

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(formerly KLRF Limited)

Regd. Office & Flour Mill
75/8, Benares cape Road
Gangaikondan - 627352

Tirunelveli District

Tamil Nadu

CIN : L15314TN1961PLC004674

FN/SEC/BSE/2019 -20

Phone : 91 - 462 - 2486532 (4 Lines)

Mobile: 91 - 94433 - 75445

Fax : 91 - 462 - 2486132

E-Mail: ho@klrf.in

Web : www.klrf.in

GSTN : 33AAACK6029N1ZF

19th August, 2019

BSE Limited

BSE's Corporate Relationship Department

First Floor, New Trading Ring

Rotunda Building, P. J. Towers

Dalal Street, Mumbai - 400001.

Dear Sir,

Script Code : 507598 Script ID "KLRFM"

Sub : Submission of Annual Report -2019

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we submit herewith the Annual Report for the financial year 2018-19 along with the notice, attendance slip and proxy form.

The Annual Report - 2019 is being dispatched/sent to the shareholders by the permitted mode(s) and is also available on the Company's website.

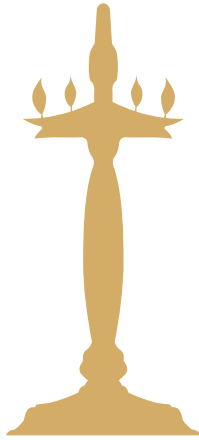
We request you to kindly take the same on record and acknowledge receipt

Thanking you,

Yours faithfully,

For Kovilpatti Lakshmi Roller Flour Mills Limited


S. Piramuthu
Company Secretary



2019

Annual Report

Kovilpatti Lakshmi Roller Flour Mills Limited

(Formerly KLRF Limited)

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KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

CIN : L15314TN1961PLC004674

Board of Directors

Sudarsan Varadaraj

K.Gnanasekaran

Kalyani Jagannathan

R.Kannan

Ashwin Chandran

Suresh Jagannathan

Managing Director

Chief Financial Officer

K.R. Badrinarayanan

Company Secretary

S. Piramuthu

Auditor

M/s Arun & Co

Chartered Accountants, Tirunelveli

Branch Auditors

M/s VKS Aiyer & Co

Chartered Accountants, Coimbatore

Secretarial Auditor

M.D. Selvaraj

MDS & Associates

Company Secretary in Practice

Coimbatore

Bankers

Canara Bank

HDFC Bank Ltd

Registered Office

75/8, Benares Cape Road

Gangaikondan - 627352

Administrative Office

8th Floor, Time Square,

62, Balasundaram Road,

Coimbatore-641018

Food Division

Gangaikondan-627352

Engineering Division

Coimbatore-641020

Registrar and Share Transfer Agent

Link Intime India Private Limited

"Surya" 35, Mayflower Avenue

Senthil Nagar, Sowripalayam Road

Coimbatore - 641028, Tamilnadu

Telephone : +91 422 231 4792

Telefax : +91 422 231 4792

E-mail : coimbatore@linkintime.co.in

NOTICE OF 57TH ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty Seventh Annual General Meeting of the Shareholders of Kovilpatti Lakshmi Roller Flour Mills Limited will be held on Monday the 16th September, 2019 at 10.00 a.m., at the Company's Registered Office at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli District to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2019 including audited Balance Sheet as at 31st March, 2019, Statement of Profit Loss and Cash Flow Statement and changes in Equity for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in the place of Mr.Sudarsan Varadaraj (DIN 00133533) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 139, 142 and 143 (8) of the Companies Act, 2013 M/s VKS Aiyer & Co Chartered Accountants, Coimbatore (Firm Registration No.000066S) be and are hereby appointed as Branch Auditor of the Company to hold office upto the conclusion of the next Annual General Meeting to audit the books of accounts of the engineering division of the Company for the financial year 2019-20 on a remuneration of ₹ 7,15,680/- (Rupees seven lakhs fifteen thousands six hundred and eighty only) excluding applicable taxes and out of pocket expenses incurred in connection with the audit."

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

"Resolved that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s P.Mohankumar & Co., (Membership Number 18692), Cost Accountant, appointed as Cost Auditor by the Board of Directors to audit the cost records of the Engineering Division of the Company for the financial year 2019-20, be paid a remuneration of ₹ 65,000/- (Rupees sixty five thousands only) plus applicable tax and out of pocket expenses that may be incurred during the course of audit."

"Resolved Further That the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and if thought fit, to pass, the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 29th May, 2019 and pursuant to the provisions of Sections 149, 150(2), 152 and 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.K.Gnanasekaran (DIN 00133645), whose current period of office expires on 17th September, 2019 and who has given his consent for re-appointment and has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and Rules made thereunder and Listing Regulations, be and is hereby re-appointed as a Non Executive Independent Director of the Company to hold office for the second term of 5 (five) consecutive years w.e.f. 18th September, 2019, whose term shall not be subject to retirement by rotation. "

"RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to the above resolution. "

Statement pursuant under Section 102 of the Companies Act, 2013

Item No.3

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

The proposed resolution set out in Item No.3 of the Notice seeks the authorization of the members to appoint Branch Auditor for the financial year 2019-20. Your Directors recommend the passing of this resolution.

None of the Directors, Key Managerial Personnel of the company or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item No.4

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s P.Mohankumar & Co., Cost Accountant, as

Cost Auditor to conduct the audit of the cost records of the Engineering Division of the Company for the financial year 2019-20. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing Ordinary resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2019-20. Your Directors recommend the passing of this resolution.

None of the Directors, Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No.5

Pursuant to the provisions of Sections 149, 150(2), 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and Listing Regulations with the stock exchange, at the Fifty second Annual General Meeting held on 18th September, 2014, Mr.K.Gnanasekaran was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto 17th September, 2019. Accordingly, the first term of office of Mr.K.Gnanasekaran as an Independent Director of the Company expires on 17th September, 2019 and he is eligible for re-appointment for the second term in accordance with Section 149 of the Act, subject to the approval of the members by way of a special resolution.

Mr.K.Gnanasekaran, aged 67 years, is a fellow member of the Institute of Chartered Accountants of India. He has more than 40 years of experience in handling functional areas of finance and accounts.

As per the recommendation of the Nomination and Remuneration Committee and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the Board of Directors at their meeting held on 29th May, 2019, has recommended the re-appointment of Mr.K.Gnanasekaran (DIN 00133645) as a Non-Executive Independent Director of the Company for the second term of 5 (five) consecutive years w.e.f. 18th September, 2019 and he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The appointee Independent Director has expressed his consent to act as a Non Executive Independent Director of the Company for the second term of 5 (five) consecutive years. The Company has also received a declaration from Mr.K.Gnanasekaran confirming that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Further,

Mr.K.Gnanasekaran is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time and debarred by order of the SEBI or any other statutory authority under any laws. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member for proposing the candidature of Mr.K.Gnanasekaran as a Non-Executive Independent Director of the Company for the second term of 5 years.

A copy of the draft letter for re-appointment of Mr.K.Gnanasekaran setting out the terms and conditions of his re-appointment would be available for inspection during the normal business hours of the Company, on all working days, at the Registered Office of the Company. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought in respect of the Special Resolution as set out in Item No.5 of this Notice. Your Directors recommend the passing of this special resolution.

Except Mr.K.Gnanasekaran, being the appointee independent director, none of the other Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Notes :

- 1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company.**

The instrument appointing the proxy should be deposited at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty in numbers and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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2. At the 55th Annual General Meeting of the Company held on 15th September, 2017 the members approved appointment of M/s.Arun & Co Chartered Accountant (Firm Registration No.014464S) as Statutory Auditors of the Company to hold office for a period of five years from conclusion of that Annual General Meeting till the conclusion of the 60th Annual General Meeting subject to ratification of their appointment by members at every Annual General Meeting if so required by the Companies Act, 2013. Vide Notification dated May 7,2018 the Ministry of Corporate Affairs omitted the requirement of seeking ratification of members for appointment of Auditors at every Annual General Meeting. Accordingly no resolution is being proposed for ratification of appointment of Statutory Auditor at the 57th Annual General Meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members/Proxies should bring the attendance slips duly filled and signed for attending the meeting.
5. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and clause 1.2.5 of Secretarial Standard (SS-2) in respect of the Director's seeking appointment/re-appointment at the Annual General Meeting are furnished and forms a part of the notice.
6. The register of members and share transfer books of the Company will remain closed from 10th September, 2019 to 16th September, 2019 (both days inclusive).
7. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA.
8. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
9. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

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10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or to Registrar and Transfer Agent.
11. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members may file nomination forms in respect of their physical shareholdings. Any member willing to avail this facility may submit to the Company's Registrar & Share Transfer Agent in the prescribed statutory form. Should any assistance be desired, members should get in touch with the Company's Registrar & Share Transfer Agent.
12. Electronic copy of the Annual Report for 31st March, 2019, the Notice of the 57th Annual General Meeting of the Company and instructions for e-voting, Attendance Slip and Proxy Form, are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode. The notice of the 57th Annual General Meeting and the Annual Report 2018-19 will be available on the Company's website www.klrf.in.
13. Members are requested to register / update their e-mail address in respect of shares held in dematerialized form with their respective depository participants and in respect of shares held in physical form with M/s. Link Intime India Pvt. Ltd.
14. Members are requested to note that the venue of the 57th Annual General Meeting at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli and the route map containing the complete particulars of the venue is attached to this notice.
15. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. SEBI has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1st April 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Members are further requested to forward all their communications directly to the Registrar and Share Transfer Agent of the company viz., M/s. Link Intime India Private Limited.
17. Shareholders who have not encashed their dividend warrant(s) for the year 2016-17 are requested to make claim with the Company.
18. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and SEBI (Listing

Obligations and Disclosures Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 57th Annual General Meeting by electronic means and the business may be transacted through remote e-voting services provided by Link Intime India Private Limited (LIPL)

The facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.

The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

Any person, who acquires shares of the Company and becomes member of the Company after despatch of Annual General Meeting Notice and holding shares as of the cut-off date, ie 9th September, 2019 may refer to this notice of Annual General Meeting of the Company, posted on Company's Website: www.klrf.in for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.

The instructions for shareholders voting electronically are as under

The voting period begins on Friday, 13th September, 2019 at 9.00 A.M. and ends on Sunday 15th September, 2019 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 9th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter

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

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

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

For Shareholders holding shares in Demat Form or Physical Form

PAN

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

- Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.

DOB

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

Dividend Bank Details

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.

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

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

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

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

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the

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password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the Resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL. For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

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

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

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

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

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

● General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested

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specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

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

The voting rights of shareholders shall be in as on the cut-off date 9th September, 2019

Mr. M.D. Selvaraj FCS, of MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Annual General Meeting.

The Results shall be declared within 48 hours from the conclusion of the Annual General Meeting. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.klrf.in and on the website of LIIPL and communicated to the Stock Exchange where the company's shares are listed.

19. Details of Director seeking appointment/re-appointment in the 57th Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard for General Meetings (SS-2) is as mentioned below:

Name	Mr.Sudarsan Varadaraj
Directors Identification Number (DIN)	DIN 00133533
Age	61 Years
Nationality	Indian
Date of first appointment on the Board	05/10/1990
Relationship with other Directors, Manager and KMP	Not related to any Director, Manager and KMP

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Qualification	B.E., M.S.,
Experience / Area of Expertise	35 years in Machine Building, Rubber and allied Industry
Shareholding in Kovilpatti Lakshmi Roller Flour Mills Limited	Nil
Terms of appointment or Director re-appointment	Terms and conditions of re-appointment as a Non Executive Director on retirement by rotation is as per the Nomination and Remuneration Policy of the Company as displayed on the Company's website i.e. www.klrf.in and liable to retire by rotation..
Remuneration sought to be paid	Sitting fees only
Remuneration last drawn	₹ 1.12 Lakhs (sitting fees)
No.of Board Meetings attended	6
List of Directorship held in other Companies	<ol style="list-style-type: none"> 1. Elgi Rubber Company Limited (Listed) 2. Elgi Equipments Limited (Listed) 3. Super Spinning Mills Limited (Listed) 4. Elgi Ultra Industries Limited 5. LRG Technologies Limited 6. Tyre Point Private Limited 7. Festo India Private Limited
Membership / Chairmanship of the committees of the board of other Companies in which he is a Director	
Memberships	<ol style="list-style-type: none"> 1. Elgi Rubber Company Limited - Stakeholders Relationship Committee and Finance and Administrative Committee. 2. Super Spinning Mills Limited - Nomination & Remuneration Committee.
Chairmanships	<ol style="list-style-type: none"> 1. Elgi Rubber Company Limited - CSR Committee and Finance and Administrative Committee.

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Name	Mr.K.Gnanasekaran
Directors Identification Number (DIN)	DIN 00133645
Age	67 Years
Nationality	Indian
Date of first appointment on the Board	06/05/2004
Relationship with other Directors, Manager and KMP	Not related to any Director, Manager and KMP
Qualification	B.Com., F.C.A.,
Experience / Area of Expertise	40 years of experience in finance and accounts
Shareholding in Kovilpatti Lakshmi Roller Flour Mills Limited	Nil
Terms of appointment or reappointment	Non Executive Independent Director not liable to retire by rotation.
Remuneration sought to be paid	Sitting fees only
Remuneration last drawn	₹ 1.26 lakhs (sitting fees)
No.of Board Meetings attended	6
List of Directorship held in other Companies	Magna Electro Castings Limited(Listed)
Membership / Chairmanship of the committees of the board of other Companies in which he is a Director	
Memberships	Magna Electro Castings Limited Member in Audit Committee and Stakeholders Relationship Committee.
Chairmanships	Magna Electro Castings Limited Chairman in the Nomination & Remuneration Committee,

DIRECTOR'S REPORT**Dear Shareholders,**

The Directors present their Fifty Seventh Annual Report together with the audited statement of accounts for the year ended 31st March, 2019.

