KRBL Limited

ANNUAL REPORT 2011-12

Measuring the Happiness Index

Contents

Corporate Information

Board of Directors

Chairman & Managing Director

Mr. Anil Kumar Mittal

Joint Managing Directors

Mr. Arun Kumar Gupta

Mr. Anoop Kumar Gupta

Directors

Mr. Vinod Ahuja

Mr. Shyam Arora

Mr. Ashok Chand

Mr. Ashwani Dua

Dr. N. K. Gupta

Mr. Gautam Khaitan

Ms. Priyanka Mittal

Chief Finacial Officer

Mr. Rakesh Mehrotra

Auditors

M/s. Vinod Kumar Bindal & Co.
Chartered Accountants
Shiv Shushil Bhawan
D-219, Vivek Vihar, Phase-I
New Delhi - 110095

Cost Auditors

M/s HMVN & Associates
Cost Accountants
31, Community Centre Ashok Vihar,
Delhi – 110052

Registered Office

5190, Lahori Gate,
Delhi - 110006

Corporate Office

9th mile stone,
Post Dujana Bulandshahar Road Distt.
Gautambudh Nagar-203207, U.P.

Bankers

State Bank of India

The Hongkong & Shanghai Banking Corporation Limited.

DBS Bank Limited

ICICI Bank Limited

HDFC Bank Limited

Standard Chartered Bank

State Bank of Bikaner and Jaipur

Kotak Mahindra Bank Limited

Corporation Bank Limited

State Bank of Travancore

Yes Bank Limited

IndusInd Bank Limited

Oriental Bank of Commerce

Karnataka Bank Limited

Works

Ghaziabad Factory

9th Milestone, Post Dujana
Bulandshahar Road
Distt. Gautam Budh Nagar - 203207, U.P.

Dhuri Factory

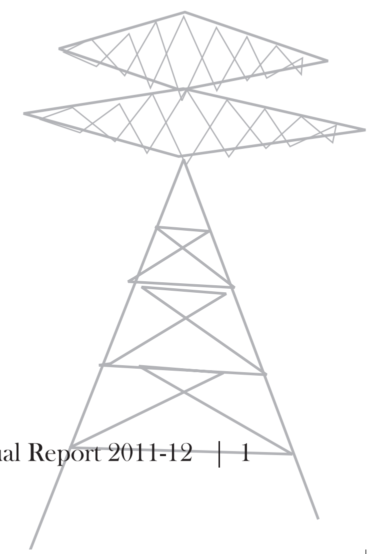
Village Bhasaur (Dhuri)
Distt. Sangrur - 148 024, Punjab

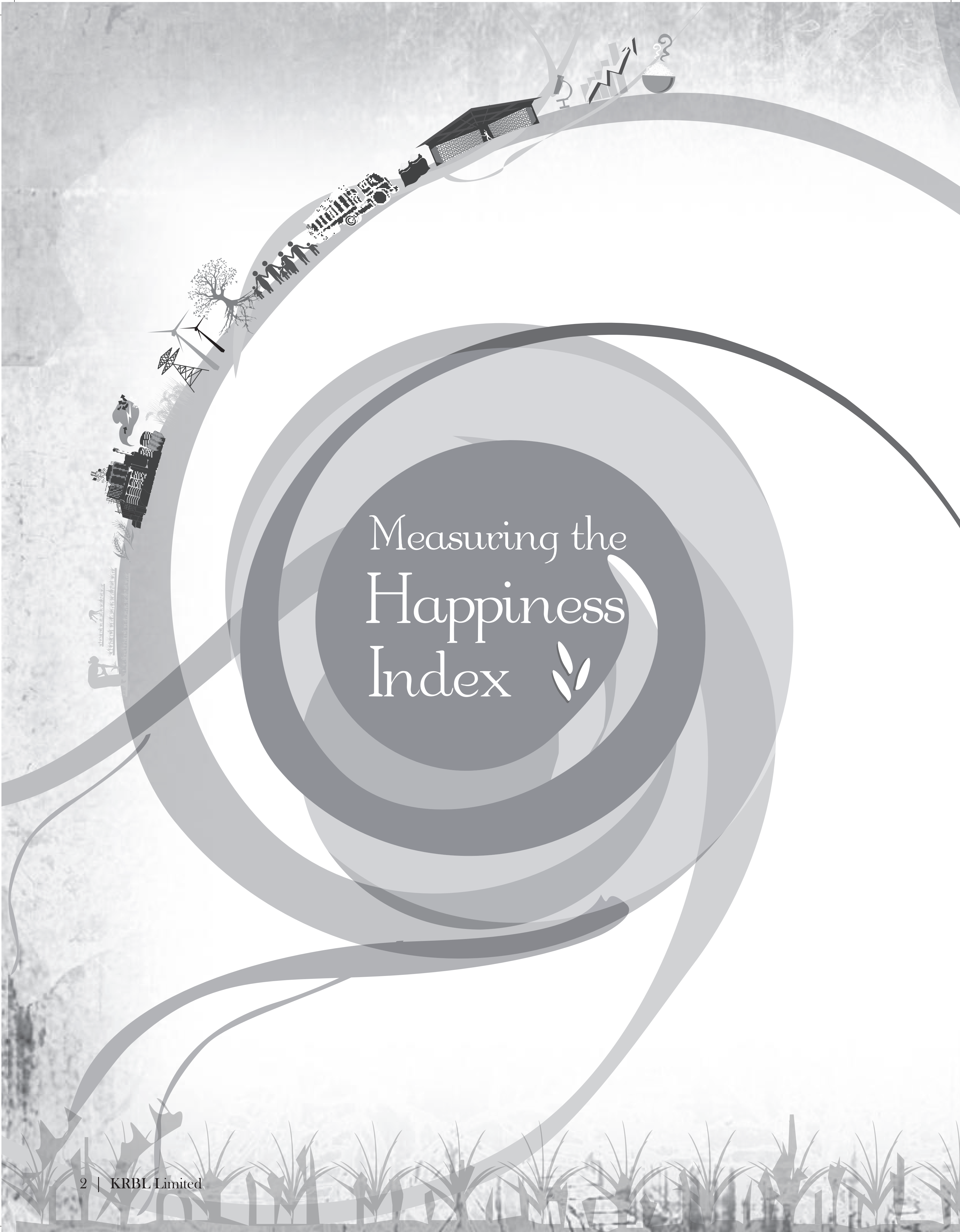
Alipur Unit 1

29/ 15-29/ 16, Village Jindpur
G. T. Karnal Road, Alipur,
Delhi - 110036

Alipur Unit 2

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





Measuring the Happiness Index

No longer an intangible emotion. No more just a value to be nurtured on a personal basis alone. Happiness is today a core concept for corporates as well as nations, a tangible and measurable goal for growth and advancement.

So what is this concept of `happiness’? And how does one measure it?

Are we talking about happy people, happy customers or happy investors? Or is it an all encompassing concept that spans each of these segments, and more? Are we referring to `happy’ employees generating greater productivity to bring about an overall sense of well-being? And can it ever be considered a vital measure of a nation’s economy?

These are questions we are trying to explore as we chart a roadmap for our future. And in whose answers we are looking for the yardstick by which we can measure the degree of happiness we are extending to each of our stakeholders.

The Happiness index is our way of measuring our impact on the society and the extent of our success. How happy have we made our customers? What is our contribution to the happiness of our farmer families? How do we positively impact the lives of our employees and engender happiness? How happy are our stakeholders? What is the impact that we have made in the communities that we work within?

We believe that money can buy the material things of life, but, love, belonging, self esteem, and the happiness that occurs with self actualisation, are the higher echelons of our well being. We believe in fostering happiness amongst our stakeholder segments as much as we believe in rewarding them financially.

Our purpose is not merely to be the largest, but also be the actuator of the highest level of happiness.

We believe that when we make others happy, we are contributing to our own happiness.

This then is our story ....

Measuring the Happiness Index.

Management Discussion & Analysis

ECONOMIC OVERVIEW

Amidst the tumultuous global socio-economic climate in 2011-12, India delivered a commendable economic growth of 6.9%. Although this was lower than the previous two years' performances of 8.4% each, and certainly below estimates of close to 9%, it is still strong and India continues to be one of the front runners of global economic growth. The Indian growth story was led by positive movement in the services sector, which grew at 9.4%. Agriculture contributed with a significant 2.5% growth, while industry reported a 3.9% growth rate.

In the year under review, the agriculture sector came in for praise from the Indian Finance Minister in the introductory remarks of his budget speech 2012-13, as he explained how a decline in food inflation, which fell from 20.2% in February 2010 to a negative figure in January 2012, helped to tame overall inflation.

In FY 2012-13, however, the economic outlook and inflation have turned precarious again due to deficient rainfall and deterioration in the situation in Europe. These factors can be expected to push inflation upwards again and economic growth downwards. Consequently, CRISIL Research, "The focus on agriculture was evident in the budget allocation for this sector, as the total Plan outlay for agriculture and cooperation was increased by 18% from ₹ 17,123 Crore in 2011-12 to ₹ 20,208 Crore in 2012-13"

India's largest independent research house, has reduced its estimate for India's real GDP growth for 2012-13 to 5.5% from its June estimate of 6.5%. Side by side, it has revised its average inflation (WPI) forecast for 2012-13 upwards to 8.0% to capture the impact of deficient monsoons on food inflation.

Nevertheless, the focus on agriculture will remain. In the budget 2012-13, the total Plan outlay for agriculture and cooperation was increased by 18% from ₹ 17,123 Crore in 2011-12 to ₹ 20,208 Crore for 2012-13. Encouraged by the programme's success, the finance ministry also increased allocation for the "Bringing Green Revolution in Eastern India" (BGREI) scheme to ₹ 1,000 Crore, the programme enabled an additional paddy production of 7 Million Tonnes during the Kharif season of the 2011-12 crop year.

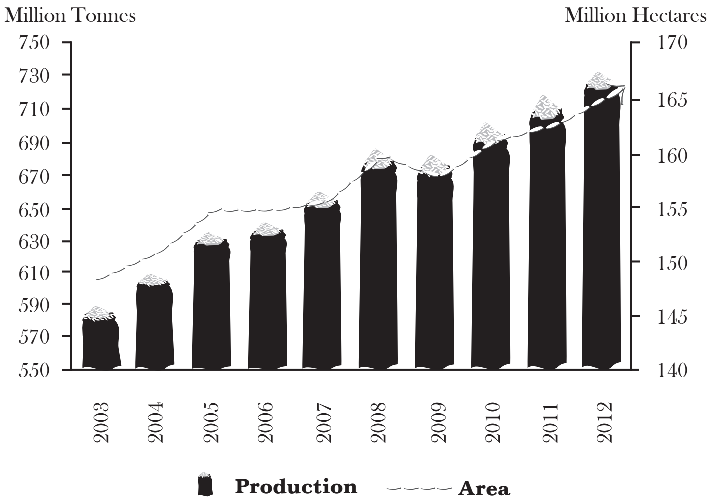
The government thrust on agriculture extended to other aspects of the sector, with allocation to the Rashtriya Krishi Vikas Yojna (RKVY) being increased by 17% to ₹ 9,217 Crore. Acknowledging the need for farmers to have timely access to affordable credit, the Finance Minister also raised the target for agricultural credit in 2012-13 to ₹ 5,75,000 Crore from ₹ 4,75,000 Crore in the previous budget.

These initiatives are aimed at further strengthening the prospects of the agriculture sector and enabling it to contribute more significantly to India's growth in the future.

GLOBAL RICE OVERVIEW

According to the July 2012 issue of the Rice Market Monitor, released by the Food and Agriculture Organization of the United Nations, the global production of paddy for 2012 is expected to reach 724.5 Million Tonnes (483.1 Million Tonnes on a milled basis). This downward revision of 7.8 Million Tonnes, from the Organisation's April 2012 forecast of 732.3 Million Tonnes (488.2 Million Tonnes on a milled basis), is largely due to a 22% lower-than-average monsoon rainfall in India through mid-July, which will have a negative impact on output. The report also said that production forecasts for Cambodia, the Chinese Province of Taiwan, the Democratic People's Republic of Korea, the Republic of Korea and Nepal were also expected to be lower in 2012.

GLOBAL PADDY PRODUCTION AND AREA



Nevertheless, world output is still likely to be higher than its level in 2011. Asia still accounts for a bulk of production, with FAO predicting a 657 Million Tonnes crop in 2012. This will mark a 0.4% increase over the region's 2011 performance, which itself was quite robust. Production gains are expected in Mainland China, Indonesia, Thailand and several other countries in Asia. Africa is likely to achieve a 3% increase in production and Australia could reap a rich rice harvest that is 32% higher than last year. Some South American nations, such as Bolivia, Colombia, Guyana, Peru and Venezuela, show good production prospects while others like Brazil, Argentina, Paraguay and Uruguay threaten a 7% decrease in production due to poor precipitation and shifts towards more remunerative products.

"Overall, rice inventories across the globe are expected to be 164.5 Million Tonnes (milled basis) for the marketing year 2012-2013"

On the pricing front, the scenario has been positive as the pricing dynamics have been further impacted by government policies in India and Thailand – two of the major players in the overall rice market. Prices were on the upswing since June 2011 due to tightening in the market and the announcement of a new (higher) price policy by Thailand. Prices were also pushed upwards due to concerns that floods in Southeast Asia would impact export availability and shipping logistics. However, International prices began easing once India relaxed its ban on exports of non-Basmati Rice in September 2011. The ban, which was imposed in 2007 to ensure adequate availability for domestic consumption, became redundant due to consecutive years of good rice crops and more than adequate rice stocks. India's resumption of rice exports reduced the impact of Thailand's higher price policy and by April 2012, all varieties of rice witnessed a substantial drop in prices, with an overall fall of 10%.

Notwithstanding the improved pricing in the latter part of the year, global rice trade is estimated to decrease by 1 Million Tonnes to 34.2 Million Tonnes. This is primarily due to lower import demand from Asian countries. While Thailand and Vietnam are still expected to remain the largest and second largest exporters of rice, in that order, Thailand may witness some contraction in sales due to its new and uncompetitive pricing policy, while Vietnam's deliveries remain unchanged. India, on the other hand, is expected to witness an expansion in sales due to shift in its policies, making it the third largest source of rice trade, ahead of Pakistan and the United States. Argentina, Brazil, China (Mainland), Myanmar, Uruguay and Viet Nam are also expected to ship less rice.

Overall, rice inventories across the globe are expected to be 164.5 Million Tonnes (milled basis) for the marketing year 2012-2013. This is an upward revision by 200,000 Tonnes and a 9 Million Tonnes increase over the previous year's figure. It marks the eighth consecutive season for which there will be stock accumulation.

Source: Rice Market Monitor – July 2012 and Food Outlook-Global Market Analysis – May 2012 and November 2011, Food and Agriculture Organisation (FAO), United Nations

INDIAN RICE OVERVIEW

Good weather conditions and a sufficient and well distributed monsoon in 2011 resulted in a higher kharif rice crop in the major rice belts of the country, which include the western coastal strip, the eastern coastal strip, all the primary deltas, the Assam plains and surrounding low hills, foothills and the Terai region.

Accordingly India produced a record 103 Million Tonnes of Rice in the crop year 2011-12. This was 8% more than the produce delivered last year. Of this 103 Million Tonnes, 5 Million Tonnes were Basmati Rice.

However, consumption of rice is forecast to rise to only 98 Million Tonnes from a projected 96 Million Tonnes in the previous year. As a result, India is likely to have a production surplus of about 4 Million Tonnes of rice in 2011-12. This surplus will add to India's already bulging stock piles of about 30 Million Tonnes of rice which have accumulated due to three consecutive bumper harvests and a limited scope for export.

(Source: http://oryza.com/Rice-News/14678.html)

During the current year, however, the outlook may change as the IMD has officially signalled a deficient monsoon for the year. The Department pointed out that the progress of the monsoon between June 1 and 31st July, 2012 with a total of 374.1 mm of rainfall (as compared to a normal of 461.7 mm) was unsatisfactory as it indicated a 19% deficit. On the upside, a research report - Agri Outlook: August 2012, from the rating and research organisation CARE, have indicated that problems could emerge in case of food grains where area under cultivation is lower than the normal.

INDIA - RICE TRADE

2011-12 was a good year for the rice industry. The Government of India allowed the export of common grades of rice to resume in September 2011, lifting curbs that were in place since 2007. These curbs were withdrawn due to consecutive years of surplus rice production and bulging stock figures, without any commensurate improvement in storage facilities. The lifting of the ban caused the exports to surge.

The bumper crop in 2011-12 also boosted India's rice trade. India's crop figures compared very favourably with other rice-exporting countries, most of which saw weak production during the year. The weakening Rupee further augmented India's share in global rice trade, having a positive impact on rice exports.

Propelled by these factors, the International Grains Council (IGC) expects that India's rice exports will grow to around 5 Million Tonnes in 2012, an increase of around 32% year-on-year.

(Source: http://oryza.com/Rice-News/14162.html)

An additional factor expected to boost India's Global competitiveness, especially in Basmati trading, is the removal of the Minimum Export Price (MEP) on Basmati Rice in early July 2012. While the more premium basmati exporters, who have been selling their grains at $1,055 -$1,065 per tonne FOB may not benefit, those selling lower grades (which fetch prices below the erstwhile MEP of $700) are likely to see their sales increase. According to industry officials, the annual basmati exports from India could rise by as much as 10% in 2012 -13 to reach a record figure of 3.5 Million Tonnes due to the removal of the floor price for overseas sales of basmati grains.

Source: APEDA, CRISIL Research,

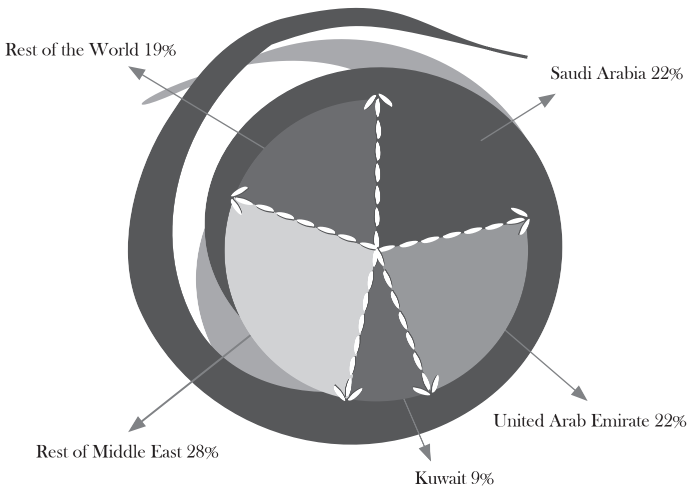
Three Year Export Statement of APEDA Products

Value in ₹ Lacs Qty in MT

Product	2009-10		2010-11		2011-12 (Provisional)	
	Quantity	Value	Quantity	Value	Quantity	Value
Basmati Rice	20,16,775	10,88,913	21,83,502	10,57,868	32,11,801	15,45,045
Non Basmati Rice	1,39,541	36,530	99,287	22,221	40,99,000	8,66,819
Wheat	47	6	347	60	7,41,188	1,02,380
Other Cereals	29,24,468	2,97,309	31,89,814	3,60,444	40,72,369	5,47,921
Total	50,80,831	14,22,758	54,72,950	14,40,593	1,21,24,358	30,62,165

(Source: APEDA Rice Monitor, Aug 2012)

Export Destinations for Indian Basmati Rice (FY12)



INDUSTRY OVERVIEW – BASMATI RICE

Basmati, one of the most expensive varieties of rice in the world, is a premium long-grain fine-textured rice. A Geographical Indication (GI) product, this aromatic grain is grown only in certain parts of India and Pakistan due to conducive agro-climatic and soil conditions. It is estimated that 70% of global Basmati Rice is produced in India and the balance in Pakistan. While India exports approximately 3.2 Million Tonnes of Basmati Rice per annum, Pakistan exports much less at 1.2 Million Tonnes. India enjoys a structural advantage as it exports a variety of Basmati called PUSA 1121, which is superior and preferred to Pakistan's 'Super' variety.

The demand for this product is global and has risen steadily over the years. Spurred by changing lifestyle and eating habits, consumption of Basmati around the world grew at a CAGR of around 27% between 2008-09 and 2011-12. The demand from conventional rice consuming regions such as Asia and the Middle East is rising steadily and new consumption centres are springing up in Europe and the Americas. In spite of these spectacular growth figures, there is substantial scope for more growth as Basmati Rice currently accounts for only 1% of the total global consumption of rice. The surge in global demand for Basmati, which continues to outpace supply, shall result in a greater price premium for the commodity, going ahead.

INDIAN OVERVIEW- BASMATI RICE

India produced more than 7.5 million tonnes of Basmati Rice in 2011-12, registering an increase of 15.3% over 2010-11. Punjab has major share in Basmati Rice production while other states where it is grown includes Western Uttar Pradesh, Haryana, Uttranchal and Plains of Jammu.

Due to its up-market nature, Basmati Rice is not subject to strict regulations that are put on normal rice, which is the common man's food. This, coupled with change in lifestyles & consumption and a growing middle class population with increased spending power, encourages the growth and commercial progress of the Basmati sector. Given this scenario, domestic Basmati consumption is expected to grow significantly over the next few years.

Notwithstanding growth in consumption, the price of Basmati came under pressure during the year due to a combination of increased inventory from 2010-11 and a greater amount of acreage under rice in 2011-12. However, prices started to pick up again as exports to Iran recommenced through the bilateral payment mechanism, wherein Indian Basmati exporters will receive payment from Iranian buyers in Indian Rupees.

The Middle Eastern countries, particularly Saudi Arabia, UAE and Iran, constitute the biggest markets for Indian Basmati Rice. Export of Basmati from India has increased significantly in recent years due to bumper local harvests, strong demand from the Gulf and Middle East countries

Indian Exports Statistics (Basmati Rice)

Value in ₹ Lacs Qty in MT

	2009-10		2010-11		2011-12 (Provisional)	
	Quantity	Value	Quantity	Value	Quantity	Value
Saudi Arabia	6,40,404	2,39,547	5,73,542	2,90,117	7,21,246	3,38,088
United Arab Emirates	6,16,125	3,09,465	6,11,165	2,72,562	7,29,289	3,43,496
Kuwait	1,93,474	1,03,014	1,59,565	1,01,724	1,99,869	1,36,292
Rest of Middle East	4,70,549	2,58,815	5,84,665	2,65,827	9,22,988	4,29,724
Rest of the World	1,50,223	88,071	2,54,565	1,27,637	6,38,409	2,97,445
Total	20,16,775	10,88,913	21,83,502	10,57,868	32,11,801	15,45,045

(Source: APEDA Rice Monitor, Aug. 2012)

and a nascent demand from markets in the US, Europe and Australia. According to a CRISIL's IER April 2012, export of Indian Basmati Rice, in volumes, has grown at a CAGR of approximately 12% between 1999-2000 and 2010-2011, while in value terms it has grown at a CAGR of 18% to ₹ 106 Billion from ₹ 17 Billion during the same period.

Recent years have seen Iran emerge as the fastest growing buyer for Indian Basmati, with exports to the Middle Eastern nation rising from 170,947 Tonnes in 2008-09 to 420,403 Tonnes in 2010-11. However, 2011-12 saw a dip due to sanctions imposed on Iran by the UN, the US and the EU, as a result of which Iran-based importers were unable to make US dollar payments for consignments of Basmati Rice. In December 2010, the Reserve Bank (RBI) withdrew the Asian Clearing Union (ACU) mechanism under which payments were made to Iran.

