBL does not have any material subsidiary as defined under Regulation 16(1)(c) of the SEBI Listing Regulations. Material Subsidiary means a Subsidiary Company whose income or net worth (i.e. paid-up capital and free

reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the subsidiaries, including the investments made by the subsidiaries. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are periodically placed before the Board of Directors of the Company.

The Company has formulated a policy for determining its Material Subsidiaries and the same is available on the website of the Company at the weblink: [www.krblrice.com/policy-guidelines/policy\\_for\\_determining\\_material\\_subsidaries.pdf](http://www.krblrice.com/policy-guidelines/policy_for_determining_material_subsidaries.pdf)

## 6. GENERAL BODY MEETINGS

### A. GENERAL BODY MEETING HELD DURING LAST 3 YEARS

| Year                        | Time, Day, Date and Location                                                                                                           | Summary of Resolutions Passed in regard to Special Resolutions                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 23 <sup>rd</sup> AGM – 2016 | 11.00 A.M.<br>Thursday<br>September 8, 2016<br>Sri Sathya Sai International Centre,<br>Pragati Vihar, Lodhi Road,<br>New Delhi-110 003 | - Consider and approve Issue of Redeemable Non-convertible Debenture on Private Placement basis.                                                                                                                                                                                                                                                                                                                                                     |
| 22 <sup>nd</sup> AGM – 2015 | 11.00 A.M.<br>Monday<br>September 28, 2015<br>FICCI K. K. Birla Auditorium, 1,<br>Tansen Marg, New Delhi-110001                        | - Adoption of New Set of Articles of Association of the Company containing regulations in conformity with the provisions of Companies Act, 2013.<br>- Approval of Issue of Redeemable Non Convertible Debenture On Private Placement Basis.                                                                                                                                                                                                          |
| 21 <sup>st</sup> AGM – 2014 | 11.00 A.M.<br>Tuesday<br>September 9, 2014<br>FICCI K. K. Birla Auditorium, 1,<br>Tansen Marg, New Delhi-110001                        | - Re-appointment of Mr. Anil Kumar Mittal as Chairman & Managing Director of the Company and revision in remuneration<br>- Re-appointment of Mr. Arun Kumar Gupta as Joint Managing Director of the Company and revision in remuneration<br>- Re-appointment of Mr. Anoop Kumar Gupta as Joint Managing Director of the Company and revision in remuneration<br>- Alteration of Articles of Association of the Company by inserting new Article 111A |

### B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE FINANCIAL YEAR 2016-17

During the Financial Year 2016-17, No Special Resolution were passed through postal ballot.

## 7. DISCLOSURES

### A. MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report has a detailed chapter on Management Discussion and Analysis, which forms part of this report.

### B. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

Related party transactions as required by the Indian Accounting Standard Ind AS-24 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) disclosed in Notes to the Annual Accounts. Members may refer to the notes to accounts for details of Related Party Transactions. However these are not having potential conflict with the interest of the Company at large.

The Company has formulated a Policy on Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of the Companies Act, 2013 read with the provisions of Regulation 23 of the SEBI Listing Regulations and the same is available on the website of the company at the web link <http://krblrice.com/policy-guidelines/policy-related-party.pdf>.

#### **C. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

The Company has followed prescribed Indian Accounting Standards – Ind AS as laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs in preparation of its financial statements. Kindly refer to note no. 2 of the financial statements (standalone and consolidated) for significant accounting policies adopted by the Company.

#### **D. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES**

There were no cases of non-compliance with stock exchanges or SEBI Regulations. Also no penalties or strictures were imposed by any Stock Exchange or SEBI or any other statutory authorities for any violation related to the capital market during the last 3 (three) years.

#### **E. VIGIL MECHANISM POLICY**

The Company promoted ethical behavior in all its business activities and in line with the best international governance practices, KRBL has established a system through which Directors, employees, business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. The Company has a policy, under which all Directors, Employees, Business Associates have direct access to the Chairman of the Audit Committee. The Policy has been disclosed on the website of the company at the weblink [www.krblrice.com/policy-guidelines/vigilmechanism-whistle-blower-policy.pdf](http://www.krblrice.com/policy-guidelines/vigilmechanism-whistle-blower-policy.pdf).

#### **F. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS**

There is no pecuniary relationship or transactions with Non- Executive Directors except payment of sitting fee to Non- Executive Directors.

#### **G. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS**

Disclosure regarding Directors appointed/re-appointed is given under the head Directors. Further, the relevant details also forming part of the Notice of 24<sup>th</sup> Annual General Meeting of the Company.

#### **H. RISK MANAGEMENT**

As required under Regulation 21 of the SEBI Listing Regulations, the Company has a review procedure to apprise the Board of Directors of the Company on the Key Risk Assessment areas and suggest Risk Mitigation Mechanism.

#### **I. CORPORATE SOCIAL RESPONSIBILITY**

The detailed Annual Report on Corporate Social Responsibility have also been disclosed as **Annexure-5** in the separate section titled Directors' Report forming part of the Annual Report.

#### **J. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formulated policy for prevention of sexual harassment of its women employees. The Policy is available on the website of the company at the weblink [www.krblrice.com/policy-guidelines/SEXUAL%20HARASSMENT%20POLICY.pdf](http://www.krblrice.com/policy-guidelines/SEXUAL%20HARASSMENT%20POLICY.pdf).

#### **K. CEO/ CFO CERTIFICATION**

The CEO and CFO certification on the Financial Statements and the cash flow statement for the year is given at the end of the report on Corporate Governance.

#### **8. MEANS OF COMMUNICATION**

##### **FINANCIAL RESULTS AND ANNUAL REPORTS ETC.**

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board of Directors of the Company are published during the year under review in Leading National Newspapers, i.e. Economic Times, Business Standard and Nav Bharat Times, and are also sent immediately to all the Stock Exchanges with which the Shares of the Company are listed.

The Quarterly and Annual Financial Statements, the Annual Report of the Company and other information can also be retrieved by Investors from the website of the Company [www.krblrice.com](http://www.krblrice.com), under investor relations.

##### **NEWS RELEASES/ PRESENTATIONS**

Official press releases, presentations made to the media, analysts, institutional investors, etc. can also be retrieved

by Investors from the website of the Company [www.krblice.com](http://www.krblice.com), under investor relations.

## 9. GENERAL SHAREHOLDER INFORMATION

### ANNUAL GENERAL MEETING

|                    |                                                                                                                       |
|--------------------|-----------------------------------------------------------------------------------------------------------------------|
| Day, Date & Time   | Tuesday<br>September 26, 2017<br>11.00 A. M.                                                                          |
| Venue              | Sri Sathya Sai International<br>Centre, Pragati Vihar, Lodhi Road,<br>New Delhi-110003                                |
| Financial Calendar | The Financial year of the<br>Company start from 1st April of a<br>year and ends on March 31 of the<br>following year. |

### FINANCIAL REPORTING

| Financial Year                                                                                             | April 1 to March 31                 |
|------------------------------------------------------------------------------------------------------------|-------------------------------------|
| For the Financial Year 2016-17 results were announced on:                                                  |                                     |
| 1 <sup>st</sup> Quarter ended June 30, 2016                                                                | August 11, 2016                     |
| 2 <sup>nd</sup> Quarter and Half Year ended<br>September 30, 2016                                          | November 14, 2016                   |
| 3 <sup>rd</sup> Quarter ended December 31,<br>2016                                                         | February 14, 2017                   |
| 4 <sup>th</sup> Quarter and Year Ended<br>March 31, 2017                                                   | May 29, 2017                        |
| For the Financial Year 2017-18, result are likely to be<br>announced on: (Tentative and subject to change) |                                     |
| 1 <sup>st</sup> Quarter ended<br>June 30, 2017                                                             | By Second Week of<br>August, 2017   |
| 2 <sup>nd</sup> Quarter and Half Year ended<br>September 30, 2017                                          | By Second Week of<br>November, 2017 |
| 3 <sup>rd</sup> Quarter ended<br>December 31, 2017                                                         | By Second Week of<br>February, 2018 |
| 4 <sup>th</sup> Quarter and Year Ended<br>March 31, 2018                                                   | By Last Week of May,<br>2018        |

## 10. CODE OF CONDUCT

The Company has adopted a Code of Business Conduct and Ethics for Board of Directors, Senior Management Personnel and Other Employees. The code of Business Conduct and Ethics for Board of Directors, Senior Management Personnel and Other Employees is available on the website at the weblink [www.krblice.com/policy-guidelines/code\\_of\\_business\\_conduct\\_ethics.pdf](http://www.krblice.com/policy-guidelines/code_of_business_conduct_ethics.pdf)

Company has obtained affirmation for adherence to the Code. The declaration from the Chairman & Managing Director to the effect forms a part of this report.

### Declaration as required under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Directors, Senior Management and every employee of the Company have affirmed compliance with the KRBL Code of Business Conduct and Ethics for the Financial Year ended March 31, 2017.

Sd/-  
**Anil Kumar Mittal**  
Noida, Uttar Pradesh      Chairman & Managing Director  
August 10, 2017      DIN: 00030100

## 11. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND CODE OF PRACTICE AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

KRBL Limited has duly adopted Code of Conduct to Regulate, Monitor and Report Trading by Insider. Pursuant to the requirement of SEBI Circular Number CIR/ISD/02/2015 dated September 16, 2015, KRBL has also adopted the revised Disclosure Formats under SEBI (Prohibition of Insider Trading) Regulations, 2015 w.e.f. September 16, 2015. The said Code with all updation is available on the website of the Company at the web link [www.krblice.com/policy-guidelines/code\\_of\\_conduct\\_insider\\_trading.pdf](http://www.krblice.com/policy-guidelines/code_of_conduct_insider_trading.pdf).

Further pursuant to Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, KRBL Limited has also adopted a Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in adherence to the principles set out in Schedule A to the said Regulations. The said Code is available on the website of the Company at the web link [http://www.krblice.com/policy-guidelines/code\\_of\\_fair\\_disclosure.pdf](http://www.krblice.com/policy-guidelines/code_of_fair_disclosure.pdf)

## 12. DATE OF BOOK CLOSURE

The dates of Book Closure shall be from Tuesday, September 12, 2017 to Tuesday, September 26, 2017 (both days inclusive).

## 13. DIVIDEND PAYMENT DATE

The Board of Directors in its meeting held on May 29, 2017 had recommended the final Dividend of ₹ 2.10 (210%) per paid up equity shares of ₹ 1/- each aggregating to ₹ 4,943.19 Lac for the financial year 2016-17. The final dividend shall be paid to those shareholders whose names will be provided by the depositories after the close of business hours on September 11, 2017, being record date fixed for the purpose. The Final Dividend as recommended by the Board of Directors and approve by the shareholders

in the ensuing Annual General Meeting will be paid on or before October 25, 2017.

#### 14. REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed M/s. Alankit Assignments Limited, having its office at Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110 055 as its Registrar and Transfer Agent (RTA) for electronic mode of Transfer of Share of both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as well as physical transfer of shares.

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Pursuant to the provisions of Regulation 40 of SEBI Listing Regulations, physical shares sent for transfer are duly transferred, if they are complete in all respects; or if company has any objection are returned back such share, as the case may be, within 15 days of receipt of the documents. Share transfers in physical form can be lodged with Alankit Assignments Limited, Registrar & Transfer Agents (RTA) at the above mentioned address. The Stakeholders Relationship Committee reviews the Share transfers approved by the RTA, Company Secretary or Manager-Corporate Affairs, who have been delegated with requisite authority. All requests for Dematerialization

For guidance on depository services, shareholders may write to the Company or to the respective depositories:

##### National Securities Depository Limited (NSDL)

Trade World, 4th Floor  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013  
Telephone: 022 – 24994200  
Facsimile: 022 – 24972933  
E-mail: investor@nsdl.co.in  
Website: www.nsdl.co.in

##### Central Depository Services (India) Limited (CDSL)

Phiroze Jeejeebhoy Towers  
28th Floor, Dalal Street,  
Mumbai – 400 023  
Telephone: 022 – 22723333  
Facsimile: 022 – 22723199  
E-mail: info@cdslindia.com  
Website: www.cdslindia.com

of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP) regarding change of address, change of bank mandates and nomination.

#### 15. DEMATERIALIZATION OF SHARES AND LIQUIDITY

Pursuant to the provisions of Regulation 31 of SEBI Listing Regulations, Company's shares are required to be traded compulsorily in the Dematerialized form and are available for trading under both the depository systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the depository system is INE001B01026. The Annual Custodial Fees for the Financial Year 2017-18 has been paid to both the depositories.

During the year under review 51,764 shares of the company covered in 21 requests were converted into Dematerialized form and no shares of the company were converted into physical form. As on March 31, 2017, 235,042,170 shares of the company constituting 99.85% of the Paid-up share capital are in Dematerialized form.

#### 16. LISTING ON STOCK EXCHANGES

The Company's shares are listed and actively traded on the below mentioned Stock Exchanges:

##### I. NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

"Exchange Plaza" C-1, Block G,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400 051  
Website: www.nseindia.com  
Symbol: KRBL, Series: Eq.

##### II. BSE LIMITED (BSE)

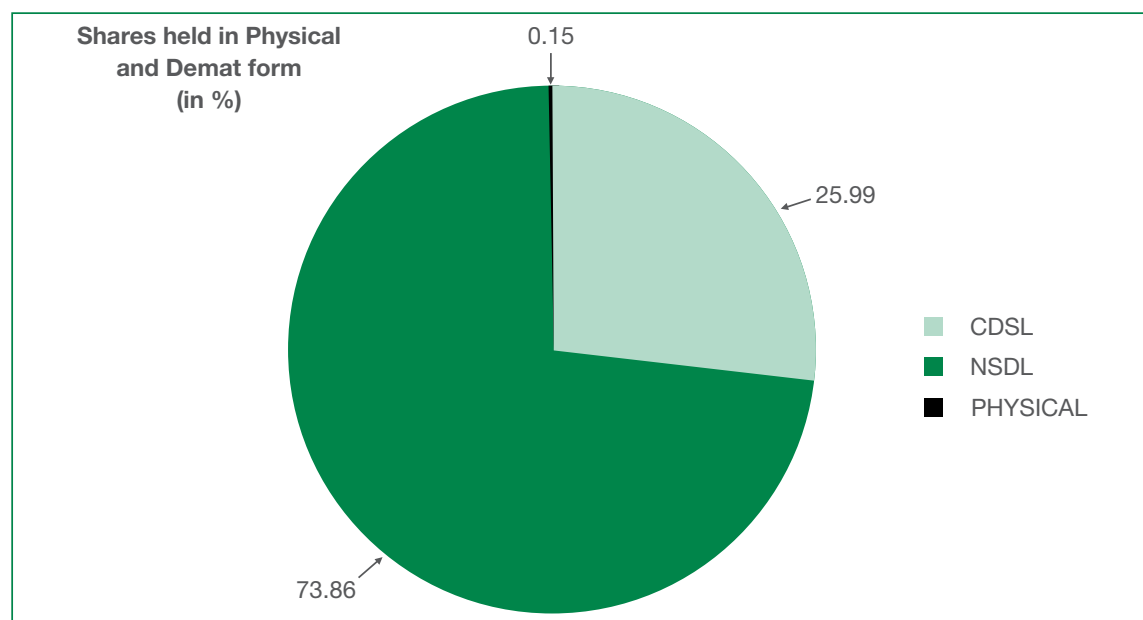
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street, Mumbai – 400 001  
Website: www.bseindia.com  
Stock Code: 530813

Your Company has paid the listing fees to BSE and NSE for the Financial Year 2016-17.

## 17. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

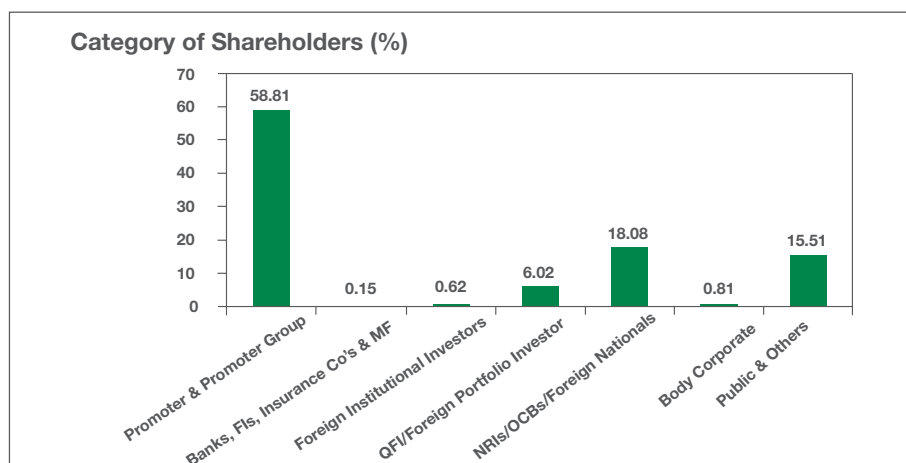
| Number of Shares held (₹ 1 paid up) | Folios  |        | Shares of ₹ 1/- Paid up |        |
|-------------------------------------|---------|--------|-------------------------|--------|
|                                     | Numbers | %      | Numbers                 | %      |
| 1 – 50                              | 6,419   | 31.84  | 135,252                 | 0.06   |
| 51 – 100                            | 2,928   | 14.52  | 265,331                 | 0.11   |
| 101 – 500                           | 5,515   | 27.35  | 1,654,397               | 0.70   |
| 501 – 1000                          | 2,471   | 12.25  | 1,993,578               | 0.85   |
| 1001 – 5000                         | 2,116   | 10.49  | 4,713,919               | 2.00   |
| 5001 – 10000                        | 294     | 1.46   | 2,143,075               | 0.91   |
| 10001 – 50000                       | 317     | 1.57   | 6,557,907               | 2.79   |
| 50001 – 100000                      | 38      | 0.19   | 2,910,945               | 1.24   |
| 100000 & Above                      | 66      | 0.33   | 215,015,488             | 91.34  |
| Total                               | 20,164  | 100.00 | 235,389,892             | 100.00 |

## 18. SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM AS ON MARCH 31, 2017 (IN %)



## 19. CATEGORY OF SHAREHOLDING AS ON MARCH 31, 2017

| Category                                                                                                               | Number of Shares held | %      |
|------------------------------------------------------------------------------------------------------------------------|-----------------------|--------|
| Promoter & Promoter Group                                                                                              | 138,439,916           | 58.81  |
| Banks, FIs, Insurance Companies, Venture Capital Fund, Provident Fund, Mutual Fund, Alternate Investment Fund & NBFC's | 341,695               | 0.15   |
| Foreign Institutional Investors (FIIs)                                                                                 | 1,469,974             | 0.62   |
| Qualified Foreign Investor, Foreign Portfolio Investor & Foreign Venture Capital Investor                              | 14,161,130            | 6.02   |
| Foreign Nationals, Clearing Members, Trust, Employee Trust, NRIs, LLPs, Foreign Body Corporate                         | 42,556,980            | 18.08  |
| Body Corporate                                                                                                         | 1,908,885             | 0.81   |
| Public and Others                                                                                                      | 36,511,312            | 15.51  |
| Total                                                                                                                  | 235,389,892           | 100.00 |



## 20. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON MARCH 31, 2017

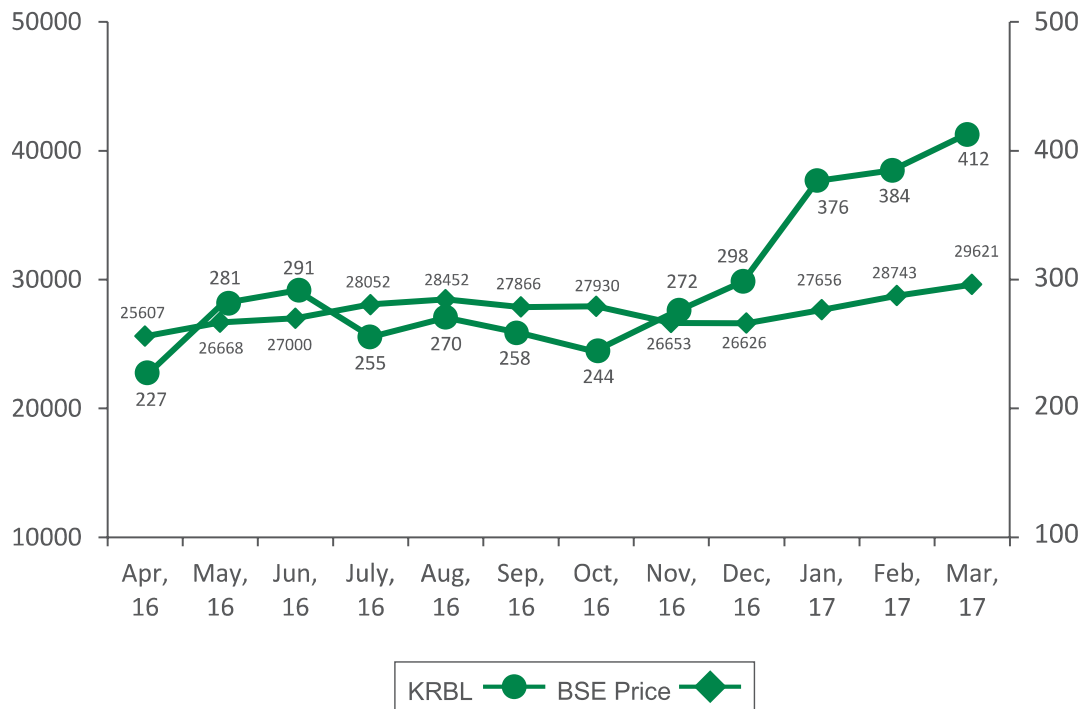
| S. No. | Name                                                                                             | Number of Shares held |
|--------|--------------------------------------------------------------------------------------------------|-----------------------|
| 1.     | Reliance Commodities DMCC                                                                        | 22,900,000            |
| 2.     | Anil Kumar Goel                                                                                  | 9,225,022             |
| 3.     | Abdulla Ali Obeid Balsharaf                                                                      | 7,500,000             |
| 4.     | Omar Ali Obeid Balsharaf                                                                         | 7,500,000             |
| 5.     | Kotak Mahindra (International Limited)                                                           | 6,199,270             |
| 6.     | Som Nath Aggarwal                                                                                | 3,729,412             |
| 7.     | Seema Goel                                                                                       | 2,577,813             |
| 8.     | Premier Investment Fund Limited                                                                  | 1,293,079             |
| 9.     | Vanguard Emerging Markets Stocks Index Fund A series of Vanguard International Equity Index Fund | 1,285,313             |
| 10.    | Vanguard Total International Stock Index Fund                                                    | 1,117,770             |

## 21. MARKET PRICE DATA

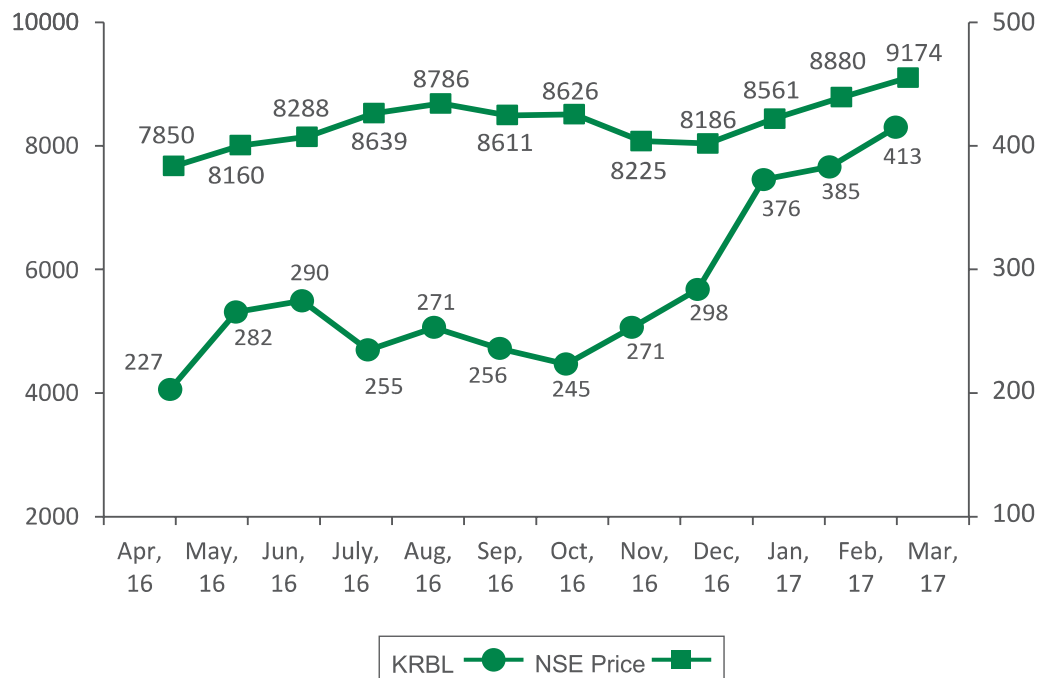
Monthly High and Low quotes and volume of shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE):

| Month           | BSE Limited |         |                         |                      | National Stock Exchange of India Limited |         |                         |                      |
|-----------------|-------------|---------|-------------------------|----------------------|------------------------------------------|---------|-------------------------|----------------------|
|                 | High (₹)    | Low (₹) | Number of Shares Traded | Turnover (₹ in Lacs) | High (₹)                                 | Low (₹) | Number of Shares Traded | Turnover (₹ in Lacs) |
| April, 2016     | 232.10      | 195.00  | 670,305                 | 1,423.22             | 231.90                                   | 195.10  | 5,091,768               | 10,921.23            |
| May, 2016       | 289.50      | 224.00  | 1,066,393               | 2,840.90             | 289.50                                   | 223.60  | 6,853,558               | 18,256.31            |
| June, 2016      | 306.30      | 262.50  | 609,967                 | 1,761.99             | 305.90                                   | 260.65  | 4,030,127               | 11,631.72            |
| July, 2016      | 294.55      | 254.00  | 286,704                 | 792.15               | 295.00                                   | 253.00  | 3,234,206               | 8,876.21             |
| August, 2016    | 277.50      | 230.10  | 552,342                 | 1,434.12             | 278.10                                   | 230.40  | 5,073,372               | 13,033.03            |
| September, 2016 | 269.00      | 240.50  | 243,902                 | 619.45               | 271.95                                   | 240.45  | 1,889,206               | 4,796.18             |
| October, 2016   | 262.85      | 237.50  | 115,947                 | 290.68               | 263.50                                   | 241.50  | 1,686,859               | 4,245.31             |
| November, 2016  | 274.35      | 218.25  | 233,277                 | 587.55               | 274.95                                   | 217.50  | 1,878,371               | 4,686.14             |
| December, 2016  | 306.00      | 268.00  | 472,227                 | 1,360.67             | 306.80                                   | 267.20  | 4,127,125               | 11,833.82            |
| January, 2017   | 388.70      | 292.00  | 776,673                 | 2,627.97             | 388.80                                   | 296.00  | 4,817,485               | 16,380.83            |
| February, 2017  | 394.90      | 365.00  | 266,131                 | 1,013.69             | 395.00                                   | 365.10  | 2,241,828               | 8,536.12             |
| March, 2017     | 432.00      | 370.35  | 475,425                 | 1,917.32             | 431.90                                   | 370.00  | 3,145,360               | 12,711.97            |

### KRBL Share Price Vs. BSE Sensex



### KRBL Share Price Vs. NSE Nifty



## 22. OUTSTANDING ADRS/GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND LIKELY IMPACT ON EQUITY

The Company had allotted 3,428,594 nos. of underlying equity shares of ₹10/- each at a premium of ₹ 145.08 aggregating to ₹ 5,316.94 Lacs pursuant to the offer of 1,714,297 Global Depository Receipts (GDRs) made by the Company on February 24, 2006 to Foreign Investors, in accordance with the provisions of Section 81 and 81(1A) of the Companies Act, 1956 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, on preferential basis.

The Company's Global Depository Receipts (GDRs) were listed on the Luxembourg Stock Exchange (Code: US4826571030), at de la Bourse de Luxembourg, 11, av de la Porter – Neuve, L-2227 Luxembourg. As all GDRs were converted into Equity Shares, so company delisted its GDRs from Luxembourg Stock Exchange w.e.f. July 7, 2010. However, listing of the underlying equity shares are continued on the BSE Limited and National Stock Exchange of India Limited.

## 23. SHARE TRANSFER SYSTEM

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Share Transfer Agent. Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers take place on weekly basis. A summary of all the transfers/ transmissions etc. so approved by officers of the Company is placed at every Committee Meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI Listing Regulations, and files a copy of the same with the Stock Exchanges.

## 24. RECONCILIATION OF SHARE CAPITAL AUDIT

Mr. Deepak Kukreja, Partner, DMK Associates, FCS Number 4140, CP Number 8265, Practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the Reconciliation of Total Issued and Listed Capital with that of total share capital admitted / held in Dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is

submitted to the Stock Exchanges, where the Company's shares are listed and is also placed before the Stakeholders Relationship Committee of the Board.

## 25. UNPAID DIVIDEND

Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, (previously Section 205C of the Companies Act, 1956), the Company is required to transfer the Dividend unpaid for a period of 7 (seven) years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the unclaimed Final Dividend for the year ended 2008-09 and Interim Dividend for the year 2009-10 have been transferred and necessary Statement in Form IEPF-1 Pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 has been filed.

Time frame of transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF):

| Date of Declaration of Dividend | Dividend for the year | Due Date of transfer to IEPF |
|---------------------------------|-----------------------|------------------------------|
| 21/09/2010                      | 2009-10 (Final)       | 28/10/2017                   |
| 27/09/2011                      | 2010-11               | 03/11/2018                   |
| 25/09/2012                      | 2011-12               | 01/11/2019                   |
| 23/09/2013                      | 2012-13               | 30/10/2020                   |
| 09/09/2014                      | 2013-14               | 16/10/2021                   |
| 28/09/2015                      | 2014-15               | 05/11/2022                   |
| 10/03/2016                      | 2015-16 (Interim)     | 16/04/2023                   |

Attention is drawn that the Unclaimed Final Dividend for the Financial Year 2009-10 will be due for transfer to IEPF later this year. Communication has been sent by the Company to the concerned shareholders advising them to lodge their claim with respect to unclaimed Dividend. Once unclaimed Dividend is transferred to IEPF, no claims will lie in respect thereof with the company.

## 26. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2016-17, the Company had managed the foreign exchange risk and hedged it to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of financial risk management are disclosed in Note Number 31.06 to the Standalone Financial Statements forming part of this Annual report.

## 27. NON-MANDATORY REQUIREMENTS

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as per Regulation 27(1) of SEBI Listing Regulations:

**(i) Shareholders' Rights**

The Company has a policy of announcement of the audited/unaudited, quarterly/half yearly/Annual financial results.

In the next few days from the announcement of the audited/unaudited, quarterly/half yearly/Annual financial results, the company generally organizes webcast live investor conference calls and the media interactions with the management, where the management responds to the various queries.

**(ii) Reporting of Internal Auditor**

The Internal Auditors directly reports to the Audit Committee.

**28. COMPLIANCE OFFICER**

Raman Sapra  
Company Secretary  
5190, Lahori Gate,  
Delhi-110 006  
Phone: (011) 23968328  
E-mail: investor@krblindia.com  
CIN: L0111DL1993PLC052845

**29. PLANT LOCATION**

1. 9<sup>th</sup> Milestone, Post-Dujana, Bulandshahr Road,  
Dist. Gautam Budh Nagar, Uttar Pradesh-203 207.

2. 29/15-29/16, Village Jindpur, G. T. Karnal Road,  
Alipur, Delhi-110 036.
3. Plot Number 258-260, Extended Lal Dora,  
Alipur, Delhi-110 036.
4. Village Bhasaur, (Dhuri), Distt. Sangrur,  
Punjab-148 024.
5. Village Akbarpur Barota, Distt. Sonipat,  
Haryana-131 104

**30. REGISTERED OFFICE & ADDRESS  
FOR CORRESPONDENCE**

**REGISTERED OFFICE:**

5190, Lahori Gate, Delhi-110 006  
Phone: (011) 23968328  
Fax: (011) 23968327  
E-mail: investor@krblindia.com  
Website: www.kbrlrice.com  
CIN: L0111DL1993PLC052845

**ADDRESS FOR CORRESPONDENCE:**

C-32, 5<sup>th</sup> & 6<sup>th</sup> Floor, Sector 62, Noida-201 301,  
Gautam Budh Nagar, Uttar Pradesh  
Phone: 0120-4060300  
Fax: 0120-4060398

for and on behalf of the Board of Directors

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director  
DIN: 00030100

Place: Noida, Uttar Pradesh  
Date: August 10, 2017

## Auditors' Certificate on Corporate Governance

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

We have examined the compliance of conditions of corporate governance by KRBL Limited ('the Company') for the year ended March 31, 2017, as stipulated in regulations 17 to 27, and clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

for **DMK Associates**  
Company Secretaries

Sd/-

**Deepak Kukreja**  
FCS, LL.B, ACIS(UK)  
Partner

Place: New Delhi  
Date: August 10, 2017

FCS No. 4140, C.P. No. 8265

## CEO's and CFO Certification

We, Anil Kumar Mittal, Chairman & Managing Director and Rakesh Mehrotra, Chief Financial Officer, responsible for finance function certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2017 and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing Indian Accounting Standards (Ind AS), applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on March 31, 2017 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. The Company's other certifying officers and we have disclosed, based on our recent evaluation, wherever applicable, to the Company's Auditors and through them to the Audit Committee of the Company's Board of Directors:
  - i. significant changes in internal control over financial reporting during the year 2016-17;
  - ii. significant changes in accounting policies during the year 2016-17 and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director

Sd/-

**Rakesh Mehrotra**

Chief Financial Officer

Place: Noida, Uttar Pradesh

Date: May 29, 2017



# Consolidated Financials

## Contents

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## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

To the Members of KRBL Limited, New Delhi

### REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Ind AS Financial Statements of KRBL Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss [including other comprehensive income], the Consolidated Cash Flow Statement and Consolidated Statements of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors are responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance [including other comprehensive income] and Consolidated cash flows, Consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard AS-21, Consolidated Ind AS Financial Statements and Accounting Standard AS-27, Financial Reporting of Interest in Joint Ventures). The respective Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS:

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

- (i) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2017;
- (ii) In the case of the Consolidated Statement of Profit & Loss, of the consolidated Profit & Loss for the year ended on that date;
- (iii) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date; and
- (iv) In the case of the Consolidated Statement of changes in equity for the year ended on that date.

### OTHER MATTER

We did not audit the financial statements / financial information of the Subsidiary Companies, whose financial statements / financial information reflect total assets (net) of ₹ 41.89 Crores as at March 31, 2017, total revenue of ₹ 6.30 Crores and net cash flows amounting to ₹ (8.74) Crores for the year ended March 31, 2017. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiaries, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

- (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss [including other comprehensive Income], the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the said Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company and Subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure I"; and
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph:
  - i. There were no pending litigations which would impact the consolidated financial position of the Group. However, according to information and

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

explanations given to us, the following dues of value added tax have not been deposited by the Holding Company on account of disputes:

| Name of the statute | Nature of dues                                           | Amount<br>(₹ in Lacs) | Period to which the<br>amount relates | Forum where dispute is<br>pending                      |
|---------------------|----------------------------------------------------------|-----------------------|---------------------------------------|--------------------------------------------------------|
| Punjab VAT          | Purchase-tax on paddy purchased in the course of exports | 679.11                | FY 2009-10                            | Punjab and Haryana High Court                          |
| Punjab VAT          | Additional Demand of Purchase-tax on paddy               | 8.64                  | FY 2010-11                            | Deputy Excise and Taxation Commissioner (DETC), Punjab |
| Punjab VAT          | Additional Demand of Purchase-tax on paddy               | 256.88                | FY 2011-12                            | Deputy Excise and Taxation Commissioner (DETC), Punjab |
| Punjab VAT          | Additional Demand of Purchase-tax on paddy               | 121.10                | FY 2012-13                            | Deputy Excise and Taxation Commissioner (DETC), Punjab |
| Punjab VAT          | Additional Demand of Purchase-tax on paddy               | 924.85                | FY 2013-14                            | Deputy Excise and Taxation Commissioner (DETC), Punjab |
| Punjab VAT          | Sales Tax/VAT                                            | 0.92                  | FY 2016-17                            | Punjab VAT Department                                  |

- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- (iv) The requisite disclosures in the Consolidated Ind AS Financial Statements, as for holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016 have been provided with respect to Holding Company and subsidiaries incorporated in India. Based on Audit procedures

and reliance on representation, we report that the disclosures are in accordance with books of accounts and other records maintained by the Holding Company and subsidiaries incorporated in India and as produced to us by the management of Holding Company- Refer Note 31 to the Consolidated Ind AS Financial Statements.

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants  
(Firm Registration No. 003820N)

**Shiv Sushil Bhawan**  
D-219, Vivek Vihar, Phase-I,  
New Delhi-110 095  
Dated: May 29, 2017

Sd/-  
**(Vinod Kumar Bindal)**  
Proprietor  
(Membership No. 80668)

## ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT ON THE REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### (Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act)

In conjunction with our audit of the Consolidated Ind AS Financial Statements of KRBL Limited ("the Holding Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our 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 of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

A company's internal financial controls 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 controls 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.

### INHERENT 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 override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

## ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT ON THE REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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 our opinion, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal controls over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies is based on the corresponding report of the auditor of such company.

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants  
(Firm Registration No. 003820N)

**Shiv Sushil Bhawan**  
D-219, Vivek Vihar, Phase-I,  
New Delhi-110 095  
Dated: May 29, 2017

Sd/-  
**(Vinod Kumar Bindal)**  
Proprietor  
(Membership No. 80668)

## CONSOLIDATED BALANCE SHEET

As at March 31, 2017

(₹ in Lacs except as stated)

| Particulars                                                              | Note | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
|--------------------------------------------------------------------------|------|-------------------------|-------------------------|-------------------------|
| <b>A. ASSETS</b>                                                         |      |                         |                         |                         |
| <b>Non- Current Assets</b>                                               |      |                         |                         |                         |
| Property, plant and equipment                                            | 4    | 1,00,755.58             | 76,296.76               | 62,704.39               |
| Capital work in progress                                                 | 4    | 170.89                  | 10,026.41               | 11,373.52               |
| Investment property                                                      | 4    | 428.51                  | 446.39                  | 464.28                  |
| Intangible assets                                                        | 4    | 134.33                  | 160.11                  | 160.04                  |
| Financial assets                                                         |      |                         |                         |                         |
| Loans                                                                    | 5    | 331.45                  | 255.23                  | 239.93                  |
| Other financial assets                                                   | 6    | 583.26                  | 373.22                  | 134.16                  |
| Prepayments                                                              | 7    | 1,368.33                | 1,251.22                | 1,320.58                |
| Other assets                                                             | 8    | 3,966.07                | 3,200.52                | 688.40                  |
| <b>Total</b>                                                             |      | <b>1,07,738.42</b>      | <b>92,009.86</b>        | <b>77,085.30</b>        |
| <b>Current Assets</b>                                                    |      |                         |                         |                         |
| Inventories                                                              | 9    | 2,01,996.34             | 1,79,566.21             | 1,96,077.20             |
| Financial assets                                                         |      |                         |                         |                         |
| Investments                                                              | 10   | 1,011.06                | 822.58                  | 816.89                  |
| Trade receivables                                                        | 11   | 23,002.17               | 15,446.30               | 22,415.68               |
| Derivative instrument                                                    |      | -                       | 602.71                  | 1,379.02                |
| Cash and cash equivalents                                                | 12   | 435.46                  | 2,761.50                | 2,396.20                |
| Bank balances other than above                                           | 13   | 40.76                   | 68.67                   | 37.60                   |
| Loans                                                                    | 5    | 10.83                   | 15.73                   | 24.13                   |
| Other financial assets                                                   | 6    | 2,640.69                | 1,216.16                | 613.86                  |
| Prepayments                                                              | 7    | 1,257.77                | 801.20                  | 827.14                  |
| Other assets                                                             | 8    | 4,090.47                | 4,766.12                | 4,431.80                |
| <b>Total</b>                                                             |      | <b>2,34,485.55</b>      | <b>2,06,067.18</b>      | <b>229,019.52</b>       |
| <b>TOTAL ASSETS</b>                                                      |      | <b>3,42,223.97</b>      | <b>298,077.04</b>       | <b>306,104.82</b>       |
| <b>B. EQUITY AND LIABILITIES</b>                                         |      |                         |                         |                         |
| <b>Equity</b>                                                            |      |                         |                         |                         |
| Equity share capital                                                     | 14   | 2,353.90                | 2,353.90                | 2,353.90                |
| Other equity                                                             | 15   | 1,88,378.40             | 1,47,480.22             | 1,26,046.30             |
| <b>Total</b>                                                             |      | <b>1,90,732.30</b>      | <b>1,49,834.12</b>      | <b>1,28,400.20</b>      |
| <b>Minority Reserve</b>                                                  |      | <b>88.24</b>            | <b>88.27</b>            | <b>88.27</b>            |
| <b>Liabilities</b>                                                       |      |                         |                         |                         |
| <b>Non Current Liabilities</b>                                           |      |                         |                         |                         |
| Financial Liabilities                                                    |      |                         |                         |                         |
| Borrowings                                                               | 16   | 8,732.08                | 20,322.10               | 24,248.43               |
| Provisions                                                               | 17   | 485.54                  | 364.12                  | 248.35                  |
| Deferred Tax Liabilities (net)                                           | 18   | 11,377.81               | 9,138.54                | 8,000.53                |
| <b>Total</b>                                                             |      | <b>20,595.43</b>        | <b>29,824.76</b>        | <b>32,497.31</b>        |
| <b>Current Liabilities</b>                                               |      |                         |                         |                         |
| Financial Liabilities                                                    |      |                         |                         |                         |
| Borrowings                                                               | 16   | 96,505.18               | 89,138.95               | 1,04,516.88             |
| Trade Payables                                                           | 19   | 25,417.11               | 14,227.96               | 15,548.80               |
| Other Financial Liabilities                                              | 20   | 4,291.54                | 7,802.54                | 7,552.87                |
| Other Current Liabilities                                                | 21   | 2,899.48                | 5,907.04                | 16,935.10               |
| Provisions                                                               | 17   | 948.83                  | 752.71                  | 509.56                  |
| Current Tax Liabilities (Net)                                            |      | 745.86                  | 500.69                  | 55.83                   |
| <b>Total</b>                                                             |      | <b>1,30,808.00</b>      | <b>1,18,329.89</b>      | <b>145,119.04</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                      |      | <b>3,42,223.97</b>      | <b>298,077.04</b>       | <b>306,104.82</b>       |
| The Accompanying Notes form an integral part of the Financial Statements | 1-31 |                         |                         |                         |

Annexure to our Report of Date

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

for and on behalf of the Board of Directors

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

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

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

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2017

(₹ in Lacs except as stated)

| Particulars                                                                  | Note | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|------------------------------------------------------------------------------|------|------------------------------|------------------------------|
| <b>INCOME</b>                                                                |      |                              |                              |
| Revenue from Operations                                                      | 22   | 314,903.44                   | 336,281.48                   |
| Other Income                                                                 | 23   | 1,028.04                     | 6,121.67                     |
| <b>TOTAL INCOME</b>                                                          |      | <b>315,931.48</b>            | <b>342,403.15</b>            |
| <b>EXPENSES</b>                                                              |      |                              |                              |
| Cost of materials consumed                                                   | 24   | 247,091.31                   | 272,238.96                   |
| Purchases of stock in trade                                                  | 25   | 1,797.10                     | 2,556.61                     |
| Changes in inventories of finished goods ,work in progress & stock-in-trade  | 26   | (25,937.73)                  | (10,628.79)                  |
| Employee benefits expenses                                                   | 27   | 7,154.08                     | 6,302.08                     |
| Depreciation and amortisation expenses                                       | 4    | 6,141.99                     | 4,977.64                     |
| Finance costs                                                                | 28   | 5,483.99                     | 6,747.52                     |
| Other expenses                                                               | 29   | 20,444.94                    | 21,129.84                    |
| <b>TOTAL EXPENSES</b>                                                        |      | <b>262,175.68</b>            | <b>303,323.86</b>            |
| <b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>                               |      | <b>53,755.80</b>             | <b>39,079.29</b>             |
| Exceptional items                                                            |      | -                            | -                            |
| <b>PROFIT BEFORE TAX</b>                                                     |      | <b>53,755.80</b>             | <b>39,079.29</b>             |
| <b>Tax Expense:</b>                                                          | 30   |                              |                              |
| Current Year                                                                 |      | 11,395.87                    | 10,048.43                    |
| Deferred tax credit                                                          |      | 2,239.27                     | 1,138.01                     |
| Mat Credit Entitlement                                                       |      | 181.02                       | (1,420.91)                   |
| <b>Total Tax Expense</b>                                                     |      | <b>13,816.16</b>             | <b>9,765.53</b>              |
| <b>PROFIT FOR THE YEAR</b>                                                   |      | <b>39,939.64</b>             | <b>29,313.76</b>             |
| <b>Other Comprehensive Income</b>                                            |      |                              |                              |
| Items that will not be reclassified to profit or loss                        |      |                              |                              |
| Remeasurements of defined benefit plans                                      |      | (128.32)                     | (100.90)                     |
| Income tax relating to items that will not be reclassified to profit or loss |      |                              |                              |
| Remeasurements of defined benefit plans                                      |      | 44.41                        | 34.92                        |
| <b>Other Comprehensive Income for the year</b>                               |      | <b>(83.91)</b>               | <b>(65.98)</b>               |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                               |      | <b>39,855.73</b>             | <b>29,247.78</b>             |
| <b>EARNING PER EQUITY SHARE (Face value of ₹ 1 each)</b>                     |      |                              |                              |
| Basic (In ₹)                                                                 |      | <b>16.97</b>                 | <b>12.45</b>                 |
| Diluted (In ₹)                                                               |      | <b>16.97</b>                 | <b>12.45</b>                 |
| The Accompanying Notes form an integral part of the Financial Statements     |      | 1-31                         |                              |

Annexure to our Report of Date

for and on behalf of the Board of Directors

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

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

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

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2017

(₹ in Lacs except as stated)

| Particulars                                                              | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|--------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                            |                              |                              |
| Profit Before Tax from Continuing Operations                             | 53,755.80                    | 39,079.29                    |
| Adjustment for :                                                         |                              |                              |
| Depreciation & Amortization Expenses                                     | 6,141.99                     | 4,977.64                     |
| Loss/(Profit) on Sale of Fixed Assets                                    | (6.63)                       | (8.97)                       |
| Effect of Exchange Rate Difference                                       | (23.07)                      | 76.38                        |
| Profit on Sale of Investment                                             | (227.42)                     | (12.23)                      |
| Interest Expense                                                         | 4,872.64                     | 5,971.21                     |
| Interest Receipt                                                         | (631.68)                     | (455.49)                     |
| Unwinding of security deposit                                            | (17.90)                      | (16.17)                      |
| Dividend on Investment                                                   | (39.04)                      | (38.26)                      |
| Foreign Currency Translation Reserve                                     | (63.45)                      | 660.17                       |
| Lease expenses                                                           | 73.69                        | 69.37                        |
| MTM loss on derivatives                                                  | 611.35                       | 776.31                       |
| <b>Operating Profit Before Working Capital Changes</b>                   | <b>64,446.28</b>             | <b>51,079.25</b>             |
| Adjustments for Working Capital Changes                                  |                              |                              |
| Decrease/(Increase) in Loans                                             | 22.80                        | 24.57                        |
| Decrease/(Increase) in Prepayments                                       | (647.38)                     | 25.94                        |
| Decrease/(Increase) in Other Assets                                      | (250.44)                     | (1,425.53)                   |
| Decrease/(Increase) in Other financial assets                            | (1,424.53)                   | (602.30)                     |
| Decrease/(Increase) in Inventories                                       | (22,430.13)                  | 16,510.99                    |
| Decrease/(Increase) in Trade Receivables                                 | (7,555.87)                   | 6,969.38                     |
| (Decrease)/Increase in Provisions                                        | 168.71                       | 142.25                       |
| Increase/(Decrease) in Trade Payable                                     | 11,189.15                    | (1,320.85)                   |
| (Decrease)/Increase in Other Financial Liabilities                       | (3,491.73)                   | 218.59                       |
| (Decrease)/Increase in Other Current Liabilities                         | (3,007.56)                   | (11,028.06)                  |
| <b>Cash Generated From Operations</b>                                    | <b>37,019.30</b>             | <b>60,594.23</b>             |
| Income Tax Paid (Net)                                                    | (11,150.60)                  | (9,562.92)                   |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES (TOTAL-A)</b>                 | <b>25,868.70</b>             | <b>51,031.31</b>             |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                              |                              |
| Purchase/Sale of Fixed Assets & Addition/Deduction of WIP                | (20,725.01)                  | (17,233.51)                  |
| Sale of Fixed Assets                                                     | 30.05                        | 37.39                        |
| Sale Proceeds of Investment                                              | 38.95                        | 6.54                         |
| Proceeds / (Investment) in fixed deposits                                | (210.04)                     | (239.05)                     |
| Dividend on Investments                                                  | 39.04                        | 38.26                        |
| <b>NET CASH GENERATED / (-) USED IN INVESTING ACTIVITIES (TOTAL - B)</b> | <b>(20,827.01)</b>           | <b>(17,390.37)</b>           |

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2017

(₹ in Lacs except as stated)

| Particulars                                                                             | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|-----------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                           |                              |                              |
| FDR balance transfer on the merger of Radha Raj Ispat Private Limited with KRBL Limited | 1,026.17                     | -                            |
| Increase/(Decrease) in Long- Term Loans                                                 | (76.22)                      | (15.30)                      |
| Increase/(Decrease) in Long- Term Provisions                                            | 121.42                       | 115.77                       |
| Prior period items                                                                      | 2.55                         | -                            |
| Increase/(Decrease) in Long- Term Borrowings                                            | (11,590.01)                  | (3,926.32)                   |
| Increase/(Decrease) in Short- Term Borrowings                                           | 7,366.23                     | (15,377.92)                  |
| Effect of Exchange Rate Difference                                                      | 23.07                        | (76.38)                      |
| Interest Paid                                                                           | (4,872.63)                   | (5,971.21)                   |
| Interest Received                                                                       | 631.68                       | 455.49                       |
| Dividend Paid                                                                           | (27.91)                      | (8,442.97)                   |
| Wealth Tax Paid                                                                         | -                            | (5.73)                       |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES (TOTAL-C)</b>                                | <b>(7,395.65)</b>            | <b>(33,244.57)</b>           |
| <b>NET CHANGES IN CASH AND BANK BALANCES (TOTAL A+B+C)</b>                              | <b>(2,353.96)</b>            | <b>396.37</b>                |
| Cash & Cash Equivalents-Opening Balance                                                 | 2,761.50                     | 2,396.20                     |
| Cash & Cash Equivalents-Closing Balance                                                 | <b>407.54</b>                | <b>2,792.57</b>              |
| <b>CASH &amp; CASH EQUIVALENTS</b>                                                      |                              |                              |
| Cash in hand                                                                            | 32.38                        | 181.85                       |
| Cash with Income Tax Department                                                         | 50.00                        | -                            |
| Balance with Scheduled Bank                                                             | 353.08                       | 2,579.65                     |
| <b>BANK BALANCES OTHER THAN ABOVE</b>                                                   | <b>(27.91)</b>               | <b>31.07</b>                 |
|                                                                                         | <b>407.54</b>                | <b>2,792.57</b>              |

### Notes.

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- Figures in Brackets represent outflows.
- Previous year figures have been recast / rearranged wherever considered necessary.

