

2018
Annual Report

Kovilpatti Lakshmi Roller Flour Mills Limited

(Formerly KLRFL Limited)

Contents

Notice to Members	2
Report of the Directors	12
Management Discussion and Analysis	21
Report on Corporate Governance	44
Report of the Auditor	60
Balance Sheet	68
Statement of Profit and Loss	70
Cash Flow Statement	71
Notes to Financial Statement	73

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)
CIN : L15314TN1961PLC004674

Board of Directors

Sudarsan Varadaraj

K.Gnanasekaran

Kalyani Balasubramanian

Rajagopal Gopinath

R.Kannan

Suresh Jagannathan

Managing Director

K.R. Badrinarayanan

Chief Financial Officer

S. Piramuthu

Company Secretary

M/s Arun & Co

Chartered Accountants, Tirunelveli

Auditor

M/s Haribhakti & Co LLP

Chartered Accountants, Coimbatore

Branch Auditors

M.D. Selvaraj

MDS & Associates

Company Secretary in Practice

Coimbatore

Secretarial Auditor

Bankers

Canara Bank

HDFC Bank Ltd

Registered Office

75/8, Benares Cape Road

Gangaikondan - 627352

Tirunelveli District

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

NOTICE

Notice is hereby given that the Fifty Sixth Annual General Meeting of the Shareholders of Kovilpatti Lakshmi Roller Flour Mills Limited will be held on Thursday the 30th August, 2018 at 10.45 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, 2018 including audited Balance Sheet as at 31st March, 2018, 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.R.Kannan (DIN 00951451) 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 2018-19 on a remuneration of ₹ 6,39,000/- (Rupees six lakhs thirty nine thousands 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, Mr.P.Mohankumar, (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 2018-19, 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 the provisions of section 14 and other applicable provisions, if any of the Companies Act, 2013 read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof for the time being in force, the regulations contained in the new set of Articles of Association as placed on the Company's website at www.klrf.in are hereby approved and adopted as the Articles of Association of the Company, in place of, in substitution for, and to the entire exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

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 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 2018 - 2019.

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 Mr.P.Mohankumar, Cost Accountant, as Cost Auditor to conduct the audit of the cost records of the Engineering Division of the Company for the financial year 2018-2019. 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 2018-2019.

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

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 25th May, 2018 decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

The Board of Directors recommends the Special Resolution as set out in Item No.5 of the Notice for the approval of the shareholders.

A copy of the draft Articles of Association of the Company is available in the website of the Company and can be viewed by the members through the web-link "www.klrf.in. Both the existing and new set of Articles of Association of the Company are available for inspection at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the resolution set out at item no.5 except to the extent of their respective interest as shareholders of the Company

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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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 done away with 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 56th 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) Regulations 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 24th August, 2018 to 30th August, 2018 (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.
10. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

11. 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.
12. 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.
13. Electronic copy of the Annual Report for 31st March 2018, the Notice of the 56th 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 56th Annual General Meeting and the Annual Report 2017-18 will be available on the Company's website www.klrf.in.
14. 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.
15. Members are requested to note that the venue of the 56th 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.
16. 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.
17. Members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and Share Transfer Agent of the company M/s Link Intime India Private Limited.
18. Shareholders who have not encashed their dividend warrant(s) for the year 2016-17 are requested to make claim with the Company.
19. 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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

to provide its members the facility to exercise their right to vote at the 56th 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, i.e., 23rd August, 2018 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 27th August, 2018 at 9.00 A.M. and ends on 29th August, 2018 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 23rd August, 2018, 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:

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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 password

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

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

● **General Guidelines for shareholders:**

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

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

- 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 23rd August, 2018 MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process / Poll 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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

20. Details of Director seeking re-appointment in the 56th 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.R.Kannan
Directors Identification Number (DIN)	00951451
Age	62 Years
Nationality	Indian
Date of first appointment on the Board	1-7-2014
Relationship with other Directors, Manager and KMP	Not related to any Director, Manager and KMP
Qualification	B.Com.,
Experience / Area of Expertise	36 years of experience in finance and accounts
Shareholding in Kovilpatti Lakshmi Roller Flour Mills Limited	1,450 shares
Terms of appointment or Director re-appointment	Non Executive Non Independent liable to retire by rotation.
Remuneration sought to be paid	Nil
Remuneration last drawn	₹ 35,76,000/- per annum
No.of Board Meetings attended	9
List of Directorship held in other Companies	Nil
Membership / Chairmanship of the committees of the board	Member of Corporate Social Responsibility Committee and Stakeholders Relationship Committee

By Order of the Board

Suresh Jagannathan
Managing Director
DIN : 00011326Place : Coimbatore
Date : May 25, 2018

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

DIRECTOR'S REPORT**Dear Shareholders,**

The Directors present their Fifty Sixth Annual Report together with the audited statement of accounts for the year ended 31st March, 2018.

	(₹ in Lakhs)	
FINANCIAL RESULTS	31.3.2018	31.3.2017
Total Income	21,998.18	22,756.40
Profit before finance cost and depreciation	1,129.00	1,380.44
Less: Financial charges	718.00	571.12
Profit before depreciation	411.00	809.32
Less : Depreciation	307.62	258.15
Profit before tax	103.38	551.17
Income tax expense - Current	102.00	195.88
- Deferred tax charge / (credit)	(156.61)	(22.05)
Profit for the year from continuing operations	157.99	377.34
Profit/ (loss) from discontinued operations before tax expense	-	(42.28)
Tax charge/ (credit) from discontinued operations	-	(13.98)
Profit / (loss) from discontinued operations	-	(28.30)
Profit for the year	157.99	349.04
Other comprehensive income net of tax	(12.64)	(3.80)
Total comprehensive income for the year	145.35	345.24

CHANGE OF NAME

The Company has changed its name from "KLRFLimited" to "Kovilpatti Lakshmi Roller Flour Mills Limited" vide fresh certificate of incorporation dated 11th April 2018 .

REVIEW OF BUSINESS OPERATIONS

During the year ended 31st March 2018, the Company has recorded a total turnover of ₹ 21,971 lakhs as against ₹ 22,730 lakhs achieved during the previous year. The profit after tax amounted to ₹ 158 lakhs as against ₹ 349 lakhs in the previous year. The Profit before Interest, Depreciation, Taxes and Amortization (EBIDTA) amounted to ₹ 1,129 lakhs as against ₹ 1,380 lakhs in the previous year.

There was no change in the nature of business of the Company during the financial year ended 31st March 2018.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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 Ltd. We have been sanctioned a term loan for modernisation of the engineering division by HDFC Bank Ltd.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

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

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 was ₹ 5,54,14,760/-. During the year under review, the Company has issued and allotted 5,20,832 equity shares of ₹10/- each at ₹ 96/- per share to Promoters of the company on preferential basis.

TRANSFER TO RESERVES

The Company has not transferred any amount to its General Reserves. However, an amount of ₹ 157.99 lakhs is carried forward in the Profit & Loss Account.

DIVIDEND

Your directors are unable to recommend a dividend on the paid-up equity share capital of the company for the year ended 31st March, 2018.

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

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

EXTRACT OF ANNUAL RETURN

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

BOARD AND COMMITTEE MEETINGS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts for the financial year ended 31st March, 2018 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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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 their appointment by the Members at every AGM, if so required under the Act. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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

COST AUDITOR

The Board of Directors at its meeting held on 25th May, 2018, based on the recommendation of the audit committee appointed Mr.P.Mohankumar, Cost Accountant as Cost Auditor to audit the cost accounts of the Company for the financial year 2018 - 2019.

As required under the provisions of Section 148 of the Companies Act, 2013, necessary resolutions seeking member's ratification for the remuneration payable to Mr.P.Mohankumar, is included in the Notice convening the Fifty Sixth Annual General Meeting.

Cost audit report for the year ended 31st March 2018 will be filed on or before the due date.

SECRETARIAL AUDITOR

SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India.

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/ his 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, 2018 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 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 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.V.N.Jayaprakasam, Non-Executive Non-Independent Director of the Company has resigned due to his advanced age on 25th January, 2018 . Your Directors wish to place on record their sincere appreciation for the valuable contribution made by Mr.V.N.Jayaprakasam during his tenure as Director of the Company.

Mr. R.Kannan, 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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

Mr.R.Kannan, Director 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.

A brief resume, details of expertise and other Directorships/ Committee memberships held by the above Director, form part of the Notice convening the 56th AGM of the Company.

The Board of Directors has appointed Mr.K.R.Badriharayanan as Chief Financial Officer with effect from 1st February, 2018 and Mr.R.Kannan, Executive Director has resigned as Chief Financial Officer effective from 31st January, 2018.

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.R.Kannan	Executive Director
Mr.K.R.Badriharayanan	Chief Financial Officer
Mr.S.Piramuthu	Company Secretary

Mr.R.Kannan, ceased to be a Key Managerial Personnel of the Company with effect from 25th May 2018.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, comprises three members namely Mr.Sudarsan Varadaraj, Mr.K.Gnanasekaran and Mr.Rajagopal Gopinath, all of them being Independent Directors. Mr.Sudarsan Varadaraj, an Independent Director, is the Chairperson of the Audit Committee.

The Board accepted the recommendations of the Audit Committee whenever made by the 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 OUT GO

During the year under review, your Company has earned foreign exchange of ₹ 20.55 lakhs and out flow of ₹ 23.54 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, 2018.

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) Act, 2013. Internal complaints Committee (ICC) has been set up 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 2017 - 2018.

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

Sudarsan Varadaraj

Director

DIN : 00133533

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore
Date : May 25, 2018

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 ₹ 21,970 lakhs as against ₹ 22,730 lakhs last year.

The Company earned an EBIDTA ₹ 1,129 lakhs

The Food division earned an EBIDTA of ₹ 978.93 lakhs on milling of 57639 Metric tons of wheat accounting for 63 % of the turnover of the Company.

Engineering Division has earned an EBIDTA of ₹150.08 lakhs

Capital Investment

Company has made a total capital investment of ₹ 337 lakhs. These investments will result in increase in production, cost reduction and improvement in quality.

OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

Food Division

Wheat production for the current year has been pegged at 97.11 million tons against the production of 98.51 million tons last year. At the same time , procurement of wheat by government agencies has been stepped up to achieve 35 million tons as against last year's procurement of 30.82 million tons.

This year, though wheat production in India is less than that of last year, the abundant wheat stock with government agencies will ensure consistent supply of raw material. Open market sale by FCI will be a cushion for millers to face challenges in sourcing the wheat.

Transition to GST had a temporary impact due to differential taxation between branded and unbranded products. Despite all the setbacks your company is poised for sustained growth.

Engineering Division

Indian foundry industry's estimated growth was around 6 percent in 2017-18. Since all engineering and other sectors use metal castings in manufacture, the role of the foundry industry is expected to be vital. Business sentiments during the last three months have been good and demand for castings has soared. If such growth momentum continues, Indian foundry industry would be able to achieve 7-10 per cent growth in 2018-19.

The industry is focusing on value addition rather than tonnage, investing huge sums on automation and efficient production processes. The growth of the automotive industry is driven by the constant rising production of commercial vehicles, three wheelers, passenger vehicles, and two-wheelers across the globe.