This adversely impacted Basmati exports from India. The impasse was resolved in February 2012, when the government introduced a Rupee payment mechanism through UCO Bank. Under the new arrangement, India will provide incentives for those exports to Iran on which payment is made in Rupees. This paved the way for Iran to resume import of Basmati Rice from India.

Iraq is another Middle Eastern country which saw a plunge in Indian Basmati import during the year. The total export of rice to Iraq amounted to merely $760 Million, while imports, predominantly oil, amounted to $9 Billion. As a result, export of Basmati to Iraq is now well covered by imports.

"Recent years have seen Iran emerge as the fastest growing buyer for Indian Basmati, with exports to the Middle Eastern nation rising from 170,947 Tonnes in 2008-09 to 420,403 Tonnes in 2010-11"

COMPANY OVERVIEW

KRBL has the distinction of being not only the world's largest rice miller but also the largest exporter of Basmati Rice. Known for its branded Basmati Rice, KRBL is in the business of grain marketing and agro processing. Having come a long way since its inception in 1889, KRBL is today a fully integrated player, generating other value-added by-products like bran oil, de-oiled cakes, and using rice husks for captive power plants.

The Company has a modern processing unit and two state-of-the-art facilities – a 150 acre facility in Dhuri, Punjab, and another at Ghaziabad, Uttar Pradesh, spread over 120 acres. Together, these plants have the capacity to process 195 MT of grains per hour. A warehouse capacity of 2 Million sq. ft. helps store Basmati for ageing as well as for storage of Basmati finished products.

With the philosophy of maintaining quality 'right from the seed to the consumer's plate', the Company has created a niche for its Basmati not just in India but worldwide. An apt testimony, "India Gate", the Company's flagship brand, accounts for almost 40% of the Company's Basmati sales despite being the most expensive brand of rice across the globe. Besides India Gate, the Company has a wide portfolio of flourishing brands in the Basmati segment, such as Bemisal, Aarti, Doon, Noorjahan, Indian Farm and Lotus, which are sold in India and Asia, the Middle East, Europe, the US, Canada and Africa.

As a conscious marketing strategy, KRBL caters to consumers across all price segments, with its product prices varying from ₹ 30 per kg to ₹ 149 per kg. Internationally, it has a strong distribution network of 40 distributors, of which 14 are in the Middle East, the world's largest market for Basmati Rice. Within the country, KRBL has 520 nation-wide distributors, who supply their produce through more than 580,000 retailers.

With a great belief in collaborative partnerships, the Company has a strong R&D department which works hand in hand with farmers, providing them with high yielding variety seeds to ensure a better return on their investments. This has transformed the lives of 85,000 farmers and their families, and the Company continues to engage more and more farmers every year in this initiative.

KRBL's energy division, which is in the business of commercial sale of power, has grown quickly over the past few years and today, the Company's energy portfolio consists of bio-mass and wind power projects, with a total capacity of 55.6 MW. Looking ahead, KRBL expects to expand its installed capacity by 4-5 MW every year for the next three to four years.

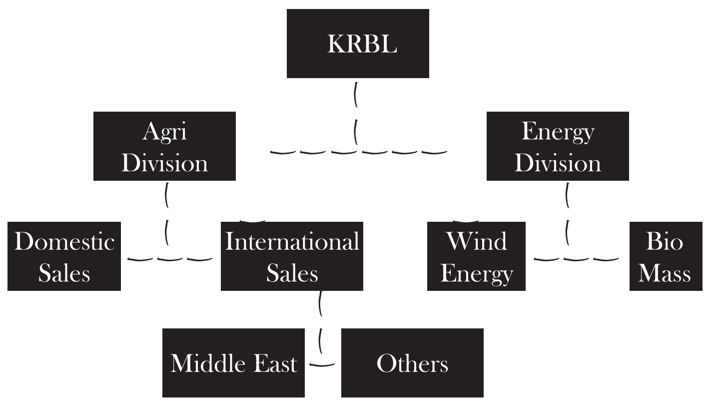
YEAR 2011-2012

Key Highlights

- Rice export sales increased by nearly 35% in 2011-2012, to ₹ 854.39 Crore, as compared to ₹ 640.25 Crore in the previous year.
- Power sales went up by 32.55% over the previous fiscal.
- Sale of power contributes Cash profit of ₹ 32.87 Crore, which constitutes 28% of total cash profit of the Company.
- Revenue from operations increased by 5.62% as compared to the previous year.
- Added Rice based Glucose as new kitty in product basket.
- Sale of premium brands, such as India Gate Classic, India Gate Super, India Gate White Organic, India Gate Golden and Doon Premium, grew attractively. Premium brands commanded realizations in excess of 35% over peer brands in the industry.
- Added 6.60 MW of windmill capacity in the year under review.
- Average Export realization of Basmati Rice stood at ₹ 58,423 per tonne in 2011-12 as against industry average of ₹ 49,636 per tonne.
- Average Export realization of non Basmati Rice is ₹ 23,335 per tonne in 2011-12 as against industry average of ₹ 21,440 per tonne.
- Average domestic realization of Basmati Rice was ₹ 32,480 per tonne in 2011-12.
- Sale of "India Gate", the flagship brand of the Company, accounted for 40% of total domestic rice sales in 2011-12.
- Launched various variants, namely India Gate-Sona Massori, IG Mini Dubar, IG White Sella Mini Dubar, Bemisal Dubar, Bemisal Tibar.

Sale of "India Gate", the flagship brand of the Company, accounted for 40% of total domestic rice sales in 2011-12

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE



Agri Division

The Indian Agriculture Sector is largely dependent on the monsoons. This year, with the monsoon behaving unpredictably and amid forecast of a shortfall in rain, the outlook for the paddy harvest may be impacted.

In an effort to insulate itself from the vagaries of the monsoon to the extent possible, the Company has undertaken a number of initiatives to increase the yield and quality of paddy. The KRBL management has instituted practices at all levels to ensure top quality final products. Right from farming at the grass-root level to milling and processing, the Company is continuously working to ensure better productivity and cost efficiency.

It interacts regularly with farmers to educate them about better quality seeds and farming techniques; it is also regularly upgrading and enhancing its processing and milling capacities and utilisation levels; strengthening R&D and building upstream and downstream partnerships.

Ageing being a critical component of good quality Basmati, world-class storage and warehousing capacities are important for ensuring adequate ageing of rice to enable it to command a premium. Cognizant of this need, the Company continuously strives to enhance its logistics, storage and warehouse capacities by investing in and upgrading them from time to time.

As a result of all these initiatives, KRBL's flagship brand - 'India Gate' - commands a significant premium over most other brands in the industry and accounts for almost 40% of its domestic revenues.

Energy Division

KRBL's foray into commercial power generation marked a giant leap in its forward integration plans. The Company leveraged its experience in captive power generation to harness the sector opportunity arising from the mammoth power deficit in the country and effectively utilise the husk produced in the processing of paddy into rice. On an average, approximately 22% of the grain results in husk, which forms a primary source of fuel for bio-power generation.

The power business continues to grow year on year and currently KRBL's energy division has a generation capacity of 55.6 MW. Of this, 12.8 MW is being used for captive purposes and the rest is sold on a commercial basis to state utilities. The Company has the advantage of having small projects spread across different states all over the country. This insulates KRBL from the risk of geographic concentration. Further, all the plants qualify as renewable energy plants as they are either bio-mass based or use wind energy.

Plant	Type	Total capacity (MW)	Captive (MW)
Dhuri	Bio-mass	12.3	9.3
Ghaziabad	Bio-mass	3.5	3.5
Maharashtra	Wind	12.5	-
Rajasthan	Wind	8.1	-
Tamil Nadu	Wind	8.1	-
Karnataka	Wind	11.1	-
Total		55.6	12.8

Having become self sufficient in captive requirements, the Company's thrust on wind energy (39.8 MW) is now purely from a commercial perspective. Bio-mass accounts for 15.8 MW production. The Company's power plants are strategically located in Punjab, Uttar Pradesh, Rajasthan, Maharashtra, Tamil Nadu and Karnataka.

KRBL's Generation Capacity

KRBL's Energy division provides a secure stream of income as state utilities in India have a renewable energy purchase obligation of around 5-8% of their power purchase requirement. Since most of KRBL's commercial power is locked into long-term agreements, the Company's off-take risk is minimal. Further, as renewable energy plants fall under the 'must run' category, the Company gets preference in power procurement by state utilities.

In revenue terms, the Company's Energy division contributes around 2% to its overall revenue yet it contribute 28% of Cash Profit of the Company. Additionally, the Company earns through the carbon credits that it is entitled to on account of the fact that its plants at Ghaziabad, Uttar Pradesh run on bio-mass. These carbon credits are valued at ₹ 4.5 Million.

During 2011-12, the Company set up 6.60 MW, and is planning to set up another 4-5 MW of wind generation capacity, which will deliver tax benefits in the coming years. This will take the Company's total wind energy capacity to around 44.80 MW, and the overall capacity of its power plants to around 60.60 MW.

RESEARCH AND DEVELOPMENT

With a conscious effort to develop expertise not just in milling, packaging and marketing but all along the value chain, the Company has gone right to the beginning of the value chain – development of quality seeds for the farmers to cultivate. The Management believes that 'paddy is only as good as the seed from which it comes'. As a natural corollary, the Company has acknowledged the relevance of R&D to delivering quality, and thereby premium grains.

KRBL has aggressively invested in R&D, setting up a seed farm and a product testing centre with a 4 MT per hour seed grading plant. Creating an environment of inclusiveness, the Company continuously shares its key R&D insights with farmers in an effort to improve their cropping techniques, the variety of seeds, scientific know-how and pre and post harvesting techniques, thereby helping them improve yield. The Company has also tied up with machine manufacturers like Buhler of Germany, the world's leading rice milling manufacturer, to bring out process and machine improvements.

A pioneer of the premium Pusa-1121 seed variety, the Company is also continuously developing better varieties of seeds through its modern know-how and technology.

The focus on R&D to further improve seed variety shall continue in the coming years.

FARMER RELATIONS AND PROCUREMENT

KRBL's belief in collaborative success has delivered sterling results over the years. This focus continued during the year under review with the Company continuing to expand its farmer base under the contact farming concept it pioneered more than a decade ago. The Company's expanding farmer base ensures uninterrupted procurement of paddy. At the end of 31st March, 2012, the Company's contact farming initiatives covered 85,000 farmers and 2,40,000 acres of land across the rice growing states of Uttar Pradesh, Uttarakhand, Punjab and Haryana. With the Company providing farmers access to competitive and modern technologies, thereby improving their crop quality and productivity, the system has proved beneficial to both, the farmers and KRBL.

MANUFACTURING CAPABILITIES

The Company's ranking as the largest Basmati Rice miller in the world is directly linked to its two state-of-the-art manufacturing units and one processing unit, with a total capacity of 195 MT/hr. The Company's Dhuri plant in Punjab, the world's largest fully integrated rice milling plant, has a capacity of 150 MT/hr, while its Ghaziabad plant in Uttar Pradesh has a capacity of 45 MT/hr. While Ghaziabad Plant is running it full capacity and Company is striving to enhance its capacity utilisation of Dhuri Plant to 50% in the coming fiscal from the current 35%. This, coupled with operational efficiencies, will positively impact the EBIDTA margins, going ahead. At full capacity, the Dhuri plant is utilising12% of rice produced in Punjab.

Plant Location	Function	Production Capacity (MT/hr)	Grading & Packing Capacity (MT/hr)
Ghaziabad (U.P.)	Rice Processing	45	30
Dhuri (Pubjab)	Rice Processing	150	50
Delhi	Grading	-	30

STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

Strengths

- Extensive storage and warehousing capabilities which serve as facilities for both ageing of grain and storage of finished goods - With ageing being a sine quo non for premium quality Basmati, the Company has focused on regular expansion and improvement of its storage facilities, which has been made possible by its strong financial position. This has translated into premium grains which consistently command a price that is higher than the industry average. This, in turn, has resulted in profitability, completing a virtuous cycle.

- Conservative yet progressive Management team with around three decades of experience and expertise in the Indian rice industry - This has enabled continuous growth and progress of KRBL, the world's largest rice millers and Basmati Rice exporters.

- Control over quality of the product across the value chain – As India's first fully integrated rice Company, KRBL leads the rice market at every stage.

- Well established and dependable relations with farmers - This ensures consistent quality of paddy and reliable supply.

- Growing captive power generation capacity - Comprising a mix of windmill and bio-mass power generation.

- Dedicated focus on R&D - This enables greater productivity and cost efficiency.

- Robust manufacturing capacities and enhanced utilisation levels - These can be expected to boost profitability, going ahead.

- Well established brand positioning, equity, popularity and loyalty - In both the International and Domestic branded Basmati markets. Largest branded Basmati Rice player in the biggest International market of Saudi Arabia.

- Marketing network - To deliver the Company's products to retail outlets in towns and cities across the country. Excellent collaborations with global retail chains constantly enhance brand visibility; this has resulted in large and growing presence in the retail segment in both domestic and International markets.

- Leadership position in the Indian Basmati industry and significant player in the non-Basmati segment.

Weaknesses

The Company's success is directly linked to adequate monsoons. Although the Company has been developing seeds that require less water for cultivation, crops are still prone to the vagaries of the weather.

Another factor that could impact crops is plant disease, which can result in crop failures and reduced harvests.

Opportunities

- Rice continues to be the staple food consumed by more than half the world's population. Going ahead, its importance in consumers' diet is expected to increase even more.

- Domestically as well as Internationally, consumers have become more discerning when it comes to taste, flavour and aroma of the rice they consume. With an improvement in the standard of living, a growing middle class and changing consumption lifestyles, the demand for Basmati Rice has been growing at a scorching rate of 11%. This contrasts starkly with the growth rate of 3-4% for rice in general. Internationally, while the Middle East is still the largest export market, the demand for Basmati has begun to increase in the US, Europe and Africa.

- The Basmati Rice industry continues to be attractively placed, owing to the growing demand in both the International and domestic markets, coupled with low substitutability, premium realizations, changing lifestyles, lower regulations and increasing cultivation ensuring steady supply (although demand growth is likely to outpace supply).

- The proliferation of modern retailing has helped fuel the consumption of a higher quantum of branded products, as Indian consumers are fast embracing the mall culture and organized retail, triggering a shift from unbranded to branded rice and from economy to premium brands. This offers an attractive channel for the Company to augment its branded Basmati sales in the domestic market, where branded rice sales are expected to growth at 15% p.a.

- In the International market, India and Pakistan are the two largest exporters of rice and the quality of Indian Basmati Rice is superior to that of the Pakistani variety. This presents a great opportunity to the Company to further its exports.

- There is a growing popularity and an increasing demand for Pusa-1121, a variety which the Company has commercialized and specialised in. This variety has been labelled by the Government of India as Basmati.

"With an improvement in the standard of living, a growing middle class and changing consumption lifestyles, the demand for Basmati Rice has been growing at a scorching rate of 11%"

Threats

- The sliding Rupee could pose a major threat to the value of the Company's foreign exchange earnings. However, in some cases like Iran, the country's receivables are in Rupee and therefore hedged.

- Economic recession in the overseas markets like Europe, which are nascent markets for Basmati, still remains firm and could adversely impact KRBL's export plans.

- Growing competition from other Indian companies operating in similar segments could pose a threat in the short run.

HUMAN RESOURCE DEVELOPMENT

The Company realizes that people are the key to delivering on its ambitious mission and targets. This approach helped the Company post strong results despite a challenging industry environment.

The Company instils in its people the highest standards of ethics, integrity, accountability and passion to deliver. This culture has more than paid off: some of its best ideas and strategies have come from its people – inside the Company and from its extended family, the large number of contractors with whom it works.

The Company has always encouraged and maintained friendly and harmonious relations with its workers and does not suffer on account of labour problems. With the aim of encouraging innovation, strengthening leadership skills and enhancing job satisfaction, it has undertaken a number of initiatives: regular training & skill development programmes and exciting incentive schemes linked to the delivery of exceptional performance across the gamut of its operations.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate, the Company continuously engages itself in the uplift of the communities it is involved with. In view of the criticality of farmers to its operations, the Company works closely with them to constantly improve their lives, and those of their families, through regular and focused measures.

KRBL conducts monthly workshops for farmers, informing them about state-of-the-art farming techniques, higher yielding seeds, better farming machinery and equipment, etc. The Company has also set Bhagirath Aligarh Farmer Federation, the purpose of this federation is to provide better equipment, fertilizers, Seed, pesticide and also provide best practices to the farmers, so that they can modernise their cultivation practices and related activities.

"The Company today has strong, sustainable relations with more than 85,000 farmers, and is continuously adding to number"

As part of its contact farming initiatives in Punjab, Uttarakhand and Uttar Pradesh, the Company supplies farmers with better quality, higher yielding seeds, which its scientists develop through constant R&D efforts. This enables the farmers to procure better crop and higher realisations, in turn helping the Company get better quality paddy from farmers.

This leads to significant growth in the income of farmers, year on year, thereby facilitating the enhancement of their living standards. It also provides the farmers with access to modern technologies and machines to further improve their crop volume and value. The impact of these initiatives, which the Company invests in on a regular basis, is visible in the improved lifestyles of the farming communities within which it operates.

This collaborative, partnership approach has been the cornerstone of the Company's CSR focus in recent years, emerging as a strong pillar of mutual growth for both, the farming community and the Company. The Company today has strong, sustainable relations with more than 85,000 farmers, and is continuously adding to number.

IT

The world is fast becoming a global village with the help of technologically driven solutions. KRBL has been making the most of technology to further its progress. It has implemented SAP to help keep up with expansions, improve real-time visibility and take informed decisions. The initiative has enabled the Company to deliver superior services and monitor its logistics supply chain to gain efficiencies. Real-time & uniform transaction processing and reliable information flow from SAP ERP has enabled faster decision making, along with standardization of all processes, procedures and management information system, within the Company.

AUDIT SYSTEMS

Always an evangelist of transparency and corporate governance, KRBL has an elaborate and well-managed system of internal controls, commensurate with its size and nature of operations. A strong internal controls system has insulated the Company from unauthorized use or losses, while maintaining proper accounting control, monitoring operational efficiency, proper compliance with applicable laws and ensuring the reliability of financial and operational information. The Company's audit committee periodically reviews audit reports, audit plans, significant audit finding, adequacy of internal control, compliance with accounting standards, and suggests improvements for strengthening them.

OUTLOOK

Nurturing the goal of touching the $1 Billion mark by 2015, KRBL has set out a strategic roadmap:

- Focus on Research and Development activities and collaborate with various research institutes to find high yielding certified seeds.

- Ramp up contact farming programme to cross 2,50,000 acres so that the Company can source 80% of its paddy requirement from this programme, which currently stands at 66%.

- As a bottomline focused Company, scale up capacity utilisation to enhance share in Basmati production and increase rice processing utilisation.

- Enhance margins by deriving higher realizations from by-products; optimize power consumption through captive husk-based power plant; foray into the fast-growing FMCG segment with the objective of becoming a multi-item and multi-brand FMCG Company and focus on the huge rural opportunity and leverage the same to enhance domestic market share.

- Explore and add new emerging and fast growing markets in the International space to drive exports revenues.

- Tie up with bankers for not just working capital needs and loans but also for advice on how to manage currency and interest rate fluctuations. Empaneling experienced banks with networks across the globe enables KRBL to benefit from their local knowledge as the Company ventures into new markets.

- Groom a second line of Management and put in place a seamless succession plan so that Generation Next is ready to support the current management in its quest for further growth.

RISKS AND CONCERNS

Raw Material Risk

As paddy, the base grain for rice, accounts for 95% of total operating costs in the industry, any adverse impact on paddy production or extreme price fluctuations could put pressure on the Company's margins.

Risk Mitigation

The Company's growing contact farming network assures that it receives continued and adequate access to good quality paddy. KRBL's effective farm management and Research & Development initiatives enable the Company to manage the price and quality of paddy procured, to a large extent.

Quality Risk

With consumers becoming increasingly demanding in terms of hygiene, aroma, flavour and taste, even a marginal decline in product quality can seriously impact brand loyalty.

Risk Mitigation

The Company is certified for ISO 9001:2000, Hazard Analysis & Critical Control Point (HACCP), SQF and BRC Food 2000, which endorse its commitment to high standards of quality. High quality production is ensured through fully automated and hygienic production units, as well as extensive and regular quality checks.

Competition Risk

While KRBL still holds leadership position in the market, the rice market in India is increasingly getting flooded by the unorganized and unbranded players, who supply cheaper variants of rice. The problem of brand imitation and plagiarism adds to the risk factor.

Risk Mitigation

The Company has years of experience and has seen good times and survived bad times to become stronger. Along its journey, it has had to compete with branded and non branded players in the domestic and International markets. With a strong R&D capacity and continuous branding initiatives, the Company builds and maintain strong relationships with its consumers, making its way into their hearts and homes.

Foreign Exchange Risk

A large portion of the Company's revenues comes from export of Basmati Rice. Fluctuation in the Rupee, especially a weakening against major currencies, could adversely impact KRBL's margins.

Risk Mitigation

The Company has a strong foreign exchange risk management policy which allows it to hedge all foreign exchange exposures.

Realizations Risk

The Company faces the risk of decline in realizations.

Risk Mitigation

KRBL has adopted the strategy of attracting retail consumers across all price segments with a variety of retail packs. This ensures that quality is maintained and is not perceived or compared with the quality of unpacked unbranded rice. Further, with optimal ageing and integrated operations that yield higher realization, the Company is able to hedge this risk to a significant extent.

Cost Risk

Rice procurement is largely limited to the period between October and December. Hence, arrangements have to be made for storage of the entire inventory for the whole year, which in turn requires substantial and continuous investment in working capital requirements. Thus, huge inventory carrying could impact KRBL negatively if the rice prices reduce significantly.

Risk Mitigation

KRBL's rice enjoys a price premium over its competitors. This premium enables the Company to withstand cost increases (freight and interest) as they are absorbed within the price.

Product Concentration Risk

A bulk of the Company's total sales is derived from Basmati Rice varieties. This poses a significant risk to the Company's sustainability in the long run due to the dependence on a single product type.

Risk Mitigation

The Company has consciously catered to a range of customers within the Basmati consuming segment by pricing its products between ₹ 30 to ₹ 149 per kg. This creates consumer diversity which helps mitigate the lack of product diversity. At the same time, the Company manufactures and offers a large variety of brands and products. In addition, KRBL has also diversified its bouquet through other value-added products like rice bran oil and power.

"With significant increase in average cost of goods sold, EBIDTA remained flat for 2011-12, on a consolidated basis, as compared to 2010-11"

Other Risks

Apart from the risks mentioned above, the Company's business is exposed to other operating risks, which are mitigated through regular monitoring and corrective action.

FINANCIAL REVIEW

A strong marketing strategy to boost exports and a stable domestic market presence helped the Company perform reasonably well amidst a challenging environment. The Iran export crisis badly hit the export business of the Company and the surplus supply further impacted revenues for the Company, which also suffered on account of lower realizations and higher operating and interest costs. With significant increase in average cost of goods sold, EBIDTA remained flat for 2011-12, on a consolidated basis, as compared to 2010-11. However, a focused strategy on the export front enabled the Company to post a consolidated Net Sales increase of 5.6%, from ₹ 1,544.6 Crore in 2010-11 to ₹ 1,631.4 Crore in 2011-12. Sales increased primarily due to strong volumes growth, which was mainly on account of the Company's presence in the entire value chain of Basmati farming and increasing export markets.