Annexure to our Report of Date

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

for and on behalf of the Board of Directors

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

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

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

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017

| Particulars                                                                                 |                      |                 |                            |                              |                 |                                      |                    | (₹ in Lacs)        |                    |
|---------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------------|------------------------------|-----------------|--------------------------------------|--------------------|--------------------|--------------------|
|                                                                                             | Equity share capital | Capital reserve | Capital redemption reserve | Other Equity General reserve | Share premium   | Foreign Currency Translation Reserve | Retained earnings  | Total other equity | Total equity       |
| Balance as at April 01, 2015                                                                | 2,353.90             | -               | 77.22                      | 19,050.48                    | 9,655.04        | 1,232.67                             | 96,030.89          | 1,26,046.30        | 1,28,400.20        |
| Profit for the year                                                                         | -                    | -               | -                          | -                            | -               | -                                    | 29,313.76          | 29,313.76          | 29,313.76          |
| Other Comprehensive Income for the year                                                     | -                    | -               | -                          | -                            | -               | -                                    | (65.98)            | (65.98)            | (65.98)            |
| <b>Total Comprehensive Income for the year</b>                                              | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>19,050.48</b>             | <b>9,655.04</b> | <b>1,232.67</b>                      | <b>1,25,278.67</b> | <b>1,55,294.08</b> | <b>1,57,647.98</b> |
| Dividends                                                                                   | -                    | -               | -                          | -                            | -               | -                                    | (8,474.04)         | (8,474.04)         | (8,474.04)         |
| Transferred to General Reserve                                                              | -                    | -               | -                          | 6,000.00                     | -               | -                                    | (6,000.00)         | -                  | -                  |
| Other change during the period                                                              | -                    | -               | -                          | -                            | -               | 660.17                               | -                  | 660.17             | 660.17             |
| <b>Balance as at March 31, 2016</b>                                                         | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>25,050.48</b>             | <b>9,655.04</b> | <b>1,892.84</b>                      | <b>1,10,804.63</b> | <b>1,47,480.22</b> | <b>1,49,834.12</b> |
| <b>Balance as at April 01, 2016</b>                                                         | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>25,050.48</b>             | <b>9,655.04</b> | <b>1,892.84</b>                      | <b>1,10,804.63</b> | <b>1,47,480.22</b> | <b>1,49,834.12</b> |
| Profit for the year                                                                         | -                    | -               | -                          | -                            | -               | -                                    | 39,939.64          | 39,939.64          | 39,939.64          |
| Other Comprehensive Income for the year                                                     | -                    | -               | -                          | -                            | -               | -                                    | (83.91)            | (83.91)            | (83.91)            |
| <b>Total Comprehensive Income for the year</b>                                              | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>25,050.48</b>             | <b>9,655.04</b> | <b>1,892.84</b>                      | <b>1,50,660.37</b> | <b>1,87,335.95</b> | <b>1,89,689.85</b> |
| Transferred from Radha Raj Ispat Private Limited pursuant to amalgamation into KRBL Limited | -                    | -               | -                          | -                            | -               | -                                    | 1,026.17           | 1,026.17           | 1,026.17           |
| Transferred to General Reserve                                                              | -                    | -               | -                          | -                            | -               | -                                    | (6,000.00)         | (6,000.00)         | (6,000.00)         |
| Transferred from Profit & Loss Appropriations A/c                                           | -                    | -               | -                          | 6,000.00                     | -               | -                                    | -                  | 6,000.00           | 6,000.00           |
| Prior Period Items                                                                          | -                    | -               | -                          | -                            | -               | -                                    | (2.55)             | (2.55)             | (2.55)             |
| Other change during the period                                                              | -                    | 82.29           | -                          | -                            | -               | (63.45)                              | -                  | 18.83              | 18.83              |
| <b>Balance as at March 31, 2017</b>                                                         | <b>2,353.90</b>      | <b>82.29</b>    | <b>77.22</b>               | <b>31,050.48</b>             | <b>9,655.04</b> | <b>1,829.39</b>                      | <b>1,45,683.98</b> | <b>1,88,378.40</b> | <b>1,90,732.30</b> |

Annexure to our Report of Date

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

for and on behalf of the Board of Directors

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

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

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

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. COMPANY INFORMATION

- KRBL Limited (the Company) is a Domestic Public Limited Company and listed on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company is World's leading Basmati Rice player with milling capacity of 195 MT per hour. The company has fully integrated operations with involvement in every aspect of Basmati value chain, right from seed development, contract farming, procurement of paddy, storage, processing, packaging, branding and marketing. Among the many brands launched by the company "India Gate" is the flagship brand both in Domestic and International Markets.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Principles of Consolidation

- The Consolidated financial statements relates to KRBL Limited ('the Company') and its subsidiary Companies ('the Group Companies'). The consolidated financial statements have been prepared on the following basis:
- The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, revenues and expenses after eliminating intra-Group balances / transactions and resulting profits in full.
- The results and financial position of all the Group Companies are translated into the reporting currency as follows:
  - (i) Current Assets and Liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
  - (ii) Income and expenses for each income statement are translated at average exchange rates (unless average rate is not reasonable at the rates prevailing on the transaction dates, in such case income and expenses are translated at the rate on the dates of the transactions); and
  - (iii) All resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of net investment.
- Minority interest's share in net assets of 'the Group' is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

### 2.2 Basis of Preparation

- These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. These financial statements for the year ended March 31, 2017 are prepared by the company under Ind AS for the first time. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended March 31, 2016 and the opening Balance Sheet as at April 01, 2015 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Other Notes Forming part of the financial statements.
- The Financial Statements have been prepared on the historical cost convention on going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2015 being the 'date of transition to Ind AS'.

### 2.3 Use of Estimates and Judgments

- The preparation of Financial Statements requires management to make certain assumptions and estimates that affect the reported amount, the Financial Statements and Notes thereto. Difference between actual results and estimates are recognized in the period in which they materialize.

### 2.4 Property, Plant & Equipment including Intangible Assets

- Property, Plant & Equipment are stated at cost of acquisition / installation inclusive of freight, duties, and taxes and all incidental expenses and net of accumulated depreciation. In respect of major projects

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs. All upgradation / enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

- Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at the amount spent upto the date of Balance Sheet.
- Freehold Land is stated at original cost of acquisition.
- Intangible assets are stated at their cost of acquisition.

### 2.5 Depreciation

- Depreciation on fixed assets has been provided on straight line method, in terms of useful life of the Assets as prescribed in Schedule II to the Companies Act 2013.
- Computer software charges, patent, trademark & design and goodwill are recognized as intangible assets and amortized on straight line method over a period of 10 years except one software which is depreciated in 6 years on straight line method based upon life of servers where it is installed.

### 2.6 Investment Properties

- Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

### 2.7 Investments and Other Financial Assets

- **Classification:** The Company classifies its financial assets in the following measurement categories:
  - (i) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
  - (ii) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

- **Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial

assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

### 2.7.1 Investments

- Investments that are readily realizable and are intended to be held for not more than one year at the point of acquisition are classified as "Current Investments". All other Investments are classified as "Non-Current Investments". The Company measures its Current investments at fair value through profit and loss. Non-current investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2015.

### 2.8 Dividend to equity shareholders

- Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### 2.9 Inventories

- Items of inventories are measured at lower of cost or net realizable value. Raw material on shop floor and work-in process is taken as part of raw material and valued accordingly.
- The cost is calculated on weighted average cost method and it comprises expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving & defective inventories are identified at the time of physical verification and wherever necessary a provision is made.
- By-products are valued at net realizable value and are deducted from the cost of main product.
- Inventory of Finished Excisable products are valued inclusive of Excise Duty.

### 2.10 Cash and Cash Equivalent

- Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.11 Revenue Recognition and Accounting for Sales & Services

- Revenue from sale of goods is recognised when all the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. On recognition of revenue the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, export sales are adjusted for exchange fluctuations on exports realized during the year and the trade receivable in foreign exchange which are restated at the year end. Domestic sales are recognized net of discounts, Scheme on Sales, Sales Tax, Sale Returns and Excise Duty.
- Sale of energy is accounted for on basis of energy supplied. Sale of Certified Emission Reduction (CER) is recognized as income on delivery of CERs to the customer. Sale of Renewable Energy Certificate (REC) is recognized as income on sale of REC on the IEX/PXIL.
- Dividend income is recognised when the right to receive Dividend is established. Revenue and Expenditure are accounted for on going concern basis. Interest Income / Expenditure is recognized using the time proportion method based on the rates implicit in the transaction.
- Revenue in respect of Insurance / others claims, Interest, Commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

### 2.12 Research and Development

- Revenue expenditure on Research & Development is written off in the year in which it is incurred. Capital Expenditure on Research & Development is included under Fixed Assets.

### 2.13 Employee Benefits

- Contributions to defined provident fund are charged to the statement of profit and loss on accrual basis. Present liability for future payment of gratuity and

unavailed leave benefits are determined on the basis of actuarial valuation at the balance sheet date and charged to the statement profit and loss. Gratuity fund is managed by the Kotak Life Insurance.

### 2.14 Derivative financial instruments

- Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

### 2.15 Foreign Currency Transactions

- Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.
- In respect of Non integral foreign operation - both monetary and non-monetary items are translated at the closing rate and resultant difference is accumulated in foreign currency translation reserve, until the disposal of net investment.
- Non monetary foreign currency item are carried at cost.

### 2.16 Government Grant

- Grants from the government are recognised when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grant received from government towards fixed assets acquired/constructed by the Company is deducted out of gross value of the asset acquired/constructed and depreciation is charged accordingly.

### 2.17 Borrowing

- Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.18 Borrowing Costs

- Interest and other borrowing costs attributable to qualifying assets are capitalised as a part of such assets till such time the assets are ready for use. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### 2.19 Income taxes

- The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences. Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences.
- Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively the liability of Company on Account of Income Tax is estimated considering the provisions of Income tax Act, 1961.
- Deferred tax is recognized subject to the consideration of prudence on timing differences being the difference between book and tax profits that originate in one year and capable of reversal in one or more subsequent years.

### 2.20 Leases

#### i) As a lessee:

- Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of

Profit and Loss on a straight-line basis over the period of the lease.

#### ii) As a lessor:

- Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

### 2.21 Provisions, Contingent Liability and Contingent Assets

- The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent Assets neither recognised nor disclosed in the Financial Statement.

### 2.22 Segment Reporting

- Segments are identified based on dominant source and nature of risks and returns and internal financial reporting system to the management. Inter segment revenue are accounted for on the basis of transactions which are primarily market led. Revenue and expenses which relate to enterprises as a whole and are not attributable to segments are included under "Other Unallocable Expenditure Net of Unallocable Income".

### 2.23 Financial and Management Information System

- An Integrated Accounting System has been put to practice which unifies both Financial Books and Costing Records. The books of account and other records have been designated to facilitate compliance with the relevant provisions of the Companies Act on one hand and provide Internal Financial Reporting System for Planning, Review and Internal Control on the other. The Cost Accounts are designed to adopt Costing Systems appropriate to the business carried out by the Division, with each Division incorporating into its costing system, the basic tenets and principles of Standard Costing, Budgetary Control and Marginal Costing as appropriate.

### 2.24 Impairment of Financial Asset

- Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.25 Impairment of Non-Financial Asset

- The Company assesses at each Balance Sheet date whether there is any indication that an assets may be impaired. If any such Indication exists; the Company estimates the recoverable amount of assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of Profit & Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at recoverable amount.

### 2.26 Mergers/Amalgamation

- Mergers / Amalgamations (in the nature of Merger) of other company / body Corporate with the company are accounted for on the basis of purchase method, the Asset / Liabilities being incorporated in terms of values of assets and Liabilities appearing in the books of transferor entity on the date of such merger / amalgamation for the purpose of arriving at the figure of Goodwill or capital reserve.

### 3. FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2016, with a transition date of April 01, 2015. These financial statements for the year ended March 31, 2017 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2017, together with the comparative information as at and for the year ended March 31, 2016 and the opening Ind AS Balance Sheet as at April 01, 2015, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as

explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in retained earnings.

#### (a) Optional exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application:

##### (i) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

##### (ii) Investment in subsidiaries

The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

#### (b) Mandatory Exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

##### (i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence that those estimates were in error. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

##### (ii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through profit/loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

**(For more details kindly refer Note No. 31.10 transition to Ind AS Reconciliations)**

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 4A. PROPERTY, PLANT AND EQUIPMENT

| (₹ in Lacs)                         |                 |                  |                   |                      |                           |                 |                   |
|-------------------------------------|-----------------|------------------|-------------------|----------------------|---------------------------|-----------------|-------------------|
| Particulars                         | Freehold land   | Building         | Plant & machinery | Furniture & fixtures | Office Equipment & Others | Vehicles        | Total             |
| <b>Gross Block</b>                  |                 |                  |                   |                      |                           |                 |                   |
| Deemed cost at April 01, 2015       | 4,066.52        | 11,549.70        | 80,431.79         | 1,362.87             | 351.53                    | 2,332.17        | 100,094.58        |
| Additions                           | 1,212.70        | 2,171.69         | 14,639.58         | 55.64                | 31.38                     | 444.44          | 18,555.43         |
| Sales/Deductions                    | -               | -                | (68.12)           | -                    | (0.63)                    | (19.66)         | (88.41)           |
| <b>Balance as at March 31, 2016</b> | <b>5,279.22</b> | <b>13,721.39</b> | <b>95,003.25</b>  | <b>1,418.51</b>      | <b>382.28</b>             | <b>2,756.95</b> | <b>118,561.60</b> |
| Additions                           | 926.69          | 4,778.20         | 23,717.44         | 394.06               | 83.23                     | 679.28          | 30,578.90         |
| Disposals                           | -               | (1.90)           | (80.23)           | (16.30)              | (50.52)                   | (99.95)         | (248.89)          |
| <b>Balance as at March 31, 2017</b> | <b>6,205.91</b> | <b>18,497.69</b> | <b>118,640.46</b> | <b>1,796.27</b>      | <b>414.99</b>             | <b>3,336.29</b> | <b>148,891.61</b> |
| <b>Accumulated Depreciation</b>     |                 |                  |                   |                      |                           |                 |                   |
| Balance as at April 01, 2015        | -               | 2,211.51         | 33,229.59         | 579.50               | 190.73                    | 1,178.86        | 37,390.18         |
| Additions                           | -               | 518.33           | 4,032.23          | 104.55               | 39.03                     | 240.50          | 4,934.65          |
| Disposals                           | -               | -                | (51.14)           | -                    | (0.22)                    | (8.63)          | (59.99)           |
| <b>Balance as at March 31, 2016</b> | <b>-</b>        | <b>2,729.84</b>  | <b>37,210.68</b>  | <b>684.05</b>        | <b>229.54</b>             | <b>1,410.73</b> | <b>42,264.84</b>  |
| Additions                           | -               | 627.81           | 5,002.52          | 125.03               | 42.52                     | 298.80          | 6,096.67          |
| Disposals                           | -               | (0.28)           | (75.92)           | (13.77)              | (46.16)                   | (89.37)         | (225.50)          |
| <b>Balance as at March 31, 2017</b> | <b>-</b>        | <b>3,357.37</b>  | <b>42,137.28</b>  | <b>795.31</b>        | <b>225.90</b>             | <b>1,620.16</b> | <b>48,136.01</b>  |
| <b>Net Block</b>                    |                 |                  |                   |                      |                           |                 |                   |
| Balance as at April 01, 2015        | 4,066.52        | 9,338.19         | 47,202.20         | 783.37               | 160.80                    | 1,153.31        | 62,704.39         |
| Balance as at March 31, 2016        | 5,279.22        | 10,991.55        | 57,792.57         | 734.46               | 152.75                    | 1,346.21        | 76,296.76         |
| Balance as at March 31, 2017        | 6,205.91        | 15,140.32        | 76,503.19         | 1,000.96             | 189.10                    | 1,716.12        | 100,755.58        |

#### Notes

- None of the Fixed Assets has been revalued during the year.
- Addition to fixed Assets and Capital work-in-progress include net borrowing cost capitalised during the year ₹ Nil (P.Y. ₹ 427.32 Lacs)
- There has been no impairment loss on Assets during the year.
- None of the assets are covered under any group of lease.

### 4B. CAPITAL WORK IN PROGRESS

| (₹ in Lacs)                  |           |
|------------------------------|-----------|
| Particulars                  | Total     |
| <b>Net book value</b>        |           |
| Balance as at April 01, 2015 | 11,373.52 |
| Balance as at March 31, 2016 | 10,026.41 |
| Balance as at March 31, 2017 | 170.89    |

### 4C. INVESTMENT PROPERTY

| (₹ in Lacs)                   |        |
|-------------------------------|--------|
| Particulars                   | Total  |
| Gross Carrying Amount         |        |
| Deemed cost at April 01, 2015 | 520.33 |
| Balance as at March 31, 2016  | 520.33 |
| Balance as at March 31, 2017  | 520.33 |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                                     |  | (₹ in Lacs)  |
|-------------------------------------|--|--------------|
| Particulars                         |  | Total        |
| <b>Accumulated Depreciation</b>     |  |              |
| Balance as at April 01, 2015        |  | 56.04        |
| Additions                           |  | 17.89        |
| <b>Balance as at March 31, 2016</b> |  | <b>73.93</b> |
| Depreciation charge for the year    |  | 17.89        |
| <b>Balance as at March 31, 2017</b> |  | <b>91.82</b> |
| <b>Net book value</b>               |  |              |
| Balance as at April 01, 2015        |  | 464.28       |
| Balance as at March 31, 2016        |  | 446.39       |
| Balance as at March 31, 2017        |  | 428.51       |
| <b>Fair Value</b>                   |  |              |
| As at April 01, 2015                |  | 548.73       |
| As at March 31, 2016                |  | 529.34       |
| As at March 31, 2017                |  | 509.95       |

### Information regarding income and expenditure of investment property:

|                                                                                        |                | (₹ in Lacs)    |
|----------------------------------------------------------------------------------------|----------------|----------------|
| Particulars                                                                            | March 31, 2017 | March 31, 2016 |
| Rental income derived from investment properties                                       | 37.04          | 64.62          |
| Direct operating expenses (including repairs and maintenance) generating rental income | (0.98)         | (7.74)         |
| <b>Profit arising from investment properties before depreciation</b>                   | <b>36.06</b>   | <b>56.88</b>   |
| Less: Depreciation                                                                     | (17.89)        | (17.89)        |
| <b>Profit arising from investment properties</b>                                       | <b>18.17</b>   | <b>38.99</b>   |

### Premises given on operating lease:

The Company has given a warehouse in Kandla, Gujarat on cancellable operating lease. The lease is renewable for further period on mutually agreeable terms.

### Estimation of fair value:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in Gandhi Dham, Gujarat area.

This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

## 4D. INTANGIBLE ASSETS

|                                     |                                   |                      |              | (₹ in Lacs)   |
|-------------------------------------|-----------------------------------|----------------------|--------------|---------------|
| Particulars                         | Patents,<br>trademark &<br>design | Computer<br>software | Goodwill     | Total         |
| <b>Gross Block</b>                  |                                   |                      |              |               |
| Deemed cost at April 01, 2015       | 22.37                             | 220.68               | 17.02        | 260.07        |
| Additions                           | -                                 | 25.18                | -            | 25.18         |
| <b>Balance as at March 31, 2016</b> | <b>22.37</b>                      | <b>245.86</b>        | <b>17.02</b> | <b>285.25</b> |
| Additions                           | -                                 | 1.63                 | -            | 1.63          |
| <b>Balance as at March 31, 2017</b> | <b>22.37</b>                      | <b>247.49</b>        | <b>17.02</b> | <b>286.88</b> |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| Particulars                         | (₹ in Lacs)                       |                      |              |               |
|-------------------------------------|-----------------------------------|----------------------|--------------|---------------|
|                                     | Patents,<br>trademark &<br>design | Computer<br>software | Goodwill     | Total         |
| <b>Accumulated Depreciation</b>     |                                   |                      |              |               |
| Balance as at April 01, 2015        | 12.01                             | 87.49                | 0.54         | 100.04        |
| Additions                           | 2.24                              | 22.86                | -            | 25.10         |
| <b>Balance as at March 31, 2016</b> | <b>14.25</b>                      | <b>110.35</b>        | <b>0.54</b>  | <b>125.14</b> |
| Depreciation charge for the year    | 2.24                              | 25.17                | -            | 27.41         |
| <b>Balance as at March 31, 2017</b> | <b>16.49</b>                      | <b>135.52</b>        | <b>0.54</b>  | <b>152.55</b> |
| <b>Net Block</b>                    |                                   |                      |              |               |
| Balance as at April 01, 2015        | 10.36                             | 133.19               | 16.48        | 160.04        |
| Balance as at March 31, 2016        | 8.12                              | 135.51               | 16.48        | 160.11        |
| <b>Balance as at March 31, 2017</b> | <b>5.88</b>                       | <b>111.97</b>        | <b>16.48</b> | <b>134.33</b> |

### 5. LOANS

#### 5A. NON CURRENT

| Particulars                                               | (₹ in Lacs)             |                         |                         |
|-----------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Unsecured- considered good unless otherwise stated</b> |                         |                         |                         |
| Security deposit                                          | 331.45                  | 255.23                  | 239.93                  |
| <b>Total</b>                                              | <b>331.45</b>           | <b>255.23</b>           | <b>239.93</b>           |

This includes Security deposit of ₹ 180.66 Lacs (March 31, 2016- ₹ 162.75 Lacs, April 01, 2015- ₹ 146.58 Lacs) which is receivable from related party.

#### 5B. CURRENT

| Particulars       | (₹ in Lacs)             |                         |                         |
|-------------------|-------------------------|-------------------------|-------------------------|
|                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Loan to employees | 10.83                   | 15.73                   | 24.13                   |
| <b>Total</b>      | <b>10.83</b>            | <b>15.73</b>            | <b>24.13</b>            |

### 6. OTHERS FINANCIAL ASSETS

#### 6A. NON- CURRENT

| Particulars                                                            | (₹ in Lacs)             |                         |                         |
|------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Unsecured- considered good unless otherwise stated</b>              |                         |                         |                         |
| Investment in term deposits (original maturity of more than 12 months) | 583.26                  | 373.22                  | 134.16                  |
| <b>Total</b>                                                           | <b>583.26</b>           | <b>373.22</b>           | <b>134.16</b>           |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 6B. CURRENT

| Particulars                                               | (₹ in Lacs)             |                         |                         |
|-----------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Unsecured- considered good unless otherwise stated</b> |                         |                         |                         |
| Income Receivable                                         | 2,640.69                | 1,216.16                | 613.86                  |
| <b>Total</b>                                              | <b>2,640.69</b>         | <b>1,216.16</b>         | <b>613.86</b>           |

### 7. PRE-PAYMENTS

| Particulars            | (₹ in Lacs)             |                         |                         |
|------------------------|-------------------------|-------------------------|-------------------------|
|                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Prepaid lease rent     | 1,442.02                | 1,306.37                | 1,375.74                |
| Other prepaid expenses | 1,184.08                | 746.05                  | 771.98                  |
| <b>Total</b>           | <b>2,626.10</b>         | <b>2,052.42</b>         | <b>2,147.72</b>         |
| <b>7A Non Current</b>  | <b>1,368.33</b>         | <b>1,251.22</b>         | <b>1,320.58</b>         |
| <b>7B Current</b>      | <b>1,257.77</b>         | <b>801.20</b>           | <b>827.14</b>           |

### 8. OTHER ASSETS

#### 8A. NON-CURRENT

| Particulars                        | (₹ in Lacs)             |                         |                         |
|------------------------------------|-------------------------|-------------------------|-------------------------|
|                                    | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Capital advance                    | 187.65                  | 543.97                  | 164.32                  |
| MAT credit entitlement             | 1,260.37                | 1,420.91                | -                       |
| Balance with statutory authorities | 1,695.48                | 1,080.22                | 477.13                  |
| Other loans and advances           | 822.57                  | 155.42                  | 46.95                   |
| <b>Total</b>                       | <b>3,966.07</b>         | <b>3,200.52</b>         | <b>688.40</b>           |

#### 8B. CURRENT

| Particulars                | (₹ in Lacs)             |                         |                         |
|----------------------------|-------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Statutory dues recoverable | 1,230.28                | 1,712.00                | 1,898.66                |
| Subsidy Receivable         | -                       | 203.06                  | 51.88                   |
| Other Receivable           | 2,860.19                | 2,851.06                | 2,481.26                |
| <b>Total</b>               | <b>4,090.47</b>         | <b>4,766.12</b>         | <b>4,431.80</b>         |

### 9. INVENTORIES

| Particulars                       | (₹ in Lacs)             |                         |                         |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
|                                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Raw Materials*                    | 60,988.94               | 64,176.09               | 92,975.02               |
| Finished Goods*                   | 132,490.38              | 106,554.32              | 95,925.53               |
| Stores, Spares & Packing Material | 8,517.02                | 8,835.80                | 7,176.65                |
| <b>Total</b>                      | <b>201,996.34</b>       | <b>179,566.21</b>       | <b>196,077.20</b>       |

\* Raw Material and Finished Goods includes transit stock.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 10. INVESTMENTS

#### CURRENT INVESTMENT

| Particulars                                    | Face Value | No. of Shares / Units |                  |                  | Amount (in ₹ Lacs) |                |                |
|------------------------------------------------|------------|-----------------------|------------------|------------------|--------------------|----------------|----------------|
|                                                |            | As at                 | As at            | As at            | As at              | As at          | As at          |
|                                                |            | March 31, 2017        | March 31, 2016   | April 01, 2015   | March 31, 2017     | March 31, 2016 | April 01, 2015 |
| <b>Equity instruments (Quoted)</b>             |            |                       |                  |                  |                    |                |                |
| <b>Fair value through profit &amp; loss</b>    |            |                       |                  |                  |                    |                |                |
| NHPC limited                                   | 10.00      | 882,712               | 882,712          | 882,712          | 284.23             | 213.17         | 174.78         |
| Coal India Limited                             | 10.00      | 76,437                | 76,437           | 76,437           | 223.69             | 223.16         | 277.39         |
| Power Grid Corporation of India Limited        | 10.00      | 107,667               | 107,667          | 107,667          | 212.43             | 149.76         | 156.39         |
| Shipping Corporation of India Limited          | 10.00      | 242,265               | 242,265          | 242,265          | 185.70             | 157.35         | 112.53         |
| MOIL Limited                                   | 10.00      | 18,923                | 18,923           | 18,923           | 59.37              | 41.20          | 52.34          |
| <b>Total</b>                                   |            | <b>13,28,004</b>      | <b>13,28,004</b> | <b>13,28,004</b> | <b>965.42</b>      | <b>784.64</b>  | <b>773.43</b>  |
| <b>Mutual fund instruments (Unquoted)</b>      |            |                       |                  |                  |                    |                |                |
| <b>Fair value through profit &amp; loss</b>    |            |                       |                  |                  |                    |                |                |
| SBI Infrastructure Fund-Regular Plan Growth    | 10.00      | 250,000               | 250,000          | 250,000          | 34.09              | 26.56          | 29.44          |
| SBI Magnum Equity Fund - Regular Plan Dividend | 10.00      | 36,127                | 36,127           | 36,127           | 11.55              | 11.38          | 14.02          |
| <b>Total</b>                                   |            | <b>286,127</b>        | <b>286,127</b>   | <b>286,127</b>   | <b>45.64</b>       | <b>37.94</b>   | <b>43.46</b>   |
| <b>Total Investments</b>                       |            | <b>16,14,131</b>      | <b>16,14,131</b> | <b>16,14,131</b> | <b>1,011.06</b>    | <b>822.58</b>  | <b>816.89</b>  |
| Aggregate amount of quoted investments         |            |                       |                  |                  | 965.42             | 784.64         | 773.43         |
| Market Value of quoted investments             |            |                       |                  |                  | 965.42             | 784.64         | 773.43         |
| Aggregate amount of unquoted investments       |            |                       |                  |                  | 45.64              | 37.94          | 43.46          |

### 11. TRADE RECEIVABLES

| Particulars                                                                                 | (₹ in Lacs)             |                         |                         |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Outstanding for a period exceeding six months from the date they are due for payment</b> |                         |                         |                         |
| Unsecured, Considered Good                                                                  | 1,048.52                | 831.12                  | 789.05                  |
| <b>Total (A)</b>                                                                            | <b>1,048.52</b>         | <b>831.12</b>           | <b>789.05</b>           |
| <b>Others</b>                                                                               |                         |                         |                         |
| Secured, Considered Good                                                                    | 31.92                   | 47.41                   | 102.18                  |
| Unsecured, Considered Good                                                                  | 21,921.72               | 14,567.77               | 21,524.45               |
| <b>Total (B)</b>                                                                            | <b>21,953.65</b>        | <b>14,615.18</b>        | <b>21,626.63</b>        |
| <b>Total (A+B)</b>                                                                          | <b>23,002.17</b>        | <b>15,446.30</b>        | <b>22,415.68</b>        |

Debt due from Directors /Firm in which the Directors are interested ₹ Nil (March 31, 2016 - ₹ Nil, April 01, 2015 - ₹ Nil).

Refer Note No. 31.06 for information about credit risk and market risk.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 12. CASH & CASH EQUIVALENTS

| Particulars                                                                                               | (₹ in Lacs)             |                         |                         |
|-----------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Cash on hand                                                                                              | 32.38                   | 181.85                  | 231.30                  |
| Cash with Income Tax Department                                                                           | 50.00                   | -                       | -                       |
| <b>Balance with banks:</b>                                                                                |                         |                         |                         |
| in Current Accounts                                                                                       | 183.87                  | 1,512.55                | 350.94                  |
| Deposit with original maturity of more than 12 months<br>but within 12 months from the Balance Sheet date | 169.21                  | 1,067.10                | 1,813.96                |
| <b>Total</b>                                                                                              | <b>435.46</b>           | <b>2,761.50</b>         | <b>2,396.20</b>         |

### 13. BANK BALANCES OTHER THAN ABOVE

| Particulars                                     | (₹ in Lacs)             |                         |                         |
|-------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                 | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Unpaid Dividends- earmarked balances with banks | 40.76                   | 68.67                   | 37.60                   |
| <b>Total</b>                                    | <b>40.76</b>            | <b>68.67</b>            | <b>37.60</b>            |

### 14. EQUITY SHARE CAPITAL

| Particulars                                                                                                                    | (₹ in Lacs)             |                         |                         |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Authorised</b>                                                                                                              |                         |                         |                         |
| 300,000,000 (March 31, 2016- 300,000,000, April 01,<br>2015- 30,00,00,000) Ordinary Equity Shares of ₹ 1 each                  | 3,000.00                | 3,000.00                | 3,000.00                |
| <b>Total</b>                                                                                                                   | <b>3,000.00</b>         | <b>3,000.00</b>         | <b>3,000.00</b>         |
| <b>Issued &amp; Subscribed</b>                                                                                                 |                         |                         |                         |
| 236,244,892 (March 31, 2016- 236,244,892, April 01,<br>2015- 236,244,892) Ordinary Equity Shares of ₹ 1 each                   | 2,362.45                | 2,362.45                | 2,362.45                |
| <b>Total</b>                                                                                                                   | <b>2,362.45</b>         | <b>2,362.45</b>         | <b>2,362.45</b>         |
| <b>Paid up</b>                                                                                                                 |                         |                         |                         |
| 235,389,892 (March 31, 2016- 235,389,892, April 01,<br>2015- 235,389,892) Ordinary Equity Shares of ₹ 1 each,<br>Fully Paid up | 2,353.90                | 2,353.90                | 2,353.90                |
| <b>Total</b>                                                                                                                   | <b>2,353.90</b>         | <b>2,353.90</b>         | <b>2,353.90</b>         |

#### a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

| Particulars                                                        | As at March 31, 2017 |                       | As at March 31, 2016 |                       | As at April 01, 2015 |                       |
|--------------------------------------------------------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                                                    | No. of<br>Shares     | Amount<br>(₹ in Lacs) | No. of<br>Shares     | Amount<br>(₹ in Lacs) | No. of<br>Shares     | Amount<br>(₹ in Lacs) |
| Ordinary Equity Shares outstanding<br>at the beginning of the year | 235,389,892          | 2,353.90              | 235,389,892          | 2,353.90              | 235,389,892          | 2,353.90              |
| Ordinary Equity Shares outstanding<br>at the end of the year       | 235,389,892          | 2,353.90              | 235,389,892          | 2,353.90              | 235,389,892          | 2,353.90              |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### b) Terms/ rights attached to ordinary Equity shares

The Company has only one class of Equity Shares having a par value of Re.1 per share. Each holder of Equity Shares is entitled to have one vote per share. The Company declares dividend in Indian Rupees and pays in INR to Resident Shareholders and in USD to the Foreign Shareholders under FDI Catagory.

The Board of Directors of the Company in their meeting held on May 29, 2017, had recommended a final dividend @ 210% i.e. ₹ 2.10 per equity share of face value of ₹ 1/- each for the year ended March 31, 2017 (March 31, 2016- ₹ 1.90 per share, April 01, 2015 - ₹ 1.70 per share). The same shall be paid subject to the approval of shareholders in the ensuing Annual General Meeting of the Company.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

### c) Details of Shareholders holding more than 5% shares in the Company

| S. No | Particulars                        | As at March 31, 2017 |              | As at March 31, 2016 |              | As at April 01, 2015 |              |
|-------|------------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
|       |                                    | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding |
| 1     | Binita Gupta*                      | 38,849,338           | 16.50%       | 6,700,000            | 2.85%        | 67,00,000            | 2.85%        |
| 2     | Anulika Gupta*                     | 41,293,714           | 17.54%       | 5,550,000            | 2.36%        | 5,550,000            | 2.36%        |
| 3     | Reliance Commodities DMCC          | 22,900,000           | 9.73%        | 22,900,000           | 9.73%        | 22,900,000           | 9.73%        |
| 4     | Preeti Mittal**                    | 16,205,515           | 6.88%        | 6,900,000            | 2.93%        | 69,00,000            | 2.93%        |
| 5     | Anil Kumar Mittal                  | 21,490,649           | 9.13%        | 19,123,982           | 8.12%        | 18,490,648           | 7.86%        |
| 6     | Anoop Kumar Gupta#                 | 100                  | 0.00%        | 19,530,209           | 8.30%        | 18,896,876           | 8.03%        |
| 7     | Arun Kumar Gupta#                  | 100                  | 0.00%        | 19,791,833           | 8.41%        | 19,158,500           | 8.14%        |
| 8     | Radha Raj Ispat Private Limited*** | -                    | 0.00%        | 27,913,892           | 11.86%       | 27,913,892           | 11.86%       |

\* Due to inter-se promoter group share transfer from Anoop Kumar Gupta to Binita Gupta and Arun Kumar Gupta to Anulika Gupta and also upon receipt of shares pursuant to the Amalgamation of Radha Raj Ispat Private Limited with KRBL Limited, the shareholding of Anulika Gupta and Binita Gupta was increased and both of them became the shareholders holding more than 5% shares in the company as on March 31, 2017.

\*\* Upon receipt of shares pursuant to the Amalgamation of Radha Raj Ispat Private Limited with KRBL Limited, the shareholding of Preeti Mittal was increased and she became the shareholder holding more than 5% shares in the company as on March 31, 2017.

\*\*\* Radha Raj Ispat Private Limited was merged with KRBL Limited vide the order of Hon'ble High Court of Delhi dated May 24, 2016. The Scheme was effective w.e.f June 01, 2016.

# Due to interse promoter group share transfer from Anoop Kumar Gupta to Binita Gupta and Arun Kumar Gupta to Anulika Gupta, the shareholding of Anoop Kumar Gupta and Arun Kumar Gupta was reduced and both of them were not part of the catagory of shareholders holding more than 5% shares in the company as on March 31, 2017.

d) **Aggregate number of bonus shares issued, Shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:** During the Buy-Back period i.e. March 4, 2013 to February 11, 2014, the Company has Bought Back and Extinguished 7,722,048 Equity Shares at an average price of ₹ 23.58 per share, utilising a sum of ₹ 18.21 Crores (Rupees Eighteen Crores Twenty One Lacs) excluding Transaction Cost. Agreegate number of Bonus shares issued in last 5 years immediately preceding the reporting date is Nil.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. OTHER EQUITY

| (₹ in Lacs)                                                      |                 |                            |                 |               |                                      |                   |                    |
|------------------------------------------------------------------|-----------------|----------------------------|-----------------|---------------|--------------------------------------|-------------------|--------------------|
| Particulars                                                      | Capital Reserve | Capital Redemption Reserve | General reserve | Share premium | Foreign Currency Translation Reserve | Retained earnings | Total other equity |
| <b>Balance as at April 01, 2015</b>                              | -               | 77.22                      | 19,050.48       | 9,655.04      | 1,232.67                             | 96,030.89         | 126,046.30         |
| Profit for the year                                              | -               | -                          | -               | -             | -                                    | 29,313.76         | 29,313.76          |
| Other Comprehensive Income for the year                          | -               | -                          | -               | -             | -                                    | (65.98)           | (65.98)            |
| <b>Total Comprehensive Income for the year</b>                   | -               | 77.22                      | 19,050.48       | 9,655.04      | 1,232.67                             | 125,278.67        | 155,294.08         |
| Dividends                                                        | -               | -                          | -               | -             | -                                    | (8,474.04)        | (8,474.04)         |
| Transferred to General Reserve                                   | -               | -                          | 6,000.00        | -             | -                                    | (6,000.00)        | -                  |
| Other change during the period                                   | -               | -                          | -               | -             | 660.17                               | -                 | 660.17             |
| <b>Balance as at March 31, 2016</b>                              | -               | 77.22                      | 25,050.48       | 9,655.04      | 1,892.84                             | 110,804.63        | 147,480.22         |
| <b>Balance as at April 01, 2016</b>                              | -               | 77.22                      | 25,050.48       | 9,655.04      | 1,892.84                             | 110,804.63        | 147,480.22         |
| Profit for the year                                              | -               | -                          | -               | -             | -                                    | 39,939.64         | 39,939.64          |
| Other Comprehensive Income for the year                          | -               | -                          | -               | -             | -                                    | (83.91)           | (83.91)            |
| <b>Total Comprehensive Income for the year</b>                   | -               | 77.22                      | 25,050.48       | 9,655.04      | 1,892.84                             | 150,660.36        | 187,335.95         |
| Transferred from Radha Raj                                       | -               | -                          | -               | -             | -                                    | 1,026.17          | 1,026.17           |
| Ispat Private Limited pursuant to amalgamation into KRBL Limited | -               | -                          | -               | -             | -                                    | (6,000.00)        | (6,000.00)         |
| Transferred to General Reserve                                   | -               | -                          | 6,000.00        | -             | -                                    | -                 | 6,000.00           |
| Appropriations A/c                                               | -               | -                          | -               | -             | -                                    | (2.55)            | (2.55)             |
| Prior Period Items                                               | -               | -                          | -               | -             | -                                    | -                 | 18.83              |
| Other change during the period                                   | 82.29           | -                          | -               | -             | (63.45)                              | -                 | -                  |
| <b>Balance as at March 31, 2017</b>                              | 82.29           | 77.22                      | 31,050.48       | 9,655.04      | 1,829.39                             | 145,683.98        | 188,378.40         |

### 16. BORROWINGS

#### 16A. BORROWINGS (NON CURRENT)

| (₹ in Lacs)                                 |                      |                      |                      |                      |                      |                      |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Particulars                                 | Non Current          |                      |                      | Current*             |                      |                      |
|                                             | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
| <b>Secured</b>                              |                      |                      |                      |                      |                      |                      |
| <b>Term Loans- From Banks</b>               |                      |                      |                      |                      |                      |                      |
| a) State Bank of India (Tokyo Branch)- ECB# | -                    | -                    | 2,185.27             | -                    | 1,849.12             | 1,877.25             |
| b) HSBC Bank (Mauritius) Limited-ECB#       | -                    | -                    | -                    | -                    | -                    | 928.98               |
| c) ICICI Bank (Bahrain Branch)- ECB#        | 1,354.68             | 5,718.78             | 6,108.49             | 1,354.68             | 774.74               | 774.75               |
| d) State Bank of India#                     | 6,040.00             | 7,385.10             | 5,419.29             | 1,344.00             | 1,342.86             | 335.71               |
| e) Kotak Mahindra Bank Limited #            | 807.69               | 2,923.08             | 3,538.46             | 615.38               | 615.38               | 461.54               |
| f) Kotak Mahindra Bank Limited #            | 381.11               | -                    | -                    | 381.11               | -                    | -                    |
| g) HSBC Bank Limited #                      | -                    | 1,857.64             | 3,340.88             | -                    | 1,500.00             | 1,500.00             |
| h) HSBC Bank Limited #                      | -                    | 2,202.16             | 3,299.12             | -                    | 1,111.11             | 1,111.11             |
| i) ICICI Bank Limited #                     | 127.60               | 174.34               | 209.06               | 46.74                | 46.74                | 62.78                |
| j) Corporation Bank Limited #               | 21.00                | 49.00                | 147.86               | 28.00                | -                    | 85.71                |
| k) Corporation Bank Limited #               | -                    | 12.00                | -                    | -                    | 44.00                | 28.00                |
| l) Corporation Bank Limited #               | -                    | -                    | -                    | -                    | -                    | 16.00                |
| <b>Total</b>                                | <b>8,732.08</b>      | <b>20,322.10</b>     | <b>24,248.43</b>     | <b>3,769.91</b>      | <b>7,283.95</b>      | <b>7,181.83</b>      |

\* Refer Note No. 20 - Other Financial Liabilities - Current maturities of long term debts.

