



Ingraining a Healthy Future.

# YOUR FOOD. OUR PASSION.

Nourishing and nurturing for a better you.

**ANNUAL REPORT 2021-2022**







Your favourite Basmati Rice is now the

# World's No. 1\* Basmati Rice

AGED TO  
PERFECTION



\*As per secondary market research report, MAT June 2022



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## REPORTING PERIOD AND SCOPE

This report covers financial and non-financial information and activities of KRBL Limited ('the Company' or 'KRBL') during the period 01 April 2021 to 31 March 2022.

## MATERIALITY

We cover key material aspects that have been identified through our ongoing stakeholder engagement and are addressed by various programmes or action points set by the key management personnels.

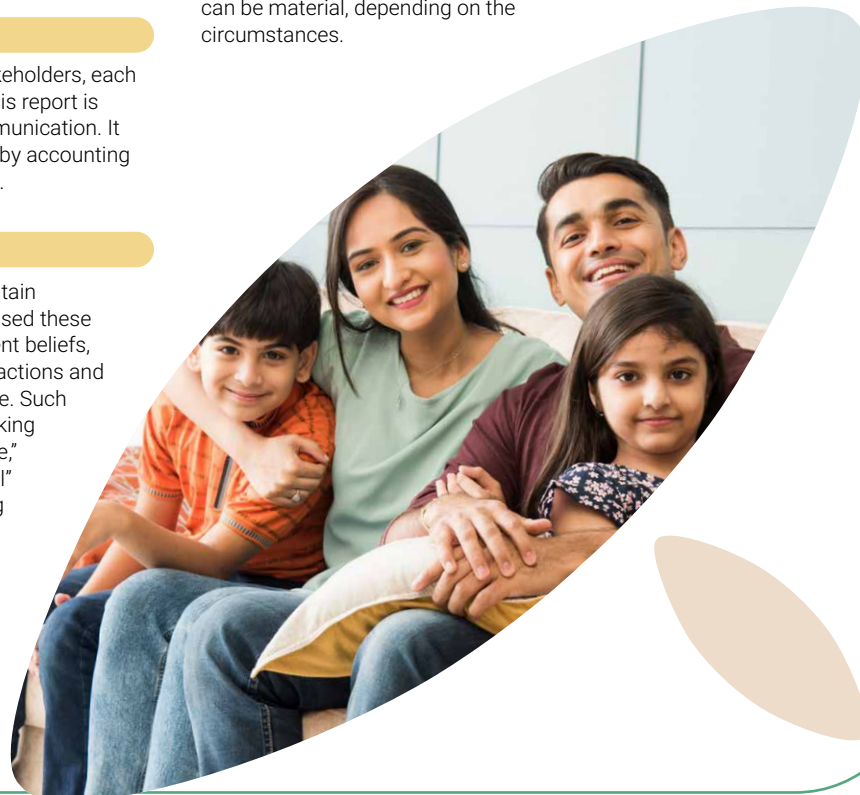
## RESPONSIVENESS

Our reporting addresses a gamut of stakeholders, each having their own needs and interests. This report is one element of our interaction and communication. It reflects how we manage our operations by accounting and responding to stakeholder concerns.

## FORWARD LOOKING STATEMENT

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in

good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases usually vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

**Joint Managing Directors**  
Mr. Arun Kumar Gupta  
Mr. Anoop Kumar Gupta

**Whole Time Director**  
Ms. Priyanka Mittal

**Independent Non-Executive Directors**  
Mr. Ashwani Dua  
Mr. Devendra Kumar Agarwal  
Ms. Priyanka Sardana  
Mr. Shyam Arora  
Mr. Vinod Ahuja

## CHIEF FINANCIAL OFFICER

Mr. Ashish Jain

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Raman Sapra

## BOARD COMMITTEES

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

**Stakeholders Relationship Committee**  
Mr. Ashwani Dua – Chairman  
Mr. Shyam Arora – Member  
Mr. Vinod Ahuja – Member

**Nomination and Remuneration Committee**  
Mr. Ashwani Dua – Chairman  
Mr. Shyam Arora – Member  
Mr. Vinod Ahuja – Member  
Ms. Priyanka Sardana – Member