Overall, the Company continued to be ahead with higher-than-industry export realizations, relatively low gearing and higher profit margins than most players.

REVENUE

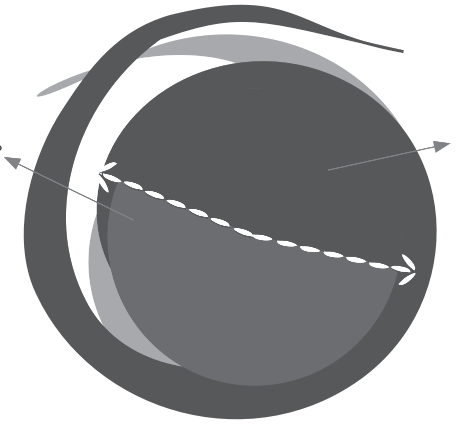
During the financial year under review, the Company's total sales turnover stood at ₹ 1,631 Crore, delivering a 5.63% increase over the figure of ₹ 1,544 Crore achieved in 2010- 11. In terms of the revenue split between domestic and exports sales, the Company posted a ratio of 47:53 as compared to 58:42 in the previous fiscal, indicating higher growth in the International market as a result of better realizations arising from Rupee depreciation. The growth in export sales also resulted from expansion of geographical footprints, as the Company explored new markets in the US, Canada and Australia. Increase in demand in its traditional markets in the Middle East further boosted sales.

Key Financial Indicators

₹ In lacs

Year Ended March	2009-10	2010-11	2011-12
Net Revenue	1,57,901	1,54,459	1,63,135
Other Income	2,164	764	907
Total Income	1,60,066	1,55,223	1,64,042
Total Expenditure	1,38,135	1,31,909	1,40,495
EBIDTA	21,930	23,314	23,547
EBIDTA Margin	13.70%	15.02%	14.35%
Growth in EBIDTA	7.35%	6.31%	1.00%
Depreciation	2,758	3,595	4,452
EBIT	19,172	19,719	19,096
Interest	4,174	4,756	7,002
PBT Before exceptional Items	14,998	14,963	12,094
PBT Margin	9.37%	9.64%	7.37%
Foreign Currency Fluctuation Gain/(Loss)	-	844	(2,564)
PBT	14,998	15,806	9,529
TAX	2,543	3,773	2,226
Net Profit	12,455	12,033	7,303
Net Profit Margin	7.78%	7.75%	4.45%
Earning per share	5.12	4.95	3.00
Cash EPS	6.26	6.43	4.84
Net Worth	53,531	64,695	71,716
Capital Employed	1,34,369	1,86,211	1,99,234
Average Capital Employed	1,25,575	1,60,290	1,92,722
Capital Efficiency Ratio	17.46%	14.54%	12.22%
Market Capitalisation	57,861	65,154	42,545
Fixed Assets (Including CWIP)	48,895	57,660	64,068

Export and Domestic Revenue Share



Domestic Sales

Excess inventory leading to oversupply in the domestic market put pressure on pricing, leading to a dip in realisations. With Indian Basmati players acquiring significant amount of paddy at the end of 2010-11 in anticipation of demand growth during 2011-12, the domestic market came under stress. The situation was further aggravated due to excess supply resulting from increase in acreage under Basmati.

Decline in domestic realizations on account of excess supply impacted revenue growth from this segment during the year. Realization of domestic sales in Basmati stood at ₹ 32,480 per Tonnes during the year, indicating a growing demand for the commodity across the country.

However, there was a dip in actual sales figures for rice in the domestic market during the year, with domestic rice sales going down from ₹ 81,849 in the previous fiscal to ₹ 67,937 during the year under review. The decline in sales value was mainly on account of lower realizations in the domestic market.

Pushed by increasing demand for the product amid changing lifestyle and consumer habits, Basmati continued to be the major contributor to domestic sales revenue among all the Company's products during the year.

The success story of the Company's flagship brand, India Gate, continued to make waves, accounting for 40% of the total domestic rice sales.

Breakup of Domestic Sales (Product wise)

₹ In lacs

Product	2010-11	2011-12
Rice	81,850	67,938
Electricity Generation (Including CERs Sale)	2,199	2,915
Bran Oil	1,726	2,004
Furfural	-	129
Rice Bran	1,319	1,314
Glucose	-	139
Paddy & Seed	903	932
Cotton Sale	533	334
Scrap & Others	1,549	1,728
Total	**90,079**	**77,431**

Growing demand for quality, branded premium Basmati continued to fuel growth in the domestic segment, with the Company's established brands of India Gate, Nurjahan, Doon, Necklace and Aarti together accounting for the bulk of domestic rice sales.

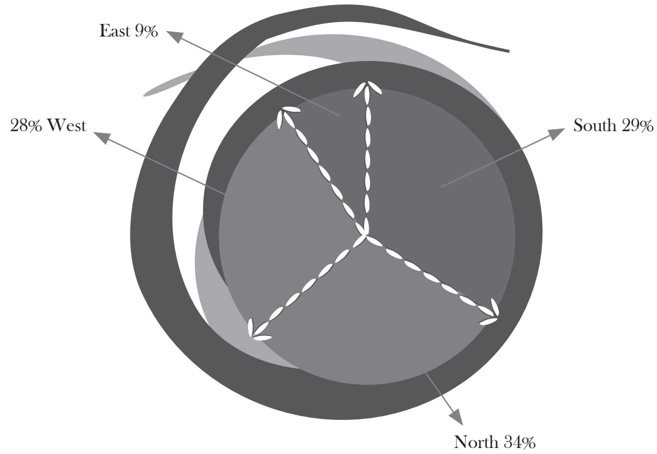
To satiate the appetite of a wide consumer base, the Company has ensured its products straddle multiple price points – from the entry level variety priced at ₹ 30 per kg to its most premium brand sold at ₹ 149 per kg.

A strong distribution and dealer network combined with a fast-growing retail presence to sustain and grow the Company's dominance in the domestic market. As of 31st March, 2012, the Company has a distributor and dealer network of 520, reaching out to consumers across 28 states, with one dealer within every 100 km radius to ensure maximum market penetration.

The Company's retail presence extends across 5,80,000 outlets in the country, with its exclusive tie-ups with 20 retail chains, including Food Bazaar, Spencers, D'Mart, Reliance Retail, Vishal Mega Mart, N mart, Star Bazar, SPAR, Aditya Birla –More, Bharti Walmart, Reliance Cash & carry etc, to augment the domestic power.

Going ahead, the government's policy in respect of continuation of non Basmati exports and further remove in MEP for Basmati will the key determinants of the Company's performance in this segment.

REGION WISE DOMESTIC RICE SALES



Exports

Exports continued to drive growth in Agri business, contributing 53% of Agri sales during the year. The Net Sales increase of 5.6% in consolidated figures was driven by strong volume sales in the export market.

Breakup of Export Sales (product wise)

₹ In lacs

Product	2010-11	2011-12
Rice	64,025	85,440
Cotton	297	-
Furfural	-	241
Total	64,332	85,681

Basmati, which was responsible for major contribution to the overall export revenue, saw significant increase in demand in the Middle East region. With the Government lifting the ban on Non-Basmati Rice export, the Company saw enhanced presence in newer export markets and improved realizations, though revenue growth continued to be impacted due to moderation in price realization. The Company reported ₹ 85,440 lacs of Rice sales in the export market during the year, up from ₹ 64,025 lacs in the previous year.

With focused and highly professional teams of marketing personnel, distributors, dealers and retailers continuously steering the Company's growth strategy in the domestic and global markets, India Gate continued to command a significant premium over most other brands in the industry. The brand contributed to 100% to the Company's domestic revenues, while in the export market, the average realization was 18% higher than the industry's during 2011-12.

Riding on its brand success, the Company continued to make further inroads into the Middle Eastern markets of Saudi Arabia, UAR, Kuwait and Qatar. It has also tied up with one of the biggest distributors in Iraq, which is a fast emerging market for Basmati Rice.

The Company's dealer partnerships, particularly in the Middle East, especially Saudi Arabia, are a testimony of solidarity and joint success in the marketplace sharing a single vision to growth. The Company has established a strong presence in Kuwait, where India Gate has become a household name within months of its entry.

Concurrently, its thrust on increasing its presence in non-traditional markets continued. As a result, the Company now has nationwide presence in the United States through some of the leading retailers, catering to the main and ethnic market. It has also tied up with one of the biggest retailers in Canada, giving it a strong shelf presence across 1,100 stores.

Following the lifting of ban by the Indian Government on export of non-Basmati, the Company has recently started export of this commodity to African countries. It already has a tie-up with a leading retailer in South Africa and Mauritius.

The Company's attractive pricing strategy has emerged as a strong platform for its growth and it now plans to get into private label supply during the coming fiscal.

The Company has a strong distribution network with 40 International distributors including 14 in the Middle East, the world's largest market for Basmati Rice.

EXPENDITURE

Capital efficiency continued to play an important role in the Company's strategic growth policy. During the year, the Company invested in two major capital-intensive initiatives, spending a total of approximately ₹ 5,640 lacs on windmill capacity expansion and Silos Storage plant. No other major expenses were incurred by the Company during the year. Raw material expenses as a percentage of sales came down, resulting in better gross margins. However, other expenses pulled down EBIDTA margins. Employee benefit expenses also went up (from 2.17% of total expenses to 2.49%) as did Finance Cost, adding to the EBIDTA margin pressure.

Expenses (as % of total expenses)

	2009-10	2010-11	2011-12
Materials Cost	86.68%	84.33%	80.32%
Employee benefits expense	1.74%	2.17%	2.49%
Finance Cost	2.88%	3.39%	4.61%
Other Expenses	6.81%	7.55%	9.65%
Depreciation	1.90%	2.56%	2.93%

Expenses (as % of Income)

	2009-10	2010-11	2011-12
Materials Cost	78.56%	76.20%	74.40%
Employee benefits expense	1.57%	1.96%	2.30%
Finance Cost	2.61%	3.06%	4.27%
Other Expenses	6.18%	6.82%	8.94%
Depreciation	1.72%	2.32%	2.71%

MARGINS AND PROFITABILITY

EBIDTA & EBIDTA Margins

EBIDTA increased marginally by 0.1% from ₹ 233.1 Crore to ₹ 235.5 Crore, while EBIDTA margin declined from 15.1% to 14.4%, on account of increase in other expenses resulting from higher marketing and selling expenses and increased employee cost. The decline in EBIDTA margins came despite the fact that Raw Material as percentage of sales came down. The decline in Raw Material resulted from higher gross profit margin, on account of significant increase in freight cost, besides higher spending on advertising and business promotion.

Depreciation

Depreciation remained on the rise again during 2011-12, going up from 2.56% to 2.93% of total expenses. Depreciation during the year under review stood at ₹ 4,451.81 lacs.

Interest

The year under review saw interest costs increase by 47.22%, from ₹ 47.56 Crore in 2010-11 to ₹ 70.02 Crore in 2011-12, mainly due to higher rate of interest. The average rate of interest for Term Loan stood at 8.59% and for Working Capital at 6.70%. The increase in interest paid by the Company resulted from hardening of interest rate.

PBT and Pre-tax Margins

Profit Before Tax fell from ₹ 158.06 Crore in 2010-11 to ₹ 95.29 Crore during 2011-2012, largely on account of loss (MTM) due to foreign exchange fluctuations and accordingly, the Pre Tax margins plummeted from 10.23% in 2010-11 to 5.84% in 2011-12.

PAT and PAT Margins

Consequently, the Profit After Tax declined from ₹ 120.34 Crore in 2010-11 to ₹ 73.03 Crore in 2011-12. Post Tax margin weakened considerably from 7.79% in 2010-11 to 4.47% in 2011-12.

CAPITAL EFFICIENCY

The dip in EBIDTA margins had a direct impact on Capital Efficiency, with ROCE showing a decline over the previous year. Capital employed increased to ₹ 1,992.34 Crore in 2011-12 from ₹ 1,862.10 Crore in the previous year.

SOURCES OF FUNDS

No capital was raised during 2011-12 and there was no change in the Company's share capital, which stood at ₹ 24.31 Crore – same as last year. Reserves and surplus increased slightly, from ₹ 6,22.60 Crore in the previous year. The Company's reserves comprised a mix of share premium reserve, general reserve and profit & loss account.

LOAN PROFILE AND FUNDING COST

With its focus on preserving strategic and operational flexibility, the Company continued to maintain a conservative balance sheet. As of 31st March, 2012, the Company's total debt stood at ₹ 875 Crore, cash and cash equivalents at ₹ 24 Crore and the resulting net debt was ₹ 851 Crore. Total debt consisted of ₹ 769 Crore of short term borrowings and ₹ 106 Crore of long term borrowings.

Though debt declined, higher interest rates led to higher interest expense and debt-to-equity ratio improved from 1.4x in 2010-11 to 1.2x in 2011-12.

As Basmati paddy is required to be stored for about one year, inventory levels are expected to rise with increasing sales volumes. Historically, the Company's debt levels are highest in March (end of buying season) and lowest in September (beginning of buying season). While the accumulated inventory was higher in volume terms compared to 2010-11, significantly lower paddy prices in 2011-12 reduced inventory value and consequently the debt requirement.

APPLICATION OF FUNDS

The Company did not engage in any major expenditure in respect of Plant modification or expansion.

The only significant expenditure came from wind mills capacity expansion and Silos-Storage Plant.

FOREX EARNINGS

The 2011-12 consolidated Net Profit adjusted for the foreign exchange losses decreased by 11.8% compared to the prior year. Foreign exchange losses / gains are a result of depreciation of the Rupee. The exchange fluctuations are due to mark-to-market (MTM) loss, which is notional in nature. There is no loss or gain which is of speculation nature.

Forward Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting their 19th Annual Report together with the Audited Accounts of the Company for the Financial year ended 31st March, 2012.

1. FINANCIAL PERFORMANCE

(₹ In lac)

PARTICULARS	Consolidated Year Ended Audited		Standalone Year Ended Audited	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Total Revenue	1,64,042.00	1,55,222.72	1,63,698.88	1,54,668.78
Less:- Operative Expenses	1,40,494.78	1,31,908.87	1,40,341.71	1,31,837.77
EBIDTA	**23,547.22**	**23,313.85**	**23,357.17**	**22,831.01**
Less:- Depreciation	4,451.81	3,594.74	4,450.66	3,594.55
:- Interest	7,001.80	4,756.45	7,001.58	4,756.20
Profit & Loss before Exceptional Items	**12,093.61**	**14,962.66**	**11,904.93**	**14,480.26**
Exceptional Items-Foreign Exchange Fluctuation Gain/(Loss)	(2,564.27)	843.65	(2,564.27)	843.65
Profit & Loss after Exceptional Items	**9,529.34**	**15,806.31**	**9,340.66**	**15,323.91**
Tax expense:				
- Current Year	1,878.13	3,328.00	1,878.13	3,328.00
- Earlier Year	35.18	(37.72)	35.18	(37.72)
- Deferred Tax	309.05	481.05	309.05	481.05
- Wealth Tax	3.73	1.73	3.73	1.73
Profit After Tax	**7,303.25**	**12,033.25**	**7,114.57**	**11,550.85**
Add: Balance as per the last Financial Statements	44,980.62	35,497.84	40,832.14	31,831.76
Appropriation				
i) Proposed Dividend-Final	729.34	729.34	729.34	729.34
ii) Tax on Dividend	118.32	121.13	118.32	121.13
iii) Transfer to General Reserve	1,000.00	1,700.00	1,000.00	1,700.00
Closing Balance of P&L A/c	**50,436.21**	**44,980.62**	**46,099.05**	**40,832.14**

FINANCIAL REVIEW

A strong marketing strategy to boost exports and a stable domestic market presence helped the Company perform reasonably well amidst a challenging environment. The Iran export crisis badly hit the export business of the Company and the surplus supply further impacted revenues for the Company, which also suffered on account of lower realisations and higher operating and interest costs. With significant increase in average cost of goods sold, EBIDTA remained flat for 2011-12, on a consolidated basis, as compared to 2010-11. However, a focused strategy on the export front enabled the Company to post a consolidated Net Sales increase of 5.6%, from ₹ 1,544.6 Crore in 2010-11 to ₹ 1,631.4 Crore in 2011-12. Sales increased primarily due to strong volumes growth, which was mainly on account of the Company's presence in the entire value chain of Basmati farming and increasing export markets.

2. TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 10 Crore to General Reserve out of the amount available for appropriations and an amount of ₹ 460.99 Crore is proposed to be carried over to Balance Sheet.

3. EQUITY SHARE CAPITAL

During the year under review company has not issue any equity share. The Authorised capital of the company is ₹ 30,00,00,000 and paid up capital is ₹ 24,35,40,558.

4. DIVIDEND

The Board of Directors in its meeting held on 22nd May, 2012 declare final dividend for the year ended on 31st March, 2012 on Ordinary Shares as under:-

	31st March 2012 (₹)	31st March 2011 (₹)
Final on 24,31,11,940 Ordinary shares of ₹ 1/- each @ ₹ 0.30 per shares (Previous year ₹ 0.30 per share)	7,29,33,582	7,29,33,582

Thus the total outgo on account of final dividend including dividend tax will be ₹ 8,47,65,232/- (previous year ₹ 8,50,46,940/-), which represents 11.91% of the profit after tax (previous year 7.36%).

The final divided, if approved, will be paid within 30 days of declaration:

(I) to those members, holding shares in physical form, whose names appear on the Register of Members of the Company at the close of business hours on 17th September, 2012, after giving effect to all valid transfers in physical form lodged with the Company or its Registrar and Shares Transfer Agent on or before 17th September, 2012; and

(ii) to those beneficial owners, holding shares in electronic form, whose names appear in the statement of beneficial owners furnished by the Depositories to the Company as at close of business hour on 17th September, 2012.

5. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 205A (5) and 205C of the Companies Act, 1956, the Company has deposited ₹ 40,726/- being the unclaimed dividend for the year 2003-04 in the "Investor Education and Protection Fund" established by the Central Government.

6. ACCOUNTS & AUDIT

The Directors of the view that the notes appended to the accounts and referred to by the auditors in their report are self explanatory and do not require elucidation.

7. SEGMENT REPORTING

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

8. CASH FLOW ANALYSIS

The Cash Flow Statement for the year, under reference in terms of Clause 32 of the Listing Agreement entered by the Company with the Stock Exchanges, is annexed with the Annual Accounts of the Company.

9. SUBSIDIARY COMPANY

The following may be read in conjunction with the Consolidated Financial Statements enclosed with the Accounts, prepared in accordance with Accounting Standard 21. In view of the general exemption granted by the Ministry of Corporate Affairs, the report and accounts of subsidiary companies are not required to be attached to your Company's Accounts. Shareholders desirous of obtaining the report and accounts of Your Company's subsidiaries may obtain the same upon request. The report and accounts of the subsidiary companies will be kept for inspection at your Company's corporate office and those of the subsidiary companies. Further, the report and accounts of the subsidiary companies will also be available on Company's website www.krblrice.com in a downloadable format.

KRBL DMCC, Dubai:- a 100% subsidiary in the Dubai. The audited annual account for the period ended 31.03.2012 along with the Directors' and Auditors' Report are attached with the Annual Report as per the requirement of Section 212 of the Companies Act, 1956. During the Year Trading License has been renewed by DMCC and a fresh License was issued. Mr. Anoop Kumar Gupta, Director of the Company has been named as Manager in the Trading License. In the financial year under review the net profit of the company was ₹ 5.52 Crore (Previous Year ₹ 4.82 Crore)

K. B. Exports Private Limited:-During the year 2010-11 company acquired 21,00,000 equity shares, pursuant to this acquisition the K. B. Exports Private limited was made subsidiary of the KRBL Limited. The audited annual account for the period ended 31.03.2012 along with the Directors' and Auditors' Report are attached with the Annual Report as per the requirement of Section 212 of the Companies Act, 1956

10. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for investment in Associates, your Directors provide the audited Consolidated Financial Statements in the Annual Report.

11. AUDITORS

M/s.Vinod Kumar Bindal & Co., Chartered Accountants, Delhi, the statutory auditors of the Company are the retiring auditors and being eligible, offers themselves for re-appointment. The Certificate u/s 224(1B) of the Companies Act, 1956 has been obtained from them. Your directors recommend their re-appointment and they are not disqualified for such appointment/reappointment within the meaning of Section 226 of the said Act.

12. COST AUDITORS

Pursuant to notification issued by ministry of corporate affairs regarding the cost audit of power generation & compliance report on cost records, Company has appointed M/s. HMVN & Associates, Cost Accountant firm, as cost auditor of the company.

Your Directors' re-appoint M/s. HMVN & Associates as cost auditor of the company for the financial year 2012-13 and M/s. HMVN & Associates confirmed that they are not disqualified for such reappointment within the meaning of Section 226 of the Companies Act 1956.

13. PUBLIC DEPOSITS

The Company has not accepted any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and read with the Companies (Acceptance of Deposit) Rules, 1975, during the year under review.

14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of energy conservation and research and development activities undertaken by the company along with the information in accordance with the provision of section 217(1)(e) of the companies Act, 1956, read with the companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report.

15. RATINGS

During the year under review, the Company received various ratings, which are as follows:

- In April 2012, "CRISIL" has review its "Independent Equity Research" and assigned 3/5 on fundamentals and 5/5 on valuations. CRISIL assigns fundamental grade of 3/5 i.e. "Good" to the company against other listed peers on account of its established brand presence, anticipated strong revenue growth, expected ROE expansion and strong position in the market. The valuation grade of 5/5 indicates that the stock has "Strong Upside" to the Current market price.

- In December 2011, "ICRA" reconfirm rating for Short term & Long term bank facilities as [ICRA] A+

- In May 2012, "ICRA" has also assigned rating of [ICRA] A1+ for commercial paper (CP)

16. DIRECTORS

In accordance with the provisions of section 255 of the Companies Act, 1956 and Article 89 of the Articles of Association of the Company, Mr. Vinod Ahuja & Mr. Ashwani Dua retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-appointment. Your Directors recommend their re-appointment.

Brief resume to Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges are provided in the Report on Corporate Governance forming part of the Annual Report.

17. PERSONNEL

During the year under review, no employees, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as laid down u/s. 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended. Hence the details required under Section 217 (2A) are not given.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, we hereby state:

i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

ii. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profits of the Company for that period.

iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. that the directors have prepared the annual accounts on a going concern basis.

19. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges, a separate section titled `Report on Corporate Governance' has been included in this Annual Report along with the Certificate on its compliance.

20. DEPOSITORY SYSTEMS

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March, 2012, almost 99.81% of the Company's paid-up capital representing 242655890 equity shares are in dematerialized form with both the depositories as compared to 99.80% representing 242630850 equity shares for the previous year ending 31st March, 2011.

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

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

21. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of the company is given separately under the head "Management Discussion & Analysis Report" as stipulated under clause 49 of the Listing Agreement with the stock exchanges.

22. COMPANY'S EQUITY SHARES ARE LISTED ON THE FOLLOWING STOCK EXCHANGES

I. National Stock Exchange of India Limited
"Exchange Plaza" C-1, Block G
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051

II. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai – 400001

The Company has paid the Annual Listing Fee for the financial year 2012-13 to the stock exchanges.