The Engineering division started modernization during this year with automatic high pressure moulding equipment and a new automatic sand plant. The new equipment will be commissioned in the second quarter of 2018-19. This will help the engineering division to save costs, improve productivity and compete with modern foundries.

SEGMENT-WISE AND PRODUCT - WISE PERFORMANCE

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

ECONOMIC OUTLOOK FOR THE YEAR

India is projected to regain its position as the fastest growing major economy advancing 7.3 percent in 2018-19 as factors holding back growth in India fade. The growth projections reflect robust private consumption and strengthening investment. India has overcome the temporary disruptions caused by the implementation of the Goods and Services Tax (GST) by mid-2017, and manufacturing output and industrial production have continued to firm. Inflation will hover within the target band, with upside risks reflecting rising oil prices.

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 stone's for the success of any organization. The Company is giving direct employment to 243 employees.

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

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 the Government regulations, tax laws and other statutes and other incidental factors.

By Order of the Board

Sudarsan Varadaraj

Director

DIN : 00133533

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : May 25, 2018

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To

The Members,

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, 2018, 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, 2018 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;

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

(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;
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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;

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

- 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; and
- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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 were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- (a) has changed its name from "KLRF Limited" to "Kovilpatti Lakshmi Roller Flour Mills Limited" vide fresh certificate of incorporation dated 11th April 2018 and complied with section 13(2), 14 and other applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder and Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

(b) has issued and allotted 5,20,832 equity shares of ₹ 10/- each at ₹ 96/- per share to promoters on a preferential basis and complied with the provisions of sections 42, 62 of the Companies Act, 2013 read with relevant rules made thereunder and Chapter VII of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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 25, 2018

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 KLRFLimited)
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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards 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 25, 2018

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

ANNEXURE-B**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2018**

(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 KLRFLimited)
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 : +91 422 231 4792 Telefax : +91 422 231 4792 E-mail : coimbatore@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Flour Milling	10611	63.23%
2	Iron and Steel Castings	24319	33.06%

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 KLRFL 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-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% 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	-	14,71,056	29.30	14,71,056	*4,16,666	18,87,722	34.06	4.76
b Central Govt									
c State Govt									
d Bodies Corp.	10,75,923	-	10,75,923	21.43	10,75,923	*1,04,166	11,80,089	21.30	(0.13)
e Banks / FI									
f Any other									
Sub-Total (A)(1)	25,46,979	-	25,46,979	50.73	25,46,979	*5,20,832	30,67,811	55.36	4.63
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	2,50,000	-	2,50,000	4.98	-	-	-	-	(4.98)
g FIS									
h Foreign Venture Capital Funds									
i Others (specify)									
Sub-Total(B)(1)	2,50,000	805	2,50,805	4.99	-	805	805	0.01	(4.98)

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a Bodies Corp	1,75,666	5,451	1,81,117	3.61	1,42,230	3,511	1,45,741	2.63	(0.98)
i Indian									
ii Overseas									
b Individual									
Individual shareholders holding nominal share capital upto ₹ 1 lakh	11,46,227	2,04,195	13,50,422	26.90	12,62,062	2,09,177	14,71,239	26.54	(0.36)
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,19,246	1,03,375	5,22,621	10.41	5,32,038	83,375	6,15,413	11.11	0.70
c Others (specify)									
Trust	200	-	200	0.00	200	-	200	-	-
Unclaimed Shares	1,580	-	1,580	0.03	1,580	-	1,580	0.03	-
Clearing Member	12,243	-	12,243	0.25	29,988	-	29,998	0.54	0.29
Market Makers	200	-	200	0.00	900	-	900	0.02	0.02
NRI - Repat	4,283	-	4,283	0.08	9,014	-	9,014	0.16	0.08
NRI - Non Repat	2,371	-	2,371	0.04	3,259	-	3,259	0.06	0.02
HUF	1,20,083	1,200	1,21,283	2.42	1,78,176	1,200	1,79,376	3.24	0.82
Directors and their relatives	11,790	14,750	26,540	0.54	14,750	1,400	16,150	0.30	(0.24)
Sub-total (B) (2)	18,93,889	3,28,971	22,22,860	44.28	21,74,197	2,98,663	24,72,860	44.63	0.35
Total Public									
B= (B)(1)+(B)(2)	21,43,889	3,29,776	24,73,665	49.27	21,74,197	2,99,468	24,73,665	44.64	(4.63)
C Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	46,90,868	3,29,776	50,20,644	100	47,21,176	8,20,300	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 KLRFL 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)	10,96,211	21.83	—	11,80,586	21.30	—	(0.53)
2	Mr. V. Jagannathan (Individual and jointly with) Mr. Suresh Jagannathan and Mrs. J. Chandrakanthi	3,18,320	6.34	—	4,53,736	8.19	—	1.85
3	Mr. Sharath Jagannathan	56,525	1.13	—	2,53,400	4.58	—	3.45
4	M/s. Cape Flour Mills Private Limited	9,97,935	19.88	—	11,02,101	19.89	—	0.01
5	M/s. Chempaka General Finance P Ltd	6,488	0.13	—	6,488	0.11	—	(0.02)
6	M/s. Mckinnon India Private Limited	71,500	1.42	—	71,500	1.29	—	(0.13)
	Total	25,46,979	50.73	—	30,67,811	55.36	—	4.63

Beginning of the year share capital was ₹ 5,02,06,440/-

Ending of the year share capital is ₹ 5,54,14,760/-

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. Suresh Jagannathan (Individual and HUF) Preferential allotment on 31/3/2018	10,96,211	21.83	10,96,211	21.83
		84,375	1.52	11,80,586	21.30
2	Mr. V. Jagannathan (Individual and jointly with) Mr. Suresh Jagannathan and Mrs. J. Chandrakanthi Preferential allotment on 31/3/2018	3,18,320	6.34	3,18,320	6.34
		1,35,416	2.44	4,53,736	8.19
3	Mr. Sharath Jagannathan Preferential allotment on 31/3/2018	56,525	1.13	56,525	1.13
		1,96,875	3.55	2,53,400	4.58
4	M/s Cape Flour Mills P Ltd Preferential allotment on 31/3/2018	9,97,935	19.88	9,97,935	19.88
		1,04,166	1.88	11,02,101	19.89

Beginning of the year share capital was ₹ 5,02,06,440/-

Ending of the year share capital is ₹ 5,54,14,760/-

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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	2,82,586	5.63	2,82,586	5.63
	Transfer 08/09/2017	(16,721)	0.34	2,65,865	5.29
	Transfer 15/09/2017	(19,005)	0.38	2,46,860	4.91
	Transfer 27/10/2017	3,477	0.07	2,50,337	4.98
	Transfer 17/11/2017	3,807	0.08	2,54,144	5.06
	At the end of the year (*)			2,54,144	4.59
2	Mr.Anu Narayan **				
	Transfer 09/06/2017	1,782	0.03	1,782	0.03
	Transfer 16/06/2017	2,416	0.05	4,198	0.08
	Transfer 23/06/2017	8,454	0.17	12,652	0.25
	Transfer 30/06/2017	2,110	0.04	14,762	0.29
	Transfer 07/07/2017	11,620	0.24	26,832	0.53
	Transfer 14/07/2017	14,149	0.28	40,531	0.80
	Transfer 21/07/2017	5,513	0.11	46,044	0.91
	Transfer 04/08/2017	2,101	0.04	48,145	0.95
	Transfer 04/08/2017	2,919	0.06	51,064	1.01
	Transfer 11/08/2017	3,346	0.07	54,410	1.08
	Transfer 18/08/2017	500	0.01	54,910	1.09
	Transfer 25/08/2017	1,752	0.03	56,662	1.12
Transfer 01/09/2017	1,569	0.04	58,231	1.16	
	At the end of the year (*)			58,231	1.05
3	Mr.Ashok Kumar Mandhani **				
	Transfer 05/05/2017	19,647	0.39	19,647	0.39
	Transfer 04/08/2017	6,927	0.14	26,574	0.53
	Transfer 03/11/2017	15,526	0.31	42,100	0.84
	Transfer 02/02/2017	3,290	0.06	45,390	0.90
	At the end of the year (*)	-	-	45,390	0.82
4	M/s Jaisukh Vinimoy Pvt.Ltd	55,722	1.11	55,722	1.11
	Transfer 15/09/2017	42,479	0.85	98,201	1.96
	Transfer 03/11/2017	(20,975)	0.42	77,226	1.54
	Transfer 10/11/2017	(4,287)	0.09	72,939	1.45
	Transfer 29/12/2017	(10,070)	0.20	62,869	1.25
	Transfer 05/01/2018	(1,804)	0.04	61,065	1.21
	Transfer 19/01/2018	(3,807)	0.07	57,258	1.14
	Transfer 02/02/2018	(532)	0.01	56,726	1.13
	Transfer 09/02/2018	(1,266)	0.03	55,460	1.10
	Transfer 09/03/2018	(1,942)	0.03	53,518	1.07

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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 16/03/2018	(3,717)	0.08	49,801	0.99
	Transfer 23/03/2018	(5,857)	0.12	43,944	0.87
	Transfer 31/03/2018	(1,708)	0.03	42,236	0.84
	At the end of the year (*)			42,236	0.76
5	Mr.Mahendra Cahndulal Dharu **	17,048	0.34	17,048	0.34
	Transfer 21/04/2017	100	-	17,148	0.34
	Transfer 28/04/2017	(100)	-	17,048	0.34
	Transfer 02/06/2017	100	-	17,148	0.34
	Transfer 09/06/2017	(100)	-	17,048	0.34
	Transfer 06/10/2017	1,042	0.02	18,090	0.36
	Transfer 29/12/2017	434	0.01	18,524	0.37
	Transfer 05/01/2018	6,453	0.13	24,977	0.50
	Transfer 12/01/2018	(3,200)	0.07	21,777	0.43
	Transfer 19/01/2018	(30)	-	21,747	0.43
	Transfer 26/01/2018	570	0.01	22,317	0.44
	Transfer 02/02/2018	(640)	0.01	21,677	0.43
	Transfer 31/03/2018	11,510	0.23	33,187	0.66
	At the end of the year (*)			33187	0.60
6	M/s Suryavaradh Securities Private Limited **	15	-	15	-
	Transfer 21/04/2017	21,940	0.44	21,955	0.44
	Transfer 08/09/2017	3,650	0.07	25,605	0.51
	At the end of the year (*)			25,605	0.46
7	Mr.S.Sudhakar	25,050	0.50	25,050	0.50
	At the end of the year (*)			25,050	0.45
8	Mrs.S.Sumitha	24,255	0.48	24,255	0.48
	At the end of the year (*)			24,255	0.43
9	Mr.Ganesh Prasad Chowdhary **	0	-	0	-
	Transfer 05/05/2017	12,936	0.26	12,936	0.26
	Transfer 03/11/2017	9,814	0.19	22,750	0.45
	At the end of the year (*)			22,750	0.41
10	Mr.N.V.Srinivasan	22,600	0.45	22,600	0.45
	At the end of the year (*)			22,600	0.40
11	Mr.Sanjay Jayavarthanavelu ##	21,600	0.43	21,600	0.43
	At the end of the year (*)			21,600	0.39