(₹ in Lakhs)

FINANCIAL RESULTS

	31.3.2019	31.3.2018
Total Income	23,236.41	21,998.18
Profit before finance cost and depreciation	807.78	1,129.00
Less: Financial charges	624.20	718.00
Profit before depreciation	183.58	411.00
Less : Depreciation	378.96	307.62
Profit / (Loss) before tax	(195.38)	103.38
Add/ Less Income tax expense-Current	-	102.00
-Deferred tax charge/(credit)	(50.21)	(156.61)
Profit/ (loss) for the year from operations	(145.17)	157.99
Other comprehensive income net of tax	1.25	(12.64)
Total comprehensive income for the year	(143.92)	145.35

REVIEW OF BUSINESS OPERATIONS

During the year ended 31st March 2019, the Company has recorded a total turnover of ₹ 23,157 lakhs as against ₹ 21,971 lakhs achieved during the previous year. The loss after tax amounted to ₹ 145 lakhs as against a profit of ₹ 158 lakhs in the previous year. The profit before Interest, Depreciation, Taxes and Amortization (EBIDTA) amounted to ₹ 808 lakhs as against ₹ 1,129 lakhs in the previous year.

There was no change in the nature of business of the Company during the financial year ended 31st March 2019.

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

FINANCE

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

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

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was ₹ 5,54,14,760/-. During the year under review, the Company has not made any fresh issue of any shares.

TRANSFER TO RESERVES

The Company has not transferred any amount to its General Reserves. However, the loss amount of ₹ 145.17 lakhs is carried forward in the Profit & Loss Account.

DIVIDEND

In order to conserve reserves, your Directors do not recommend any dividend on the paid-up equity share capital of the company for the year ended 31st March, 2019.

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

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

EXTRACT OF ANNUAL RETURN

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

BOARD AND COMMITTEE MEETINGS

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

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has duly complied with Secretarial Standards issued by the

Institute of Company Secretaries of India on the meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis.
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION OF INDEPENDENT DIRECTORS

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

REMUNERATION POLICY

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

AUDITORS

M/s.Arun & Co (Firm Registration Number 014464S) Chartered Accountant Statutory Auditor of the Company were appointed for a period of five consecutive years from the conclusion of 55th Annual General Meeting till the conclusion of 60th Annual General Meeting, subject to ratification of the appointment by the Members at every AGM if so required under the Act. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

M/s VKS Aiyer & Co Chartered Accountants was appointed by the Board as branch auditors for the engineering division of the Company.

COST AUDITOR

The Company has made and maintained cost records as prescribed by the Central Government under Section 148 of the Companies Act, 2013. The Board of Directors at its meeting held on 29th May, 2019, based on the recommendation of the audit committee appointed M/s P.Mohankumar & Co., Cost Accountants as Cost Auditor to audit the cost accounts of the Company for the financial year 2019-20.

As required under the provisions of Section 148 of the Companies Act, 2013, necessary resolutions seeking members ratification for the remuneration payable to M/s P.Mohankumar & Co., Cost Accountants is included in the Notice convening the Fifty Seventh Annual General Meeting. Cost audit report for the year ended 31st March 2019 will be filed on or before the due date.

SECRETARIAL AUDITOR

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

COMMENTS ON AUDITORS REPORT

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186

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

RELATED PARTY TRANSACTIONS

All transactions entered into during the financial year 31st March, 2019 with related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transaction referred to in Section 188 of the Companies Act, with related parties which could be considered material under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of related party transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable. Attention of members is drawn to the disclosures of transactions with related parties set out in Other Notes on Accounts number 44 forming part of the financial statements.

The Company has developed a policy on related party transactions for identification and monitoring of transactions. The policy on related party transactions as approved by the Board, is uploaded and can be accessed at company's website www.klrf.in

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

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of this Directors' Report.

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY

The Board had formed a Corporate Social Responsibility (CSR) Committee comprising of Mr.Suresh Jagannathan, Mr.Sudarsan Varadaraj, Mr.K.Gnanasekaran and Mr.R.Kannan.

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

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

BOARD EVALUATION

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

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Ashwin Chandran (DIN: 00001884) was appointed as an Additional Director, by the Board of Directors of the Company, at their meeting held on 30th August 2018 and subsequently, his appointment as an Independent Director for a period of 5 consecutive years with effect from 1st September, 2018, was approved by the members of the Company through postal ballot process.

Mr. R. Kannan (DIN: 00951451), Executive Director of the Company has resigned his whole time directorship on 25th May, 2018 and continues as a Non Executive Non Independent Director of the Company.

Mr. Rajagopal Gopinath (DIN: 00096122), Independent Director, has resigned his Directorship in the Company with effect from 29th March, 2019. Your Directors wish to place on record their appreciation for the invaluable services rendered by Mr. Rajagopal Gopinath (DIN: 00096122) during his tenure of office as Independent Director of the Company.

Mr. Sudarsan Varadaraj (DIN: 00133533), Independent Director, has become as a Non Executive Non Independent Director with effect from 1st October, 2018 due to the amendment made in Regulation 16(1)(b)(viii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sudarsan Varadaraj (DIN: 00133533) is liable to retire by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment. The Board recommends his re- appointment.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on 29th May, 2019, has recommended the re-appointment of Mr. K. Gnanasekaran (DIN: 00133645) as Independent Director of the Company for a second term of 5 consecutive years with effect from 18th September, 2019, subject to the approval of the members by way of passing a special resolution at the ensuing Annual General Meeting. The Board has also received declaration from the appointee Independent Director that he fulfill the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Board recommends his re- appointment.

A brief resume, details of expertise and other Directorships/ Committee memberships held by the above Director, form part of the Notice convening the 57th AGM of the Company.

Key Managerial Personnel

Key Managerial Personnel of the Company as required pursuant to Section 203 of the Companies Act, 2013 are

Mr. Suresh Jagannathan	- Managing Director
Mr. K.R.Badrinarayanan	- Chief Financial Officer
Mr. R. Kannan	- Executive Director (upto 25th May, 2018)
Mr. S.Piramuthu	- Company Secretary

AUDIT COMMITTEE

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

The Board accepted all the recommendations whenever made by the Audit Committee during the year.

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

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

A. CONSERVATION OF ENERGY

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

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

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

The Company has installed 7.00 M.W. wind energy for captive consumption.

(iii) The capital investment on energy conservation equipments

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

B. TECHNOLOGY ABSORPTION

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

ii) EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company has earned foreign exchange of ₹ 28.33 lakhs and an outflow of ₹ 0.72 lakhs

SUBSIDIARY COMPANIES

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

FIXED DEPOSITS

Your company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence there are no unclaimed or unpaid deposits as on 31st March, 2019.

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

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc., as stipulated under section 197(12) and Rule 5(1) of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure-C to this Report.

DISCLOSURE UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

LISTING

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

ORDERS BY REGULATORS, COURTS OR TRIBUNALS

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

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal)

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Act, 2013. Internal Complaints Committee (ICC) has been setup to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any sexual harassment complaint during the year 2018-19.

ACKNOWLEDGEMENTS

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

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

By Order of the Board

Place : Coimbatore	K.Gnanasekaran Director	Suresh Jagannathan Managing Director
Date : May 29, 2019	DIN : 00133645	DIN : 00011326

MANAGEMENT DISCUSSION AND ANALYSIS

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

Results

The turnover of the Company for the year is ₹ 23,157 lakhs as against ₹ 21,970 lakhs last year.

The Company earned an EBIDTA ₹ 807.78 lakhs

The Food division earned an EBIDTA of ₹ 602.61 lakhs on milling of 54789 Metric tons of wheat accounting for 63 % of the turnover of the Company.

Engineering Division has earned an EBIDTA of ₹ 205.17 lakhs

Capital Investment

Company has made a total capital investment of ₹ 1,104.01 lakhs. These investments will result in increase in production, cost reduction and improvement in quality.

OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

Food Division

Wheat crop production, this year, has exceeded 100 million tons. But, untimely rains have played havoc damaging considerable quantity of wheat. Notwithstanding this, there is buffer stock available with Food Corporation of India and its agencies to ensure adequate supply of wheat both to flour milling industry and Public Distribution system.

Government of India has increased the duty on imported wheat making imports an unviable proposition.

Engineering Division

The Indian foundry sector, second largest after China, is expected to witness an annual growth of 13% to 14% from the present 5% to 7%. This would see production of castings increase from 11.50 million tons to 14-15 million tons by 2021 and is set to reach 20 million tons by 2025. The opportunities coming from the defence, railways and automobile sectors would boost the demand. Though the automobile sector had a temporary setback in the last quarter of 2018-19 it is expected to improve in the fourth quarter of 2019-20.

The foundry sector has witnessed an investment of 500 million dollars in the last two years for expansion and modernization. Huge investments are likely in the sector as it has been focusing on 'Make in India and Ease of Doing Business' and relaxing of FDI norms by the Government of India.

SEGMENT-WISE AND PRODUCT - WISE PERFORMANCE

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

ECONOMIC OUTLOOK FOR THE YEAR

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. Indian economy is projected to grow up to 7.3% in 2019-20, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

India's food service industry is expected to reach ₹ 5.99 trillion (US\$ 86.28 billion) by FY 2022-23 from ₹ 4.23 trillion (US\$ 60.93 billion) in FY 2018-19.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company believes that its people are a key differentiator, especially in a knowledge driven, competitive and a global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management are corner stones for the success of any organization. The Company is providing direct employment to 214 employees

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as in the past, the industrial relations continued to remain cordial in all the divisions of the Company.

KEY FINANCIAL RATIOS

S.No	Description	31.03.2019	31.03.2018	% change	Explanations, if any
1	Debtors Turnover (in days)	15.61	15.32	1.89%	NA
2	Inventory Turnover (no of times)	5.00	4.00	25.00%	NA
3	Current ratio	1.29	1.57	-17.83%	NA
4	Debt Equity ratio	1.20	1.21	-0.54%	NA
5	Interest Coverage Ratio	1.75	2.18	-19.86%	NA
6	Operating Profit Margin %	1.85%	3.74%	-50.53%	
7	Net Profit Margin %	-0.62%	0.66%	-194.66%	Due to higher input costs
8	Return on Networth	-4.36%	4.22%	-203.32%	

CAUTIONARY STATEMENT

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

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : May 29, 2019

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

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

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

Based on my verification of M/s.Kovilpatti Lakshmi Roller Flour Mills Limited's (formerly known as "KLRF Limited") books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

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

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

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

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

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

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

- a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review, including the change in the status of an Independent Director as a Non-Executive Non-Independent Director with effect from 1st October, 2018 consequent upon the amendment made under Regulation 16(1)(b)(viii) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except one Board Meeting which has been called at shorter notice with the consent of all the Directors and such meeting has been held with the presence of at least one Independent Director and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

I further report that during the period covered under the Audit, the Company has obtained necessary approval of the shareholders at the Annual General Meeting held on 30th August, 2018 and has adopted new set of Articles of Association and complied with the provisions of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Other than the above, there were no instances of:

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

Place : Coimbatore
Date : May 29, 2019

M.D. Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

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

ANNEXURE A

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

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of the management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore
Date : May 29, 2019

M.D. Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960
C P No.: 411

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

ANNEXURE-B**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2019**

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

I. REGISTRATION AND OTHER DETAILS:

- | | |
|---|---|
| i) CIN | L15314TN1961PLC004674 |
| ii) Registration Date | 16 th December, 1961 |
| iii) Name of the Company | Kovilpatti Lakshmi Roller Flour Mills Limited
(formerly known as KLRF Limited) |
| iv) Category / Sub-Category of the Company | Company Limited by Shares /
Non Government Company |
| v) Address of the Registered office and
contact details | 75/8, Benares Cape Road
Gangaikondan-627352,
Tirunelveli District, Tamil Nadu, India
Phone : +91 462 248 6532
Fax : +91 462 248 6132
E-mail : ho@klrf.in |
| vi) Whether listed Company | Yes |
| vii) Name, Address and Contact details of
Registrar and Transfer Agent, if any | M/s Link Intime India Private Limited
"Surya" 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road, Coimbatore-641028,
Tamil Nadu, India
Telephone :+91 422 2314792
Telefax :+91 422 2314792
E-mail : coimbatore@linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Flour Milling	10611	62.78%
2.	Iron and Steel Castings	24319	34.17%

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

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

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

i) Category - wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2018)				No. of Shares held at the end of the year (As on 31-March-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
1. Indian									
a Individual/ HUF	14,71,056	*4,16,666	18,87,722	34.06	19,43,432	-	19,43,432	35.07	1.01
b Central Govt									
c State Govt									
d Bodies Corp.	10,75,923	*1,04,166	11,80,089	21.30	11,78,589	-	11,78,589	21.27	(0.03)
e Banks / FI									
f Any other									
Sub-Total (A)(1)	25,46,979	*5,20,832	30,67,811	55.36	31,22,021	-	31,22,021	56.34	0.98
2 Foreign									
a NRIs - Individuals									
b. Other Individuals									
c Bodies Corp.									
d Banks/ FI									
e Any Other									
Sub-Total(A)(2)	-	-	-	-	-	-	-	-	-
B Public Shareholding									
1. Institutions									
a Mutual Funds									
b Banks / FI	-	805	805	0.01	-	805	805	0.01	-
c Central Govt									
d State Govt									
e Venture capital funds									
f Insurance Companies									
g FII's									
h Foreign Venture Capital Funds									
Others (specify)									
Sub-Total(B)(1)	-	805	805	0.01	-	805	805	0.01	-