The Company has paid custodial fees for the financial year 2012-13 to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of numbers of beneficial accounts maintained by them as on 31st March, 2012.

23. APPRECIATION

The Board acknowledges with gratitude the co-operation and assistance provided to your company by its bankers, financial institutions, and government as well as non-government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the company during the year under review. The company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors thank the customers, clients, vendors and other business associates for their continued support in the company's growth. Your directors are thankful to the shareholders and depositors for their continued patronage.

For & on behalf of the Board of Director

Sd/-

Place : Gautambudh Nagar, U.P. — **Anil Kumar Mittal**
Date : 13th August, 2012 — Chairman & Managing Director

ANNEXURE 'A' TO DIRECTORS' REPORT

Particulars required under the companies (Disclosure of Particulars in the Report of The Board of Directors) Rule ,1988

A CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken:

At Ghaziabad Unit

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

i. Installation of Variable Frequency Drive at ID Fan of Boiler.

ii. Installation of Variable Frequency Drive at FD Fan of Boiler

iii. Installation of Variable Frequency Drive at Heid Cylider.

iv. Installation of soft starter on grading cylinder.

v. Installation of AC drive on cooling fan motor to optimize the running of these fans.

vi. Installation of capacitors to increase the power factor from 0.92 to 0.94.

vii. Use of fuel additive in boiler to increase the combustion efficiency .

viii. Interlocking of motor operation to reduce the idle running hours of the motor.

ix. Installation of timer to switch on/off the lights on the boundry of factory.

x. Use of ETP treated water for horticulture.

xi. Schedule cleaning of condenser in power plant and heat exchanger of various plants is being carried out to increase the heat transfer.

xii. An O2/CO2 analyzer is used for monitoring and controlling flue gas of the boiler.

At Dhuri Unit

i. Health of all the motors in the plants is being monitored with the help of load manager and the repairs/rectifications are being implemented accordingly.

ii. Routine inspection of all the belt drives is being done by standard tension meters and defective belts are being replaced in time.

iii. Installation of vent steam line to heat the dearator water of high pressure steam boilers with furfural plant vent steam.

iv. All the steam pipelines and vessels are being inspected for insulation adequacy. Damaged insulation is repaired/replaced immediately.

v. Thermodynamic and bucket type traps in solvent extraction plant are replaced with float type traps in solvent extraction plant.

vi. Schedule cleaning of heat exchanger of various plants is being carried out.

vii. Replacement of 55 kw cooling water pump with 37 kw cooling water pump for solvent plant.

viii. Installation of variable frequency drives on high pressure boilers feed water pumps,ID fans, FD fans, SA/TA fans and Husk feeders.

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

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Energy conservation measures have helped the Company in its drive towards cost reduction substantially.

FORM - A

Form for disclosure of particulars with respect to Conservation of Energy:2011-12

(a) Power and Fuel Consumption

	Particulars	Current Year	Previous Year	Reason For Variation
1	**Electricity**			
	(A) Purchased			
	Unit	44,44,500	40,58,000	Increase in production capacity
	Total Amount	2,71,93,080	2,11,82,760	
	Rate/Unit	6.12	5.22	
	(B) Own Generation			
	(i) Through Diesel Generator			
	Unit	6,04,764	5,86,374	Increase in production capacity
	Units per ltr. of Diesel Oil	3.03	3.11	
	Cost/Unit	12.08	10.81	
	(ii) Through Steam Turbine			
	Unit	4,63,77,043	3,38,69,770	Increase in production capacity
	Husk/Unit (in KG)	1.37	1.58	
	Cost/Unit	4.91	2.58	
2	**Coal (Specify quantity and where used)**			
	Quantity (tonnes)	NIL	NIL	
	Total Cost	NA	NA	
	Average Rate	NA	NA	
3	**Furnace Oil**			
	Quantity (k. ltrs)	NIL	NIL	
	Total Cost	NA	NA	
	Average Rate	NA	NA	
4	**Other/Internal Generation**			
	Quantity	NIL	NIL	
	Total Cost	NA	NA	
	Rate/Unit	NA	NA	

(b) Total energy consumption and energy consumption per unit of production:

Total energy consumption are as under:

Unit	2011-12	2010-11
Ghaziabad	1,51,58,783	1,26,82,649
Dhuri	2,54,97,713	1,34,15,943

Energy consumption per MT of production are as under:

	2011-12	2010-11
Dhuri		
Rice Bran Oil	299	324
Rice	112	99
Ghaziabad		
Rice	124	119

FORM B
[SEE RULE 2]
Form for disclosure of particulars with respect to technology absorption 2011-12

Research and Development (R & D)

1. Specific areas in which R & D carried out by the company

   i) Development, testing and specification setting of packaging materials.

   ii) Formulation and evaluation of Agricultural inputs to enhance farm productivity, crop quality and for other such applications.

   iii) The Company is conducting its R & D activities for developing the process of manufacturing Liquid Glucose, Maltodextrin and Gluten.

2. Benefits derived as a result of the above R & D

   i) Cost reduction, import substitution and strategic resource management.

   ii) Quality evaluation of finished products and raw materials.

   iii) Ensuring product quality.

   iv) Value addition to existing by product i.e. Rice Kinki resulting into higher realization by production of Liquid Glucose, Maltodextrin etc in the years to come.

   v) Entering new market segments.

3. Future plan of action

   i) Reducing packaging weight / volume.

   ii) Roll out of new range of differentiated products of international quality.

   iii) Improvement of process and resource use efficiencies.

   iv) Enlarge the scope of Agri-inputs options.

   v) All the efforts are being continued in the directions of product/process development as mentioned above.

4. Expenditure on R & D (₹ In Lacs)

(a)	Capital	0.00	(P.Y. 0.00)
(b)	Recurring	247.20	(P.Y. 220.03)
(c)	Total	247.20	(P.Y. 220.03)
(d)	Total R & D expenditure as a percentage of total turnover	0 .15	(P.Y. 0.14)

B TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

i. Efforts, in brief, made towards technology absorption, adaptation and innovation:

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

Technology innovations were successfully implemented to increase production and reduce the consumption of raw material, energy and utilities.

ii Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.: Low density Boiler was commissioned to cope with existing turbine depending on the usage.

iii. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be required

(a) Technology imported:

Company continuously import Plant and Machinery like High Poly Polisher, Sorted-Z4, Indent Cylinder, Strech Wrapping Machine Forks Lift, Heater Assb from Germany, UK, USA, Austria, Japan, Thailand, etc for grading and sortex of rice to the satisfaction of the customers.

(b) Year of import: 2011-12

Has technology been fully absorbed: Technology imported and fully absorbed.

If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The Company major income comes from rice, which are sold throughout the world and company highly professional teams of marketing personnel, distributors, dealers and retailers continuously steering the Company's growth strategy in the global markets. Company Brand India Gate continued to command a significant premium over most other brands in the Global industry. Company's other brand have also have overwhelming response in overseas market. Company has made its Dhuri plant fully operational to have economies of scale of mass production to become more competitive in international market.

Your Company is an ISO-9001-2000 certified Company with KOSHAR and HACCP (Hazard Analysis & Critical Control Point) Certifications.

ii. Total foreign exchange used and earned

The Company is engaged continuously in exploring new international markets. During the year under review, the Company reported exports (FOB value) of ₹ 81,567.30 lacs. (Previous Year ₹ 62,658.99 lacs).

During the year under review, Company expended ₹ 2,093.96 lacs (Previous Year ₹ 1,423.30 lacs) in foreign exchange while earnings in foreign exchange were ₹ 83,920.79 lacs (Previous Year ₹ 64,280.07 lacs). Thus the net inflow in foreign exchange was ₹ 81,826.83 lacs (Previous Year ₹ 62,856.77) during the year under review.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Company continues to focus on good corporate governance, in line with local and global standards. Its primary objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards shareholders and other stakeholders.

KRBL'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

KRBL believes that good corporate governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company and help the Company to achieve its goal of maximizing value for all stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the Company.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's corporate governance philosophy has been further strengthened through the Company's Code of Conduct, Code of Conduct for prevention of Insider Trading. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

The Company has reviewed and revised its governance practices so as to implement the provisions of the revised Clause 49 of the Listing Agreement formulated by the Stock Exchanges on the direction of Securities and Exchange Board of India (SEBI).

The Company, in line with KRBL philosophy, truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic principles of corporate governance. The Company always believes to achieve optimum performance at all levels in adopting and adhering to best corporate governance practices. The Company has always focused on corporate governance as a means to maximize long-term shareholders' value through disciplined and sustained growth and value creation.

The Company always strives hard to achieve establishment of internal controls and risk management; internal and external communications; and high standards of safety, health and environment management, accounting fidelity, product and service quality. The Company also believes that for a company to succeed, it must consistently maintain commendable standards of corporate conduct towards its employee, customers and society.

BOARD OF DIRECTORS AND THEIR ROLES

Composition and Role of Directors:

The KRBL Board is a balanced Board, comprising of Executive and Non-Executive Directors. The Non-Executive Directors include Independent Professionals. All the Non Executive Directors are drawn from amongst eminent professionals with experience in Business/Finance/Law/Public Enterprises. Directors are appointed and reappointed with the approval of the Shareholders. All Directors are retiring by rotation except Managing Directors of KRBL. In terms of the Articles of Association of the company, the strength of the Board shall not be fewer that three and not more than twelve. The present strength of the Board is ten, of which five are executive directors.

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of KRBL and its wholly owned subsidiaries. As trustees, the board ensures that the company has clear goals relating to shareholder value and its growth. The Board sets strategic goal and seek accountability for their fulfillment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectation.

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company trustees of shareholders.

The following is the composition of Board as on 31st March, 2012:

Category	No. of Directors	% of Total No. of Directors
Executive Directors	5	50
Non-Executive/Independent Directors	5	50
Total	**10**	**100**

Name of Directors	Category	No. of other Directorship(s)*	No. of Membership (s) / Chairmanship (s) of Board Committee of other Companies**
Executive Directors			
Mr.Anil Kumar Mittal	Chairman & Managing Director	2	NIL
Mr.Arun Kumar Gupta	Joint Managing Director	2	NIL
Mr.Anoop Kumar Gupta	Joint Managing Director	2	NIL
Ms. Priyanka Mittal	Whole Time Director	NIL	NIL
Mr. Ashok Chand	Whole Time Director	NIL	NIL
Non-Executive Directors			
Dr. Narpinder Kumar Gupta	Independent Director	4	NIL
Mr. Vinod Ahuja	Independent Director	4	NIL
Mr. Ashwani Dua	Independent Director	NIL	NIL
Mr. Shyam Arora	Independent Director	NIL	NIL
Mr. Gautam Khaitan	Independent Director	11	10

* Excludes Directorship in Indian Private Limited Company and Foreign Companies, Membership of Managing Committees of Chambers of Commerce / Professional Bodies and Alternative Directorship

** Represents Membership/Chairmanship of Audit Committee and Investor Grievance Committee of Indian Public Limited Company

Meeting and Attendance

The Company's Corporate Governance Policy requires the Board to meet at least four times in a year. The maximum gap between two board meetings is not more than four month as prescribed under Clause 49 of the Listing Agreement. Meetings are governed by a structured agenda. The Board members, in consultation with the chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable Board to take decision.

Details of Board Meetings during the Financial Year

During the financial year ended on 31st March, 2012, Seven meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
01.	19.04.2011	10	8
02.	25.05.2011	10	8
03.	25.07.2011	10	8
04.	10.08.2011	10	6
05.	08.10.2011	10	7
06.	14.11.2011	10	7
07.	09.02.2012	10	6

Attendance at Board Meeting and at Annual General Meeting (AGM) during the Financial Year

Name of Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Anil Kumar Mittal	5	Present
Mr. Arun Kumar Gupta	7	Present
Mr. Anoop Kumar Gupta	7	Present
Dr. Narpinder Kumar Gupta	6	Absent
Mr. Ashok Chand	7	Present
Mr. Vinod Ahuja	6	Absent
Ms. Priyanka Mittal	3	Absent
Mr. Shyam Arora	NIL	Absent
Mr. Ashwani Dua	7	Present
Mr. Gautam Khaitan	2	Absent

COMMITTEES

I. Audit Committee

1. Terms of Reference:

The Audit Committee has been mandated with the same terms of reference as specified in the revised Clause 49 of the Listing Agreement with the Stock Exchanges and covers all aspects stipulated by the SEBI Guidelines. The current terms of reference also fully confirm to the requirements of Section 292A of the Companies Act, 1956.

The audit committee reviews with the management and both the statutory auditors and internal auditors all aspects of the financial results, effectiveness of internal audit processes, taxation matters and Company's risk management strategy.

The terms of reference of the Audit Committee are broadly as under:

a) Discussion with the statutory auditors before the audit starts, regarding nature and scope of the audit and the post audit outcome.

b) Review of financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position.

c) Recommending the appointment and removal of statutory auditors and audited financial results.

d) Review of unaudited and audited financial results.

e) Review of financial and risk management policies of the company.

f) Review of the adequacy of internal control systems.

g) Review the findings of any internal investigations by the internal auditors.

Composition, Name of Members and Chairman

The Audit Committee comprises of four members out of which three are non-executive directors and one is executive director and out of four, three are independent. Mr. Ashwani Dua is the present chairman and he has considerable financial expertise and experience. The composition of the Audit Committee is as follows:

Mr. Ashwani Dua	Non-Executive & Independent	Chairman
Mr. Vinod Ahuja	Non-Executive & Independent	Member
Dr. Narpinder Kumar Gupta	Non-Executive & Independent	Member
Mr. Anoop Kumar Gupta	Executive & Joint Managing Director	Member

Meeting and Attendance

During the Financial Year ended 31st March, 2012, four meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
01.	25.05.2011	4	4
02.	10.08.2011	4	4
03.	14.11.2011	4	4
04.	09.02.2012	4	4

Attendance at Audit Committee Meetings during the Financial Year

Mr. Ashwani Dua	4
Mr. Vinod Ahuja	4
Dr. Narpinder Kumar Gupta	4
Mr. Anoop Kumar Gupta	4

II. Remuneration Committee

The Remuneration Committee comprises of three members and all are non-executive directors and independent directors. Mr. Ashwani Dua is the present chairman of the remuneration committee.

The composition of the Remuneration Committee is as follows:

Mr. Ashwani Dua	Non-Executive & Independent	Chairman
Mr. Vinod Ahuja	Non-Executive & Independent	Member
Dr. Narpinder Kumar Gupta	Non-Executive & Independent	Member

Terms of Reference

The Remuneration Committee has been constituted to recommend/ review remuneration of Managing Directors and Whole Time Directors, base on their performance and defined assessment criteria.

Meeting and Attendance

Name of Member	Number of Meetings Attended
Mr. Ashwani Dua	1
Mr. Vinod Ahuja	1
Dr. Narpinder Kumar Gupta	1

Remuneration Policy and Details of Remuneration

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

Remuneration and commission paid to the managing directors, whole time directors and non executive directors during the period from 01.04.2011 to 31.03.2012:

Name of Directors	Sitting Fee (₹)	Salaries and Perquisites (₹)	Commission (₹)	Total (₹)
Mr. Anil Kumar Mittal	NIL	1,78,58,107	NIL	1,78,58,107
Mr. Arun Kumar Gupta	NIL	60,39,600	NIL	60,39,600
Mr. Anoop Kumar Gupta	NIL	60,39,600	NIL	60,39,600
Mr. Ashok Chand	NIL	26,07,600	NIL	26,07,600
Ms. Priyanka Mittal	NIL	18,39,600	NIL	18,39,600
Dr. Narpinder Kumar Gupta	NIL	NIL	NIL	NIL
Mr. Vinod Ahuja	NIL	NIL	NIL	NIL
Mr. Ashwani Dua	NIL	NIL	NIL	NIL
Mr. Shyam Arora	NIL	NIL	NIL	NIL
Mr. Gautam Khaitan	NIL	NIL	NIL	NIL
Total	**NIL**	**3,43,84,507**	**NIL**	**3,43,84,507**

Shares and Options of Directors

Name of Directors	No. of Ordinary Shares of ₹ 1/- each held (singly/jointly or as a Karta of HUF) as on 31st March, 2012	No. of option granted during the Financial Year
Mr. Anil Kumar Mittal	29190648	NIL
Mr. Arun Kumar Gupta	24008500	NIL
Mr. Anoop Kumar Gupta	26196876	NIL
Dr. Narpinder Kumar Gupta	29000	NIL
Mr. Ashok Chand	NIL	NIL
Ms. Priyanka Mittal	250000	NIL
Mr. Vinod Ahuja	NIL	NIL
Mr. Ashwani Dua	NIL	NIL
Mr. Shyam Arora	NIL	NIL
Mr. Gautam Khaitan	NIL	NIL

III. Shareholders/Investors Grievance Committee

1. Terms of Reference

In order to give appropriate level of focus to shareholders and investor related matters, the company has a `Shareholders/Investors Grievance Committee' which look into various issues relating to shareholders like transfer, transmission, issue of duplicate share certificates, dematerialization of shares as well as non-receipt of dividend, non-receipt of Annual Report, non-receipt of Share Certificates after transfer and delays in transfer of shares and other miscellaneous issues.

2. Composition

The Committee comprises of three Non-Executive Directors and all are independent. Mr. Ashwani Dua is the Chairman of the Committee and he is a Non-Executive and Independent Director.

3. Complaints

During the financial year ended 31st March, 2012, 6 (Six) investor complaints were received. All complaints have been resolved to the satisfaction of shareholders within a reasonable time.

4. Meetings and Attendance

The Committee has been holding regular meetings to ensure compliance with the provisions of the Companies Act, 1956 and the Listing Agreement and ensure proper services to investors. During the financial year ended 31st March, 2012, four meetings have been held. The attendance of members at these meetings is as follows:

Name of Member	Category	Number of Meetings Attended
Mr. Ashwani Dua	Non-Executive & Independent	4
Mr. Vinod Ahuja	Non-Executive & Independent	4
Dr. Narpinder Kumar Gupta	Non-Executive & Independent	4

CODE OF CONDUCT

The KRBL Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, continuous improvement of the internal control system and sound investor relations.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management of the Company have affirmed Compliance with the KRBL Code of Conduct for the financial year ended 31st March, 2012

Sd/-
Gautambudh Nagar, U.P. — Anil Kumar Mittal
13th August, 2012 — Chairman & Managing Director

KRBL Code of Conduct for Prevention of Insider Trading

KRBL has a Code of Conduct for Prevention of Insider Trading in the shares of the company. The code prohibits the Directors and Employees of the company from purchasing or selling of share while in possession of unpublished price sensitive information as per the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992.

GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time
2011	4, Bougainvellea Avenue, Village Rajokari, New Delhi-110037	27.09.2011	10.30 A.M.
2010	4, Bougainvellea Avenue, Village Rajokari, New Delhi-110037	21.09.2010	11.00 A.M.
2009	4, Bougainvellea Avenue, Village Rajokari, New Delhi-110037	29.09.2009	11.00 A.M.

There was no Extra Ordinary General Body Meeting held in the last three years.

Special Resolution passed in the previous Three AGMs

I. In the AGM on 27th September, 2011

- No Special Resolution passed

I. In the AGM on 21st September, 2010

- Revision in remuneration of Ms. Priyanka Mittal

II. In the AGM on 29th September, 2009

- Re-appointment of Mr. Anil Kumar Mittal as Chairman & Managing Director and Revision in Remuneration

- Re-appointment of Mr. Arun Kumar Gupta as Joint Managing Director and Revision in Remuneration

- Re-appointment of Mr. Anoop Kumar Gupta as Joint Managing Director and Revision in Remuneration

- Re-appointment of Mr. Ashok Chand as Whole Time Director and Revision in Remuneration

- Increase in FII Limit from 24% to 49%

Postal Ballot

- Whether Special Resolutions were put through Postal Ballot last Year:- No

- Are votes proposed to be conducted through Postal Ballot this Year:- No

DISCLOSURES

Disclosure on materially significant related party transactions

Related party transactions as required by the Accounting Standard (AS) 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) have been disclosed in Notes of the Annual Accounts. Member may refer to the notes to accounts for details of related party transactions. However, these are not having potential conflict with the interest of the company at large.

Details of Non-Compliances, Penalties and Strictures by Stock Exchanges/SEBI/ Statutory Authorities on any matter related to Capital Markets during the last three years

The Company has complied with the requirement of regulator authorities on Capital Market and no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the last three years.

Whistle Blower Policy

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.

Pecuniary relationships or transactions with Non-Executive Directors

There are no pecuniary relationships or transactions with Non-Executive Directors.

Material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement with the Stock Exchanges

The Company has no material non-listed Indian subsidiary company as defined in Clause 49 of the Listing Agreement.

Disclosure regarding appointment or re-appointment of Directors and Managing Directors

Given below are the abbreviated resumes of the Directors of KRBL Limited, who retires by rotation:

- **Mr. Vinod Ahuja** (65) is Non-Executive and Independent Director of KRBL Limited. Academically a Mechanical Engineer with honours and a Gold Medalist from Punjab University. He joined the family business and presently holding the head of "Ahuja Group" with multifarious activities from large scale Mechanised farming Services Industries relating to various Commodities from Farmer end to Consumer end and having Agro based Industries alongwith Exports of Cotton. Also engaged in latest generation of ginning & pressing industry. Promoted several agro-based activities and projects since joining family business. Member of Executive Committee of NITMA and served as Chairman-Raw Material Committee for three terms. VRA Cotton Mills Pvt. Ltd. was established in the year 2000 with the objective of providing its clients, spread all over the country as well as abroad, with the best quality, contamination-controlled Indian cotton. It is engaged in Cotton Ginning and Pressing, Cotton Trading and Cotton Export. VRA Cotton Mills Pvt.Ltd. has a Cotton Ginning Plant situated in the outskirts of the city of Abohar in Punjab (India). The Company is equipped with state of art Machinery for Cotton Ginning and Pressing. The main work undertaken by VRA is to process and export cotton Bales. With consistent quality and on - time shipment, the company has its sound presence in the worldwide market for cotton.

- **Mr. Ashwani Dua** (41) is Non-Executive and Independent Director of KRBL Limited. He is having more than 20 years of experience in diversified business including rice industry. His business acumen is excellent and is a very efficient businessman. All his businesses are running successfully.

Further, the relevant details forms part of the Notice of the Annual General Meeting, annexed to this Annual Report.

Details of compliance with mandatory requirement

All mandatory requirements have been appropriately complied with.

NON-MANDATORY REQUIREMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The status of compliance with the non-mandatory requirements of Clause 49 of the Listing Agreement are provided below:

1. **Non-Executive Chairman's Office**

   The Chairman of the Company is the executive chairman and hence this provision is not applicable.

2. **Tenure of Independent Directors**

   No minimum or maximum tenure for Independent Directors has been specifically determined by the Board of Directors. However, all Directors except Managing Directors are liable to be retired by rotation as per the provisions of Articles of Association of the Company.

3. **Remuneration Committee**

   The Remuneration Committee has been constituted to recommend/ review remuneration of Managing Director and Whole Time Directors, based on their performance and defined assessment criteria.

4. **Shareholder Rights**

   Half-yearly results including summary of the significant events are presently not being sent to shareholders of the Company.

5. **Audit Qualification**

   It is always the Company's endeavor to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2012.