# Secured by first pari-passu charge on entire movable and immovable Fixed Assets of the Company and second pari-passu charge on entire current assets of the Company.

• There is no default in repayment of Principal or Interest thereon.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| S. No. | Type of Secured Loan, Name of Bank & Sanctioned Amount                                                      | As at March 31, 2017                                                                                                                                                                                                                                                                                                                                                                                               |                                                                        | As at March 31, 2016                                                                                                                                                                                             |                                                                        | As at April 01, 2015                                                                                                                                                                                             |                                                                        |
|--------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|        |                                                                                                             | Terms of Repayment                                                                                                                                                                                                                                                                                                                                                                                                 | Rate of Interest                                                       | Terms of Repayment                                                                                                                                                                                               | Rate of Interest                                                       | Terms of Repayment                                                                                                                                                                                               | Rate of Interest                                                       |
| a)     | ECB Loan from State Bank of India (Tokyo Branch) (Sanctioned Amount ₹ US \$ 15 Million i.e. ₹ 75.09 Crores) | -                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                                                      | Repayable in 16 quarterly installments of US \$ 9.38 Lacs (₹ 469.31 Lacs) each, starting from January 2013 and maturing on October 2016 i.e. Balancing period of 7 Months from Balance Sheet Date                | Interest to be paid quarterly@ 3 Months LIBOR plus 235 Basis Points    | Repayable in 16 quarterly installments of US \$ 9.38 Lacs (₹ 469.31 Lacs) each, starting from January 2013 and maturing on October 2016 i.e. Balancing period of 1 year and 7 Months from Balance Sheet Date     | Interest to be paid quarterly@ 3 Months LIBOR plus 235 Basis Points    |
| b)     | ECB Loan from HSBC Bank (Mauritius) Limited (Sanctioned Amount US \$ 12 Million i.e. ₹ 56.40 Crores)        | -                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                                                      | -                                                                                                                                                                                                                | -                                                                      | Repayable in 16 quarterly installments of US \$ 7.50 Lacs (₹ 352.50 Lacs) each, starting from December 2011 and maturing on September 2015 i.e. Balancing period of 6 Months from Balance Sheet Date             | Interest to be paid quarterly@ 3 Months LIBOR plus 275 Basis Points    |
| c)     | ECB Loan from ICICI Bank (Bahrain) Branch (Sanctioned Amount US\$ 12.51 Million i.e. ₹ 77.47 Crores)        | ₹ 2,784.32 lacs was prepaid on 2-3-2017 after that annual repayment schedule has been modified and reset for Repayable in 4 semi annual installments of US \$ 10.65 Lacs (₹ 659.72 Lacs) each, starting from August 2017 and maturing on February 2019 i.e. Balancing period of 2 years from Balance Sheet Date. Loan amount has been restated as on March 31, 2017 with USD INR exchange rate as on closing date. | Interest to be paid Half yearly @ 6 Months LIBOR plus 335 Basis Points | Repayable in 20 semi annual installments of US \$ 6.26 Lacs (₹ 387.37 Lacs) each, starting from August 2014 and maturing on February 2024 i.e. Balancing period of 7 years and 11 Months from Balance Sheet Date | Interest to be paid Half yearly @ 6 Months LIBOR plus 258 Basis Points | Repayable in 20 semi annual installments of US \$ 6.26 Lacs (₹ 387.37 Lacs) each, starting from August 2014 and maturing on February 2024 i.e. Balancing period of 8 years and 11 Months from Balance Sheet Date | Interest to be paid Half yearly @ 6 Months LIBOR plus 258 Basis Points |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| S. No. | Type of Secured Loan, Name of Bank & Sanctioned Amount                                               | As at March 31, 2017                                                                                                                                                                        |                                                                                    | As at March 31, 2016                                                                                                                                                                           |                                                               | As at April 01, 2015                                                                                                                                                                           |                                                               |
|--------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
|        |                                                                                                      | Terms of Repayment                                                                                                                                                                          | Rate of Interest                                                                   | Terms of Repayment                                                                                                                                                                             | Rate of Interest                                              | Terms of Repayment                                                                                                                                                                             | Rate of Interest                                              |
| d)     | Term Loan from State Bank of India# (Sanctioned Amount ₹ 94 Crores)                                  | Repayable in 28 quarterly installments of ₹ 336 Lacs each, starting from December 2015 and maturing on September 2022 i.e. Balancing period of 5 years and 6 Months from Balance Sheet Date | Interest has been reset to be paid on monthly basis at prevailing MCLR +0.25% p.a. | Repayable in 28 quarterly installments of ₹ 336 Lacs each, starting from December 2015 and maturing on September 2022 i.e. Balancing period of 6 years and 6 Months from Balance Sheet Date    | Interest to be paid on monthly basis at Base Rate +0.25% p.a. | Repayable in 28 quarterly installments of ₹ 336 Lacs each, starting from December 2015 and maturing on September 2022 i.e. Balancing period of 7 years and 6 Months from Balance Sheet Date    | Interest to be paid on monthly basis at Base Rate +0.25% p.a. |
| e)     | Kotak Mahindra Bank Limited # (Sanctioned Amount ₹ 40 Crores)                                        | Loan of ₹ 1,500 lac has been prepaid on 1-3-2017 and balance Loan amount will be pre-paid in the month of April 2017                                                                        | Interest to be paid on monthly basis at Base Rate                                  | Repayable in 26 quarterly installments of ₹ 153.85 Lacs each, starting from September 2015 and maturing on December 2021 i.e. Balancing period of 5 years and 9 Months from Balance Sheet Date | Interest to be paid on monthly basis at Base Rate             | Repayable in 26 quarterly installments of ₹ 153.85 Lacs each, starting from September 2015 and maturing on December 2021 i.e. Balancing period of 6 years and 9 Months from Balance Sheet Date | Interest to be paid on monthly basis at Base Rate +0.10% p.a. |
| f)     | Term Loan from The Hongkong And Shanghai Banking Corporation Limited (Sanctioned Amount ₹ 60 Crores) | Loan has been prepaid and closed                                                                                                                                                            | -                                                                                  | Repayable in 16 quarterly installments of ₹ 375.00 Lacs each, starting from September 2014 and maturing on June 2018 i.e. Balancing period of 2 years and 3 Months from Balance Sheet Date.    | Interest to be paid Monthly@ 9.45 % p.a.                      | Repayable in 16 quarterly installments of ₹ 375.00 Lacs each, starting from September 2014 and maturing on June 2018 i.e. Balancing period of 3 years and 3 Months from Balance Sheet Date.    | Interest to be paid Monthly@ 9.45 % p.a.                      |
| g)     | Term Loan from The Hongkong And Shanghai Banking Corporation Limited (Sanctioned Amount ₹ 50 Crores) | Loan has been prepaid and closed                                                                                                                                                            | -                                                                                  | Repayable in 18 quarterly installments of ₹ 27.78 Lacs each starting from December, 2014 and maturing on March 2019 i.e. Balancing period of 3 years from Balance Sheet Date.                  | Interest to be paid Monthly@ 9.45 % p.a.                      | Repayable in 18 quarterly installments of ₹ 27.78 Lacs each starting from December, 2014 and maturing on March 2019 i.e. Balancing period of 4 years from Balance Sheet Date.                  | Interest to be paid Monthly@ 10 % p.a.                        |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| S. No. | Type of Secured Loan, Name of Bank & Sanctioned Amount                    | As at March 31, 2017                                                                                                                                                                         |                                                             | As at March 31, 2016                                                                                                                                                                         |                                                             | As at April 01, 2015                                                                                                                                                                         |                                                             |
|--------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
|        |                                                                           | Terms of Repayment                                                                                                                                                                           | Rate of Interest                                            | Terms of Repayment                                                                                                                                                                           | Rate of Interest                                            | Terms of Repayment                                                                                                                                                                           | Rate of Interest                                            |
| h)     | Term Loan from ICICI Bank Limited (Sanctioned Amount ₹ 4 Crores)          | Repayable in 20 quarterly installments of ₹ 29.06 Lacs each starting from December 2013 and maturing on September 2018 i.e. Balancing period of 1 years and 6 Months from Balance Sheet Date | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 20 quarterly installments of ₹ 29.06 Lacs each starting from December 2013 and maturing on September 2018 i.e. Balancing period of 2 years and 6 Months from Balance Sheet Date | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 20 quarterly installments of ₹ 29.06 Lacs each starting from December 2013 and maturing on September 2018 i.e. Balancing period of 3 years and 6 Months from Balance Sheet Date | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. |
| i)     | Term Loan from Corporation Bank Limited (Sanctioned Amount ₹ 6 Crores)    | -                                                                                                                                                                                            | -                                                           | -                                                                                                                                                                                            | -                                                           | Repayable in 28 quarterly installments of ₹ 21.43 Lacs each starting from November 2009 and maturing on December 2015 i.e. Balancing period of 9 Months from Balance Sheet Date.             | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. |
| j)     | Term Loan from Corporation Bank Limited (Sanctioned Amount ₹ 1.68 Crores) | Repayable in 24 quarterly installments of ₹ 7.00 Lacs each starting from April 2013 and maturing on December 2018 i.e. Balancing period of 1 years and 9 Months from Balance Sheet Date.     | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 24 quarterly installments of ₹ 7.00 Lacs each starting from April 2013 and maturing on December 2018 i.e. Balancing period of 2 years and 9 Months from Balance Sheet Date.     | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 24 quarterly installments of ₹ 7.00 Lacs each starting from April 2013 and maturing on December 2018 i.e. Balancing period of 3 years and 9 Months from Balance Sheet Date.     | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. |
| k)     | Term Loan from Corporation Bank Limited (Sanctioned Amount ₹ 0.80 Crores) | Outstanding Loan amount has been adjusted against subsidy received from NABARD and has been closed                                                                                           | -                                                           | Repayable in 20 quarterly installments of ₹ 4.00 Lacs each, starting from April 2013 and maturing on December 2017 i.e. Balancing period of 1 years and 9 Months from Balance Sheet Date.    | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 20 quarterly installments of ₹ 4.00 Lacs each, starting from April 2013 and maturing on December 2017 i.e. Balancing period of 2 years and 9 Months from Balance Sheet Date.    | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| S. No. | Type of Secured Loan, Name of Bank & Sanctioned Amount             | As at March 31, 2017                                                                                                                                                       |                                                    | As at March 31, 2016 |                  | As at April 01, 2015 |                  |
|--------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------|------------------|----------------------|------------------|
|        |                                                                    | Terms of Repayment                                                                                                                                                         | Rate of Interest                                   | Terms of Repayment   | Rate of Interest | Terms of Repayment   | Rate of Interest |
| i)     | Kotak Mahindra Bank Limited #<br>(Sanctioned Amount ₹ 7.63 Crores) | Repayable in 8 quarterly installments of ₹ 95.27 Lacs each, starting from June 2017 and maturing on December 2019 i.e. Balancing period of 2 years from Balance Sheet Date | Interest to be paid on monthly basis at 9.45% p.a. | -                    | -                | -                    | -                |

### 16B.SHORT TERM BORROWINGS

| (₹ in Lacs)                               |                         |                         |                         |
|-------------------------------------------|-------------------------|-------------------------|-------------------------|
| Particulars                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Secured#</b>                           |                         |                         |                         |
| i) Loans repayable on demand              |                         |                         |                         |
| - From banks                              | 80,973.92               | 74,411.54               | 79,070.06               |
| <b>Total (A)</b>                          | <b>80,973.92</b>        | <b>74,411.54</b>        | <b>79,070.06</b>        |
| <b>Unsecured</b>                          |                         |                         |                         |
| i) Loans repayable on demand              |                         |                         |                         |
| - From banks                              | -                       | 9,802.26                | 21,946.82               |
| - From others (Commercial Paper)          | 10,000.00               | -                       | -                       |
| ii) Loans and advances from related party | 5,531.26                | 4,925.15                | 3,500.00                |
| <b>Total (B)</b>                          | <b>15,531.26</b>        | <b>14,727.41</b>        | <b>25,446.82</b>        |
| <b>Total (A+B)</b>                        | <b>96,505.18</b>        | <b>89,138.95</b>        | <b>104,516.88</b>       |

# Working capital facilities (fund based & non fund based limits) are secured by first pari-passu charge on the entire current assets of the Company. These facilities are further secured by the second pari-passu charge on entire moveable & immoveable fixed assets of the Company and personal guarantee of Promoter Directors of the Company.

• There is no default in repayment of Principal or Interest thereon.

### 17. PROVISIONS

#### 17A.NON CURRENT

| (₹ in Lacs)                             |                         |                         |                         |
|-----------------------------------------|-------------------------|-------------------------|-------------------------|
| Particulars                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Provisions for employee benefits</b> |                         |                         |                         |
| Leave encashment payable                | 485.54                  | 364.12                  | 248.35                  |
| <b>Total</b>                            | <b>485.54</b>           | <b>364.12</b>           | <b>248.35</b>           |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 17B. CURRENT

| Particulars                    | (₹ in Lacs)             |                         |                         |
|--------------------------------|-------------------------|-------------------------|-------------------------|
|                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Employee benefits</b>       |                         |                         |                         |
| Bonus & incentives payable     | 316.17                  | 214.86                  | 89.06                   |
| Gratuity payable               | 227.28                  | 171.76                  | 99.63                   |
| Salary & wages payable         | 356.05                  | 331.20                  | 297.22                  |
| Directors remuneration payable | 18.35                   | 21.12                   | 13.34                   |
| <b>Others</b>                  |                         |                         |                         |
| Provision for Excise Duty      | 30.98                   | 13.77                   | 10.31                   |
| <b>Total</b>                   | <b>948.83</b>           | <b>752.71</b>           | <b>509.56</b>           |

### 18. DEFERRED TAX LIABILITIES (NET)

| Particulars                                 | (₹ in Lacs)             |                         |                         |
|---------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Deferred Tax Liabilities</b>             |                         |                         |                         |
| Fixed Assets                                | 12,838.63               | 10,742.05               | 8,338.05                |
| Investments                                 | 6.56                    | 31.59                   | 54.55                   |
| Borrowings                                  | 18.60                   | -                       | -                       |
| <b>Total Deferred Tax Liabilities (A)</b>   | <b>12,863.79</b>        | <b>10,773.64</b>        | <b>8,392.60</b>         |
| <b>Deferred Tax Assets</b>                  |                         |                         |                         |
| Employee Benefits                           | (178.87)                | (40.69)                 | (30.49)                 |
| Borrowings                                  |                         | (116.03)                | (302.28)                |
| Others                                      | (1,307.11)              | (1,478.38)              | (59.30)                 |
| <b>Total Deferred Tax Assets (B)</b>        | <b>(1,485.98)</b>       | <b>(1,635.10)</b>       | <b>(392.07)</b>         |
| <b>Deferred Tax Liabilities (net) (A-B)</b> | <b>11,377.81</b>        | <b>9,138.54</b>         | <b>8,000.53</b>         |

Significant components of Net Deferred Tax Assets and Liabilities for the year ended March 31, 2017, are as follows:

| Particulars                                                                              | Opening<br>Balance | Recognised in<br>Profit and Loss | Closing<br>Balance |
|------------------------------------------------------------------------------------------|--------------------|----------------------------------|--------------------|
| <b>Deferred Tax (Assets) / Liabilities in relation to :</b>                              |                    |                                  |                    |
| Property, Plant and equipment and intangible assets                                      | 10,534.23          | 2,035.38                         | 12,569.61          |
| Leasehold land                                                                           | 207.82             | 61.19                            | 269.01             |
| Provision for employee benefits                                                          | (40.69)            | (138.18)                         | (178.87)           |
| Receivables and other financial assets                                                   | (1,539.40)         | 1,520.09                         | (19.31)            |
| MAT credit entitlement                                                                   | -                  | (1,284.81)                       | (1,284.81)         |
| Derivative instrument                                                                    | 208.60             | (211.59)                         | (2.99)             |
| Unrelaised gain on securities carried at fair value through statement of profit and loss | 31.59              | (25.02)                          | 6.57               |
| Borrowings                                                                               | (263.61)           | 282.21                           | 18.60              |
| <b>Net Deferred Tax (Assets) / Liabilities</b>                                           | <b>9,138.54</b>    | <b>2,239.27</b>                  | <b>11,377.81</b>   |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Significant components of Net Deferred Tax Assets and Liabilities for the year ended March 31, 2016, are as follows:

| Particulars                                                                              | Opening Balance | Recognised in Profit and Loss | Closing Balance |
|------------------------------------------------------------------------------------------|-----------------|-------------------------------|-----------------|
| <b>Deferred tax (Assets) / Liabilities in relation to :</b>                              |                 |                               |                 |
| Property, Plant and equipment and intangible assets                                      | 8,120.45        | 2,413.78                      | 10,534.23       |
| Leasehold land                                                                           | 217.60          | (9.78)                        | 207.82          |
| Provision for employee benefits                                                          | (30.49)         | (10.20)                       | (40.69)         |
| Receivables and other financial assets                                                   | (373.04)        | (1,313.94)                    | (1,686.98)      |
| Derivative instrument                                                                    | 477.25          | (268.65)                      | 208.60          |
| Unrelaised gain on securities carried at fair value through statement of profit and loss | 54.55           | (22.97)                       | 31.58           |
| Borrowings                                                                               | (465.79)        | 349.77                        | (116.02)        |
| <b>Net Deferred Tax (Assets) / Liabilities</b>                                           | <b>8,000.53</b> | <b>1,138.01</b>               | <b>9,138.54</b> |

### 19. TRADE PAYABLES

| Particulars    | As at<br>March 31, 2017 | As at<br>March 31, 2016 | (₹ in Lacs)<br>As at<br>April 01, 2015 |
|----------------|-------------------------|-------------------------|----------------------------------------|
|                |                         |                         |                                        |
| Trade payables | 25,361.54               | 14,198.98               | 15,505.71                              |
| Other payables | 55.57                   | 28.98                   | 43.09                                  |
| <b>Total</b>   | <b>25,417.11</b>        | <b>14,227.96</b>        | <b>15,548.80</b>                       |

- Based on information available with the company there are no overdue amount payable to Micro, Small and Medium Enterprises, as defined in The Micro, Small and Medium Enterprises Development Act, 2006. This has been determined to the extent such parties have been identified on the basis of information available with the Company which has been relied upon by the Auditors.

### 20. OTHER FINANCIAL LIABILITIES

| Particulars                                                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 | (₹ in Lacs)<br>As at<br>April 01, 2015 |
|---------------------------------------------------------------|-------------------------|-------------------------|----------------------------------------|
|                                                               |                         |                         |                                        |
| Current maturities of long-term debts (Refer to Note No. 16A) | 3,769.92                | 7,283.95                | 7,181.83                               |
| Interest accrued but not due on borrowings                    | 191.23                  | 134.04                  | 192.39                                 |
| Unpaid dividend#                                              | 40.76                   | 68.67                   | 37.60                                  |
| Security received                                             | 266.37                  | 284.47                  | 118.98                                 |
| Payable to employees                                          | 14.62                   | 31.41                   | 22.07                                  |
| Derivative instrument                                         | 8.64                    | -                       | -                                      |
| <b>Total</b>                                                  | <b>4,291.54</b>         | <b>7,802.54</b>         | <b>7,552.87</b>                        |

# There is no amount due & outstanding to be credited to the Investor Education & Protection Fund.

### 21. OTHER CURRENT LIABILITIES

| Particulars            | As at<br>March 31, 2017 | As at<br>March 31, 2016 | (₹ in Lacs)<br>As at<br>April 01, 2015 |
|------------------------|-------------------------|-------------------------|----------------------------------------|
|                        |                         |                         |                                        |
| Advance from customers | 1,255.94                | 4,795.38                | 14,498.04                              |
| Other payables         |                         |                         |                                        |
| Statutory dues payable | 301.05                  | 318.58                  | 420.73                                 |
| Expenses payable       | 1,342.49                | 793.08                  | 2,016.33                               |
| <b>Total</b>           | <b>2,899.48</b>         | <b>5,907.04</b>         | <b>16,935.10</b>                       |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 22. REVENUE FROM OPERATIONS

| Particulars                                            | (₹ in Lacs)                  |                              |
|--------------------------------------------------------|------------------------------|------------------------------|
|                                                        | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| <b>Sale of Products (including excise duty)</b>        |                              |                              |
| Rice- Export                                           | 108,435.16                   | 176,925.82                   |
| Rice- Domestic                                         | 182,185.73                   | 135,963.27                   |
| Electricity Generation (Including CERs Sale)- Domestic | 9,799.45                     | 8,321.12                     |
| Bran Oil- Domestic                                     | 3,841.60                     | 3,810.07                     |
| Furfural- Export                                       | 961.71                       | 1,255.08                     |
| Furfural- Domestic                                     | 600.79                       | 518.82                       |
| Furfuryl Alcohol- Domestic                             | 138.62                       | -                            |
| Rice Bran- Domestic                                    | 2,767.08                     | 2,117.07                     |
| Glucose- Domestic                                      | 346.90                       | 286.50                       |
| Quinoa- Export                                         | 60.50                        | -                            |
| Quinoa- Domestic                                       | 0.30                         | -                            |
| D Oil Cake- Domestic                                   | 3,401.73                     | 3,236.47                     |
| Sugar-Export                                           | -                            | 1,662.35                     |
| <b>Sale of Traded Products</b>                         |                              |                              |
| Seed- Domestic                                         | 1,826.95                     | 1,420.75                     |
| <b>By Products, Scrap &amp; Others</b>                 | 536.92                       | 764.16                       |
| <b>Total</b>                                           | <b>314,903.44</b>            | <b>336,281.48</b>            |

### 23. OTHER INCOME

| Particulars                                                       | (₹ in Lacs)                  |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                   | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Warehouse income                                                  | 37.04                        | 64.62                        |
| Net gain on fair valuation of investments through profit and loss | 227.42                       | 12.23                        |
| Interest income                                                   | 649.59                       | 471.66                       |
| Dividend income                                                   | 39.03                        | 38.26                        |
| Commission Income                                                 | -                            | 5,437.21                     |
| Foreign exchange gain                                             | 23.07                        | -                            |
| Other non operating income                                        | 51.89                        | 97.69                        |
| <b>Total</b>                                                      | <b>1,028.04</b>              | <b>6,121.67</b>              |

### 24. COST OF MATERIALS CONSUMED

| Particulars  | (₹ in Lacs)                  |                              |
|--------------|------------------------------|------------------------------|
|              | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Paddy        | 126,305.16                   | 153,756.91                   |
| Rice         | 105,210.03                   | 106,039.94                   |
| Others       | 15,431.23                    | 12,354.94                    |
| Excise Duty  | 144.89                       | 87.17                        |
| <b>Total</b> | <b>247,091.31</b>            | <b>272,238.96</b>            |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 25. PURCHASE OF TRADED GOODS

| Particulars  | (₹ in Lacs)                  |                              |
|--------------|------------------------------|------------------------------|
|              | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Seeds        | 1,797.10                     | 1,147.75                     |
| Sugar        | -                            | 1,408.86                     |
| <b>Total</b> | <b>1,797.10</b>              | <b>2,556.61</b>              |

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK-IN-TRADE

| Particulars                | (₹ in Lacs)                  |                              |
|----------------------------|------------------------------|------------------------------|
|                            | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| <b>Opening Inventories</b> |                              |                              |
| Rice                       | 104,836.65                   | 93,746.99                    |
| Seeds                      | 1,177.30                     | 1,239.00                     |
| Others                     | 420.84                       | 820.01                       |
| <b>Total (A)</b>           | <b>106,434.79</b>            | <b>95,806.00</b>             |
| <b>Closing Inventories</b> |                              |                              |
| Rice                       | 130,296.36                   | 104,836.65                   |
| Seeds                      | 1,578.98                     | 1,177.30                     |
| Others                     | 497.18                       | 420.84                       |
| <b>Total (B)</b>           | <b>132,372.52</b>            | <b>106,434.79</b>            |
| <b>Total (A-B)</b>         | <b>(25,937.73)</b>           | <b>(10,628.79)</b>           |

### 27. EMPLOYEE BENEFITS EXPENSE

| Particulars                               | (₹ in Lacs)                  |                              |
|-------------------------------------------|------------------------------|------------------------------|
|                                           | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Salaries and Wages, Bonus etc.            | 6,647.64                     | 5,824.05                     |
| Contribution to provident and other funds | 354.99                       | 306.15                       |
| Gratuity                                  | 96.41                        | 70.86                        |
| Staff Welfare expenses                    | 55.04                        | 101.02                       |
| <b>Total</b>                              | <b>7,154.08</b>              | <b>6,302.08</b>              |

### 28. FINANCE COSTS

| Particulars                                     | (₹ in Lacs)                  |                              |
|-------------------------------------------------|------------------------------|------------------------------|
|                                                 | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| <b>Interest Expense</b>                         |                              |                              |
| On term loans                                   | 2,225.40                     | 2,385.25                     |
| On others                                       | 4,013.47                     | 3,713.77                     |
| <b>Total (A)</b>                                | <b>6,238.87</b>              | <b>6,099.02</b>              |
| Bank charges                                    | 177.91                       | 246.24                       |
| Net (gain)loss on foreign currency transactions | (932.79)                     | 402.26                       |
| <b>Total (B)</b>                                | <b>(754.88)</b>              | <b>648.50</b>                |
| <b>Total (A+B)</b>                              | <b>5,483.99</b>              | <b>6,747.52</b>              |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 29. OTHER EXPENSES

| Particulars                                              | (₹ in Lacs)                  |                              |
|----------------------------------------------------------|------------------------------|------------------------------|
|                                                          | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Power & Fuel                                             | 1,020.21                     | 647.73                       |
| Consumption of Stores and Spares                         | 754.72                       | 848.70                       |
| Repairs & Maintenance                                    |                              |                              |
| Machinery                                                | 1,845.25                     | 1,639.54                     |
| Buildings                                                | 242.00                       | 246.05                       |
| Others                                                   | 117.76                       | 78.77                        |
| Land, Warehouse and Godown Rent                          | 940.98                       | 945.85                       |
| Fumigation                                               | 463.14                       | 426.24                       |
| Rice Sorting Charges-Job Work                            | 250.27                       | 60.55                        |
| Freight and Cartage                                      | 1,582.19                     | 1,306.09                     |
| Travelling and Conveyance                                | 443.48                       | 394.96                       |
| Postage, Telegram and Telephone                          | 104.88                       | 76.49                        |
| Rent Office and Others                                   | 198.98                       | 190.06                       |
| Legal and Professional [Refer note (a) below]            | 385.68                       | 561.07                       |
| Fees, Rates and Taxes                                    | 71.79                        | 107.58                       |
| Vehicle Running, Repairs & Maintenance                   | 233.83                       | 180.92                       |
| Insurance                                                | 212.20                       | 153.96                       |
| Printing and Stationery                                  | 73.66                        | 83.43                        |
| Testing and Inspection                                   | 101.33                       | 107.41                       |
| Charity and Donation                                     | 35.24                        | 5.66                         |
| Contribution to Political Parties (Refer Note No. 31.23) | 30.00                        | -                            |
| Freight on Sales                                         | 4,150.32                     | 5,321.07                     |
| Clearing and Forwarding                                  | 1,139.96                     | 1,568.79                     |
| Sales and Business Promotion                             | 386.17                       | 394.28                       |
| Advertisement                                            | 3,885.82                     | 4,105.24                     |
| Meeting and Seminar                                      | 262.00                       | 257.59                       |
| Commission and Brokerage                                 | 734.82                       | 541.08                       |
| Taxes on sales                                           | 256.42                       | 326.43                       |
| Corporate Social Responsibility                          | 208.31                       | 63.39                        |
| Lease rentals                                            | 73.69                        | 69.37                        |
| Foreign Exchange Loss                                    | -                            | 76.38                        |
| Other Miscellaneous Expenses                             | 239.84                       | 345.16                       |
| <b>Total</b>                                             | <b>20,444.94</b>             | <b>21,129.84</b>             |

#### (a) Legal and Professional Charges includes:

| Particulars                             | (₹ in Lacs)                  |                              |
|-----------------------------------------|------------------------------|------------------------------|
|                                         | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| <b>Payment to Auditors</b>              |                              |                              |
| For audit                               | 27.46                        | 19.22                        |
| For tax audit                           | 2.88                         | 2.86                         |
| For taxation and certification work     | 1.73                         | 1.72                         |
| <b>Payment to Cost Auditors</b>         |                              |                              |
| For audit                               | 0.58                         | 0.58                         |
| Reimbursement of out of pocket expenses | 0.06                         | 0.05                         |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 30. RECONCILIATION OF TAX EXPENSE TO BE MADE IN BOOKS:

#### Reconciliation of effective tax rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

| Particulars                                                                 | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Statutory income tax rate</b>                                            | <b>34.61%</b>                | <b>34.61%</b>                |
| <b>Differences due to</b>                                                   |                              |                              |
| Depreciation deductible for tax purposes                                    | (10.14%)                     | (8.53%)                      |
| Expenses deductible due to investment incentives                            | (3.56%)                      | (3.42%)                      |
| Expenses deductible for tax purpose for investment in New Plant & Machinery | (0.62%)                      | (1.58%)                      |
| Effect of Deferred Tax & MAT Credit entitlement                             | 3.18%                        | 4.16%                        |
| Others                                                                      | (0.51%)                      | 0.38%                        |
| <b>Effective Tax Rate</b>                                                   | <b>22.96%</b>                | <b>25.62%</b>                |

### 31. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 31.01. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind-AS) 19: EMPLOYEE BENEFITS

##### DEFINED BENEFIT PLANS:

##### (a) Following information are based on report of Actuary:

|       |                                                                   | (₹ in Lacs)    |                |                |
|-------|-------------------------------------------------------------------|----------------|----------------|----------------|
| S. No | Amount recognised as expense in respect of defined benefit plans: | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| 1     | Gratuity (Funded)                                                 | 224.73         | 171.76         | 99.64          |
| 2     | Leave Encashment (unfunded)                                       | 142.57         | 133.90         | 113.78         |

##### (b) The Company has classified the various benefits provided to employees as under:

**Gratuity:** The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

**Leave Encashment:** The Company provides for Leave Encashment for during the year on an arithmetical basis and the same is payable to the employees on separation from the Company due to death, retirement, superannuation or resignation. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date.

**Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. All the employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. Contributions are made to PF in India for employees at the rate of 12% of the basic salary as per the rules and regulations. The Company has no liability for future provident fund benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. The contributions are made to recognised provident fund administered by the government.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(c) The assumptions used for the actuarial valuation are as under:

| S. No                 | Defined benefit plans:                           | March 31, 2017                                      |                                                     | March 31, 2016                                      |                                                     | April 01, 2015                                      |                                                     |
|-----------------------|--------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
|                       |                                                  | Gratuity (Funded)                                   | Leave Encashment (Unfunded)                         | Gratuity (Funded)                                   | Leave Encashment (Unfunded)                         | Gratuity (Funded)                                   | Leave Encashment (Unfunded)                         |
| Actuarial Assumptions |                                                  |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| 1                     | Discount rate                                    | 7.71%                                               | 7.71%                                               | 7.95%                                               | 7.95%                                               | 8.09%                                               | 8.09%                                               |
| 2                     | Expected rate of return on plan assets           | 7.71%                                               | NA                                                  | 7.95%                                               | NA                                                  | 8.09%                                               | NA                                                  |
| 3                     | Mortality Rate during employment                 | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate |
| 4                     | Expected rate of increase in compensation levels | 6.00%                                               | 6.00%                                               | 5.50%                                               | 5.50%                                               | 5%                                                  | 5%                                                  |

### Significant estimates with respect to Defined benefit plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

(d) The following tables summarise the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

| (₹ in Lacs) |                                                                |                   |                             |                   |                             |                   |                             |
|-------------|----------------------------------------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
| S. No       | Defined benefit plans:                                         | March 31, 2017    |                             | March 31, 2016    |                             | April 01, 2015    |                             |
|             |                                                                | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) |
| 1           | <b>Change in Present Value of Projected benefit Obligation</b> |                   |                             |                   |                             |                   |                             |
|             | Defined Benefit at the beginning of the period                 | 621.34            | 364.12                      | 459.68            | 248.35                      | 317.95            | 148.65                      |
|             | Current Service Cost                                           | 82.55             | 38.95                       | 62.59             | 30.82                       | 45.70             | 20.54                       |
|             | Interest cost                                                  | 49.40             | 28.95                       | 37.19             | 20.09                       | 29.60             | 13.84                       |
|             | Benefits paid                                                  | (23.77)           | (21.15)                     | (34.99)           | (18.13)                     | (12.27)           | (14.08)                     |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

| S.<br>No | Defined benefit plans:                                                                            | March 31, 2017       |                                   | March 31, 2016       |                                   | April 01, 2015       |                                   |
|----------|---------------------------------------------------------------------------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|
|          |                                                                                                   | Gratuity<br>(Funded) | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded) | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded) | Leave<br>Encashment<br>(Unfunded) |
|          | Remeasurements-actuarial gain/loss -due to change in financial assumptions                        | 80.76                | 43.02                             | 51.89                | 28.11                             | 65.38                | 33.09                             |
|          | Remeasurements-actuarial gain/loss -due to experience                                             | 72.74                | 31.65                             | 44.98                | 54.88                             | 13.32                | 46.31                             |
|          | <b>Present Value of Benefit Obligation at the end of the period</b>                               | <b>883.02</b>        | <b>485.54</b>                     | <b>621.34</b>        | <b>364.12</b>                     | <b>459.68</b>        | <b>248.35</b>                     |
| <b>2</b> | <b>Change in fair Value of Plan assets</b>                                                        |                      |                                   |                      |                                   |                      |                                   |
|          | Fair value of plan assets at the beginning of the period                                          | 447.03               | -                                 | 357.49               | -                                 | 270.42               | -                                 |
|          | Expected return on plan assets                                                                    | 35.54                | -                                 | 28.92                | -                                 | 25.18                | -                                 |
|          | Employee Contribution made                                                                        | 171.76               | -                                 | 99.64                | -                                 | 44.96                | -                                 |
|          | Benefits paid                                                                                     | (23.77)              | -                                 | (34.99)              | -                                 | (12.27)              | -                                 |
|          | Return on plan assets, excluding interest income                                                  | 25.18                | -                                 | (4.03)               | -                                 | 29.20                | -                                 |
|          | <b>Fair value of plan assets at the end of the period</b>                                         | <b>655.74</b>        | <b>-</b>                          | <b>447.03</b>        | <b>-</b>                          | <b>357.49</b>        | <b>-</b>                          |
| <b>3</b> | <b>Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b> |                      |                                   |                      |                                   |                      |                                   |
|          | Present Value of funded/ (unfunded) obligation as at the end of the period                        | 883.02               | 485.54                            | 621.34               | 364.12                            | 459.68               | 248.35                            |
|          | Fair Value of Plan Assets as at the end of the period                                             | (655.74)             | -                                 | (447.03)             | -                                 | (357.49)             | -                                 |
|          | Funded Status                                                                                     | 227.28               | 485.54                            | 174.31               | 364.12                            | 102.19               | 248.35                            |
|          | <b>Net Liability/ Asset recognised in the Balance Sheet</b>                                       | <b>227.28</b>        | <b>485.54</b>                     | <b>174.31</b>        | <b>364.12</b>                     | <b>102.19</b>        | <b>248.35</b>                     |
| <b>4</b> | <b>Expenses Recognized in Statement of profit or loss</b>                                         |                      |                                   |                      |                                   |                      |                                   |
|          | Current Service Cost                                                                              | 82.55                | 38.95                             | 62.59                | 30.82                             | 45.70                | 20.54                             |
|          | Interest expense/ (income) (net)                                                                  | 13.86                | 28.95                             | 8.27                 | 20.09                             | 4.44                 | 13.84                             |
|          | Actuarial (Gains)/Losses                                                                          | -                    | -                                 | -                    | -                                 | -                    | -                                 |
|          | Expected return on plan assets                                                                    | -                    | -                                 | -                    | -                                 | -                    | -                                 |
|          | <b>Expense at the end of the period</b>                                                           | <b>96.41</b>         | <b>67.90</b>                      | <b>70.86</b>         | <b>50.91</b>                      | <b>50.14</b>         | <b>34.38</b>                      |
| <b>5</b> | <b>Recognized in other Comprehensive income</b>                                                   |                      |                                   |                      |                                   |                      |                                   |
|          | Remeasurements-actuarial gain/loss on obligation for the period                                   | 153.50               | 74.67                             | 96.87                | 82.99                             | 78.70                | 79.40                             |
|          | Return on plan assets, excluding interest income                                                  | (25.18)              | -                                 | 4.03                 | -                                 | (29.20)              | -                                 |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

| S. No | Defined benefit plans:                                          | March 31, 2017    |                             | March 31, 2016    |                             | April 01, 2015    |                             |
|-------|-----------------------------------------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
|       |                                                                 | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) |
|       | Expense at the end of the period                                | 128.32            | 74.67                       | 100.90            | 82.99                       | 49.50             | 79.40                       |
| 6     | The major category of plan assets as a percentage of total plan |                   |                             |                   |                             |                   |                             |
|       | Leave Encashment : Unfunded                                     | -                 | 485.54                      | -                 | 364.12                      | -                 | 248.35                      |
|       | Gratuity : Government of India                                  |                   |                             |                   |                             |                   |                             |
|       | Assets                                                          | -                 | -                           | -                 | -                           | -                 | -                           |
|       | Cash cash equivalents                                           | -                 | -                           | -                 | -                           | -                 | -                           |
|       | Corporate bonds                                                 | -                 | -                           | -                 | -                           | -                 | -                           |
|       | Insurance Fund                                                  | 655.74            | -                           | 447.03            | -                           | 357.49            | -                           |
|       | Other                                                           | -                 | -                           | -                 | -                           | -                 | -                           |
|       | Total                                                           | 655.74            | -                           | 447.03            | -                           | 357.49            | -                           |

(e) Maturity Analysis of projected benefit obligation from the fund:

(₹ in Lacs)

| Projected benefits payable in the future years from the date of reporting | Gratuity (Funded) | Gratuity (Funded) |
|---------------------------------------------------------------------------|-------------------|-------------------|
|                                                                           | March 31, 2017    | March 31, 2016    |
| 1 year                                                                    | 73.42             | 22.65             |
| 2 to 5 years                                                              | 101.92            | 115.05            |
| 6 to 10 years                                                             | 223.68            | 286.70            |

(f) Prescribed contribution for Next Year (12 Months): ₹ 294.68 Lacs

(g) Sensitivity analysis:

(₹ in Lacs)

| Particulars            | Gratuity (Funded)     |                               | Gratuity (Funded)     |                               |
|------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
|                        | March 31, 2017        |                               | March 31, 2016        |                               |
|                        | Change in assumptions | Effect on Gratuity obligation | Change in assumptions | Effect on Gratuity obligation |
| Discount rate          | 1% increase           | (105.02)                      | 1% increase           | (76.79)                       |
|                        | 1% decrease           | 127.44                        | 1% decrease           | 93.06                         |
| Future salary increase | 1% increase           | 128.38                        | 1% increase           | 94.46                         |
|                        | 1% decrease           | (107.48)                      | 1% decrease           | (79.08)                       |
| Employee turnover rate | 1% increase           | 20.02                         | 1% increase           | 22.68                         |
|                        | 1% decrease           | (23.40)                       | 1% decrease           | (26.39)                       |

### 31.02. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17: LEASES

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 OPERATING LEASE COMMITMENTS-COMPANY AS LESSEE:

Future minimum rentals payable under non-cancellable operating leases as at March 31st are, as follows:

| (₹ in Lacs)                                                                                             |                |                |                |
|---------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| Particulars                                                                                             | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| - Not later than one year                                                                               | 821.88         | 811.81         | 755.82         |
| - Later than one year but not later than five years                                                     | 2,680.31       | 2,788.40       | 2,627.91       |
| - Later than five years                                                                                 | 576.67         | 1,168.35       | 551.56         |
| <b>Lease payment recognised in the Statement of Profit and Loss for non-cancellable operating lease</b> | <b>824.66</b>  | <b>755.82</b>  | <b>717.08</b>  |

#### Significant Leasing arrangement:

The Company has entered into leasing arrangements in respect of godowns/premises. Further, some lands are also taken on lease for power generation projects at different locations which has been classified as operating lease.

- **Basis of determining contingent rent:**

- Contingent rents are payable for excessive, improper or unauthorized use of the assets, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump- sum amount, as agreed between the parties.

- **Renewal/purchase options & escalation clauses:**

-Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change in the basis of computation of lease rentals by the lessor.

- **There are no restrictions imposed by the lease arrangements, concerning dividend and additional debt.**

### 2 OPERATING LEASE COMMITMENTS-COMPANY AS LESSOR:

Future minimum rentals receivable under non-cancellable operating leases as at March 31st are, as follows:

| (₹ in Lacs)                                                                                              |                |                |                |
|----------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| Particulars                                                                                              | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| - Not later than one year                                                                                | 37.04          | 64.62          | 94.56          |
| - Later than one year but not later than five years                                                      | -              | 37.04          | 101.65         |
| - Later than five years                                                                                  | -              | -              | -              |
| <b>Lease receipts recognised in the statement of Profit and Loss for non-cancellable operating lease</b> | <b>37.04</b>   | <b>64.62</b>   | <b>94.56</b>   |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 31.03. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 37: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### CONTINGENCIES AND CAPITAL COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

##### 1 Contingencies:

| (₹ in Lacs)                                                                                                                                       |                 |                 |                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| Particulars                                                                                                                                       | March 31, 2017  | March 31, 2016  | April 01, 2015  |
| <b>Claims against the Company not acknowledged as debts</b>                                                                                       |                 |                 |                 |
| (a) Liability relating to Bank Guarantee                                                                                                          | 14.85           | 152.97          | 1,189.28        |
| (b) Disputed liability in respect of Income Tax Demand in appeal                                                                                  | -               | 12.67           | 5.86            |
| - Amount paid against disputed Income Tax appeal ₹ Nil (March 31, 2016 - ₹ Nil, April 01, 2015 - ₹ Nil)                                           |                 |                 |                 |
| (c) Disputed liability relating to Sales Tax/VAT                                                                                                  | 3.12            | 11.45           | 8.63            |
| - Amount paid against disputed Sales Tax/VAT appeal ₹ 2.20 Lacs (March 31, 2016 - ₹ 11.45 Lacs, April 01, 2015 - ₹ 8.63 Lacs)                     |                 |                 |                 |
| (d) Disputed purchase tax liability on paddy purchased in the course of exports*                                                                  | 905.49          | 905.49          | 905.49          |
| - Amount paid against disputed purchase tax liability under appeal ₹ 226.37 Lacs (March 31, 2016 - ₹ 226.37 Lacs, April 01, 2015 - ₹ 226.37 Lacs) |                 |                 |                 |
| (e) Disputed Liability in respect of additional demand of purchase tax on paddy**                                                                 | 1,952.90        | 1,417.40        | -               |
| - Amount paid against disputed purchase tax liability under appeal ₹ 641.43 Lacs, (March 31, 2016 - ₹ 492.55 Lacs, April 01, 2015 - ₹ Nil)        |                 |                 |                 |
| (f) Others                                                                                                                                        | 29.29           | 28.24           | 28.24           |
| - Amount paid against other disputed liabilities is ₹ 5.30 Lacs (March 31, 2016 - ₹ Nil, April 01, 2015 - ₹ Nil)                                  |                 |                 |                 |
| <b>Total</b>                                                                                                                                      | <b>2,905.65</b> | <b>2,528.22</b> | <b>2,137.50</b> |

#### Note:

\* The matter was decided in favour of company by the Hon'ble VAT Tribunal, Punjab and the amount paid against this liability (₹ 226.37 Lacs) was refunded to the company on May 15, 2017. However, Punjab VAT Department has gone into appeal with Hon'ble High Court of Punjab and Haryana against the said order of VAT Tribunal.