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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
12	Mr.Kailashben Ashokkumar Patel ##	21,000	0.41	21,000	0.41
	Transfer 09/06/2017	1,320	0.03	22,320	0.44
	Transfer 16/06/2017	680	0.02	23,000	0.46
	Transfer 01/09/2017	(1,082)	0.02	21,918	0.44
	Transfer 08/09/2017	(418)	0.02	21,500	0.42
	Transfer 15/09/2017	(1,500)	0.02	20,000	0.40
	Transfer 03/11/2017	(1,000)	0.02	19,000	0.38
	Transfer 10/11/2017	(1,000)	0.02	18,000	0.36
	Transfer 22/12/2017	206	-	18,206	0.36
	Transfer 29/12/2017	2,000	0.04	20,206	0.40
	Transfer 19/01/2018	1,000	0.02	21,206	0.42
	At the end of the year (*)			21,206	0.38
13	Mr.Piyush Ishverlal Gandhi ##	20,100	0.40	20,100	0.40
	At the end of the year (*)			20,100	0.36
14	M/s Steel City Securities Limited ##	42,259	0.84	42,259	0.84
	Transfer 07/04/2017	1,128	0.02	43,387	0.86
	Transfer 14/04/2017	1,027	0.02	44,414	0.88
	Transfer 21/04/2017	1,549	0.03	45,963	0.91
	Transfer 28/04/2017	931	0.02	46,894	0.93
	Transfer 05/05/2017	(35,110)	0.70	11,784	0.23
	Transfer 12/05/2017	2,428	0.05	14,212	0.28
	Transfer 19/05/2017	11,186	0.22	25,398	0.50
	Transfer 26/05/2017	(1,632)	0.03	23,766	0.47
	Transfer 02/06/2017	1,072	0.02	24,838	0.49
	Transfer 09/06/2017	3,679	0.08	28,517	0.57
	Transfer 16/06/2017	2,799	0.05	31,316	0.62
	Transfer 23/06/2017	230	0.01	31,546	0.63
	Transfer 30/06/2017	2,250	0.04	33,796	0.67
	Transfer 07/07/2017	594	0.01	34,390	0.68
	Transfer 14/07/2017	(9,241)	0.18	25,149	0.50
	Transfer 28/07/2017	1,627	0.03	26,776	0.53
	Transfer 04/08/2017	(6,952)	0.14	19,824	0.39
	Transfer 11/08/2017	590	0.01	20,414	0.40
	Transfer 18/08/2017	2,106	0.05	22,520	0.45
	Transfer 25/08/2017	343	0.01	22,863	0.46
	Transfer 01/09/2017	7,304	0.14	30,167	0.60
	Transfer 08/09/2017	27,184	0.54	57,351	1.14
	Transfer 15/09/2017	(4,432)	0.09	52,919	1.05
	Transfer 22/09/2017	1,396	0.03	54,315	1.08

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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 29/09/2017	921	0.02	55,236	1.10
	Transfer 06/10/2017	(96)	-	55,140	1.10
	Transfer 13/10/2017	(4,308)	0.01	50,832	1.01
	Transfer 20/10/2017	(1,442)	0.03	49,390	0.98
	Transfer 27/10/2017	(1,334)	0.03	48,056	0.95
	Transfer 03/11/2017	(32,784)	0.65	15,272	0.30
	Transfer 10/11/2017	(12,235)	0.24	3,037	0.06
	Transfer 17/11/2017	3,467	0.07	6,504	0.13
	Transfer 24/11/2017	(1,004)	0.02	5,500	0.11
	Transfer 01/12/2017	229	-	5,729	0.11
	Transfer 08/12/2017	851	0.02	6,580	0.13
	Transfer 15/12/2017	2,684	0.05	9,264	0.18
	Transfer 22/12/2017	252	0.01	9,516	0.19
	Transfer 29/12/2017	(359)	0.01	9,157	0.18
	Transfer 05/01/2018	(1,587)	0.03	7,570	0.15
	Transfer 12/01/2018	2,585	0.05	10,155	0.20
	Transfer 19/01/2018	9,728	0.19	19,883	0.39
	Transfer 26/01/2018	200	0.01	20,083	0.40
	Transfer 02/02/2018	(11,123)	0.22	8,960	0.18
	Transfer 09/02/2018	496	0.01	9,456	0.19
	Transfer 16/02/2018	10,869	0.21	20,325	0.40
	Transfer 23/02/2018	(378)	-	19,947	0.40
	Transfer 02/03/2018	(24)	-	19,923	0.40
	Transfer 09/03/2018	(8,163)	0.17	11,760	0.23
	Transfer 16/03/2018	(981)	0.02	10,779	0.21
	Transfer 23/03/2018	3,246	0.07	14,025	0.28
	Transfer 31/03/2018	(3,280)	0.07	10,745	0.21
	At the end of the year (*)			10,745	0.19
15	M/s United India Insurance Company Ltd ##	2,50,000	4.97	2,50,000	4.97
	Transfer 13/04/2017	(52,960)	1.05	1,97,040	3.92
	Transfer 10/11/2017	(28,728)	0.57	1,68,312	3.35
	Transfer 17/11/2017	(1,372)	0.03	1,66,940	3.32
	Transfer 24/11/2017	(9,531)	0.18	1,57,409	3.14
	Transfer 01/12/2017	(7,222)	0.15	1,50,187	2.99
	Transfer 08/12/2017	(6,387)	0.13	1,43,800	2.86
	Transfer 29/12/2017	(39,217)	0.78	1,04,583	2.08
	Transfer 05/01/2018	(50,653)	1.01	53,930	1.07
	Transfer 12/01/2018	(20,546)	0.41	33,384	0.66
	Transfer 19/01/2018	(33,384)		-	-
	At the end of the year (*)			-	-

(*) At the end of the year share capital percentage calculated on the basis of increased share capital ₹ 5,54,14,760/-

** Not in the list of top 10 shareholders as on 31/03/2017. The same has been reflected above since the shareholder was of the top 10 shareholders as on 31/03/2018

Ceased to be in the list of top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was on of the top 10 shareholders as on 31/03/2017

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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 Preferential allotment of equity shares - 31/3/2018	10,96,211 84,375	21.83 1.52	10,96,211 11,80,586	21.83 21.30
2	Mr.R.Kannan - Executive Director (Resigned Executive Director on 25/5/2018 and continues as a Non Executive Director)	1,450	0.02	1,450	0.02
3	Mr.Sudarsan Varadaraj-Independent Director	—	—	—	—
4	Mr.K.Gnanasekaran-Independent Director	—	—	—	—
5	Mrs.Kalyani Balasubramanian-Independent Director	—	—	—	—
6	Mr. Rajagopal Gopinath-Director	—	—	—	—
7	Mr.K.R.Badrinarayanan - Chief Financial Officer	—	—	—	—
8	Mr.S.Piramuthu-Company Secretary	50	—	50	—

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 01.04.2017				
i) Principal Amount	5,632.98	441.90	—	6,074.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,632.98	441.90	—	6,074.88
Change in Indebtedness during the financial year				
● Addition	284.46	180.00	—	464.46
● Reduction	(331.55)	(58.90)	—	(390.45)
Net Change	(47.09)	121.10	—	74.01
Indebtedness at the end of the financial year 31.03.2018				
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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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	Total
1	Gross salary per annum			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	42.00	35.76	77.76
	(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	35.76	77.76
	Ceiling as per the Act	₹ 42 Lakhs	₹ 42 Lakhs	₹ 84 Lakhs

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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. V.N.Jaya-prakasam	Mr. K Gnana-sekaran	Mrs.Kalyani Balasubramanian	Mr.Raja gopal Gopinath	
1	Independent Directors · Fee for attending board/committee meetings · Commission · Others, please specify	1.46 - -	- - -	1.28 - -	0.10 - -	1.60 - -	4.44 - -
	Total (1)	1.46	-	1.28	0.10	1.60	4.44
2	Other Non-Executive Directors · Fee for attending board/committee meetings · Commission · Others, please specify	- - -	0.76 - -	- - -	- - -	- - -	0.76 - -
	Total (2)	-	0.76	-	-	-	0.76
	Total (B)=(1+2)	1.46	0.76	1.28	0.10	1.60	5.20
	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					

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 from 1st February, 2018	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 (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	4.24	11.70 - -	15.94 - -
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission - as % of profit others, specif		- -	- -
5	Others, please specify		-	-
	Total	4.24	11.70	15.94

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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				

ANNEXURE-C

Particulars of Remuneration of directors and employees pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 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	14.32 :1
2	Mr.R. Kannan, Executive Director (Resigned his whole time directorship on 25 th May, 2018 and continues as a Non Executive Director)	12.20 :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, Executive Director Chief Financial Officer and Company Secretary in the financial year

Sl.No	Name	Percentage
1	Mr.Suresh Jagannathan-Managing Director	Nil
2	Mr.R. Kannan, Executive Director (Resigned aswhole time director on 25 th May, 2018 and continues as a Non Executive Director)	8.05 %
3	Mr.K.R.Badrinarayanan, Chief Financial Officer w.e.f. 1 st February, 2018	NA
4	Mr.S. Piramuthu, Company Secretary	11.78 %

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

- iii. The percentage increase in the median remuneration of employees in the financial year is 10.98 %
- iv. Number of permanent employees on the rolls of the Company – 243
- 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 12.57% The increase granted to managerial personnel is 9.92%
- 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

Place : Coimbatore
Date : May 25, 2018

Sudarsan Varadaraj
Director
DIN : 00133533

Suresh Jagannathan
Managing Director
DIN : 00011326

'ANNEXURE - D'

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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 (the Company) 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 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	₹ 292.37 Lakhs
--	----------------

Prescribed CSR expenditure (two per cent of the amount as above)	₹ 5.85 Lakhs
--	--------------

- 3. Details of CSR spent during the financial:**

Total amount to be spent for the financial year	₹ 6 Lakhs
Amount unspent	NIL

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

₹ in Lakhs

Sl. No.	CSR project or activity identified	Sector in which the project is covered	District and State where projects or programs were undertaken	Amount outlay (budget) project or programs wise.	Amount spent on the projects or programs Sub-heads:	Cumulative Expenditure upto the reporting Period.	Amount spent Direct or through implementing Agency.
1	Plantation of trees	Environment	Coimbatore Tamil Nadu	3.00	3.00	3.00	implementing Agency. Siruthuli Noyyal Life Centre, Sungam By Pass Road, Near Flyover Coimbatore - 641045
2	Swachh Bharat Mission (SBM) Fund	Health	Tirunelveli Tamil Nadu	3.00	3.00	3.00	Implementing Agency. District Collector, Tirunelveli
	Total			6.00	6.00	6.00	

6. 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

7. 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

Sudarsan Varadaraj

Director

DIN : 00133533

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : May 25, 2018

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, one Executive Director, and four Non-Executive Directors. The Company has a woman director. There are four 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 other Directorships held in Public Limited Companies (*)	Membership in Committee of other Companies @	
			Chairman	Member
Mr.Suresh Jagannathan Managing Director	Executive - Promoter	3	Nil	2
Mr.Sudarsan Varadaraj	Non Executive - Independent	5	Nil	2
Mr.K.Gnanasekaran	Non Executive-Independent	1	Nil	1
Mr.R.Kannan # Executive Director	Executive - Non Independent	Nil	Nil	Nil
Mrs.Kalyani Balasubramanian	Non Executive - Independent	Nil	Nil	Nil
Mr.Rajagopal Gopinath	Non Executive - Independent	1	Nil	Nil

* Exclude directorship in private companies and foreign companies.