6. **Training of Board Member**

   There was no Directors' training program during the year ended 31st March, 2012.

7. **Mechanism for evaluating non-executive Board Members**

   Non-Executive Directors were being always evaluated by their own peer in the Board meetings during the year 2011-12 although there was no formal peer group review by the entire Board except the Directors concerned.

8. **Nomination Facility**

   Shareholders holding shares in physical form and desirous to making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company.

MEANS OF COMMUNICATION

Financial Results and Annual Reports etc.:

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board of Directors of the company are published during the year under review in leading national newspapers, i.e. Economic Times, Nav Bharat Times and are also sent immediately to all the Stock Exchanges with which the shares of the company are listed.

The quarterly and annual financial statements, balance sheet, profit & loss account, directors' report, auditors' report, cash flow statements, corporate governance report, report on management discussion and analysis and shareholding pattern, etc. can also be retrieved by investors from the website of the Company www.krblrice.com.

MANAGEMENT

Management Discussion and Analysis Report

The Management Discussion & Analysis Report forms part of this Annual Report and given separately.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date & Time	:	25th September, 2012 at 10.30 A.M.
Venue	:	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi--110003
Financial Calendar	:	The Financial Year of the Company covers 1st April to 31st March
Financial Reporting for		
- Quarter ending 30th June, 2012	:	By Second Week of August, 2012
- Quarter ending 30th September, 2012	:	By Second Week of November, 2012
- Quarter ending 31st December, 2012	:	By Second Week of February, 2013
- Quarter ending 31st March, 2013	:	By Second Week of May, 2013
- Annual General Meeting	:	By end of September, 2013
Date of Book Closure	:	18th September, 2012 to 25th September, 2012 (both the days inclusive)
Dividend Payment Date	:	On or after 03rd October, 2012

Registrar and Share Transfer Agent and Share Transfer System

The Company has appointed M/s. Alankit Assignments Ltd., Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055 as its Registrar and Transfer Agent (RTA) for Electronic Mode of Transfer of both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and for physical transfer of shares.

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Physical shares which are lodged with the Registrar and Transfer Agent/ or with the Company for transfer are processed and returned to shareholders duly transferred within the time limit stipulated in the Listing Agreement subject to the documents being in order.

Dematerialization of Shares and liquidity

The Company's shares are required to be traded in the dematerialized form and are available for trading under both the depository systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Shares under the depository system is INE001B01026. The Annual Custodial Fees for the financial year 2012-13 has been paid to the depositories.

During the year under review 25040 shares of the company covered in 9 requests were converted into dematerialized form. As on 31st March, 2012, 242655890 shares of the company constituting 99.81% of the paid up share capital are in dematerialized form.

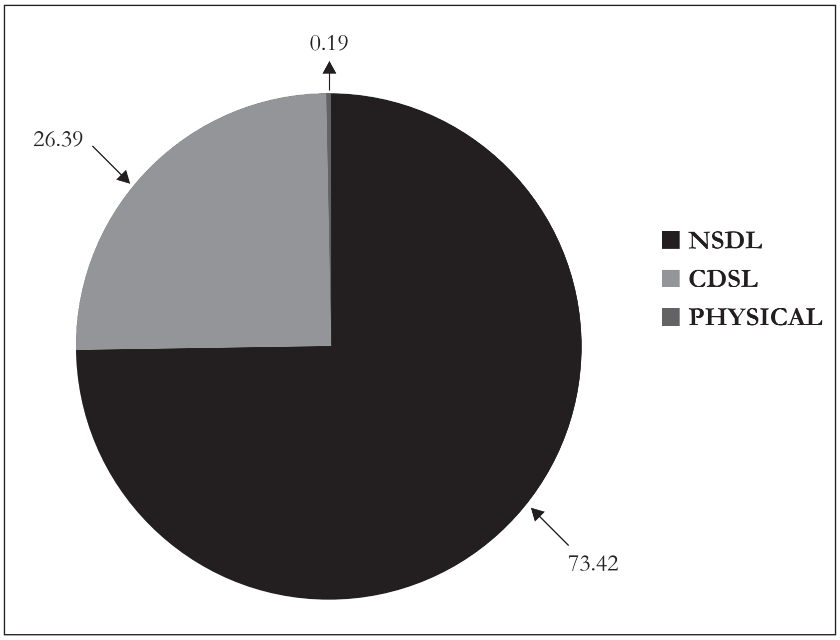
For guidance on depository services, shareholders may write to the company or to the respective depositories:

National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Telephone: 022 – 24994200 Facsmile: 022 – 24972933 E-mail: investors@nsdl.co.in Website: www.nsdl.co.in	Phiroze Jeejeebhoy Towers 28th Floor, Dalal Street Mumbai – 400023 Telephone: 022 – 22723333 Facsmile: 022 – 22723199 E-mail: info@cdslindia.com Website: www.cdslindia.com

Distribution of Shareholding as on 31st March, 2012

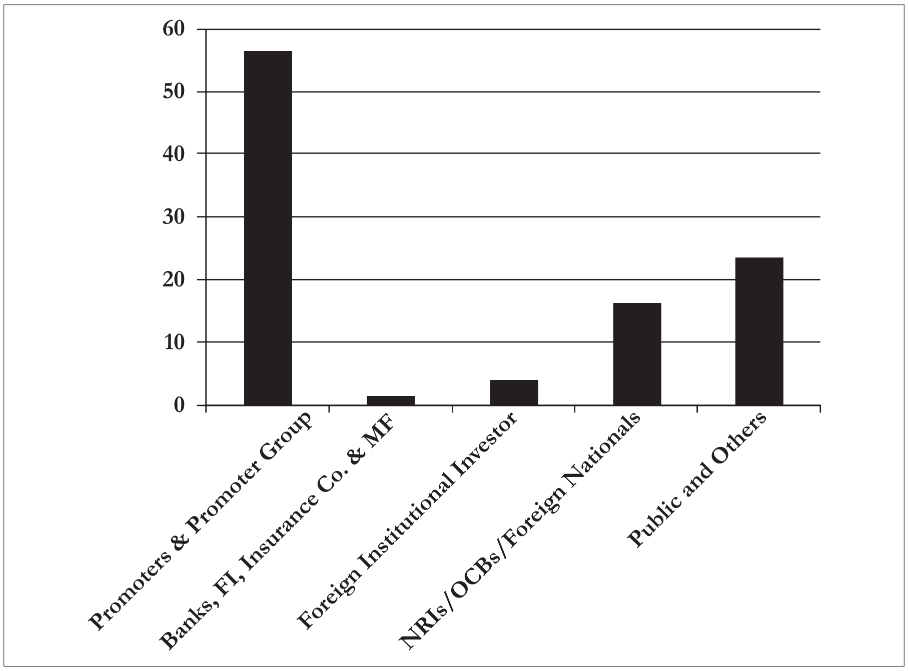
Range	No. of Shareholders	%age of Shareholders	Number of Shares	% of Total Shares
1 – 50	5544	15.67	155781	0.06
51 – 100	6384	18.04	611144	0.25
101 – 500	13277	37.53	4100794	1.69
501 – 1000	4919	13.90	4292618	1.77
1001 – 5000	4131	11.68	9914601	4.08
5001 – 10000	585	1.65	4411170	1.81
10001 – 50000	433	1.22	9192823	3.78
50001 – 100000	45	0.13	3331563	1.37
100000 & Above	62	0.18	207101446	85.19
Total	**35380**	**100.00**	**243111940**	**100.00**

Shares held in Physical and dematerial form as on 31st March, 2012



Category of Shareholders as on 31st March, 2012

Category	No. of Shares held	Percentage
Promoters & Promoters Group	138047174	56.78
Banks, Financial Institution, Insurance Company and Mutual Fund	2153143	0.89
Foreign Institutional Investors	7664837	3.15
NRIs/OCBs/Foreign Nationals	40827866	16.79
Public and Others	54418920	22.39
Total	**243111940**	**100.00**



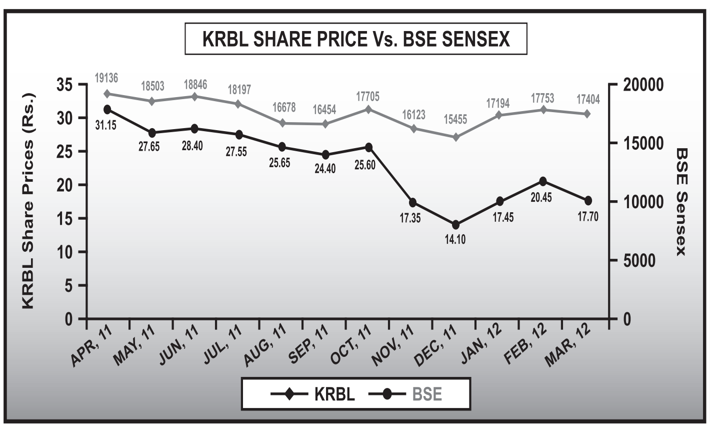
Top Ten Shareholders (Other than Promoters) as on 31st March, 2012

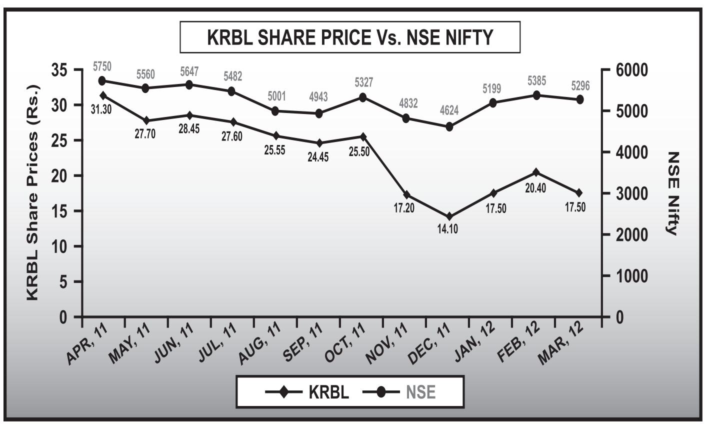
S. No.	Name	No. of Shares
01.	Reliance Commodities DMCC	22900000
02.	Abdulla Ali Obeid Balsharaf	7500000
03.	Omar Ali Obeid Balsharaf	7500000
04.	Som Nath Aggarwal	5674850
05.	Clsa (Mauritius) Limited	3707870
06.	Vocation Investment And Finance Co. Pvt. Ltd.	3227119
07.	Anil Kumar Goel	2445000
08.	HSBC Midcap Equity Fund	1857006
09.	Copthall Mauritius Investment Limited	1679000
10.	Quant Foreign Value Small Cap Fund	1475200

Market Price Data

Monthly High and Low quotes and volume of shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE):

Month	Bombay Stock Exchange Limited				National Stock Exchange of India Ltd.			
	High (₹)	Low (₹)	No. of Shares Traded	Turnover (₹in Lacs)	High (₹)	Low (₹)	No. of Shares Traded	Turnover (₹in Lacs)
April, 2011	34.45	26.80	13040934	4170.77	34.45	26.80	31872588	10174.74
May, 2011	31.75	25.15	6523875	1855.22	31.85	25.35	16964158	4830.32
June, 2011	29.80	22.50	6438961	1773.80	29.80	23.00	18030297	4957.91
July, 2011	33.90	27.20	10313841	3192.43	33.85	27.20	25848864	8023.56
August, 2011	28.90	23.50	4089805	1072.57	28.80	23.60	11393653	2981.78
September, 2011	29.65	24.00	7351087	2000.06	29.70	24.05	19098405	5174.19
October, 2011	27.00	22.40	3508037	877.58	27.00	22.40	11976518	2990.44
November, 2011	25.95	15.00	5100533	975.92	25.90	14.90	15366032	2899.67
December, 2011	18.00	12.75	3075725	464.32	18.05	12.65	9062681	1384.63
January, 2012	18.98	14.05	4853950	832.82	18.75	14.00	11249954	1905.75
February, 2012	21.40	17.60	7878733	1558.01	21.40	17.60	19478682	3857.97
March, 2012	20.72	16.80	2532344	473.77	20.80	16.60	6098820	1145.92





Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company had allotted 34,28,594 Nos. of underlying Equity Shares of ₹ 10/- each at a premium of ₹ 145.07625 aggregating to ₹ 5316.94 Lacs pursuant to the offer of 17,14,297 Global Depositary Receipts (GDRs) made by the Company on 24.02.2006 to foreign investors, in accordance with the provisions of Section 81 and 81(1A) of the Companies Act, 1956 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipts Mechanism) Scheme, 1993, on preferential basis.

The Company's Global Depository Receipts (GDRs) were listed on the Luxembourg Stock Exchange (Code: US4826571030), at de la Bourse de Luxembourg, 11, av de la Porter – Neuve, L-2227 Luxembourg. As all GDRs were converted into equity shares, so Company delist its GDR from

Luxembourg stock exchange w.e.f. 07th July, 2010. However, listing of the underlying equity shares are continued on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, India.

Listing on Stock Exchanges and Stock Code

Stock Exchanges	
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, 25th Floor Dalal Street, Mumbai – 400001 Website: www.bseindia.com **Stock Code: 530813**	National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex Bandra (E), Mumbai – 400051 Website: www.nseindia.com **Symbol: KRBL, Series: Eq.**

Compliance Officer

Dhiraj Kumar Jaiswal
Company Secretary
5190, Lahori Gate, Delhi – 110006
Phone: 011 – 23968328
E-mail: investor@krblindia.com

Unpaid Dividend

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the dividend unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the unclaimed final dividend for the year 2003-04 has been transferred and necessary Statement in Form No. 1 pursuant to Rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rule, 2001 has been filed.

Time Frame of transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Date of Declaration of Dividend	Dividend for the year	Due Date of transfer to IEPF
26/09/2005	2004-05	02/11/2012
28/09/2006	2005-06	04/11/2013
27/09/2007	2006-07	03/11/2014
29/09/2008	2007-08	05/11/2015
29/09/2009	2008-09	05/11/2016
28/01/2010	2009-10 (Interim)	06/03/2017
21/09/2010	2009-10 (Final)	27/10/2017
27/09/2011	2010-11	03/11/2018

Attention is drawn that the unclaimed final dividend for the Financial Year 2004-05 will be due for transfer to IEPF later this year. Communication has been sent by the Company to the concerned shareholders advising them to lodge their claim with respect to unclaimed dividend. Once unclaimed dividend is transferred to IEPF, no claims will lie in respect thereof.

Registered Office
5190, Lahori Gate, Delhi-110006
Phone: 011 - 23968328
Fax: 011 – 23968327
E-Mail: investor@krblindia.com

Registrar & Share Transfer Agents
Alankit Assignments Ltd.
Alankit House, 2E/21
Jhandewalan Extension, New Delhi – 110 055
Phone: (011) 42541955, 42541959

Plant Locations

1. 9th Milestone, Post-Dujana, Bulandshahar Road, Dist. Gautam Budh Nagar-203 307 U.P.
2. 29/15-29/16, Vill. Jindpur, G.T. Karnal Road, Alipur, Delhi -110 036
3. Plot No.258-260, Extented Lal Dora, Alipur, Delhi-110 036
4. Village Bhasaur, Tehsil Dhuri, Distt. Sangrur (Punjab)

On behalf of the Board of Directors

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Place : Gautambudh Nagar, U.P.
Date : 13th August, 2012

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of M/s. KRBL Limited

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges in India for the Financial Year ended on 31st March, 2012.

The compliance of condition of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

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

For DMK Associates
Company Secretaries

Place : New Delhi
Date : 13th August, 2012

Sd/-
(Deepak Kukreja)
C.P. No. 8265

CEO AND CFO CERTIFICATION

We, Anil Kumar Mittal, Chairman & Managing Director and Anoop Kumar Gupta, Joint Managing Director, responsible for the finance function certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2012 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or proposes to take to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference;

   ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control systems over financial reporting.

Place : Gautambudh Nagar, U.P.
Date : 13th August, 2012

Sd/-	Sd/-
Joint Managing Director	Chairman & Managing Director

Consolidated Financial Statements

Contents

CONSOLIDATED AUDITORS' REPORT

To The Member of KRBL Limited

We have audited the attached consolidated balance sheet of KRBL Limited and its subsidiary (the Group) as at 31st March, 2012, and also the consolidated Statement of Profit & Loss and the consolidated cash flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of KRBL Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not carry out the audit of the financial statements of the subsidiary, whose financial statements reflect the Group's share of total assets of ₹ 52.77 Crores (P.Y. ₹ 45.03 Crores) as at 31st March, 2012 and the Group's share of total revenues of ₹ 7.06 Crores (P.Y ₹ 5.53 Crore) for the year ended on that date, and net cash inflows amounting to ₹ 08.98 Crore [P.Y. (₹ 36.67) Crores] for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, duly certified by the management and in our opinion, so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by KRBL's management in accordance with the requirements of Accounting Standard 21 on Consolidated Financial Statements.

Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated balance sheet, of the state of affairs of KRBL Limited Group as at 31st March, 2012;

(b) in the case of the consolidated Statement of Profit & Loss, of the profit for the year ended on that date, and

(c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on the date.

for Vinod Kumar Bindal & Co
Chartered Accountants
Sd/-
Vinod Kumar Bindal
Proprietor
Firm Registration No-003820N
Membership No. 80668

Shiv Sushil Bhawan
D-219, Vivek Vihar
Phase-I,
New Delhi - 110 095
22nd May, 2012

CONSOLIDATED BALANCE SHEET as at 31st March, 2012

(₹ in Lacs)

	Particulars	Note No.	As at 31/03/2012	As at 31/03/2011
I.	**EQUITY & LIABILITIES**			
	Shareholders' Funds			
	Share Capital	2	2,435.41	2,435.41
	Reserves and Surplus	3	69,280.72	62,260.08
	Total Shareholders' funds (A)		**71,716.13**	**64,695.49**
	Minority Interest (B)		**88.43**	**88.47**
	Non Current Liabilities			
	Long-Term borrowings	4	10,639.38	9,150.65
	Deferred Tax Liabilities (Net)	5	1,621.67	1,312.62
	Long-Term Provisions	6	93.05	70.84
	Total Non Current Liabilities (C)		**12,354.10**	**10,534.11**
	Current Liabilities			
	Short-Term Borrowings	7	76,894.67	74,783.72
	Trade Payables	8	12,930.09	13,221.90
	Other Current Liabilities	9	25,586.03	22,907.84
	Short-Term Provisions	10	1,286.28	1,292.00
	Total Current Liabilities (D)		**1,16,697.07**	**1,12,205.46**
	Total (A+B+C+D)		**2,00,855.73**	**1,87,523.53**
II.	**ASSETS**			
	Non Current Assets			
	Fixed Assets	11		
	Tangible Assets		41,685.97	38,335.09
	Intangible Assets		157.96	173.04
	Capital Work-in-progress		783.75	2,042.39
	Long-Term Loans and Advances	12	1,865.14	1,901.26
	Total Non Current Assets (A)		**44,492.82**	**42,451.78**
	Current Assets			
	Current Investments	13	685.27	872.20
	Inventories	14	1,23,772.24	1,20,850.04
	Trade Receivables	15	22,916.63	14,800.33
	Cash & Bank Balances	16	1,708.50	514.77
	Short -Term Loans and Advances	17	7,280.27	8,034.41
	Total Current Assets (B)		**1,56,362.91**	**1,45,071.75**
	Total (A+B)		**2,00,855.73**	**1,87,523.53**
	Significant Accounting Policies	1		
	Other notes forming part of the financial statements	26		
	The accompanying notes form an integral part of the financial statements			

for KRBL LIMITED
On behalf of the Board,

Annexure to our Report of Date

	for Vinod Kumar Bindal & Co. Chartered Accountants	Sd/- **Anoop Kumar Gupta** Joint Managing Director	Sd/- **Anil Kumar Mittal** Chairman &Managing Director
Place : New Delhi Date : 22.05.2012	Sd/- **Vinod Kumar Bindal** Proprietor Firm No- 003820N, M No. 80668	Sd/- **Dhiraj Kumar Jaiswal** Company Secretary	Sd/- **Rakesh Mehrotra** Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2012

(₹ in Lacs)

Particulars	Note No.	Year Ended 31/03/2012	Year Ended 31/03/2011
INCOME			
Revenue from Operations	18	1,63,135.16	1,54,459.14
Other Income	19	906.84	763.58
Total Income		**1,64,042.00**	**1,55,222.72**
EXPENDITURE			
Cost of Materials Consumed	20	1,33,895.00	1,41,742.81
Purchases of Stock in Trade	21	994.08	618.01
Changes in Inventories of Finished Goods & Work in progress & Stock in Trade	22	(12,843.90)	(24,081.79)
Employee Benefits Expense	23	3,779.36	3,046.22
Finance Costs	24	7,001.80	4,756.45
Depreciation & Amortization Expense		4,451.81	3,594.74
Other Expenses	25	14,670.24	10,583.62
Total Expenditure		**1,51,948.39**	**1,40,260.06**
PROFIT BEFORE TAXATION & EXCEPTIONAL ITEMS		**12,093.61**	**14,962.66**
Exceptional Items-Foreign Exchange Fluctuation Gain/(Loss)		(2,564.27)	843.65
PROFIT BEFORE TAXATION		**9,529.34**	**15,806.31**
Tax Expense:			
- Current Year		1,878.13	3,328.00
- Earlier Year		35.18	(37.72)
- Deferred Tax		309.05	481.05
- Wealth Tax		3.73	1.73
PROFIT/ (LOSS) FOR THE YEAR AFTER TAX		**7,303.25**	**12,033.25**
EARNING PER EQUITY SHARE (Face Value of ₹ 1/- each)			
1) Basic (₹)		3.00	4.95
2) Diluted (₹)		3.00	4.95
Significant Accounting Policies	1		
Other notes forming part of the financial statements	26		
The accompanying notes form an integral part of the financial statements			

for KRBL LIMITED
On behalf of the Board,

Annexure to our Report of Date

	Sd/-	Sd/-
for Vinod Kumar Bindal & Co.	**Anoop Kumar Gupta**	**Anil Kumar Mittal**
Chartered Accountants	Joint Managing Director	Chairman &Managing Director
Sd/-	Sd/-	Sd/-
Vinod Kumar Bindal	**Dhiraj Kumar Jaiswal**	**Rakesh Mehrotra**
Proprietor	Company Secretary	Chief Financial Officer
Firm No- 003820N, M No. 80668		

Place : New Delhi
Date : 22.05.2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

- The Financial Statements are prepared on the historical cost convention on going concern basis and in accordance with the applicable accounting standards referred to in section 211(3C) of the Companies Act, 1956.

- The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

1.2 Use Of Estimates

- The preparation of Financial Statements requires management to make certain assumptions and estimates that affect the reported amount in the financial statements and notes thereto. Difference between actual results and estimates are recognised in the period in which the results are known/ materialise.

1.3 Fixed Assets including intangible Assets

- Fixed Assets are stated at cost of acquisition / installation inclusive of freight, duties, taxes and all incidental expenses and net of accumulated depreciation. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs. The original cost of imported Fixed Assets acquired through foreign currency loans has been adjusted at the end of each financial year by any change in liability arising out of expressing the outstanding foreign loan at the rate of exchange prevailing at the date of Balance Sheet. All up gradation / enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

- Intangible assets are stated at their cost of acquisition.

- Freehold Land is stated at original cost of acquisition.