\*\* The appeal is pending before Hon'ble Deputy Excise and Taxation Commissioner (DETC), Punjab. As per the legal opinion the demand created by VAT department is arbitrary and the matter will be decided in favour of company.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 Capital Commitments:

|                                                                                                                  | (₹ in Lacs)    |                |
|------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Particulars                                                                                                      | March 31, 2017 | March 31, 2016 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 145.01         | 14,083.03      |

### 31.04. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24: RELATED PARTY DISCLOSURES NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES:

#### 1 Related Parties and their Relationship:

- a) **Subsidiary Company**
- : KRBL DMCC
  - : K B Exports Private Limited
- b) **Key Management Personnel:**
- Mr. Anil Kumar Mittal : Chairman & Managing Director
  - Mr. Arun Kumar Gupta : Joint Managing Director
  - Mr. Anoop Kumar Gupta : Joint Managing Director
  - Ms. Priyanka Mittal : Whole Time Director
  - Mr. Ashok Chand : Whole Time Director
  - Mr. Rakesh Mehrotra : Chief Financial Officer
  - Mr. Raman Sapra : Company Secretary
- c) **Independent Non-Executive Directors:**
- Mr. Vinod Ahuja : Independent Non Executive Director
  - Mr. Ashwani Dua : Independent Non Executive Director
  - Mr. Shyam Arora : Independent Non Executive Director
  - Mr. Devendra Kumar Aggawal : Independent Non Executive Director
  - Mr. Alok Sabharwal : Additional Director, Independent Non Executive
- d) **Employee benefit plans where there is significant influence:**
- KRBL Limited Employees Group Gratuity Trust
- e) **Relatives of Key Management Personnel:**
- Mrs. Preeti Mittal : Wife of Mr. Anil Kumar Mittal
  - Mrs. Anulika Gupta : Wife of Mr. Arun Kumar Gupta
  - Mrs. Binita Gupta : Wife of Mr. Anoop Kumar Gupta
  - Mr. Ashish Mittal : Son of Mr. Anil Kumar Mittal
  - Mrs. Sonali Gupta : Wife of Mr. Ashish Mittal
  - Mrs. Neha Gupta : Daughter of Mr. Arun Kumar Gupta
  - Mr. Kunal Gupta : Son of Mr. Arun Kumar Gupta
  - Mrs. Avantika Gupta : Wife of Mr. Kunal Gupta
  - Mrs. Rashmi Gupta : Daughter of Mr. Anoop Kumar Gupta
  - Mr. Akshay Gupta : Son of Mr. Anoop Kumar Gupta
  - Mrs. Anushree Gupta : Wife of Mr. Akshay Gupta

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                               |                                         |
|-------------------------------|-----------------------------------------|
| Mr. Ayush Gupta               | : Son of Mr. Anoop Kumar Gupta          |
| Mrs. Sanchi Jain              | : Wife of Mr. Ayush Gupta               |
| Anil Kumar Mittal HUF         | : Mr. Anil Kumar Mittal is Karta of HUF |
| Arun Kumar Gupta HUF          | : Mr. Arun Kumar Gupta is Karta of HUF  |
| Anoop Kumar Gupta HUF         | : Mr. Anoop Kumar Gupta is Karta of HUF |
| Bhagirath Lal Gupta HUF       | : Mr. Anil Kumar Mittal is Karta of HUF |
| Banwari Lal Bhagirath Lal HUF | : Mr. Anil Kumar Mittal is Karta of HUF |

**f) Enterprises over which key management personnel are able to exercise significant influence:**

|                                     |                                                                                                                                                                             |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Khushi Ram Behari Lal               | : Partnership Firm in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Partners.                                                                        |
| Aakash Hospitality Pvt. Ltd.        | : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| Anurup Exports Pvt. Ltd.            | : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| Adwet Warehousing Pvt. Ltd.         | : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| Holistic Farms Pvt. Ltd.            | : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| India Gate Foods Pvt. Ltd.          | : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Ms. Priyanka Mittal and Mr. Kunal Gupta and Mr. Ashish Mittal are Directors. |
| KRBL Foods Ltd.                     | : Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.     |
| Radha Raj Logistics Pvt. Ltd.       | : Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                    |
| Radha Raj Infrastructure Pvt. Ltd.  | : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta, Mr. Anoop K. Gupta, Mr. Ashwani Dua, Mr. Manav Dua and Mr. Balbir Kapoor are Directors.           |
| Padmahasta Warehousing Pvt. Ltd.    | : Private Limited Company in Which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| KRBL Infrastructure Ltd.            | : Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Mrs. Preeti Mittal, Ms. Anulika Gupta & Mrs. Binita Gupta are Directors.      |
| Radha Raj IT City & Parks Pvt. Ltd. | : Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                    |
| Solid Infradevelopers Pvt. Ltd.     | : Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta and Mr. Sanjeev Gupta are Directors.                                              |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### g) Trust/Society over which key management personnel are able to exercise significant influence:

|                                          |   |                                                                                           |
|------------------------------------------|---|-------------------------------------------------------------------------------------------|
| Seth Banwari Lal Charitable Trust        | : | Trust in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Trustees.   |
| Seth Khushi Ram Charitable Trust         | : | Trust in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Trustees.   |
| Seth Banwari Lal Education Society       | : | Society in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Trustees. |
| Anil Kumar Mittal Children Welfare Trust | : | Trust in which Mr. Arun K. Gupta & Mr. Anoop K. Gupta are trustees.                       |
| Arun Kumar Gupta Children Welfare Trust  | : | Trust in which Mr. Anil K. Mittal & Mr. Anoop K. Gupta are trustees.                      |
| Anoop Kumar Gupta Children Welfare Trust | : | Trust in which Mr. Anil K. Mittal & Mr. Arun K. Gupta are trustees.                       |
| Anil Mittal Family Trust                 | : | Trust in which Mr. Anil K. Mittal & Mrs. Preeti Mittal are trustees.                      |
| Anoop Kumar Gupta Family Trust           | : | Trust in which Mr. Anoop Kumar Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are trustees.  |
| Arun Kumar Gupta Family Trust            | : | Trust in which Mr. Arun Kumar Gupta and Mr. Kunal Gupta are trustees.                     |
| Anulika Gupta Family Trust               | : | Trust in which Mr. Arun Kumar Gupta and Mrs. Anulika Gupta are trustees.                  |
| Binita Gupta Family Trust                | : | Trust in which Mr. Anoop Kumar Gupta and Mrs. Binita Gupta are trustees.                  |

### 2 Transactions with Related Parties:

#### a) Related Party Transactions entered during the year:

| Particulars                                 | Enterprises over which significant influence exercised by key management personnel |                | Key Managerial Personnel (Including Relatives) |                | Subsidiary Company |                | Total          |                |
|---------------------------------------------|------------------------------------------------------------------------------------|----------------|------------------------------------------------|----------------|--------------------|----------------|----------------|----------------|
|                                             |                                                                                    |                |                                                |                |                    |                |                |                |
|                                             | March 31, 2017                                                                     | March 31, 2016 | March 31, 2017                                 | March 31, 2016 | March 31, 2017     | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Purchase of goods/fixed assets              | 2.90                                                                               | -              | -                                              | -              | -                  | -              | 2.90           | -              |
| Sale of goods/ fixed assets                 | 731.68                                                                             | 717.74         | -                                              | -              | 88.19              | 155.71         | 819.87         | 873.45         |
| Arrangement Fees Paid                       | -                                                                                  | -              | -                                              | -              | 5.25               | 2.51           | 5.25           | 2.51           |
| Rent/Vehicle Hire Charges paid              | 742.63                                                                             | 678.08         | 41.88                                          | 41.88          | -                  | -              | 784.51         | 719.96         |
| Dividend paid                               | -                                                                                  | 1,004.90       | -                                              | 3,978.94       | -                  | -              | -              | 4,983.84       |
| Dividend received                           | -                                                                                  | -              | -                                              | -              | -                  | 8,840.00       | -              | 8,840.00       |
| Interest Paid                               | 98.54                                                                              | 131.19         | -                                              | -              | -                  | -              | 98.54          | 131.19         |
| Loans Taken                                 | -                                                                                  | -              | 4,255.00                                       | 1,425.00       | -                  | -              | 4,255.00       | 1,425.00       |
| Remuneration on A/c of Salary & Perquisites | -                                                                                  | -              | 559.41                                         | 362.82         | -                  | -              | 559.41         | 362.82         |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### b) Balance Outstanding at the end of the Financial Year:

(₹ in Lacs)

| Particulars                                                              | Enterprises over which significant influence exercised by key management personnel |                |                | Key Managerial Personnel (Including Relatives) |                |                | Subsidiary Company |                |                | Total          |                |                |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------|----------------|------------------------------------------------|----------------|----------------|--------------------|----------------|----------------|----------------|----------------|----------------|
|                                                                          | March 31, 2017                                                                     | March 31, 2016 | April 01, 2015 | March 31, 2017                                 | March 31, 2016 | April 01, 2015 | March 31, 2017     | March 31, 2016 | April 01, 2015 | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| Receivable (Payable) on account of goods sale/services rendered/received | (859.50)                                                                           | (1,932.00)     | (2,903.66)     | -                                              | -              | -              | 102.23             | 288.87         | 126.29         | (757.27)       | (1,643.13)     | (2,777.37)     |
| Receivable on account of Security deposit/Prepaid Lease                  | 971.00                                                                             | 971.00         | 971.00         | -                                              | -              | -              | -                  | -              | -              | 971.00         | 971.00         | 971.00         |
| Payable on account of Loans Taken                                        | -                                                                                  | -              | -              | 5,531.26                                       | 4,925.00       | 3,500.00       | -                  | -              | -              | 5,531.26       | 4,925.00       | 3,500.00       |

### c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those prevailing in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

### d) Transactions with key management personnel

The Company has taken an interest free loan from directors of the company and is repayable on demand (Refer Note no. 16.B)

## 31.05. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 108: OPERATING SEGMENTS

### Segmental Reporting:

For management purposes, the Company is organized into business units based on its products and services and has two reportable segments, as follows:

- Agri - Comprises of agricultural commodities such as rice, Furfural, seed, bran, bran oil, etc.
- Energy - Comprises of power generation from wind turbine, husk based power plant & solar power plant.

No operating segment have been aggregated to form the above reportable operating segments.

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

### a) Summary of Segmental Information for the year ended March 31, 2017:

(₹ in Lacs)

| Particulars                        | Agri               | Energy          | Unallocable | Total              |
|------------------------------------|--------------------|-----------------|-------------|--------------------|
| <b>Segment operating Revenue</b>   |                    |                 |             |                    |
| External                           | 3,05,103.98        | 15,196.32       | -           | 3,20,300.30        |
| Less: Inter-Segment                | -                  | 5,396.86        | -           | 5,396.86           |
| <b>Net revenue from operations</b> | <b>3,05,103.98</b> | <b>9,799.46</b> | <b>-</b>    | <b>3,14,903.44</b> |
| <b>Segment Result</b>              | 52,264.11          | 5,518.37        | -           | 57,782.48          |
| Less: Finance Cost                 | -                  | -               | 3,692.68    | 3,692.68           |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| (₹ in Lacs)                                                    |                  |                 |                 |                  |
|----------------------------------------------------------------|------------------|-----------------|-----------------|------------------|
| Particulars                                                    | Agri             | Energy          | Unallocable     | Total            |
| Less: Other Unallocable expenditure net of unallocable income  | -                | -               | 334.00          | 334.00           |
| <b>Segment Profit before Taxation</b>                          | <b>52,264.11</b> | <b>5,518.37</b> | <b>4,026.68</b> | <b>53,755.80</b> |
| <b>Other Disclosures</b>                                       |                  |                 |                 |                  |
| Segment Assets                                                 | 2,68,557.27      | 73,666.70       | -               | 3,42,223.97      |
| Segment Liabilities                                            | 1,20,576.42      | 22,094.58       | -               | 1,42,671.00      |
| <b>Segment Revenue based on the locations of the customers</b> |                  |                 |                 |                  |
| Middle East                                                    | 81,100.35        | -               | -               | 81,100.35        |
| Other than Middle East & India                                 | 28,399.55        | -               | -               | 28,399.55        |
| India                                                          | 1,95,604.09      | 9,799.45        | -               | 2,05,403.54      |
| <b>Segment Assets</b>                                          |                  |                 |                 |                  |
| Middle East                                                    | 3,429.67         | -               | -               | 3,429.67         |
| Other than Middle East & India                                 | 4,580.87         | -               | -               | 4,580.87         |
| India                                                          | 2,60,546.73      | 73,666.70       | -               | 3,34,213.43      |

**b) Summary of Segmental Information for the year ended March 31, 2016:**

| (₹ in Lacs)                                                    |                    |                 |                 |                    |
|----------------------------------------------------------------|--------------------|-----------------|-----------------|--------------------|
| Particulars                                                    | Agri               | Energy          | Unallocable     | Total              |
| <b>Segment operating Revenue</b>                               |                    |                 |                 |                    |
| External                                                       | 3,27,958.64        | 14,738.16       | -               | 3,42,696.80        |
| Less: Inter-Segment                                            | -                  | 6,415.32        | -               | 6,415.32           |
| <b>Net revenue from operations</b>                             | <b>3,27,958.64</b> | <b>8,322.84</b> | <b>-</b>        | <b>3,36,281.48</b> |
| <b>Segment Result</b>                                          | <b>39,964.54</b>   | <b>4,612.00</b> | <b>-</b>        | <b>44,576.54</b>   |
| Less: Finance Cost                                             | -                  | -               | 5,215.25        | 5,215.25           |
| Less: Other Unallocable expenditure net of unallocable income  | -                  | -               | 282.00          | 282.00             |
| <b>Segment Profit before Taxation</b>                          | <b>39,964.54</b>   | <b>4612.00</b>  | <b>5,497.25</b> | <b>39,079.29</b>   |
| <b>Other Disclosures</b>                                       |                    |                 |                 |                    |
| Segment Assets                                                 | 2,36,585.04        | 61,492.00       | -               | 2,98,077.04        |
| Segment Liabilities                                            | 1,29,654.00        | 15,377.00       | -               | 1,45,031.00        |
| <b>Segment Revenue based on the locations of the customers</b> |                    |                 |                 |                    |
| Middle East                                                    | 1,49,090.91        | -               | -               | 1,49,090.91        |
| Other than Middle East & India                                 | 30,752.34          | -               | -               | 30,752.34          |
| India                                                          | 1,48,115.22        | 8,323.00        | -               | 156,438.22         |
| <b>Segment Assets</b>                                          |                    |                 |                 |                    |
| Middle East                                                    | 5,767.65           | -               | -               | 5,767.65           |
| Other than Middle East & India                                 | 4,477.06           | -               | -               | 4,477.06           |
| India                                                          | 2,26,340.33        | 61,492.00       | -               | 2,87,832.33        |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 31.06. DISCLOSURE IN RESPECT OF FINANCIAL RISK MANAGEMENT:

#### 1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including cash and cash equivalents and deposits with banks and financial institutions.

#### Credit risk management:

##### i) Trade receivable related credit risk

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. All trade receivables are reviewed and assessed for default on routine basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

##### ii) Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, money market liquid mutual funds with financial institutions and derivative financial instruments. The Company's maximum exposure to credit risk as at March 31, 2017, March 31, 2016 and April 01, 2015 is the carrying value of each class of financial assets.

##### iii) Treasury related credit risk

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company actively manages its exposure to credit risk, reducing surplus cash balances wherever possible through investment in bank deposits. Further, the company ensures it diversifies its treasury related credit risk by investing in bank deposits in different banks. Limits are set for maximum investment in deposits in each bank.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| Particulars                         | As at            | As at            | As at            |
|-------------------------------------|------------------|------------------|------------------|
|                                     | March 31, 2017   | March 31, 2016   | April 01, 2015   |
| Security Deposits                   | 331.45           | 255.23           | 239.93           |
| Investments in Mutual Funds         | 45.64            | 37.94            | 43.46            |
| Investments in quoted equity shares | 965.42           | 784.64           | 773.43           |
| Trade Receivables                   | 23,002.17        | 15,446.30        | 22,415.68        |
| Derivative instrument               | -                | 602.71           | 1,379.02         |
| <b>Total</b>                        | <b>24,344.68</b> | <b>17,126.82</b> | <b>24,851.52</b> |

The ageing of trade receivables at the reporting date was:

| Particulars                | As at            | As at            | As at            |
|----------------------------|------------------|------------------|------------------|
|                            | March 31, 2017   | March 31, 2016   | April 01, 2015   |
| Not past due               | 13,087.37        | 3,518.13         | 11,351.34        |
| Past due 0-30 days         | 7,570.68         | 4,113.48         | 6,869.51         |
| Past due 31-120 days       | 758.88           | 6,783.42         | 3,217.21         |
| Past due 120 days-one year | 1,320.43         | 745.14           | 968.76           |
| More than one year         | 264.80           | 286.13           | 8.87             |
| <b>Total</b>               | <b>23,002.16</b> | <b>15,446.30</b> | <b>22,415.69</b> |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 Liquidity Risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

#### A Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lacs)

| Particulars                                | March 31, 2017  |           |                  |             |           |           |                   |
|--------------------------------------------|-----------------|-----------|------------------|-------------|-----------|-----------|-------------------|
|                                            | Carrying amount | On demand | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Long term Borrowings                       | 12,501.99       | -         | 3,014.87         | 1,591.80    | 3,176.59  | 4,054.73  | 664.00            |
| Working Capital Borrowings                 | 90,973.91       | 40,973.91 | 50,000.00        | -           | -         | -         | -                 |
| Loan from related party                    | 5,531.26        | 5,531.26  | -                | -           | -         | -         | -                 |
| Trade Payables                             | 25,417.11       | -         | 25,417.11        | -           | -         | -         | -                 |
| Interest accrued but not due on borrowings | 191.23          | 191.23    | -                | -           | -         | -         | -                 |
| Unpaid dividend                            | 40.76           | 40.76     | 0.00             | -           | -         | -         | -                 |
| Security received                          | 266.37          | 266.37    | -                | -           | -         | -         | -                 |
| Payable to employees                       | 14.62           | -         | 9.18             | 1.00        | 4.44      | -         | -                 |

(₹ in Lacs)

| Particulars                                | March 31, 2016  |           |                  |             |           |           |                   |
|--------------------------------------------|-----------------|-----------|------------------|-------------|-----------|-----------|-------------------|
|                                            | Carrying amount | On demand | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Long term Borrowings                       | 27,606.06       | -         | 3,814.92         | 12,051.36   | 4,225.56  | 5,506.22  | 2,008.00          |
| Working Capital Borrowings                 | 84,213.81       | 84,213.81 | -                | -           | -         | -         | -                 |
| Loan from related party                    | 4,925.15        | 4,925.15  | -                | -           | -         | -         | -                 |
| Trade Payables                             | 14,227.96       | -         | 14,227.96        | -           | -         | -         | -                 |
| Interest accrued but not due on borrowings | 134.04          | 134.04    | -                | -           | -         | -         | -                 |
| Unpaid dividend                            | 68.67           | 68.67     | -                | -           | -         | -         | -                 |
| Security received                          | 284.47          | 284.47    | -                | -           | -         | -         | -                 |
| Payable to employees                       | 31.41           | -         | 26.25            | 0.41        | 4.64      | 0.11      | -                 |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

| Particulars                                | April 01, 2015  |            |                  |             |           |           |                   |
|--------------------------------------------|-----------------|------------|------------------|-------------|-----------|-----------|-------------------|
|                                            | Carrying amount | On demand  | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Long term Borrowings                       | 31,430.26       | -          | 4,511.91         | 2,957.29    | 7,389.01  | 12,100.58 | 4,471.47          |
| Working Capital Borrowings                 | 101,016.87      | 101,016.87 | -                | -           | -         | -         | -                 |
| Loan from related party                    | 3,500.00        | 3,500.00   | -                | -           | -         | -         | -                 |
| Trade Payables                             | 15,548.80       | -          | 15,548.80        | -           | -         | -         | -                 |
| Interest accrued but not due on borrowings | 192.39          | 192.39     | -                | -           | -         | -         | -                 |
| Unpaid dividend                            | 37.60           | 37.60      | -                | -           | -         | -         | -                 |
| Security received                          | 118.98          | 118.98     | -                | -           | -         | -         | -                 |
| Payable to employees                       | 22.07           | -          | 16.74            | 0.50        | 3.70      | 1.13      | -                 |

### 3 Market risk - foreign exchange risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- price risk; and
- interest rate risk.

### 4 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 21: THE EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES:

#### Potential Impact of Risk:

#### A Currency Risk

The Company operates internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas market. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows policies which includes the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Company has Outstanding Forward contracts as on March 31, 2017 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts of ₹ Nil as at March 31, 2017, (March 31, 2016- ₹ 1.22 Lacs, April 01, 2015- ₹ 80.86 Lacs) , which has been accounted for accordingly in the books of accounts.

#### Derivative Instruments

- i) Outstanding forward exchange contracts as entered into by the Company for the purpose of hedging its foreign currency exposures are as under:

(₹ in Lacs)

| Foreign currency | Cross Currency | Sell contract  |                |               | Buy contract   |                |               |
|------------------|----------------|----------------|----------------|---------------|----------------|----------------|---------------|
|                  |                | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| USD              | Indian Rupee   | Nil            | 815.19         | 3,325.88      | Nil            | Nil            | Nil           |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- ii) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise are as under:

| S. No | Particulars                                | ₹ in Lacs      |                |               | USD in Lacs    |                |               |
|-------|--------------------------------------------|----------------|----------------|---------------|----------------|----------------|---------------|
|       |                                            | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| a)    | Receivables in Foreign Currency            |                |                |               |                |                |               |
|       | - Sundry Debtors(including Orders in Hand) | 22,411.42      | 18,055.04      | 5,106.24      | 345.82         | 272.53         | 94.73         |
| b)    | Payables in Foreign Currency               |                |                |               |                |                |               |
|       | - Sundry Creditors                         | -              | -              | -             | -              | -              | -             |

Apart from above Company has foreign currency Liability (PCFC/Advances received from customers/ECB) of ₹ 30,380.79 Lacs as at March 31, 2017, (March 31, 2016- ₹ 35,704.45 Lacs, April 01, 2015- ₹ 74,105.46 Lacs) at the year end, further as per the IND AS the effect of change in foreign exchange gain/(loss) as on March 31, 2017, is amounting to ₹ (109.56 Lacs) {(March 31, 2016- ₹ (305.19) April 01, 2015- ₹ (32.46 Lacs)} has been taken to statement of profit and loss.

- iii) Foreign currency risk sensitivity:

A change of 5% in Foreign currency would have following Impact on profit before tax

| Currency | March 31, 2017 |             | March 31, 2016 |             | April 01, 2015 |             |
|----------|----------------|-------------|----------------|-------------|----------------|-------------|
|          | 5% increase    | 5% decrease | 5% increase    | 5% decrease | 5% increase    | 5% decrease |
| USD      | (1120.57)      | 1120.57     | (902.75)       | 902.75      | (296.05)       | 296.05      |

### B Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2017, the Company had long term borrowings amounting to ₹ 12,502.00 Lacs (March 31, 2016: ₹ 27,606.06 Lacs, April 01, 2015: ₹ 31,430.25 Lacs)

#### Interest rate sensitivity

| A change of 100 bps in interest rates would have following Impact on profit before tax: |  |  | ₹ in Lacs      |                |
|-----------------------------------------------------------------------------------------|--|--|----------------|----------------|
|                                                                                         |  |  | March 31, 2017 | March 31, 2016 |
| 100 bps increase- decrease in profits                                                   |  |  | 113.01         | 115.30         |
| 100 bps decrease- increase in profits                                                   |  |  | (113.01)       | (115.30)       |

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments) were utilised for the whole financial year.

### C Price Risk

The Company is mainly exposed to the price risk due to its investment in equity shares and mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the year. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                             | (₹ in Lacs)    |                |                |
|-----------------------------|----------------|----------------|----------------|
| Impact on profit before tax | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| Sensex increase by 5%       | 50.55          | 41.13          | 40.84          |
| Sensex decrease by 5%       | (50.55)        | (41.13)        | (40.84)        |

### 31.07. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 113: FAIR VALUE MEASUREMENT

#### Significant estimates with respect to fair value of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the present valuation technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### A Fair value measurement of Financial Instruments

| (₹ in Lacs)                        |                |              |          |          |          |          |                |               |                   |
|------------------------------------|----------------|--------------|----------|----------|----------|----------|----------------|---------------|-------------------|
| Financial instruments by category  | March 31, 2017 |              |          |          |          |          |                |               |                   |
|                                    | FVTPL          |              |          | FVOCI    |          |          | Amortised cost |               |                   |
|                                    | Level 1        | Level 2      | Level 3  | Level 1  | Level 2  | Level 3  | Level 1        | Level 2       | Level 3           |
| <b>Financial Assets</b>            |                |              |          |          |          |          |                |               |                   |
| <b>Investment</b>                  |                |              |          |          |          |          |                |               |                   |
| Equity instruments (Quoted)        | 965.42         | -            | -        | -        | -        | -        | -              | -             | -                 |
| Mutual fund instruments (Unquoted) | -              | 45.64        | -        | -        | -        | -        | -              | -             | -                 |
| <b>Loans</b>                       |                |              |          |          |          |          |                |               |                   |
| Security deposit                   | -              | -            | -        | -        | -        | -        | -              | -             | 331.45            |
| Loans to employees                 | -              | -            | -        | -        | -        | -        | -              | -             | 10.83             |
| <b>Other Financial Assets</b>      |                |              |          |          |          |          |                |               |                   |
| Investment in term deposits        | -              | -            | -        | -        | -        | -        | -              | 583.26        | -                 |
| Income receivable                  | -              | -            | -        | -        | -        | -        | -              | -             | 2,640.69          |
| <b>Trade receivables</b>           | -              | -            | -        | -        | -        | -        | -              | -             | 23,002.17         |
| <b>Derivative instrument</b>       | -              | -            | -        | -        | -        | -        | -              | -             | -                 |
| <b>Cash &amp; cash equivalents</b> | -              | -            | -        | -        | -        | -        | -              | -             | 435.46            |
| <b>Other bank balances</b>         | -              | -            | -        | -        | -        | -        | -              | -             | 40.76             |
| <b>Total Financial Assets</b>      | <b>965.42</b>  | <b>45.64</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>583.26</b> | <b>26,461.36</b>  |
| <b>Financial liabilities</b>       |                |              |          |          |          |          |                |               |                   |
| Borrowings                         | -              | -            | -        | -        | -        | -        | -              | -             | 105,237.26        |
| Trade payables                     | -              | -            | -        | -        | -        | -        | -              | -             | 25,417.11         |
| Other financial liabilities        | -              | -            | -        | -        | -        | -        | -              | -             | 4,291.54          |
| <b>Total Financial Liabilities</b> | <b>-</b>       | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b>      | <b>134,945.91</b> |

| (₹ in Lacs)                        |                |         |         |         |         |         |                |         |         |
|------------------------------------|----------------|---------|---------|---------|---------|---------|----------------|---------|---------|
| Financial instruments by category  | March 31, 2016 |         |         |         |         |         |                |         |         |
|                                    | FVTPL          |         |         | FVOCI   |         |         | Amortised cost |         |         |
|                                    | Level 1        | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | Level 1        | Level 2 | Level 3 |
| <b>Financial Assets</b>            |                |         |         |         |         |         |                |         |         |
| <b>Investment</b>                  |                |         |         |         |         |         |                |         |         |
| Equity instruments (Quoted)        | 784.64         | -       | -       | -       | -       | -       | -              | -       | -       |
| Mutual fund instruments (Unquoted) | -              | 37.94   | -       | -       | -       | -       | -              | -       | -       |
| <b>Loans</b>                       |                |         |         |         |         |         |                |         |         |
| Security deposit                   | -              | -       | -       | -       | -       | -       | -              | -       | 255.23  |
| Loans to employees                 | -              | -       | -       | -       | -       | -       | -              | -       | 15.73   |

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(₹ in Lacs)

| Financial instruments by category  | March 31, 2016 |              |          |          |          |          |                |               |                    |
|------------------------------------|----------------|--------------|----------|----------|----------|----------|----------------|---------------|--------------------|
|                                    | FVTPL          |              |          | FVOCI    |          |          | Amortised cost |               |                    |
|                                    | Level 1        | Level 2      | Level 3  | Level 1  | Level 2  | Level 3  | Level 1        | Level 2       | Level 3            |
| <b>Other Financial Assets</b>      |                |              |          |          |          |          |                |               |                    |
| Investment in term deposits        | -              | -            | -        | -        | -        | -        | -              | 373.22        | -                  |
| Income receivable                  | -              | -            | -        | -        | -        | -        | -              | -             | 1,216.16           |
| <b>Trade receivables</b>           | -              | -            | -        | -        | -        | -        | -              | -             | 15,446.30          |
| <b>Derivative instrument</b>       | -              | -            | -        | -        | -        | -        | -              | -             | 602.71             |
| <b>Cash &amp; cash equivalents</b> | -              | -            | -        | -        | -        | -        | -              | -             | 2,761.50           |
| <b>Other bank balances</b>         | -              | -            | -        | -        | -        | -        | -              | -             | 68.67              |
| <b>Total Financial Assets</b>      | <b>784.64</b>  | <b>37.94</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>373.22</b> | <b>20,366.30</b>   |
| <b>Financial liabilities</b>       |                |              |          |          |          |          |                |               |                    |
| Borrowings                         | -              | -            | -        | -        | -        | -        | -              | -             | 1,09,461.05        |
| Trade payables                     | -              | -            | -        | -        | -        | -        | -              | -             | 14,227.96          |
| Other financial liabilities        | -              | -            | -        | -        | -        | -        | -              | -             | 7,802.56           |
| <b>Total Financial Liabilities</b> | <b>-</b>       | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b>      | <b>1,31,491.57</b> |

(₹ in Lacs)

| Financial instruments by category  | April 01, 2015 |              |          |          |          |          |                |               |                    |
|------------------------------------|----------------|--------------|----------|----------|----------|----------|----------------|---------------|--------------------|
|                                    | FVTPL          |              |          | FVOCI    |          |          | Amortised cost |               |                    |
|                                    | Level 1        | Level 2      | Level 3  | Level 1  | Level 2  | Level 3  | Level 1        | Level 2       | Level 3            |
| <b>Financial Assets</b>            |                |              |          |          |          |          |                |               |                    |
| <b>Investment</b>                  |                |              |          |          |          |          |                |               |                    |
| Equity instruments (Quoted)        | 773.43         | -            | -        | -        | -        | -        | -              | -             | -                  |
| Mutual fund instruments (Unquoted) | -              | 43.46        | -        | -        | -        | -        | -              | -             | -                  |
| <b>Loans</b>                       |                |              |          |          |          |          |                |               |                    |
| Security deposit                   | -              | -            | -        | -        | -        | -        | -              | -             | 239.93             |
| Loans to employees                 | -              | -            | -        | -        | -        | -        | -              | -             | 24.13              |
| <b>Other Financial Assets</b>      |                |              |          |          |          |          |                |               |                    |
| Investment in term deposits        | -              | -            | -        | -        | -        | -        | -              | 134.16        | -                  |
| Income receivable                  | -              | -            | -        | -        | -        | -        | -              | -             | 613.86             |
| <b>Trade receivables</b>           | -              | -            | -        | -        | -        | -        | -              | -             | 22,415.68          |
| <b>Derivative instrument</b>       | -              | -            | -        | -        | -        | -        | -              | -             | 1,379.02           |
| <b>Cash &amp; cash equivalents</b> | -              | -            | -        | -        | -        | -        | -              | -             | 2,396.20           |
| <b>Other bank balances</b>         | -              | -            | -        | -        | -        | -        | -              | -             | 37.60              |
| <b>Total Financial Assets</b>      | <b>773.43</b>  | <b>43.46</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>134.16</b> | <b>27,106.42</b>   |
| <b>Financial liabilities</b>       |                |              |          |          |          |          |                |               |                    |
| Borrowings                         | -              | -            | -        | -        | -        | -        | -              | -             | 128,765.31         |
| Trade payables                     | -              | -            | -        | -        | -        | -        | -              | -             | 15,548.80          |
| Other financial liabilities        | -              | -            | -        | -        | -        | -        | -              | -             | 7,552.87           |
| <b>Total Financial Liabilities</b> | <b>-</b>       | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b>      | <b>1,51,866.98</b> |

### B Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation each level follows underneath the table.

*Assets and liabilities measured at amortised cost, for which fair value are disclosed*

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

### C Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include the use of discount cash flows for estimating fair value of loans to employees, security deposits and borrowings.

The carrying amounts of trade receivables, cash and cash equivalents, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature.

The fair value for loans and security deposits were calculated based on cash flow discounted using a current lending rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount.

The fair value for borrowings was calculated based on cash flow discounted using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of borrowings approximates the carrying amount.

## 31.08. DISCLOSURE IN RESPECT OF CAPITAL MANAGEMENT:

### A Risk management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividend to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

### B Dividend

Under Previous GAAP, proposed dividend and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividend and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

|        |                                                                                                                                                                                                                                                                                                                                                                   | (₹ in Lacs)    |                |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| S. No. | Particulars                                                                                                                                                                                                                                                                                                                                                       | March 31, 2017 | March 31, 2016 |
| i)     | <b>Dividend on Equity shares declared and paid during the year</b><br><br>During the Financial Year 2015-16, the company has declared and paid Interim Dividend of ₹ 1.90 per share and Final Dividend of ₹ 1.70 per share for Financial Year 2014-15.                                                                                                            | -              | 8,474.04       |
| ii)    | <b>Dividend not recognised at the end of the reporting period</b><br><br>In addition to the above dividend, since year end, the directors have recommended the payment of a final dividend of ₹ 2.10 per equity share for the year ended March 31, 2017. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 4,943.19       | -              |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 31.09. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 33: EARNINGS PER SHARE

#### Earning per share (EPS):

EPS is calculated by dividing the profit attributable to the Equity shareholders by the average number of Equity Shares outstanding during the year. Number used for calculating basic and diluted earnings per equity is stated below:

| Particulars                                                      | March 31, 2017 | March 31, 2016 |
|------------------------------------------------------------------|----------------|----------------|
| Profit attributable to equity holders of the Company (₹ in lacs) | 39,939.63      | 29,313.77      |
| Weighted average number of Equity shares for Basic & Diluted     | 23,53,89,892   | 23,53,89,892   |
| Nominal value per equity share (In ₹)                            | 1.00           | 1.00           |
| Earnings per share (Basic & Diluted) (In ₹)                      | 16.97          | 12.45          |

### 31.10. TRANSITION TO IND AS - RECONCILIATIONS:

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

#### i) Reconciliation of Balance Sheet as at April 01, 2015:

| (₹ in Lacs)                      |       |                   |                    |                   |
|----------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                      | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| <b>A. ASSETS</b>                 |       |                   |                    |                   |
| <b>Non - Current Assets</b>      |       |                   |                    |                   |
| Property, Plant and Equipment    | A     | 63,797.42         | (1,093.03)         | 62,704.39         |
| Capital work-in-progress         |       | 11,373.52         | -                  | 11,373.52         |
| Investment Property              | B     | -                 | 464.28             | 464.28            |
| Intangible assets                |       | 160.04            | -                  | 160.04            |
| Financial assets                 |       |                   |                    |                   |
| Loans                            | C,O   | 1,064.35          | (824.42)           | 239.93            |
| Other financial assets           | O     | 134.16            | -                  | 134.16            |
| Prepayments                      | A,N   | 201.54            | 1,119.04           | 1,320.58          |
| Other assets                     | O     | 1,382.70          | (694.30)           | 688.40            |
| <b>Total</b>                     |       | <b>78,113.73</b>  | <b>(1,028.43)</b>  | <b>77,085.30</b>  |
| <b>Current Assets</b>            |       |                   |                    |                   |
| Inventories                      | N     | 185,967.13        | 10,110.07          | 196,077.20        |
| Financial assets                 |       |                   |                    |                   |
| Investments                      | D     | 659.25            | 157.64             | 816.89            |
| Trade Receivables                | N     | 33,998.34         | (11,582.66)        | 22,415.68         |
| Derivative instrument            | E     | -                 | 1,379.02           | 1,379.02          |
| Cash and cash equivalent         |       | 2,396.20          | -                  | 2,396.20          |
| Bank Balances other than above   |       | 37.60             | -                  | 37.60             |
| Loans                            | O     | 24.13             | -                  | 24.13             |
| Other financial assets           |       | 613.86            | -                  | 613.86            |
| Prepayments                      | A, N  | 363.91            | 463.23             | 827.14            |
| Other assets                     | O     | 4,431.80          | -                  | 4,431.80          |
| <b>Total</b>                     |       | <b>228,492.22</b> | <b>527.30</b>      | <b>229,019.52</b> |
| <b>TOTAL ASSETS</b>              |       | <b>306,605.95</b> | <b>(501.13)</b>    | <b>306,104.82</b> |
| <b>B. EQUITY AND LIABILITIES</b> |       |                   |                    |                   |
| <b>Equity</b>                    |       |                   |                    |                   |
| Equity share capital             |       | 2,353.90          | -                  | 2,353.90          |
| Other equity                     | F, I  | 130,123.22        | (4,076.92)         | 126,046.30        |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| (₹ in Lacs)                         |       |                   |                    |                   |
|-------------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                         | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| <b>Total</b>                        |       | <b>132,477.12</b> | <b>(4,076.92)</b>  | <b>128,400.20</b> |
| <b>Minority Reserve</b>             |       | <b>88.27</b>      | <b>-</b>           | <b>88.27</b>      |
| <b>Liabilities</b>                  |       |                   |                    |                   |
| <b>Non Current Liabilities</b>      |       |                   |                    |                   |
| Financial Liabilities               |       |                   |                    |                   |
| Borrowings                          | G     | 23,628.89         | 619.54             | 24,248.43         |
| Provisions                          |       | 248.35            | -                  | 248.35            |
| Deferred Tax Liabilities (net)      | K     | 1,266.63          | 6,733.90           | 8,000.53          |
| <b>Total</b>                        |       | <b>25,143.87</b>  | <b>7,353.44</b>    | <b>32,497.31</b>  |
| <b>Current Liabilities</b>          |       |                   |                    |                   |
| Financial Liabilities               |       |                   |                    |                   |
| Borrowings                          | G     | 104,516.88        | -                  | 104,516.88        |
| Trade Payables                      | O     | 15,548.80         | -                  | 15,548.80         |
| Other Financial Liabilities         | O     | 7,328.92          | 223.98             | 7,552.87          |
| Other Current Liabilities           | O     | 16,935.08         | -                  | 16,935.10         |
| Provisions                          | P     | 4,511.19          | (4,001.63)         | 509.56            |
| Current Tax Liabilities (Net)       | P     | 55.82             | -                  | 55.83             |
| <b>Total</b>                        |       | <b>148,896.69</b> | <b>(3,777.65)</b>  | <b>145,119.04</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>306,605.95</b> | <b>(501.13)</b>    | <b>306,104.82</b> |

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### ii) Reconciliation of Balance Sheet as at March 31, 2016:

| (₹ in Lacs)                    |       |                  |                    |                  |
|--------------------------------|-------|------------------|--------------------|------------------|
| Particulars                    | Notes | As per IGAAP*    | Ind AS adjustments | As per Ind AS    |
| <b>A. ASSETS</b>               |       |                  |                    |                  |
| <b>Non - Current Assets</b>    |       |                  |                    |                  |
| Property, Plant and Equipment  | A     | 77,343.60        | (1,046.84)         | 76,296.76        |
| Capital work-in-progress       |       | 10,026.41        | -                  | 10,026.41        |
| Investment Property            | B     | -                | 446.39             | 446.39           |
| Intangible assets              |       | 160.11           | -                  | 160.11           |
| Financial assets               |       |                  |                    |                  |
| Loans                          | C, O  | 1,063.88         | (808.65)           | 255.23           |
| Other financial assets         | O     | 373.22           | -                  | 373.22           |
| Prepayments                    | A, N  | 201.55           | 1,049.67           | 1,251.22         |
| Other assets                   | O     | 3,894.82         | (694.30)           | 3,200.52         |
| <b>Total</b>                   |       | <b>93,063.59</b> | <b>(1,053.73)</b>  | <b>92,009.86</b> |
| <b>Current Assets</b>          |       |                  |                    |                  |
| Inventories                    | N     | 174,424.33       | 5,141.88           | 179,566.21       |
| Financial assets               |       |                  |                    |                  |
| Investments                    | D     | 731.32           | 91.26              | 822.58           |
| Trade Receivables              | N     | 25,360.12        | (9,913.82)         | 15,446.30        |
| Derivative instrument          | E     | -                | 602.71             | 602.71           |
| Cash and cash equivalent       |       | 2,761.50         | -                  | 2,761.50         |
| Bank Balances other than above |       | 68.67            | -                  | 68.67            |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| (₹ in Lacs)                         |       |                   |                    |                   |
|-------------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                         | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| Loans                               | O     | 15.73             | -                  | 15.73             |
| Other financial assets              |       | 1,216.16          | -                  | 1,216.16          |
| Prepayments                         | A, N  | 305.48            | 495.72             | 801.20            |
| Other assets                        | O     | 4,766.12          | -                  | 4,766.12          |
| <b>Total</b>                        |       | <b>209,649.43</b> | <b>(3,582.25)</b>  | <b>206,067.18</b> |
| <b>TOTAL ASSETS</b>                 |       | <b>302,713.02</b> | <b>(4,635.98)</b>  | <b>298,077.04</b> |
| <b>B. EQUITY AND LIABILITIES</b>    |       |                   |                    |                   |
| <b>Equity</b>                       |       |                   |                    |                   |
| Equity share capital                |       | 2,353.90          | -                  | 2,353.90          |
| Other equity                        | F, I  | 160,018.16        | (12,537.94)        | 147,480.22        |
| <b>Total</b>                        |       | <b>162,372.06</b> | <b>(12,537.94)</b> | <b>149,834.12</b> |
| <b>Minority Reserve</b>             |       | <b>88.27</b>      | <b>-</b>           | <b>88.27</b>      |
| <b>Liabilities</b>                  |       |                   |                    |                   |
| <b>Non Current Liabilities</b>      |       |                   |                    |                   |
| Financial Liabilities               |       |                   |                    |                   |
| Borrowings                          | G     | 20,062.81         | 259.29             | 20,322.10         |
| Provisions                          |       | 364.12            | -                  | 364.12            |
| Deferred Tax Liabilities (net)      | K     | 1,935.90          | 7,202.64           | 9,138.54          |
| <b>Total</b>                        |       | <b>22,362.83</b>  | <b>7,461.93</b>    | <b>29,824.76</b>  |
| <b>Current Liabilities</b>          |       |                   |                    |                   |
| Financial Liabilities               |       |                   |                    |                   |
| Borrowings                          | G     | 89,138.95         | -                  | 89,138.95         |
| Trade Payables                      | O     | 14,227.96         | -                  | 14,227.96         |
| Other Financial Liabilities         | O     | 7,362.51          | 440.03             | 7,802.54          |
| Other Current Liabilities           | O     | 5,907.04          | -                  | 5,907.04          |
| Provisions                          | P     | 752.71            | -                  | 752.71            |
| Current Tax Liabilities (Net)       | P     | 500.69            | -                  | 500.69            |
| <b>Total</b>                        |       | <b>117,889.86</b> | <b>440.03</b>      | <b>118,329.89</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>302,713.02</b> | <b>(4,635.98)</b>  | <b>298,077.04</b> |

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016:

| (₹ in Lacs)                                                                 |       |                   |                    |                   |
|-----------------------------------------------------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                                                                 | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| <b>INCOME</b>                                                               |       |                   |                    |                   |
| Revenue from operations                                                     | N     | 337,375.75        | (1,094.27)         | 336,281.48        |
| Other Income                                                                | C     | 6,171.88          | (50.21)            | 6,121.67          |
| <b>TOTAL INCOME</b>                                                         |       | <b>343,547.63</b> | <b>(1,144.48)</b>  | <b>342,403.15</b> |
| <b>EXPENSES</b>                                                             |       |                   |                    |                   |
| Cost of materials consumed                                                  | M     | 272,151.79        | 87.17              | 272,238.96        |
| Purchase of traded goods                                                    |       | 2,556.61          | -                  | 2,556.61          |
| Changes in inventories of finished goods, work in progress & stock-in-trade | N(b)  | (15,596.98)       | 4,968.19           | (10,628.79)       |
| Employee benefits expense                                                   | H,Q   | 6,402.97          | (100.89)           | 6,302.08          |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| (₹ in Lacs)                                                                             |       |                   |                    |                   |
|-----------------------------------------------------------------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                                                                             | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| Depreciation and amortization expense                                                   | A     | 5,005.95          | (28.31)            | 4,977.64          |
| Finance costs                                                                           | G     | 6,341.64          | 405.88             | 6,747.52          |
| Other expenses                                                                          | N(a)  | 23,972.06         | (2,842.22)         | 21,129.84         |
| <b>TOTAL EXPENSES</b>                                                                   |       | <b>300,834.04</b> | <b>2,489.82</b>    | <b>303,323.86</b> |
| <b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>                                   |       | <b>42,713.59</b>  | <b>(3,634.30)</b>  | <b>39,079.29</b>  |
| Exceptional items                                                                       |       | (255.17)          | 255.57             | -                 |
| <b>PROFIT BEFORE TAX</b>                                                                |       | <b>42,968.76</b>  | <b>(3,889.87)</b>  | <b>39,079.29</b>  |
| <b>Tax Expense:</b>                                                                     |       |                   |                    |                   |
| Current Year                                                                            | P     | 10,013.10         | 35.33              | 10,048.43         |
| Deferred tax                                                                            | K     | 669.27            | 468.74             | 1,138.01          |
| Mat Credit Entitlement                                                                  |       | (1,420.91)        | -                  | (1,420.91)        |
| <b>Total tax expense</b>                                                                |       | <b>9,261.46</b>   | <b>504.07</b>      | <b>9,765.53</b>   |
| <b>PROFIT FOR THE YEAR</b>                                                              |       | <b>33,707.29</b>  | <b>(4,393.93)</b>  | <b>29,313.76</b>  |
| <b>Other comprehensive income Items that will not be reclassified to profit or loss</b> | J     |                   |                    |                   |
| Remeasurements of defined benefit plans                                                 |       | -                 | (100.90)           | (100.90)          |
| <b>Income tax relating to Items that will not be reclassified to profit or loss</b>     |       |                   |                    |                   |
| Remeasurements of defined benefit plans                                                 |       | -                 | 34.92              | 34.92             |
| <b>Other Comprehensive Income for the year</b>                                          |       | <b>-</b>          | <b>(65.98)</b>     | <b>(65.98)</b>    |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                          |       | <b>33,707.29</b>  | <b>(4,459.91)</b>  | <b>29,247.78</b>  |

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### A Property, plant & equipment

Under previous GAAP, all leasehold lands are classified as Property, plant & equipment. Under Ind AS, leasehold land is to be recognised as an Operating or a Finance lease as per the definition and classification criteria under Ind AS 17. Accordingly deemed cost of the leasehold land is required to be reclassified from property plant and equipment and to be disclosed as operating leases prepayments under “current assets” and “non-current assets” to be amortised annually. Therefore, Property, plant & equipment has been reduced by ₹ 600.44 lacs (April 01, 2015- ₹ 628.74 lacs) and Prepayments have increased by the same amount.

Depreciation has decreased by ₹ 28.29 lacs and lease expenses have increased by the same amount.

### B Investment property

Under previous GAAP, building given for the purpose of earning rental income was a part of property, plant & equipment, however as per Ind AS, the same needs to be disclosed as a part of investment property. Hence, warehouse at Kandla has been reclassified from Property, plant & equipment to Investment property ₹ 446.39 lacs (April 01, 2015-464.28 lacs).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### C Discounting of security deposit

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under Ind AS. Difference between fair value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as prepaid rent. Consequently, the amount of security deposit has been decreased by ₹ 808.65 lacs (April 01, 2015 - ₹ 824.42 lacs). The prepaid rent increased by ₹ 705 lacs as at March 30, 2016 (April 01, 2015- ₹ 747 lacs). Total equity decreased by ₹ 77.42 lacs as at April 01, 2015. The profit for the year ended March 31, 2016 decreased by ₹ 24.90 due to amortisation of prepaid rent ₹ 41.07 lacs which is partially set off by notional interest income of ₹ 16.17 lacs recognised on these security deposits.