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

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

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2018)				No. of Shares held at the end of the year (As on 31-March-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a Bodies Corp	1,42,230	3,511	1,45,741	2.63	1,16,476	3,511	1,19,987	2.17	(0.46)
i Indian									
ii Overseas									
b Individual									
Individual shareholders holding nominal share capital upto ₹ 1 lakh	12,62,062	2,09,177	14,71,239	26.54	12,46,841	1,74,531	14,21,372	25.65	(0.89)
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,32,038	83,375	6,15,413	11.11	6,08,939	22,600	6,31,539	11.39	0.28
c Others (specify)									
Trust	200	-	200	0.00	200	-	200	0.00	-
Unclaimed Shares	1,580	-	1,580	0.03	1,580	-	1,580	0.03	-
Clearing Member	29,988	-	29,988	0.54	2,573	-	2,573	0.05	(0.49)
Foreign Nationals	-	-	-	-	150	-	150	-	-
Market Makers	900	-	900	0.02	-	-	-	-	(0.02)
NRI - Repat	9,014	-	9,014	0.16	9,314	-	9,314	0.17	0.01
NRI - Non Repat	3,259	-	3,259	0.06	8,259	-	8,259	0.15	0.09
HUF	1,78,176	1,200	1,79,376	3.24	2,14,126	1,200	2,15,326	3.89	0.65
Directors and their relatives	14,750	1,400	16,150	0.30	8,350	-	8,350	0.15	(0.15)
Sub-total (B) (2)	21,74,197	2,98,663	24,72,860	44.63	22,16,808	2,01,842	24,18,650	43.65	(0.98)
Total Public									
B= (B)(1)+(B)(2)	21,74,197	2,99,468	24,73,665	44.64	22,16,808	2,02,647	24,19,455	43.66	(0.98)
C Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	47,21,176	8,20,300	55,41,476	100	53,38,829	2,02,647	55,41,476	100	-

* 5,20,832 equity shares were allotted on 31st March, 2018 to promoters of the company and the same has been credited to their respective demat accounts on 25th April, 2018.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mr. Suresh Jagannathan (Individual and HUF)	11,80,586	21.30	-	11,80,586	21.30	-	-
2	Mr. V.Jagannathan (Individual and jointly with) Mr. Suresh Jagannathan and Mrs.J.Chandranthi	4,53,736	8.19	-	4,53,736	8.19	-	-
3	Mr. Sharath Jagannathan	2,53,400	4.57	-	3,09,110	5.58	-	1.01
4	M/s. Cape Flour Mills Private Limited	11,02,101	19.89	-	11,02,101	19.89	-	-
5	M/s. Chempaka General Finance P Ltd	6,488	0.12	-	4,988	0.09	-	(0.03)
6	M/s. Mckinnon India Private Limited	71,500	1.29	-	71,500	1.29	-	-
	Total	30,67,811	55.36	-	31,22,021	56.34	-	0.98

iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sharath Jagannathan	2,53,400	4.57	2,53,400	4.57
	Transfer 22/03/2019	1,500	0.03	2,54,900	4.60
	Transfer 29/03/2019	54,210	0.98	3,09,110	5.58
	At the end of the year	-	-	3,09,110	5.58
2	M/s Chempaka General Finance P Ltd	6,488	0.12	6,488	0.12
	Transfer 22/03/2019	(1,500)	(0.03)	4,988	0.09
	At the end of the year	-	-	4,988	0.09

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

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

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Krishnaswamy Mohan	2,54,144	4.58	2,54,144	4.58
	At the end of the year	-	-	2,54,144	4.58
2	Mr.Dheeraj Kumar Lohia **	-	-	-	-
	Transfer 21/12/2018	2,700	0.04	2,700	0.04
	Transfer 04/01/2019	1,991	0.04	4,691	0.08
	Transfer 11/01/2019	11,248	0.20	15,939	0.28
	Transfer 08/02/2019	805	0.02	16,744	0.30
	Transfer 15/02/2019	1,508	0.03	18,252	0.33
	Transfer 22/02/2019	3,434	0.06	21,686	0.39
	Transfer 01/03/2019	3,217	0.06	24,903	0.45
	Transfer 08/03/2019	7,819	0.14	32,722	0.59
	Transfer 15/03/2019	7,222	0.13	39,944	0.72
	Transfer 22/03/2019	5,072	0.09	45,016	0.81
	Transfer 29/03/2019	5,265	0.10	50,281	0.91
	At the end of the year	-	-	50,281	0.91
3	Mr.Ashok Kumar Mandhani	45,390	0.81	45,390	0.81
	Transfer 04/05/2018	2,319	0.05	47,709	0.86
	At the end of the year	-	-	47,709	0.86
4	Mr.Mahendra Cahndulal Dharu	33,187	0.60	33,187	0.60
	Transfer 06/04/2018	25	-	33,312	0.60
	Transfer 13/04/2018	436	-	33,648	0.60
	Transfer 20/04/2018	258	-	33,906	0.60
	Transfer 27/04/2018	(659)	0.01	33,247	0.61
	Transfer 04/05/2018	442	-	33,689	0.61
	Transfer 11/05/2018	(501)	0.01	33,188	0.60
	Transfer 18/05/2018	(1)	-	33,187	0.60
	Transfer 14/09/2018	144	-	33,331	0.60
	Transfer 21/09/2018	(134)	-	33,197	0.60
	Transfer 29/09/2018	(10)	-	33,187	0.60
	Transfer 28/12/2018	5787	0.10	38,974	0.70
	At the end of the year	-	-	38,974	0.70
5	M/s Jaisukh Vinimoy Pvt.Ltd	42,236	0.76	42,236	0.76
	Transfer 06/04/2018	(65)	-	42,171	0.76
	Transfer 13/04/2018	(1,984)	0.03	40,187	0.73
	Transfer 20/04/2018	(290)	0.01	39,897	0.72
	Transfer 27/04/2018	(105)	-	39,792	0.72
	Transfer 18/05/2018	(14,692)	0.27	25,100	0.45

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer 25/05/2018	(100)	-	25,000	0.45
	Transfer 21/09/2018	11,848	0.21	36,848	0.66
	Transfer 12/10/2018	(631)	0.01	36,217	0.65
	Transfer 21/12/2018	(150)	-	36,067	0.65
	Transfer 22/03/2019	(4,835)	0.09	31,232	0.56
	At the end of the year	-	-	31,232	0.56
6	Pramilaben Mahendrakumar Dharu	20,591	0.37	20,591	0.37
	Transfer 27/04/2018	542	0.01	21,133	0.38
	Transfer 04/05/2018	(542)	0.01	20,591	0.37
	Transfer 28/12/2018	7,036	0.13	27,627	0.50
	At the end of the year	-	-	27,627	0.50
7	Mr.Ganesh Prasad Chowdhary	22,750	0.41	22,750	0.41
	Transfer 04/05/2018	3,910	0.07	26,660	0.48
	At the end of the year	-	-	26,660	0.48
8	Mrs.S.Sumitha	24,255	0.44	24,255	0.44
	At the end of the year	-	-	24,255	0.44
9	Mr.Kailashben Ashokkumar Patel	21,206	0.38	21,206	0.38
	Transfer 21/09/2018	1,705	0.03	22,911	0.41
	Transfer 30/11/2018	500	0.01	23,411	0.42
	At the end of the year	-	-	23,411	0.42
10	Mr.N.V.Srinivasan	22,600	0.41	22,600	0.41
	At the end of the year	-	-	22,600	0.41
11	M/s Suryavaradh Securities Private Limited	25,605	0.46	25605	0.46
	Transfer 04/01/2019	2,204	0.04	27,809	0.50
	Transfer 25/01/2019	1,115	0.02	28,924	0.52
	Transfer 15/02/2019	250	0.01	29,174	0.53
	Transfer 15/03/2019	(29,159)	0.53	15	-
	At the end of the year	-	-	15	-
12	Mr.Anu Narayan ##	58,231	1.05	58,231	1.05
	Transfer 01/06/2018	(1,261)	0.02	56,970	1.03
	Transfer 15/06/2018	(739)	0.02	56,231	1.01
	Transfer 22/06/2018	(7,140)	0.12	49,091	0.89
	Transfer 30/06/2018	(15,778)	0.29	33,313	0.60
	Transfer 06/07/2018	(832)	0.01	32,481	0.59
	Transfer 13/07/2018	(2,844)	0.06	29,637	0.53
	Transfer 20/07/2018	(943)	0.01	28,694	0.52

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer 27/07/2018	(3,042)	0.06	25,652	0.46
	Transfer 03/08/2018	(1,786)	0.03	23,866	0.43
	Transfer 10/08/2018	(665)	0.01	23,201	0.42
	Transfer 17/08/2018	(583)	0.01	22,618	0.41
	Transfer 31/08/2018	(325)	0.01	22,293	0.40
	Transfer 07/09/2018	(3,655)	0.06	18,638	0.34
	Transfer 14/09/2018	(656)	0.02	17,982	0.32
	Transfer 21/09/2018	(1,695)	0.03	16,287	0.29
	Transfer 02/11/2018	(3,979)	0.07	12,308	0.22
	Transfer 09/11/2018	(61)	-	12,247	0.22
	Transfer 21/12/2018	(716)	0.01	11,531	0.21
	Transfer 28/12/2018	(567)	0.01	10,964	0.20
	Transfer 07/09/2019	(10,964)		-	-
	At the end of the year	-	-	-	-
13	Mr.S.Sudhakar ##	25,050	0.45	25,050	0.45
	Transfer 22/03/2019	25,050	0.45	-	-
	At the end of the year			-	-

** Not in the list of top 10 shareholders as on 31/03/2018. The same has been reflected above since the shareholder was of the top 10 shares as on 31/03/2019

Ceased to be in the list of top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was on of the top 10 shareholders as on 31/03/2018

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.Suresh Jagannathan-Managing Director	11,80,586	21.30	11,80,586	21.30
2	Mr.R.Kannan - Non Executive Non Independent Director	1,450	0.14	1,450	0.14
3	Mr.Sudarsan Varadaraj - Non Executive Non Independent Director @	-	-	-	-
4	Mr.K.Gnanasekaran - Independent Director	-	-	-	-
5	Mrs.Kalyani Jagannathan - Independent Director	-	-	-	-
6	Mr.Rajagopal Gopinath * - Independent Director	-	-	-	-
7	Mr.Ashwin Chandran # - Independent Director	-	-	-	-
8	Mr.K.R.Badrinarayanan - Chief Financial Officer	-	-	-	-
9	Mr.S.Piramuthu - Company Secretary	50	-	50	-

@ Non Executive Non Independent Director from 1st October, 2018

*Ceased to be a director with effect from 29th March, 2019

Director with effect from 1st September, 2018

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

V. INDEBTEDNESS -

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

₹ in Lakhs

Secured Loans	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2018				
i) Principal Amount	5,585.89	563.00	-	6,148.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,585.89	563.00	-	6,148.89
Change in Indebtedness during the financial year				
● Addition	1,056.51	-	-	1,056.51
● Reduction	(2,643.52)	(148.00)	-	(2,791.52)
Net Change	(1,587.01)	(148.00)	-	(1,735.01)
Indebtedness at the end of the financial year 31.03.2019				
i) Principal Amount	3,998.88	415.00	-	4,413.88
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	3,998.88	415.00	-	4,413.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager : (₹ in Lakhs)

	Particulars of remuneration	Name of the MD / WTD Manager		
		Mr. Suresh Jagannathan Managing Director	Mr. R. Kannan Executive Director upto 25/05/2018	Total
1	Gross salary per annum			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	42.00	6.08	48.08
	(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 - others	-	-	-
5	Others, Please Specify	-	-	-
	Total (A)	42.00	6.08	48.08
	Ceiling as per the Act	₹ 42.00 Lakhs	₹ 7.00 Lakhs	₹ 49 Lakhs

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd.)

B. Remuneration to Other Directors

(₹ in Lakhs)

Sl. No.	Particulars of remuneration	Name of Directors						Total
		Mr. Sudarsan Varadaraj#	Mr. R.Kannan*	Mr. K Gnana-sekaran	Mrs.Kalyani Jagan nathan	Mr.Raja gopal Gopinath**	Mr.Ashwin Chandran ***	
1	Independent Directors							
	· Fee for attending board/committee meetings	-	-	1.26	0.20	1.08	0.42	2.96
	· Commission	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	1.26	0.20	1.08	0.42	2.96
2	Other Non-Executive Directors							
	· Fee for attending board/committee meetings	1.12	0.68	-	-	-	-	1.80
	· Commission	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-
	Total (2)	1.12	0.68	-	-	-	-	1.80
	Total (B)=(1+2)	-	-	-	-	-	-	4.76
	Overall Ceiling as per the Act	Sitting fees paid to the non-executive directors have not been considered as remuneration under Section 197 of the companies Act, 2013						

Non Executive Non Independent Director with effect from 1st October, 2018

* Resigned as Whole-time Director with effect from 25th May, 2018

** Ceased to be a Director with effect from 29th March, 2019

*** Non Executive Independent Director with effect from 1st September, 2018

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

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

Sl. No.	Particulars of remuneration	Name of the Key Managerial Personnel Mr. K.R. Badrinarayanan Chief Financial Officer	Name of the Key Managerial Personnel Mr. S. Piramuthu Company Secretary	Total ₹ in lakhs
1	Gross salary per annum			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	25.44	12.26	37.70
	(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	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	25.44	12.26	37.70

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : May 29, 2019

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

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.