- Capital work- in- progress is stated at amount spent up to the date of Balance Sheet.

1.4 Depreciation and Amortisation

- Depreciation on fixed assets is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 for the period of usage.

- Computer software charges, patent, trademark & design and Goodwill are recognised as intangible assets and amortized on straight line method over a period of 10 years.

- Leasehold land is amortized on straight line method over the lease period.

1.5 Investments

- Investments are classified into current and non-current investments. Current investments are stated at lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments.

1.6 Inventories

- Item of finish goods inventories are measured at lower of cost or net realisable value. Item of raw materials, stores, spares and consumable are valued at cost. Raw material on shop floor and work-in- process are taken as part of raw material and valued accordingly.

- The cost is calculated on weighted average cost method and it comprises expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving & defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

- By-products are valued at net realizable value and are deducted from the cost of main product.

- Inventory of Finished Excisable products are valued inclusive of Excise Duty.

1.7 Revenue Recognition and Accounting for Sales & Services

- Export sales are accounted for on the basis of date of bill of lading and adjusted for exchange fluctuations on exports realized during the year and the trade receivable in foreign exchange which are restated at the year end. Domestic sales are recognized on the dispatch of goods to the customers and are net of discounts, Sales Tax, Excise Duty , Returns etc. Gross sales includes Excise Duty and then reduced thereafter to compute net sales in conformity with ASI-14 on disclosure of the revenue from sale transaction. Dividend income is recognised when the right to receive dividend is established. Revenue and Expenditure are accounted for on going concern basis. Interest Income / Expenditure is recognized using the time proportion method based on the rates implicit in the transaction.

- Revenue in respect of Insurance / others claims, Interest, Commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1.8 Proposed Dividend

- Dividends (including Divided Tax thereon) are provided for in the books of account as proposed by the Directors Pending approval at the Annual General Meeting.

1.9 Research and Development

- Revenue expenditure on Research & Development is written-off in the year in which it is incurred. Capital Expenditure on Research & Development is included under Fixed Assets.

1.10 Treatment of Employee Benefits

- Contributions to defined provident fund are charged to the statement of Profit & Loss on accrual basis. Present liability for future payment of gratuity and unavailed leave benefits are determined on the basis of actuarial valuation at the balance sheet date and charged to the profit and loss account. Gratuity fund is managed by the Kotak Life Insurance.

1.11 Foreign Currency Transactions

- Year-end balance of foreign currency monetary items is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are adjusted on actual basis.

- Exchange difference on forward contract is also recognized in profit & loss Account on change of Exchange rate at the reporting date.

- Transactions covered by cross currency swap contracts to be settled on future dates are recognised at the year-end rates of the underlying foreign currency. Effects arising from swap contracts are adjusted on the date of settlement.

- In respect of Non integral foreign operation - both monetary and non-monetary items are translated at the closing rate and resultant difference is accumulated in foreign currency translation reserve, until the disposal of net investment.

- Non monetary foreign currency item are carried at cost.

1.12 Government Grant

- Government grant is considered for inclusion in accounts only when conditions attached to them are complied with and it is reasonably certain that ultimate collection will be made. Grant received from government towards fixed assets acquired by the Company is deducted out of gross value of the asset acquired and depreciation is charged accordingly.

1.13 Borrowing Costs

- Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of such assets till such time as the assets are ready for their intended use or sale. All other borrowing costs are recognised as expense in the period in which they are incurred.

1.14 Taxes on Income

- Current tax is determined on taxable income for the period at the applicable rates. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, resulting from timing differences between book and tax profits, at the tax rates that have been enacted or substantially enacted by the balance sheet date, to the extent these are capable of reversal in one or more subsequent periods.

1.15 Leases

- In respect of Operating leases, rentals are expensed with reference to lease terms and other considerations.

1.16 Provisions, Contingent Liability and Contingent Assets

- The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation can not be made. Contingent Assets neither recognised nor disclosed in the financial statement.

1.17 Segment Reporting

- Segments are identified based on dominant source and nature of risks and returns and the internal organisation and management structure. Inter segment revenue are accounted for on the basis of transactions which are primarily market led. Revenue and expenses which relate to enterprises as a whole and are not attributable to segments are included under "other unallocable expenditure net of unallocable income.

1.18 Financial and Management Information System

- An Integrated Accounting System has been put to practice which unifies both Financial Books and Costing Records. The books of account and other records have been designated to facilitate compliance with the relevant provisions of the Companies Act on one hand and meet the internal requirements of information and systems for Planning, Review and Internal

Control on the other. The Cost Accounts are designed to adopt Costing Systems appropriate to the business carried out by the Division, with each Division incorporating into its costing system, the basic tenets and principles of Standard Costing, Budgetary Control and Marginal Costing as appropriate.

1.19 Impairment of Assets

- The Company assess at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit & Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. SHARE CAPITAL

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Authorised Shares		
300000000 (Previous Year: 300000000) Ordinary Equity Shares of ₹ 1 each	3,000.00	3,000.00
	3,000.00	**3,000.00**
Issued & Subscribed Shares		
243966940 (Previous Year 243966940) Ordinary Equity Shares of ₹ 1 each	**2,439.67**	**2,439.67**
Paid up Shares		
243111940 (Previous Year 243111940) Ordinary Equity Shares of ₹ 1 each, fully paid up	2,431.12	2,431.12
Add : Amount received on 855000 (Previous Year 855000) Ordinary Equity Share of ₹ 1 forfeited	4.29	4.29
Total Paid up Share Capital	**2,435.41**	**2,435.41**

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(₹ in Lac)

PARTICULARS	As at 31/03/2012		As at 31/03/2011	
	No of Shares	Amount	No of Shares	Amount
Ordinary Equity Shares outstanding at the beginning of the year	243111940	2,431.12	243111940	2,431.12
Ordinary Equity Shares issued during the year	–	–	–	–
Ordinary Equity Shares bought back during the year	–	–	–	–
Ordinary Equity Shares outstanding at the end of the year	243111940	2,431.12	243111940	2,431.12

b) Terms/ rights attached to ordinary shares

The Company has issued only one class of ordinary equity shares having a par value of ₹ 1/- per share. Each holder of ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of dividend per share recognised for distribution to ordinary shareholders is ₹ 0.30/- (Previous year: ₹ 0.30/-).

In event of liquidation of the company, the holders of ordinary equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of ordinary shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Sl. No.	Name of the Shareholders	As at 31/03/2012		As at 31/03/2011	
		No of Shares held	% of Holding	No of Shares held	% of Holding
1	Anil Kumar Mittal	184.91	7.61%	184.61	7.59%
2	Anoop Kumar Gupta	188.97	7.77%	188.60	7.76%
3	Arun Kumar Gupta	191.59	7.88%	191.31	7.87%
4	Radha Raj Ispat Private Limited	275.21	11.32%	275.21	11.32%
5	Reliance Commodities DMCC	229.00	9.42%	229.00	9.42%

d) Aggregate number of bonus shares issued, Shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Securities Premium Reserve		
Balance as per the last Financial Statements **(A)**	**11,475.90**	**11,475.90**
Foreign Currency Translation Reserve		
As per last Balance Sheet	(142.65)	(124.47)
Add: Adjustment for translation of Non Integral Operation	565.05	(18.18)
Closing Balance (B)	**422.40**	**(142.65)**
General Reserve		
Balance as per the last Financial Statements	5,946.20	4,246.20
Add: Transfer from current year surplus	1,000.00	1,700.00
Closing Balance (C)	**6,946.20**	**5,946.20**
Surplus/ (Deficit)		
Balance as per the last Financial Statements	44,980.63	35,497.85
Add: Profit for the year as per the Statement of Profit & Loss	7,303.25	12,033.25
Less: Appropriations		
Proposed Dividend [Amount per share ₹ 0.30/- (Previous Year ₹ 0.30/-)]	729.34	729.34
Tax on Proposed Dividend	118.32	121.13
Transfer to General Reserve	1,000.00	1,700.00
Total Appropriations	1,847.66	2,550.47
Closing Balance (D)	**50,436.22**	**44,980.63**
Total (A+B+C+D)	**69,280.72**	**62,260.08**

4. LONG TERM BORROWINGS

(₹ in Lac)

Particulars	Non Current		Current	
	As at 31/03/2012	As at 31/03/2011	As at 31/03/2012	As at 31/03/2011
Secured				
Term Loans-From Banks				
- State Bank of India (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Oct, 12)	6,570.38	-	938.63	-
- HSBC (Martitus) Limited (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Dec, 11)	3,525.00	4,816.00	1,410.00	715.06
- HDFC Bank Limited # (Repayable in 20 quarterly installments from June, 10)	120.00	180.00	60.00	60.00
- YES Bank Limited# (Repayable in 04 quarterly installments from Sept,11)	-	3,072.22	3,072.22	4,705.56
- Corporation Bank Limited # (Repayable in 28 quarterly installments from Nov, 09)	300.00	387.43	85.71	84.00
- Corporation Bank Limited # (Repayable in 10 quarterly installments from April, 13)	40.00	-	-	-
- Corporation Bank Limited # (Repayable in 10 quarterly installments from April, 13)	84.00	-	-	-
- State Bank of Bikaner & Jaipur# (Repayable in 12 quarterly installments from June, 10)	-	695.00	695.00	700.00
	10,639.38	**9,150.65**	**6,261.56**	**6,264.62**
Less: Shown under other Current Liabilites (Refer note no 9)	-	-	(6,261.56)	(6,264.62)
Total	**10,639.38**	**9,150.65**	**-**	**-**

Secured by First pari passu charge by way of mortgage and hypothecation over all immovable properties and moveable fixed assets of the Company (both present and future) and further secured by second pari passu charge on all current assets of the Company and Personal Guarantee of promoter Directors of the company.

• There is no continuing default in repayment of any of the above loan.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

5. DEFERRED TAX LIABILITIES (Net)

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Deferred Tax Liabilities		
Related to Fixed Assets	1,668.59	1,366.58
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	46.92	53.96
Net Liability	**1,621.67**	**1,312.62**

6. LONG TERM PROVISIONS

Provisions for Employee benefits		
Leave Encashment (unfunded)	93.05	70.84
Total	**93.05**	**70.84**

7. SHORT TERMS BORROWINGS

Secured ##		
Loans Repayable on Demand		
- Cash Credits from Banks	74,681.50	68,283.72
Unsecured		
Loans Repayable on Demand		
- Cash Credits from Banks	2,213.17	6,500.00
Advance from related party		
Total	**76,894.67**	**74,783.72**

Working capital facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the Company by way of hypothecation. These facilities are further secured by second charge over the immovable & moveable assets of the Company & Personal Guarantee of promoter Directors of the company.

• There is no continuing default in repayment of any of the above secured bank loan.

8. TRADE PAYABLES

Micro & Small Enterprises^^	-	-
Others	12,930.09	13,221.90
Total	**12,930.09**	**13,221.90**

^^There are no Micro, Small and Medium Enterprises (P.Y. NIL) to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. This information, required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. Moreover, the Company primarily deals in procurement of agri-products which are sourced from the Farmers and Aartias (Commission Agents) who are not covered under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

9. OTHER CURRENT LIABILITIES

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Current Maturities of Long-Term Debts (Refer note no 4)	6,261.56	6,264.62
Interest Accrued but not due on Borrowings	455.81	5.81
Unpaid Dividends #	31.22	24.10
Advance Payments from Customers	17,700.04	15,761.81
Other Payables		
- Salary & Wages Payable	216.07	202.57
- Statutory Dues Payable	177.51	156.75
- Expenses Payable	743.82	492.18
Total	**25,586.03**	**22,907.84**

There are no amount due & outstanding to be credited to the Investor Education & Protection Fund.

10. SHORT TERM PROVISIONS

Employee benefits		
- Bonus Payable	96.54	86.01
- Gratuity Payable	57.06	55.19
- EPF & ESI Payable	25.29	20.81
- Labour Welfare Payable	0.24	0.11
Others		
- Provision for Income Tax	255.76	277.58
- Provision for Wealth Tax	3.73	1.83
- Provision for Dividend	729.34	729.34
- Provision for Tax on Dividend	118.32	121.13
Total	**1,286.28**	**1,292.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. FIXED ASSETS

(₹ in Lac)

Description	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As At 01/04/2011	Addition during the year	Sale	Adjustment due to forex fluctuation	Deductions/ Adjustments	As at 31/03/2012	Up to 31/03/2011	For the Year	On disposal	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
a. Tangible Assets:-												
Land	2,573.95	-	-	-	-	2,573.95	-	-	-	-	2,573.95	2,573.95
Land Under Lease	236.04	94.56	-	-	-	330.60	11.94	13.29	-	25.23	305.37	224.10
Buildings	9,268.51	1,063.87	-	19.17	-	10,351.55	1,038.25	188.09	-	1,226.34	9,125.21	8,230.26
Plant & Machinery	41,027.40	6,237.72	120.41	-	77.12	47,067.59	15,067.18	4,017.82	103.33	18,981.67	28,085.92	25,960.22
Vehicle & Trolley	1,381.59	360.94	55.86	-	-	1,686.67	516.54	155.50	18.71	653.33	1,033.34	865.05
Furniture & Fixture	936.83	139.62	0.06	0.08	-	1,076.47	455.32	58.97	0.002	514.29	562.18	481.51
Total	**55,424.32**	**7,896.71**	**176.33**	**19.25**	**77.12**	**63,086.83**	**17,089.23**	**4,433.67**	**122.04**	**21,400.86**	**41,685.97**	**38,335.09**
b. Intangible Assets:-												
Patent, Trade Mark & Design	22.37	-	-	-	-	22.37	3.06	2.24	-	5.30	17.07	19.31
Computer Software Development Charges	156.86	1.41	-	-	-	158.27	18.36	15.74	-	34.10	124.17	138.50
Goodwill	15.37	-	-	1.65	-	17.02	0.14	0.16	-	0.30	16.72	15.23
Total	**194.60**	**1.41**	**-**	**1.65**	**-**	**197.66**	**21.56**	**18.14**	**-**	**39.70**	**157.96**	**173.04**
Total (a+b)	**55,618.92**	**7,898.12**	**176.33**	**20.90**	**77.12**	**63,284.49**	**17,110.79**	**4,451.81**	**122.04**	**21,440.56**	**41,843.93**	**38,508.13**
Previous Year	45,313.20	10,470.28	165.71		-	55,617.77	13,557.76	3,594.74	42.85	17,109.65	38,508.12	31,755.44
c. Capital Work-in Progress												
Building	168.72	967.88	-	-	1,083.40	53.20	-	-	-	-	53.20	168.72
Plant & Machinery	1,873.67	6,472.12	-	-	7,615.24	730.55	-	-	-	-	730.55	1,873.67
Total	**2,042.39**	**7,440.00**	**-**	-	**8,698.64**	**783.75**	**-**	**-**	**-**	**-**	**783.75**	**2,042.39**

Notes

1 None of the fixed assets has been revalued during the year

2 Additions to Fixed Assets and Capital work-in-progress include net borrowing cost of ₹ 324.04 Lacs capitalised during the year(Previous Year ₹ 158.44 Lacs).

3 There has been no impairment loss on assets during the year.

12 LONG TERM LOANS AND ADVANCES

(₹ in Lac)

Particulars	Non Current	
	As at 31/03/2012	As at 31/03/2011
Unsecured - Considered Good		
Capital Advances	514.87	550.39
Security Deposit	1,350.27	1,350.87
Total	**1,865.14**	**1,901.26**

13 CURRENT INVESTMENTS

NON -TRADE - At Cost or Market Price/NAV whichever is lower	Face Value	No. of Shares/Unit		Amount (₹ in Lacs)	
		As at 31/03/2012	As at 31/03/2011	As at 31/03/2012	As at 31/03/2011
Mutual Fund Instruments - Fully paid up-Unquoted					
SBI Infrastructure Fund-I	10.00	250000	250000	19.53	23.43
SBI One India Fund	10.00	100000	100000	10.00	10.00
Total (A)				**29.53**	**33.43**
Equity Instruments - Fully paid up-Quoted					
NHPC Limited	10.00	882712	882712	173.89	223.33
Coal India Limited	10.00	76437	76437	187.27	187.27
Power Grid Corporation of India Limited	10.00	107667	107667	96.90	96.90
Shipping Corporation of India Limited	10.00	242265	242265	150.33	260.31
MOIL Limited	10.00	18923	18923	47.35	70.96
Total (B)				**655.74**	**838.77**
Total (A+B)				**685.27**	**872.20**
Quoted Investments				655.74	838.77
Unquoted Investments				29.53	33.43
Total				**685.27**	**872.20**
Market Value of Quoted Investment				**750.88**	**932.91**

14. INVENTORIES (REFER NOTE 1.6 FOR MODE OF VALUATION)

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Raw Materials		
- In Stock	44,291.82	54,985.59
- In Transit	210.82	123.75
Finished goods		
- In Stock	70,099.83	61,054.38
- In Transit	3,881.70	70.93
Stores, Spares, Fuel & Packing Material		
- In Stock	5,288.07	4,615.39
Total	**1,23,772.24**	**1,20,850.04**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE RECEIVABLES

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	579.45	582.80
Unsecured, Considered Doubtful	-	-
Total (A)	**579.45**	**582.80**
Others		
Secured, Considered Good	7,654.57	9,860.25
Unsecured, Considered Good	14,682.61	4,357.28
Total (B)	**22,337.18**	**14,217.53**
Total (A+B)	**22,916.63**	**14,800.33**

Debt due from directors /Firm in which the directors are interested ₹ 1,163 Lacs (previous year ₹ 163 lacs)

16. CASH & BANK BALANCES

Cash & Cash Equivalents		
Balance with Banks:		
- In Current Accounts	152.21	363.65
- In Deposit with Original Maturity of less than 3 months	-	-
- In unpaid Dividend Account	31.22	24.10
Cash in Hand	153.96	99.93
Other Bank Balances		
- Deposits with original maturity of more than 12 months but within 12 months from balance sheet date	70.66	27.09
- Deposits with Original Maturity of more than 3 months but less than 12 months	1,300.45	-
Total	**1,708.50**	**514.77**

17. SHORT TERM LOANS AND ADVANCES

Accrued Interest on FDR	6.40	17.49
VAT Recoverable	537.99	625.65
Sales Tax	128.01	205.27
Prepaid Expenses	236.55	116.87
Income Receivable	494.21	485.91
Advance to Supplier	93.45	1,348.17
Others	5,783.66	5,235.05
Total	**7,280.27**	**8,034.41**

18. REVENUE FROM OPERATIONS (REFER NOTE NO 1.7 ON REVENUE RECOGNITION)

(₹ in Lac)

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Sale of Products		
- Rice-Export	85,439.66	64,025.44
- Rice-Domestic	67,937.50	81,849.57
- Electricity Generation (Including CERs Sale)	2,914.72	2,198.96
- Bran Oil	2,004.04	1,726.06
- Furfural -Export	241.25	-
- Furfural -Domestic	128.68	-
- Rice Bran	1,314.01	1,319.46
- Glucose	138.58	-
Sale of Traded Products		
- Cotton Sale-Export	-	296.92
- Cotton Sale-Domestic	333.84	533.21
- Seed	926.08	902.42
Scrap & Others	1,733.52	1,548.94
Other Operating Revenue	35.30	58.16
Gross Revenue from Operation	**1,63,147.18**	**1,54,459.14**
Less: Excise Duty	12.02	-
Net Revenue from Operation	**1,63,135.16**	**1,54,459.14**

19. OTHER INCOME

Warehouse Income	94.58	97.25
Profit on Sale of Fixed assets	16.17	51.09
Dividends Income	22.36	24.81
Interest Income	706.46	553.94
Profit on Sale of Current Investments	10.89	6.00
Other Non Operating Income	56.38	30.49
Total	**906.84**	**763.58**

20. COST OF MATERIALS CONSUMED

Paddy	90,977.41	73,333.76
Rice	35,893.76	62,695.70
Others	7,023.83	5,713.35
Total	**1,33,895.00**	**1,41,742.81**

21. PURCHASE OF TRADED GOODS

Seed	579.64	521.48
Bran & Others	414.44	96.53
Total	**994.08**	**618.01**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

(₹ in Lac)

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Stocks at the beginning of the year		
- Rice	60,087.05	35969.68
- Seeds	257.51	521.25
- Others	780.76	552.60
Total (A)	**61,125.32**	**37,043.53**
Less: Stocks at the end of the year		
- Rice	73,100.12	60,087.05
- Seeds	273.88	257.51
- Others	595.22	780.76
Total (B)	**73,969.22**	**61,125.32**
Total (A-B)	**(12,843.90)**	**(24,081.79)**

23. EMPLOYEE BENEFITS EXPENSE

(Refer note 1.10 on employee benefits)		
Salaries, Wages, Bonus & Gratuity	3,511.79	2,830.69
Contribution to Provident and Other Funds	159.98	137.86
Workmen & Staff Welfare Expenses	107.59	77.67
Total	**3,779.36**	**3,046.22**

24. FINANCE COSTS

Interest Expenses		
- On Term Loans	1,128.40	755.01
- To Bank and Others	5,921.74	4,251.52
Total (A)	**7,050.14**	**5,006.53**
Less: Interest Received		
- From Banks	109.05	325.31
- From Others	78.29	61.37
Total (B)	**187.34**	**386.68**
Interest Expenses (Net) **Total (A-B)**	**6,862.80**	**4,619.85**
Other Borrowing Cost	139.00	136.60
Total Finance Cost	**7,001.80**	**4,756.45**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

25. OTHER EXPENSES

(₹ in Lac)

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Consumption of Stores, Spare Parts and Packing Materials	564.58	471.20
Repairs and Maintenance		
- Machinery	728.88	547.12
- Buildings	107.99	89.87
- Vehicle	88.03	76.24
- Others	27.40	19.49
Warehouse & Godown Rent	336.30	348.44
Power & Fuel	667.57	537.10
Fumigation & Phytosanitary Expenses	176.06	106.28
Freight, Transportation and Handling Charges	793.29	641.20
Loading & Unloading Charges	487.02	363.94
Rice Sorting & Paddy Milling Charges	61.77	41.19
Insurance	157.67	141.89
Travelling & Conveyance	164.14	147.26
Loss on Revaluation of Current Investment	183.03	123.37
Legal & Professional Charges	191.55	132.54
Charity & Donations	8.67	11.77
Postage, Telegram & Telephone	76.27	76.23
Payment to Auditors		
- For Audit	10.03	7.72
- For Tax Audit	2.81	2.50
- For Taxation & Certification Work	1.69	1.65
Printing & Stationery	45.69	35.03
Fee & Subscription	50.05	18.80
Advertisement Expenses	1,254.89	899.07
Business Promotion Expenses	1,549.51	1,003.53
Clearing, Forwarding & Storage Charges	868.08	548.21
Freight on Sale	4,113.61	2,603.33
Brokerage/Commission/Discount	977.80	921.73
Taxes on Sales	943.95	651.26
Other Miscellaneous Expenses	31.91	15.66
Total	**14,670.24**	**10,583.62**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26.1 Contingent liabilities not provided for in respect of :

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) Claims against the Company not acknowledged as debts		
(a) Liability relating to Bank Guarantee	166.00	205.00
(b) Liability relating to Bills Discounted with Scheduled Banks	-	6,775.05
- Liability relating to Bills Discounted with Scheduled Banks as on date ₹ NIL (PY NIL)		
(c) Disputed Liability in respect of Income Tax Demand in appeal	23.32	200.16
- Amount paid against disputed Income Tax appeal as ₹ 5.75 Lacs (PY ₹ 80.68 Lacs)		
(d) Disputed Liability relating to Sales Tax	32.70	102.79
- Amount paid against disputed Sales tax appeal as ₹ 28.95 Lacs (PY ₹ 99.04 Lacs)		
(e) Disputed Liability relating to ESI (Malerkotla, Punjab)	6.12	-
(f) Disputed Liability relating to Market Fees (Fazilka, Punjab)	15.09	-
- Amount paid against disputed is ₹ 1.37 lacs		
(f) Other	28.25	-
	271.48	**7,283.00**

26.2 Details of movement in Provisions in accordance with Accounting Standard 29

Income Tax		
Provisions as on 01/04/2011	277.58	-
Addition made during the Year	1,878.12	3,328.00
Adjustment/Reverse/Paid	1,899.65	3,050.42
Provisions as at 31/03/2012	**256.05**	**277.58**

Wealth Tax		
Provisions as on 01/04/2011	1.83	2.20
Addition made during the Year	3.73	1.83
Adjustment/Reverse/Paid	1.83	2.20
Provisions as at 31/03/2012	**3.73**	**1.83**

26.3 In the opinion of the Board and to the best of their knowledge and belief, the valuation on realisation of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

26.4 Value of Raw Materials, including packaging materials, spare parts and components consumed during the year

Particulars	Percentage		Value (₹ in Lacs)	
	2011-12	2010-11	2011-12	2010-11
Raw Material				
Imported	NIL	NIL	NIL	NIL
Indigenous	100%	100%	1,26,871.17	1,36,029.46
Spare Parts, Components & Packing Materials				
Imported	1.5%	0.001%	110.40	0.03
Indigenous	98.5%	99.99%	7,478.02	6,184.54

26.5 A sum of ₹ 29.94 (P.Y. ₹ 40.36 Lacs) has been received from DMI through NABARD towards construction of rural godown and a sum of ₹ 73.66 Lacs (P.Y. ₹ 44.01 Lacs) is receivable from DMI through NABARD towards construction of rural godown. The entire grant so received / receivable has been deducted from the respective cost of the Capital Expenditure.