**Corporate Social Responsibility Committee**  
Mr. Anil Kumar Mittal – Chairman

Mr. Anoop Kumar Gupta – Member  
Mr. Ashwani Dua – Member  
Ms. Priyanka Mittal – Member  
Mr. Vinod Ahuja – Member

**Risk Management Committee**  
Mr. Arun Kumar Gupta – Chairman  
Mr. Anoop Kumar Gupta – Member  
Mr. Ashwani Dua – Member  
Mr. Ashish Jain – Member

**Borrowing and Investment Committee**  
Mr. Anil Kumar Mittal – Chairman  
Mr. Arun Kumar Gupta – Member  
Mr. Anoop Kumar Gupta – Member  
Mr. Ashish Jain – Member

## STATUTORY AUDITORS

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

## SECRETARIAL AUDITORS

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

## INTERNAL AUDITORS

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

## COST AUDITORS

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

## REGISTRAR & SHARE TRANSFER AGENT

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

## REGISTERED OFFICE

5190, Lahori Gate, Delhi – 110 006

## CORPORATE OFFICE

C-32, 5<sup>th</sup> & 6<sup>th</sup> Floor, Sector 62,  
Noida, Uttar Pradesh – 201 301  
Phone: 0120 – 4060 300  
Fax: 0120 – 4060 398

## BANKERS

State Bank of India  
HDFC Bank Limited  
DBS Bank India Limited  
IndusInd Bank Limited  
Karnataka Bank Limited

## WORKS

**Gautam Budh Nagar Unit**  
9<sup>th</sup> Milestone, Post Dujana,  
Bulandshahar Road,  
Distt. Gautam Budh Nagar,  
Uttar Pradesh – 203 207

**Dhuri Unit**  
Village Bhasaur (Dhuri),  
Distt. Sangrur,  
Punjab – 148 024

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

**Barota Unit**  
Village Akbarpur Barota,  
Distt. Sonapat, Haryana – 131 104





# YOUR FOOD. OUR PASSION.

Over the last two years, most of us have faced challenges in ways that we haven't encountered ever before. As an organisation, we also faced the same.

But it also meant a big learning for us, in terms of understanding and managing crisis and also navigating our ways through the challenges.

## WE LEARNT THAT OFTEN THE SIMPLEST THINGS LEAVE THE BIGGEST MARK.

We aim at delivering sustainable growth by staying true to our core commitment of providing safe and nutritious food. Because for us at KRBL, food is not only our business but our passion and mission.

Further nourishing and nurturing the different aspects of our business would help us to stay relevant and reliable to our customers even tomorrow.

With the strength and credibility of a global brand and the trust of more than a billion customers, we intend to stride into the future with a heightened focus on delivering on our purpose, to enrich lives through the nutritional wonder of nature.

Be it through product innovation, or expanding the ecosystem, our aim is to win hearts by nourishing and nurturing our customers.

We win with nutrition, through a continuous supply of quality rice products that are rich in both taste and the essential elements of nourishment. Nourishment is also passed on through tastier and healthier food choices, high-quality

and sustainably produced rice foods, in line with the evolving tastes.

We value the real nourishment of rice for our consumers. Today, the demand for more nutritious food and the desire to live healthier lifestyles are greater than ever.

Through our deep industry knowledge, focused research and development, long-term relation with the farmer community, passion for innovation and leading expertise in basmati rice, we intend to deliver products that make food on the plate of our customers healthier, nutritious, and tastier.

By retaining the essential qualities, purity, nutritional values of rice and by procuring it directly from the farmers, we create quality products which have adorned the plates of customers across different income groups and generations. The rice and agro products manufactured and supplied by us are healthy, safe and comes with a high nutritive value.

We have regularly invested in research and development to produce better quality basmati rice seeds and work closely with our farmers to ensure product quality and health quotient. When the farmlands and the farmers are in perfect health, the consumers benefit even more.

Finally, emphasising on our core purpose of 'Nourishing and Nurturing' we have placed greater focus on sustainable farming practices, thereby reducing our carbon footprint and safeguarding the planet's well-being.