Sl.No	Name of the director	Ratio
1	Mr.Suresh Jagannathan, Managing Director	4.78 :1
2	Mr.R. Kannan, Executive Director (Resigned his whole time directorship on 25th May, 2018 and continues as a Non Executive Director)	4.25 :1

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

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

Sl.No	Name of the director/Managing Director/Company Secretary	Percentage
1	Mr.Suresh Jagannathan, Managing Director	Nil
2	Mr.K.R.Badrinarayanan, Chief Financial Officer	NA
3	Mr.S. Piramuthu, Company Secretary	4.73 %

- iii. The percentage increase in the median remuneration of employees in the financial year is 9.19 %

- iv. Number of permanent employees on the rolls of the Company – 214

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances, if any, for increase in the managerial remuneration.

The average percentile increase granted to employees other than managerial personnel is 9.20 % The increase granted to managerial personnel is 4.73 %

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

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

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : May 29, 2019

EXTRACT OF REMUNERATION POLICY

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

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

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

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

2. The composition of the CSR Committee

Members

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

Average net profit of the company for
last three financial years

₹ 347.34 lakhs

Prescribed CSR expenditure (two per cent
of the amount as above)

₹ 6.95 lakhs

3. Details of CSR spent during the financial year is detailed below:

Total amount to be spent for the financial year

₹ 6.95 lakhs

Amount unspent

NIL

Manner in which the amount spent during the financial year is detailed below;

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₹ in Lakhs

S. No.	CSR project or activity identified	Sector in which the project is covered	District and State where projects or programs were undertaken	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs:	Cumulative Expenditure upto the reporting Period.	Amount spent Direct or through implementing Agency.
1	Plantation of trees	Environment	Coimbatore Tamil Nadu	2.17	2.17	2.17	Implementing Agency. Siruthuli Noyyal Life Center : Sungam By Pass Road, Near Flyover Coimbatore 641045
2	Relief materials to Flood and Cyclone affected area	Eradicating of hunger, poverty and malnutrition	Tamil Nadu & Kerela	4.39	4.39	4.39	Direct
3	Drinking water facility	Promoting Education	Govt.Hr. Secondary School, Gangai kondan	0.19	0.19	0.19	Direct
4	Irrigation tank repair work	Environment	Gangai kondan	0.20	0.20	0.20	Direct
	Total			6.95	6.95	6.95	

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

5. Responsibility statement of the CSR Committee:

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

By Order of the Board

K.Gnanasekaran

Chairman of the CSR meeting
DIN : 00133645

Suresh Jagannathan

Managing Director
DIN : 00011326

Place : Coimbatore
Date : May 29, 2019

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on code of Corporate Governance

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

2. Board of Directors

The Board comprises of a Managing Director, two Non Executive Non Independent Director, and three Non-Executive Independent Directors, including a woman director. There are three Independent Directors who bring independent judgement in the board's deliberations and decisions.

The composition of the directors and their attendance at the board meetings during the year and at the last Annual General Meeting and also the number of the other directorships are as follows;

Name of the Director	Category	No. of Directorships held in other Public Limited Companies (*)	Membership in Committee of other Companies @	
			Chairman	Member
Mr.Suresh Jagannathan Managing Director (DIN: 00011326)	Executive - Promoter	2	Nil	1
Mr.Sudarsan Varadaraj ^ (DIN: 00133533)	Non Executive - Non Independent	5	Nil	1
Mr.K.Gnanasekaran (DIN: 00133645)	Non Executive-Independent	1	Nil	2
Mr.R.Kannan# (DIN: 00951451)	Non Executive - Non Independent	Nil	Nil	Nil
Mrs.Kalyani Jagannathan (DIN: 02371318)	Non Executive - Independent	Nil	Nil	Nil
Mr.Rajagopal Gopinath # (DIN: 00096122)	Non Executive - Independent	1	Nil	Nil
Mr.Ashwin Chandran (DIN: 00001884)	Non Executive - Independent	1	Nil	1

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* Exclude directorship in private companies and foreign companies.

@ only Audit Committee and Stakeholders Relationship Committee are considered.

^ Status has been changed as Non Executive Non Independent Director from 1st October, 2018 consequent to the amendment in Regulation 16(1)(B)(viii) of SEBI (LODR) Regulations, 2015

Resigned as Executive Director from 25th May, 2018 and continues as a Non Executive Non Independent Director.

Resigned his directorship from 29th March, 2019 due to other business and personal commitments

Disclosure of Directorships in other Listed Entities:

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

None of the directors are related to each other.

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

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

The Board met six times during the financial year on 25th May, 2018, 27th July, 2018, 30th August, 2018, 26th October, 2018, 6th February, 2019 and 29th March, 2019 and the gap between the meetings did not exceed four months. The attendance of Directors at the Board Meetings and the Annual General Meeting held during the years is as under:

Name of the Director	Board Meeting		Attendance at the last AGM Yes/ No
	Held	Attended	
Mr.Suresh Jagannathan	6	5	Yes
Mr.Sudarsan Varadaraj	6	6	Yes
Mr.K.Gnanasekaran	6	6	Yes
Mr.R.Kannan	6	6	Yes
Mrs.Kalyani Jagannathan	6	2	No
Mr.Rajagopal Gopinath *	6	5	Yes
Mr.Ashwin Chandran **	6	3	NA

* Resigned his directorship on 29th March, 2019

** Appointed as a non executive independent director with effect from 1st September, 2018

Except Mr.R.Kannan, none of the other non executive directors hold any share in the company

The Company currently does not have any stock option.

Key Board qualifications, expertise and attributes:

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

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

Core Skill/Expertise/ Competencies	DESCRIPTION
Industry Skills	<ul style="list-style-type: none"> • Knowledge /experience in the manufacturing of Engineering and Food products. • Knowledge of the flour milling industry, foundry products, business model and the market • Broad range of commercial / business experience
Governance Skills	<ul style="list-style-type: none"> • In-depth knowledge/ experience in the field of finance administration and the ability to analyze and assess the key financial statements

Core Skill/Expertise/ Competencies	DESCRIPTION
	<ul style="list-style-type: none"> • Knowledge / experience in the governance, legal compliances and the ability to identify key risks in a wide range of areas. • Knowledge / experience of the capital market and its developments • Ability to constructively manage crisis, provide leadership
Personal Attributes/ Qualities	<ul style="list-style-type: none"> • Ability to understand the role and fulfillment of the duties and responsibilities of a Director while being transparent in disclosing potential conflict of interest, continue to self-educate on legal responsibility and ability to maintain board confidentiality; • Ability to constructively contribute to board discussions and communicate effectively with management and other directors

Familiarization Programme for Independent Directors

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

The familiarization programmes for Independent Directors conducted during the financial year are disclosed on the Company's website at www.klrf.in

Independent Directors' Meeting

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of Independent Directors was held on 6th February, 2019, inter alia to discuss:

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

Confirmation on the fulfillment of the conditions of independence:

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions

specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

Resignation of Independent Directors before expiry of tenure:

Sudarsan Varadaraj (DIN: 00133533), Independent Director, has become Non-Executive Non-Independent Director w.e.f 01.10.2018 due to the amendment made in Regulation 16(1)(B)(viii) of SEBI (LODR) Regulations, 2015.

Mr. Rajagopal Gopinath (DIN: 00096122), Independent Director, has resigned his Directorship with effect from 29th March, 2019 due to other business and personal commitments.

Other than the above, none of the Independent Directors have resigned before the expiry of the tenure during the year under review.

Evaluation of Board's Performance

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee have defined the evaluation criteria for the Board, its Committees and Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

3. Audit Committee

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

Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory Auditor, Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditor, Branch Auditors, Internal Auditors and Cost Auditor of the Company. The Committee met 4 times during the financial year on 25th May, 2018, 27th July, 2018, 26th October, 2018 and 6th February, 2019. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

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Name of the Member	Category	Attendance
Mr.K.Gnanasekaran (Chairman) *	Non Executive Independent	4
Mr.Sudarsan Varadaraj**	Non Executive Non Independent	4
Mr.Rajagopal Gopinath ***	Non Executive Independent	4
Mr.Ashwin Chandran ****	Non Executive Independent	1
Mrs.Kalyani Jagannathan *****	Non Executive Independent	-

* Chairman from 30th August, 2018

** Chairman upto 29th August, 2018

*** Resigned his directorship on 29th March, 2019

**** Appointed as an independent director from 1st September, 2018

***** Appointed as a member from 29th March, 2019

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

The minutes of the Audit Committee meetings were circulated to the Board and the Board discussed and took note of the same. The Audit Committee has considered and reviewed the Annual Financial Statements for the year 2018-19, before it was placed before the Board of Directors.

The then Chairman of the Audit Committee, Mr.Sudarsan Varadaraj, was present at the Annual General Meeting of the Company held on 30th August, 2018.

4. Nomination and Remuneration Committee

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

The Committee comprises of 2 Independent Non-Executive Directors and one Non Executive Non Independent Director. The Committee during the year met two times on 30th August, 2018 and 6th February, 2019. The attendance of the members was as under:

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Name of the Member	Category	No of Meetings during the year 2018 - 2019	
		Held	Attended
Mr. Ashwin Chandran (Chairman) *	Non Executive Independent	NA	NA
Mr. Sudarsan Varadaraj**	Non Executive Non Independent	2	2
Mr. K.Gnanasekaran	Non Executive Independent	2	2
Mr. Rajagopal Gopinath***	Non Executive Independent	2	2

* Member and Chairman from 29th March, 2019

** Chairman upto 30th August, 2018

*** Chairman from 30th August, 2018. Resigned his directorship on 29th March, 2019

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

The remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's website at www.klrf.in.

The then Chairman of the Nomination and Remuneration Committee, Mr.Sudarsan Varadaraj, was present at the Annual General Meeting of the Company held on 30th August, 2018.

Performance evaluation criteria for Independent Directors

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates evaluation of performance of Independent Directors and Non Independent Directors. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of the performance of the Independent Directors is based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles,

ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the company and ability to articulate independent views and judgement. Accordingly, the performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

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

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

5. Remuneration of Directors

The remuneration and sitting fees paid to the Directors during the year under review;

₹ in lakhs				
Name	Service Term	Salary & Perquisites	Sitting Fees	Total
Mr. Suresh Jagannathan	12.3.2016 to 11.3.2021	42.00	-	42.00
Mr. R. Kannan*	1.7.2014 to 30.6.2019	6.08	0.68	6.76
Mr.Sudarsan Varadaraj	-		1.12	1.12
Mr.K.Gnanasekaran	-		1.26	1.26
Mrs.Kalyani Jagannathan			0.20	0.20
Mr.Rajagopal Gopinath**			1.08	1.08
Mr.Ashwin Chandran***			0.42	0.42

*Resigned as Executive Director from 25th May, 2018 and continues as a Non Executive Non Independent Director.

**Resigned his directorship from 29th March, 2019

***Appointed as an Independent director from 1st September, 2018

There are no pecuniary relationships or transactions of Non -Executive Directors vis-à-vis the Company.

The Company does not have any Employee Stock Option Scheme

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

No commission was paid to Directors during the year.

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

6. Stakeholders Relationship Committee

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

The Committee comprises of the following Directors;

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

*Chairman from 29th March, 2019

**Chairman upto 28th March, 2019. Resigned his directorship from 29th March, 2019

The Chairman of the Stakeholders Relationship Committee, Mr.Rajagopal Gopinath was present at the Annual General Meeting of the Company held on 30th August, 2018

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

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

The Minutes of Shareholders Committee were placed at the Board Meeting. During the year, one complaint was received from the shareholders and the complaint was duly attended and the Company has furnished necessary documents / information to the shareholder. There are no pending complaints as on 31.3.2019.

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

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

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

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

Unclaimed shares demat suspense account

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

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

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

Corporate Social Responsibility (CSR) Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has

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constituted a Corporate Social Responsibility Committee and the Committee comprises Mr. Suresh Jagannathan, Mr. Sudarsan Varadaraj, Mr. K. Gnanasekaran and Mr. R. Kannan as members.

The CSR Committee met four times during the year on 25th May, 2018, 27th July, 2018, 26th October, 2018 and 6th February, 2019. The necessary quorum was present for all Meetings. The attendance record of the members at the meeting was as follows.