@ Audit Committee and Stakeholders Relationship Committee are considered.

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

None of the directors are related to each other.

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 nine times during the financial year on 20th May, 2017, 31st May, 2017, 26th August, 2017, 10th November, 2017, 23rd November, 2017, 25th January, 2018, 26th February, 2018 and 31st March, 2018 (two meetings) 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	9	9	Yes
Mr.Sudarsan Varadaraj	9	9	Yes
Mr.V.N.Jayaprakasam *	9	6	Yes
Mr.K.Gnanasekaran	9	8	Yes
Mr.R.Kannan	9	9	Yes
Mrs.Kalyani Balasubramanian	9	1	No
Mr.Rajagopal Gopinath	9	9	Yes

* Resigned his directorship on 25th January, 2018

Non-Executive Directors do not hold any shares in the company. The Company currently does not have any stock option.

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 are disclosed on the Company's website at www.klrf.in

Independent Directors' Meeting

Pursuant to the provisions of the Companies Act, 2013 a meeting of Independent Directors was held on 25th January, 2018, to discuss:

- 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.

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

This Committee comprises of three Non-Executive Directors all 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 5 times during the financial year on 20th May, 2017, 26th August, 2017, 10th November, 2017, 25th January, 2018 and 31st March, 2018. The composition of the Audit Committee and details of their attendance at the meetings are as follows:

Name of the Member	Category	Attendance
Mr. Sudarsan Varadaraj (Chairman)	Non – Executive - Independent	5
Mr. K.Gnanasekaran	Non – Executive - Independent	4
Mr. K.Rajagopal Gopinath	Non – Executive - Independent	5

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 minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken on record. The Audit Committee considered and reviewed the accounts for the year 2017 - 2018, before it was placed in the Board. The constitution of Audit Committee also meets with the requirements under

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Chairman of the Audit Committee, Mr. Sudarsan Varadaraj was present at the Annual General Meeting of the Company held on 15th September, 2017.

4. Nomination and Remuneration Committee

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 3 Independent Non-Executive Directors. The Committee during the year met one time on 25th January, 2018. The attendance of the members was as under:

Name of the Member	Category	No of Meetings during the year 2017 - 2018	
		Held	Attended
Mr. Sudarsan Varadaraj (Chairman)	Non – Executive - Independent	1	1
Mr. K.Gnanasekaran	Non – Executive - Independent	1	1
Mr.Rajagopal Gopinath	Non – Executive - Independent	1	1

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 employees.

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 Chairman of the Nomination and Remuneration Committee, Mr. Sudarsan Varadaraj was present at the Annual General Meeting of the Company held on 15th September, 2017.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRF Limited)

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	35.76		35.76
Mr.Sudarsan Varadaraj	-		1.46	1.46
Mr.V.N.Jayaprakasam @	-		0.76	0.76
Mr.K.Gnanasekaran	-		1.28	1.28
Mrs.Kalyani Balasubramanian			0.10	0.10
Mr.Rajagopal Gopinath			1.60	1.60

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

@ Resigned his directorship on 25th January, 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.

6. Stakeholders Relationship Committee

The Committee comprises of the following Directors;

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

The Committee was reconstituted on 25th January, 2018 comprising of Mr.K.Gnanasekaran, Mr.Rajagopal Gopinath, Mr.Suresh Jagannathan and Mr.R.Kannan

The Chairman of the Stakeholders Relationship Committee, Mr. Rajagopal Gopinath was present at the Annual General Meeting of the Company held on 15th September, 2017.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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

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

The Minutes of Shareholders Committee were placed at the Board Meeting. During the year, 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 31.3.2018.

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

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

Unclaimed shares demat suspense account

In terms of Regulation 39(4) of Securities of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereof, the Company has opened a demat account in the name and style "KLRFLimited - 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.

Corporate Social Responsibility (CSR) Committee

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

The CSR Committee met two times during the year on 26th August 2017 and 25th January 2018. 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	2	2
Mr. Sudarsan Varadaraj	Non – Executive - Independent	Member	2	2
Mr. K.Gnanasekaran	Non – Executive - Independent	Member	2	2
Mr. R. Kannan	Non – Executive - Non Independent	Member	2	2

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
2014-15	16.09.2015	10:15 a.m.	75/8, Benares Cape Road, Gangaikondan, Tirunelveli District-627352
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

Special Resolutions Passed, if any

53 rd Annual General Meeting 2014-15	: Nil
54 th Annual General Meeting 2015-16	: Nil
55 th Annual General Meeting 2016-17	: Nil

EGM & Postal Ballots

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

Postal Ballots

Shareholders of the Company passed special resolutions pursuant to Section 13(2), 14, 42 and 92 of the Companies Act, 2013 on 30th March, 2018 by way of Postal Ballot to change the name of the company from KLRF Limited to Kovilpatti Lakshmi Roller Flour Mills Limited and issue of capital through preferential allotment to Promoters of the Company.

The Board of Directors at their meeting held on 26th February, 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.

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 30th March, 2018 and based on the Scrutinizer's Report, the Managing Director declared the result of the voting exercise on 30th March, 2018.

Sl No	Subject	No. of Votes Cast		Total	Date of declaration
		In favour	Against		
1	Approval for change of name of the Company from "KLRF Limited" to "Kovilpatti Lakshmi Roller Flour Mills Limited"	26,14,290	103	26,14,393	30.03.2018
2	Approval for issue of equity shares on a preferential basis to promoter/promoter group for an amount not exceeding ₹ 5 crores	26,11,963	2,330	26,14,293	30.03.2018

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

8. Means of Communication

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

9. General Shareholder information**a. Annual General Meeting**

Date : 30.8.2018
 Time : 10.45 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 Exchange

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

Annual listing fees for the year 2017-18 were paid to BSE Limited.

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

e. Market Price Data

Month	Apr,17	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'18	Feb	Mar
High (₹)	100.00	108.00	94.80	103.95	116.90	122.00	124.40	138.00	98.50	98.00	89.70	80.00
Low (₹)	86.15	68.00	72.00	81.00	79.00	93.60	90.00	89.05	86.20	76.00	65.10	61.60

f. Registrars & Share Transfer Agents**Head Office**

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

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

Branch

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

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

g. Reconciliation of share capital audit

A qualified Company Secretary 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

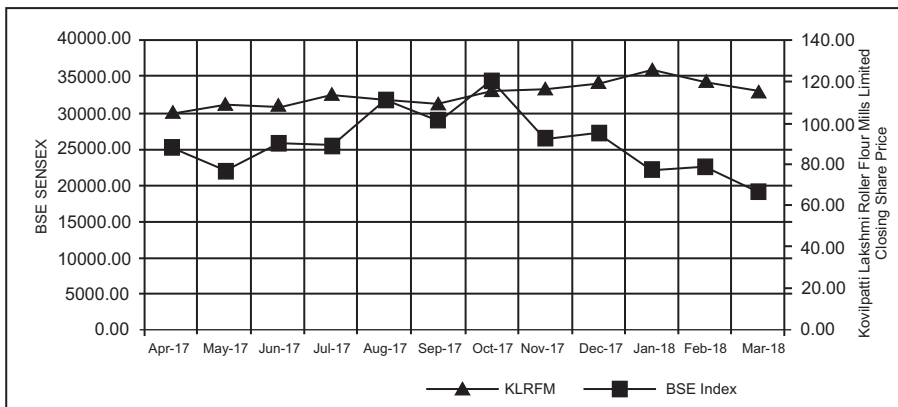
The Company's shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, Link Intime India Private Limited and approved by the Stakeholders Relationship Committee of the Company. The share transfers are processed within a period 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 : 29,53,698

Performance comparison to BSE Sensex



KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

i. Shareholding Pattern as on 31st March, 2018

Particulars	No. of shares held	Percentage of shareholding
Promoters Holding	30,67,811	55.36
Directors and their Relatives	16,150	0.29
Banks/FIS/Mutual Funds	805	0.01
Private Corporate Bodies	1,45,741	2.63
NRI / OCBs	12,273	0.22
Indian Public	22,98,696	41.49
Total	55,41,476	100.00

j. Distribution of Shareholding as on 31st March 2018

Shareholding range	No of Holders	% of share holders	No of Shares	% of share holding
1 - 500	4,603	87.30	6,06,010	10.94
501 - 1,000	339	6.43	2,69,004	4.85
1,001 - 2,000	166	3.15	2,50,391	4.52
2,001 - 3,000	46	0.87	1,18,130	2.13
3,001 - 4,000	20	0.38	73,415	1.32
4,001 - 5,000	26	0.49	1,19,046	2.15
5,001 - 10,000	39	0.74	2,75,109	4.96
10,001 and above	34	0.64	38,30,371	69.13
Total	5,273	100.00	55,41,476	100.00

k. Dematerialisation of shares and liquidity as on 31st March, 2018

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	38,55,211	69.57
Central Depository Services (India) Limited	8,65,965	15.63
Physical	2,99,468	5.40
Preferential allotment of equity shares to promoters on 31/3/2018	5,20,832	9.40
Total	55,41,476	100.00

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

l. Outstanding GDRs/ ADR/ Warrants, Convertible Bonds, conversion date and likely impact on equity : NIL

m. Commodity price risk or foreign exchange risk & hedging activities : NIL

n. Plant location

Food Division : Gangaikondan, Tirunelveli District

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

Engineering Division : Periyanaickenpalayam, Coimbatore

o. Address for correspondence

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

Link Intime India Private Limited
(Unit : Kovilpatti Lakshmi Roller Flour Mills Limited)

“Surya” 35, Mayflower Avenue
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore-641028

Phone : +91 422 231 4792

E-mail : coimbatore@linkintime.co.in

Contact Person Mrs.S.Dhanalakshmi

Contact address for Investors

Mr.S.Piramuthu

Company Secretary

Regd Office : 75/8, Benares Cape
Road, Gangaikondan - 627352,

Tirunelveli Dt. Phone : +91 462 248 6532

Fax : +91 462 248 6132

E-mail : cosec@klrf.in

10. Other Disclosures**a. Disclosures on materially significant related party transactions**

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

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

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

c. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel 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 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.

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 25th May, 2018 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

Place : Coimbatore
Date : May 25, 2018

Sudarsan Varadaraj
Director
DIN : 00133533

Suresh Jagannathan
Managing Director
DIN : 00011326

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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 2017 - 2018.

By Order of the Board

Suresh Jagannathan

Managing Director

DIN : 00011326

Place : Coimbatore

Date : May 25, 2018

Auditor's Certificate on Corporate Governance

To

The Members of Kovilpatti Lakshmi Rollers Flour Mills Limited (formerly KLRFLimited)

I have examined the compliance conditions of Corporate Governance by M/s Kovilpatti Lakshmi Roller Flour Mills Limited (formerly KLRFLimited) (The Company) for the financial year ended March 31, 2018 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation there of adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and Management, I certify that the company has complied with the conditions of Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For M/s ARUN & CO

Chartered Accountants

Firm Registration No.0014464S

A. ARUN

Proprietor

Membership No. 227831

Place : Coimbatore

Date : May 25, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Kovilpatti Lakshmi Roller Flour Mills Limited

Report on the Financial Statements

I have audited the accompanying financial statements of Kovilpatti Lakshmi Roller Flour Mills Limited (formerly KLRFLimited), ("the Company"), which comprise of the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. In conducting my audit, I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143 (11) of the Act.