Today, every day, across the world, millions of people enjoy delicious and healthier food prepared with our different product offerings.

## NOURISHING AND NURTURING FOR A BETTER YOU.



# BUILDING FROM STRENGTH

## NUMBERS THAT DEFINE US

An enviable legacy of more than a century

India Gate, World's number One Basmati Rice

World's largest rice milling plant spread across 200 acres

World's largest milling capacity of 195 MT/hour

One of world's largest rice processing capacity of 191 MT/hour

India's largest & only integrated manufacturer and exporter of Basmati rice

India's largest contact farming network coverage for rice

Two state-of-the-art manufacturing units and four technologically advanced packing units strategically located across India

One of India's largest rice and paddy storing capacity, 1mn MT+

2,300+ strong and dedicated workforce giving the Company people edge

We serve the dietary needs of millions spread across 90+ countries, with a wide product range





# A LEGACY OF EVOLUTION UNDERSTANDING KRBL LIMITED



Living up to the expectations of its customers, patrons, employees, communities and all other stakeholders, while staying true to the vision and endeavour, this story is an embodiment of an Indian company which has transformed the Indian Basmati rice industry with a legacy of more than a century.

Recognised today as one of the doyens of the Indian basmati rice industry, our founders were not just businessmen but also social reformers who nurtured and nourished the Indian basmati rice industry to its current state. With the passion for innovation and excellence, KRBL today is the leader in the global basmati rice industry with its iconic brand 'India Gate'. Thanks to this legacy, KRBL today provides employment to thousands of people in India and abroad, and positively impacts the lives of millions of people in India and around the world. KRBL is India's oldest and largest fully integrated rice manufacturing company, operating predominantly

in manufacturing and marketing of branded rice products in India and across the globe. With a vision to transform the Indian basmati rice industry, remunerating farmers with fair prices and providing fresh and healthy rice products to consumers across the globe, KRBL was founded in 1889.

For over 130 years, KRBL has nurtured a legacy of excellence and innovation. Thus, today, KRBL is proud to own an enviable and wide offering basket in the agri-FMCG segment, which has delighted and nourished customers across geographies.

Underpinning our leadership position are our solid business fundamentals, which include India's largest state-of-the-art integrated manufacturing, a comprehensive product portfolio, strong brand positioning with iconic brands, robust distribution network, and an experienced management.

## Vision

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

## Mission

To emerge as the world's number one basmati player, committed to deliver precision – perfect quality products to our customers; nurture a professional work environment that fosters employee excellence, growth and job satisfaction; and build a financially strong, growth-oriented company that creates value for our stakeholders.

## PERFORMANCE HIGHLIGHTS

**₹4,211**  
crores  
Turnover

**15 %**  
PBT Margin

**₹460**  
crores  
PAT (after  
comprehensive income)

**11 %**  
PAT Margin

**28 %**  
Gross Profit Margin

**₹(302)**  
crores Net Debt (lowest ever)

**17 %**  
EBIDTA Margin

**₹19.52**  
Earnings per  
Share (EPS)

**₹3.50**  
Dividend per Share

# WE ARE NOURISHED AND NURTURED BY OUR CORE VALUES

## WE ARE DEFINED BY OUR VALUES

It resonates with our legacy and gives us the strength to move forward with a purpose. It helps us nourish and nurture our farmers with higher returns and customers with a better and innovative offering.

Whether it's by supporting healthy living, building thriving communities or caring for our planet, we live our core values, every day and in everything we do.

## GREAT FOOD

**We create** great food and build brands that our customers and consumers love and trust.

**We aim** to create a sustainable future by making basmati rice affordable and accessible for the masses.

**We help** people make healthier and tastier choices when millions across the globe consume their staple diet and lead more balanced lifestyles.



## GREATER ASPIRATIONS



**We have** great aspirations to go beyond our business today.



**We invest** in technology, our brands, innovative products and new markets.



**We focus** on innovation and excellence, continue perfecting the basmati grain and emphasise on nourishing and nurturing our customers with improved offerings to drive growth.