Name of the Member	Category	Designation	No of Meeting	
			Held	Attended
Mr. Suresh Jagannathan	Executive - Promoter	Member	4	3
Mr. Sudarsan Varadaraj	Non - Executive - Non Independent	Member	4	4
Mr. K. Gnanasekaran	Non - Executive - Independent	Member	4	4
Mr. R. Kannan	Non - Executive - Non Independent	Member	4	4

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

Management Discussion and Analysis Report

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

7. Annual General Meetings

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

Year	Date of Meeting	Time of Meeting	Location
2015-16	14.09.2016	10:00 a.m.	75/8, Benares Cape Road, Gangaikondan, Tirunelveli District-627352
2016-17	15.09.2017	9:30 a.m.	75/8, Benares Cape Road, Gangaikondan, Tirunelveli District-627352
2017-18	30.08.2018	10:45 a.m.	75/8, Benares Cape Road, Gangaikondan, Tirunelveli District-627352

Special Resolutions Passed, if any

54th Annual General Meeting 2015-16	:	Nil
55th Annual General Meeting 2016-17	:	Nil
56th Annual General Meeting 2017-18	:	Adoption of new set of Articles of Association of the Company

EGM & Postal Ballots

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

Postal Ballots

Shareholders of the Company passed ordinary resolution pursuant to Section 149, 160 of the Companies Act, 2013 on 11th October, 2018 by way of Postal Ballot for appointment of Mr.Ashwin Chandran as an Independent Director of the Company from 1st September, 2018.

The Board of Directors at their meeting held on 30th August, 2018 had appointed Mr.M.D.Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the postal ballot in a fair and transparent manner.

Procedure followed for Postal Ballot

The Postal Ballot was carried out as per the procedure laid down in terms of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof for the time being in force) and other applicable provisions of the Act and Rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr.M.D.Selvaraj, FCS of MDS & Associates, had submitted the report thereon on 13th October, 2018 and based on the Scrutinizer's Report, the Managing Director declared the result of the voting exercise on 13th October, 2018.

Sl No	Subject	No. of Votes Cast			Date of declaration
		In favour	Against	Total	
1	Approval for appointment of Mr.Ashwin Chandran as an Independent Director of the Company	31,68,653 (99.94%)	1,874 (0.06%)	31,70,527 (100%)	13.10.2018

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

8. Means of Communication

- The quarterly/half yearly unaudited financial results and the annual audited financial results are normally published in Business Standard (National Daily) and Dina Malar (Regional Newspaper). The financial results are regularly and promptly updated on the website of the company at www.klrf.in
- The copies of the results are forwarded to concerned Stock Exchange immediately after they are approved by the Board for dissemination in their website. The Company

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has a dedicated e-mail ID cosec@klrf.in for registering complaint from the Investors.

- c) There were no specific presentations made to Institutional Investors or to the analysts during the year.

9. General Shareholder information

a. Annual General Meeting

Date : 16.09.2019
Time : 10.00 A.M.,
Venue : 75/8, Benares Cape Road, Gangaikondan-627352

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

c. Dividend payment date : Not applicable

d. Listing on Stock Exchanges

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

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

Type of security : Equity
Trading group in stock exchange : BSE Limited - X group
Stock Code : Scrip ID : KLRFM
Scrip Code : 507598

ISIN number allotted for equity shares : INE 014E01015

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

e. Market Price Data

Month	Apr,18	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'19	Feb	Mar
High (₹)	88.00	84.00	67.20	64.80	58.85	51.90	48.00	47.20	47.80	47.40	45.00	51.30
Low (₹)	65.30	61.65	52.10	48.30	47.40	41.70	32.00	37.55	32.25	35.70	34.00	38.00

f. Registrars & Share Transfer Agents

Head Office

M/s Link Intime India Private Limited, C/101, 247 Park, L.B.S.Marg Vikroli (West) Mumbai - 400083 Ph.: +91 22 4918 6270, E-mail : rnt.helpdesk@linkintime.co.in

Branch

M/s Link Intime India Private Limited, "Surya" No.35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028 Ph.: +91 422 231 4792
E mail : coimbatore@linkintime.co.in

g. Reconciliation of share capital audit

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

h. Share Transfer System

The Company's shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, Link Intime India Private Limited and approved by the Stakeholders Relationship Committee of the Company. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by Link Intime India Private Limited, if the documents are complete in all respects. All request for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets as and when necessary for approving share transfers and other related activities.

Legal proceeding / disputes on share transfer against the Company : NIL

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

With effect from 1st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agent, except in case of transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance comparison to BSE Sensex

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

i. Shareholding Pattern as on 31.03.2019

Particulars	No. of shares held	Percentage of shareholding
Promoters Holding	31,22,021	56.34
Directors and their Relatives	8,350	0.15
Banks/FIS/Mutual Funds	805	0.01
Private Corporate Bodies	1,19,987	2.16
NRI / OCBs	17,573	0.32
Indian Public	22,72,740	41.02
Total	55,41,476	100.00

j. Distribution of Shareholding as on 31.3.2019

Shareholding range	No of Holders	% of share holders	No of Shares	% of share holding
1 - 500	4528	87.41	5,75,957	10.39
501 - 1,000	326	6.29	2,56,464	4.63
1,001 - 2,000	167	3.22	2,55,163	4.60
2,001 - 3,000	44	0.85	1,11,973	2.02
3,001 - 4,000	19	0.37	69,235	1.25
4,001 - 5,000	27	0.52	1,25,374	2.26
5,001 - 10,000	33	0.64	2,33,048	4.21
10,001 and above	36	0.70	39,14,262	70.64
Total	5180	100.00	55,41,476	100.00

k. Dematerialisation of shares and liquidity as on 31.3.2019

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

Extent of Dematerialisation

Name of the Depository	No. of shares	% to total paid-up capital
National Securities Depository Limited	43,97,406	79.35
Central Depository Services (India) Limited	9,41,423	16.99
Physical	2,02,647	3.66
Total	55,41,476	100.00

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

n. Plant location

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

Engineering Division: Periyanaickenpalayam, Coimbatore

o. Address for correspondence

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

Link Intime India Private Limited
(Unit : Kovilpatti Lakshmi Rollers Flour
Mills Limited)
"Surya" 35, Mayflower Avenue
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore-641028
Phone : +91 422 231 4792
E-mail : coimbatore@linkintime.co.in
Contact Person Mrs.S.Dhanalakshmi

Contact address for Investors

Mr.S.Piramuthu
Company Secretary
Registered Office :
75/8, Benares Cape Road,
Gangaikondan - 627352, Tirunelveli Dt.
Phone : +91 462 248 6532
Fax : +91 462 248 6132
E-mail ; cosec@klrf.in

10. Other Disclosures

a. Disclosures on materially significant related party transactions

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

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

The Company has complied with all the requirements of the listing agreement of the Stock Exchange as well as regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties

have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets in the last three years.

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

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

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

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

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

e. Policy for determining material subsidiaries

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

f. Policy on dealing with related party transactions

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

g. Commodity price risk and commodity hedging activities

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

mitigates the impact of price risk on finished goods.

h. Disclosure of accounting treatment

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

i. Disclosure on risk management

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

Other disclosures

- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year. However, the funds raised through preferential allotment of 5,20,832 equity shares made to the promoters and promoters group on 31.03.2018 has been utilized for the objects as stated in the explanatory statement to the postal ballot notice dated 26.02.2018.
- A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
- During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- The Company has paid a sum of ₹ 7.64 lakhs as fees for all services on consolidated basis to the statutory auditor and all entities in the network firm / entity of which the statutory auditor is a part for the services rendered by them.
- As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2018-19, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.
- The Company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds either in India or abroad that require credit rating.

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

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

Certificate from CEO and CFO.

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of Directors, at its meeting held on 29th May, 2019 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Code of conduct for prevention of insider trading

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

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

14. Code of Conduct

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

By Order of the Board

K.Gnanasekaran

Director

DIN : 00133645

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : May 29, 2019

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby affirm and state that all the board members and senior management personnel of the Company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I hereby affirm compliance with the said code of conduct for the financial year 2018 - 2019.

By Order of the Board

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : May 29, 2019

Independent Auditors' Certificate on Corporate Governance

To

The Members of Kovilpatti Lakshmi Roller Flour Mills Limited
(formerly known as KLRF LIMITED)

I have examined the compliance of conditions of Corporate Governance by Kovilpatti Lakshmi Roller Flour Mills Limited ('the Company') for the year ended March 31, 2019 as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as amended from time to time.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

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

Opinion

Based on my examination of relevant records and information according to the explanations given to me and the representations provided by management, I certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, during the year ended March 31, 2019, as applicable.

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

For M/s ARUN & CO

Chartered Accountants

Firm Registration No.0014464S

Place : Coimbatore

Date : May 29, 2019

A.ARUN

Proprietor

Membership No.227831

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Kovilpatti Lakshmi Roller Flour Mills Limited (formerly known as "KLRF Limited")** having **CIN: L15314TN1961PLC004674** and having registered office at 75/8, Benares Cape Road, Gangaikondan, Tirunelveli - 627352, Tamil Nadu, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers,

I hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ending on 31st March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : May 29, 2019

M.D. Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960 C P No.: 411

INDEPENDENT AUDITOR'S REPORT**To the Members of Kovilpatti Lakshmi Roller Flour Mills Limited (formerly known KLRF Limited)****Report on the Audit of the Financial Statements****Opinion**

I have audited the financial statements of Kovilpatti Lakshmi Roller Flour Mills Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the financial statements/ information for the year ended on that date audited by the branch auditors of the Company's branches located at Periyanaickenpalayam, Coimbatore, Tamilnadu.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

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

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard. I have determined the matter described below to be the key audit matter to be communicated in my report

Key Audit Matters

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

Key Audit Matter	How the Key Audit Matter was addressed in my audit
Carrying Value of Property, Plant and Equipment	<ul style="list-style-type: none"> ● Assessed the reasonableness of the management's assertions and estimates regarding estimated useful lives and residual values based on historical experience. ● Discussed the indicators of possible impairment with the management. ● Analysed the assumptions and critical judgements based on historical data
Evaluation of uncertain tax positions	<ul style="list-style-type: none"> ● Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. ● Reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. ● Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. ● Also considered the effect of new information in respect of uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other Matter

I did not audit the financial statements/ information of 2 (Two) branches included in the financial statements of the Company whose financial statements/financial information reflect total assets of ₹ 3,936.05 lakhs as at 31st March 2019 and the total revenue of ₹ 8,742.14 lakhs for the year ended on that date, as considered in the financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to me, and my opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

My opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

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

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to me and have been properly dealt with by me in preparing this report.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by me.
- d) In my opinion, the aforesaid financial statements comply with the 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 as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 my separate Report in "Annexure C".

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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, as amended, in my opinion and to the best of my information and according to the explanations given to me:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - refer note no.; 37 to the financial statements
- ii. The Company has no long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

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

For M/s ARUN & CO

Chartered Accountants

Firm Registration No.0014464S

A.ARUN

Proprietor

Membership No. 227831

Place : Coimbatore

Date : May 29, 2019

"Annexure A" to the Independent Auditors' Report

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

Auditor's Responsibilities for the Audit of the Financial Statements

As a part of an audit in accordance with SA's, I exercise professional judgement and maintain professional scepticism throughout the audit, I also :

- I. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place

and the operating effectiveness of such controls.

- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are adequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

"Annexure B" to the Independent Auditor's

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

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to me, the records examined by me and based on the examination of the conveyance deeds provided to me, I report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. The inventory has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable.
3. According to information and explanation given to me, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In my opinion and according to information and explanation given to me, the company has not granted any loans or provided any guarantees or given any security to which the provision of section 185 of the Companies Act are applicable. In respect of investments made by the Company, the Company had complied with the provisions of section 186 of the Companies Act, 2013.
5. In my opinion and according to the information and explanations given to me, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. In my opinion and according to the information and explanations given to me, and based on the report of the branch auditors, the Engineering Divisions of the company had maintained cost records specified under section 148 (1) (d) of the Companies Act, 2013 and the relevant rules prescribed. However, I have not carried out a detailed examination of the same.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

7. According to the information and explanations given to me, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tamil Nadu Value Added Tax Act	TNVAT	25.05	FY 2008-09 to 2013-14	Commercial Tax Appellate Tribunal, Madurai.
Kerala Value Added Tax Act	KVAT	199.17	July 2016 to December 2016 & April 2017 to June, 2017	Commercial Tax Appellate Tribunal, Trivandrum.
Kerala Value Added Tax Act	KVAT	66.90	January 2017 to March 2017	Deputy Commissioner Appeal, Kollam.
Finance Act, 1994	Service Tax	4.88	FY 2008-09 to 2012-13	CESTAT

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

8. In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of dues to its bankers during the year. According to the information and explanations given to me, the company has no outstanding dues to any financial institutions or any government or any debenture holders during the year.
9. In my opinion and according to the information and explanations given to me, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. During the course of my audit, examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, I have neither come across any instance of material fraud by the company or on the Company by its officers or employees.
11. In my opinion and according to the information and explanations given to me, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In my opinion and according to the information and explanations given to me, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to me and based on my examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to me and based on my examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the order are not applicable.
15. According to the information and explanations given to me and based on my examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16. According to the information and explanations given to me and based on my examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For M/s ARUN & CO

Chartered Accountants

Firm Registration No.0014464S

A.ARUN

Proprietor

Membership No. 227831

Place : Coimbatore

Date : May 29, 2019

Annexure "C" to the Independent Auditor's Report

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

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

I have audited the internal financial controls over financial reporting of Kovilpatti Lakshmi Roller Flour Mills Limited (formerly known as KLRF Limited) ("the Company") as of March 31, 2019, in conjunction with my audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on my audit. I conducted my audit in accordance

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

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion and according to the information and explanations given to me, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s ARUN & CO