### D Fair valuation of Investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and its Previous GAAP carrying amount has been recognised in retained earnings for ₹ 157.63 lacs. Fair value changes are recognised in the Statement of Profit and Loss for the year ended March 31, 2016 (₹ 91.26 lacs).

### E Derivative instruments

Under the Ind AS 109, Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the statement of Profit and Loss. Accordingly, the same has been fair valued resulting in increase of in equity by ₹ 1379.02 lacs as at March 31, 2016 (increase 602.71 lacs as at April 01, 2015). Derivative assets and derivative liabilities are presented on gross basis.

### F Proposed dividend

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividend are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 4001.26 lacs as at April 01, 2015 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

### G Borrowings

As required under the Ind AS 109 transactions costs incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method corresponding effect being in Long term borrowings and to the extent attributable to Current maturity of long term debts.

Under the previous GAAP, these transaction costs were charged to the profit and loss as and when incurred. As per Ind AS 32 and Ind AS 109, a debt instruments are required to fair valued. Accordingly, debt instruments in foreign currency (external commercial borrowings) were restated at the balance sheet date, resulting in increase in borrowings.

The net impact of above resulted in decrease in amount of borrowings by ₹ 144.18 lacs as at March 31, 2016. However, the impact as at April 01, 2015 was increase in borrowings by ₹ 843.51 lacs) with corresponding impact on equity as at April 01, 2015.

Increase in interest on borrowings due to effective interest rate method is ₹ 82.14 lacs for the year ended March 31, 2016.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### H Remeasurements of post employment benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increase by ₹ 100.89 lacs along with tax amounting to Rs 35 lacs . There is no impact on the total equity as at March 31, 2016.

### I Retained earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments. Refer Reconciliation of Equity on note no. 31.10 (iv).

### J Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

### K Deferred Tax

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

### L Excise duty

Under Previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses of ₹ 87.16 lacs.

### M Revenue from sale of goods

- a) Under Previous GAAP, revenue is recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include cash coup scheme, quantity discount, cash discount, target incentives etc. which have been classified under "Other expenses" as per previous GAAP have been netted from revenue under Ind AS. Accordingly, Gross revenue has decreased by ₹ 3,034.11 lacs with corresponding effect on "Other expense". There is no impact on profit for the year.
- b) Under previous GAAP, revenue from export sale was recognised on the date of bill of lading. However, under Ind AS, the Company is recognising the revenue from export sale when all the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Hence, some export sales were derecognised as at April 01, 2015. The net impact resulted in decrease in retained earnings by ₹ 1,004.63 lacs increase in trade receivables by ₹ 11,582.67 lacs , increase in inventories by ₹ 10,110 lacs and in prepayments by ₹ 472.45 lacs.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at March 30, 2016, sales derecognised in 2015 were now recognised and hence, as at March 30, 2016, net impact resulted in decreased trade receivables by ₹ 9913.81 lacs and increase in inventories by ₹ 5141.88 lacs.

- N** Financial assets and liabilities have been reclassified/regrouped wherever necessary according to their definitions.
- O** Current tax liability has been disclosed on the face of balance sheet by reclassifying it from Provisions.
- P** Staff welfare expenses have been reclassified to “Employee benefit expenses” from “Other expenses” as the nature of such expenses is related to employee welfare.
- Q** Certain assets amounting to ₹ 694.30 lacs have been considered as not recoverable, therefore company has made a provision of the aforesaid amount as per Expected Credit Loss (ECL) model.
- R** The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

**(iv) Reconciliation of equity as at April 01, 2015:**

|                                                           | (₹ in Lacs)        |                   |
|-----------------------------------------------------------|--------------------|-------------------|
| Particulars                                               | March 31, 2016     | April 01, 2015    |
| <b>Total equity under previous gaap (A)</b>               | <b>160,018.16</b>  | <b>130,123.25</b> |
| <b>Adjustments</b>                                        |                    |                   |
| Effective interest rate computation of borrowings         | 0.96               | 4.58              |
| Reversal of proposed dividend payable                     | -                  | 4,001.63          |
| Fair valuation of current investments                     | 91.26              | 157.64            |
| Impact of derivative instrument                           | (284.98)           | 265.01            |
| Increase in closing stock due to reversal of export sales | (4,345.52)         | (1,000.14)        |
| Discounting of Security Deposit                           | (102.32)           | (77.42)           |
| Asset not recoverable provided for                        | (694.30)           | (694.30)          |
| Additional Deferred tax liability                         | (7,203.04)         | (6,733.95)        |
| <b>Total Ind AS adjustment (B)</b>                        | <b>(12,537.94)</b> | <b>(4,076.95)</b> |
| <b>Total equity under Ind AS (A-B)</b>                    | <b>147,480.22</b>  | <b>126,046.30</b> |

### 31.11. DISCLOSURE IN RESPECT OF SPECIFIED BANK NOTE HELD AND TRANSACTED:

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017, the details of Specified Bank Notes (SBNs) held and transacted during the period from November 08, 2016 to December 30, 2016, are given below:

|                                                     | (₹ in Lacs) |                             |               |
|-----------------------------------------------------|-------------|-----------------------------|---------------|
| Particulars                                         | SBNs*       | Other Denomination<br>Notes | Total         |
| <b>Closing Cash in Hand as on November 08, 2016</b> | 521.34      | 71.02                       | <b>592.36</b> |
| (+) Permitted Receipts                              | -           | 193.66                      | 193.66        |
| (-) Permitted Payments                              | -           | 226.69                      | 226.69        |
| (-) Amount Deposited in Banks                       | 521.34      | 0.20                        | 521.54        |
| <b>Closing Cash in hand as on December 30, 2016</b> | <b>-</b>    | <b>37.79</b>                | <b>37.79</b>  |

\*For the purpose of this clause ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

The disclosures with respects to ‘Permitted Receipts’, ‘Permitted Payments’, ‘Amount Deposited in Banks’ and ‘Closing Cash in Hand as on December 30, 2016’ is understood to be applicable in case of SBNs only.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 31.12. DISCLOSURE IN RESPECT OF DIVIDEND PAID:

| Remittance in Foreign Currency on account of Dividends:           | March 31, 2017 | March 31, 2016    |
|-------------------------------------------------------------------|----------------|-------------------|
| (a) No. of Non-Resident shareholders to whom dividend is remitted | -              | 5                 |
| (b) No. of Equity Shares held by them                             | -              | 3,90,00,000       |
| (c) Amount of Dividend paid (₹ in Lacs)                           | -              | 1,404.00          |
| (d) Year to which the Dividend relates                            | -              | 2014-15 & 2015-16 |

### 31.13. DISCLOSURE IN RESPECT OF AMOUNT RECEIVED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND:

| Particulars                                            | March 31, 2017 | March 31, 2016             |
|--------------------------------------------------------|----------------|----------------------------|
| (a) Name of the Company from whom dividend is Received | -              | KRBL DMCC                  |
| (b) Type of Company                                    | -              | Wholly Owned<br>Subsidiary |
| (c) Amount of Dividend Received (₹ in lacs)            | -              | 8,840.00                   |
| (d) Year to which the Dividend relates                 | -              | 2014-15 & 2015-16          |

### 31.14. DISCLOSURE IN RESPECT OF SUBSIDY RECEIVED/RECEIVABLE:

A sum of ₹ 203.06 Lacs (P.Y. ₹ 52.11 Lacs) has been received from DMI through NABARD towards construction of rural godown and a sum of ₹ Nil (P.Y. ₹ 203.06 Lacs) is receivable from DMI through NABARD towards construction of rural godown. The entire grant so received / receivable has been deducted from the respective cost of the Capital Expenditure.

### 31.15. DISCLOSURE IN RESPECT OF CIF VALUE OF IMPORTS MADE DURING THE YEAR:

| Particulars                                 | March 31, 2017 | March 31, 2016 |
|---------------------------------------------|----------------|----------------|
| Spare Parts, Components & Packing Materials | 57.44          | 13.65          |
| Capital Goods Purchased                     | 349.52         | 889.21         |

### 31.16. DISCLOSURE IN RESPECT OF EARNINGS IN FOREIGN EXCHANGE ON MERCANTILE BASIS:

| Particulars                                       | March 31, 2017 | March 31, 2016 |
|---------------------------------------------------|----------------|----------------|
| Earnings in Foreign Exchange on Mercantile basis: | 1,06,820.87    | 1,78,645.80    |

### 31.17. DISCLOSURE IN RESPECT OF F.O.B. VALUE OF EXPORTS:

| Particulars              | March 31, 2017 | March 31, 2016 |
|--------------------------|----------------|----------------|
| F.O.B. Value of Exports: | 1,07,922.62    | 1,78,110.27    |

### 31.18. DISCLOSURE IN RESPECT OF EXPENDITURE IN FOREIGN CURRENCY ON MERCANTILE BASIS:

| Particulars                                  | March 31, 2017  | March 31, 2016  |
|----------------------------------------------|-----------------|-----------------|
| Foreign Travel & Other (Total)               | 32.33           | 17.96           |
| - By Directors ₹ 29.97 Lacs (P.Y. 2.00 Lacs) |                 |                 |
| Ocean Freight                                | 1,657.94        | 1,791.19        |
| Legal, Professional & Other charges          | 38.06           | 9.02            |
| Selling & Distribution Expenses              | 218.10          | 286.69          |
| Interest on Foreign Currency Loans           | 256.59          | 391.20          |
| Others                                       | 889.35          | 462.40          |
| <b>Total</b>                                 | <b>3,092.37</b> | <b>2,958.46</b> |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 31.19. DISCLOSURE IN RESPECT OF PAYMENT ON ACCOUNT OF KEYMAN INSURANCE POLICY:

| (₹ in Lacs)                                                         |                |                |
|---------------------------------------------------------------------|----------------|----------------|
| Particulars                                                         | March 31, 2017 | March 31, 2016 |
| Payment of Insurance charges on account of Keyman Insurance policy: | 42.00          | 46.00          |

### 31.20. DISCLOSURE IN RESPECT OF UNCLAIMED DIVIDEND:

| (₹ in Lacs)                                                                           |                |                |
|---------------------------------------------------------------------------------------|----------------|----------------|
| Particulars                                                                           | March 31, 2017 | March 31, 2016 |
| Unclaimed Dividend which has been deposited in separate accounts with Scheduled Bank: | 40.76          | 68.67          |

### 31.21. DISCLOSURE IN RESPECT OF RESEARCH & DEVELOPMENT EXPENDITURES:

The Company has in-House R & D Centre, The details of revenue/capital expenditure incurred by the R&D Centre during the year are as under :

| (₹ in Lacs)                                               |                |                |
|-----------------------------------------------------------|----------------|----------------|
| Particulars                                               | March 31, 2017 | March 31, 2016 |
| (a) Revenue Expenditure charged to Profit & Loss Account  |                |                |
| i) Salary and other Benefits                              | 319.99         | 282.87         |
| ii) Others                                                | 103.07         | 86.44          |
| <b>Total</b>                                              | <b>423.06</b>  | <b>369.31</b>  |
| (b) Capital expenditure shown under Fixed assets schedule | -              | -              |
| <b>Total</b>                                              | <b>423.06</b>  | <b>369.31</b>  |

### 31.22. DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

| (₹ in Lacs)                                               |                |                |
|-----------------------------------------------------------|----------------|----------------|
| Particulars                                               | March 31, 2017 | March 31, 2016 |
| Amount required to be spent as per Section 135 of the Act | 743.29         | 596.43         |
| Amount spent during the year on:                          |                |                |
| (i) Construction / acquisition of an asset                | -              | -              |
| (ii) On purpose other than (i) above                      | 208.31         | 63.39          |
| <b>Total amount spent during the year</b>                 | <b>208.31</b>  | <b>63.39</b>   |

### 31.23. DISCLOSURE IN RESPECT OF CONTRIBUTION TO POLITICAL PARTIES:

Following are the particulars as required pursuant to the provisions of Section 182 of the Companies Act, 2013, for contributions as made to the political parties

| (₹ in Lacs)                          |                |                |
|--------------------------------------|----------------|----------------|
| Particulars                          | March 31, 2017 | March 31, 2016 |
| <b>Name of the Political Parties</b> |                |                |
| a) Aam Aadmi Party                   | 10.00          | -              |
| b) Punjab Pradesh Congress Committee | 20.00          | -              |
| <b>Total</b>                         | <b>30.00</b>   | <b>-</b>       |

### 31.24. THE CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN PREPARED IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD (IND-AS) 110 "CONSOLIDATED FINANCIAL STATEMENTS":

- a) The Subsidiary company with KRBL Limited, The parent, constitutes the group considered in the preparation of these consolidated financial statement is given below:

| Name                  | Country of Incorporation | Percentage of ownership interest as at March 31, 2017 | Percentage of ownership interest as at March 31, 2016 |
|-----------------------|--------------------------|-------------------------------------------------------|-------------------------------------------------------|
| KRBL DMCC             | U.A.E                    | 100.00%                                               | 100.00%                                               |
| K B Exports Pvt. Ltd. | India                    | 70.00%                                                | 70.00%                                                |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- b) The group has adopted Indian Accounting Standard (Ind-AS) 19 on 'Employee Benefits'. These consolidated Financial Statements include the obligations as per requirement of this standard except for the Subsidiary which is Incorporated outside India who have determined the valuation/provision for employee benefit as per their requirements. In the opinion of the management, the impact of this deviation is not considered material.

### 31.25. ADDITIONAL INFORMATION REGARDING SUBSIDIARIES COMPANIES:

| Name of the Entity             | Net Assets, i.e. Total Assets minus Total Liabilities |                    | Share in Profit or Loss             |                    | Share in Other Comprehensive Income |                    | Share in Total Comprehensive Income |                    |
|--------------------------------|-------------------------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
|                                | As % of Consolidated Net Assets                       | Amount (₹ in Lacs) | As % of Consolidated Profit or Loss | Amount (₹ in Lacs) | As % of Consolidated Profit or Loss | Amount (₹ in Lacs) | As % of Consolidated Profit or Loss | Amount (₹ in Lacs) |
| <b>Parent Company</b>          |                                                       |                    |                                     |                    |                                     |                    |                                     |                    |
| KRBL Limited (Parent Company)# | 98.08%                                                | 1,87,161.07        | 100.43%                             | 40,112.38          | 100.00%                             | (83.91)            | 100.43%                             | 40,028.47          |
| <b>Subsidiary Companies</b>    |                                                       |                    |                                     |                    |                                     |                    |                                     |                    |
| KRBL DMCC*                     | 1.87%                                                 | 3,571.23           | -0.43%                              | (172.74)           | 0.00%                               | -                  | -0.43%                              | (172.74)           |
| K B Exports Pvt. Ltd.          | -                                                     | -                  | -                                   | -                  | -                                   | -                  | -                                   | -                  |
| <b>Minority Reserves</b>       |                                                       |                    |                                     |                    |                                     |                    |                                     |                    |
| <b>Subsidiary Companies</b>    |                                                       |                    |                                     |                    |                                     |                    |                                     |                    |
| K B Exports Pvt. Ltd.          | 0.05%                                                 | 88.24              | -                                   | -                  | -                                   | -                  | -                                   | -                  |
| <b>Total</b>                   | <b>100.00%</b>                                        | <b>1,90,820.54</b> | <b>100.00%</b>                      | <b>39,939.64</b>   | <b>100.00%</b>                      | <b>(83.91)</b>     | <b>100.00%</b>                      | <b>39,855.73</b>   |

# Turnover includes Other income and Other Operational Income but does not includes Dividend income as received from subsidiary company as the same was clubbed on Consolidation. Further Share in Profit of Parent Company doesn't include the income as received from the subsidiary company.

\* Converted into Indian Rupees at the exchange rate, 1 AED = ₹ 17.6533 as on March 31, 2017.

### 31.26. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 10: EVENT AFTER THE REPORTING PERIOD:

The Board of Directors has recommended Equity dividend of 2.10 per share (Previous year ₹ 1.90 per share) for the financial year 2016-17.

### 31.27. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 38: INTANGIBLE ASSETS:

In accordance with Accounting Standard AS - 38 on 'Intangible Assets', during the year ended March 31, 2017 ₹ 1.63 Lacs (March 31, 2016 - ₹ 25.17 Lacs, April 01, 2015 - ₹ 53.17 Lacs) have been capitalized on account of computer software development charges.

### 31.28. DURING CONSTRUCTION PHASE COMPANIES GENERALLY TEMPORARILY INVEST THE SURPLUS FUNDS TO REDUCE THE COST OF CAPITAL OR FOR OTHER BUSINESS REASONS. HOWEVER SUBSEQUENTLY THE SAME ARE UTILISED FOR THE STATED OBJECTIVE.

### 31.29. THE FIGURES ARE ROUNDED OFF TO NEAREST RUPEES IN LACS.

Annexure to our Report of Date

for and on behalf of the Board of Directors

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

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

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

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

## FORM AOC-1

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

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

#### Part "A": Subsidiaries

| S. No. | Particulars                                                                                                 | Name of the Subsidiary  |                         |                         |                         |
|--------|-------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|        |                                                                                                             | KRBL DMCC               |                         | K B Exports Pvt. Ltd.   |                         |
|        |                                                                                                             | As on<br>March 31, 2017 | As on<br>March 31, 2016 | As on<br>March 31, 2017 | As on<br>March 31, 2016 |
| 1.     | Reporting period for the subsidiary concerned, if different from the holding company's reporting period     | NA                      | NA                      | NA                      | NA                      |
| 2.     | Reporting currency                                                                                          | AED                     | AED                     | INR                     | INR                     |
| 3.     | Exchange rate to INR as on the last date of the relevant Financial year in the case of foreign subsidiaries | 17.6533                 | 18.0381                 | NA                      | NA                      |
| 4.     | Share Capital (INR in Lacs)                                                                                 | 217.27                  | 217.27                  | 300.00                  | 300.00                  |
| 5.     | Reserves & Surplus (INR in Lacs)                                                                            | 1,678.54                | 2,574.67                | (5.69)                  | (5.58)                  |
| 6.     | Total Assets (INR in Lacs)                                                                                  | 3,894.66                | 4,315.83                | 294.37                  | 294.63                  |
| 7.     | Total Liabilities (INR in Lacs)                                                                             | 1,998.85                | 1,523.89                | 0.06                    | 0.21                    |
| 8.     | Details of investments                                                                                      | -                       | -                       | -                       | -                       |
| 9.     | Turnover (INR in Lacs)                                                                                      | 204.52                  | 7,463.04                | -                       | -                       |
| 10.    | Profit/(Loss) before taxation (INR in Lacs)                                                                 | (172.66)                | 5,410.26                | -                       | -                       |
| 11.    | Provision for taxation                                                                                      | -                       | -                       | -                       | -                       |
| 12.    | Profit/(Loss) after taxation (INR in Lacs)                                                                  | (172.66)                | 5,410.26                | -                       | -                       |
| 13.    | Proposed dividend (INR in Lacs)                                                                             | -                       | -                       | -                       | -                       |
| 14.    | % of Shareholding                                                                                           | 100%                    | 100%                    | 70%                     | 70%                     |

- a) K B Exports Pvt. Ltd. has not commenced commercial activities since incorporation and currently is not operational.
- b) Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2017.

Annexure to our Report of Date

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

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

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

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

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

Place : Noida, Uttar Pradesh  
Date : May 29, 2017



# Standalone Financials

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# INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS

To the Members of KRBL Limited, New Delhi

## REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Standalone Ind AS Financial Statements of KRBL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information [herein after referred to as "Standalone Ind AS Financial Statements"].

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit of the standalone Ind AS in accordance with the Standards on Auditing specified under section 143(10)

of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the financial position comprehensive income, its cash flows and changes in equity for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 Act, we give in "Annexure I" a statement on matters specified in paragraphs 3 & 4 of the said order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

## INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS

- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure II"**; and
- g) With respect to the other matters to be included in the Auditor's Report in the accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of the pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 31.03 to the Standalone Ind AS Financial Statements;
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 31.06 to the Standalone Ind AS Financial Statements; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- (iv) The company has provided requisite disclosures in the Standalone Ind AS Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on Audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management - Refer Note 31.11 to the Standalone Ind AS Financial Statements.

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants  
(Firm Registration No. 003820N)

Shiv Sushil Bhawan  
D-219, Vivek Vihar, Phase-I,  
New Delhi-110 095  
Dated: May 29, 2017

Sd/-  
**(Vinod Kumar Bindal)**  
Proprietor  
(Membership No. 80668)

## ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

The Annexure I referred to in the independent auditors' report of even date to the members of KRBL Limited ("the Company") on the Standalone Ind AS Financial Statements as of and for the year ended March 31, 2017, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore the provisions of Clause 3 (iii)a, 3(iii)b and 3(iii)c of the said order are not applicable to the company.
- (iv) The company has not granted any loans or made any investments, or provided any guarantees or securities to the parties covered under section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said order are not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, a detailed examination of cost records has not been made by us with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth-tax, sales-tax, value added tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, value added tax, service tax, customs duty and excise duty, cess were outstanding, as at March 31, 2017 for a period of more than six months from the date they became payable.

## ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

- (b) According to the records of the company, there are no material dues of income-tax, wealth-tax, sales tax, value added tax, service tax, customs duty, excise duty, cess which have not been deposited on account of any dispute. However, according to information and explanations given to us, the following dues of value added tax have not been deposited by the Company on account of disputes:

| Name of the statute | Nature of dues                                           | Amount<br>(₹ in Lacs) | Period to which the<br>amount relates | Forum where dispute is<br>pending                      |
|---------------------|----------------------------------------------------------|-----------------------|---------------------------------------|--------------------------------------------------------|
| Punjab VAT          | Purchase-tax on paddy purchased in the course of exports | 679.11                | FY 2009-10                            | Punjab and Haryana High Court                          |
| Punjab VAT          | Additional Demand of Purchase-tax on paddy               | 8.64                  | FY 2010-11                            | Deputy Excise and Taxation Commissioner (DETC), Punjab |
| Punjab VAT          | Additional Demand of Purchase-tax on paddy               | 256.88                | FY 2011-12                            | Deputy Excise and Taxation Commissioner (DETC), Punjab |
| Punjab VAT          | Additional Demand of Purchase-tax on paddy               | 121.10                | FY 2012-13                            | Deputy Excise and Taxation Commissioner (DETC), Punjab |
| Punjab VAT          | Additional Demand of Purchase-tax on paddy               | 924.85                | FY 2013-14                            | Deputy Excise and Taxation Commissioner (DETC), Punjab |
| Punjab VAT          | Sales Tax/VAT                                            | 0.92                  | FY 2016-17                            | Punjab VAT Department                                  |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company does not have any borrowing by way of debentures.

- (ix) The Company has not raised any monies by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- (xi) According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Standalone Ind

AS Financial Statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our 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.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

- (xvi) According to information and explanations given to us, the Company is not required to be registered under Section 45 - IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants  
(Firm Registration No. 003820N)

Shiv Sushil Bhawan  
D-219, Vivek Vihar, Phase-I,  
New Delhi-110 095  
Dated: May 29, 2017

Sd/-  
**(Vinod Kumar Bindal)**  
Proprietor  
(Membership No. 80668)

## ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

### (Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act)

We have audited the internal financial controls over financial reporting of KRBL Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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.

### INHERENT 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 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 our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 ICAI.

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants  
(Firm Registration No. 003820N)

Shiv Sushil Bhawan  
D-219, Vivek Vihar, Phase-I,  
New Delhi-110 095  
Dated: May 29, 2017

Sd/-  
**(Vinod Kumar Bindal)**  
Proprietor  
(Membership No. 80668)

# BALANCE SHEET

As at March 31, 2017

(₹ in Lacs except as stated)

| Particulars                                                              | Note | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
|--------------------------------------------------------------------------|------|-------------------------|-------------------------|-------------------------|
| <b>A. ASSETS</b>                                                         |      |                         |                         |                         |
| <b>Non- Current Assets</b>                                               |      |                         |                         |                         |
| Property, plant and equipment                                            | 4    | 99,718.68               | 75,836.72               | 62,245.24               |
| Capital work in progress                                                 | 4    | 170.89                  | 10,026.41               | 11,373.52               |
| Investment property                                                      | 4    | 428.51                  | 446.39                  | 464.28                  |
| Intangible assets                                                        | 4    | 117.85                  | 143.63                  | 143.56                  |
| Financial assets                                                         |      |                         |                         |                         |
| Investment                                                               | 5    | 427.27                  | 427.27                  | 427.27                  |
| Loans                                                                    | 6    | 325.77                  | 250.83                  | 236.02                  |
| Other financial assets                                                   | 7    | 583.26                  | 373.22                  | 134.16                  |
| Prepayments                                                              | 8    | 1,368.33                | 1,251.22                | 1,320.58                |
| Other assets                                                             | 9    | 3,966.07                | 3,200.52                | 688.40                  |
| <b>Total</b>                                                             |      | <b>107,106.63</b>       | <b>91,956.21</b>        | <b>77,033.03</b>        |
| <b>Current Assets</b>                                                    |      |                         |                         |                         |
| Inventories                                                              | 10   | 201,864.07              | 1,79,304.76             | 1,95,957.67             |
| Financial assets                                                         |      |                         |                         |                         |
| Investments                                                              | 5    | 1,011.06                | 822.58                  | 816.89                  |
| Trade receivables                                                        | 11   | 23,107.38               | 15,694.65               | 19,975.31               |
| Derivative instrument                                                    |      | -                       | 602.71                  | 1,379.02                |
| Cash and cash equivalents                                                | 12   | 266.24                  | 1,718.24                | 653.61                  |
| Bank balances other than above                                           | 13   | 40.76                   | 68.67                   | 37.60                   |
| Loans                                                                    | 6    | 10.83                   | 15.73                   | 24.13                   |
| Other financial assets                                                   | 7    | 2,640.69                | 1,216.16                | 613.86                  |
| Prepayments                                                              | 8    | 1,257.77                | 801.20                  | 827.14                  |
| Other assets                                                             | 9    | 1,258.50                | 1,967.87                | 2,089.90                |
| <b>Total</b>                                                             |      | <b>231,457.30</b>       | <b>202,212.57</b>       | <b>2,22,375.13</b>      |
| <b>TOTAL ASSETS</b>                                                      |      | <b>338,563.93</b>       | <b>294,168.78</b>       | <b>2,99,408.16</b>      |
| <b>B. EQUITY AND LIABILITIES</b>                                         |      |                         |                         |                         |
| <b>Equity</b>                                                            |      |                         |                         |                         |
| Equity share capital                                                     | 14   | 2,353.90                | 2,353.90                | 2,353.90                |
| Other equity                                                             | 15   | 184,807.54              | 1,43,673.16             | 1,19,469.62             |
| <b>Total</b>                                                             |      | <b>187,161.44</b>       | <b>1,46,027.06</b>      | <b>1,21,823.52</b>      |
| <b>Liabilities</b>                                                       |      |                         |                         |                         |
| <b>Non Current Liabilities</b>                                           |      |                         |                         |                         |
| Financial Liabilities                                                    |      |                         |                         |                         |
| Borrowings                                                               | 16   | 8,732.08                | 20,322.10               | 24,248.43               |
| Provisions                                                               | 17   | 485.54                  | 364.12                  | 248.35                  |
| Deferred Tax Liabilities (net)                                           | 18   | 11,377.81               | 9,138.54                | 8,000.53                |
| <b>Total</b>                                                             |      | <b>20,595.43</b>        | <b>29,824.76</b>        | <b>32,497.31</b>        |
| <b>Current liabilities</b>                                               |      |                         |                         |                         |
| Financial Liabilities                                                    |      |                         |                         |                         |
| Borrowings                                                               | 16   | 96,505.18               | 89,138.80               | 104,516.88              |
| Trade Payables                                                           | 19   | 25,417.11               | 14,227.96               | 15,518.25               |
| Other Financial Liabilities                                              | 20   | 4,291.54                | 7,802.54                | 7,552.87                |
| Other current liabilities                                                | 21   | 2,898.53                | 5,894.26                | 16,933.94               |
| Provisions                                                               | 17   | 948.84                  | 752.71                  | 509.56                  |
| Current Tax Liabilities (Net)                                            |      | 745.86                  | 500.69                  | 55.83                   |
| <b>Total</b>                                                             |      | <b>130,807.06</b>       | <b>118,316.96</b>       | <b>145,087.33</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                      |      | <b>338,563.93</b>       | <b>294,168.78</b>       | <b>299,408.16</b>       |
| The Accompanying Notes form an integral part of the Financial Statements | 1-31 |                         |                         |                         |

Annexure to our Report of Date

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

for and on behalf of the Board of Directors

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

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

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

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

# STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2017

(₹ in Lacs, except as stated)

| Particulars                                                                         | Note | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|-------------------------------------------------------------------------------------|------|------------------------------|------------------------------|
| <b>INCOME</b>                                                                       |      |                              |                              |
| Revenue from Operations                                                             | 22   | 3,14,787.11                  | 3,34,790.24                  |
| Other Income                                                                        | 23   | 607.00                       | 9,216.81                     |
| <b>TOTAL INCOME</b>                                                                 |      | <b>3,15,394.11</b>           | <b>3,44,007.05</b>           |
| <b>EXPENSES</b>                                                                     |      |                              |                              |
| Cost of materials consumed                                                          | 24   | 2,47,091.31                  | 2,72,238.96                  |
| Purchases of stock in trade                                                         | 25   | 1,797.10                     | 1,147.75                     |
| Changes in inventories of finished goods ,work in progress & stock-in-trade         | 26   | (26,065.24)                  | (10,486.87)                  |
| Employee benefits expenses                                                          | 27   | 6,989.33                     | 6,180.31                     |
| Depreciation and amortisation expenses                                              | 4    | 6,134.95                     | 4,976.07                     |
| Finance costs                                                                       | 28   | 5,481.79                     | 6,741.02                     |
| Other expenses                                                                      | 29   | 20,036.55                    | 20,700.72                    |
| <b>TOTAL EXPENSES</b>                                                               |      | <b>2,61,465.79</b>           | <b>3,01,497.96</b>           |
| <b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>                                      |      | <b>53,928.32</b>             | <b>42,509.09</b>             |
| Exceptional items                                                                   |      | -                            | -                            |
| <b>PROFIT BEFORE TAX</b>                                                            |      | <b>53,928.32</b>             | <b>42,509.09</b>             |
| <b>Tax Expense:</b>                                                                 | 30   |                              |                              |
| Current Year                                                                        |      | 11,395.65                    | 10,048.43                    |
| Deferred tax credit                                                                 |      | 2,239.27                     | 1,138.01                     |
| Mat Credit Entitlement                                                              |      | 181.02                       | (1,420.91)                   |
| <b>Total Tax Expense</b>                                                            |      | <b>13,815.94</b>             | <b>9,765.53</b>              |
| <b>PROFIT FOR THE YEAR</b>                                                          |      | <b>40,112.38</b>             | <b>32,743.56</b>             |
| <b>Other Comprehensive Income</b>                                                   |      |                              |                              |
| <b>Items that will not be reclassified to profit or loss</b>                        |      |                              |                              |
| Remeasurements of defined benefit plans                                             |      | (128.32)                     | (100.90)                     |
| <b>Income tax relating to Items that will not be reclassified to profit or loss</b> |      |                              |                              |
| Remeasurements of defined benefit plans                                             |      | 44.41                        | (34.92)                      |
| <b>Other Comprehensive Income for the year</b>                                      |      | <b>(83.91)</b>               | <b>(65.98)</b>               |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                      |      | <b>40,028.47</b>             | <b>32,677.58</b>             |
| <b>EARNING PER EQUITY SHARE (Face value of ₹ 1 each)</b>                            |      |                              |                              |
| <b>Basic (In ₹)</b>                                                                 |      | <b>17.04</b>                 | <b>13.91</b>                 |
| <b>Diluted (In ₹)</b>                                                               |      | <b>17.04</b>                 | <b>13.91</b>                 |
| The Accompanying Notes form an integral part of the Financial Statements            |      | 1-31                         |                              |

Annexure to our Report of Date

for and on behalf of the Board of Directors

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

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

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

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

## CASH FLOW STATEMENT

For the year ended March 31, 2017

(₹ in Lacs except as stated)

| Particulars                                                              | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|--------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                            |                              |                              |
| Profit Before Tax from Continuing Operations                             | 53,928.32                    | 42,509.09                    |
| Adjustment for :                                                         |                              |                              |
| Depreciation & Amortization Expenses                                     | 6,134.95                     | 4,976.07                     |
| Loss/(Profit) on Sale of Fixed Assets                                    | (6.63)                       | (8.97)                       |
| Effect of Exchange Rate Difference                                       | (23.07)                      | 75.98                        |
| Profit on Sale of Investment                                             | (227.42)                     | (12.23)                      |
| Interest Expense                                                         | 4,870.43                     | 5,964.71                     |
| Interest Receipt                                                         | (210.65)                     | (147.84)                     |
| Unwinding of security deposit                                            | (17.90)                      | (16.17)                      |
| Dividend on Investment                                                   | (39.04)                      | (8,878.27)                   |
| Lease expenses                                                           | 73.69                        | 69.37                        |
| MTM loss on derivatives                                                  | 611.35                       | 776.31                       |
| <b>Operating Profit Before Working Capital Changes</b>                   | <b>65,094.02</b>             | <b>45,308.04</b>             |
| <b>Adjustments for Working Capital Changes</b>                           |                              |                              |
| Decrease/(Increase) in Loans                                             | 22.80                        | 24.57                        |
| Decrease/(Increase) in Prepayments                                       | (647.38)                     | 25.94                        |
| Decrease/(Increase) in Other Assets                                      | (216.72)                     | (969.17)                     |
| Decrease/(Increase) in Other financial assets                            | (1,424.53)                   | (602.30)                     |
| Decrease/(Increase) in Inventories                                       | (22,559.31)                  | 16,652.91                    |
| Decrease/(Increase) in Trade Receivables                                 | (7,412.73)                   | 4,280.66                     |
| (Decrease)/Increase in Provisions                                        | 168.71                       | 142.25                       |
| Increase/(Decrease) in Trade Payable                                     | 11,189.15                    | (1,290.30)                   |
| (Decrease)/Increase in Other Financial Liabilities                       | (3,491.73)                   | 218.62                       |
| (Decrease)/Increase in Other Current Liabilities                         | (2,995.73)                   | (11,039.70)                  |
| <b>Cash Generated From Operations</b>                                    | <b>37,726.56</b>             | <b>52,751.52</b>             |
| Income Tax Paid (Net)                                                    | (11,150.29)                  | (9,562.90)                   |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES (TOTAL-A)</b>                 | <b>26,576.27</b>             | <b>43,188.62</b>             |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                              |                              |
| Purchase/Sale of Fixed Assets & Addition/Deduction of WIP                | (20,141.09)                  | (17,231.07)                  |
| Sale of Fixed Assets                                                     | 30.05                        | 37.39                        |
| Sale proceeds of investments                                             | 38.94                        | 6.54                         |
| Proceeds / (Investment) in fixed deposits                                | (210.04)                     | (239.05)                     |
| Dividend on Investments                                                  | 39.04                        | 8,878.27                     |
| <b>NET CASH GENERATED / (-) USED IN INVESTING ACTIVITIES (TOTAL - B)</b> | <b>(20,243.10)</b>           | <b>(8,547.92)</b>            |

## CASH FLOW STATEMENT

For the year ended March 31, 2017

(₹ in Lacs except as stated)

| Particulars                                                                             | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
|-----------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                           |                              |                              |
| FDR balance transfer on the merger of Radha Raj Ispat Private Limited with KRBL Limited | 1,026.17                     | -                            |
| Increase/(Decrease) in Long- Term Loans                                                 | (74.94)                      | (14.80)                      |
| Increase/(Decrease) in Long- Term Provisions                                            | 121.42                       | 115.77                       |
| Prior period items                                                                      | 2.55                         | -                            |
| Increase/(Decrease) in Long- Term Borrowings                                            | (11,590.01)                  | (3,926.32)                   |
| Increase/(Decrease) in Short- Term Borrowings                                           | 7,366.38                     | (15,378.09)                  |
| Effect of Exchange Rate Difference                                                      | 23.07                        | (75.98)                      |
| Interest Paid                                                                           | (4,870.43)                   | (5,964.71)                   |
| Interest Received                                                                       | 210.64                       | 147.84                       |
| Dividend Paid                                                                           | (27.91)                      | (8,442.97)                   |
| Wealth Tax Paid                                                                         | -                            | (5.73)                       |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES (TOTAL-C)</b>                                | <b>(7,813.08)</b>            | <b>(33,545.00)</b>           |
| <b>NET CHANGES IN CASH AND BANK BALANCES (TOTAL A+B+C)</b>                              | <b>(1,479.91)</b>            | <b>1,095.70</b>              |
| Cash & Cash Equivalents-Opening Balance                                                 | 1,718.24                     | 653.61                       |
| Cash & Cash Equivalents-Closing Balance                                                 | <b>238.33</b>                | <b>1,749.31</b>              |
| <b>CASH &amp; CASH EQUIVALENTS</b>                                                      |                              |                              |
| Cash in hand                                                                            | 32.37                        | 181.85                       |
| Cash with Income Tax Department                                                         | 50.00                        | -                            |
| Balance with Scheduled Bank                                                             | 183.87                       | 1,536.39                     |
| <b>BANK BALANCES OTHER THAN ABOVE</b>                                                   | <b>(27.91)</b>               | <b>31.07</b>                 |
|                                                                                         | <b>238.33</b>                | <b>1,749.31</b>              |

### Notes.

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- Figures in Brackets represent outflows.
- Previous year figures have been recast / rearranged wherever considered necessary.

Annexure to our Report of Date

for and on behalf of the Board of Directors

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

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

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

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

## STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017

(₹ in Lacs)

| Particulars                                                                                 | Equity share capital | Capital reserve | Capital redemption Reserve | Other Equity General reserve | Share premium   | Retained earnings | Total other equity | Total equity      |
|---------------------------------------------------------------------------------------------|----------------------|-----------------|----------------------------|------------------------------|-----------------|-------------------|--------------------|-------------------|
| <b>Balance as at April 01, 2015</b>                                                         | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>19,050.48</b>             | <b>9,655.04</b> | <b>90,686.88</b>  | <b>119,469.62</b>  | <b>121,823.52</b> |
| Profit for the year                                                                         | -                    | -               | -                          | -                            | -               | 32,743.56         | 32,743.56          | 32,743.56         |
| Other Comprehensive Income for the year                                                     | -                    | -               | -                          | -                            | -               | (65.98)           | (65.98)            | (65.98)           |
| <b>Total Comprehensive Income for the year</b>                                              | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>19,050.48</b>             | <b>9,655.04</b> | <b>123,364.46</b> | <b>152,147.20</b>  | <b>154,501.10</b> |
| Dividends                                                                                   | -                    | -               | -                          | -                            | -               | (8,474.04)        | (8,474.04)         | (8,474.04)        |
| Transferred to General Reserve                                                              | -                    | -               | -                          | 6,000.00                     | -               | (6,000.00)        | -                  | -                 |
| <b>Balance as at March 31, 2016</b>                                                         | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>25,050.48</b>             | <b>9,655.04</b> | <b>108,890.42</b> | <b>143,673.16</b>  | <b>146,027.06</b> |
| <b>Balance as at April 01, 2016</b>                                                         | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>25,050.48</b>             | <b>9,655.04</b> | <b>108,890.42</b> | <b>143,673.16</b>  | <b>146,027.06</b> |
| Profit for the year                                                                         | -                    | -               | -                          | -                            | -               | 40,112.38         | 40,112.38          | 40,112.38         |
| Other Comprehensive Income for the year                                                     | -                    | -               | -                          | -                            | -               | (83.91)           | (83.91)            | (83.91)           |
| <b>Total Comprehensive Income for the year</b>                                              | <b>2,353.90</b>      | <b>-</b>        | <b>77.22</b>               | <b>25,050.48</b>             | <b>9,655.04</b> | <b>148,918.89</b> | <b>183,701.64</b>  | <b>186,055.54</b> |
| Transferred from Radha Raj Ispat Private Limited pursuant to amalgamation into KRBL Limited | -                    | -               | -                          | -                            | -               | 1,026.17          | 1,026.17           | 1,026.17          |
| Transferred to General Reserve                                                              | -                    | -               | -                          | -                            | -               | (6,000.00)        | (6,000.00)         | (6,000.00)        |
| Transferred from Profit & Loss Appropriations A/c                                           | -                    | -               | -                          | 6,000.00                     | -               | -                 | 6,000.00           | 6,000.00          |
| Prior Period Items                                                                          | -                    | -               | -                          | -                            | -               | (2.55)            | (2.55)             | (2.55)            |
| Other change during the period                                                              | -                    | 82.29           | -                          | -                            | -               | -                 | 82.29              | 82.29             |
| <b>Balance as at March 31, 2017</b>                                                         | <b>2,353.90</b>      | <b>82.29</b>    | <b>77.22</b>               | <b>31,050.48</b>             | <b>9,655.04</b> | <b>143,942.51</b> | <b>184,807.54</b>  | <b>187,161.44</b> |

Annexure to our Report of Date

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

for and on behalf of the Board of Directors

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

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

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

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1. COMPANY INFORMATION

- KRBL Limited (the Company) is a Domestic Public Limited company and listed on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company is World's leading Basmati Rice player with milling capacity of 195 MT per hour. The company has fully integrated operations with involvement in every aspect of Basmati value chain, right from seed development, contract farming, procurement of paddy, storage, processing, packaging, branding and marketing. Among the many brands launched by the company "India Gate" is the flagship brand both in Domestic and International Markets.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

- These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. These financial statements for the year ended March 31, 2017 are prepared by the company under Ind AS for the first time. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended March 31, 2016 and the opening Balance Sheet as at April 01, 2015 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Other Notes Forming part of the financial statements.
- The Financial Statements have been prepared on the historical cost convention on going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2015 being the 'date of transition to Ind AS'.

### 2.2 Use of Estimates and Judgments

- The preparation of Financial Statements requires management to make certain assumptions and estimates that affect the reported amount, the Financial Statements and Notes thereto. Difference between actual results and estimates are recognized in the period in which they materialize.

### 2.3 Property, Plant & Equipment including Intangible Assets

- Property, Plant & Equipment are stated at cost of acquisition / installation inclusive of freight, duties, and taxes and all incidental expenses and net of accumulated depreciation. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs. All upgradation / enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.
- Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at the amount spent upto the date of Balance Sheet.
- Freehold Land is stated at original cost of acquisition.
- Intangible assets are stated at their cost of acquisition.

### 2.4 Depreciation

- Depreciation on fixed assets has been provided on straight line method, in terms of useful life of the Assets as prescribed in Schedule II to the Companies Act 2013.
- Computer software charges, patent, trademark & design and goodwill are recognized as intangible assets and amortized on straight line method over a period of 10 years except one software which is depreciated in 6 years on straight line method based upon life of servers where it is installed.

### 2.5 Investment Properties

- Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.6 Investments and Other Financial Assets

- **Classification:** The Company classifies its financial assets in the following measurement categories:
  - (i) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
  - (ii) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

- **Measurement:** At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

#### 2.6.1 Investments

- Investments that are readily realizable and are intended to be held for not more than one year at the point of acquisition are classified as "Current Investments". All other Investments are classified as "Non-Current Investments". The Company measures its Current investments at fair value through profit and loss. Non-current investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2015.

### 2.7 Dividend to equity shareholders

- Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

### 2.8 Inventories

- Items of inventories are measured at lower of cost or net realizable value. Raw material on shop floor and work-in process is taken as part of raw material and valued accordingly.
- The cost is calculated on weighted average cost method and it comprises expenditure incurred in

normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving & defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

- By-products are valued at net realizable value and are deducted from the cost of main product.
- Inventory of Finished Excisable products are valued inclusive of Excise Duty.

### 2.9 Cash and Cash Equivalent

- Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

### 2.10 Revenue Recognition and Accounting for Sales & Services

- Revenue from sale of goods is recognised when all the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. On recognition of revenue the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable. Export sales are adjusted for exchange fluctuations on exports realized during the year and the trade receivable in foreign exchange which are restated at the year end. Domestic sales are recognized net of discounts, Scheme on Sales, Sales Tax, Sale Returns and Excise Duty.
- Sale of energy is accounted for on basis of energy supplied. Sale of Certified Emission Reduction (CER) is recognized as income on delivery of CERs to the customer. Sale of Renewable Energy Certificate (REC) is recognized as income on sale of REC on the IEX/PXIL.
- Dividend income is recognised when the right to receive Dividend is established. Revenue and Expenditure are accounted for on going concern basis. Interest Income / Expenditure is recognized using the time proportion method based on the rates implicit in the transaction.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Revenue in respect of Insurance / others claims, Interest, Commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

### 2.11 Research and Development

- Revenue expenditure on Research & Development is written off in the year in which it is incurred. Capital Expenditure on Research & Development is included under Fixed Assets.

### 2.12 Employee Benefits

- Contributions to defined provident fund are charged to the statement of profit and loss on accrual basis. Present liability for future payment of gratuity and unavailed leave benefits are determined on the basis of actuarial valuation at the balance sheet date and charged to the statement of profit and loss. Gratuity fund is managed by the Kotak Life Insurance.

### 2.13 Derivative financial instruments

- Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

### 2.14 Foreign Currency Transactions

- Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.
- In respect of Non integral foreign operation - both monetary and non-monetary items are translated at the closing rate and resultant difference is accumulated in foreign currency translation reserve, until the disposal of net investment.
- Non monetary foreign currency item are carried at cost.

### 2.15 Government Grant

- Grants from the government are recognised when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grant received from government towards fixed assets acquired/constructed by the Company is deducted out of gross value of the asset acquired/ constructed and depreciation is charged accordingly.

### 2.16 Borrowing

- Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

### 2.17 Borrowing Costs

- Interest and other borrowing costs attributable to qualifying assets are capitalised as a part of such assets till such time the assets are ready for use. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### 2.18 Income taxes

- The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences. Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences.
- Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

recognised in other comprehensive income or directly in equity, respectively the liability of Company on Account of Income Tax is estimated considering the provisions of Income tax Act, 1961.