## GREATER GOOD



**We strive** for a greater good by combining our success with a positive and lasting impact on others.



**We intend** to continue playing our role for the greater good with more vigour, thereby, helping businesses grow, people prosper, and our farmer community thrive.



**We intend** to provide nutritious meals to the people in need in our local communities.



**We care** for our planet and help protect its natural resources for the benefit of future generations.



**We help** build thriving communities where we operate, and support people to achieve their potential.



## GREAT PEOPLE



**We ensure** our people will continue to grow with the Company.



**We give** them the responsibility to work together and achieve great outcomes.



**We treat** our people like our family by caring for their well-being and growth.

## Thanks to our values

We're proud to own and manufacture some of the most iconic basmati rice brands in India and abroad, which have become staples in households across countries.

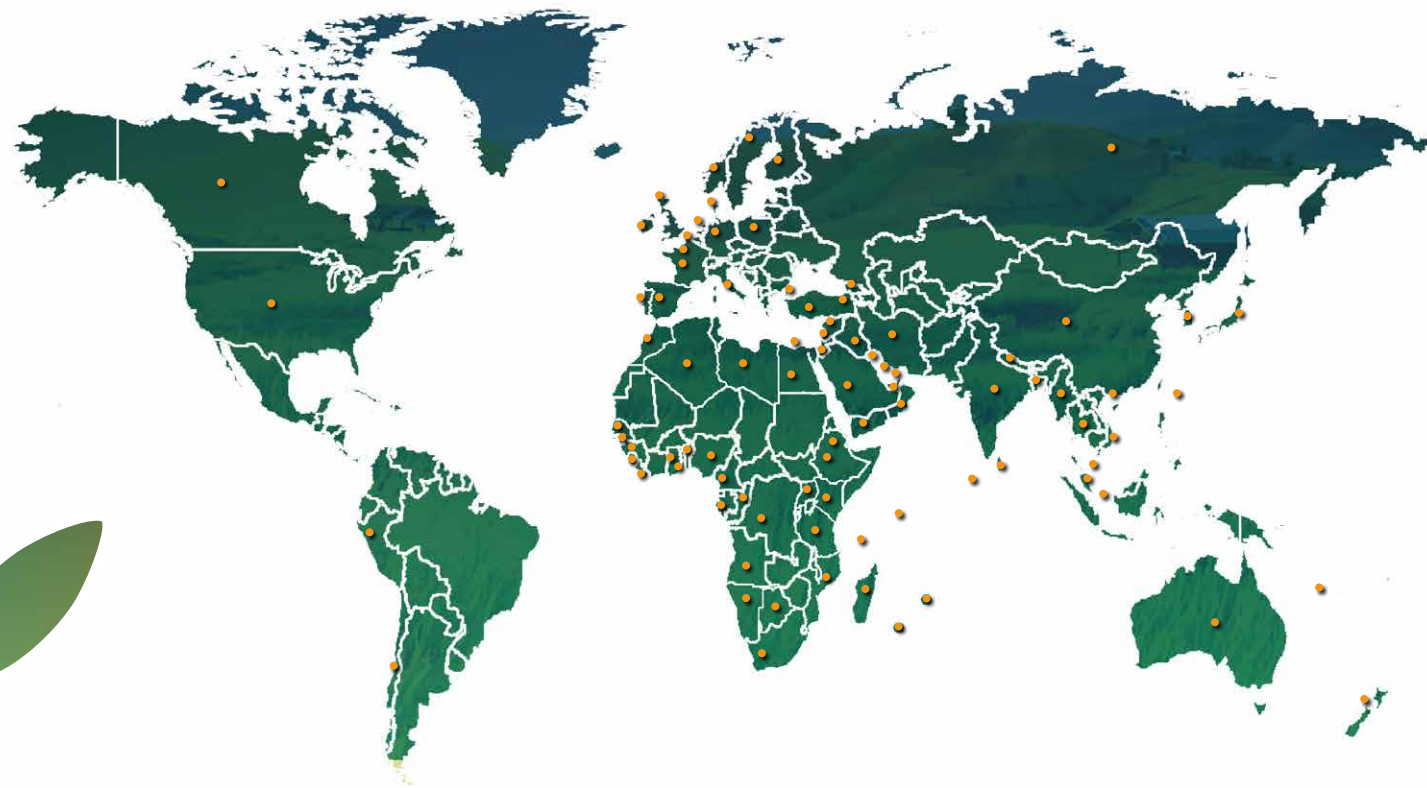


# THROUGH OUR GROWING PRESENCE

With our corporate office in Noida, UP and registered office in Delhi, we strive to deliver quality products to customers across global markets.