Chartered Accountants

Firm Registration No.0014464S

A.ARUN

Proprietor

Membership No. 227831

Place : Coimbatore

Date : May 29, 2019

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	31.3.2019	31.3.2018
I. ASSETS			
Non-current assets			
(a) Property, Plant and equipment	4	3,380.72	2,673.41
(b) Capital work in progress		-	165.18
(c) Investment Property			
(d) Intangible assets	4	7.85	18.03
(e) Financial assets			
(i) Investments	5	46.18	2.41
(ii) Trade Receivables		-	-
(f) Other financial assets	6	159.68	95.87
(g) Other non-current assets	7	2.46	149.81
Total non-current assets		3,596.89	3,104.71
Current assets			
(a) Inventories	8	3,542.39	5,590.38
(b) Financial assets			
(i) Trade receivables	9	1,569.37	1,397.77
(ii) Cash and cash equivalents	10	31.69	554.77
(iii) Bank balances other than above	11	1.42	1.37
(c) Other Financial Assets			
(d) Other current assets	12	327.27	283.36
Total current assets		5,472.14	7,827.65
Total Assets		9,069.03	10,932.36
II. EQUITY AND LIABILITIES			
Equity			
1. (a) Equity share capital	13	554.14	554.14
(b) Other equity	14	2,747.35	2,887.69
Total equity		3,301.49	3,441.83
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	969.55	727.26
(b) Other Financial Liabilities			
(c) Provisions			
(d) Deferred Tax Liabilities (net)	16	245.65	295.37
Total non-current liabilities		1,215.20	1,022.63

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

Balance Sheet as at 31st March, 2019 (Cont..)**(₹ in Lakhs)**

Particulars	Note No.	31.3.2019	31.3.2018
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	3,123.19	5,090.08
(ii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		128.87	4.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		696.35	720.89
(iii) Other financial liabilities	19	321.14	331.55
(b) Short Term Provisions	20	-	9.00
(c) Other current liabilities	21	282.79	311.86
Total current liabilities		4,552.34	6,467.90
Total liabilities		5,767.54	7,490.53
Total Equity and Liabilities		9,069.03	10,932.36

The accompanying notes form an integral part of the financial statements

In accordance with my report of date attached

For M/s Arun & Co

Chartered Accountants

(FRN No. 014464S)

A. Arun

Chartered Accountant

Membership No.227831

Place : Coimbatore

Date : May 29, 2019

K. Gnanasekaran

Director

DIN : 00133645

For and on behalf of the Board

Suresh Jagannathan

Managing Director

DIN : 00011326

K.R.Badrinarayanan

Chief Financial Officer

S. Piramuthu

Company Secretary

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	31.3.2019	31.3.2018
Continuing Operations			
A Income			
Revenue from operations	22	23,157.40	21,970.51
Other income	23	79.01	27.67
Total income		23,236.41	21,998.18
B Expenses			
Cost of materials consumed	24	15,936.52	14,214.55
Purchase of Stock in Trade		3.43	-
Changes in inventories of finished goods	25	(193.48)	42.38
Excise Duty		-	239.19
Employee Benefits Expense	26	1,251.23	1,160.04
Depreciation and amortisation expense	27	378.96	307.62
Other expenses	28	5,430.93	5,213.02
Finance costs	29	624.20	718.00
Total expenses		23,431.79	21,894.80
C Profit/ (Loss) before exceptional items and tax		(195.38)	103.38
Exceptional items		-	-
D Profit/ (Loss) before tax from continuing operations		(195.38)	103.38
Income tax expense	30	-	-
Current tax		-	102.00
Deferred tax charge/ (credit)		(50.21)	(156.61)
E Profit/ (Loss) for the year from continuing operations		(145.17)	157.99
Profit/ (loss) from discontinued operations			
before tax expense		-	-
Tax charge/ (credit) from discontinued operations		-	-
F Profit/(loss) from discontinued operations		-	-
G Profit/(loss) for the year		(145.17)	157.99
H Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		1.73	(17.82)
Income tax relating to these items		(0.48)	5.18
Other comprehensive income for the year, net of tax		1.25	(12.64)
Total comprehensive income for the year		(143.92)	145.35
Earnings per share	31		
Basic earnings per share		(2.62)	3.15
Diluted earnings per share		(2.62)	3.15

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

In accordance with my report of date attached

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

Place : Coimbatore

Date : May 29, 2019

K. Gnanasekaran

Director

DIN : 00133645

K.R.Badrinarayanan
Chief Financial Officer

For and on behalf of the Board

Suresh Jagannathan

Managing Director

DIN : 00011326

S. Piramuthu
Company Secretary

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

Cash Flow Statement for the year ended 31st March, 2019

₹ in lakhs

	31.3.2019	31.3.2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	(195.38)	103.38
Adjustments for		
Depreciation and amortisation expense	378.96	307.62
(Profit)/ Loss on sale of fixed asset (Net)	(16.98)	87.86
Interest received	(29.55)	(7.45)
Dividend income	(0.05)	(0.05)
Finance costs	624.20	718.00
	<u>761.20</u>	<u>1,209.36</u>
Changes in operating assets and liabilities		
(Increase)/ decrease in other financial assets	83.54	75.71
(Increase)/ decrease in inventories	2,047.98	55.12
(Increase)/ decrease in trade receivables	(171.60)	71.94
(Increase)/ decrease in other assets	5.83	(102.98)
Increase/ (decrease) in provisions and other liabilities	(98.20)	8.51
Increase/ (decrease) in trade payables	99.81	(88.39)
Cash generated from operations	2,728.56	1,229.27
Less : Income taxes paid (net of refunds)	5.32	(127.85)
Net cash from/ (used in) operating activities (A)	<u>2,733.88</u>	<u>1,101.42</u>
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE (including changes in CWIP)	(938.82)	(401.05)
Sale proceeds of PPE	44.89	87.91
(Purchase)/ disposal proceeds of Investments	(43.77)	-
(Investments in)/ Maturity of fixed deposits with banks		0.92
Dividend received	0.05	0.05
Interest income	29.55	7.45
Net cash used in investing activities (B)	<u>(908.10)</u>	<u>(304.72)</u>
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares (including premium)	-	500.00
Proceeds from/ (repayment of) long term borrowings (net)	242.28	(284.74)
Proceeds from/ (repayment of) short term borrowings (net)	(1,966.89)	287.51
Dividends (including dividend distribution tax)	(0.05)	(60.43)
Finance costs	(624.20)	(718.00)
Net cash from/ (used in) financing activities (C)	<u>(2,348.86)</u>	<u>(275.66)</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<u>(523.08)</u>	<u>521.04</u>
Net cash flows from discontinued operations	-	-
Cash and cash equivalents at the beginning of the financial year	554.77	33.73
Cash and cash equivalents at end of the year	<u>31.69</u>	<u>554.77</u>

Notes:

- The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
- Components of cash and cash equivalents

Balances with banks		
- in current accounts	4.25	543.05
Cash on hand	27.44	11.72
	<u>31.69</u>	<u>554.77</u>

In accordance with my report of date attached

For M/s Arun & Co

Chartered Accountants
(FRN No. 014464S)

A. Arun

Chartered Accountant
Membership No.227831

K. Gnanasekaran

Director
DIN : 00133645

For and on behalf of the Board

Suresh Jagannathan

Managing Director
DIN : 00011326

K.R.Badrinarayanan
Chief Financial Officer

S. Piramuthu
Company Secretary

Place : Coimbatore

Date : May 29, 2019

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

Statement of Changes in Equity for the year ended March 31, 2019**(A) Equity Share Capital**

Balance at the beginning of April 1, 2018	554.14
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	554.14

(B) Other Equity

Particulars	General Reserve	Securities Premium	Other comprehensive income	Retained Earnings	Capital Reserve	Total
Balance as at April 1, 2017	994.97	1,642.15	1.88	(260.29)	20.71	2,399.42
Additions/ (deductions) during the year	-	447.92	17.82	(122.82)	-	342.92
Total Comprehensive Income for the year	-	-	(12.64)	157.99	-	145.35
Balance as at March 31, 2018	994.97	2,090.07	7.06	(225.12)	20.71	2,887.69
Additions/ (deductions) during the year	-	-	(1.73)	5.30	-	3.57
Total Comprehensive Income for the year	-	-	1.26	(145.17)	-	(143.91)
Balance as at March 31, 2019	994.97	2,090.07	6.59	(364.99)	20.71	2,747.35

In accordance with my report of date attached

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

Place : Coimbatore

Date : May 29, 2019

K. Gnanasekaran

Director

DIN : 00133645

For and on behalf of the Board

Suresh Jagannathan

Managing Director

DIN : 00011326

K.R.Badrinarayanan

Chief Financial Officer

S. Piramuthu

Company Secretary

Notes to Financial Statements for the year ended March 31, 2019**1 Corporate Information**

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

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

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

Use of estimates

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

Functional and presentation currency

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

The financial statements are approved for issue by the Company's Board of Directors on May 29, 2019.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not

readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

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

Property, Plant and Equipment and Intangible Assets

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

Current tax

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

Deferred Tax Assets (including MAT Credit Entitlement)

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

Fair value

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

Impairment of Trade Receivables

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

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

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

Defined Benefit Plans and Other long term benefits

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

Fair value measurement of financial instruments

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

Provisions and contingencies

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

2B Recent accounting pronouncements**Standards issued but not yet effective**

The following standards have been notified by Ministry of Corporate Affairs

a. Ind AS 116 – Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

3 Significant Accounting Policies**a) Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

b) Fair value measurement

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

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

c) Revenue Recognition

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

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

Sale of services

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

Export entitlements

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

Interest Income

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

Dividend income

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

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

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

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current

assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

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

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

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

Derecognition

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

e) Depreciation on property, plant and equipment

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

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

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

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

f) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Useful life and amortisation of intangible assets

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

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

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

Subsequent cost and measurement

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

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

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

g) Inventories

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

h) Financial instruments

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

Financial assets**Initial recognition and measurement**

All financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, are also added to the cost of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

Financial assets are classified in four categories:

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

Debt instruments at amortised cost

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

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

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual

cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

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

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

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

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

Financial liabilities

Initial recognition and measurement

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derivative financial instruments

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

Derivatives fair valued through profit or loss

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

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under

Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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

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

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Foreign currency transactions and translations

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

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

j) Borrowing Costs

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

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

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

k) Taxes**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

I) Retirement and other employee benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings

through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

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

Other long term employee benefits

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

m) Leases

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

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

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

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

n) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual

impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

o) Provisions, Contingent liabilities and Contingent assets**Provisions**

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

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

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

Contingent liability

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

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

Contingent assets

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

p) Cash and cash equivalents

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

q) Cash Flow Statement

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

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

r) Earnings per share

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

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

4 Property, Plant and Equipment and Intangible Assests

Particulars	Tangible Assets								Intangible Assets	
	Land	Buildings	Plant and Equipment	Furniture and Fittings	Vehicle	Office Equipment	Electrical Equipment	Total	Intangible	Total
Cost as at March 31, 2018	214.02	1,145.70	1,146.82	19.54	272.72	44.97	68.68	2,912.45	36.84	36.84
Additions	-	128.44	939.28	20.59	-	5.72	9.97	1,104.00	-	-
Disposal / Adjustments'	-	25.87	12.71	-	0.40	12.58	6.17	57.73	-	-
Cost as at March 31, 2019	214.02	1,248.27	2,073.39	40.13	272.32	38.11	72.48	3,958.72	36.84	36.84
Depreciation / Amortisation	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018		62.07	109.63	3.04	22.59	11.63	30.08	239.04	18.81	18.81
Charge for the year	-	41.86	255.94	4.54	50.02	10.34	6.08	368.78	10.18	10.18
Disposals	-	6.57	5.06	-	0.38	11.95	5.86	29.82	-	-
As at March 31, 2019	-	97.36	360.51	7.58	72.23	10.02	30.30	578.00	28.99	28.99
Net Block	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	214.02	1,150.91	1,712.88	32.55	200.09	28.09	42.18	3,380.72	7.85	7.85
As at March 31, 2018	214.02	1,083.63	1,037.19	16.50	250.13	33.34	38.60	2,673.41	18.03	18.03

Notes to Financial Statements for the year ended 31st March, 2019

(₹ in Lakhs)

	31.3.2019	31.3.2018
5 Non-current investments		
Investment in equity instruments at FVTPL		
Trade - Unquoted		
M/s Cape Power Private Limited *		
(1,800 (previous year : 1,800) fully paid equity shares of ₹10/-)	0.18	0.18
M/s Suryadev Alloys and Power Private Limited *		
(500 (previous year : 1,640) fully paid equity shares of ₹199.84/-)		
& 1,50,000 fully paid equity shares of ₹ 30/- each)	46.00	2.23
Total non-current investments	46.18	2.41
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	46.18	2.41
Aggregate amount of impairment in value of investments	-	-
* In respect investments made pursuant to power purchase agreements, the exit price is equivalent to the initial investment. Accordingly, the fair value of those investments have been considered at the original investment value as per Ind AS 113		
6 Other non- current financial assets		
(Unsecured, considered good unless otherwise stated)		
Deposits with government authorities and others	159.68	95.87
Unamortised interest expense	-	-
	159.68	95.87
7 Other non-current assets		
(Unsecured, considered good unless otherwise stated)		
Capital Advances	-	149.81
Deposits	2.46	-
	2.46	149.81
8 Inventories		
Raw Materials and components	2,700.04	4,923.98
Work-in-progress	364.64	43.79
Finished products (Other than acquired for trading)	303.27	418.83
Stores and spares	146.47	163.99
Impurities, Runner and Riser	27.97	39.79
	3,542.39	5,590.38

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

(₹ in Lakhs)