I have conducted my audit of the financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Opinion

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 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, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended as on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, I give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on my audit I report that:
 - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;
 - b) in my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;
 - c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account;
 - d) in my opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

- 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 "B". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g) with respect to the other matters to be included in the auditors' report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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
 - 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.
 - iv. The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018.

Other matters

The financial statements of the Company for the previous year ended March 31, 2017 prepared in accordance with Companies (Accounting Standards) Rules, 2006, were audited by another chartered accountant under the Companies Act, 2013 who, vide their report dated May 20, 2017, expressed an unmodified opinion on those financial statements.

For M/s ARUN & CO

Chartered Accountants

Firm Registration No.0014464S

A. ARUN

Proprietor

Membership No. 227831

Place : Coimbatore

Date : May 25, 2018

"Annexure A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of my report to the members of KovilpattiLakshmi Roller Flour Mills Company 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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

(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 the information and explanations 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 the information and explanations given to me, the company has not granted any loans or provided any guarantees or given any security to which the provisions of section 185 of the Companies Act, 2013 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, the Company had maintained cost records for the Engineering Division under section 148 (1) (d) of the Companies Act, 2013 and the relevant rules prescribed. However, I have not carried out a detailed examination of the same.
7. According to the information and explanations given to me, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(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, 2018 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, 2018 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
Income Tax Act, 1961	Income tax	3.19	AY 2013-14 & 2014-15	Departmental Authorities
Tamilnadu Value Added Tax Act & Kerala Added Tax Act	TNVAT & KVAT	293.41	FY 2008-09 to 2013-14 & July 2016 to June, 2017	Departmental Authorities
Finance Act, 1994	Service Tax	4.88	FY 2008-09 to 2012-13	CESTAT
Employees Provident Fund and Miscellaneous Provisions Act, 1952	EPF claims	6.03	FY 1998 to 2002	High Court

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. To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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. 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,
 - (a) the company has made preferential allotment of 5,20,832 equity shares during the year and the allotment has been made in compliance of the requirements of Section 42 of the Companies Act. 2013.
 - (b) the amount raised through preferential allotment of equity shares have been used for the purposes for which the funds were raised.
 - (c) no allotment by way of private placement of shares or fully or partly convertible debentures was made during the year.
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 25, 2018

"Annexure B" to the Independent Auditor's Report

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

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

I have audited the internal financial controls over financial reporting of Kovilpatti Lakshmi Roller Flour Mills Limited ("the Company") as of March 31, 2018, 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.

Auditor's Responsibility

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

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion and according to the information and explanations given to me, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 25, 2018

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Balance Sheet as at 31st March, 2018**(₹ in Lakhs)**

Particulars	Note No.	31.3.2018	31.3.2017	01.4.2016
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	2,673.41	2,915.42	2,694.95
(b) Intangible assets	4	18.03	23.54	27.40
(c) Capital work in progress		165.18	-	-
(d) Financial assets				
(i) Investments	5	2.41	2.41	2.41
(ii) Other financial assets	6	95.87	171.58	185.95
(e) Other non-current assets	7	149.81	10.31	-
Total non-current assets		3,104.71	3,123.26	2,910.71
Current assets				
(a) Inventories	8	5,590.38	5,645.50	3,875.98
(b) Financial assets				
i) Trade receivables	9	1,397.77	1,469.71	1,487.06
ii) Cash and cash equivalents	10	554.77	33.73	16.84
iii) Bank balances other than above	11	1.37	2.29	-
(c) Other current assets	12	283.36	319.88	406.25
Total current assets		7,827.65	7,471.11	5,786.13
Total Assets		10,932.36	10,594.37	8,696.84
II. EQUITY AND LIABILITIES				
Equity				
1 (a) Equity share capital	13	554.14	502.06	502.06
(b) Other equity	14	2,887.69	2,399.42	2,130.20
Total equity		3,441.83	2,901.48	2,632.26
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
i) Borrowings	15	727.26	1,012.00	860.81
(b) Deferred Tax Liabilities (net)	16	295.37	412.59	436.52
Total non-current liabilities		1,022.63	1,424.59	1,297.33

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

Balance Sheet as at 31st March, 2018 (Cont..)**(₹ in Lakhs)**

Particulars	Note No.	31.3.2018	31.3.2017	01.4.2016
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	5,090.08	4,802.57	3,415.10
(ii) Trade payables	18	725.41	813.80	734.91
(iii) Other financial liabilities	19	331.55	260.31	259.98
(b) Short Term Provisions	20	9.00	34.85	19.39
(c) Other current liabilities	21	311.86	356.77	337.87
Total current liabilities		6,467.90	6,268.30	4,767.25
Total liabilities		7,490.53	7,692.89	6,064.58
Total Equity and Liabilities		10,932.36	10,594.37	8,696.84

The accompanying notes form an integral part of the financial statements

In accordance with my report of date attached

For and on behalf of the Board

For M/s ARUN & CO

Chartered Accountants
Firm Registration
No.0014464S

A. ARUN

Proprietor
Membership No. 227831

Sudarsan Varadaraj

Director
DIN : 00133533

R. Kannan

Director
DIN : 00951451

Suresh Jagannathan

Managing Director
DIN : 00011326

K.R.Badrinarayanan

Chief Financial Officer

S. Piramuthu

Company Secretary

Place : Coimbatore

Date : May 25, 2018

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFLimited)

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Note No.	31.3.2018	31.3.2017
Continuing Operations			
A Income			
Revenue from operations	22	21,970.51	22,730.20
Other income	23	27.67	26.20
Total income		21,998.18	22,756.40
B. Expenses:			
Cost of materials consumed	24	14,214.55	14,523.49
Changes in inventories of finished goods	25	42.38	38.91
Excise Duty		239.19	899.90
Employee Benefits Expense	26	1,160.04	997.29
Depreciation and amortisation expense	27	307.62	258.15
Other expenses	28	5,213.02	4,916.37
Finance costs	29	718.00	571.12
Total expenses		21,894.80	22,205.23
C Profit before exceptional items and tax			
Exceptional items		-	-
D Profit/ (Loss) before tax from			
continuing operations		103.38	551.17
Income tax expense	30		
Current tax		102.00	195.88
Deferred tax charge/ (credit)		(156.61)	(22.05)
E Profit for the year from continuing operations			
Profit/ (loss) from discontinued operations before tax expense		-	(42.28)
Tax charge/ (credit) from discontinued operations		-	(13.98)
F Profit/(loss) from discontinued operations			
		-	(28.30)
G Profit for the year			
		157.99	349.04
H Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(17.82)	(5.68)
Income tax relating to these items		5.18	1.88
Other comprehensive income for the year, net of tax		(12.64)	(3.80)
Total comprehensive income for the year		145.35	345.24
Earnings per share			
	31		
Basic earnings per share		3.15	6.95
Diluted earnings per share		3.15	6.95

The accompanying notes are an integral part of these financial statements.

In accordance with my report of date attached

For M/s ARUN & CO

Chartered Accountants

Firm Registration No.0014464S

A. ARUN

Proprietor

Membership No. 227831

Place : Coimbatore

Date : May 25, 2018

Sudarsan Varadaraj

Director

DIN : 00133533

R. Kannan

Director

DIN : 00951451

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 KLRFL Limited)

Cash Flow Statement for the year ended 31st March, 2018 ₹ in lakhs

	31.3.2018	31.3.2017
a CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	103.38	551.17
Adjustments for		
Depreciation and amortisation expense	307.62	258.15
(Profit)/ Loss on sale of fixed asset	87.86	(0.01)
Interest received	(7.45)	(20.25)
Dividend income	(0.05)	(0.05)
Finance costs	718.00	571.12
	<u>1,209.36</u>	<u>1,360.13</u>
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	75.71	14.37
(Increase)/ decrease in inventories	55.12	(1,769.52)
(Increase)/ decrease in trade receivables	71.94	17.35
(Increase)/ decrease in Other assets	(102.98)	76.06
Increase/ (decrease) in provisions and other liabilities	8.51	13.55
Increase/ (decrease) in trade payables	(88.39)	78.89
Cash generated from operations	<u>1,229.27</u>	<u>(209.17)</u>
Less : Income taxes paid (net of refunds)	<u>(127.85)</u>	<u>(137.31)</u>
Net cash from/ (used in) operating activities (A)	<u>1,101.42</u>	<u>(346.48)</u>
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE (including changes in CWIP)	(401.05)	(612.26)
Sale proceeds of PPE	87.91	32.36
(Purchase)/ disposal proceeds of Investments	-	-
(Investments in)/ Maturity of fixed deposits with banks	0.92	(2.29)
Dividend Received	0.05	0.05
Interest income	7.45	20.25
Net cash used in investing activities (B)	<u>(304.72)</u>	<u>(561.89)</u>
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares (including premium)	500.00	-
Proceeds from/ (repayment of) long term borrowings (net)	(284.74)	151.19
Proceeds from/ (repayment of) short term borrowings (net)	287.51	1,387.47
Dividends paid (including dividend distribution tax)	(60.43)	-
Finance costs	(718.00)	(571.12)
Net cash from/ (used in) financing activities (C)	<u>(275.66)</u>	<u>967.54</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>521.04</u>	<u>59.17</u>
Net cash flows from discontinued operations	-	(42.28)
Cash and cash equivalents at the beginning of the financial year	<u>33.73</u>	<u>16.84</u>
Cash and cash equivalents at end of the year	<u>554.77</u>	<u>33.73</u>
Notes:		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	543.05	26.66
Cash on hand	<u>11.72</u>	<u>7.07</u>
	<u>554.77</u>	<u>33.73</u>

In accordance with my report of date attached

For M/s ARUN & CO

Chartered Accountants

Firm Registration No.0014464S

A. ARUN

Proprietor

Membership No. 227831

Place : Coimbatore

Date : May 25, 2018

Sudarsan Varadaraj

Director

DIN : 00133533

R. Kannan

Director

DIN : 00951451

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 KLRFLimited)

Statement of Changes in Equity for the year ended March 31, 2018**(A) Equity Share Capital**

Balance at the beginning of April 1, 2016	502.06
Changes in equity share capital during the year	-
Balance at the end of March 31, 2017	502.06
Changes in equity share capital during the year	52.08
Balance at the end of March 31, 2018	554.14

(B) Other Equity

Particulars	General Reserve	Securities Premium Reserve	Other comprehensive income	Retained Earnings	Revaluation Reserve	Capital Reserve	Total
Balance as at April 1, 2016	994.97	1,642.15	-	(632.78)	105.15	20.71	2,130.20
Additions/ (deductions) during the year	-	-	-	29.13	(105.15)	-	(76.02)
Total Comprehensive Income for the year	-	-	(3.80)	349.04	-	-	345.24
Balance as at March 31, 2017	994.97	1,642.15	(3.80)	(254.61)	-	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	1.38	(219.44)	-	20.71	2,887.69

In accordance with my report of date attached

For M/s ARUN & COChartered Accountants
Firm Registration No.0014464S**A. ARUN**Proprietor
Membership No. 227831Place : Coimbatore
Date : May 25, 2018**Sudarsan Varadaraj**Director
DIN : 00133533**R. Kannan**Director
DIN : 00951451

For and on behalf of the Board

Suresh JagannathanManaging Director
DIN : 00011326**K.R.Badrinarayanan**

Chief Financial Officer

S. Piramuthu

Company Secretary

Notes to Financial Statements for the year ended March 31, 2018**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 10,800 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**Statement of compliance**

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.