We serve millions of consumers every day, in restaurants, homes and outlets in over 90 countries across 6 continents.

We have product presence across the length and breadth of India through our deep rooted network of 500+ distributors and 3 lacs+ retail outlets operating in more the 750 cities.



PRESENCE IN MORE THAN 90 COUNTRIES

# THROUGH OUR PORTFOLIO

We have a diversified product basket that caters to the ever-evolving needs and preferences of our consumers. Our products are a reflection of our relentless focus on innovation and quality, enabling us to enjoy superior brand recall and expand our consumer wallet share.



BASMATI RICE

NON-BASMATI RICE



HEALTH FOOD SEGMENT





# CHAIRMAN'S MESSAGE

Dear shareholders,

I want to write to you about the deep-rooted transformation underway at KRBL, and to put a better context into this, allow me to dwell a little on the past. As I write this letter, I cannot help but recall how KRBL Limited was created with a vision to empower our customers with a bouquet of nutritious and healthy agro-products. Building our brand over a century, KRBL has lived up to its vision of strengthening India's Basmati rice value chain to emerge as India's largest exporter of Basmati rice and a globally renowned Basmati rice brand synonymous with quality.

KRBL and its brands, India Gate and Unity have become synonymous with quality and healthy Basmati rice because we had a vision when we started out - a higher calling that guided us to put our customers and their food at the center of our work.

Built on the foundation of passion and care, as I look back at the last few years at KRBL, I marvel at the changes we have undertaken to transform ourselves to match the changing times. FY22 was another such year, a year of some critical changes and achievements. Another demanding year brought out the best in our people, who played a critical role in helping KRBL move forwards towards its transformation path, while also delivering a strong financial performance. As a business entity, we have transformed from just another rice product manufacturer to an agro-product manufacturer with a keen eye on customer well-being and health. This is the new ideology at KRBL, that runs deep within our culture. During the year under review, we continued to work towards embedding this credo as a practice across the organisation and reinforce it, and building deeper engagement for the organisational values amongst all stakeholders.

## FY22 in retrospect

With the advent of the financial year, the nation witnessed the ravaging impact of the second wave of Covid-19. India's economy and health infrastructure reeled under the severe impact of the virus. It took a series of inspired and coordinated endeavours from the Government of India to reboot the nation. As a responsible corporate entity, we tried to play our part in this fight at the same time ensuring a steady supply of rice and rice products across the length and breadth of the nation.

From the business perspective, it was another challenging year with the global pandemic, disruption to global supply chains and rapidly increasing inflation, all presenting hurdles to progress. We made big demands from our people again this year and it is to their huge credit that they not only helped us sail through the turbulent times but also helped us make commendable progress towards our transformation journey while enabling us to deliver commendable financial performance.

On the performance front, it was kind of mixed year. On the domestic side, we made commendable progress and reported strong growth. KRBL recorded the highest-ever domestic sales in FY22, wherein revenue increased by 32% to close the year at ₹2,759 crores. Backed by our three-pronged approach – enhancement of distribution network, increasing brand penetration and augmenting the portfolio, our brands did exceptionally well in FY22. Shifts in consumer patterns towards more packaged consumption and rising prices towards the end of the fiscal gave us some headwind. KRBL continues to lead the branded basmati rice segment in India with an annual volume market share of 32.5% in general trade and 41.9% in the modern trade.



“Your food is our passion. This purpose has proved to be a powerful motivator for our people and acted as our guide through these uncertain times.”