- Deferred tax is recognized subject to the consideration of prudence on timing differences being the difference between book and tax profits that originate in one year and capable of reversal in one or more subsequent years.

### 2.19 Leases

- i) As a lessee:
  - Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.
- ii) As a lessor:
  - Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

### 2.20 Provisions, Contingent Liability and Contingent Assets

- The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent Assets neither recognised nor disclosed in the Financial Statement.

### 2.21 Segment Reporting

- Segments are identified based on dominant source and nature of risks and returns and internal financial reporting system to the management. Inter segment revenue are accounted for on the basis of transactions which are primarily market led. Revenue and expenses which relate to enterprises as a whole and are not attributable to segments are included under "Other Unallocable Expenditure Net of Unallocable Income".

### 2.22 Financial and Management Information System

- An Integrated Accounting System has been put to practice which unifies both Financial Books and Costing Records. The books of account and other records have been designated to facilitate compliance with the relevant provisions of the Companies Act on one hand and provide Internal Financial Reporting System for Planning, Review and Internal Control on the other. The Cost Accounts are designed to adopt Costing Systems appropriate to the business carried out by the Division, with each Division incorporating into its costing system, the basic tenets and principles of Standard Costing, Budgetary Control and Marginal Costing as appropriate.

### 2.23 Impairment of Financial Asset

- Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

### 2.24 Impairment of Non-Financial Asset

- The Company assesses at each Balance Sheet date whether there is any indication that an assets may be impaired. If any such Indication exists; the Company estimates the recoverable amount of assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of Profit & Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at recoverable amount.

### 2.25 Mergers/Amalgamation

- Mergers / Amalgamations (in the nature of Merger) of other company / body Corporate with the company are accounted for on the basis of purchase method, the Asset / Liabilities being incorporated in terms of values of assets and Liabilities appearing in the books of transferor entity on the date of such merger / amalgamation for the purpose of arriving at the figure of Goodwill or capital reserve.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 3. FIRST TIME ADOPTION OF IND AS

- The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2016, with a transition date of April 01, 2015. These financial statements for the year ended March 31, 2017 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').
- The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2017, together with the comparative information as at and for the year ended March 31, 2016 and the opening Ind AS Balance Sheet as at April 01, 2015, the date of transition to Ind AS.
- In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in retained earnings.

#### (a) Optional exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application:

#### (i) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

#### (ii) Investment in subsidiaries

The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

#### (b) Mandatory Exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

#### (i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence that those estimates were in error. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

#### (ii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through profit/loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

**(For more details kindly refer Note No. 31.10 transition to Ind AS Reconciliations)**

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 4A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

| Particulars                     | Freehold land | Building  | Plant & machinery | Furniture & fixtures | Office Equipment & Others | Vehicles | Total      |
|---------------------------------|---------------|-----------|-------------------|----------------------|---------------------------|----------|------------|
| <b>Gross Block</b>              |               |           |                   |                      |                           |          |            |
| Deemed cost at April 01, 2015   | 3,781.94      | 11,375.95 | 80,431.79         | 1,358.69             | 349.65                    | 2,332.16 | 99,630.18  |
| Additions                       | 1,212.70      | 2,171.69  | 14,639.58         | 55.27                | 29.76                     | 443.99   | 18,552.99  |
| Sales/Deductions                | -             | -         | (68.12)           | -                    | (0.63)                    | (19.66)  | (88.41)    |
| Balance as at March 31, 2016    | 4,994.64      | 13,547.64 | 95,003.25         | 1,413.96             | 378.78                    | 2,756.49 | 118,094.76 |
| Additions                       | 926.69        | 4,228.33  | 23,717.44         | 394.06               | 82.98                     | 645.50   | 29,994.99  |
| Disposals                       | -             | (1.90)    | (80.23)           | (16.30)              | (50.52)                   | (99.95)  | (248.89)   |
| Balance as at March 31, 2017    | 5,921.33      | 17,774.07 | 118,640.46        | 1,791.72             | 411.24                    | 3,302.04 | 147,840.86 |
| <b>Accumulated Depreciation</b> |               |           |                   |                      |                           |          |            |
| Balance as at April 01, 2015    | -             | 2,211.51  | 33,229.58         | 575.78               | 189.22                    | 1,178.86 | 37,384.95  |
| Additions                       | -             | 518.33    | 4,032.23          | 104.46               | 38.47                     | 239.59   | 4,933.08   |
| Disposals                       | -             | -         | (51.14)           | -                    | (0.22)                    | (8.63)   | (59.99)    |
| Balance as at March 31, 2016    | -             | 2,729.84  | 37,210.67         | 680.24               | 227.47                    | 1,409.82 | 42,258.04  |
| Additions                       | -             | 627.81    | 5,002.52          | 124.84               | 42.42                     | 292.04   | 6,089.63   |
| Disposals                       | -             | (0.28)    | (75.92)           | (13.77)              | (46.16)                   | (89.37)  | (225.50)   |
| Balance as at March 31, 2017    | -             | 3,357.37  | 42,137.27         | 791.31               | 223.73                    | 1,612.49 | 48,122.17  |
| <b>Net Block</b>                |               |           |                   |                      |                           |          |            |
| Balance as at April 01, 2015    | 3,781.94      | 9,164.45  | 47,202.21         | 782.91               | 160.43                    | 1,153.30 | 62,245.24  |
| Balance as at March 31, 2016    | 4,994.64      | 10,817.80 | 57,792.57         | 733.72               | 151.31                    | 1,346.68 | 75,836.72  |
| Balance as at March 31, 2017    | 5,921.33      | 14,416.70 | 76,503.19         | 1,000.41             | 187.51                    | 1,689.55 | 99,718.68  |

#### Notes

- None of the Fixed Assets has been revalued during the year.
- Addition to fixed Assets and Capital work-in-progress include net borrowing cost capitalised during the year ₹ Nil (P.Y. ₹ 427.32 Lacs)
- There has been no impairment loss on Assets during the year.
- None of the assets are covered under any group of lease.

### 4B. CAPITAL WORK IN PROGRESS

(₹ in Lacs)

| Particulars                  | Total     |
|------------------------------|-----------|
| <b>Net book value</b>        |           |
| Balance as at April 01, 2015 | 11,373.52 |
| Balance as at March 31, 2016 | 10,026.41 |
| Balance as at March 31, 2017 | 170.89    |

### 4C. INVESTMENT PROPERTY

(₹ in Lacs)

| Particulars                   | Total  |
|-------------------------------|--------|
| <b>Gross Carrying Amount</b>  |        |
| Deemed cost at April 01, 2015 | 520.33 |
| Balance as at March 31, 2016  | 520.33 |
| Balance as at March 31, 2017  | 520.33 |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|                                     |  | (₹ in Lacs)  |
|-------------------------------------|--|--------------|
| Particulars                         |  | Total        |
| <b>Accumulated Depreciation</b>     |  |              |
| Balance as at April 01, 2015        |  | 56.04        |
| Additions                           |  | 17.89        |
| <b>Balance as at March 31, 2016</b> |  | <b>73.93</b> |
| Depreciation charge for the year    |  | 17.89        |
| <b>Balance as at March 31, 2017</b> |  | <b>91.82</b> |
| <b>Net book value</b>               |  |              |
| Balance as at April 01, 2015        |  | 464.28       |
| Balance as at March 31, 2016        |  | 446.39       |
| Balance as at March 31, 2017        |  | 428.51       |
| <b>Fair Value</b>                   |  |              |
| As at April 01, 2015                |  | 548.73       |
| As at March 31, 2016                |  | 529.34       |
| As at March 31, 2017                |  | 509.95       |

### Information regarding income and expenditure of investment property:

|                                                                                        |                | (₹ in Lacs)    |
|----------------------------------------------------------------------------------------|----------------|----------------|
| Particulars                                                                            | March 31, 2017 | March 31, 2016 |
| Rental income derived from investment properties                                       | 37.04          | 64.62          |
| Direct operating expenses (including repairs and maintenance) generating rental income | (0.98)         | (7.74)         |
| <b>Profit arising from investment properties before depreciation</b>                   | <b>36.06</b>   | <b>56.88</b>   |
| Less: Depreciation                                                                     | (17.89)        | (17.89)        |
| <b>Profit arising from investment properties</b>                                       | <b>18.17</b>   | <b>38.99</b>   |

### Premises given on operating lease:

The Company has given a warehouse in Kandla, Gujarat on cancellable operating lease. The lease is renewable for further period on mutually agreeable terms.

### Estimation of fair value:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in Gandhi Dham, Gujarat area.

This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

## 4D. INTANGIBLE ASSETS

|                               |                                   |                      | (₹ in Lacs) |
|-------------------------------|-----------------------------------|----------------------|-------------|
| Particulars                   | Patents,<br>trademark &<br>design | Computer<br>software | Total       |
| Gross Block                   |                                   |                      |             |
| Deemed cost at April 01, 2015 | 22.37                             | 220.68               | 243.05      |
| Additions                     | -                                 | 25.18                | 25.18       |
| Balance as at March 31, 2016  | 22.37                             | 245.86               | 268.23      |
| Additions                     | -                                 | 1.63                 | 1.63        |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars                      | (₹ in Lacs)                 |                   |        |
|----------------------------------|-----------------------------|-------------------|--------|
|                                  | Patents, trademark & design | Computer software | Total  |
| Balance as at March 31, 2017     | 22.37                       | 247.49            | 269.86 |
| Accumulated Depreciation         |                             |                   |        |
| Balance as at April 01, 2015     | 12.01                       | 87.49             | 99.50  |
| Additions                        | 2.24                        | 22.86             | 25.10  |
| Balance as at March 31, 2016     | 14.25                       | 110.35            | 124.60 |
| Depreciation charge for the year | 2.24                        | 25.17             | 27.41  |
| Balance as at March 31, 2017     | 16.49                       | 135.52            | 152.01 |
| Net Block                        |                             |                   |        |
| Balance as at April 01, 2015     | 10.36                       | 133.19            | 143.56 |
| Balance as at March 31, 2016     | 8.12                        | 135.51            | 143.63 |
| Balance as at March 31, 2017     | 5.88                        | 111.97            | 117.85 |

### 5. INVESTMENTS

#### 5A. NON CURRENT INVESTMENT

| Particulars                                                          | Face Value | No. of Shares        |                      |                      | Amount (₹ in Lacs)   |                      |                      |
|----------------------------------------------------------------------|------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                      |            | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
| <b>Unquoted Investment in subsidiaries (At Cost)</b>                 |            |                      |                      |                      |                      |                      |                      |
| KRBL DMCC (Wholly owned subsidiary)                                  | AED 1000   | 1800                 | 1800                 | 1800                 | 217.27               | 217.27               | 217.27               |
| K.B.Exports Private Limited (Partially owned Subsidiary-70% holding) | INR 10     | 2,100,000            | 2,100,000            | 2,100,000            | 210.00               | 210.00               | 210.00               |
| <b>Total</b>                                                         |            | <b>2,101,800</b>     | <b>2,101,800</b>     | <b>2,101,800</b>     | <b>427.27</b>        | <b>427.27</b>        | <b>427.27</b>        |

#### 5B. CURRENT INVESTMENT

| Particulars                                 | Face Value | No. of Shares / Units |                      |                      | Amount (₹ in Lacs)   |                      |                      |
|---------------------------------------------|------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                             |            | As at March 31, 2017  | As at March 31, 2016 | As at April 01, 2015 | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
| <b>Equity instruments (Quoted)</b>          |            |                       |                      |                      |                      |                      |                      |
| <b>Fair value through profit &amp; loss</b> |            |                       |                      |                      |                      |                      |                      |
| NHPC limited                                | 10.00      | 882,712               | 882,712              | 882,712              | 284.23               | 213.17               | 174.78               |
| Coal India Limited                          | 10.00      | 76,437                | 76,437               | 76,437               | 223.69               | 223.16               | 277.39               |
| Power Grid Corporation of India Limited     | 10.00      | 107,667               | 107,667              | 107,667              | 212.43               | 149.76               | 156.39               |
| Shipping Corporation of India Limited       | 10.00      | 242,265               | 242,265              | 242,265              | 185.70               | 157.35               | 112.53               |
| MOIL Limited                                | 10.00      | 18,923                | 18,923               | 18,923               | 59.37                | 41.20                | 52.34                |
| <b>Total</b>                                |            | <b>1,328,004</b>      | <b>1,328,004</b>     | <b>1,328,004</b>     | <b>965.42</b>        | <b>784.64</b>        | <b>773.43</b>        |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars                                 | Face Value | No. of Shares / Units      |                            |                            | Amount (₹ in Lacs)         |                            |                            |
|---------------------------------------------|------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                             |            | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 | As at<br>April 01,<br>2015 | As at<br>March 31,<br>2017 | As at<br>March 31,<br>2016 | As at<br>April 01,<br>2015 |
| <b>Mutual fund instruments (Unquoted)</b>   |            |                            |                            |                            |                            |                            |                            |
| <b>Fair value through profit &amp; loss</b> |            |                            |                            |                            |                            |                            |                            |
| SBI Infrastructure                          | 10.00      | 250,000                    | 250,000                    | 250,000                    | 34.09                      | 26.56                      | 29.44                      |
| Fund - Regular Plan Growth                  |            |                            |                            |                            |                            |                            |                            |
| SBI Magnum Equity                           | 10.00      | 36,127                     | 36,127                     | 36,127                     | 11.55                      | 11.38                      | 14.02                      |
| Fund - Regular Plan Dividend                |            |                            |                            |                            |                            |                            |                            |
| <b>Total</b>                                |            | <b>286,127</b>             | <b>286,127</b>             | <b>286,127</b>             | <b>45.64</b>               | <b>37.94</b>               | <b>43.46</b>               |
| <b>Total Investments</b>                    |            | <b>1,614,131</b>           | <b>1,614,131</b>           | <b>1,614,131</b>           | <b>1,011.06</b>            | <b>822.58</b>              | <b>816.89</b>              |
| Aggregate amount of quoted investments      |            |                            |                            |                            | 965.42                     | 784.64                     | 773.43                     |
| Market Value of quoted investments          |            |                            |                            |                            | 965.42                     | 784.64                     | 773.43                     |
| Aggregate amount of unquoted investments    |            |                            |                            |                            | 45.64                      | 37.94                      | 43.46                      |

### 6. LOANS

#### 6A. NON CURRENT

| Particulars                                               | (₹ in Lacs)             |                         |                         |
|-----------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Unsecured- considered good unless otherwise stated</b> |                         |                         |                         |
| Security deposit                                          | 325.77                  | 250.83                  | 236.02                  |
| <b>Total</b>                                              | <b>325.77</b>           | <b>250.83</b>           | <b>236.02</b>           |

This includes Security deposit of ₹ 180.66 Lacs (March 31, 2016- ₹ 162.75 Lacs) (April 01, 2015- ₹ 146.58 Lacs) which is receivable from related party.

#### 6B. CURRENT

| Particulars       | (₹ in Lacs)             |                         |                         |
|-------------------|-------------------------|-------------------------|-------------------------|
|                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Loan to employees | 10.83                   | 15.73                   | 24.13                   |
| <b>Total</b>      | <b>10.83</b>            | <b>15.73</b>            | <b>24.13</b>            |

### 7. OTHERS FINANCIAL ASSETS

#### 7A. NON- CURRENT

| Particulars                                                            | (₹ in Lacs)             |                         |                         |
|------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Unsecured- considered good unless otherwise stated</b>              |                         |                         |                         |
| Investment in term deposits (original maturity of more than 12 months) | 583.26                  | 373.22                  | 134.16                  |
| <b>Total</b>                                                           | <b>583.26</b>           | <b>373.22</b>           | <b>134.16</b>           |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 7B. CURRENT

| Particulars                                               | (₹ in Lacs)             |                         |                         |
|-----------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                           | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Unsecured- considered good unless otherwise stated</b> |                         |                         |                         |
| Income Receivable                                         | 2,640.69                | 1,216.16                | 613.86                  |
| <b>Total</b>                                              | <b>2,640.69</b>         | <b>1,216.16</b>         | <b>613.86</b>           |

### 8. PRE-PAYMENTS

| Particulars            | (₹ in Lacs)             |                         |                         |
|------------------------|-------------------------|-------------------------|-------------------------|
|                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Prepaid lease rent     | 1,442.02                | 1,306.37                | 1,375.74                |
| Other prepaid expenses | 1,184.08                | 746.05                  | 771.98                  |
| <b>Total</b>           | <b>2,626.10</b>         | <b>2,052.42</b>         | <b>2,147.72</b>         |
| <b>8A Non Current</b>  | <b>1,368.33</b>         | <b>1,251.22</b>         | <b>1,320.58</b>         |
| <b>8B Current</b>      | <b>1,257.77</b>         | <b>801.20</b>           | <b>827.14</b>           |

### 9. OTHER ASSETS

#### 9A. NON-CURRENT

| Particulars                        | (₹ in Lacs)             |                         |                         |
|------------------------------------|-------------------------|-------------------------|-------------------------|
|                                    | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Capital advance                    | 187.65                  | 543.97                  | 164.32                  |
| MAT credit entitlement             | 1,260.37                | 1,420.91                | -                       |
| Balance with statutory authorities | 1,695.48                | 1,080.22                | 477.13                  |
| Other loans and advances           | 822.57                  | 155.42                  | 46.95                   |
| <b>Total</b>                       | <b>3,966.07</b>         | <b>3,200.52</b>         | <b>688.40</b>           |

#### 9B. CURRENT

| Particulars                | (₹ in Lacs)             |                         |                         |
|----------------------------|-------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Statutory dues recoverable | 1,230.28                | 1,712.00                | 1,898.66                |
| Subsidy Receivable         | -                       | 203.06                  | 51.88                   |
| Other Receivable           | 28.22                   | 52.81                   | 139.36                  |
| <b>Total</b>               | <b>1,258.50</b>         | <b>1,967.87</b>         | <b>2,089.90</b>         |

### 10. INVENTORIES

| Particulars                       | (₹ in Lacs)             |                         |                         |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
|                                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Raw Materials*                    | 60,988.94               | 64,176.09               | 92,975.02               |
| Finished Goods*                   | 132,358.11              | 106,292.87              | 95,806.00               |
| Stores, Spares & Packing Material | 8,517.02                | 8,835.80                | 7,176.65                |
| <b>Total</b>                      | <b>201,864.07</b>       | <b>179,304.76</b>       | <b>195,957.67</b>       |

\* Raw Material and Finished Goods includes transit stock.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 11. TRADE RECEIVABLES

| Particulars                                                                                 | (₹ in Lacs)             |                         |                         |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Outstanding for a period exceeding six months from the date they are due for payment</b> |                         |                         |                         |
| Unsecured, Considered Good                                                                  | 1,048.52                | 831.12                  | 789.05                  |
| <b>Total (A)</b>                                                                            | <b>1,048.52</b>         | <b>831.12</b>           | <b>789.05</b>           |
| <b>Others</b>                                                                               |                         |                         |                         |
| Secured, Considered Good                                                                    | 31.92                   | 47.41                   | 102.18                  |
| Unsecured, Considered Good                                                                  | 22,026.94               | 14,816.12               | 19,084.08               |
| <b>Total (B)</b>                                                                            | <b>22,058.86</b>        | <b>14,863.53</b>        | <b>19,186.26</b>        |
| <b>Total (A+B)</b>                                                                          | <b>23,107.38</b>        | <b>15,694.65</b>        | <b>19,975.31</b>        |

Debt due from Directors /Firm in which the Directors are interested ₹ 102.23 Lacs (March 31, 2016 - ₹ 288.87 Lacs, April 01, 2015 - ₹ 126.29 Lacs).

Refer Note No. 31.06 for information about credit risk and market risk.

### 12. CASH & CASH EQUIVALENTS

| Particulars                                                                                            | (₹ in Lacs)             |                         |                         |
|--------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                        | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Cash in hand                                                                                           | 32.37                   | 181.85                  | 231.30                  |
| Cash with Income Tax Department                                                                        | 50.00                   | -                       | -                       |
| <b>Balance with banks</b>                                                                              |                         |                         |                         |
| in Current Accounts                                                                                    | 183.87                  | 1,512.55                | 350.94                  |
| Deposit with original maturity of more than 12 months but within 12 months from the Balance Sheet date | -                       | 23.84                   | 71.37                   |
| <b>Total</b>                                                                                           | <b>266.24</b>           | <b>1,718.24</b>         | <b>653.61</b>           |

### 13. BANK BALANCES OTHER THAN ABOVE

| Particulars                                     | (₹ in Lacs)             |                         |                         |
|-------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                 | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| Unpaid Dividends- earmarked balances with banks | 40.76                   | 68.67                   | 37.60                   |
| <b>Total</b>                                    | <b>40.76</b>            | <b>68.67</b>            | <b>37.60</b>            |

### 14. EQUITY SHARE CAPITAL

| Particulars                                                                                                              | (₹ in Lacs)             |                         |                         |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                                                          | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Authorised</b>                                                                                                        |                         |                         |                         |
| 300,000,000 (March 31, 2016- 300,000,000, April 01, 2015- 30,00,00,000) Ordinary Equity Shares of ₹ 1 each               | 3,000.00                | 3,000.00                | 3,000.00                |
| <b>Total</b>                                                                                                             | <b>3,000.00</b>         | <b>3,000.00</b>         | <b>3,000.00</b>         |
| <b>Issued &amp; Subscribed</b>                                                                                           |                         |                         |                         |
| 236,244,892 (March 31, 2016- 236,244,892, April 01, 2015- 236,244,892) Ordinary Equity Shares of ₹ 1 each                | 2,362.45                | 2,362.45                | 2,362.45                |
| <b>Total</b>                                                                                                             | <b>2,362.45</b>         | <b>2,362.45</b>         | <b>2,362.45</b>         |
| <b>Paid up</b>                                                                                                           |                         |                         |                         |
| 235,389,892 (March 31, 2016- 235,389,892, April 01, 2015- 235,389,892) Ordinary Equity Shares of ₹ 1 each, Fully Paid up | 2,353.90                | 2,353.90                | 2,353.90                |
| <b>Total</b>                                                                                                             | <b>2,353.90</b>         | <b>2,353.90</b>         | <b>2,353.90</b>         |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

| Particulars                                                     | As at March 31, 2017 |                    | As at March 31, 2016 |                    | As at April 01, 2015 |                    |
|-----------------------------------------------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|
|                                                                 | No. of Shares        | Amount (₹ in Lacs) | No. of Shares        | Amount (₹ in Lacs) | No. of Shares        | Amount (₹ in Lacs) |
| Ordinary Equity Shares outstanding at the beginning of the year | 235,389,892          | 2,353.90           | 235,389,892          | 2,353.90           | 235,389,892          | 2,353.90           |
| Ordinary Equity Shares outstanding at the end of the year       | 235,389,892          | 2,353.90           | 235,389,892          | 2,353.90           | 235,389,892          | 2,353.90           |

### b) Terms/ rights attached to ordinary Equity shares

The Company has only one class of Equity Shares having a par value of Re.1 per share. Each holder of Equity Shares is entitled to have one vote per share. The Company declares dividend in Indian Rupees and pays in INR to Resident Shareholders and in USD to the Foreign Shareholders under FDI Catagory.

The Board of Directors of the Company in their meeting held on May 29, 2017, had recommended a final dividend @ 210% i.e. ₹ 2.10 per equity share of face value of ₹ 1/- each for the year ended March 31, 2017 (March 31, 2016- ₹ 1.90 per share, April 01, 2015 - ₹ 1.70 per share). The same shall be paid subject to the approval of shareholders in the ensuing Annual General Meeting of the Company.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

### c) Details of Shareholders holding more than 5% shares in the Company

| S. No | Particulars                        | As at March 31, 2017 |              | As at March 31, 2016 |              | As at April 01, 2015 |              |
|-------|------------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
|       |                                    | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding |
| 1     | Binita Gupta*                      | 38,849,338           | 16.50%       | 6,700,000            | 2.85%        | 67,00,000            | 2.85%        |
| 2     | Anulika Gupta*                     | 41,293,714           | 17.54%       | 5,550,000            | 2.36%        | 5,550,000            | 2.36%        |
| 3     | Reliance Commodities DMCC          | 22,900,000           | 9.73%        | 22,900,000           | 9.73%        | 22,900,000           | 9.73%        |
| 4     | Preeti Mittal**                    | 16,205,515           | 6.88%        | 6,900,000            | 2.93%        | 69,00,000            | 2.93%        |
| 5     | Anil Kumar Mittal                  | 21,490,649           | 9.13%        | 19,123,982           | 8.12%        | 18,490,648           | 7.86%        |
| 6     | Anoop Kumar Gupta#                 | 100                  | 0.00%        | 19,530,209           | 8.30%        | 18,896,876           | 8.03%        |
| 7     | Arun Kumar Gupta#                  | 100                  | 0.00%        | 19,791,833           | 8.41%        | 19,158,500           | 8.14%        |
| 8     | Radha Raj Ispat Private Limited*** | -                    | 0.00%        | 27,913,892           | 11.86%       | 27,913,892           | 11.86%       |

\* Due to inter-se promoter group share transfer from Anoop Kumar Gupta to Binita Gupta and Arun Kumar Gupta to Anulika Gupta and also upon receipt of shares pursuant to the Amalgamation of Radha Raj Ispat Private Limited with KRBL Limited, the shareholding of Anulika Gupta and Binita Gupta was increased and both of them became the shareholders holding more than 5% shares in the company as on March 31, 2017.

\*\* Upon receipt of shares pursuant to the Amalgamation of Radha Raj Ispat Private Limited with KRBL Limited, the shareholding of Preeti Mittal was increased and she became the shareholder holding more than 5% shares in the company as on March 31, 2017.

\*\*\* Radha Raj Ispat Private Limited was merged with KRBL Limited vide the order of Hon'ble High Court of Delhi dated May 24, 2016. The Scheme was effective w.e.f June 01, 2016.

# Due to interse promoter group share transfer from Anoop Kumar Gupta to Binita Gupta and Arun Kumar Gupta to Anulika Gupta, the shareholding of Anoop Kumar Gupta and Arun Kumar Gupta was reduced and both of them were not part of the catagory of shareholders holding more than 5% shares in the company as on March 31, 2017.

d) **Aggregate number of bonus shares issued, Shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:** During the Buy-Back period i.e. March 4, 2013 to February 11, 2014, the Company has Bought Back and Extinguished 7,722,048 Equity Shares at an average price of ₹ 23.58 per share, utilising a sum of ₹ 18.21 Crores (Rupees Eighteen Crores Twenty One Lacs) excluding Transaction Cost. Aggregate number of Bonus shares issued in last 5 years immediately preceding the reporting date is Nil.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 15. OTHER EQUITY

| Particulars                                                                                       | (₹ in Lacs)        |                                  |                    |                  |                      |                       |
|---------------------------------------------------------------------------------------------------|--------------------|----------------------------------|--------------------|------------------|----------------------|-----------------------|
|                                                                                                   | Capital<br>reserve | Capital<br>redemption<br>reserve | General<br>reserve | Share<br>premium | Retained<br>earnings | Total other<br>equity |
| <b>Balance as at April 01, 2015</b>                                                               | -                  | 77.22                            | 19,050.48          | 9,655.04         | 90,686.88            | 119,469.62            |
| Profit for the year                                                                               | -                  | -                                | -                  | -                | 32,743.56            | 32,743.56             |
| Other Comprehensive Income<br>for the year                                                        | -                  | -                                | -                  | -                | (65.98)              | (65.98)               |
| <b>Total Comprehensive Income for<br/>the year</b>                                                | -                  | 77.22                            | 19,050.48          | 9,655.04         | 123,364.46           | 152,147.20            |
| Dividends                                                                                         | -                  | -                                | -                  | -                | (8,474.04)           | (8,474.04)            |
| Transferred to General Reserve                                                                    | -                  | -                                | 6,000.00           | -                | (6,000.00)           | -                     |
| <b>Balance as at March 31, 2016</b>                                                               | -                  | 77.22                            | 25,050.48          | 9,655.04         | 108,890.42           | 143,673.16            |
| <b>Balance as at April 01, 2016</b>                                                               | -                  | 77.22                            | 25,050.48          | 9,655.04         | 108,890.42           | 143,673.16            |
| Profit for the year                                                                               | -                  | -                                | -                  | -                | 40,112.38            | 40,112.38             |
| Other Comprehensive Income<br>for the year                                                        | -                  | -                                | -                  | -                | (83.91)              | (83.91)               |
| <b>Total Comprehensive Income for<br/>the year</b>                                                | -                  | 77.22                            | 25,050.48          | 9,655.04         | 148,918.89           | 183,701.64            |
| Transferred from Radha Raj<br>Ispat Private Limited pursuant to<br>amalgamation into KRBL Limited | -                  | -                                | -                  | -                | 1,026.17             | 1,026.17              |
| Transferred to General Reserve                                                                    | -                  | -                                | -                  | -                | (6,000.00)           | (6,000.00)            |
| Transferred from Profit & Loss                                                                    | -                  | -                                | 6,000.00           | -                | -                    | 6,000.00              |
| Appropriations A/c                                                                                | -                  | -                                | -                  | -                | -                    | -                     |
| Prior Period Items                                                                                | -                  | -                                | -                  | -                | (2.55)               | (2.55)                |
| Other change during the period                                                                    | 82.29              | -                                | -                  | -                | -                    | 82.29                 |
| <b>Balance as at March 31, 2017</b>                                                               | 82.29              | 77.22                            | 31,050.48          | 9,655.04         | 143,942.51           | 184,807.54            |

### 16. BORROWINGS

#### 16A. BORROWINGS (NON CURRENT)

| Particulars                                 | (₹ in Lacs)             |                         |                         |                         |                         |                         |
|---------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                             | Non Current             |                         |                         | Current*                |                         |                         |
|                                             | As at March<br>31, 2017 | As at March<br>31, 2016 | As at April<br>01, 2015 | As at March<br>31, 2017 | As at March<br>31, 2016 | As at April<br>01, 2015 |
| <b>Secured</b>                              |                         |                         |                         |                         |                         |                         |
| <b>Term Loans- From Banks</b>               |                         |                         |                         |                         |                         |                         |
| a) State Bank of India (Tokyo Branch)- ECB# | -                       | -                       | 2,185.27                | -                       | 1,849.12                | 1,877.25                |
| b) HSBC Bank (Mauritius) Limited-ECB#       | -                       | -                       | -                       | -                       | -                       | 928.98                  |
| c) ICICI Bank (Bahrain Branch)- ECB#        | 1,354.68                | 5,718.78                | 6,108.49                | 1,354.68                | 774.74                  | 774.75                  |
| d) State Bank of India#                     | 6,040.00                | 7,385.10                | 5,419.29                | 1,344.00                | 1,342.86                | 335.71                  |
| e) Kotak Mahindra Bank Limited #            | 807.69                  | 2,923.08                | 3,538.46                | 615.38                  | 615.38                  | 461.54                  |
| f) Kotak Mahindra Bank Limited #            | 381.11                  | -                       | -                       | 381.11                  | -                       | -                       |
| g) HSBC Bank Limited #                      | -                       | 1,857.64                | 3,340.88                | -                       | 1,500.00                | 1,500.00                |
| h) HSBC Bank Limited #                      | -                       | 2,202.16                | 3,299.12                | -                       | 1,111.11                | 1,111.11                |
| i) ICICI Bank Limited #                     | 127.60                  | 174.34                  | 209.06                  | 46.74                   | 46.74                   | 62.78                   |
| j) Corporation Bank Limited #               | 21.00                   | 49.00                   | 147.86                  | 28.00                   | -                       | 85.71                   |
| k) Corporation Bank Limited #               | -                       | 12.00                   | -                       | -                       | 44.00                   | 28.00                   |
| l) Corporation Bank Limited #               | -                       | -                       | -                       | -                       | -                       | 16.00                   |
| <b>Total</b>                                | <b>8,732.08</b>         | <b>20,322.10</b>        | <b>24,248.43</b>        | <b>3,769.91</b>         | <b>7,283.95</b>         | <b>7,181.83</b>         |

\* Refer Note No. 20 - Other Financial Liabilities - Current maturities of long term debts.

# Secured by first pari-passu charge on entire movable and immovable Fixed Assets of the Company and second pari-passu charge on entire current assets of the Company.

• There is no default in repayment of Principal or Interest thereon.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| S. No. | Type of Secured Loan, Name of Bank & Sanctioned Amount                                                     | As at March 31, 2017                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                    | As at March 31, 2016                                                                                                                                                                                             |                                                                        | As at April 01, 2015                                                                                                                                                                                             |                                                                        |
|--------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|        |                                                                                                            | Terms of Repayment                                                                                                                                                                                                                                                                                                                                                                                                 | Rate of Interest                                                                   | Terms of Repayment                                                                                                                                                                                               | Rate of Interest                                                       | Terms of Repayment                                                                                                                                                                                               | Rate of Interest                                                       |
| a)     | ECB Loan from State Bank of India (Tokyo Branch) (Sanctioned Amount ₹ US \$ 15 Million i.e. ₹75.09 Crores) | -                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                                                                  | Repayable in 16 quarterly installments of US \$ 9.38 Lacs (₹ 469.31 Lacs) each, starting from January 2013 and maturing on October 2016 i.e. Balancing period of 7 Months from Balance Sheet Date                | Interest to be paid quarterly@ 3 Months LIBOR plus 235 Basis Points    | Repayable in 16 quarterly installments of US \$ 9.38 Lacs (₹ 469.31 Lacs) each, starting from January 2013 and maturing on October 2016 i.e. Balancing period of 1 year and 7 Months from Balance Sheet Date     | Interest to be paid quarterly@ 3 Months LIBOR plus 235 Basis Points    |
| b)     | ECB Loan from HSBC Bank (Mauritius) Limited (Sanctioned Amount US \$ 12 Million i.e. ₹56.40 Crores)        | -                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                                                                  | -                                                                                                                                                                                                                | -                                                                      | Repayable in 16 quarterly installments of US \$ 7.50 Lacs (₹ 352.50 Lacs) each, starting from December 2011 and maturing on September 2015 i.e. Balancing period of 6 Months from Balance Sheet Date             | Interest to be paid quarterly@ 3 Months LIBOR plus 275 Basis Points    |
| c)     | ECB Loan from ICICI Bank (Bahrain) Branch (Sanctioned Amount US\$ 12.51 Million i.e. ₹77.47 Crores)        | ₹ 2,784.32 lacs was prepaid on 2-3-2017 after that annual repayment schedule has been modified and reset for Repayable in 4 semi annual installments of US \$ 10.65 Lacs (₹ 659.72 Lacs) each, starting from August 2017 and maturing on February 2019 i.e. Balancing period of 2 years from Balance Sheet Date. Loan amount has been restated as on March 31, 2017 with USD INR exchange rate as on closing date. | Interest to be paid Half yearly @ 6 Months LIBOR plus 335 Basis Points             | Repayable in 20 semi annual installments of US \$ 6.26 Lacs (₹ 387.37 Lacs) each, starting from August 2014 and maturing on February 2024 i.e. Balancing period of 7 years and 11 Months from Balance Sheet Date | Interest to be paid Half yearly @ 6 Months LIBOR plus 258 Basis Points | Repayable in 20 semi annual installments of US \$ 6.26 Lacs (₹ 387.37 Lacs) each, starting from August 2014 and maturing on February 2024 i.e. Balancing period of 8 years and 11 Months from Balance Sheet Date | Interest to be paid Half yearly @ 6 Months LIBOR plus 258 Basis Points |
| d)     | Term Loan from State Bank of India# (Sanctioned Amount ₹ 94 Crores)                                        | Repayable in 28 quarterly installments of ₹ 336 Lacs each, starting from December 2015 and maturing on September 2022 i.e. Balancing period of 5 years and 6 Months from Balance Sheet Date                                                                                                                                                                                                                        | Interest has been reset to be paid on monthly basis at prevailing MCLR +0.25% p.a. | Repayable in 28 quarterly installments of ₹ 336 Lacs each, starting from December 2015 and maturing on September 2022 i.e. Balancing period of 6 years and 6 Months from Balance Sheet Date                      | Interest to be paid on monthly basis at Base Rate +0.25% p.a.          | Repayable in 28 quarterly installments of ₹ 336 Lacs each, starting from December 2015 and maturing on September 2022 i.e. Balancing period of 7 years and 6 Months from Balance Sheet Date                      | Interest to be paid on monthly basis at Base Rate +0.25% p.a.          |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| S. No. | Type of Secured Loan, Name of Bank & Sanctioned Amount                                               | As at March 31, 2017                                                                                                                                                                         |                                                             | As at March 31, 2016                                                                                                                                                                           |                                                             | As at April 01, 2015                                                                                                                                                                           |                                                               |
|--------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
|        |                                                                                                      | Terms of Repayment                                                                                                                                                                           | Rate of Interest                                            | Terms of Repayment                                                                                                                                                                             | Rate of Interest                                            | Terms of Repayment                                                                                                                                                                             | Rate of Interest                                              |
| e)     | Kotak Mahindra Bank Limited #<br>(Sanctioned Amount ₹ 40 Crores)                                     | Loan of ₹ 1,500 lac has been prepaid on 1-3-2017 and balance Loan amount will be pre-paid in the month of April 2017                                                                         | Interest to be paid on monthly basis at Base Rate           | Repayable in 26 quarterly installments of ₹ 153.85 Lacs each, starting from September 2015 and maturing on December 2021 i.e. Balancing period of 5 years and 9 Months from Balance Sheet Date | Interest to be paid on monthly basis at Base Rate           | Repayable in 26 quarterly installments of ₹ 153.85 Lacs each, starting from September 2015 and maturing on December 2021 i.e. Balancing period of 6 years and 9 Months from Balance Sheet Date | Interest to be paid on monthly basis at Base Rate +0.10% p.a. |
| f)     | Term Loan from The Hongkong And Shanghai Banking Corporation Limited (Sanctioned Amount ₹ 60 Crores) | Loan has been prepaid and closed                                                                                                                                                             | -                                                           | Repayable in 16 quarterly installments of ₹ 375.00 Lacs each, starting from September 2014 and maturing on June 2018 i.e. Balancing period of 2 years and 3 Months from Balance Sheet Date.    | Interest to be paid Monthly@ 9.45 % p.a.                    | Repayable in 16 quarterly installments of ₹ 375.00 Lacs each, starting from September 2014 and maturing on June 2018 i.e. Balancing period of 3 years and 3 Months from Balance Sheet Date.    | Interest to be paid Monthly@ 9.45 % p.a.                      |
| g)     | Term Loan from The Hongkong And Shanghai Banking Corporation Limited (Sanctioned Amount ₹ 50 Crores) | Loan has been prepaid and closed                                                                                                                                                             | -                                                           | Repayable in 18 quarterly installments of ₹ 27.78 Lacs each starting from December, 2014 and maturing on March 2019 i.e. Balancing period of 3 years from Balance Sheet Date.                  | Interest to be paid Monthly@ 9.45 % p.a.                    | Repayable in 18 quarterly installments of ₹ 27.78 Lacs each starting from December, 2014 and maturing on March 2019 i.e. Balancing period of 4 years from Balance Sheet Date.                  | Interest to be paid Monthly@ 10 % p.a.                        |
| h)     | Term Loan from ICICI Bank Limited (Sanctioned Amount ₹ 4 Crores)                                     | Repayable in 20 quarterly installments of ₹ 29.06 Lacs each starting from December 2013 and maturing on September 2018 i.e. Balancing period of 1 years and 6 Months from Balance Sheet Date | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 20 quarterly installments of ₹ 29.06 Lacs each starting from December 2013 and maturing on September 2018 i.e. Balancing period of 2 years and 6 Months from Balance Sheet Date   | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 20 quarterly installments of ₹ 29.06 Lacs each starting from December 2013 and maturing on September 2018 i.e. Balancing period of 3 years and 6 Months from Balance Sheet Date   | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a.   |
| i)     | Term Loan from Corporation Bank Limited (Sanctioned Amount ₹ 6 Crores)                               | -                                                                                                                                                                                            | -                                                           | -                                                                                                                                                                                              | -                                                           | Repayable in 28 quarterly installments of ₹ 21.43 Lacs each starting from November 2009 and maturing on December 2015 i.e. Balancing period of 9 Months from Balance Sheet Date.               | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a.   |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| S. No. | Type of Secured Loan, Name of Bank & Sanctioned Amount                    | As at March 31, 2017                                                                                                                                                                     |                                                             | As at March 31, 2016                                                                                                                                                                      |                                                             | As at April 01, 2015                                                                                                                                                                      |                                                             |
|--------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
|        |                                                                           | Terms of Repayment                                                                                                                                                                       | Rate of Interest                                            | Terms of Repayment                                                                                                                                                                        | Rate of Interest                                            | Terms of Repayment                                                                                                                                                                        | Rate of Interest                                            |
| j)     | Term Loan from Corporation Bank Limited (Sanctioned Amount ₹ 1.68 Crores) | Repayable in 24 quarterly installments of ₹ 7.00 Lacs each starting from April 2013 and maturing on December 2018 i.e. Balancing period of 1 years and 9 Months from Balance Sheet Date. | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 24 quarterly installments of ₹ 7.00 Lacs each starting from April 2013 and maturing on December 2018 i.e. Balancing period of 2 years and 9 Months from Balance Sheet Date.  | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 24 quarterly installments of ₹ 7.00 Lacs each starting from April 2013 and maturing on December 2018 i.e. Balancing period of 3 years and 9 Months from Balance Sheet Date.  | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. |
| k)     | Term Loan from Corporation Bank Limited (Sanctioned Amount ₹ 0.80 Crores) | Outstanding Loan amount has been adjusted against subsidy received from NABARD and has been closed                                                                                       | -                                                           | Repayable in 20 quarterly installments of ₹ 4.00 Lacs each, starting from April 2013 and maturing on December 2017 i.e. Balancing period of 1 years and 9 Months from Balance Sheet Date. | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. | Repayable in 20 quarterly installments of ₹ 4.00 Lacs each, starting from April 2013 and maturing on December 2017 i.e. Balancing period of 2 years and 9 Months from Balance Sheet Date. | Interest to be paid Monthly@ Bank Base Rate Plus 0.50% p.a. |
| l)     | Kotak Mahindra Bank Limited # (Sanctioned Amount ₹ 7.63 Crores)           | Repayable in 8 quarterly installments of ₹ 95.27 Lacs each, starting from June 2017 and maturing on December 2019 i.e. Balancing period of 2 years from Balance Sheet Date               | Interest to be paid on monthly basis at 9.45% p.a.          | -                                                                                                                                                                                         | -                                                           | -                                                                                                                                                                                         | -                                                           |

### 16B.SHORT TERM BORROWINGS

| Particulars                               | (₹ in Lacs)          |                      |                      |
|-------------------------------------------|----------------------|----------------------|----------------------|
|                                           | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
| <b>Secured#</b>                           |                      |                      |                      |
| i) Loans repayable on demand              |                      |                      |                      |
| - From banks                              | 70,973.92            | 74,411.54            | 79,070.06            |
| <b>Total (A)</b>                          | <b>70,973.92</b>     | <b>74,411.54</b>     | <b>79,070.06</b>     |
| <b>Unsecured</b>                          |                      |                      |                      |
| i) Loans repayable on demand              |                      |                      |                      |
| - From banks                              | -                    | 9,802.26             | 21,946.82            |
| - From others (Commercial Paper)          | 20,000.00            | -                    | -                    |
| ii) Loans and advances from related party | 5,531.26             | 4,925.00             | 3,500.00             |
| <b>Total (B)</b>                          | <b>25,531.26</b>     | <b>14,727.26</b>     | <b>25,446.82</b>     |
| <b>Total (A+B)</b>                        | <b>96,505.18</b>     | <b>89,138.80</b>     | <b>104,516.88</b>    |

# Working capital facilities (fund based & non fund based limits) are secured by first pari-passu charge on the entire current assets of the Company. These facilities are further secured by the second pari-passu charge on entire moveable & immoveable fixed assets of the Company and personal guarantee of Promoter Directors of the Company.