26.6 CIF value of Imports made during the year in respect of

(₹ in Lac)

Particulars	2011-12	2010-11
Components and Spare Parts	110.40	2.96
Capital Goods Purchased	287.78	1,285.24

26.7	Earnings in Foreign Exchange on Mercantile basis	83,920.79	64,280.07

26.8	F.O.B. Value of Exports	81,567.30	62,658.89

26.9 Expenditure in foreign currency on mercantile basis

Foreign Travel & Other	25.58	15.08
- By Directors ₹ 20.29 Lacs (PY ₹ 9.63 Lacs)		
Ocean Freight	1,760.11	1,360.57
Legal, Professional & Other Charges	39.12	12.91
Salary	13.61	20.92
Selling & Distribution Expenses	255.54	13.82

26.10 Managerial remuneration to Executive Directors

- On Account of Salary	231.98	222.84
- On Account of Perquisite	120.17	1.98

26.11	Payment of Insurance charges on account of Key man Insurance policy	102.82	102.82

26.12	Unclaimed dividend pending on account of non presentation of cheques has been deposited in separate accounts with Scheduled Bank	31.22	24.10

26.13 Remittance in Foreign Currency on account of dividends

a) No. of Non-resident share holders	5	5
b) No. of Equity shares held by them	39000000	39000000
c) Amount of Dividend paid (In ₹ Lacs)	117.00	58.50
d) Year to which the dividend relates	2010-11	2009-10

26.14 There is no prior period item, which is considered material for the purpose of disclosure in accordance with the Accounting Standard-5 on "Net Profit or Loss for the period, Prior Period items and changes in Accounting Policies".

26.15 The Company has in-house R & D Centre. The details of revenue/capital expenditure incurred by the R&D Centre during the year is as under :-

(₹ in Lac)

Particulars	2011-12	2010-11
1) Revenue Expenditure charged to Profit & Loss Account		
i) Salary and other Benefits	192.98	162.72
ii) Others	54.22	57.31
Total	**247.20**	**220.03**
2) Capital Expenditure shown under Fixed assets schedule	-	-
Grand Total	**247.20**	**220.03**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26.16 Intangible Assets

In accordance with Accounting Standard - 26 on 'Intangible Assets' ₹ 1.41 Lacs (P.Y. ₹ 61.86 Lacs) have been capitalized on account of computer software development charge.

26.17 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity share holders by the average number of equity shares outstanding during the year. Number used for calculating basic and diluted earnings per equity is stated below

Profit after tax (₹ in Lacs)	7,303.25	12,033.25
Weighted average number of equity shares for basic & dilutive	243111940	243111940
Nominal value per equity share (₹)	1.00	1.00
Earnings per share (Basic & Dilutive)	3.00	4.95

26.18 The Company has entered into lease agreement for the period of five years, which are in the nature of operating leases as defined in the Accounting Standard-19(AS-19) in respect of leases:-

a) Future minimum lease payment under non cancellable operating leases in respect of lease agreement

- Not later than one year	NIL	NIL
- Later than one year but not later than five years	82.35	164.70
- Later than five years	68.00	76.50

b)

Lease payment recognised in the statement of Profit and Loss Account, in respect of operating lease agreement	90.85	90.85

c) Significant Leasing arrangement

The Company has entered into leasing arrangements in respect of godowns/premises

(i) Basis of determining contingent rent

- Contingent rents are payable for excessive, improper or unauthorized use of the assets, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump-sum amount, as agreed between the parties

(ii) Renewal/purchase options & escalation clauses

- Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change in the basis of computation of lease rentals by the lessor

(iii) There are no restrictions imposed by the lease arrangements, concerning dividends, additional debt and further leasing.

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26.19 Segment Disclosure (AS - 17) *Figures in brackets are in respect of previous year.*

Particulars	Agri	Energy	Others	Unallocable	Total
Segment operating Revenue					
External	1,60,185.00	7,634.00			1,67,819.00
	(1,52,202.00)	(4,470.00)	-	-	(1,56,672.00)
Less: Inter-Segment		4,719.00			4,719.00
		(2,271.00)	-	-	(2,271.00)
Segment Result					
Profit / (Loss) before Tax and Interest	16,030.00	725.00			16,755.00
	(20,787.00)	(-2.00)			(20,785.00)
Interest				7,002.00	7,002.00
				(4,756.00)	(4,756.00)
Other Unallocable expenditure net of unallocable income				224.00	224.00
				(223.00)	(223.00)
Profit before Taxation					**9,529.00**
					(15,806.00)
Provision for Taxation - Current				1,878.00	1,878.00
				(3,328.00)	(3,328.00)
Tax relating to earlier years				35.00	35.00
				(-38.00)	(-38.00)
Deferred Tax				309.00	309.00
				(481.00)	(481.00)
Wealth Tax				4.00	4.00
				(2.00)	(2.00)
Profit after Taxation					**7,303.00**
					(12,033.00)
Other Information					
Segment Assets	1,82,065.15	18,793.58			2,00,855.73
	(1,70,284.13)	(17,239.40)			(1,87,523.53)
Segment Liabilities	1,29,134.93	4.67	-		1,29,139.60
	(1,22,550.32)	(277.73)			(1,22,828.05)
Geographical Segment (Based on Location of customers)				**2011-12**	**2010-11**
Segment Assets					
- Middle East				16,652.26	12,470.30
- Other Than Middle East				3,102.70	1,689.00
- India				1,81,100.77	1,73,364.23
Total				**2,00,855.73**	**1,87,523.53**
Segment Revenue					
- Middle East				63,439.89	57,979.00
- Other Than Middle East				22,241.11	6,353
- India				77,454.16	90,127.14
Total				**1,63,135.16**	**1,54,459.14**

i) The business groups comprise of the following
   a) Agri - Agri commodities such as rice, cotton, seed, bran, bran oil, etc.
   b) Energy - Power generation from wind turbine and husk based power plant.

ii) The Geographical segments considered for disclosure are
   - Sales within India
   - Sales outside India
     a) Middle East
     b) Other than Middle East

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26.20 Related Party Disclosures (AS-18)

a) Related parties and their relationship :

1) Key Management Personnel

Mr. Anil Kumar Mittal	:	Chairman & Managing Director
Mr. Arun Kumar Gupta	:	Joint Managing Director
Mr. Anoop Kumar Gupta	:	Joint Managing Director
Mr. Ashok Chand	:	Whole Time Director
Dr. Narpinder Kumar	:	Non Executive & Independent
Ms. Priyanka Mittal	:	Whole Time Director & Daughter of CMD
Mr. Vinod Ahuja	:	Non Executive & Independent Director
Mr. Ashwani Dua	:	Non Executive & Independent Director
Mr. Shyam Arora	:	Non Executive & Independent Director
Mr. Gautam Khaitan	:	Non Executive & Independent Director

2) Employee benefit plans where there in significant influence

- KRBL LIMITED Employees Group Gratuity Trust

3) Relatives of Key Management Personnel

Mrs. Preeti Mittal	:	Wife of Mr. Anil Kumar Mittal
Mrs. Anulika Gupta	:	Wife of Mr. Arun Kumar Gupta
Mrs. Binita Gupta	:	Wife of Mr. Anoop Kumar Gupta
Mr. Ashish Mittal	:	Son of Mr. Anil Kumar Mittal
Mrs. Neha Gupta	:	Daughter of Mr. Arun Kumar Gupta
Mrs. Rashi Gupta	:	Daughter of Mr. Anoop Kumar Gupta
Mr. Kunal Gupta	:	Son of Mr. Arun Kumar Gupta
Mr. Akshay Gupta	:	Son of Mr. Anoop Kumar Gupta
Mr. Ayush Gupta	:	Son of Mr. Anoop Kumar Gupta
Anil Kumar Mittal HUF	:	Mr. Anil Kumar Mittal is Karta of HUF
Arun Kumar Gupta HUF	:	Mr. Arun Kumar Gupta is Karta of HUF
Anoop Kumar Gupta HUF	:	Mr. Anoop Kumar Gupta is Karta of HUF
Bhagirath Lal Gupta HUF	:	Mr. Anil Kumar Mittal is Karta of HUF

4) Enterprises over which key management personnel are able to exercise significant influence :

Khushi Ram Behari Lal	:	Partnership Firm in which Mr. Anil K. Mittal, Mr. Arun K. Gupta& Mr. Anoop K. Gupta are partners
Anurup Exports Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj Ispat Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta, Mr. Anoop K. Gupta & Ms. Priyanka Mittal are Directors
Radha Raj Infrastructure Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta, Mr. Anoop K. Gupta & Mr. Ashwani Dua are Directors
KRBL Infrastructure Limited	:	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Aakash Hospitality Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Holistic Farms Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj IT City & Parks Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj Logistics Private Limited	:	Private Limited Company in which Mr. Anoop K . Gupta & Mr. Ashwani Dua are Directors
KRBL Foods Limited	:	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors

Adwet Warehousing Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Padmahasta Warehousing Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors

b) Transactions with the related parties :

Particulars	Enterprises over which significant influence exercised by key management personnel		Key Management Personnel (Including relatives)		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Purchase of Goods and Fixed Assets	262.40	-	-	-	262.40	-
Sale of Goods and Fixed Assets	3,427.18	1,869.92	-	-	3,427.18	1,869.92
Service Received	-	-	1.59	1.50	1.59	1.50
Rent Paid by the company	8.50	8.50	130.95	82.35	139.45	90.85
Dividend paid	82.56	41.28	331.29	165.65	413.85	206.93
Remuneration Given	-	-	352.15	224.82	352.15	224.82

c) Balance Outstanding at the end of the Financial Year:

Receivable on Account of Goods sold	1,163.00	162.84			1,163.00	162.84
Receivable on Account of Security Deposit	971.00	971.00			971.00	971.00

Notes: (1) Amount written of or written back in respect of debts due from or to related parties in NIL (P.Y. ₹ NIL)

26.21 Employee Benefits - AS 15 (Revised)

a) The Company has determined the liability for Employee benefits as at 31st March, 2012 in accordance with revised Accounting Standard 15 issued by ICAI - Employee defined benefits.

b) Following information are based on report of Actuary.

Defined benefit plans	Year Ended 31/03/2012 Gratuity (Funded)	Year Ended 31/03/2011 Gratuity (Funded)
A. Components of Employee Benefit		
1 Current Service Cost	35.84	25.50
2 Interest Cost	14.48	9.95
3 Expected Return on Plan Assets	(9.71)	(5.71)
4 Net Actuarial (gain) / loss recognised during the year	16.47	25.46
5 Total Expense recognised in the Statement of Profit & Loss A/c	57.07	55.20
B. Actual Return on Plan Assets		
1 Expected Return on Plan Assets	9.71	5.71
2 Actuarial gain / (loss) on Plan Assets	(3.80)	0.44
3 Actual Return on Plan Assets	5.92	6.15
C. Reconciliation of Obligation and Fair Value of Assets		
1 Present Value of the obligation	211.26	175.46
2 Fair Value of Plan Assets	151.64	117.71
3 Funded Status [surplus / (deficit)]	(59.62)	(57.76)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

D. Change in present value of the obligation during the year ended 31st March, 2012		
1 Present Value of obligation as at 1st April, 2011	175.46	124.33
2 Current Service Cost	35.84	25.50
3 Interest Cost	14.48	9.95
4 Benefits Paid	(27.18)	(10.22)
5 Actuarial (gain) / loss on Plan Assets	12.67	25.90
6 Present Value of obligation as at 31st March, 2012	211.26	175.46
E. Change in Assets during the year ended 31st March, 2012		
1 Fair Value of Plan Assets as at 1st April, 2011	117.71	71.39
2 Expected Return on Plan Assets	9.71	5.71
3 Contribution made	55.20	50.38
4 Benefits paid	(27.18)	(10.22)
5 Actuarial gain / (loss) on Plan Assets	(3.80)	0.44
6 Fair Value of Plan Assets as at 31st March, 2012	151.64	117.71
F. The major category of plan assets as a percentage of total plan		
Gratuity : 93% invested with Central Govt / State Govt / State Govt. Securities / Public sector bonds / Fixed Deposit with PSU Banks.		
Leave Encashment : Unfunded		
G. Actuarial Assumptions		
1 Discount Rate	8.50%	8.25%
2 Expected Rate of Return on Plan Assets	8.50%	8.25%
3 Mortality	LIC 1994-96 (Ultimate)	LIC 1994-96 (Ultimate)
4 Salary Escalation	5.00%	5.00%
Gratuity is administered by an approved gratuity fund trust		
Amount recognised as an expense in respect of defined benefits plan as under :		
1 Contribution to Gratuity Fund	57.07	55.20
2 Gratuity paid directly	-	-
	57.07	55.20

26.22 As required under AS-11 the Company has Outstanding Forward contracts as on 31st March, 2012 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts is ₹ 7.49 lacs (P.Y. ₹ 2.97 lacs) , which has been accounted for accordingly in the books of accounts.

Derivative Instruments

(a) Outstanding forward exchange contracts as at 31st March, 2012 entered by the Company for the purpose of hedging its foreign currency exposures are as under:

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupee	₹ NIL (P.Y. ₹ NIL)	₹ 14244 lacs (P.Y. ₹ 134 lacs)

(b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at 31st March, 2012 are as under:

Currency	Cross Currency	Buy	Sell	Net
US Dollar	Indian Rupee	₹ Nil (P.Y. ₹ NIL)	₹ NIL (P.Y. ₹134 lacs)	₹ NIL (P.Y. ₹ NIL)

Apart from above Company has foreign currency Liability (PCFC/Advances received from customers/ECB) of ₹ 43,704 Lacs (P.Y. ₹ 37,658 Lacs) at the year end and As per Accounting Standard (AS-11) the effect of change in foreign exchange as on 31st March, 2012 amounting to ₹ (2,571) Lacs (P.Y ₹ 842 Lacs) has been taken to profit & loss account.

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26.23 Till the year ended 31st March, 2011, the company was using pre-revised Schedule VI of the Companies Act, 1956 for preparation and presentation of its financial statement. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 is applicable to the company. The company has reclassified and regrouped previous year figure in conformity with revised Schedule-VI of the companies Acts, 1956 and wherever necessary.

26.24 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements

a) The Subsidiary company with KRBL Limited ,The parent, constitutes the group considered in the preparation of these consolidated financial statement is given below:-

Name	Country of Incorporation	Percentage of ownership interest as at 31/03/2012	Percentage of ownership interest as at 31/03/2011
KRBL DMCC	U.A.E.	100	100
K. B. Export Private Limited	INDIA	70	70

b) The group has adopted Accounting standard 15 (AS 15) (revised 2005) on 'Employee Benefits' these consolidated financial statements include the obligations as per requirement of this standard except for the subsidiary which is incorporated outside India who have determined the valuation/provision for employee benefits as per requirements that coming. In the opinion of the management, the impact of this deviation is not considered material.

26.25 Statement of Information regarding subsidiaries Companies:-

(₹ in Lacs)

Name of Subsidiary Company	Issued & Subscribed Shares Capital	Reserves	Total Assets	Total Liabilities	Investment (excluding investment made in Subsidiaries)	Turnover#	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) After Tax	Proposed Dividend
KRBL DMCC*	217.27	2,632.99	4,977.48	2,127.22	-	706.46	552.12	-	552.12	2,126.67
K.B. Exports Private Limited	300.00	-	300.24	0.24	-	-	-	-	-	-

- Converted into Indian Rupees at the exchange rate, 1 AED= ₹ 13.8998 as on 30.03.12

\# Turnover includes Other income and Other Operation Income.

for KRBL LIMITED
On behalf of the Board,

Annexure to our Report of Date

for Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Firm No- 003820N, M No. 80668

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Sd/-
Anil Kumar Mittal
Chairman &Managing Director

Sd/-
Rakesh Mehrotra
Chief Financial Officer

Place : New Delhi
Date : 22.05.2012

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2012

(₹ in Lacs)

Particulars		31/03/2012	31/03/2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Taxation	9,529.35	15,806.32
	Adjustment for :		
	Depreciation & Amortization Expenses	4,451.81	3,594.74
	Loss/(Profit) on Sale of Fixed Assets	(16.17)	(51.09)
	Effect of Exchange Rate Difference	2,564.27	(843.65)
	Profit on sale of Investment	(10.89)	(6.00)
	Interest Expense	7,189.14	5,143.14
	Interest Receipt	(187.34)	(386.68)
	Foreign Currency Translation Reserve	565.05	(18.18)
	Loss on Revaluation of Current Investment	186.93	123.37
	Dividend on Investment	(22.36)	(24.81)
	Operating Profit Before Working Capital Changes	**24,249.97**	**23,337.16**
	Adjustments for Working Capital Changes		
	Increase/(Decrease) in Long Term Provisions	22.20	70.84
	Increase/(Decrease) in Trade Payable	(291.81)	3,349.67
	Increase/(Decrease) in Other Current Liabilities	2,678.19	8,715.09
	Increase/(Decrease) in Short Term Provisions	(5.72)	632.39
	Decrease/(Increase) in Inventories	(2,922.20)	(42,722.61)
	Decrease/(Increase) in Trade Receivables	(8,116.30)	(1,292.45)
	Decrease/(Increase) in Long Term Loans & Advances	36.12	1,848.08
	Decrease/(Increase) in Short Term Loans & Advance	754.14	(8,034.41)
	Cash from Operation Activities	(7,845.38)	(37,433.39)
	Cash Generated from Operations	16,404.41	(14,096.24)
	Tax Paid (Net)	(1,843.41)	(3,048.40)
	Net Cash from Operating Activities (A)	**14,561.00**	**(17,144.63)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets & Work in Progress	(6,660.50)	(8,931.06)
	Sale/write off of Fixed Assets	71.28	86.00
	Profit on Sale of Investment	10.89	6.00
	Minority Interest	0.05	88.47
	Decrease /(Increase) in Non Current Investment	-	-
	Decrease /(Increase) in Current Investment	-	(837.20)
	Dividend on Investments	22.36	24.81
	Net Cash Generated / (-) Used in Investing Activities (B)	**(6,555.92)**	**(9,562.98)**

C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Increase/(Decrease) in Long Term Borrowings	1,488.73	3,047.05
	Increase/(Decrease) in Short Term Borrowings	2,110.95	24,072.91
	Effect of Exchange Rate Difference	(2,564.27)	843.65
	Interest Expense	(7,001.80)	(4,756.45)
	Dividend Paid	(722.00)	(364.67)
	Taxes on Dividend Paid	(121.13)	(61.98)
	Wealth Tax	(1.83)	(1.83)
	Net Cash from Financing Activities (Total C)	**(6,811.35)**	**22,778.68**
	Net Changes in Cash and Bank Balances (A+B+C)	**1,193.73**	**(3,928.93)**
	Cash & Bank Balances - Opening Balance	514.77	4,443.70
	Cash & Bank Balances - Closing Balance	**1,708.50**	**514.77**

	Cash and Bank Balances		
	Cash in Hand	153.96	99.93
	Balance with Schedule Bank	1,554.54	414.84
		1,708.50	**514.77**

Notes:
1. Statement has been prepared under the Indirect Method ' as set out in the Accounting Standard-3 on Cash Flow Statement.
2. Figures in brackets represent outflows.
3. Previous year figures have been recast / rearranged wherever considered necessary.

for KRBL LIMITED
On behalf of the Board,

Annexure to our Report of Date

for Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Firm No- 003820N, M No. 80668

Sd/-
Anoop Kumar Gupta
Joint Managing Director

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Dhiraj Kumar Jaiswal
Company Secretary

Sd/-
Anil Kumar Mittal
Chairman &Managing Director

Sd/-
Rakesh Mehrotra
Chief Financial Officer

Place : New Delhi
Date : 22.05.2012

Standalone Financial Statements

Contents

AUDITORS' REPORT

To The Member of KRBL Limited

1 We have audited the attached Balance Sheet of KRBL Limited as at 31st March, 2012, the Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable to the Company.

e) On the basis of the written representations received from the Directors and taken on record by the Board, we report that none of the Directors are disqualified as on 31st March, 2012 for being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the significant accounting policies and notes to accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principal generally accepted in India:-

i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

ii) In the case of Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and

iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for Vinod Kumar Bindal & Co
Chartered Accountants
Sd/-
Vinod Kumar Bindal
Proprietor
Firm No-003820N
Membership No. 80668

Shiv Sushil Bhawan
D-219, Vivek Vihar
Phase-I,
New Delhi - 110 095
22nd May, 2012

Annexure to the Auditors' Report

(Refrred to in paragraph (3) of our report of even date)

1 In respect of fixed assets

(a) On the basis of available information the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, Fixed Assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such physical verification.

(c) In our opinion & according to the information and explanation given to us, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

2 In respect of inventories

(a) As explained to us, Inventories have been physically verified by the management at reasonable intervals during the year.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, the Company has maintained proper records of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.

3 In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

(a) The company has not granted any loans, secured or unsecured, to companies, firm or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. So paragraphs (iii) (b), (c) and (d) of Paragraph 4 of the Order, are not applicable.

(b) The Company has not taken loans, secured or unsecured, from companies, firms, or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clauses iii (f) and iii (g) of Paragraph 4 of the Order are not applicable to the Company.

4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.