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 46 for information on how the Company adopted Ind AS.

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 25, 2018

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 115 – Revenue from Contracts with Customers (effective from April 1, 2018)

b. 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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the tangible assets as the deemed cost as at the date of transition, viz., 1 April 2016.

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 retaining its residual value.

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

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the intangible assets as the deemed cost as at the date of transition, viz., 1 April 2016.

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

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

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

Useful life and amortisation of intangible assets

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

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

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

Subsequent cost and measurement

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

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

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

g) Inventories

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

h) Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets are classified in four categories:

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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.

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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/ loss 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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised 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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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 borrowings costs are expensed in the period in which they occur.

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

k) Taxes**Current income tax**

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

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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.

D) 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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

₹ in lakhs

Non-Current Assets
4 Property, Plant and Equipments

Particulars	Tangible Assets							Intangible Assets		
	Land	Buildings	Plant and Equipment	Furniture and Fittings	Vehicle	Office Equipment	Electrical Equipment	Total	Intangible	Total
Deemed Cost as at April 1, 2016	155.59	1,097.31	1,160.88	9.38	215.77	35.02	21.00	2,694.95	27.40	27.40
Additions	128.86	48.25	311.75	3.10	107.06	6.44	1.44	606.90	5.36	5.36
Disposals/ Adjustments	(77.18)	(28.66)	(18.98)	(0.61)	(57.26)	(4.00)	-	(186.69)	-	-
Cost as at March 31, 2017	207.27	1,116.90	1,453.65	11.87	265.57	37.46	22.44	3,115.16	32.76	32.76
Additions	6.75	29.28	51.32	7.67	79.55	10.98	46.24	231.79	4.08	4.08
Disposals/ Adjustments	-	(0.48)	(358.15)	-	(72.40)	(3.47)	-	(434.50)	-	-
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
Depreciation/Amortisation										
Charge for the year	-	24.33	173.24	1.64	35.28	10.97	3.47	248.93	9.22	9.22
Disposals	-	-	(14.03)	(0.58)	(30.86)	(3.72)	-	(49.19)	-	-
As at March 31, 2017	-	24.33	159.21	1.06	4.42	7.25	3.47	199.74	9.22	9.22
Charge for the year	-	37.74	185.56	1.98	41.09	5.05	26.61	298.03	9.59	9.59
Disposals	-	-	(235.14)	-	(22.92)	(0.67)	-	(258.73)	-	-
As at March 31, 2018	-	62.07	109.63	3.04	22.59	11.63	30.08	239.04	18.81	18.81
Net Block										
As at April 1, 2016	155.59	1,097.31	1,160.88	9.38	215.77	35.02	21.00	2,694.95	27.40	27.40
As at March 31, 2017	207.27	1,092.57	1,294.44	10.81	261.15	30.21	18.97	2,915.42	23.54	23.54
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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

Notes to Financial Statements for the year ended 31st March, 2018**(₹ in Lakhs)**

	31.3.2018	31.3.2017	01.4.2016
5 Non-current investments			
Investment in equity instruments at FVTPL			
Trade - Unquoted			
M/s Cape Power Private Limited *	0.18	0.18	0.18
(1800 (previous year : 1800) fully paid equity shares of ₹10/-)			
M/s Suryadev Alloys and Power Private Limited *	2.23	2.23	2.23
(1640 (previous year : 1640) fully paid equity shares of ₹136/-)			
Total non-current investments	<u>2.41</u>	<u>2.41</u>	<u>2.41</u>
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate cost of unquoted investments	2.41	2.41	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	95.87	171.58	185.95
Unamortised interest expense	-	-	-
	<u>95.87</u>	<u>171.58</u>	<u>185.95</u>
7 Other non-current assets			
(Unsecured, considered good unless otherwise stated)			
Capital Advances	149.81	10.31	-
	<u>149.81</u>	<u>10.31</u>	<u>-</u>
Current Assets			
8 Inventories			
Raw Materials and components	4,923.98	4,910.40	3,101.59
Work-in-progress	43.79	55.93	46.38
Finished products (Other than acquired for trading)	418.83	511.36	553.77
Stores and spares	127.07	123.41	109.13
Impurities, Runner and Riser	39.79	13.35	19.40
Gunnies	36.92	31.05	45.71
	<u>5,590.38</u>	<u>5,645.50</u>	<u>3,875.98</u>

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLR Limited)

(₹ in Lakhs)

	31.3.2018	31.3.2017	01.4.2016
9 Trade receivables			
(Unsecured, considered good)			
Outstanding for a period exceeding 6 months from due date of payment	-	1.66	1.66
Others	<u>1,397.77</u>	<u>1,468.05</u>	<u>1,485.40</u>
	<u>1,397.77</u>	<u>1,469.71</u>	<u>1,487.06</u>
10 Cash and cash equivalents			
Cash on hand	11.72	7.07	8.25
Balances with banks			
In current accounts	<u>543.05</u>	<u>26.66</u>	<u>8.59</u>
	<u>554.77</u>	<u>33.73</u>	<u>16.84</u>
11 Other Bank Balances			
Earmarked Balances	<u>1.37</u>	<u>2.29</u>	<u>-</u>
	<u>1.37</u>	<u>2.29</u>	<u>-</u>
12 Other current assets			
(Unsecured, considered good)			
Advance to suppliers	23.85	46.72	86.72
Prepaid Expenses	59.41	48.22	54.03
Balances with statutory agencies	153.82	163.96	194.11
Others	<u>46.28</u>	<u>60.98</u>	<u>71.39</u>
	<u>283.36</u>	<u>319.88</u>	<u>406.25</u>
13 Capital			
Authorised Share Capital			
12000000 Equity shares of ₹ 10 each	1,200.00	1,200.00	1,200.00
3000000 10% Cumulative Redeemable Preference shares of ₹10/- each	<u>300.00</u>	<u>300.00</u>	<u>300.00</u>
	<u>1,500.00</u>	<u>1,500.00</u>	<u>1,500.00</u>
Issued Share Capital			
56,40,430 (Previous year 51,19,598) Equity shares of ₹ 10 each	564.04	511.96	511.96
	<u>564.04</u>	<u>511.96</u>	<u>511.96</u>
Subscribed and fully paid up share capital			
55,41,476 (Previous year 50,20,644) Equity shares of ₹ 10 each*	554.14	502.06	502.06
	<u>554.14</u>	<u>502.06</u>	<u>502.06</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 KLRFL Limited)

(₹ in Lakhs)

	31.3.2018	31.3.2017	01.4.2016
--	------------------	-----------	-----------

Notes:

- 1) Reconciliation of number of equity shares subscribed

	31.3.2018	31.3.2017	01.4.2016
Balance as at the beginning of the year	50,20,644	50,20,644	50,20,644
Add: Issued during the year	5,20,832		
Balance at the end of the year	55,41,476	50,20,644	50,20,644
- 2) The Company has no Holding or Subsidiary Companies.
- 3) There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.
- 4) Rights, preferences and restrictions in respect of equity shares issued by the Company
 - a. The company has issued only one class of equity shares having a par value of ₹10 each. The equity shares of the company having par value of ₹10/- rank pari-passu in all respects including voting rights and entitlement to dividend.
 - b. In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.
- 5) Shareholders holding more than 5% of the total share capital

Name of the shareholder	31.03.2018		31.03.2017		01.04.2016	
	No of shares	% of Holding	No of shares	% of Holding	No of shares	% of Holding
Mr. Suresh Jagannathan	11,80,586	21.30%	10,96,211	21.83%	10,96,211	21.83%
M/s Cape Flour Mills Private Limited	11,02,101	19.89%	9,97,935	19.88%	9,97,935	19.88%
Mr.V Jagannathan Individual and Jointly with Mr. Suresh Jagannathan & Mrs. J. Chandrakanthi	4,53,776	8.19%	3,18,320	6.34%	3,18,320	6.34%
Mr.Krishnaswamy Mohan	NA	NA	2,82,586	5.63%	3,16,266	6.30%

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

	31.3.2018	31.3.2017	01.4.2016
14 Other Equity			
Capital Reserve	20.71	20.71	20.71
Securities Premium Reserve	2,090.07	1,642.15	1,642.15
Revaluation Reserve	-	-	105.15
General reserve	994.97	994.97	994.97
Other comprehensive income	7.06	1.88	-
Retained earnings	(225.12)	(260.29)	(632.78)
Total	<u>2,887.69</u>	<u>2,399.42</u>	<u>2,130.20</u>
a) Capital Reserve			
Balance at the beginning and end of the year	<u>20.71</u>	<u>20.71</u>	<u>20.71</u>
b) Securities Premium Reserve			
Balance at the beginning of the year	1,642.15	1,642.15	1,642.15
Additions/ (deductions) during the year	<u>447.92</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>2,090.07</u>	<u>1,642.15</u>	<u>1,642.15</u>
c) Revaluation Reserve			
Balance at the beginning of the year	-	105.15	105.15
Additions/ (deductions) during the year	<u>-</u>	<u>(105.15)</u>	<u>-</u>
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>105.15</u>
d) General reserve			
Balance at the beginning and end of the year	<u>994.97</u>	<u>994.97</u>	<u>994.97</u>
e) Other comprehensive income			
Balance at the beginning of the year	1.88	-	-
Transfer to profit and loss account	17.82	5.68	-
Deductions/Adjustments during the year	<u>(12.64)</u>	<u>(3.80)</u>	<u>-</u>
Balance at the end of the year	<u>7.06</u>	<u>1.88</u>	<u>-</u>
f) Balance in profit and loss account			
Balance at the beginning of the year	(260.29)	(632.78)	(286.18)
Net profit for the period	157.99	349.04	-
Transfers to General Reserve			
Transfer from Other Comprehensive Income	(17.82)	(5.68)	-
Dividends paid	(50.21)	-	-
Dividends distribution tax paid	(10.22)	-	-
MAT Credit adjustment	(44.57)	29.13	-
Ind AS adjustments	-	-	(346.60)
Balance at the end of the year	<u>(225.12)</u>	<u>(260.29)</u>	<u>(632.78)</u>