- There is no default in repayment of Principal or Interest thereon.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 17. PROVISIONS

#### 17A. NON CURRENT

| Particulars                             | (₹ in Lacs)             |                         |                         |
|-----------------------------------------|-------------------------|-------------------------|-------------------------|
|                                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Provisions for employee benefits</b> |                         |                         |                         |
| Leave encashment payable                | 485.54                  | 364.12                  | 248.35                  |
| <b>Total</b>                            | <b>485.54</b>           | <b>364.12</b>           | <b>248.35</b>           |

#### 17B. CURRENT

| Particulars                    | (₹ in Lacs)             |                         |                         |
|--------------------------------|-------------------------|-------------------------|-------------------------|
|                                | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Employee benefits</b>       |                         |                         |                         |
| Bonus & incentives payable     | 316.17                  | 214.86                  | 89.06                   |
| Gratuity payable               | 227.28                  | 171.76                  | 99.63                   |
| Salary & wages payable         | 356.06                  | 331.20                  | 297.22                  |
| Directors remuneration payable | 18.35                   | 21.12                   | 13.34                   |
| <b>Others</b>                  |                         |                         |                         |
| Provision for Excise Duty      | 30.98                   | 13.77                   | 10.31                   |
| <b>Total</b>                   | <b>948.84</b>           | <b>752.71</b>           | <b>509.56</b>           |

### 18. DEFERRED TAX LIABILITIES (NET)

| Particulars                                 | (₹ in Lacs)             |                         |                         |
|---------------------------------------------|-------------------------|-------------------------|-------------------------|
|                                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>April 01, 2015 |
| <b>Deferred Tax Liabilities</b>             |                         |                         |                         |
| Fixed Assets                                | 12,838.63               | 10,742.05               | 8,338.05                |
| Investments                                 | 6.56                    | 31.59                   | 54.55                   |
| Borrowings                                  | 18.60                   | -                       | -                       |
| <b>Total Deferred Tax Liabilities (A)</b>   | <b>12,863.79</b>        | <b>10,773.64</b>        | <b>8,392.60</b>         |
| <b>Deferred Tax Assets</b>                  |                         |                         |                         |
| Employee Benefits                           | (178.87)                | (40.69)                 | (30.49)                 |
| Borrowings                                  | -                       | (116.03)                | (302.28)                |
| Others                                      | (1,307.11)              | (1,478.38)              | (59.30)                 |
| <b>Total Deferred Tax Assets (B)</b>        | <b>(1,485.98)</b>       | <b>(1,635.10)</b>       | <b>(392.07)</b>         |
| <b>Deferred Tax Liabilities (net) (A-B)</b> | <b>11,377.81</b>        | <b>9,138.54</b>         | <b>8,000.53</b>         |

Significant components of Net Deferred Tax Assets and Liabilities for the year ended March 31, 2017, are as follows:

| Particulars                                                                                 | Opening<br>Balance | Recognised in<br>Profit and Loss | Closing<br>Balance |
|---------------------------------------------------------------------------------------------|--------------------|----------------------------------|--------------------|
| <b>Deferred Tax (Assets)/Liabilities in relation to :</b>                                   |                    |                                  |                    |
| Property, Plant and equipment and intangible assets                                         | 10,534.23          | 2,035.38                         | 12,569.61          |
| Leasehold land                                                                              | 207.82             | 61.19                            | 269.01             |
| Provision for employee benefits                                                             | (40.69)            | (138.18)                         | (178.87)           |
| Receivables and other financial assets                                                      | (1,539.40)         | 1,520.09                         | (19.31)            |
| MAT credit entitlement                                                                      | -                  | (1,284.81)                       | (1,284.81)         |
| Derivative instrument                                                                       | 208.60             | (211.59)                         | (2.99)             |
| Unrealised gain on securities carried at fair value through statement<br>of profit and loss | 31.59              | (25.02)                          | 6.57               |
| Borrowings                                                                                  | (263.61)           | 282.21                           | 18.60              |
| <b>Net Deferred Tax (Assets)/Liabilities</b>                                                | <b>9,138.54</b>    | <b>2,239.27</b>                  | <b>11,377.81</b>   |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Significant components of Net Deferred Tax Assets and Liabilities for the year ended March 31, 2016, are as follows:

| Particulars                                                                              | Opening Balance | Recognised in Profit and Loss | Closing Balance |
|------------------------------------------------------------------------------------------|-----------------|-------------------------------|-----------------|
| <b>Deferred Tax (Assets)/Liabilities in relation to :</b>                                |                 |                               |                 |
| Property, Plant and equipment and intangible assets                                      | 8,120.45        | 2,413.78                      | 10,534.23       |
| Leasehold land                                                                           | 217.60          | (9.78)                        | 207.82          |
| Provision for employee benefits                                                          | (30.49)         | (10.20)                       | (40.69)         |
| Receivables and other financial assets                                                   | (373.04)        | (1,313.94)                    | (1,686.98)      |
| Derivative instrument                                                                    | 477.25          | (268.65)                      | 208.60          |
| Unrealised gain on securities carried at fair value through statement of profit and loss | 54.55           | (22.97)                       | 31.58           |
| Borrowings                                                                               | (465.79)        | 349.77                        | (116.02)        |
| <b>Net Deferred Tax (Assets)/Liabilities</b>                                             | <b>8,000.53</b> | <b>1,138.01</b>               | <b>9,138.54</b> |

### 19. TRADE PAYABLES

| Particulars    | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|----------------|----------------------|----------------------|----------------------|
| Trade payables | 25,361.54            | 14,198.98            | 15,475.16            |
| Other payables | 55.57                | 28.98                | 43.09                |
| <b>Total</b>   | <b>25,417.11</b>     | <b>14,227.96</b>     | <b>15,518.25</b>     |

- Based on information available with the company there are no overdue amount payable to Micro, Small and Medium Enterprises, as defined in The Micro, Small and Medium Enterprises Development Act, 2006. This has been determined to the extent such parties have been identified on the basis of information available with the Company which has been relied upon by the Auditors.

### 20. OTHER FINANCIAL LIABILITIES

| Particulars                                                   | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|
| Current maturities of long-term debts (Refer to Note No. 16A) | 3,769.92             | 7,283.95             | 7,181.83             |
| Interest accrued but not due on borrowings                    | 191.23               | 134.04               | 192.39               |
| Unpaid dividend#                                              | 40.76                | 68.67                | 37.60                |
| Security received                                             | 266.37               | 284.47               | 118.98               |
| Payable to employees                                          | 14.62                | 31.41                | 22.07                |
| Derivative instrument                                         | 8.64                 | -                    | -                    |
| <b>Total</b>                                                  | <b>4,291.54</b>      | <b>7,802.54</b>      | <b>7,552.87</b>      |

# There is no amount due & outstanding to be credited to the Investor Education & Protection Fund.

### 21. OTHER CURRENT LIABILITIES

| Particulars            | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|------------------------|----------------------|----------------------|----------------------|
| Advance from customers | 1,255.94             | 4,795.38             | 14,498.04            |
| Other payables         |                      |                      |                      |
| Statutory dues payable | 301.05               | 318.58               | 420.73               |
| Expenses payable       | 1,341.54             | 780.30               | 2,015.17             |
| <b>Total</b>           | <b>2,898.53</b>      | <b>5,894.26</b>      | <b>16,933.94</b>     |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 22. REVENUE FROM OPERATIONS

| Particulars                                            | (₹ in Lacs)                  |                              |
|--------------------------------------------------------|------------------------------|------------------------------|
|                                                        | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| <b>Sale of Products (including excise duty)</b>        |                              |                              |
| Rice- Export                                           | 108,318.82                   | 177,096.93                   |
| Rice- Domestic                                         | 182,185.73                   | 135,963.27                   |
| Electricity Generation (Including CERs Sale)- Domestic | 9,799.45                     | 8,321.12                     |
| Bran Oil- Domestic                                     | 3,841.61                     | 3,810.07                     |
| Furfural- Export                                       | 961.71                       | 1,255.08                     |
| Furfural- Domestic                                     | 600.79                       | 518.82                       |
| Furfuryl Alcohol- Domestic                             | 138.62                       | -                            |
| Rice Bran- Domestic                                    | 2,767.08                     | 2,117.07                     |
| Glucose- Domestic                                      | 346.90                       | 286.50                       |
| Quinoa- Export                                         | 60.50                        | -                            |
| Quinoa- Domestic                                       | 0.30                         | -                            |
| D Oil Cake- Domestic                                   | 3,401.73                     | 3,236.47                     |
| <b>Sale of Traded Products</b>                         |                              |                              |
| Seed- Domestic                                         | 1,826.95                     | 1,420.75                     |
| <b>By Products, Scrap &amp; Others</b>                 | 536.92                       | 764.16                       |
| <b>Total</b>                                           | <b>314,787.11</b>            | <b>334,790.24</b>            |

### 23. OTHER INCOME

| Particulars                                                       | (₹ in Lacs)                  |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                   | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Warehouse income                                                  | 37.04                        | 64.62                        |
| Net gain on fair valuation of investments through profit and loss | 227.42                       | 12.23                        |
| Interest income                                                   | 228.55                       | 164.01                       |
| Dividend income                                                   | 39.03                        | 38.26                        |
| Dividend from subsidiary company                                  | -                            | 8,840.00                     |
| Foreign exchange gain                                             | 23.07                        | -                            |
| Other non operating income                                        | 51.89                        | 97.69                        |
| <b>Total</b>                                                      | <b>607.00</b>                | <b>9,216.81</b>              |

### 24. COST OF MATERIALS CONSUMED

| Particulars  | (₹ in Lacs)                  |                              |
|--------------|------------------------------|------------------------------|
|              | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Paddy        | 126,305.16                   | 153,756.91                   |
| Rice         | 105,210.03                   | 106,039.94                   |
| Others       | 15,431.23                    | 12,354.94                    |
| Excise Duty  | 144.89                       | 87.17                        |
| <b>Total</b> | <b>247,091.31</b>            | <b>272,238.96</b>            |

### 25. PURCHASE OF TRADED GOODS

| Particulars  | (₹ in Lacs)                  |                              |
|--------------|------------------------------|------------------------------|
|              | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Seeds        | 1,797.10                     | 1,147.75                     |
| <b>Total</b> | <b>1,797.10</b>              | <b>1,147.75</b>              |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK-IN-TRADE

| Particulars                | (₹ in Lacs)                  |                              |
|----------------------------|------------------------------|------------------------------|
|                            | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| <b>Opening Inventories</b> |                              |                              |
| Rice                       | 104,694.73                   | 93,746.99                    |
| Seeds                      | 1,177.30                     | 1,239.00                     |
| Others                     | 420.84                       | 820.01                       |
| <b>Total (A)</b>           | <b>106,292.87</b>            | <b>95,806.00</b>             |
| <b>Closing Inventories</b> |                              |                              |
| Rice                       | 130,281.95                   | 104,694.73                   |
| Seeds                      | 1,578.98                     | 1,177.30                     |
| Others                     | 497.18                       | 420.84                       |
| <b>Total (B)</b>           | <b>132,358.11</b>            | <b>106,292.87</b>            |
| <b>Total (A-B)</b>         | <b>(26,065.24)</b>           | <b>(10,486.87)</b>           |

### 27. EMPLOYEE BENEFITS EXPENSE

| Particulars                               | (₹ in Lacs)                  |                              |
|-------------------------------------------|------------------------------|------------------------------|
|                                           | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Salaries and Wages, Bonus etc.            | 6,482.88                     | 5,702.28                     |
| Contribution to provident and other funds | 355.00                       | 306.15                       |
| Gratuity                                  | 96.41                        | 70.86                        |
| Staff Welfare expenses                    | 55.04                        | 101.02                       |
| <b>Total</b>                              | <b>6,989.33</b>              | <b>6,180.31</b>              |

### 28. FINANCE COSTS

| Particulars                                     | (₹ in Lacs)                  |                              |
|-------------------------------------------------|------------------------------|------------------------------|
|                                                 | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Interest Expense                                |                              |                              |
| On term loans                                   | 2,225.40                     | 2,385.25                     |
| On others                                       | 4,013.47                     | 3,713.77                     |
| <b>Total (A)</b>                                | <b>6,238.87</b>              | <b>6,099.02</b>              |
| Bank charges                                    | 175.71                       | 239.74                       |
| Net (gain)loss on foreign currency transactions | (932.79)                     | 402.26                       |
| <b>Total (B)</b>                                | <b>(757.08)</b>              | <b>642.00</b>                |
| <b>Total (A+B)</b>                              | <b>5,481.79</b>              | <b>6,741.02</b>              |

### 29. OTHER EXPENSES

| Particulars                      | (₹ in Lacs)                  |                              |
|----------------------------------|------------------------------|------------------------------|
|                                  | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Power & Fuel                     | 1,019.43                     | 647.47                       |
| Consumption of Stores and Spares | 754.72                       | 848.70                       |
| Repairs & Maintenance            |                              |                              |
| Machinery                        | 1,845.25                     | 1,639.54                     |
| Buildings                        | 242.00                       | 246.05                       |
| Others                           | 117.66                       | 78.41                        |
| Land, Warehouse and Godown Rent  | 940.98                       | 945.85                       |
| Fumigation                       | 463.14                       | 426.24                       |
| Rice Sorting Charges-Job Work    | 250.27                       | 60.55                        |
| Freight and Cartage              | 1,582.19                     | 1,306.09                     |
| Travelling and Conveyance        | 440.21                       | 393.67                       |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars                                              | (₹ in Lacs)                  |                              |
|----------------------------------------------------------|------------------------------|------------------------------|
|                                                          | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| Postage, Telegram and Telephone                          | 98.32                        | 69.96                        |
| Rent Office and Others                                   | 190.54                       | 183.37                       |
| Legal and Professional [Refer note (a) below]            | 273.65                       | 295.50                       |
| Fees, Rates and Taxes                                    | 64.09                        | 100.33                       |
| Vehicle Running, Repairs & Maintenance                   | 233.83                       | 180.92                       |
| Insurance                                                | 202.61                       | 144.92                       |
| Printing and Stationery                                  | 72.94                        | 82.99                        |
| Testing and Inspection                                   | 101.33                       | 107.41                       |
| Charity and Donation                                     | 35.24                        | 5.66                         |
| Contribution to Political Parties [Refer note no. 31.23] | 30.00                        | -                            |
| Freight on Sales                                         | 4,149.47                     | 5,321.07                     |
| Clearing and Forwarding                                  | 1,112.32                     | 1,567.01                     |
| Sales and Business Promotion                             | 273.37                       | 287.75                       |
| Advertisement                                            | 3,786.25                     | 4,078.56                     |
| Meeting and Seminar                                      | 262.00                       | 257.59                       |
| Commission and Brokerage                                 | 729.69                       | 546.97                       |
| Taxes on sales                                           | 256.42                       | 326.43                       |
| Corporate Social Responsibility                          | 208.31                       | 63.39                        |
| Lease rentals                                            | 73.69                        | 69.37                        |
| Foreign Exchange Loss                                    | -                            | 75.98                        |
| Other Miscellaneous Expenses                             | 226.63                       | 342.97                       |
| <b>Total</b>                                             | <b>20,036.55</b>             | <b>20,700.72</b>             |

### (a) Legal and Professional Charges includes:

| Particulars                             | (₹ in Lacs)                  |                              |
|-----------------------------------------|------------------------------|------------------------------|
|                                         | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| <b>Payment to Auditors</b>              |                              |                              |
| For audit                               | 27.42                        | 18.32                        |
| For tax audit                           | 2.88                         | 2.86                         |
| For taxation and certification work     | 1.73                         | 1.72                         |
| <b>Payment to Cost Auditors</b>         |                              |                              |
| For audit                               | 0.58                         | 0.58                         |
| Reimbursement of out of pocket expenses | 0.06                         | 0.05                         |

## 30. RECONCILIATION OF TAX EXPENSE TO BE MADE IN BOOKS:

### Reconciliation of effective tax rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

| Particulars                                                                 | (₹ in Lacs)                  |                              |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                             | Year Ended<br>March 31, 2017 | Year Ended<br>March 31, 2016 |
| <b>Statutory income tax rate</b>                                            | <b>34.61%</b>                | <b>34.61%</b>                |
| <b>Differences due to</b>                                                   |                              |                              |
| Depreciation deductible for tax purposes                                    | (10.14%)                     | (8.53%)                      |
| Expenses deductible due to investment incentives                            | (3.56%)                      | (3.42%)                      |
| Expenses deductible for tax purpose for investment in New Plant & Machinery | (0.62%)                      | (1.58%)                      |
| Effect of Deferred Tax & MAT Credit entitlement                             | 3.18%                        | 4.16%                        |
| Others                                                                      | (0.51%)                      | 0.38%                        |
| <b>Effective Tax Rate</b>                                                   | <b>22.96%</b>                | <b>25.62%</b>                |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 31. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 31.01. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 19: EMPLOYEE BENEFITS

##### DEFINED BENEFIT PLANS:

##### (a) Following information are based on report of Actuary:

|       |                                                                   | (₹ in Lacs)    |                |                |
|-------|-------------------------------------------------------------------|----------------|----------------|----------------|
| S. No | Amount recognised as expense in respect of defined benefit plans: | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| 1     | Gratuity (Funded)                                                 | 224.73         | 171.76         | 99.64          |
| 2     | Leave Encashment (unfunded)                                       | 142.57         | 133.90         | 113.78         |

##### (b) The Company has classified the various benefits provided to employees as under:

**Gratuity:** The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

**Leave Encashment:** The Company provides for Leave Encashment for during the year on an arithmetical basis and the same is payable to the employees on separation from the Company due to death, retirement, superannuation or resignation. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date.

**Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. All the employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. Contributions are made to PF in India for employees at the rate of 12% of the basic salary as per the rules and regulations. The Company has no liability for future provident fund benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. The contributions are made to recognised provident fund administered by the government.

##### (c) The assumptions used for the actuarial valuation are as under:

| S. No                 | Defined benefit plans:                           | March 31, 2017                                      |                                                     | March 31, 2016                                      |                                                     | April 01, 2015                                      |                                                     |
|-----------------------|--------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
|                       |                                                  | Gratuity (Funded)                                   | Leave Encashment (Unfunded)                         | Gratuity (Funded)                                   | Leave Encashment (Unfunded)                         | Gratuity (Funded)                                   | Leave Encashment (Unfunded)                         |
| Actuarial Assumptions |                                                  |                                                     |                                                     |                                                     |                                                     |                                                     |                                                     |
| 1                     | Discount rate                                    | 7.71%                                               | 7.71%                                               | 7.95%                                               | 7.95%                                               | 8.09%                                               | 8.09%                                               |
| 2                     | Expected rate of return on plan assets           | 7.71%                                               | NA                                                  | 7.95%                                               | NA                                                  | 8.09%                                               | NA                                                  |
| 3                     | Mortality Rate during employment                 | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate | Indian Assured Lives Mortality (2006-2008) Ultimate |
| 4                     | Expected rate of increase in compensation levels | 6.00%                                               | 6.00%                                               | 5.50%                                               | 5.50%                                               | 5%                                                  | 5%                                                  |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Significant estimates with respect to Defined benefit plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

**(d) The following tables summarise the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:**

(₹ in Lacs)

| S.<br>No | Defined benefit plans:                                                     | March 31, 2017       |                                   | March 31, 2016       |                                   | April 01, 2015       |                                   |
|----------|----------------------------------------------------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|
|          |                                                                            | Gratuity<br>(Funded) | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded) | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded) | Leave<br>Encashment<br>(Unfunded) |
| <b>1</b> | <b>Change in Present Value of Projected benefit Obligation</b>             |                      |                                   |                      |                                   |                      |                                   |
|          | Defined Benefit at the beginning of the period                             | 621.34               | 364.12                            | 459.68               | 248.35                            | 317.95               | 148.65                            |
|          | Current Service Cost                                                       | 82.55                | 38.95                             | 62.59                | 30.82                             | 45.70                | 20.54                             |
|          | Interest cost                                                              | 49.40                | 28.95                             | 37.19                | 20.09                             | 29.60                | 13.84                             |
|          | Benefits paid                                                              | (23.77)              | (21.15)                           | (34.99)              | (18.13)                           | (12.27)              | (14.08)                           |
|          | Remeasurements-actuarial gain/loss -due to change in financial assumptions | 80.76                | 43.02                             | 51.89                | 28.11                             | 65.38                | 33.09                             |
|          | Remeasurements-actuarial gain/loss -due to experience                      | 72.74                | 31.65                             | 44.98                | 54.88                             | 13.32                | 46.31                             |
|          | <b>Present Value of Benefit Obligation at the end of the period</b>        | <b>883.02</b>        | <b>485.54</b>                     | <b>621.34</b>        | <b>364.12</b>                     | <b>459.68</b>        | <b>248.35</b>                     |
| <b>2</b> | <b>Change in fair Value of Plan assets</b>                                 |                      |                                   |                      |                                   |                      |                                   |
|          | Fair value of plan assets at the beginning of the period                   | 447.03               | -                                 | 357.49               | -                                 | 270.42               | -                                 |
|          | Expected return on plan assets                                             | 35.54                | -                                 | 28.92                | -                                 | 25.18                | -                                 |
|          | Employee Contribution made                                                 | 171.76               | -                                 | 99.64                | -                                 | 44.96                | -                                 |
|          | Benefits paid                                                              | (23.77)              | -                                 | (34.99)              | -                                 | (12.27)              | -                                 |
|          | Return on plan assets, excluding interest income                           | 25.18                | -                                 | (4.03)               | -                                 | 29.20                | -                                 |
|          | <b>Fair value of plan assets at the end of the period</b>                  | <b>655.74</b>        | <b>-</b>                          | <b>447.03</b>        | <b>-</b>                          | <b>357.49</b>        | <b>-</b>                          |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| (₹ in Lacs) |                                                                                                   |                   |                             |                   |                             |                   |                             |
|-------------|---------------------------------------------------------------------------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
| S. No       | Defined benefit plans:                                                                            | March 31, 2017    |                             | March 31, 2016    |                             | April 01, 2015    |                             |
|             |                                                                                                   | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) | Gratuity (Funded) | Leave Encashment (Unfunded) |
| 3           | <b>Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b> |                   |                             |                   |                             |                   |                             |
|             | Present Value of funded/ (unfunded) obligation as at the end of the period                        | 883.02            | 485.54                      | 621.34            | 364.12                      | 459.68            | 248.35                      |
|             | Fair Value of Plan Assets as at the end of the period                                             | (655.74)          | -                           | (447.03)          | -                           | (357.49)          | -                           |
|             | Funded Status                                                                                     | 227.28            | 485.54                      | 174.31            | 364.12                      | 102.19            | 248.35                      |
|             | <b>Net Liability/ Asset recognised in the Balance Sheet</b>                                       | <b>227.28</b>     | <b>485.54</b>               | <b>174.31</b>     | <b>364.12</b>               | <b>102.19</b>     | <b>248.35</b>               |
| 4           | <b>Expenses Recognized in Statement of profit or loss</b>                                         |                   |                             |                   |                             |                   |                             |
|             | Current Service Cost                                                                              | 82.55             | 38.95                       | 62.59             | 30.82                       | 45.70             | 20.54                       |
|             | Interest expense/ (income) (net)                                                                  | 13.86             | 28.95                       | 8.27              | 20.09                       | 4.44              | 13.84                       |
|             | Actuarial (Gains)/Losses                                                                          | -                 | -                           | -                 | -                           | -                 | -                           |
|             | Expected return on plan assets                                                                    | -                 | -                           | -                 | -                           | -                 | -                           |
|             | <b>Expense at the end of the period</b>                                                           | <b>96.41</b>      | <b>67.90</b>                | <b>70.86</b>      | <b>50.91</b>                | <b>50.14</b>      | <b>34.38</b>                |
| 5           | <b>Recognized in other Comprehensive income</b>                                                   |                   |                             |                   |                             |                   |                             |
|             | Remeasurements-actuarial gain/loss on obligation for the period                                   | 153.50            | 74.67                       | 96.87             | 82.99                       | 78.70             | 79.40                       |
|             | Return on plan assets, excluding interest income                                                  | (25.18)           | -                           | 4.03              | -                           | (29.20)           | -                           |
|             | <b>Expense at the end of the period</b>                                                           | <b>128.32</b>     | <b>74.67</b>                | <b>100.90</b>     | <b>82.99</b>                | <b>49.50</b>      | <b>79.40</b>                |
| 6           | <b>The major category of plan assets as a percentage of total plan</b>                            |                   |                             |                   |                             |                   |                             |
|             | Leave Encashment : Unfunded                                                                       | -                 | 485.54                      | -                 | 364.12                      | -                 | 248.35                      |
|             | Gratuity : Government of India Assets                                                             | -                 | -                           | -                 | -                           | -                 | -                           |
|             | Cash cash equivalents                                                                             | -                 | -                           | -                 | -                           | -                 | -                           |
|             | Corporate bonds                                                                                   | -                 | -                           | -                 | -                           | -                 | -                           |
|             | Insurance Fund                                                                                    | 655.74            | -                           | 447.03            | -                           | 357.49            | -                           |
|             | Other                                                                                             | -                 | -                           | -                 | -                           | -                 | -                           |
|             | <b>Total</b>                                                                                      | <b>655.74</b>     | <b>-</b>                    | <b>447.03</b>     | <b>-</b>                    | <b>357.49</b>     | <b>-</b>                    |

(e) Maturity Analysis of projected benefit obligation from the fund:

| (₹ in Lacs)                                                               |                                  |                                  |
|---------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Projected benefits payable in the future years from the date of reporting | Gratuity (Funded) March 31, 2017 | Gratuity (Funded) March 31, 2016 |
| 1 year                                                                    | 73.42                            | 22.65                            |
| 2 to 5 years                                                              | 101.92                           | 115.05                           |
| 6 to 10 years                                                             | 223.68                           | 286.70                           |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(f) Prescribed contribution for Next Year (12 Months): ₹ 294.68 Lacs

(g) Sensitivity analysis:

(₹ in Lacs)

| Particulars            | Gratuity (Funded)     |                               | Gratuity (Funded)     |                               |
|------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
|                        | March 31, 2017        |                               | March 31, 2016        |                               |
|                        | Change in assumptions | Effect on Gratuity obligation | Change in assumptions | Effect on Gratuity obligation |
| Discount rate          | 1% increase           | (105.02)                      | 1% increase           | (76.79)                       |
|                        | 1% decrease           | 127.44                        | 1% decrease           | 93.06                         |
| Future salary increase | 1% increase           | 128.38                        | 1% increase           | 94.46                         |
|                        | 1% decrease           | (107.48)                      | 1% decrease           | (79.08)                       |
| Employee turnover rate | 1% increase           | 20.02                         | 1% increase           | 22.68                         |
|                        | 1% decrease           | (23.40)                       | 1% decrease           | (26.39)                       |

### 31.02. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17: LEASES

#### 1 OPERATING LEASE COMMITMENTS-COMPANY AS LESSEE:

Future minimum rentals payable under non-cancellable operating leases as at March 31st are, as follows:

(₹ in Lacs)

| Particulars                                                                                             | March 31, 2017 | March 31, 2016 | April 01, 2015 |
|---------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| - Not later than one year                                                                               | 821.88         | 811.81         | 755.82         |
| - Later than one year but not later than five years                                                     | 2,680.31       | 2,788.40       | 2,627.91       |
| - Later than five years                                                                                 | 576.67         | 1,168.35       | 551.56         |
| <b>Lease payment recognised in the Statement of Profit and Loss for non-cancellable operating lease</b> | <b>824.66</b>  | <b>755.82</b>  | <b>717.08</b>  |

#### Significant Leasing arrangement:

The Company has entered into leasing arrangements in respect of godowns/premises. Further, some lands are also taken on lease for power generation projects at different locations which has been classified as operating lease.

- Basis of determining contingent rent:**

- Contingent rents are payable for excessive, improper or unauthorized use of the assets, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump- sum amount, as agreed between the parties.

- Renewal/purchase options & escalation clauses:**

-Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change in the basis of computation of lease rentals by the lessor.

- There are no restrictions imposed by the lease arrangements, concerning dividend and additional debt.**

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2 OPERATING LEASE COMMITMENTS-COMPANY AS LESSOR:

Future minimum rentals receivable under non-cancellable operating leases as at March 31st are, as follows:

|                                                                                                          | (₹ in Lacs)    |                |                |
|----------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| Particulars                                                                                              | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| - Not later than one year                                                                                | 37.04          | 64.62          | 94.56          |
| - Later than one year but not later than five years                                                      | -              | 37.04          | 101.65         |
| - Later than five years                                                                                  | -              | -              | -              |
| <b>Lease receipts recognised in the statement of Profit and Loss for non-cancellable operating lease</b> | <b>37.04</b>   | <b>64.62</b>   | <b>94.56</b>   |

### 31.03. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 37: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingencies and Capital Commitments (to the extent not provided for):

#### 1 Contingencies:

|                                                                                                                                                   | (₹ in Lacs)    |                |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| Particulars                                                                                                                                       | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| <b>Claims against the Company not acknowledged as debts</b>                                                                                       |                |                |                |
| (a) Liability relating to Bank Guarantee                                                                                                          | 14.85          | 152.97         | 1,189.28       |
| (b) Disputed liability in respect of Income Tax Demand in appeal                                                                                  | -              | 12.67          | 5.86           |
| - Amount paid against disputed Income Tax appeal ₹ Nil (March 31, 2016 - ₹ Nil, April 01, 2015 - ₹ Nil)                                           |                |                |                |
| (c) Disputed liability relating to Sales Tax/VAT                                                                                                  | 3.12           | 11.45          | 8.63           |
| - Amount paid against disputed Sales Tax/VAT appeal ₹ 2.20 Lacs (March 31, 2016 - ₹ 11.45 Lacs, April 01, 2015 - ₹ 8.63 Lacs)                     |                |                |                |
| (d) Disputed purchase tax liability on paddy purchased in the course of exports*                                                                  | 905.49         | 905.49         | 905.49         |
| - Amount paid against disputed purchase tax liability under appeal ₹ 226.37 Lacs (March 31, 2016 - ₹ 226.37 Lacs, April 01, 2015 - ₹ 226.37 Lacs) |                |                |                |
| (e) Disputed Liability in respect of additional demand of purchase tax on paddy**                                                                 | 1,952.90       | 1,417.40       | -              |
| - Amount paid against disputed purchase tax liability under appeal ₹ 641.43 Lacs, (March 31, 2016 - ₹ 492.55 Lacs, April 01, 2015 - ₹ Nil)        |                |                |                |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| (₹ in Lacs)                                                                                                      |                 |                 |                 |
|------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| Particulars                                                                                                      | March 31, 2017  | March 31, 2016  | April 01, 2015  |
| (f) Others                                                                                                       | 29.29           | 28.24           | 28.24           |
| - Amount paid against other disputed liabilities is ₹ 5.30 Lacs (March 31, 2016 - ₹ Nil, April 01, 2015 - ₹ Nil) |                 |                 |                 |
| <b>Total</b>                                                                                                     | <b>2,905.65</b> | <b>2,528.22</b> | <b>2,137.50</b> |

**Note:**

\* The matter was decided in favour of company by the Hon'ble VAT Tribunal, Punjab and the amount paid against this liability (₹ 226.37 Lacs) was refunded to the company on May 15, 2017. However, Punjab VAT Department has gone into appeal with Hon'ble High Court of Punjab and Haryana against the said order of VAT Tribunal.

\*\* The appeal is pending before Hon'ble Deputy Excise and Taxation Commissioner (DETC), Punjab. As per the legal opinion the demand created by VAT department is arbitrary and the matter will be decided in favour of company.

### 2 Capital Commitments:

| (₹ in Lacs)                                                                                                      |                |                |
|------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Particulars                                                                                                      | March 31, 2017 | March 31, 2016 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 145.01         | 14,083.03      |

### 31.04 . DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24: RELATED PARTY DISCLOSURES NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES:

#### 1 Related Parties and their Relationship:

- a) **Subsidiary Company** :
- KRBL DMCC
  - K B Exports Private Limited
- b) **Key Management Personnel:**
- Mr. Anil Kumar Mittal : Chairman & Managing Director
  - Mr. Arun Kumar Gupta : Joint Managing Director
  - Mr. Anoop Kumar Gupta : Joint Managing Director
  - Ms. Priyanka Mittal : Whole Time Director
  - Mr. Ashok Chand : Whole Time Director
  - Mr. Rakesh Mehrotra : Chief Financial Officer
  - Mr. Raman Sapra : Company Secretary
- c) **Independent Non-Executive Directors:**
- Mr. Vinod Ahuja : Independent Non Executive Director
  - Mr. Ashwani Dua : Independent Non Executive Director
  - Mr. Shyam Arora : Independent Non Executive Director
  - Mr. Devendra Kumar Aggawal : Independent Non Executive Director
  - Mr. Alok Sabharwal : Additional Director, Independent Non Executive

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**d) Employee benefit plans where there is significant influence:**

KRBL Limited Employees Group Gratuity Trust

**e) Relatives of Key Management Personnel:**

|                               |   |                                       |
|-------------------------------|---|---------------------------------------|
| Mrs. Preeti Mittal            | : | Wife of Mr. Anil Kumar Mittal         |
| Mrs. Anulika Gupta            | : | Wife of Mr. Arun Kumar Gupta          |
| Mrs. Binita Gupta             | : | Wife of Mr. Anoop Kumar Gupta         |
| Mr. Ashish Mittal             | : | Son of Mr. Anil Kumar Mittal          |
| Mrs. Sonali Gupta             | : | Wife of Mr. Ashish Mittal             |
| Mrs. Neha Gupta               | : | Daughter of Mr. Arun Kumar Gupta      |
| Mr. Kunal Gupta               | : | Son of Mr. Arun Kumar Gupta           |
| Mrs. Avantika Gupta           | : | Wife of Mr. Kunal Gupta               |
| Mrs. Rashmi Gupta             | : | Daughter of Mr. Anoop Kumar Gupta     |
| Mr. Akshay Gupta              | : | Son of Mr. Anoop Kumar Gupta          |
| Mrs. Anushree Gupta           | : | Wife of Mr. Akshay Gupta              |
| Mr. Ayush Gupta               | : | Son of Mr. Anoop Kumar Gupta          |
| Mrs. Sanchi Jain              | : | Wife of Mr. Ayush Gupta               |
| Anil Kumar Mittal HUF         | : | Mr. Anil Kumar Mittal is Karta of HUF |
| Arun Kumar Gupta HUF          | : | Mr. Arun Kumar Gupta is Karta of HUF  |
| Anoop Kumar Gupta HUF         | : | Mr. Anoop Kumar Gupta is Karta of HUF |
| Bhagirath Lal Gupta HUF       | : | Mr. Anil Kumar Mittal is Karta of HUF |
| Banwari Lal Bhagirath Lal HUF | : | Mr. Anil Kumar Mittal is Karta of HUF |

**f) Enterprises over which key management personnel are able to exercise significant influence:**

|                              |   |                                                                                                                                                                           |
|------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Khushi Ram Behari Lal        | : | Partnership Firm in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Partners.                                                                        |
| Aakash Hospitality Pvt. Ltd. | : | Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| Anurup Exports Pvt. Ltd.     | : | Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| Adwet Warehousing Pvt. Ltd.  | : | Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| Holistic Farms Pvt. Ltd.     | : | Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| India Gate Foods Pvt. Ltd.   | : | Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Ms. Priyanka Mittal and Mr. Kunal Gupta and Mr. Ashish Mittal are Directors. |
| KRBL Foods Ltd.              | : | Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.     |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|                                     |                                                                                                                                                                         |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Radha Raj Logistics Pvt. Ltd.       | : Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                                |
| Radha Raj Infrastructure Pvt. Ltd.  | : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta, Mr. Anoop K. Gupta, Mr. Ashwani Dua, Mr. Manav Dua and Mr. Balbir Kapoor are Directors.       |
| Padmahasta Warehousing Pvt. Ltd.    | : Private Limited Company in Which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                            |
| KRBL Infrastructure Ltd.            | : Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors. |
| Radha Raj IT City & Parks Pvt. Ltd. | : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.                                                            |
| Solid Infradevelopers Pvt. Ltd.     | : Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta and Mr. Sanjeev Gupta are Directors.                                          |

**g) Trust/Society over which key management personnel are able to exercise significant influence:**

|                                          |                                                                                             |
|------------------------------------------|---------------------------------------------------------------------------------------------|
| Seth Banwari Lal Charitable Trust        | : Trust in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Trustees.   |
| Seth Khushi Ram Charitable Trust         | : Trust in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Trustees.   |
| Seth Banwari Lal Education Society       | : Society in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Trustees. |
| Anil Kumar Mittal Children Welfare Trust | : Trust in which Mr. Arun K. Gupta & Mr. Anoop K. Gupta are trustees.                       |
| Arun Kumar Gupta Children Welfare Trust  | : Trust in which Mr. Anil K. Mittal & Mr. Anoop K. Gupta are trustees.                      |
| Anoop Kumar Gupta Children Welfare Trust | : Trust in which Mr. Anil K. Mittal & Mr. Arun K. Gupta are trustees.                       |
| Anil Mittal Family Trust                 | : Trust in which Mr. Anil Kumar Mittal and Mrs. Preeti Mittal are trustees.                 |
| Anoop Kumar Gupta Family Trust           | : Trust in which Mr. Anoop Kumar Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are trustees.  |
| Arun Kumar Gupta Family Trust            | : Trust in which Mr. Arun Kumar Gupta and Mr. Kunal Gupta are trustees.                     |
| Anulika Gupta Family Trust               | : Trust in which Mr. Arun Kumar Gupta and Mrs. Anulika Gupta are trustees.                  |
| Binita Gupta Family Trust                | : Trust in which Mr. Anoop Kumar Gupta and Mrs. Binita Gupta are trustees.                  |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2 Transactions with Related Parties:

#### a) Related Party Transactions entered during the year:

(₹ in Lacs)

| Particulars                                 | Enterprises over which significant influence exercised by key management personnel |                | Key Managerial Personnel (Including Relatives) |                | Subsidiary Company |                | Total          |                |
|---------------------------------------------|------------------------------------------------------------------------------------|----------------|------------------------------------------------|----------------|--------------------|----------------|----------------|----------------|
|                                             | March 31, 2017                                                                     | March 31, 2016 | March 31, 2017                                 | March 31, 2016 | March 31, 2017     | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Purchase of goods/fixed assets              | 2.90                                                                               | -              | -                                              | -              | -                  | -              | 2.90           | -              |
| Sale of goods/ fixed assets                 | 731.68                                                                             | 717.74         | -                                              | -              | 88.19              | 155.71         | 819.87         | 873.45         |
| Arrangement Fees Paid                       | -                                                                                  | -              | -                                              | -              | 5.25               | 2.51           | 5.25           | 2.51           |
| Rent/Vehicle Hire Charges paid              | 742.63                                                                             | 678.08         | 41.88                                          | 41.88          | -                  | -              | 784.51         | 719.96         |
| Dividend paid                               | -                                                                                  | 1,004.90       | -                                              | 3,978.94       | -                  | -              | -              | 4,983.84       |
| Dividend received                           | -                                                                                  | -              | -                                              | -              | -                  | 8,840.00       | -              | 8,840.00       |
| Interest Paid                               | 98.54                                                                              | 131.19         | -                                              | -              | -                  | -              | 98.54          | 131.19         |
| Loans Taken                                 | -                                                                                  | -              | 4,255.00                                       | 1,425.00       | -                  | -              | 4,255.00       | 1,425.00       |
| Remuneration on A/c of Salary & Perquisites | -                                                                                  | -              | 559.41                                         | 362.82         | -                  | -              | 559.41         | 362.82         |

#### b) Balance Outstanding at the end of the Financial Year:

(₹ in Lacs)

| Particulars                                                              | Enterprises over which significant influence exercised by key management personnel |                |                | Key Managerial Personnel (Including Relatives) |                |                | Subsidiary Company |                |                | Total          |                |                |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------|----------------|------------------------------------------------|----------------|----------------|--------------------|----------------|----------------|----------------|----------------|----------------|
|                                                                          | March 31, 2017                                                                     | March 31, 2016 | April 01, 2015 | March 31, 2017                                 | March 31, 2016 | April 01, 2015 | March 31, 2017     | March 31, 2016 | April 01, 2015 | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| Receivable (Payable) on account of goods sale/services rendered/received | (859.50)                                                                           | (1,932.00)     | (2,903.66)     | -                                              | -              | -              | 102.23             | 288.87         | 126.29         | (757.27)       | (1,643.13)     | (2,777.37)     |
| Receivable on account of Security deposit/Prepaid Lease                  | 971.00                                                                             | 971.00         | 971.00         | -                                              | -              | -              | -                  | -              | -              | 971.00         | 971.00         | 971.00         |
| Payable on account of Loans Taken                                        | -                                                                                  | -              | -              | 5,531.26                                       | 4,925.00       | 3,500.00       | -                  | -              | -              | 5,531.26       | 4,925.00       | 3,500.00       |

#### c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those prevailing in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

#### d) Transactions with key management personnel

The Company has taken an interest free loan from directors of the company and is repayable on demand (Refer Note no. 16.B)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 31.05. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 108: OPERATING SEGMENTS

#### Segmental Reporting:

For management purposes, the Company is organized into business units based on its products and services and has two reportable segments, as follows:

- Agri - Comprises of agricultural commodities such as rice, Furfural, seed, bran, bran oil, etc.
- Energy - Comprises of power generation from wind turbine, husk based power plant & solar power plant.

No operating segment have been aggregated to form the above reportable operating segments.

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

#### a) Summary of Segmental Information for the year ended March 31, 2017:

|                                                                | (₹ in Lacs)       |                 |                 |                   |
|----------------------------------------------------------------|-------------------|-----------------|-----------------|-------------------|
| Particulars                                                    | Agri              | Energy          | Unallocable     | Total             |
| <b>Segment operating Revenue</b>                               |                   |                 |                 |                   |
| External                                                       | 304,987.65        | 15,196.32       | -               | 320,183.97        |
| Less: Inter-Segment                                            | -                 | 5,396.86        | -               | 5,396.86          |
| <b>Net revenue from operations</b>                             | <b>304,987.65</b> | <b>9,799.46</b> | <b>-</b>        | <b>314,787.11</b> |
| <b>Segment Result</b>                                          | 52,434.43         | 5,518.37        | -               | 57,952.80         |
| Less: Finance Cost                                             | -                 | -               | 3,690.48        | 3,690.48          |
| Less: Other Unallocable expenditure                            | -                 | -               | 334.00          | 334.00            |
| net of unallocable income                                      |                   |                 |                 |                   |
| <b>Segment Profit before Taxation</b>                          | <b>52,434.43</b>  | <b>5,581.37</b> | <b>4,024.48</b> | <b>53,928.32</b>  |
| <b>Other Disclosures</b>                                       |                   |                 |                 |                   |
| Segment Assets                                                 | 264,897.30        | 73,666.70       | -               | 338,564.00        |
| Segment Liabilities                                            | 120,575.42        | 22,094.58       | -               | 142,670.00        |
| <b>Segment Revenue based on the locations of the customers</b> |                   |                 |                 |                   |
| Middle East                                                    | 81,100.35         | -               | -               | 81,100.35         |
| Other than Middle East & India                                 | 28,283.22         | -               | -               | 28,283.22         |
| India                                                          | 195,604.09        | 9,799.45        | -               | 205,403.54        |
| <b>Segment Assets</b>                                          |                   |                 |                 |                   |
| Middle East                                                    | 3,429.67          | -               | -               | 3,429.67          |
| Other than Middle East & India                                 | 920.82            | -               | -               | 920.82            |
| India                                                          | 260,546.74        | 73,666.70       | -               | 334,213.44        |

#### b) Summary of Segmental Information for the year ended March 31, 2016:

|                                       | (₹ in Lacs)       |                 |                 |                   |
|---------------------------------------|-------------------|-----------------|-----------------|-------------------|
| Particulars                           | Agri              | Energy          | Unallocable     | Total             |
| <b>Segment operating Revenue</b>      |                   |                 |                 |                   |
| External                              | 326,467.40        | 14,738.16       | -               | 341,205.56        |
| Less: Inter-Segment                   | -                 | 6,415.32        | -               | 6,415.32          |
| <b>Net revenue from operations</b>    | <b>326,467.40</b> | <b>8,322.84</b> | <b>-</b>        | <b>334,790.24</b> |
| <b>Segment Result</b>                 | 43,388.37         | 4,612.00        | -               | 48,000.37         |
| Less: Finance Cost                    | -                 | -               | 5,209.28        | 5,209.28          |
| Less: Other Unallocable expenditure   | -                 | -               | 282.00          | 282.00            |
| net of unallocable income             |                   |                 |                 |                   |
| <b>Segment Profit before Taxation</b> | <b>43,388.37</b>  | <b>4,612.00</b> | <b>5,491.28</b> | <b>42,509.09</b>  |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars                                                    | (₹ in Lacs) |           |             |            |
|----------------------------------------------------------------|-------------|-----------|-------------|------------|
|                                                                | Agri        | Energy    | Unallocable | Total      |
| <b>Other Disclosures</b>                                       |             |           |             |            |
| Segment Assets                                                 | 232,677.00  | 61,492.00 | -           | 294,169.00 |
| Segment Liabilities                                            | 112,443.00  | 15,377.00 | -           | 127,820.00 |
| <b>Segment Revenue based on the locations of the customers</b> |             |           |             |            |
| Middle East                                                    | 149,090.91  |           |             | 149,090.91 |
| Other than Middle East & India                                 | 29,261.10   | -         | -           | 29,261.10  |
| India                                                          | 148,115.22  | 8,323.00  | -           | 156,438.22 |
| <b>Segment Assets</b>                                          |             |           |             |            |
| Middle East                                                    | 5,767.65    | -         | -           | 5,767.65   |
| Other than Middle East & India                                 | 568.80      | -         | -           | 568.80     |
| India                                                          | 226,340.33  | 61,492.00 | -           | 287,832.33 |

### 31.06. DISCLOSURE IN RESPECT OF FINANCIAL RISK MANAGEMENT:

#### 1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including cash and cash equivalents and deposits with banks and financial institutions.

#### Credit risk management:

##### i) Trade receivable related credit risk

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. All trade receivables are reviewed and assessed for default on routine basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets.

##### ii) Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, money market liquid mutual funds with financial institutions and derivative financial instruments. The Company's maximum exposure to credit risk as at March 31, 2017, March 31, 2016 and April 01, 2015 is the carrying value of each class of financial assets.