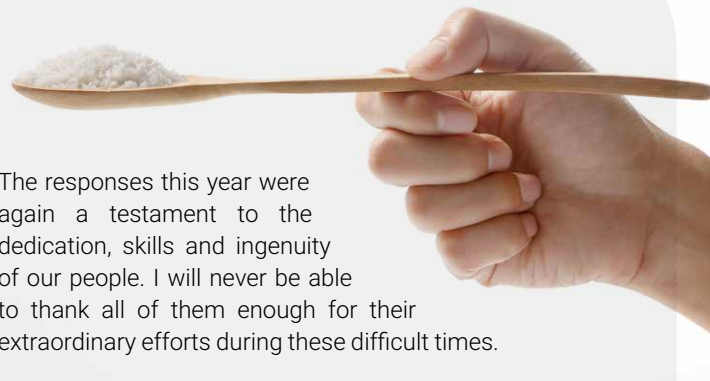
On the export front, our overall exports remained marginally lower in FY22 at ₹1,451 crores, as compared to ₹1,897 crores in the previous year. This was largely on account of the challenges faced in the international markets, resulting in lower sales in some of the key markets. The year was also marked by a sharp increase in international ocean freight rates, a consequence of Covid – 19 pandemic and disruptions in international supply chain.

On a consolidated basis, we reported a total income of ₹4,253 crores during the year as against ₹4,015 crores in FY21 – an increase of 5.9%. However, our margins were impacted marginally due to the raising material costs, energy and fuel costs. But, despite the challenges, the company's liquidity position continued to be strong. As of 31 March 2022, the company had a net debt of ₹(302) crores, thanks to strong internal accruals and prudent working capital management during the year.

## Customer focus

The pandemic also has led to a change in consumer preferences with more inclination towards safe and nutrition rich products. This shift was evident in the growing demand for immune boosters and nutritional products in the market. To cater to these evolving demands, we forayed in the health food segment a few years back. But, during the year, we reinforced our health food segment with the introduction of new products that enrich our portfolio of wholesome value-added rice-based products. Our robust R&D capabilities backed by the longstanding relationship with farmers have been driving us towards developing nutrition rich and easy to pocket products for our consumers for a complete diet.





### Towards a better tomorrow

As we look to the future, we can see the business we have built is well-placed to respond to our consumers wishes to understand where their food comes from, how it is produced, how it is manufactured and packaged and how it is delivered to them. We are a company of great heritage and traditional values, which is exactly what the modern consumer is looking for.

Our connection with farmers and their production systems has been in place for generations. Our manufacturing capabilities help us meet the evolving needs of our customers. Our products and brands are known and trusted, and we continue to develop and deliver products in formats that are convenient and more accessible for our customers.

The history of our organisation and our integrated supply chain, from paddy field to plate, means that we understand the importance of sustainability from an environmental, economic consumer, and community perspective. The performance and priorities of the business in FY22 demonstrate our capacity to be agile, the ability to change, deal with challenges, and recognise opportunities. We believe that this would drive KRBL to a better tomorrow as we see transformation across the rice industry value chain and in our capabilities of delivering sustained value to our customers as well as our stakeholders.

To conclude, I would like to thank our farmers, distributors and customers for their unwavering faith in KRBL. I would also like to thank you, our shareholders, for your continued commitment and support over the years.

Stay Safe. Stay Healthy.

Anil Kumar Mittal  
Chairman and Managing Director



### Growth focused

Turning to this year's results, what really stands out is the continued strong growth of our branded domestic business, which is the heart of the new KRBL. This reflects a sustained period of investment in capabilities and people, and in building a management team focused on growth. As well as delivering strong organic growth, I'm pleased with the steps we are taking to grow by brownfield expansions. The integration of the data insights into our day-to-day and critical business decisions is also likely to emerge as a critical enabler of growth. Further, focus on the value-added, ready-to-eat and non-basmati products is important as they expand our business and presence in the higher growth international markets, and add new products to our portfolio to support our customer solutions offering.

### Building a purposeful business

Your food is our passion. This purpose has proved to be a powerful motivator for our people and acted as our guide through these uncertain times. It has been inspiring to see how all our people have come together to live by our purpose over the past year, whether through projects that support people's mental and physical health, working with local communities to feed people in need, or initiatives that protect and improve the environment in the areas where we operate. It was no surprise that, with such a dedicated and hardworking workforce, we would continue to ingrain a healthy future for our customers, stakeholders, and mother nature.