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

	31.3.2018	31.3.2017	01.4.2016
15 Long Term Borrowings			
Term Loans (Secured)			
From Banks	749.42	915.48	719.49
From NBFCs	309.39	356.83	401.30
	<u>1,058.81</u>	<u>1,272.31</u>	<u>1,120.79</u>
Less : Current maturities due within 1 year (refer note 19 below)	331.55	260.31	259.98
	<u>727.26</u>	<u>1,012.00</u>	<u>860.81</u>
Also refer note 41 for terms and conditions and security details			
16 Deferred Tax Liability/ (Asset) - Net			
Deferred Tax Liability			
On Fixed Assets	457.25	457.16	481.09
On expenses allowed under Income Tax on payment basis	-	-	-
On other items	-	-	-
Adjustments	(161.88)	-	-
	<u>295.37</u>	<u>457.16</u>	<u>481.09</u>
Deferred Tax Asset			
Carried Forward Losses	-	-	-
Others	-	-	-
	-	-	-
Net deferred tax liability/ (asset)	295.37	457.16	481.09
MAT Credit Entitlement	-	(44.57)	(44.57)
	<u>295.37</u>	<u>412.59</u>	<u>436.52</u>
17 Current liabilities - Financial Liabilities: Borrowings			
Secured			
Loans repayable on demand			
From Banks	4,527.08	4,360.67	2,867.20
Unsecured			
Loans from Directors	55.00	113.90	117.40
Inter Corporate Loans	508.00	328.00	430.50
	<u>5,090.08</u>	<u>4,802.57</u>	<u>3,415.10</u>
Also refer note 41 for terms and conditions and security details			
18 Trade payables			
Due to Micro, Small and Medium enterprises*	4.52	25.76	-
Due to Others	720.89	788.04	734.91
	<u>725.41</u>	<u>813.80</u>	<u>734.91</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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

	31.3.2018	31.3.2017	01.4.2016
19 Other current financial liabilities			
Current maturities of long-term debt (refer note 15 above)	331.55	260.31	259.98
	331.55	260.31	259.98
20 Provisions (Current)			
Provision for tax (net of advance tax)	9.00	34.85	19.39
	9.00	34.85	19.39
21 Other current liabilities			
Statutory Dues Payable	31.63	100.75	96.87
Employee Benefits Payable	54.04	54.74	38.44
Other expenses payable	204.33	184.10	171.25
Advance and deposits from customers etc.,	21.86	17.18	31.31
	311.86	356.77	337.87
		31.3.2018	31.3.2017
22 Revenue from operations			
(a) Sale of products			
Wheat, wheat products and impurities	13,927.26	14,757.53	
Sheet metal components	680.36	734.13	
Castings	7,301.63	7,065.24	
(b) Sale of services – fabrication charges	6.93	28.22	
(c) Other operating revenues – sale of scrap and gunnies	54.33	145.08	
	21,970.51	22,730.20	
23 Other income			
Dividend Income	0.05	0.05	
Interest Income	7.45	20.25	
Profit on sale of fixed assets (net)	14.05	0.01	
Other non operating income	6.12	5.89	
	27.67	26.20	
24 Cost of materials consumed			
Wheat	11,191.57	12,052.06	
Iron materials	3,022.98	2,471.43	
	14,214.55	14,523.49	
25 Changes in inventories of work-in-progress, stock in trade and finished goods			
Opening Balance			
Work-in-progress	55.93	46.38	
Finished goods	524.71	573.17	
	580.64	619.55	

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

	31.3.2018	31.3.2017
Closing Balance		
Work-in-progress	43.79	55.93
Finished goods	458.62	524.71
	<u>502.41</u>	<u>580.64</u>
Changes in excise duty on finished goods	35.85	-
Total changes in inventories	<u>42.38</u>	<u>38.91</u>
26 Employee benefits expense		
Director's remuneration and fees	82.96	78.58
Salaries, wages and bonus	931.40	783.53
Contribution to provident and other funds	74.37	66.81
Staff welfare expenses	56.68	56.04
Contribution to gratuity fund	14.63	12.33
	<u>1,160.04</u>	<u>997.29</u>
27 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	298.03	248.93
Amortisation of intangible assets	9.59	9.22
	<u>307.62</u>	<u>258.15</u>
28 Other expenses		
Fabrication Charges	1,428.02	1,375.54
Power and Fuel	793.51	823.32
Stores, spares and packing material	1,343.44	1,246.09
Repairs to machineries	286.22	348.01
Factory maintenance and building repairs	271.07	327.57
Commission and discount	47.49	35.19
Freight	154.89	185.36
Auditors' fees and expenses (refer note 28 (a))	8.70	5.73
Rent and office maintenance	65.96	64.15
Rates and taxes	20.15	43.63
Advertisement and Sales promotion expenses	61.47	23.35
Donations	1.80	0.70
CSR expenditure (refer note 28 (b))	6.00	3.50
Printing and stationery	13.73	12.24
Postage and telephone	18.25	17.43
Vehicle maintenance	70.32	49.07
Travelling	178.38	100.39
Legal and professional charges	254.90	170.85
Data processing	25.54	22.26
Bank charges	18.44	19.44
Loss on sale of fixed assets (net)	87.86	-
Miscellaneous expenses	56.88	42.55
	<u>5,213.02</u>	<u>4,916.37</u>

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

	31.3.2018	31.3.2017
28 (a) Auditor's fees and expenses		
Statutory Audit fees	6.88	5.50
Fees for other services	1.82	0.23
	<u>8.70</u>	<u>5.73</u>
(b) Expenditure on Corporate Social Responsibility		
(i) Gross amount required to be spent on Corporate Social Responsibility during the year	5.85	3.00
(ii) Amount spent during the year on		
(i) Construction and/ or acquisition of any asset	-	-
(ii) Other purposes (other than (i) above))	6.00	3.50
	<u>6.00</u>	<u>3.50</u>
(iii) Amount unspent during the year	Nil	Nil
29 Finance Cost		
Interest - Banks and financial institutions	561.89	386.69
Interest - Others	156.11	184.43
	<u>718.00</u>	<u>571.12</u>
30 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	102.00	195.88
Total current tax expense	102.00	195.88
Deferred tax		
Deferred tax adjustments	(156.61)	(22.05)
Total deferred tax expense/(benefit)	(156.61)	(22.05)
Income tax expense	<u>(54.61)</u>	<u>173.83</u>
(b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	103.38	551.17
Income tax expense calculated at effective rates	33.55	182.23
Tax Rate Changes	-	1.77
Effect of expenses that are not deductible in determining taxable profit	(88.16)	(10.17)
Income tax expense	<u>(54.61)</u>	<u>173.83</u>
The Impact is due to the difference in tax rate adopted for the current year deferred tax and previous year deferred tax		
(c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	5.18	1.88
Total income tax recognised in other comprehensive income	5.18	1.88

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

d) 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 income 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
Remeasurement of financial instruments under Ind AS	-	-		
Other temporary differences	(457.16)	156.61	5.18	(295.37)
MAT Credit entitlement	44.57	(44.57)		-
Total	(412.59)	112.04	5.18	(295.37)

e) Movement of deferred tax expense during the year ended March 31, 2017

Property, plant, and equipment and Intangible Assets	(481.09)		-	(481.09)
Expenses allowable on payment basis under the Income Tax Act		22.05	1.88	23.93
Remeasurement of financial instruments under Ind AS	-			
Other temporary differences	(481.09)	22.05	1.88	(457.16)
MAT Credit entitlement	44.57			44.57
Total	(436.52)	22.05	1.88	(412.59)

(₹ in Lakhs)

31.3.2018

31.3.2017

31 Earnings per share

Profit for the year attributable to owners of the Company	157.99	349.04
Weighted average number of ordinary shares outstanding	50,22,071	50,20,644
Basic earnings per share (₹)	3.15	6.95
Diluted earnings per share (₹)	3.15	6.95

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

	31.3.2018	31.3.2017
32 Earnings in foreign currency		
FOB value of exports	20.55	13.39
33 Expenditure in foreign currency		
Travel expenses	23.54	5.65
Other expenses	-	23.82
	23.54	29.47
34 Value of Imports (on C.I.F basis)		
Raw Materials	-	-
Machinery	-	-

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, 2018		For the year ended March 31, 2017	
	Value	(%)	Value	(%)
Imported	-	-	-	-
Indigenous	14,214.55	100.00	14,523.49	100.00
Total	14,214.55	100.00	14,523.49	100.00

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) The principal amount remaining unpaid at the end of the year	4.52	25.76
(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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
37 Commitments and contingent liability		
Contingent Liability		
Disputed Liabilities *		
Income Tax	3.19	3.19
TNVAT & KVAT	293.41	27.34
Service Tax	4.88	4.88
PF dues and damages	6.03	6.03
Guarantees by banks	-	22.81

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'.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue		
a) Food division	13,975.65	14,859.01
b) Engineering division	7,994.86	7,871.19
Revenue from operations (Net)	21,970.51	22,730.20
Segment Results		
Profit (+) / Loss (-) before tax and finance cost		
a) Food division	883.12	868.36
b) Engineering division	-61.74	253.93
Total	821.38	1,122.29
Less : Finance Cost	718.00	571.12
Profit/(Loss) from continuing operations	103.38	551.17
Profit/(Loss) from discontinuing operations	-	(28.30)
Profit Before Tax	103.38	522.87
Segment Assets		
a) Food division	5,755.99	4,989.46
b) Engineering division	4,417.19	4,454.71
c) Other unallocable corporate assets	759.18	1,150.20
Total assets	10,932.36	10,594.37
Segment Liabilities		
a) Food division	4,598.93	5,489.38
b) Engineering division	2,596.23	1,790.92
c) Other unallocable corporate liabilities	295.37	412.59
Total liabilities	7,490.53	7,692.89

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital Employed (Segment assets-Segment liabilities)		
a) Foods division	1,157.06	(499.92)
b) Engineering division	1,820.96	2,663.79
Total capital employed in segments	2,978.02	2,163.87
Unallocable corporate assets less corporate liabilities	463.81	737.61
Total Capital Employed	3,441.83	2,901.48

*Disclosure relating to geographical area of operation

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

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 **65.96** 64.15

40 Government Grants

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

Duty drawback on exports **0.35** 0.19

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 IDBI Bank Ltd., carries interest @ 11.90% p.a., (MCLR+ 3.35% p.a.). The loan is repayable on quarterly basis. The interest also payable on monthly basis. The loan matures in April 2020. The loan is secured by exclusive charge on the Land and Buildings of foundry division.
- ii) Rupee term loan availed from ICICI Home Finance Limited carries interest @ 11.60 %.pa., (HFLR - 5.50%). . The loan is repayable on 120 monthly instalments of ₹ 5.07 lakhs. The loan matures in January, 2025. The loan is secured by exclusive charge on the land and buildings of the Company's properties situated at Chamiers Road, Chennai.
- iii) Rupee term loan availed from TATA Capital Financial Services Ltd., carries interest @13 % pa., (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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

- iv) Rupee term loan availed from HDFC Bank Ltd., carries interest @ 10.75% pa., (MCLR+1.70%) The loan is repayable on 60 monthly instalments. The loan matures in February, 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.
- v) 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 @ 11.10% (MCLR+2.70%) and is secured by pari-passu first charge on all the current assets and pari-passu second charge on flour mill and sheet metal immovable assets except those under exclusive charge.
- ii) Working capital loans from HDFC Bank Ltd. carries an interest rate @ 10.30 % (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 which are having exclusive charge.