	31.3.2019	31.3.2018
9 Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,601.07	1,397.77
Having significant increase in credit risk	-	-
Credit impairment	-	-
Less Provision for doubtful debts	(31.70)	-
	<u>1,569.37</u>	<u>1,397.77</u>
10 Cash and cash equivalents		
Cash on hand	27.44	11.72
Balances with banks		
In current accounts	4.25	543.05
	<u>31.69</u>	<u>554.77</u>
11 Other Bank Balances		
Earmarked Balances	1.42	1.37
	<u>1.42</u>	<u>1.37</u>
12 Other current assets		
(Unsecured, considered good)		
Advance to suppliers	42.21	23.85
Prepaid Expenses	53.66	59.41
Balances with statutory agencies	216.14	153.82
Others	15.26	46.28
	<u>327.27</u>	<u>283.36</u>
13 Capital		
Authorised Share Capital		
1,20,00,000 Equity shares of ₹10 each	1,200.00	1,200.00
30,00,000 10% Cumulative Redeemable Preference shares of ₹10/- each	300.00	300.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued Share Capital		
56,40,430 (Previous year 56,40,430)		
Equity shares of ₹10 each	564.04	564.04
	<u>564.04</u>	<u>564.04</u>
Subscribed and fully paid up share capital		
55,41,476 (Previous year 55,41,476)		
Equity shares of ₹ 10 each*	554.14	554.14
	<u>554.14</u>	<u>554.14</u>

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

(₹ in Lakhs)

	31.3.2019	31.3.2018
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Notes:

- 1) Reconciliation of number of equity shares subscribed

Balance as at the beginning of the year	55,41,476	50,20,644
Add: Issued during the year	-	5,20,832
Balance at the end of the year	55,41,476	55,41,476
- 2) The Company has no Holding or Subsidiary Companies.
- 3) There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.
- 4) Rights, preferences and restrictions in respect of equity shares issued by the Company
 - a. The company has issued only one class of equity shares having a par value of ₹ 10 each. The equity shares of the company having par value of ₹10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
 - b. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.
- 5) Shareholders holding more than 5% of the total share capital

Name of the share holder	31.03.2019		31.03.2018	
	No of shares	% of Holding	No of shares	% of Holding
Mr. Suresh Jagannathan	11,80,586	21.30%	11,80,586	21.30%
M/s Cape Flour Mills Private Limited	11,02,101	19.89%	11,02,101	19.89%
Mr.V Jagannathan individual and Jointly with Mr.Suresh Jagannathan & Mrs.J.Chandrakanthi	4,53,776	8.19%	4,53,776	8.19%
Mr.Sharath Jagannathan	3,09,110	5.58%	2,53,400	4.58%

31.3.2019	31.3.2018
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14 Other Equity

Capital Reserve	20.71	20.71
Securities Premium	2,090.07	2,090.07
Revaluation Reserve	-	-
General reserve	994.97	994.97
Other comprehensive income	6.59	7.06
Retained earnings	(364.99)	(225.12)
Total	<u>2,747.35</u>	<u>2,887.69</u>

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

a) Capital Reserve		
Balance at the beginning and end of the year	20.71	20.71
b) Securities Premium Reserve		
Balance at the beginning of the year	2,090.07	1,642.15
Additions/ (deductions) during the year	-	447.92
Balance at the end of the year	2,090.07	2,090.07
c) General reserve		
Balance at the beginning and end of the year	994.97	994.97
d) Other comprehensive income		
Balance at the beginning of the year	7.06	1.88
Transfer to profit and loss account	(1.73)	17.82
Deductions/Adjustments during the year	1.26	(12.64)
Balance at the end of the year	6.59	7.06
e) Balance in profit and loss account		
Balance at the beginning of the year	(225.12)	(260.29)
Net profit for the period	(145.17)	157.99
Transfer from Other Comprehensive Income	1.73	(17.82)
Dividends paid	-	(50.21)
Dividends distribution tax paid	-	(10.22)
MAT Credit adjustment	-	(44.57)
Incometax Provision of earlier years written back	3.57	-
Balance at the end of the year	(364.99)	(225.12)

15 Long Term Borrowings

Term Loans (Secured)		
From Banks	1,275.33	749.42
From NBFCs	15.36	309.39
	1,290.69	1,058.81
Less : Current maturities due within		
1 year (refer note 19 below)	321.14	331.55
	969.55	727.26

Also refer note 41 for terms and conditions and security details

16 Deferred Tax Liability / (Asset) - Net

Deferred Tax Liability		
On Fixed Assets	(50.21)	457.25
On expenses allowed under Income Tax on payment basis	-	-
Adjustments	295.86	(161.88)
Net deferred tax liability/ (asset)	245.65	295.37

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

(₹ in Lakhs)

	31.3.2019	31.3.2018
17 Current liabilities - Financial Liabilities: Borrowings		
Secured		
Loans repayable on demand		
From Banks	2,708.19	4,527.08
Unsecured		
Loans from Directors	55.00	55.00
Inter Corporate Loans	360.00	508.00
	<u>3,123.19</u>	<u>5,090.08</u>
Also refer note 41 for terms and conditions and security details		
18 Trade payables		
Due to Micro, Small and Medium enterprises*	128.87	4.52
Due to Others	696.35	720.89
	<u>825.22</u>	<u>725.41</u>

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Also refer note 36.

(₹ in Lakhs)

	31.3.2019	31.3.2018
19 Other current financial liabilities		
Current maturities of long-term debt (refer note 15 above)	321.14	331.55
	<u>321.14</u>	<u>331.55</u>
20 Provisions (Current)		
Provision for tax (net of advance tax)	-	9.00
	<u>-</u>	<u>9.00</u>
21 Other current liabilities		
Statutory Dues Payable	34.04	31.63
Employee Benefits Payable	52.04	54.04
Other expenses payable	177.35	202.96
Advance and deposits from customers etc.,	17.94	21.86
Unclaimed dividend	1.42	1.37
	<u>282.79</u>	<u>311.86</u>

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

(₹ in Lakhs)

	31.3.2019	31.3.2018
22 Revenue from operations		
(a) Sale of products		
Wheat, wheat products and impurities	14,461.29	13,927.26
Sheet metal components (previous year includes excise duty)	699.82	680.36
Castings (previous year includes excise duty)	7,902.08	7,301.63
(b) Sale of services – fabrication charges	6.13	6.93
(c) Other operating revenues – sale of scrap and gunnies	88.08	54.33
	<u>23,157.40</u>	<u>21,970.51</u>
23 Other income		
Dividend Income	0.05	0.05
Interest Income	29.55	7.45
Profit on sale of fixed assets (net)	18.17	14.05
Other non operating income - Miscellaneous receipts	31.24	6.12
	<u>79.01</u>	<u>27.67</u>
24 Cost of materials consumed		
Wheat	12,035.57	11,191.57
Iron materials	3,904.38	3,022.98
	<u>15,939.95</u>	<u>14,214.55</u>
25 Changes in inventories of work-in-progress, stock in trade and finished goods		
Opening Balance		
Work-in-progress	255.57	55.93
Finished goods	246.82	524.71
	<u>502.39</u>	<u>580.64</u>
Closing Balance		
Work-in-progress	364.64	43.79
Finished goods	331.23	458.62
	<u>695.87</u>	<u>502.41</u>
Changes in excise duty on finished goods	-	35.85
Total changes in inventories	<u>(193.48)</u>	<u>42.38</u>
26 Employee benefits expense		
Director's remuneration and fees	52.84	82.96
Salaries, wages and bonus	1,065.67	931.40
Contribution to provident and other funds	86.06	74.37
Staff welfare expenses	39.24	56.68
Contribution to gratuity fund	7.42	14.63
	<u>1,251.23</u>	<u>1,160.04</u>

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

(₹ in Lakhs)

	31.3.2019	31.3.2018
27 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	368.78	298.03
Amortisation of intangible assets	10.18	9.59
	<u>378.96</u>	<u>307.62</u>
28 Other expenses		
Fabrication Charges	1,468.63	1,428.02
Power and Fuel	1,061.66	793.51
Stores, spares and packing material	1,451.79	1,290.91
Repairs to machineries	319.56	354.86
Factory maintenance and building repairs	304.68	271.07
Commission and discount	24.71	47.49
Freight	125.80	154.89
Auditors' fees and expenses (refer note 27 (a))	7.64	8.70
Rent and office maintenance	41.49	65.96
Rates and taxes	25.22	20.15
Advertisement and Sales promotion expenses	55.31	61.47
Donations	8.00	1.80
CSR expenditure (refer note 27 (b))	6.95	6.00
Printing and stationery	19.77	13.73
Postage and telephone	16.85	18.25
Vehicle maintenance	53.05	70.32
Travelling	141.33	178.38
Legal and professional charges	191.12	254.90
Data processing	20.81	25.54
Bank charges	21.44	18.44
Loss on sale of fixed assets (net)	1.19	87.86
Miscellaneous expenses	32.23	40.77
Provision for doubtful trade receivables	31.70	
	<u>5,430.93</u>	<u>5,213.02</u>
28 (a) Auditors' fees and expenses		
Statutory Audit fees	6.88	6.88
Fees for other services	0.76	1.82
	<u>7.64</u>	<u>8.70</u>
(b) Expenditure on Corporate Social Responsibility		
(i) Gross amount required to be spent on Corporate Social Responsibility during the year	6.95	5.85
(ii) Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	-	-
(ii) Other purposes (other than (i) above)	6.95	6.00
	<u>6.95</u>	<u>6.00</u>
(iii) Amount unspent during the year	Nil	Nil

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

(₹ in Lakhs)

	31.3.2019	31.3.2018		
29 Finance Cost				
Interest - Banks and financial institutions	516.37	561.89		
Interest - Others	101.42	156.11		
Other Borrowing Costs	6.41	-		
	<u>624.20</u>	<u>718.00</u>		
30 Income tax expense				
(a) Income tax expense				
Current tax				
Current tax on profits for the year	-	102.00		
Total current tax expense	-	102.00		
Deferred tax				
Deferred tax adjustments	(50.21)	(156.61)		
Total deferred tax expense/(benefit)	(50.21)	(156.61)		
Income tax expense	<u>(50.21)</u>	<u>(54.61)</u>		
b) The income tax expense for the year can be reconciled to the accounting profit as follows:				
Profit before tax from continuing operations	(195.38)	103.38		
Income tax expense calculated at effective rates	-	33.55		
Tax Rate Changes	-	-		
Effect of expenses that are not deductible in determining taxable profit	-	(88.16)		
Income tax expense	-	(54.61)		
c) Income tax recognised in other comprehensive income				
Deferred tax				
Remeasurement of defined benefit obligation	(0.48)	5.18		
Total income tax recognised in other comprehensive income	(0.48)	5.18		
d) Movement of deferred tax expense during the year ended March 31, 2019				
Deferred tax (liabilities)/ assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive Income	Closing Balance
Property, plant and equipment and Intangible Assets	(481.09)	(58.37)	(0.48)	(539.94)
Expenses allowable on payment basis under the Income Tax Act	185.72	(0.17)		185.55
Other temporary differences		108.74		108.74
Total	(295.37)	50.20	(0.48)	(245.65)
MAT Credit entitlement	-	-	-	-
Total	(295.37)	50.20	(0.48)	(245.65)

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

e) Movement of deferred tax expense during the year ended March 31, 2018

Deferred tax (liabilities)/ assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive Income	Closing Balance
Property, plant and equipment and Intangible Assets	(481.09)	-	-	(481.09)
Expenses allowable on payment basis under the Income Tax Act	23.93	156.61	5.18	185.72
Other temporary differences				-
Total	(457.16)	156.61	5.18	(295.37)
MAT Credit entitlement	44.57	(44.57)		-
Total	(412.59)	112.04	5.18	(295.37)

(₹ in Lakhs)

	31.3.2019	31.3.2018
31 Earnings per share		
Profit / (loss) for the year attributable to owners of the Company	(145.17)	157.99
Number of ordinary shares outstanding (previous year weighted average)	55,41,476	50,22,071
Basic earnings per share (Rs)	(2.62)	3.15
Diluted earnings per share (Rs)	(2.62)	3.15
Nominal Value of equity shares (Rs)	10.00	10.00
32 Earnings in foreign currency		
FOB value of exports	28.33	20.55
	28.33	20.55
33 Expenditure in foreign currency		
Travel expenses	0.72	23.54
Other expenses	-	-
	0.72	23.54
34 Value of Imports (on C.I.F basis)		
Raw Materials		
Machinery	-	-
	-	-

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

(₹ in Lakhs)

35 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable spares during the financial year and the percentage of each to the total consumption

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Value	(%)	Value	(%)
Imported	-	-	-	-
Indigenous	15,939.95	100.00	14,214.55	100.00
	<u>15,939.95</u>	<u>100.00</u>	<u>14,214.55</u>	<u>100.00</u>

36 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) The principal amount remaining unpaid at the end of the year	128.87	4.52
(b) The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c) Interest actually paid under Section 16 of MSMED Act	-	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-
(e) Total interest accrued during the year and remaining unpaid	-	-

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

37 Commitments and contingent liability

Contingent Liability

Disputed Liabilities

Income Tax	-	3.19
TNVAT & KVAT	291.12	293.41
Service Tax	4.88	4.88
PF dues and damages	-	6.03

38 Operating Segments

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

Segment Revenue

a) Foods division	14,537.95	13,975.65
b) Engineering division	8,619.45	7,994.86
Revenue from operations (Net)	23,157.40	21,970.51

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

31.3.2019**31.3.2018****Segment Results****Profit (+) / Loss (-) before tax and finance cost**

a) Foods division	485.42	883.12
b) Engineering division	(56.60)	(61.74)
Total	428.82	821.38
Less : Finance Cost	624.20	718.00
Profit /(Loss) from continuing operations	(195.38)	103.38
Profit/(Loss) from discontinuing operations	-	-
Profit/(Loss) Before Tax	(195.38)	103.38

Segment Assets

a) Foods division	4,988.94	5,755.99
b) Engineering division	3,936.04	4,417.19
c) Other unallocable corporate assets	144.05	759.18
Total assets	9,069.03	10,932.36

Segment Liabilities

a) Foods division	2,181.55	4,598.93
b) Engineering division	3,340.35	2,596.23
c) Other unallocable corporate liabilities	245.65	295.37
Total liabilities	5,767.55	7,490.53

Capital Employed (Segment assets-Segment liabilities)

a) Foods division	2,807.39	1,157.06
b) Engineering division	595.69	1,820.96
Total capital employed in segments	3,403.08	2,978.02
Unallocable corporate assets less corporate liabilities	(101.60)	463.81
Total Capital Employed	3,301.48	3,441.83

Disclosure relating to geographical area of operation

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

39 Operating lease arrangements

As Lessee

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

Lease payments recognised in the Statement of Profit and Loss **41.49** 65.96

40 Government Grants

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

Duty drawback on exports	0.40	0.35
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There are no unfulfilled conditions and other contingencies attached to government assistance that has been recognised in the financial statements.