On the environment, energy, and water conservation, most of our plants have progressed to emerge as the pioneer and trend setter amongst our Indian peers and in the coming years we would continue to emphasise on bolstering our ESG performance just like we do for our business performance.

### Thank you to our employees

At the end of another challenging year, I am proud of how our people have continued to respond to the many challenges presented by Covid-19, whilst at the same time taking action and seizing opportunities for our future. The strength of our culture shone through, and our operating model of devolved decision making to each business and market enabled us to respond very quickly and appropriately to local challenges.

under Project Disha and successfully tested the new system. We plan to roll out the same in the domestic market in FY23. All these initiatives are in line with the Company's vision to emerge as more digitally enabled and data driven business entity. Currently, a number of these initiatives are at their integrating stage with our core systems. Thus, we expect to see the benefits of these initiatives in the coming years. The pandemic has continued to pose immense challenges for our people and the communities where we operate. But it has also taught us some lessons that we are keen to retain in the years ahead. As a proactive business entity, we are planning to operate more nimbly and flexibly backed by a greater use of technology across our different business functions.

Our priority is always to invest in our businesses, both organically and by acquisition, at an appropriate pace and wherever attractive returns on capital can be generated. Seeing opportunity in the agro products business, we ventured in the production value-added products such as rice bran oil and rice based ready-to-eat products in the last couple of years. To further augment our capabilities, we embarked on the setting up of new brownfield manufacturing and state-of-the-art warehousing and packaging units at Kandla, Bhopal, and Karnataka. We are at various stages of progress for all the three units and plan to commence the construction work soon. Funded majorly through internal accruals, we expect these units to be operation over the next couple of years and are likely to bolster our presence in the international and domestic markets in the value-added and non-basmati rice segment.

### Foraying into newer geographies

In the year under review, we emphasised on growing our international presence, and I am happy to inform that we forayed into new geographies and strengthened our non-basmati product proposition by introducing them in these markets. Countries such as Bangladesh, China, Sri Lanka and Vietnam have emerged as new potential markets for the Indian players. China emerged as one of the largest markets for Indian non-basmati rice, and KRBL was one of the few companies with the requisite government approvals to export products to China. We entered the Chinese market with a bouquet of basmati and non-basmati rice products, and, thanks to our globally renowned brand image, have been able to garner a commendable market share in the region.

We also revved up our marketing strategy to promulgate the benefits of our newly added healthy products. Our targeted marketing approach employing the mix of traditional as well as digital has helped us create a strong brand value for the Company. The strategy has been designed in a way that it perfectly amalgamates best practices of both agri-product company at the backend and a FMCG company at the frontend. Our iconic brand 'India Gate' continued to gain traction in the market, while our other brands 'Unity' and 'Nur Jahan' continued to capture the heart of the people among the targeted group of consumers. Furthermore, we continued towards the evolution of our portfolio with the introduction of new value-added and ready-to-eat products, among others, keeping the consumers and their evolving needs at the core.

### Unlocking opportunities

At strategic levels, we have been evaluating our systems and process to remove bottlenecks, strengthen our cost competitiveness and de-risk our business to realise better value for our consumers and business. As part of our plan, during the year, we undertook several process and system improvement initiatives with a focus on our cost rationalisation to enhance our sustainability and enhance cost saving. We also focused on adopting and implementing new technologies across our business functions, in line with our long-term growth strategy. We also worked towards strengthening our distribution model both in the international and domestic market. Further, we worked on revamping our supply chain management systems to suit the current situation and prepare for the new normal. As the supply chain emerged to be an area of concern, we focused on unlocking productivity upgrades and enhance cost efficiency. Our teams worked relentlessly to explore opportunities and transform processes to make them more technologically driven. Interventions in the supply chain, such as implementation of Hub and Spoke model in strategic geographies, is expected to help us reduce our lead times to market and will greatly enhance our presence.