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, 2018	March 31, 2017	April 1, 2016
Debt	1,058.81	1,272.31	1,120.79
Less: Cash and bank balances	556.14	36.02	16.84
Net debt	502.67	1,236.29	1,103.95
Total equity	3,441.83	2,901.48	2,632.26
Net debt to equity ratio (%)	14.60%	42.61%	41.94%

Categories of Financial Instruments

Financial assets

a. Measured at amortised cost

Other non-current financial assets	95.87	171.58	185.95
Trade receivables	1,397.77	1,469.71	1,487.06
Cash and cash equivalents	554.77	33.73	16.84
Bank balances other than above	1.37	2.29	-

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

March 31, 2018 March 31, 2017 April 1, 2016

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

Investments	2.41	2.41	2.41
-------------	------	------	------

Financial liabilities**a. Measured at amortised cost**

Borrowings (Long term)	1,058.81	1,272.31	1,120.79
Borrowings (short term)	5,090.08	4,802.57	3,415.10
Trade payables	725.41	813.80	734.91
Other financial liabilities	331.55	260.31	259.98

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.

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.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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: (₹ in Lakhs)

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, 2018 (all amounts are in lakhs)							
EUR	-	-	-	0.01	-	0.01	0.01
In INR	-	-	-	0.97	-	0.97	0.97
As on March 31, 2017 (all amounts are in lakhs)							
EUR	-	-	-	0.11	-	0.11	0.11
in INR	-	-	-	7.35	-	7.35	7.35
As on April 1, 2016 (all amounts are in lakhs)							
EUR	-	-	-	0.07	-	0.07	0.07
in INR	-	-	-	5.49	-	5.49	5.49

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 analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability approximately by INR 12.83 Lakhs for the year (Previous year INR 8.83 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 or security deposits.

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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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, 2018				
Trade payables	725.41	-	-	725.41
Borrowings (including interest accrued thereon upto the reporting date)	331.55	727.26	-	1,058.81
	<u>1,056.96</u>	<u>727.26</u>	<u>-</u>	<u>1,784.22</u>
March 31, 2017				
Trade payables	813.80	-	-	813.80
Borrowings (including interest accrued thereon upto the reporting date)	260.31	1,012.00	-	1,272.31
	<u>1,074.11</u>	<u>1,012.00</u>	<u>-</u>	<u>2,086.11</u>
April 1, 2016				
Trade payables	734.91	-	-	734.91
Borrowings (including interest accrued thereon upto the reporting date)	259.98	860.81	-	1,120.79
	<u>994.89</u>	<u>860.81</u>	<u>-</u>	<u>1,855.70</u>
		March 31, 2018	March 31, 2017	April 1, 2016
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):		Nil	Nil	Nil

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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 Mckinnon India Private Limited Super Springs Private Limited Prokop Eltex India Private Limited Elgi Rubber Company Limited Kaapi Machines India Private Limited

Key management personnel

Mr. Suresh Jagannathan	Managing Director
Mr. R. Kannan	Executive Director and Chief Financial Officer (till January 31, 2018) Executive Director (from February 1, 2018 till May 25, 2018) Director (from May 25, 2018)
Mr. K R Badrinarayanan	Chief Financial Officer (from February 1, 2018)
Mr. S. Piramuthu	Company Secretary

b) Transactions during the year

S.No.	Particulars	Amount	
		March 31, 2018	March 31, 2017
1	Purchase of goods		
	The Lakshmi Textile Suppliers	-	2.70
	Ellargi & Co	2.65	
	Cape Flour Mills Private Limited	113.04	59.14
	Mckinnon India Private Limited	2.53	2.01
	Super Springs Private Limited	7.80	1.01
2	Purchase of goods		
	Prokop Eltex India Private Limited	0.32	0.12
	Sale of goods		
	Cape Flour Mills Private Limited	195.91	50.95
	Mckinnon India Private Limited	201.29	74.85
	Prokop Eltex India Private Limited	3.37	17.11
	Elgi Rubber Company Limited	-	6.24
	Kaapi Machines India Private Limited	-	10.94

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

S.No.	Particulars	(₹ in Lakhs)	
		March 31, 2018	March 31, 2017
3	Services availed/ rendered		
	Super Springs Private Limited	-	21.52
	Mr.Sharath Jagannathan	0.50	-
	Eltex Marketing LLP	0.16	-
	Cape Flour Mills P Ltd	1.80	
4	Purchase of power		
	Cape Power Private Limited	43.66	35.67
5	Remuneration to Key Managerial Personnel		
	Mr. Suresh Jagannathan	42.00	42.00
	Mr. R Kannan	35.76	32.88
	Mr. K R Badrinarayanan (February 1 ~ March 31, 2018)	4.24	-
	Mr. S Piramuthu	11.70	10.33
c)	Balances outstanding at the end of the year (Credit) / Debit		
1	Ellargi & Co	(0.35)	-
2	Super Springs P Ltd	0.10	(3.02)
3	Cape Power P Ltd	(2.56)	(2.37)
4	Mckinnon India P Ltd	0.47	0.15
5	Cape Flour Mills P Ltd	-	1.01
6	Elgi Rubber Company Ltd	-	1.52

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 ₹ 74.37 Lakhs (for the year ended March 31, 2017 - ₹ 66.81Lakhs) 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

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

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, 2018	March 31, 2017
Discount Rate	8.00% 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, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Current service cost	12.26	11.63
Net interest expense	12.84	11.47
Return on plan assets (excluding amounts included in net interest expense)	17.82	(10.77)
Components of defined benefit costs recognised in profit or loss	42.92	12.33
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains) / losses recognised during the period		
Actuarial (gains) / losses	17.82	5.68

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Components of defined benefit costs recognised in other comprehensive income	17.82	5.68
Total	60.74	18.01

- I. The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss. Iam 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	193.14	160.22
Fair value of plan assets	(161.62)	(141.73)
Net liability / (asset) arising from defined benefit obligation	31.52	18.49
Funded	31.52	18.49
Unfunded	-	-
Total	31.52	18.49

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	160.22	143.44
Current service cost	12.26	11.63
Interest cost	12.84	11.47
Actuarial (gains)/losses	17.82	5.68
Benefits paid	(10.00)	(12.00)
Closing defined benefit obligation	193.14	160.22

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

Opening fair value of plan assets	141.73	128.06
Return on plan assets	12.03	10.77
Contributions	17.86	14.90
Benefits paid	(10.00)	(12.00)
Closing fair value of plan assets	161.62	141.73

Sensitivity analysis

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

(b) Compensated absences

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

46 First-time adoption of Ind AS**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition). "In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP)."

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions**A.1.1 Deemed cost for PPE and Intangibles**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets"

Accordingly, the company has elected to continue the property, plant and equipment and intangibles at their previous GAAP values.

A.1.2. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/ arrangements.

A.1.3. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP."

B. Notes to first-time adoption

B.1 Transaction costs in respect of financial instruments

"Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred." "As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements."

B.2 Intangible assets

As per Ind AS 38, the company is required to remeasure/ derecognise the intangible assets not meeting the recognition criteria. Accordingly, the Company has derecognised the intangible assets with consequential adjustment in the retained earnings.

B.3 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications.

B.4 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach. The Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED

(Formerly KLRFL Limited)

47 Key reconciliation required as per Ind AS 101 on transition to Ind AS

(a) Reconciliation of equity	As at March 31, 2017	As at April 1, 2016
Total equity / shareholders' funds as per Indian GAAP	3,217.33	2,978.86
Ind AS Adjustments		
Remeasurement/ derecognition of intangible assets	(34.79)	(39.88)
Impact of Amortised cost on term loan	5.70	8.81
Deferred tax impact on Ind AS adjustments	(286.76)	(315.53)
Total equity/ shareholders' funds as per Ind AS	2,901.48	2,632.26
(b) Reconciliation of Profits		For the year ended March 31, 2017
Total comprehensive income as per Indian GAAP		359.06
Ind AS Adjustments		
Remeasurement/ derecognition of intangible assets		5.09
Impact of amortised cost on term loan		(3.11)
Remeasurement of MAT credit		(44.57)
Deferred tax impact on Ind AS adjustments		28.77
Total comprehensive income as per Ind AS		345.24

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
Firm Registration No.0014464S

A. ARUN

Proprietor

Membership No. 227831

Place : Coimbatore

Date : May 25, 2018

Sudarsan Varadaraj

Director

DIN : 00133533

R. Kannan

Director

DIN : 00951451

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

(Formerly KLRF Limited)

CIN : L15314TN1961PLC004674

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

Telephone : +91 462 2486532, Fax : +91 462 2486132

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

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. / Demat ID
Name & Address of
the member(s):

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 56th Annual General Meeting of the company, to be held on Thursday, the 30th August, 2018 at 10.45 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 ----- P.T.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
180090		

* 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 2486532, Fax : +91 462-2486132

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

ATTENDANCE SLIP

Attendance by

- Member
- Proxy
- Authorised
- Representative

Please ✓ the appropriate box

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

I hereby record my presence at 56th Annual General Meeting being held on Thursday, 30th August, 2018 the Registered Office of the Company, at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli District

Signature of Member / Proxy*

* Strike out whichever is not applicable

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, 2018, the Report of the Board of Directors and the Report of the Auditors thereon.			
2.	Appointment of Director in the place of Mr. R. Kannan, (DIN 00951451) 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.	Appointment of Mr. P. Mohankumar, (Membership No. 18692) as Cost Auditor for engineering division of the company			
5.	Approval of the adoption of new set of Articles of Association in line with the Companies Act, 2013.			

Signed this day of 2018

Signature of shareholder :

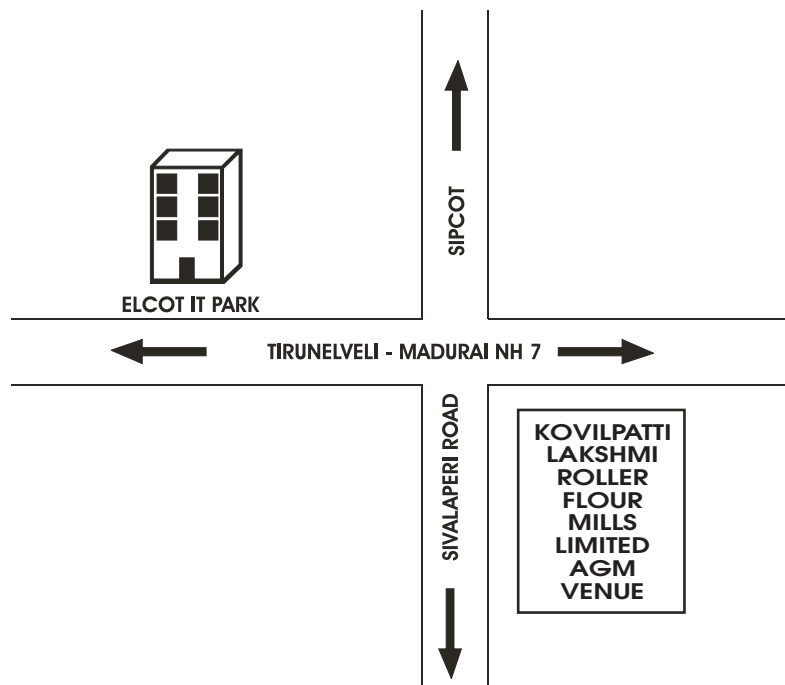
Signature of Proxy holder (s) :

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.

AGM VENUE ROUTE MAP



Map not
to Scale