##### iii) Treasury related credit risk

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company actively manages its exposure to credit risk, reducing surplus cash balances wherever possible through investment in bank deposits. Further, the company ensures it diversifies its treasury related credit risk by investing in bank deposits in different banks. Limits are set for maximum investment in deposits in each bank.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                                     | (₹ in Lacs)      |                  |                  |
|-------------------------------------|------------------|------------------|------------------|
| Particulars                         | March 31, 2017   | March 31, 2016   | April 01, 2015   |
| Security Deposits                   | 325.77           | 250.83           | 236.02           |
| Investments in Mutual Funds         | 45.64            | 37.94            | 43.46            |
| Investments in quoted equity shares | 965.42           | 784.64           | 773.43           |
| Trade Receivables                   | 23,107.38        | 15,694.65        | 19,975.31        |
| Derivative instrument               | -                | 602.71           | 1,379.02         |
| <b>Total</b>                        | <b>24,444.21</b> | <b>17,370.77</b> | <b>22,407.24</b> |

The ageing of trade receivables at the reporting date was:

|                            | (₹ in Lacs)      |                  |                  |
|----------------------------|------------------|------------------|------------------|
| Particulars                | March 31, 2017   | March 31, 2016   | April 01, 2015   |
| Not past due               | 13,173.17        | 3,575.15         | 8,910.97         |
| Past due 0-30 days         | 7,570.67         | 4,113.48         | 6,869.51         |
| Past due 31-120 days       | 778.30           | 6,886.13         | 3,217.21         |
| Past due 120 days-one year | 1,320.43         | 833.76           | 968.76           |
| More than one year         | 264.80           | 286.13           | 8.87             |
| <b>Total</b>               | <b>23,107.37</b> | <b>15,694.65</b> | <b>19,975.32</b> |

### 2 Liquidity Risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

#### A Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lacs)

| Particulars                                | March 31, 2017  |           |                  |             |           |           |                   |
|--------------------------------------------|-----------------|-----------|------------------|-------------|-----------|-----------|-------------------|
|                                            | Carrying amount | On demand | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Long term Borrowings                       | 12,501.99       | -         | 3,014.87         | 1,591.80    | 3,176.59  | 4,054.73  | 664.00            |
| Working Capital                            | 90,973.91       | 40,973.91 | 50,000.00        | -           | -         | -         | -                 |
| Borrowings                                 |                 |           |                  |             |           |           |                   |
| Loan from related party                    | 5,531.26        | 5,531.26  | -                | -           | -         | -         | -                 |
| Trade Payables                             | 25,417.11       | -         | 25,417.11        | -           | -         | -         | -                 |
| Interest accrued but not due on borrowings | 191.23          | 191.23    | -                | -           | -         | -         | -                 |
| Unpaid dividend                            | 40.76           | 40.76     | -                | -           | -         | -         | -                 |
| Security received                          | 266.37          | 266.37    | -                | -           | -         | -         | -                 |
| Payable to employees                       | 14.62           | -         | 9.18             | 1.00        | 4.44      | -         | -                 |

(₹ in Lacs)

| Particulars                                | March 31, 2016  |           |                  |             |           |           |                   |
|--------------------------------------------|-----------------|-----------|------------------|-------------|-----------|-----------|-------------------|
|                                            | Carrying amount | On demand | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Long term Borrowings                       | 27,606.06       | -         | 3,814.92         | 12,051.36   | 4,225.56  | 5,506.22  | 2,008.00          |
| Working Capital                            | 84,213.81       | 84,213.81 | -                | -           | -         | -         | -                 |
| Borrowings                                 |                 |           |                  |             |           |           |                   |
| Loan from related party                    | 4,925.00        | 4,925.00  | -                | -           | -         | -         | -                 |
| Trade Payables                             | 14,227.96       | -         | 14,227.96        | -           | -         | -         | -                 |
| Interest accrued but not due on borrowings | 134.04          | 134.04    | -                | -           | -         | -         | -                 |
| Unpaid dividend                            | 68.67           | 68.67     | -                | -           | -         | -         | -                 |
| Security received                          | 284.47          | 284.47    | -                | -           | -         | -         | -                 |
| Payable to employees                       | 31.41           | -         | 26.25            | 0.41        | 4.64      | 0.11      | -                 |

(₹ in Lacs)

| Particulars                                | April 01, 2015  |            |                  |             |           |           |                   |
|--------------------------------------------|-----------------|------------|------------------|-------------|-----------|-----------|-------------------|
|                                            | Carrying amount | On demand  | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Long term Borrowings                       | 31,430.26       | -          | 4,511.91         | 2,957.29    | 7,389.01  | 12,100.58 | 4,471.47          |
| Working Capital                            | 101,016.87      | 101,016.87 | -                | -           | -         | -         | -                 |
| Borrowings                                 |                 |            |                  |             |           |           |                   |
| Loan from related party                    | 3500.00         | 3500.00    | -                | -           | -         | -         | -                 |
| Trade Payables                             | 15,518.25       | -          | 15,518.25        | -           | -         | -         | -                 |
| Interest accrued but not due on borrowings | 192.39          | 192.39     | -                | -           | -         | -         | -                 |
| Unpaid dividend                            | 37.60           | 37.60      | -                | -           | -         | -         | -                 |
| Security received                          | 118.98          | 118.98     | -                | -           | -         | -         | -                 |
| Payable to employees                       | 22.07           | -          | 16.74            | 0.50        | 3.70      | 1.13      | -                 |

### 3 Market risk - foreign exchange risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- price risk; and
- interest rate risk.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 4 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 21: THE EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES:

#### Potential Impact of Risk:

#### A) Currency Risk

The Company operates internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas market. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows policies which includes the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Company has Outstanding Forward contracts as on March 31, 2017 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts of ₹ Nil as at March 31, 2017, (March 31, 2016- ₹ 1.22 Lacs, April 01, 2015 - ₹ 80.86 Lacs), which has been accounted for accordingly in the books of accounts.

#### Derivative Instruments

- i) Outstanding forward exchange contracts as entered into by the Company for the purpose of hedging its foreign currency exposures are as under:

| Foreign currency | Cross<br>Currency | Sell contract     |                   |                  | Buy contract      |                   |                  |
|------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
|                  |                   | March<br>31, 2017 | March<br>31, 2016 | April<br>1, 2015 | March<br>31, 2017 | March<br>31, 2016 | April<br>1, 2015 |
|                  |                   |                   |                   |                  |                   |                   |                  |
| USD              | Indian<br>Rupee   | Nil               | 815.19            | 3,325.88         | Nil               | Nil               | Nil              |

- ii) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise are as under:

| S. No | Particulars                                                                            | ₹ in Lacs         |                   |                  | USD in Lacs       |                   |                  |
|-------|----------------------------------------------------------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
|       |                                                                                        | March<br>31, 2017 | March<br>31, 2016 | April<br>1, 2015 | March<br>31, 2017 | March<br>31, 2016 | April<br>1, 2015 |
| a)    | Receivables in Foreign<br>Currency<br>- Sundry<br>Debtors(including<br>Orders in Hand) | 22,411.42         | 18,055.04         | 5,106.24         | 345.82            | 272.53            | 94.73            |
| b)    | Payables in Foreign<br>Currency<br>- Sundry Creditors                                  | -                 | -                 | -                | -                 | -                 | -                |

Apart from above Company has foreign currency Liability (PCFC/Advances received from customers/ECB) of ₹ 30,380.79 Lacs as at March 31, 2017, (March 31, 2016- ₹ 35,704.45 Lacs, April 01, 2015- ₹ 74,105.46 Lacs) at the year end, further as per the Ind AS the effect of change in foreign exchange gain/(loss) as on March 31, 2017, is amounting to ₹ (109.56 Lacs) {(March 31, 2016- ₹ (305.19) April 01, 2015- ₹ (32.46 Lacs)} has been taken to statement of profit and loss.

- iii) Foreign currency risk sensitivity:

A change of 5% in Foreign currency would have following Impact on profit before tax

| Currency | March 31, 2017 |             | March 31, 2016 |             | April 01, 2015 |             |
|----------|----------------|-------------|----------------|-------------|----------------|-------------|
|          | 5% increase    | 5% decrease | 5% increase    | 5% decrease | 5% increase    | 5% decrease |
| USD      | (1120.57)      | 1120.57     | (902.75)       | 902.75      | (296.05)       | 296.05      |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### B) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2017, the Company had long term borrowings amounting to ₹ 12,502.00 Lacs (March 31, 2016: ₹ 27,606.06 Lacs and April 01, 2015: ₹ 31,430.25 Lacs)

#### Interest rate sensitivity

|                                                                                         | (₹ in Lacs)    |                |
|-----------------------------------------------------------------------------------------|----------------|----------------|
| A change of 100 bps in interest rates would have following Impact on profit before tax: | March 31, 2017 | March 31, 2016 |
| 100 bps increase-decrease in profits                                                    | 113.01         | 115.30         |
| 100 bps decrease-increase in profits                                                    | (113.01)       | (115.30)       |

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments) were utilised for the whole financial year.

### C) Price Risk

The Company is mainly exposed to the price risk due to its investment in equity shares and mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the year. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

|                             | (₹ in Lacs)    |                |                |
|-----------------------------|----------------|----------------|----------------|
| Impact on profit before tax | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| Sensex increase by 5%       | 50.55          | 41.13          | 40.84          |
| Sensex decrease by 5%       | (50.55)        | (41.13)        | (40.84)        |

## 31.07. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 113: FAIR VALUE MEASUREMENT:

### Significant estimates with respect to fair value of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the present valuation technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### A Fair value measurement of Financial Instruments

|                                    | (₹ in Lacs)    |         |         |         |         |         |                |         |         |
|------------------------------------|----------------|---------|---------|---------|---------|---------|----------------|---------|---------|
| Financial instruments by category  | March 31, 2017 |         |         |         |         |         |                |         |         |
|                                    | FVTPL          |         |         | FVOCI   |         |         | Amortised cost |         |         |
|                                    | Level 1        | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | Level 1        | Level 2 | Level 3 |
| <b>Financial Assets</b>            |                |         |         |         |         |         |                |         |         |
| <b>Investment</b>                  |                |         |         |         |         |         |                |         |         |
| Equity instruments (Quoted)        | 965.42         | -       | -       | -       | -       | -       | -              | -       | -       |
| Mutual fund instruments (Unquoted) | -              | 45.64   | -       | -       | -       | -       | -              | -       | -       |
| <b>Loans</b>                       |                |         |         |         |         |         |                |         |         |
| Security deposit                   | -              | -       | -       | -       | -       | -       | -              | -       | 325.77  |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| Financial instruments by category  | March 31, 2017 |              |          |          |          |          |                |               |                   |
|------------------------------------|----------------|--------------|----------|----------|----------|----------|----------------|---------------|-------------------|
|                                    | FVTPL          |              |          | FVOCI    |          |          | Amortised cost |               |                   |
|                                    | Level 1        | Level 2      | Level 3  | Level 1  | Level 2  | Level 3  | Level 1        | Level 2       | Level 3           |
| Loans to employees                 | -              | -            | -        | -        | -        | -        | -              | -             | 10.83             |
| <b>Other Financial Assets</b>      |                |              |          |          |          |          |                |               |                   |
| Investment in term deposits        | -              | -            | -        | -        | -        | -        | -              | 583.26        | -                 |
| Income receivable                  | -              | -            | -        | -        | -        | -        | -              | -             | 2,640.69          |
| <b>Trade receivables</b>           | -              | -            | -        | -        | -        | -        | -              | -             | 23,107.38         |
| <b>Derivative instrument</b>       | -              | -            | -        | -        | -        | -        | -              | -             | -                 |
| <b>Cash &amp; cash equivalents</b> | -              | -            | -        | -        | -        | -        | -              | -             | 266.24            |
| <b>Other bank balances</b>         | -              | -            | -        | -        | -        | -        | -              | -             | 40.76             |
| <b>Total Financial Assets</b>      | <b>965.42</b>  | <b>45.64</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>583.26</b> | <b>26,391.67</b>  |
| <b>Financial liabilities</b>       |                |              |          |          |          |          |                |               |                   |
| Borrowings                         | -              | -            | -        | -        | -        | -        | -              | -             | 105,237.26        |
| Trade payables                     | -              | -            | -        | -        | -        | -        | -              | -             | 25,417.11         |
| Other financial liabilities        | -              | -            | -        | -        | -        | -        | -              | -             | 4,291.54          |
| <b>Total Financial Liabilities</b> | <b>-</b>       | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b>      | <b>134,945.91</b> |

(₹ in Lacs)

| Financial instruments by category  | March 31, 2016 |              |          |          |          |          |                |               |                   |
|------------------------------------|----------------|--------------|----------|----------|----------|----------|----------------|---------------|-------------------|
|                                    | FVTPL          |              |          | FVOCI    |          |          | Amortised cost |               |                   |
|                                    | Level 1        | Level 2      | Level 3  | Level 1  | Level 2  | Level 3  | Level 1        | Level 2       | Level 3           |
| <b>Financial Assets</b>            |                |              |          |          |          |          |                |               |                   |
| <b>Investment</b>                  |                |              |          |          |          |          |                |               |                   |
| Equity instruments (Quoted)        | 784.64         | -            | -        | -        | -        | -        | -              | -             | -                 |
| Mutual fund instruments (Unquoted) | -              | 37.94        | -        | -        | -        | -        | -              | -             | -                 |
| <b>Loans</b>                       |                |              |          |          |          |          |                |               |                   |
| Security deposit                   | -              | -            | -        | -        | -        | -        | -              | -             | 250.83            |
| Loans to employees                 | -              | -            | -        | -        | -        | -        | -              | -             | 15.73             |
| <b>Other Financial Assets</b>      |                |              |          |          |          |          |                |               |                   |
| Investment in term deposits        | -              | -            | -        | -        | -        | -        | -              | 373.22        | -                 |
| Income receivable                  | -              | -            | -        | -        | -        | -        | -              | -             | 1,216.16          |
| <b>Trade receivables</b>           | -              | -            | -        | -        | -        | -        | -              | -             | 15,694.65         |
| <b>Derivative instrument</b>       | -              | -            | -        | -        | -        | -        | -              | -             | 602.71            |
| <b>Cash &amp; cash equivalents</b> | -              | -            | -        | -        | -        | -        | -              | -             | 1,718.24          |
| <b>Other bank balances</b>         | -              | -            | -        | -        | -        | -        | -              | -             | 68.67             |
| <b>Total Financial Assets</b>      | <b>784.64</b>  | <b>37.94</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>373.22</b> | <b>19,566.99</b>  |
| <b>Financial liabilities</b>       |                |              |          |          |          |          |                |               |                   |
| Borrowings                         | -              | -            | -        | -        | -        | -        | -              | -             | 109,460.90        |
| Trade payables                     | -              | -            | -        | -        | -        | -        | -              | -             | 14,227.96         |
| Other financial liabilities        | -              | -            | -        | -        | -        | -        | -              | -             | 7,802.54          |
| <b>Total Financial Liabilities</b> | <b>-</b>       | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b>      | <b>131,491.40</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

| Financial instruments<br>by category     | April 01, 2015 |              |          |          |          |          |                |               |                   |
|------------------------------------------|----------------|--------------|----------|----------|----------|----------|----------------|---------------|-------------------|
|                                          | FVTPL          |              |          | FVOCI    |          |          | Amortised cost |               |                   |
|                                          | Level 1        | Level 2      | Level 3  | Level 1  | Level 2  | Level 3  | Level 1        | Level 2       | Level 3           |
| <b>Financial Assets</b>                  |                |              |          |          |          |          |                |               |                   |
| <b>Investment</b>                        |                |              |          |          |          |          |                |               |                   |
| Equity instruments<br>(Quoted)           | 773.43         | -            | -        | -        | -        | -        | -              | -             | -                 |
| Mutual fund<br>instruments<br>(Unquoted) | -              | 43.46        | -        | -        | -        | -        | -              | -             | -                 |
| <b>Loans</b>                             |                |              |          |          |          |          |                |               |                   |
| Security deposit                         | -              | -            | -        | -        | -        | -        | -              | -             | 236.02            |
| Loans to<br>employees                    | -              | -            | -        | -        | -        | -        | -              | -             | 24.13             |
| <b>Other Financial Assets</b>            |                |              |          |          |          |          |                |               |                   |
| Investment in<br>term deposits           | -              | -            | -        | -        | -        | -        | -              | 134.16        | -                 |
| Income receivable                        | -              | -            | -        | -        | -        | -        | -              | -             | 613.86            |
| <b>Trade receivables</b>                 | -              | -            | -        | -        | -        | -        | -              | -             | 19,975.30         |
| <b>Derivative instrument</b>             | -              | -            | -        | -        | -        | -        | -              | -             | 1,379.02          |
| <b>Cash &amp; cash<br/>equivalents</b>   | -              | -            | -        | -        | -        | -        | -              | -             | 653.63            |
| <b>Other bank balances</b>               | -              | -            | -        | -        | -        | -        | -              | -             | 37.60             |
| <b>Total Financial Assets</b>            | <b>773.43</b>  | <b>43.46</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>134.16</b> | <b>22,919.56</b>  |
| <b>Financial liabilities</b>             |                |              |          |          |          |          |                |               |                   |
| Borrowings                               | -              | -            | -        | -        | -        | -        | -              | -             | 128,765.30        |
| Trade payables                           | -              | -            | -        | -        | -        | -        | -              | -             | 15,518.25         |
| Other financial liabilities              | -              | -            | -        | -        | -        | -        | -              | -             | 7,552.87          |
| <b>Total Financial Liabilities</b>       | <b>-</b>       | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>       | <b>-</b>      | <b>151,836.42</b> |

### B Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation each level follows underneath the table.

Assets and liabilities measured at amortised cost, for which fair value are disclosed

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### C Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include the use of discount cash flows for estimating fair value of loans to employees, security deposits and borrowings.

The carrying amounts of trade receivables, cash and cash equivalents, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature

The fair value for loans and security deposits were calculated based on cash flow discounted using a current lending rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount

The fair value for borrowings was calculated based on cash flow discounted using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of borrowings approximates the carrying amount.

### 31.08. DISCLOSURE IN RESPECT OF CAPITAL MANAGEMENT:

#### A Risk management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividend to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

#### B Dividend

Under Previous GAAP, proposed dividend and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividend and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

|        |                                                                                                                                                                                                                                                                                                                                                                   | (₹ in Lacs)    |                |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| S. No. | Particulars                                                                                                                                                                                                                                                                                                                                                       | March 31, 2017 | March 31, 2016 |
| i)     | <b>Dividend on Equity shares declared and paid during the year</b><br><br>During the Financial Year 2015-16, the company has declared and paid Interim Dividend of ₹ 1.90 per share and Final Dividend of ₹ 1.70 per share for Financial Year 2014-15.                                                                                                            | -              | 8,474.04       |
| ii)    | <b>Dividend not recognised at the end of the reporting period</b><br><br>In addition to the above dividend, since year end, the directors have recommended the payment of a final dividend of ₹ 2.10 per equity share for the year ended March 31, 2017. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 4,943.19       | -              |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 31.09. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 33: EARNINGS PER SHARE

#### Earning per share (EPS):

EPS is calculated by dividing the profit attributable to the Equity shareholders by the average number of Equity Shares outstanding during the year. Number used for calculating basic and diluted earnings per equity is stated below:

| Particulars                                                      | March 31, 2017 | March 31, 2016 |
|------------------------------------------------------------------|----------------|----------------|
| Profit attributable to equity holders of the Company (₹ in lacs) | 40,112.38      | 32,743.56      |
| Weighted average number of Equity shares for Basic & Diluted     | 235,389,892    | 235,389,892    |
| Nominal value per equity share (In ₹)                            | 1.00           | 1.00           |
| Earnings per share (Basic & Diluted) (In ₹)                      | 17.04          | 13.91          |

### 31.10. TRANSITION TO IND AS - RECONCILIATIONS:

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

#### i) Reconciliation of Balance Sheet as at April 01, 2015:

| (₹ in Lacs)                    |       |                   |                    |                   |
|--------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                    | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| <b>A. ASSETS</b>               |       |                   |                    |                   |
| <b>Non - Current Assets</b>    |       |                   |                    |                   |
| Property, Plant and Equipment  | A     | 63,338.27         | (1,093.03)         | 62,245.24         |
| Capital work-in-progress       |       | 11,373.52         | -                  | 11,373.52         |
| Investment Property            | B     | -                 | 464.28             | 464.28            |
| Intangible assets              |       | 143.56            | -                  | 143.56            |
| Financial assets               |       |                   |                    |                   |
| Investments                    |       | 427.27            | -                  | 427.27            |
| Loans                          | C,O   | 1,060.44          | (824.42)           | 236.02            |
| Other financial assets         | O     | 134.16            | -                  | 134.16            |
| Prepayments                    | A,N   | 201.54            | 1,119.04           | 1,320.58          |
| Other assets                   | O     | 1,382.70          | (694.30)           | 688.40            |
| <b>Total</b>                   |       | <b>78,061.46</b>  | <b>(1,028.43)</b>  | <b>77,033.03</b>  |
| <b>Current Assets</b>          |       |                   |                    |                   |
| Inventories                    | N     | 185,847.59        | 10,110.08          | 195,957.67        |
| Financial assets               |       |                   |                    |                   |
| Investments                    | D     | 659.25            | 157.64             | 816.89            |
| Trade Receivables              | N     | 31,557.97         | (11,582.66)        | 19,975.31         |
| Derivative instrument          | E     | -                 | 1,379.02           | 1,379.02          |
| Cash and cash equivalent       |       | 653.61            | -                  | 653.61            |
| Bank Balances other than above |       | 37.60             | -                  | 37.60             |
| Loans                          | O     | 24.13             | -                  | 24.13             |
| Other financial assets         |       | 613.86            | -                  | 613.86            |
| Prepayments                    | A, N  | 363.91            | 463.23             | 827.14            |
| Other assets                   | O     | 2,089.90          | -                  | 2,089.90          |
| <b>Total</b>                   |       | <b>221,847.82</b> | <b>527.31</b>      | <b>222,375.13</b> |
| <b>TOTAL ASSETS</b>            |       | <b>299,909.28</b> | <b>(501.12)</b>    | <b>299,408.16</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| (₹ in Lacs)                         |       |                   |                    |                   |
|-------------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                         | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| <b>B. EQUITY AND LIABILITIES</b>    |       |                   |                    |                   |
| <b>Equity</b>                       |       |                   |                    |                   |
| Equity share capital                |       | 2,353.90          | -                  | 2,353.90          |
| Other equity                        | F, I  | 123,546.53        | (4,076.91)         | 119,469.62        |
| <b>Total</b>                        |       | <b>125,900.43</b> | <b>(4,076.91)</b>  | <b>121,823.52</b> |
| <b>Liabilities</b>                  |       |                   |                    |                   |
| <b>Non Current Liabilities</b>      |       |                   |                    |                   |
| Financial Liabilities               |       |                   |                    |                   |
| Borrowings                          | G     | 23,628.89         | 619.54             | 24,248.43         |
| Provisions                          |       | 248.35            | -                  | 248.35            |
| Deferred Tax Liabilities (net)      | K     | 1,266.63          | 6,733.90           | 8,000.53          |
| <b>Total</b>                        |       | <b>25,143.87</b>  | <b>7,353.44</b>    | <b>32,497.31</b>  |
| <b>Current Liabilities</b>          |       |                   |                    |                   |
| Financial Liabilities               |       |                   |                    |                   |
| Borrowings                          | G     | 104,516.88        | -                  | 104,516.88        |
| Trade Payables                      | O     | 15,518.25         | -                  | 15,518.25         |
| Other Financial Liabilities         | O     | 7,328.89          | 223.98             | 7,552.87          |
| Other Current Liabilities           | O     | 16,933.94         | -                  | 16,933.94         |
| Provisions                          | P     | 4,511.19          | (4,001.63)         | 509.56            |
| Current Tax Liabilities (Net)       | P     | 55.83             | -                  | 55.83             |
| <b>Total</b>                        |       | <b>148,864.98</b> | <b>(3,777.65)</b>  | <b>145,087.33</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>299,909.28</b> | <b>(501.12)</b>    | <b>299,408.16</b> |

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### ii) Reconciliation of Balance Sheet as at March 31, 2016:

| (₹ in Lacs)                   |       |                  |                    |                  |
|-------------------------------|-------|------------------|--------------------|------------------|
| Particulars                   | Notes | As per IGAAP*    | Ind AS adjustments | As per Ind AS    |
| <b>A. ASSETS</b>              |       |                  |                    |                  |
| <b>Non - Current Assets</b>   |       |                  |                    |                  |
| Property, Plant and Equipment | A     | 76,883.56        | (1,046.84)         | 75,836.72        |
| Capital work-in-progress      |       | 10,026.41        | -                  | 10,026.41        |
| Investment Property           | B     | -                | 446.39             | 446.39           |
| Intangible assets             |       | 143.63           | -                  | 143.63           |
| Financial assets              |       |                  |                    |                  |
| Investments                   |       | 427.27           | -                  | 427.27           |
| Loans                         | C, O  | 1,059.48         | (808.65)           | 250.83           |
| Other financial assets        | O     | 373.22           | -                  | 373.22           |
| Prepayments                   | A, N  | 201.55           | 1,049.67           | 1,251.22         |
| Other assets                  | O     | 3,894.82         | (694.30)           | 3,200.52         |
| <b>Total</b>                  |       | <b>93,009.94</b> | <b>(1,053.73)</b>  | <b>91,956.21</b> |
| <b>Current Assets</b>         |       |                  |                    |                  |
| Inventories                   | N     | 174,162.88       | 5,141.88           | 179,304.76       |
| Financial assets              |       |                  |                    |                  |
| Investments                   | D     | 731.32           | 91.26              | 822.58           |
| Trade Receivables             | N     | 25,608.47        | (9,913.82)         | 15,694.65        |
| Derivative instrument         | E     | -                | 602.71             | 602.71           |
| Cash and cash equivalent      |       | 1,718.24         | -                  | 1,718.24         |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| (₹ in Lacs)                         |       |                   |                    |                   |
|-------------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                         | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| Bank Balances other than above      |       | 68.67             | -                  | 68.67             |
| Loans                               | O     | 15.73             | -                  | 15.73             |
| Other financial assets              |       | 1,216.16          | -                  | 1,216.16          |
| Prepayments                         | A, N  | 305.48            | 495.72             | 801.20            |
| Other assets                        | O     | 1,967.87          | -                  | 1,967.87          |
| <b>Total</b>                        |       | <b>205,794.82</b> | <b>(3,582.25)</b>  | <b>202,212.57</b> |
| <b>TOTAL ASSETS</b>                 |       | <b>298,804.76</b> | <b>(4,635.98)</b>  | <b>294,168.78</b> |
| <b>B. EQUITY AND LIABILITIES</b>    |       |                   |                    |                   |
| <b>Equity</b>                       |       |                   |                    |                   |
| Equity share capital                |       | 2,353.90          | -                  | 2,353.90          |
| Other equity                        | F, I  | 156,211.10        | (12,537.94)        | 143,673.16        |
| <b>Total</b>                        |       | <b>158,565.00</b> | <b>(12,537.94)</b> | <b>146,027.06</b> |
| <b>Liabilities</b>                  |       |                   |                    |                   |
| <b>Non Current Liabilities</b>      |       |                   |                    |                   |
| Financial Liabilities               |       |                   |                    |                   |
| Borrowings                          | G     | 20,062.81         | 259.29             | 20,322.10         |
| Provisions                          |       | 364.12            | -                  | 364.12            |
| Deferred Tax Liabilities (net)      | K     | 1,935.90          | 7,202.64           | 9,138.54          |
| <b>Total</b>                        |       | <b>22,362.83</b>  | <b>7,461.93</b>    | <b>29,824.76</b>  |
| <b>Current Liabilities</b>          |       |                   |                    |                   |
| Financial Liabilities               |       |                   |                    |                   |
| Borrowings                          | G     | 89,138.80         | -                  | 89,138.80         |
| Trade Payables                      | O     | 14,227.96         | -                  | 14,227.96         |
| Other Financial Liabilities         | O     | 7,362.50          | 440.03             | 7,802.54          |
| Other Current Liabilities           | O     | 5,894.26          | -                  | 5,894.26          |
| Provisions                          | P     | 752.71            | -                  | 752.71            |
| Current Tax Liabilities (Net)       | P     | 500.69            | -                  | 500.69            |
| <b>Total</b>                        |       | <b>117,876.93</b> | <b>440.03</b>      | <b>118,316.96</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>298,804.76</b> | <b>(4,635.98)</b>  | <b>294,168.78</b> |

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### iii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016:

| (₹ in Lacs)                                                                 |       |                   |                    |                   |
|-----------------------------------------------------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                                                                 | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| <b>INCOME</b>                                                               |       |                   |                    |                   |
| Revenue from operations                                                     | N     | 335,884.51        | (1,094.27)         | 334,790.24        |
| Other Income                                                                | C     | 9,267.02          | (50.21)            | 9,216.81          |
| <b>TOTAL INCOME</b>                                                         |       | <b>345,151.53</b> | <b>(1,144.48)</b>  | <b>344,007.05</b> |
| <b>EXPENSES</b>                                                             |       |                   |                    |                   |
| Cost of materials consumed                                                  | M     | 272,151.79        | 87.17              | 272,238.96        |
| Purchase of traded goods                                                    |       | 1,147.75          | -                  | 1,147.75          |
| Changes in inventories of finished goods, work in progress & stock-in-trade | N(b)  | (15,455.06)       | 4,968.19           | (10,486.87)       |
| Employee benefits expense                                                   | H,Q   | 6,281.20          | (100.89)           | 6,180.31          |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| (₹ in Lacs)                                                                         |       |                   |                    |                   |
|-------------------------------------------------------------------------------------|-------|-------------------|--------------------|-------------------|
| Particulars                                                                         | Notes | As per IGAAP*     | Ind AS adjustments | As per Ind AS     |
| Depreciation and amortization expense                                               | A     | 5,004.36          | (28.30)            | 4,976.07          |
| Finance costs                                                                       | G     | 6,335.15          | 405.88             | 6,741.02          |
| Other expenses                                                                      | N(a)  | 23,543.46         | (2,842.73)         | 20,700.72         |
| <b>TOTAL EXPENSES</b>                                                               |       | <b>299,008.65</b> | <b>2,489.31</b>    | <b>301,497.96</b> |
| <b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>                               |       | <b>46,142.88</b>  | <b>(3,633.79)</b>  | <b>42,509.09</b>  |
| Exceptional items                                                                   |       | (255.57)          | 255.57             | -                 |
| <b>PROFIT BEFORE TAX</b>                                                            |       | <b>46,398.45</b>  | <b>(3,889.36)</b>  | <b>42,509.09</b>  |
| <b>Tax Expense:</b>                                                                 |       |                   |                    |                   |
| Current Year                                                                        | P     | 10,013.10         | 35.33              | 10,048.43         |
| Deferred tax                                                                        | K     | 669.27            | 468.74             | 1,138.01          |
| Mat Credit Entitlement                                                              |       | (1,420.91)        | -                  | (1,420.91)        |
| <b>Total tax expense</b>                                                            |       | <b>9,261.46</b>   | <b>504.07</b>      | <b>9,765.53</b>   |
| <b>PROFIT FOR THE YEAR</b>                                                          |       | <b>37,136.98</b>  | <b>(4,393.42)</b>  | <b>32,743.56</b>  |
| <b>Other comprehensive income</b>                                                   | J     |                   |                    |                   |
| <b>Items that will not be reclassified to profit or loss</b>                        |       |                   |                    |                   |
| Remeasurements of defined benefit plans                                             |       | -                 | (100.90)           | (100.90)          |
| <b>Income tax relating to Items that will not be reclassified to profit or loss</b> |       |                   |                    |                   |
| Remeasurements of defined benefit plans                                             |       | -                 | 34.92              | 34.92             |
| <b>Other Comprehensive Income for the year</b>                                      |       | -                 | (65.98)            | (65.98)           |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                      |       | <b>37,136.98</b>  | <b>(4,459.40)</b>  | <b>32,677.58</b>  |

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### A Property, plant & equipment

Under previous GAAP, all leasehold lands are classified as Property, plant & equipment. Under Ind AS, leasehold land is to be recognised as an Operating or a Finance lease as per the definition and classification criteria under Ind AS 17. Accordingly deemed cost of the leasehold land is required to be reclassified from property plant and equipment and to be disclosed as operating leases prepayments under “current assets” and “non-current assets” to be amortised annually. Therefore, Property, plant & equipment has been reduced by ₹ 600.44 lacs (April 01, 2015- ₹ 628.74 lacs) and Prepayments have increased by the same amount.

Depreciation has decreased by ₹ 28.29 lacs and lease expenses have increased by the same amount.

### B Investment property

Under previous GAAP, building given for the purpose of earning rental income was a part of property, plant & equipment, however as per Ind AS, the same needs to be disclosed as a part of investment property. Hence, warehouse at Kandla has been reclassified from Property, plant & equipment to Investment property ₹ 446.39 lacs (April 01, 2015-464.28 lacs).

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### C Discounting of security deposit

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under IND AS. Difference between fair value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as prepaid rent. Consequently, the amount of security deposit has been decreased by ₹ 808.65 lacs (April 01, 2015 - ₹ 824.42 lacs). The prepaid rent increased by ₹ 705 lacs as at March 31, 2016 (April 01, 2015- ₹ 747 lacs). Total equity decreased by ₹ 77.42 lacs as at April 01, 2015. The profit for the year ended March 31, 2016 decreased by ₹ 24.90 due to amortisation of prepaid rent ₹ 41.07 lacs which is partially set off by notional interest income of ₹ 16.17 lacs recognised on these security deposits.

### D Fair valuation of Investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and its Previous GAAP carrying amount has been recognised in retained earnings for ₹ 157.63 lacs. Fair value changes are recognised in the Statement of Profit and Loss for the year ended March 31, 2016 (₹ 91.26 lacs)

### E Derivative instruments

Under the Ind AS 109, Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the statement of Profit and Loss. Accordingly, the same has been fair valued resulting in increase of in equity by ₹ 1,379.02 lacs as at March 31, 2016 (increase 602.71 lacs as at April 01, 2015). Derivative assets and derivative liabilities are presented on gross basis.

### F Proposed dividend

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividend are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 4,001.26 lacs as at April 01, 2015 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

### G Borrowings

As required under the Ind AS 109 transactions costs incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method corresponding effect being in Long term borrowings and to the extent attributable to Current maturity of long term debts.

Under the previous GAAP, these transaction costs were charged to the profit and loss as and when incurred. As per Ind AS 32 and Ind AS 109, a debt instruments are required to be fair valued. Accordingly, debt instruments in foreign currency (external commercial borrowings) were restated at the balance sheet date, resulting in increase in borrowings.

The net impact of above resulted in decrease in amount of borrowings by ₹ 144.18 lacs as at March 31, 2016. However, the impact as at April 01, 2015 was increase in borrowings by ₹ 843.51 lacs) with corresponding impact on equity as at April 01, 2015.

Increase in interest on borrowings due to effective interest rate method is ₹ 82.14 lacs for the year ended March 31, 2016.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### **H Remeasurements of post employment benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increase by ₹ 100.89 lacs along with tax amounting to ₹ 35 lacs. There is no impact on the total equity as at March 31, 2016.

### **I Retained earnings**

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments. Refer Reconciliation of Equity on note no. 31.10 (iv).

### **J Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

### **K Deferred Tax**

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

### **L Excise duty**

Under Previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses of ₹ 87.16 lacs.

### **M Revenue from sale of goods**

- a) Under Previous GAAP, revenue is recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include cash coup scheme, quantity discount, cash discount, target incentives etc. which have been classified under "Other expenses" as per previous GAAP have been netted from revenue under Ind AS. Accordingly, Gross revenue has decreased by ₹ 3,034.11 lacs with corresponding effect on "Other expense". There is no impact on profit for the year.
- b) Under previous GAAP, revenue from export sale was recognised on the date of bill of lading. However, under Ind AS, the Company is recognising the revenue from export sale when all the significant risk and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Hence, some export sales were derecognised as at April 01, 2015. The net impact resulted in decrease in retained earnings by ₹ 1,004.63 lacs increase in trade receivables by ₹ 11,582.67 lacs, increase in inventories by ₹ 10,110 lacs and in prepayments by ₹ 472.45 lacs.

As at March 31, 2016, sales derecognised in 2015 were now recognised and hence, as at March 31, 2016, net impact resulted in decreased trade receivables by ₹ 9,913.81 lacs and increase in inventories by ₹ 5,141.88 lacs.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- N** Financial assets and liabilities have been reclassified/regrouped wherever necessary according to their definitions.
- O** Current tax liability has been disclosed on the face of balance sheet by reclassifying it from Provisions.
- P** Staff welfare expenses have been reclassified to “Employee benefit expenses” from “Other expenses” as the nature of such expenses is related to employee welfare.
- Q** Certain assets amounting to ₹ 694.30 lacs have been considered as not recoverable, therefore company has made a provision of the aforesaid amount as per Expected Credit Loss (ECL) model.
- R** The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

**(iv) Reconciliation of equity as at April 01, 2015:**

|                                                           | (₹ in Lacs)        |                   |
|-----------------------------------------------------------|--------------------|-------------------|
| Particulars                                               | March 31, 2016     | April 01, 2015    |
| <b>Total equity under previous gaap (A)</b>               | <b>156,211.09</b>  | <b>123,546.53</b> |
| <b>Adjustments</b>                                        |                    |                   |
| Effective interest rate computation of borrowings         | 0.96               | 4.58              |
| Reversal of proposed dividend payable                     | -                  | 4,001.63          |
| Fair valuation of current investments                     | 91.26              | 157.64            |
| Impact of derivative instrument                           | (284.97)           | 265.01            |
| Increase in closing stock due to reversal of export sales | (4,345.52)         | (1,000.14)        |
| Discounting of Security Deposit                           | (102.32)           | (77.42)           |
| Asset not recoverable provided for                        | (694.30)           | (694.30)          |
| Additional Deferred tax liability                         | (7,203.04)         | (6,733.90)        |
| <b>Total Ind AS adjustment (B)</b>                        | <b>(12,537.93)</b> | <b>(4,076.91)</b> |
| <b>Total equity under Ind AS (A-B)</b>                    | <b>143,673.16</b>  | <b>119,469.62</b> |

### 31.11. DISCLOSURE IN RESPECT OF SPECIFIED BANK NOTE HELD AND TRANSACTED:

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017, the details of Specified Bank Notes (SBNs) held and transacted during the period from November 08, 2016 to December 30, 2016, are given below:

|                                                     | (₹ in Lacs) |                          |               |
|-----------------------------------------------------|-------------|--------------------------|---------------|
| Particulars                                         | SBNs*       | Other Denomination Notes | Total         |
| <b>Closing Cash in Hand as on November 08, 2016</b> | 521.34      | 71.02                    | <b>592.36</b> |
| (+) Permitted Receipts                              | -           | 193.66                   | 193.66        |
| (-) Permitted Payments                              | -           | 226.69                   | 226.69        |
| (-) Amount Deposited in Banks                       | 521.34      | 0.20                     | 521.54        |
| <b>Closing Cash in hand as on December 30, 2016</b> | <b>-</b>    | <b>37.79</b>             | <b>37.79</b>  |

\* For the purpose of this clause ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016.

The disclosures with respects to ‘Permitted Receipts’, ‘Permitted Payments’, ‘Amount Deposited in Banks’ and ‘Closing Cash in Hand as on December 30, 2016, is understood to be applicable in case of SBNs only.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 31.12. DISCLOSURE IN RESPECT OF DIVIDEND PAID:

| Remittance in Foreign Currency on account of Dividend:            | March 31, 2017 | March 31, 2016    |
|-------------------------------------------------------------------|----------------|-------------------|
| (a) No. of Non-Resident shareholders to whom dividend is remitted | -              | 5                 |
| (b) No. of Equity Shares held by them                             | -              | 39,000,000        |
| (c) Amount of Dividend paid (₹ in Lacs)                           | -              | 1,404.00          |
| (d) Year to which the Dividend relates                            | -              | 2014-15 & 2015-16 |

### 31.13. DISCLOSURE IN RESPECT OF AMOUNT RECEIVED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND:

| Particulars                                            | March 31, 2017 | March 31, 2016             |
|--------------------------------------------------------|----------------|----------------------------|
| (a) Name of the Company from whom dividend is Received | -              | KRBL DMCC                  |
| (b) Type of Company                                    | -              | Wholly Owned<br>Subsidiary |
| (c) Amount of Dividend Received (₹ in lacs)            | -              | 8,840.00                   |
| (d) Year to which the Dividend relates                 | -              | 2014-15 & 2015-16          |

### 31.14. DISCLOSURE IN RESPECT OF SUBSIDY RECEIVED/RECEIVABLE:

A sum of ₹ 203.06 Lacs (P.Y. ₹ 52.11 Lacs) has been received from DMI through NABARD towards construction of rural godown and a sum of ₹ Nil (P.Y. ₹ 203.06 Lacs) is receivable from DMI through NABARD towards construction of rural godown. The entire grant so received / receivable has been deducted from the respective cost of the Capital Expenditure.

### 31.15. DISCLOSURE IN RESPECT OF CIF VALUE OF IMPORTS MADE DURING THE YEAR:

| Particulars                                 | March 31, 2017 | March 31, 2016 |
|---------------------------------------------|----------------|----------------|
| Spare Parts, Components & Packing Materials | 57.44          | 13.65          |
| Capital Goods Purchased                     | 349.52         | 889.21         |

### 31.16. DISCLOSURE IN RESPECT OF EARNINGS IN FOREIGN EXCHANGE ON MERCANTILE BASIS:

| Particulars                                       | March 31, 2017 | March 31, 2016 |
|---------------------------------------------------|----------------|----------------|
| Earnings in Foreign Exchange on Mercantile basis: | 106,704.53     | 177,154.57     |

### 31.17. DISCLOSURE IN RESPECT OF F.O.B. VALUE OF EXPORTS:

| Particulars              | March 31, 2017 | March 31, 2016 |
|--------------------------|----------------|----------------|
| F.O.B. Value of Exports: | 107,806.28     | 176,619.04     |

### 31.18. DISCLOSURE IN RESPECT OF EXPENDITURE IN FOREIGN CURRENCY ON MERCANTILE BASIS:

| Particulars                                  | March 31, 2017  | March 31, 2016  |
|----------------------------------------------|-----------------|-----------------|
| Foreign Travel & Other(Total)                | 32.33           | 17.96           |
| - By Directors ₹ 29.97 Lacs (P.Y. 2.00 Lacs) |                 |                 |
| Ocean Freight                                | 1,525.21        | 1,516.43        |
| Legal, Professional & Other charges          | 38.06           | 9.02            |
| Selling & Distribution Expenses              | 25.00           | 200.46          |
| Interest on Foreign Currency Loans           | 256.59          | 391.20          |
| Others                                       | 627.40          | 240.59          |
| <b>Total</b>                                 | <b>2,504.59</b> | <b>2,375.66</b> |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 31.19. DISCLOSURE IN RESPECT OF PAYMENT ON ACCOUNT OF KEYMAN INSURANCE POLICY:

| (₹ in Lacs)                                                         |                |                |
|---------------------------------------------------------------------|----------------|----------------|
| Particulars                                                         | March 31, 2017 | March 31, 2016 |
| Payment of Insurance charges on account of Keyman Insurance policy: | 42.00          | 46.00          |

### 31.20. DISCLOSURE IN RESPECT OF UNCLAIMED DIVIDEND:

| (₹ in Lacs)                                                                           |                |                |
|---------------------------------------------------------------------------------------|----------------|----------------|
| Particulars                                                                           | March 31, 2017 | March 31, 2016 |
| Unclaimed Dividend which has been deposited in separate accounts with Scheduled Bank: | 40.76          | 68.67          |

### 31.21. DISCLOSURE IN RESPECT OF RESEARCH & DEVELOPMENT EXPENDITURE:

The Company has in-House R & D Centre, The details of revenue/capital expenditure incurred by the R&D Centre during the year are as under :

| (₹ in Lacs)                                                     |                |                |
|-----------------------------------------------------------------|----------------|----------------|
| Particulars                                                     | March 31, 2017 | March 31, 2016 |
| (a) Revenue Expenditure charged to Statement of Profit and Loss |                |                |
| i) Salary and other Benefits                                    | 319.99         | 282.87         |
| ii) Others                                                      | 103.07         | 86.44          |
| <b>Total</b>                                                    | <b>423.06</b>  | <b>369.31</b>  |
| (b) Capital expenditure shown under Fixed assets schedule       | -              | -              |
| <b>Total</b>                                                    | <b>423.06</b>  | <b>369.31</b>  |

### 31.22. DISCLOSURE IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

| (₹ in Lacs)                                               |                |                |
|-----------------------------------------------------------|----------------|----------------|
| Particulars                                               | March 31, 2017 | March 31, 2016 |
| Amount required to be spent as per Section 135 of the Act | 743.29         | 596.43         |
| Amount spent during the year on:                          |                |                |
| (i) Construction / acquisition of an asset                | -              | -              |
| (ii) On purpose other than (i) above                      | 208.31         | 63.39          |
| <b>Total Amount spent during the year</b>                 | <b>208.31</b>  | <b>63.39</b>   |

### 31.23. DISCLOSURE IN RESPECT OF CONTRIBUTION TO POLITICAL PARTIES:

Following are the particulars as required pursuant to the provisions of Section 182 of the Companies Act, 2013, for contributions as made to the political parties

| (₹ in Lacs)                          |                |                |
|--------------------------------------|----------------|----------------|
| Particulars                          | March 31, 2017 | March 31, 2016 |
| <b>Name of the Political Parties</b> |                |                |
| a) Aam Aadmi Party                   | 10.00          | -              |
| b) Punjab Pradesh Congress Committee | 20.00          | -              |
| <b>Total</b>                         | <b>30.00</b>   | <b>-</b>       |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 31.24. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 10: EVENT AFTER THE REPORTING PERIOD:

The Board of Directors has recommended Equity dividend of 2.10 per share (Previous year ₹ 1.90 per share) for the financial year 2016-17.

### 31.25. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND-AS) 38: INTANGIBLE ASSETS:

In accordance with Accounting Standard AS - 38 on 'Intangible Assets', during the year ended March 31, 2017 ₹ 1.63 Lacs (March 31, 2016 - ₹ 25.17 Lacs, April 01, 2015 - ₹ 53.17 Lacs) have been capitalized account of computer software development charges.

### 31.26. DURING CONSTRUCTION PHASE COMPANIES GENERALLY TEMPORARILY INVEST THE SURPLUS FUNDS TO REDUCE THE COST OF CAPITAL OR FOR OTHER BUSINESS REASONS. HOWEVER SUBSEQUENTLY THE SAME ARE UTILISED FOR THE STATED OBJECTIVE.

### 31.27. THE FIGURES ARE ROUNDED OFF TO NEAREST RUPEES IN LACS.

### 31.28. THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES ARE ENCLOSED SEPARATELY IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD (IND-AS) 110 "CONSOLIDATED FINANCIAL STATEMENTS".

Annexure to our Report of Date

for and on behalf of the Board of Directors

for **Vinod Kumar Bindal & Co.**  
Chartered Accountants

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

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

Sd/-  
**Vinod Kumar Bindal**  
Proprietor  
Firm Regn.No- 003820N, M.No. 80668

Sd/-  
**Raman Sapra**  
Company Secretary  
M.No. F9233

Sd/-  
**Rakesh Mehrotra**  
Chief Financial Officer  
M.No. 84366

Place : Noida, Uttar Pradesh  
Date : May 29, 2017

## NOTES

## NOTES

## NOTES



With a 127-year heritage, KRBL Ltd. is India's first integrated rice company with a comprehensive product chain. It is not only India's largest selling basmati rice brand company, but is also recognised as the world's largest rice miller and basmati rice exporter.

The success of KRBL wouldn't have been possible without its family of over 500 distributors.

# 500 Distributors 14 brands and 132 SKUs

With 14 brands and 132 SKUs, we cater to every need – from the smallest of retailers to the largest of caterers and hoteliers.

## 2 YEARS OF AGEING gives our rice

### LONGER GRAINS

Grows 29% more in length as compared to non-aged rice.

### HIGHER VOLUME

Yields 30% more volume as compared to non-aged rice.

### BETTER TEXTURE

Smooth and non-sticky. fluffier, softer and bouncier.

### LONGER HOLDING TIME

Maintains its texture, form & fluffiness for a longer period.



# India ki Puraani Aadat



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