We worked on digitising and automation of our procurement, packing and logistics management system during the year. Further, we completed the development of our new Distributor Management System (DMS)



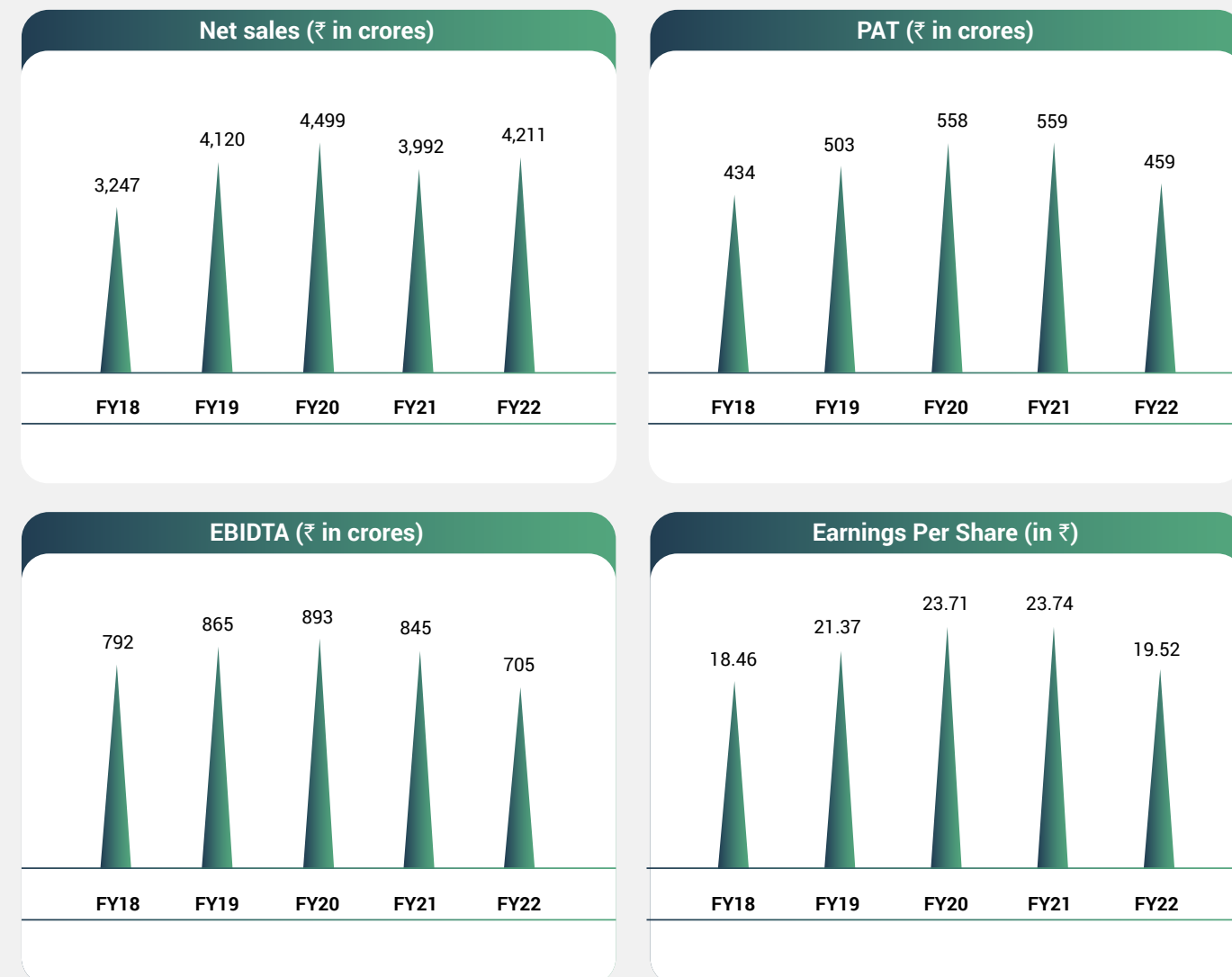


# OUR COMMITMENT TO VALUE CREATION

## NUMBERS DEPICTING OUR GROWTH STORY

Driven by our commitment to grow together, we delivered on our promises in FY22 and recorded another year of commendable growth.

### PROFIT AND LOSS INDICATORS



### BALANCE SHEET INDICATORS