41 Details of Long Term Borrowings

Terms and conditions of Long term loans taken from banks

- i) Rupee term loan availed from TATA Capital Financial Services Ltd., carries interest @ 14.00 % p.a., (LTLR - 5.25%). The loan is repayable on 60 monthly instalments. The loan matures in November, 2019. The loan is secured by exclusive charge on the specified foundry machineries
- ii) Rupee term loan availed from HDFC Bank
 - a) Carries interest @ 11.50% p.a., (3 year MCLR+1.70 %) The loan is repayable on 60 monthly instalments. The loan matures in March, 2023. The loan is secured by exclusive charge on the specified flour mill, foundry and wind mill machineries including wind mill lands and buildings for 3 nos 250 KW mills situated at Aralvoimozhi Village.
 - b) Carries interest @ 9.70% p.a., (1 year MCLR+1.40 %) The loan is repayable on 26 monthly instalments. The loan matures in July, 2020. The loan is secured by pari passu first charge on the land & buildings of foundry division situated at Periyanaickenpalayam.
 - c) Carries interest @ 9.70% p.a., (1 year MCLR+1.40 %) The loan is repayable on 72 monthly instalments. The loan matures in May, 2025. The loan is secured by exclusive charge on the specified assets created by term loan amount and pari passu first charge on the land & buildings of foundry division situated at Periyanaickenpalayam.
- iii) Vehicle loan availed from Canara Bank, HDFC Bank Ltd. and Kotak Mahindra Prime Ltd., The loan is repayable on monthly basis and are secured by the respective vehicles.

42 Details of Short Term Borrowings

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

- i) Working capital loans from Canara Bank carries an interest rate @ 11.45% p.a. (1 year MCLR+3.05%) and is secured by pari-passu first charge on all the current assets and pari-passu second charge on flour mill and sheet metal immovable assets except those under exclusive charge to the extent mortgaged.
- ii) Working capital loans from HDFC Bank Ltd. carries an interest rate @ 10.45 % p.a (1 year MCLR +2.15 %) and secured by pari-passu first charge on all the current assets and pari-passu second charge on flour mill and sheet metal immovable assets except those under exclusive charge to the extent mortgaged.

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

43 Financial Instruments

Capital management

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

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

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

Gearing Ratio:

	March 31, 2019	March 31, 2018
Debt	1,290.68	1,058.81
Less: Cash and bank balances	33.11	556.14
Net debt	1,257.57	502.67
Total equity	3,301.49	3,441.83
Net debt to equity ratio (%)	38.09%	14.60%

Financial assets

a. Measured at amortised cost

Other non-current financial assets	159.68	95.87
Trade receivables	1,569.37	1,397.77
Cash and cash equivalents	31.69	554.77
Bank balances other than above	1.42	1.37

b. Mandatorily measured at fair value through profit or loss (FVTPL)

Investments	46.18	2.41
-------------	--------------	------

Financial liabilities

a. Measured at amortised cost

Borrowings (Long term)	1,290.68	1,058.81
Borrowings (short term)	3,123.19	5,090.08
Trade payables	825.22	725.41
Other financial liabilities	321.14	331.55

b. Mandatorily measured at fair value through profit or loss (FVTPL)

Derivative instruments	-	-
------------------------	---	---

Financial risk management objectives

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

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

Market risk

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

Foreign currency risk management

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

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

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	
As on March 31, 2019 (all amounts are in lakhs)							
EUR	-	-	-	0.10	-	0.10	0.10
In INR	-	-	-	7.83	-	7.83	7.83
As on March 31, 2018 (all amounts are in lakhs)							
EUR	-	-	-	0.01	-	0.01	0.01
in INR	-	-	-	0.97	-	0.97	0.97

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign

exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

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

Interest rate risk management

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

Interest rate sensitivity analysis

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

The 25 basis point interest rate changes will impact the profitability approximately by ₹15.30 Lakhs for the year (Previous year ₹12.83 Lakhs)

Credit risk management

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

Exposure to credit risk

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

(a) Trade Receivables

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

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

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

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

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

Offsetting related disclosures

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

Liquidity risk management

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

Liquidity tables

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

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2019				
Trade payables	825.22	-	-	825.22
Borrowings (including interest accrued thereon upto the reporting date)	321.14	776.56	192.99	1,290.69
	1,146.36	776.56	192.99	2,115.91
March 31, 2018				
Trade payables	725.41	-	-	725.41
Borrowings (including interest accrued thereon upto the reporting date)	331.55	727.26	-	1,058.81
	1,056.96	727.26	-	1,784.22
			31.03.2019	31.03.2018

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Nil

Nil

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

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

Key management personnel

Mr. Suresh Jagannathan	Managing Director
Mr. R. Kannan	Executive Director (till May 25, 2018)
Mr. K R Badrinarayanan	Chief Financial Officer
Mr. S. Piramuthu	Company Secretary

b) Transactions during the year

S.No.	Particulars	Amount	
		March 31, 2019	March 31, 2018
1	Purchase of goods		
	The Lakshmi Textile Suppliers	1.89	-
	Ellargi & Co	2.94	2.65
	Cape Flour Mills Private Limited	36.42	113.04
	Mckinnon India Private Limited	6.56	2.53
	Prokop Eltex India Private Limited	0.66	0.32
	Super Springs Private Limited	0.05	7.80
	Elgi Ultra Industries Limited	28.38	-
2	Sale of goods		
	Cape Flour Mills Private Limited	134.30	195.91
	Mckinnon India Private Limited	75.10	201.29

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S.No.	Particulars	Amount	
		March 31, 2019	March 31, 2018
3	Prokop Eltex India Private Limited	5.47	3.37
	Super Springs Private Limited	0.73	-
	Elgi Ultra Industries Limited	1.35	-
	Services availed/ rendered		
	Super Springs Private Limited	2.90	-
	Mckinnon India Private Limited	1.83	-
	Prokop Eltex India Private Limited	0.71	-
	Kappi Machines India Private Limited	0.09	-
	Cape Flour Mills Private Limited	2.96	1.80
	Eltex Marketing LLP	0.29	0.16
	Elgi Ultra Industries Limited	1.85	-
	Mr.Suresh Jagannathan	35.04	-
	Mr.Sharath Jagannathan	-	0.50
4	Purchase of power		
	Cape Power Private Limited	28.91	43.66
5	Remuneration to Key Managerial Personnel		
	Mr. Suresh Jagannathan	42.00	42.00
	Mr. R Kannan	6.08	35.76
	Mr. K R Badrinarayanan	25.44	4.24
	Mr. S Piramuthu	12.26	11.70
c) Balances outstanding at the end of the year			
1	Ellargi & Co	-	(0.35)
2	Super Springs P Ltd	0.02	0.10
3	Cape Power P Ltd	-	(2.56)
4	Mckinnon India P Ltd	-	0.47
5	Elgi Ultra Industries Limited	(7.40)	-

45 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund. The total expense recognised in profit or loss of ₹ 86.06 Lakhs (for the year ended March 31, 2018: ₹ 74.37 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

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

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

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

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

Particulars	March 31, 2019	March 31, 2018
Discount Rate	7.50% p.a.	8.00% p.a.
Salary Escalation	6.50% p.a.	6.50% p.a.

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

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

	March 31, 2019	March 31, 2018
	₹ Lakhs	₹ Lakhs
Current service cost	12.53	12.26
Net interest expense	15.45	12.84
Return on plan assets (excluding amounts included in net interest expense)	(1.73)	17.82
Components of defined benefit costs recognised in profit or loss	26.25	42.92

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

31.03.2019

31.03.2018

Remeasurement on the net defined benefit liability comprising:

Actuarial (gains)/losses recognised during
the period

(1.73)

17.82

Components of defined benefit costs recognised
in other comprehensive income

(1.73)

17.82

24.52

60.74

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

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

Present value of defined benefit obligation

203.50

193.14

Fair value of plan assets

(190.59)

(161.62)

Net liability/ (asset) arising from defined benefit obligation

12.91

31.52

Funded

12.91

31.52

Unfunded

-

-

12.91

31.52

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

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

Opening defined benefit obligation

193.14

160.22

Current service cost

12.53

12.26

Interest cost

15.45

12.84

Actuarial (gains)/losses

(1.73)

17.82

Benefits paid

(15.89)

(10.00)

Closing defined benefit obligation

203.50

193.14

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

Opening fair value of plan assets

161.62

141.73

Return on plan assets

14.17

12.03

Contributions

30.69

17.86

Benefits paid

(15.89)

(10.00)

Closing fair value of plan assets

190.59

161.62

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

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

The accompanying notes form an integral part of the financial statements

In accordance with my report of date attached

For M/s Arun & Co

Chartered Accountants
(FRN No. 014464S)

A. Arun

Chartered Accountant
Membership No.227831

Place : Coimbatore

Date : May 29, 2019

K. Gnanasekaran

Director

DIN : 00133645

For and on behalf of the Board

Suresh Jagannathan

Managing Director
DIN : 00011326

K.R.Badrinarayanan

Chief Financial Officer

S. Piramuthu

Company Secretary

Kovilpatti Lakshmi Roller Flour Mills Limited

(Formerly KLRF Limited)

Registered Office 75/8, Benares Cape Road

Gangaikondan - 627352, Tirunelveli District.

Telephone : +91 462 248 6532 Fax : +91 462 248 6132

E-mail : ho@klrf.in Website : www.klrf.in

CIN : L15314TN1961PLC004674

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

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**FORM NO. MGT - 11
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Folio No. / DP ID-Client ID
Name of the member(s)
Registered Address
of the member(s)
E-mail ID:

I/We being the member(s) holding shares of the above named Company, hereby appoint:

- 1) Name :
Address:.....
Email ID:..... Signature or failing him/her
- 2) Name :
Address:.....
Email ID:..... Signature or failing him/her
- 3) Name :
Address:.....
Email ID:..... Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting of the company, to be held on Monday, the 16th September, 2019 at 10.00 a.m. at the Registered Office of the Company, at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli District and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

✂ Cut here ----- PT.O.

Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

Event No.	User ID	* Default PAN / Sequence No
190124		

* Those who have not registered their PAN may use Default PAN

✂ Cut here -----

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

CIN : L15314TN1961PLC004674

Registered Office 75/8, Benares Cape Road, Gangaikondan – 627352

Telephone : +91 462 248 6532, Fax : +91 462-248 6132

E-mail : ho@klrf.in Website : www.klrf.in

Folio No. / Demat ID : No. of
Name of the Member : shares held :
Name of the Proxy :

ATTENDANCE SLIP

Attendance by

- ☐ Member
☐ Proxy
☐ Authorised
☐ Representative

Please ✓ the appropriate box

I hereby record my presence at 57th Annual General Meeting being held on Monday, 16th September, 2019 at 10.00 a.m. at the Registered Office of the Company, at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli District.

* Strike out whichever is not applicable

Signature of Member / Proxy/
Authorized Representative*

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
	Ordinary Business			
1.	Approval of Financial Statements for the year ended 31 st March, 2019, the Report of the Board of Directors and the Report of the Auditors thereon.			
2.	Appointment of Director in the place of Mr.Sudarsan Varadaraj (DIN 00133533) who retires by rotation and being eligible, offers himself for re-appointment.			
	Special Business			
3.	Appointment of M/s. VKS Aiyer & Co., Chartered Accountants, (Firm Registration No. 000066S), Coimbatore as Branch Auditors of the company.			
4.	Ratification of appointment and remuneration payable to M/s. P. Mohankumar & Co, Cost Auditors for the Financial Year 2019-20.			
5.	Re-appointment of Mr. K. Gnanasekaran (DIN: 00133645), as an Independent Director of the Company for a second term of five years with effect from 18th September, 2019.			

Signed this day of 2019

Signature of shareholder :

Signature of Proxy holder (s) :

Affix ₹1/-
Revenue
Stamp

Note :

1.

This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2.

It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem applicable.