5 In respect of transactions covered under Section 301 of the Companies Act, 1956:

(a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the Register in pursuance of Section 301 of the Act and exceeding the value of Rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time or the prices at which the transactions for similar goods have been made with other parties.

6 According to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other provision of the Companies Act,1956 and rules framed there under. Therefore the provisions of clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

7 In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.

8 We have broadly reviewed the books of account relating to the generation of power pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

9 In respect of statutory dues:

(a) According to the records of the Company examined by us, undisputed statutory dues including Provident Fund, Investor

Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been deposited regularly with the appropriate Authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable.

(b) The details of statutory dues that have not been deposited on account of any dispute are given as under:-

Name of the Statute	Nature of the dues	Disputed dues	Period which amount related	Forum where dispute is pending
U.P. Trade Tax	Tax on Stock transfer of Rice	3,75,000	A.Y. 2005-06	Joint Commissioner Range-II, Noida
Income Tax	Regular Assessment	1,07,000	A.Y. 1994-95	CIT(Appeal) New Delhi
Income Tax	Regular Assessment	6,03,990	A.Y. 2004-05	CIT(Appeal) New Delhi
Income Tax	Regular Assessment	4,74,609	A.Y. 2008-09	CIT(Appeal) New Delhi
Income Tax	TDS Demand	11,46,311	F.Y's. 2006-09	CIT(Appeal) New Delhi
ESI Act	ESI Demand	6,11,555	F.Y. 2010-11	ESI, Malerkotla

10 The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11 As per the records of the company produced before us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders as at the Balance Sheet date.

12 In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

14 in our opinion and according to the information and explanation given to us, the company is not a dealer or trader in securities. The Company has maintained proper records of transactions and contracts in respect of shares, securities and other investments and timely entries have been made therein. All shares, Securities and other investment have been held by the company in its own name.

15 The Company has not given any guarantee for loans taken by others from banks or financial institutions.

16 In our opinion the term loans were applied for the purposes for which they were raised.

17 According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not utilized short term sources towards repayment of long- term borrowings.

18 During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act,1956.

19 The Company has not issued any debentures and hence no securities have been created in this respect.

20 The Company has not raised any money by way of public issue during the year. Therefore, no comments on disclosure of the end use of such funds are called for.

21 During the course of our examination of the books and records of the company and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for Vinod Kumar Bindal & Co
Chartered Accountants
Sd/-
Vinod Kumar Bindal
Proprietor
Firm No-003820N
Membership No. 80668

Shiv Sushil Bhawan
D-219, Vivek Vihar
Phase-I,
New Delhi - 110 095
22nd May, 2012

BALANCE SHEET as at 31st March, 2012

(₹ in Lacs)

	Particulars	Note No.	As at 31/03/2012	As at 31/03/2011
I.	**EQUITY & LIABILITIES**			
	Shareholders' Funds			
	Share Capital	2	2,435.41	2,435.41
	Reserves and Surplus	3	64,521.15	58,254.24
	Total Shareholders' Funds (A)		**66,956.56**	**60,689.65**
	Non Current Liabilities			
	Long - Term Borrowings	4	10,639.38	9,150.65
	Deferred Tax Liabilities (Net)	5	1,621.67	1,312.62
	Long - Term Provisions	6	93.05	70.84
	Total Non Current Liabilities (B)		**12,354.10**	**10,534.11**
	Current Liabilities			
	Short - Term Borrowings	7	76,909.34	74,798.39
	Trade Payables	8	12,930.09	13,221.90
	Other Current Liabilities	9	25,585.23	22,906.18
	Short - Term Provisions	10	1,286.58	1,292.00
	Total Current Liabilities (C)		**1,16,711.24**	**1,12,218.47**
	Total (A+B+C)		**1,96,021.90**	**1,83,442.23**
II.	**ASSETS**			
	Non Current Assets			
	Fixed Assets	11		
	Tangible Assets		41,223.39	37,891.15
	Intangible Assets		141.24	157.81
	Capital Work-in-progress		783.75	2,042.39
	Non-Current Investments	12	427.27	427.27
	Long - Term Loans and Advances	13	1,865.14	1,901.26
	Total Non Current Assets (A)		**44,440.79**	**42,419.88**
	Current Assets			
	Current Investments	14	685.27	872.20
	Inventories	15	1,23,772.24	1,20,850.04
	Trade Receivables	16	22,916.63	14,800.33
	Cash & Bank Balances	17	1,677.98	497.73
	Short - Term Loans and Advances	18	2,528.99	4,002.05
	Total Current Assets (B)		**1,51,581.11**	**1,41,022.35**
	Total (A+B)		**1,96,021.90**	**1,83,442.23**
	Significant Accounting Policies	1		
	Other notes forming part of the financial statements	27		
	The accompanying notes form an integral part of the financial statements			

for KRBL LIMITED
On behalf of the Board,

Annexure to our Report of Date

for Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Firm No- 003820N, M No. 80668

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Sd/-
Anil Kumar Mittal
Chairman &Managing Director

Sd/-
Rakesh Mehrotra
Chief Financial Officer

Place : New Delhi
Date : 22.05.2012

STATEMEMT OF PROFIT & LOSS for the year ended 31st March, 2012

(₹ in Lacs)

Particulars	Note No.	Year Ended 31/03/2012	Year Ended 31/03/2011
INCOME			
Revenue from Operations	19	1,63,135.16	1,54,459.14
Other Income	20	563.72	209.64
Total Income		**1,63,698.88**	**1,54,668.78**
EXPENDITURE			
Cost of Materials Consumed	21	1,33,895.00	1,41,742.81
Purchases of Stock in Trade	22	994.08	618.01
Changes in Inventories of Finished Goods & Work in progress & Stock in Trade	23	(12,843.90)	(24,081.79)
Employee Benefits Expense	24	3,705.61	3,025.90
Finance Costs	25	7,001.58	4,756.20
Depreciation & Amortization Expense		4,450.66	3,594.53
Other Expenses	26	14,590.92	10,532.86
Total Expenditure		**1,51,793.95**	**1,40,188.52**
PROFIT BEFORE TAXATION & EXCEPTIONAL ITEMS		**11,904.93**	**14,480.26**
Exceptional Items-Foreign Exchange Fluctuation Gain/(Loss)		(2,564.27)	843.65
PROFIT BEFORE TAXATION		**9,340.66**	**15,323.91**
Tax Expense:			
- Current Year		1,878.13	3,328.00
- Earlier Year		35.18	(37.72)
- Deferred Tax		309.05	481.05
- Wealth Tax		3.73	1.73
PROFIT/ (LOSS) FOR THE YEAR AFTER TAX		**7,114.57**	**11,550.85**
EARNING PER EQUITY SHARE (Face Value of ₹ 1/- each)			
- Basic (₹)		2.93	4.75
- Diluted (₹)		2.93	4.75
Significant Accounting Policies	1		
Other notes forming part of the financial statements	27		
The accompanying notes form an integral part of the financial statements			

for KRBL LIMITED
On behalf of the Board,

Annexure to our Report of Date

for Vinod Kumar Bindal & Co.
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Sd/-
Rakesh Mehrotra
Chief Financial Officer

Place : New Delhi
Date : 22.05.2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

- The Financial Statements are prepared on the historical cost convention on going concern basis and in accordance with the applicable accounting standards referred to in section 211(3C) of the Companies Act, 1956.

- The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

1.2 Use of Estimates

- The preparation of Financial Statements requires management to make certain assumptions and estimates that affect the reported amount in the financial statements and notes thereto. Difference between actual results and estimates are recognised in the period in which the results are known/ materialise.

1.3 Fixed Assets including intangible Assets

- Fixed Assets are stated at cost of acquisition / installation inclusive of freight, duties, taxes and all incidental expenses and net of accumulated depreciation. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs. The original cost of imported Fixed Assets acquired through foreign currency loans has been adjusted at the end of each financial year by any change in liability arising out of expressing the outstanding foreign loan at the rate of exchange prevailing at the date of Balance Sheet. All up gradation / enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

- Intangible assets are stated at their cost of acquisition.

- Freehold Land is stated at original cost of acquisition.

- Capital work- in- progress is stated at amount spent up to the date of Balance Sheet.

1.4 Depreciation and Amortisation

- Depreciation on fixed assets is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 for the period of usage.

- Computer software charges, patent, trademark & design and Goodwill are recognised as intangible assets and amortized on straight line method over a period of 10 years.

- Leasehold land is amortized on straight line method over the lease period.

1.5 Investments

- Investments are classified into current and non-current investments. Current investments are stated at lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments.

1.6 Inventories

- Item of finish goods inventories are measured at lower of cost or net reliasable value. Item of raw materials, stores, spares and consumable are valued at cost. Raw material on shop floor and work-in- process are taken as part of raw material and valued accordingly.

- The cost is calculated on weighted average cost method and it comprises expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving & defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

- By-products are valued at net realizable value and are deducted from the cost of main product.

- Inventory of Finished Excisable Products are valued inclusive of Excise Duty.

1.7 Revenue Recognition and Accounting for Sales & Services

- Export sales are accounted for on the basis of date of bill of lading and adjusted for exchange fluctuations on exports realized during the year and the trade receivable in foreign exchange which are restated at the year end. Domestic sales are recognized on the dispatch of goods to the customers and are net of discounts, Sales Tax, Excise Duty, Returns etc. Gross sales includes Excise Duty and then reduced thereafter to compute net sales in conformity with ASI-14 on disclosure of the revenue from sale transaction. Dividend income is recognised when the right to receive dividend is established. Revenue and Expenditure are accounted for on going concern basis. Interest Income / Expenditure is recognized using the time proportion method based on the rates implicit in the transaction.

- Revenue in respect of Insurance / others claims, Interest, Commission, etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.8 Proposed Dividend

- Dividends (including Dividend Tax thereon) are provided for in the books of account as proposed by the Directors pending approval at the Annual General Meeting.

1.9 Research and Development

- Revenue expenditure on Research & Development is written-off in the year in which it is incurred. Capital Expenditure on Research & Development is included under Fixed Assets.

1.10 Treatment of Employee Benefits

- Contributions to defined provident fund are charged to the Statement of Profit & Loss on accrual basis. Present liability for future payment of gratuity and unavailed leave benefits are determined on the basis of actuarial valuation at the balance sheet date and charged to the profit and loss account. Gratuity fund is managed by the Kotak Life Insurance.

1.11 Foreign Currency Transactions

- Year-end balance of foreign currency monetary items is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transactions completed during the year are adjusted on actual basis.

- Exchange difference on forward contract is also recognized in Profit & Loss Account on change of exchange rate at the reporting date.

- Transactions covered by cross currency swap contracts to be settled on future dates are recognised at the year-end rates of the underlying foreign currency. Effects arising from swap contracts are adjusted on the date of settlement.

- In respect of Non integral foreign operation - both monetary and non-monetary items are translated at the closing rate and resultant difference is accumulated in foreign currency translation reserve, until the disposal of net investment.

- Non monetary foreign currency item are carried at cost.

1.12 Government Grant

- Government grant is considered for inclusion in accounts only when conditions attached to them are complied with and it is reasonably certain that ultimate collection will be made. Grant received from government towards fixed assets acquired by the Company is deducted out of gross value of the asset acquired and depreciation is charged accordingly.

1.13 Borrowing Costs

- Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of such assets till such time as the assets are ready for their intended use or sale. All other borrowing costs are recognised as expense in the period in which they are incurred.

1.14 Taxes on Income

- Current tax is determined on taxable income for the period at the applicable rates. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, resulting from timing differences between book and tax profits, at the tax rates that have been enacted or substantially enacted by the balance sheet date, to the extent these are capable of reversal in one or more subsequent periods.

1.15 Leases

- In respect of Operating leases, rentals are expensed with reference to lease terms and other considerations.

1.16 Provisions, Contingent Liability and Contingent Assets

- The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation can not be made. Contingent Assets neither recognised nor disclosed in the financial statement.

1.17 Segment Reporting

- Segments are identified based on dominant source and nature of risks and returns and the internal organisation and management structure. Inter segment revenue are accounted for on the basis of transactions which are primarily market led. Revenue and expenses which relate to enterprises as a whole and are not attributable to segments are included under "other unallocable expenditure net of unallocable income.

1.18 Financial and Management Information System

- An Integrated Accounting System has been put to practice which unifies both Financial Books and Costing Records. The books of account and other records have been designated to facilitate compliance with the relevant provisions of the Companies Act on one hand and meet the internal requirements of information and systems for Planning, Review and Internal

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Control on the other. The Cost Accounts are designed to adopt Costing Systems appropriate to the business carried out by the Division, with each Division incorporating into its costing system, the basic tenets and principles of Standard Costing, Budgetary Control and Marginal Costing as appropriate.

1.19 Impairment of Assets

- The Company assess at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit & Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at recoverable amount.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. SHARE CAPITAL

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Authorised Shares		
300000000 (Previous Year: 300000000) Ordinary Equity Shares of ₹ 1 each	3,000.00	3,000.00
	3,000.00	**3,000.00**
Issued & Subscribed Shares		
243966940 (Previous Year 243966940) Ordinary Equity Shares of ₹ 1 each	**2,439.67**	**2,439.67**
Paid up shares		
243111940 (Previous Year 243111940) Ordinary Equity Shares of ₹ 1 each, fully paid up	2,431.12	2,431.12
Add : Amount received on 855000 (Previous Year 855000) ordinary Equity Share of ₹ 1 forfeited	4.29	4.29
Total Paid up Share Capital	**2,435.41**	**2,435.41**

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(₹ in Lac)

Particulars	As at 31/03/2012		As at 31/03/2011	
	No of Shares	Amount	No of Shares	Amount
Ordinary Equity Shares outstanding at the beginning of the year	243111940	2,431.12	243111940	2,431.12
Ordinary Equity Shares issued during the year	–	–	–	–
Ordinary Equity Shares bought back during the year	–	–	–	–
Ordinary Equity Shares outstanding at the end of the year	243111940	2,431.12	243111940	2,431.12

b) Terms/ rights attached to ordinary shares

The Company has issued only one class of ordinary equity shares having a par value of ₹ 1/- per share. Each holder of ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of dividend per share recognised for distribution to ordinary shareholders is ₹ 0.30/- (Previous year: ₹ 0.30/-).

In event of liquidation of the company, the holders of ordinary equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of ordinary shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

(₹ in Lac)

Sl. No.	Particulars	As at 31/03/2012		As at 31/03/2011	
		No of Shares held	% of Holding	No of Shares held	% of Holding
1	Anil Kumar Mittal	184.91	7.61%	184.61	7.59%
2	Anoop Kumar Gupta	188.97	7.77%	188.60	7.76%
3	Arun Kumar Gupta	191.59	7.88%	191.31	7.87%
4	Radha Raj Ispat Private Limited	275.21	11.32%	275.21	11.32%
5	Reliance Commodities DMCC	229.00	9.42%	229.00	9.42%

d) Aggregate number of bonus shares issued, Shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Securities Premium Reserve		
Balance as per the last Financial Statements **(A)**	**11,475.90**	**11,475.90**
General Reserve		
Balance as per the last Financial Statements	5,946.20	4,246.20
Add: Transfer from current year surplus	1,000.00	1,700.00
Closing Balance (B)	**6,946.20**	**5,946.20**
Surplus/ (Deficit)		
Balance as per the last Financial Statements	40,832.14	31,831.76
Add: Profit for the year as per the Statement of Profit and Loss	7,114.57	11,550.85
Less: Appropriations		
Proposed Dividend [Amount per share ₹ 0.30/- (Previous Year ₹ 0.30/-)]	729.34	729.34
Tax on Proposed Dividend	118.32	121.13
Transfer to General Reserve	1,000.00	1,700.00
Total Appropriations	1,847.66	2,550.47
Closing Balance (C)	**46,099.05**	**40,832.14**
Total Reserve & Surplus (A+B+C)	**64,521.15**	**58,254.24**

4. LONG TERM BORROWINGS

(₹ in Lac)

Particulars	Non Current		Current	
	As at 31/03/2012	As at 31/03/2011	As at 31/03/2012	As at 31/03/2011
Secured				
Term Loans - From Bank				
- State Bank of India (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Oct, 12)	6,570.38	-	938.63	-
- HSBC (Martitus) Limited (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Dec, 11)	3,525.00	4,816.00	1,410.00	715.06
- HDFC Bank Limited # (Repayable in 20 quarterly installments from June, 10)	120.00	180.00	60.00	60.00
- YES Bank Limited# (Repayable in 04 quarterly installments from Sept,11)	-	3,072.22	3,072.22	4,705.56
- Corporation Bank Limited # (Repayable in 28 quarterly installments from Nov, 09)	300.00	387.43	85.71	84.00
- Corporation Bank Limited# (Repayable in 10 quarterly installments from April, 13)	40.00	-	-	-
- Corporation Bank Limited# (Repayable in 10 quarterly installments from April, 13)	84.00	-	-	-
- State Bank of Bikaner & Jaipur# (Repayable in 12 quarterly installments from June, 10)	-	695.00	695.00	700.00
	10,639.38	**9,150.65**	**6,261.56**	**6,264.62**
Less: Shown under other current liabilites (Refer note no 9)	-	-	(6,261.56)	(6,264.62)
Total	**10,639.38**	**9,150.65**	**-**	**-**

Secured by First pari passu charge by way of mortgage and hypothecation over all immovable properties and moveable fixed assets of the Company (both present and future) and further secured by second pari passu charge on all current assets of the Company and Personal Guarantee of promoter Directors of the company.

• There is no continuing default in repayment of any of the above loan.

5. DEFERRED TAX LIABILITIES (Net)

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Deferred Tax Liabilities		
Related to Fixed Assets	1,668.59	1,366.58
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	46.92	53.96
Net Liability	**1,621.67**	**1,312.62**

6. LONG TERM PROVISIONS

Provisions for Employee benefits		
Leave Encashment (Unfunded)	93.05	70.84
Total	**93.05**	**70.84**

7. SHORT TERMS BORROWINGS

Secured ##		
Loans Repayable on Demand		
- Cash Credits from Banks	74,681.50	68,283.72
Unsecured		
Loans Repayable on Demand		
- Cash Credits from Banks	2,213.17	6,500.00
Advance from Related Party	14.67	14.67
Total	**76,909.34**	**74,798.39**

Working capital facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the Company by way of hypothecation. These facilities are further secured by second charge over the immovable & moveable assets of the Company & Personal Guarantee of promoter Directors of the company.

• There is no continuing default in repayment of any of the above secured bank loan.

8. TRADE PAYABLES

Micro & Small Enterprises^^	-	-
Others	12,930.09	13,221.90
Total	**12,930.09**	**13,221.90**

^^There are no Micro, Small and Medium Enterprises, (P.Y. NIL) to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012. This information, required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. Moreover, the Company primarily deals in procurement of agri-products which are sourced from the Farmers and Aartias (Commission Agents) who are not covered under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. OTHER CURRENT LIABILITIES

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Current maturities of long-term debts (Refer note no 4)	6,261.56	6,264.62
Interest accrued but not due on borrowings	455.81	5.81
Unpaid dividends #	31.22	24.10
Advance payments from customers	17,700.04	15,761.81
Other Payables		
- Salary & Wages Payable	216.07	202.57
- Statutory Dues Payable	177.51	156.75
- Expenses Payable	743.02	490.52
Total	**25,585.23**	**22,906.18**

There are no amount due & outstanding to be credited to the Investor Education & Protection Fund.

10. SHORT TERM PROVISIONS

Employee benefits		
- Bonus Payable	96.54	86.01
- Gratuity Payable	57.06	55.19
- EPF & ESI Payable	25.29	20.81
- Labour Welfare Payable	0.24	0.11
Others		
- Provision for Income Tax	256.06	277.58
- Provision for Wealth Tax	3.73	1.83
- Provision for Dividend	729.34	729.34
- Provision for Tax on Dividend	118.32	121.13
Total	**1,286.58**	**1,292.00**

11. FIXED ASSETS

(₹ in Lac)

	Description	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		As At 01/04/2011	Addition during the year	Sale	Deductions/ Adjustments	As at 31/03/2012	Up to 31/03/2011	For the Year	On disposal	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
a.	**Tangible Assets:-**											
	Land	2,289.36	-	-	-	2,289.36	-	-	-	-	2,289.36	2,289.36
	Land under Lease	236.04	94.56	-	-	330.60	11.94	13.29	-	25.23	305.37	224.10
	Buildings	9,112.92	1,063.87	-	-	10,176.79	1,038.18	187.14	-	1,225.32	8,951.47	8,074.74
	Plant & Machinery	41,027.40	6,237.34	120.41	77.12	47,067.21	15,067.18	4,017.82	103.33	18,981.67	28,085.54	25,960.22
	Vehicle & Trolley	1,381.59	360.94	55.86	-	1,686.67	516.54	155.50	18.71	653.33	1,033.34	865.05
	Furniture & Fixture	931.87	139.62	0.06	-	1,071.43	454.19	58.93	0.0018	513.12	558.31	477.68
	Total	**54,979.18**	**7,896.33**	**176.33**	**77.12**	**62,622.06**	**17,088.03**	**4,432.68**	**122.04**	**21,398.67**	**41,223.39**	**37,891.15**
b.	**Intangible Assets:-**											
	Patent, Trade mark & Design	22.37	-	-	-	22.37	3.06	2.24	-	5.30	17.07	19.31
	Computer Software Development Charges	156.86	1.41	-	-	158.27	18.36	15.74	-	34.10	124.17	138.50
	Total	**179.23**	**1.41**	**-**	**-**	**180.64**	**21.42**	**17.98**	**-**	**39.40**	**141.24**	**157.81**
	Total (a + b)	**55,158.41**	**7,897.74**	**176.33**	**77.12**	**62,802.70**	**17,109.45**	**4,450.66**	**122.04**	**21,438.07**	**41,364.63**	**38,048.96**
	Previous Year	45,184.52	10,139.60	165.71	-	55,158.41	13,557.76	3,594.53	42.85	17,109.45	38,048.96	31,626.76
c	**Capital Work-in Progress**											
	Building	168.72	967.88	-	1,083.40	53.20	-	-	-	-	53.20	168.72
	Plant & Machinery	1,873.67	6,472.12	-	7,615.24	730.55	-	-	-	-	730.55	1,873.67
	Total	**2,042.39**	**7,440.00**	**-**	**8,698.64**	**783.75**	**-**	**-**	**-**	**-**	**783.75**	**2,042.39**

1 None of the fixed assets has been revalued during the year.
2 Additions to Fixed Assets and Capital work-in-progress include net borrowing cost of ₹ 324.04 Lacs capitalised during the year(Previous Year ₹ 158.44 Lacs).
3 There has been no impairment loss on assets during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12. NON CURRENT INVESTMENTS

TRADE - Unquoted - at Cost	Face Value	No. of Shares / Units		Amount (In ₹ Lacs)	
		As at 31/03/2012	As at 31/03/2011	As at 31/03/2012	As at 31/03/2011
Equity Instruments - Fully paid up					
Wholly Owned Subsidiaries					
KRBL DMCC, Dubai (Face Value in AED each)	1000.00	1800	1800	217.27	217.27
Partly owned Subsidiaries					
K. B. Exports Private Limited [extent of holding 70%(P.Y. 70%)]	10.00	21000000	21000000	210.00	210.00
Total				**427.27**	**427.27**
Quoted Investments				-	-
Unquoted Investments				427.27	427.27
				427.27	**427.27**

13 LONG TERM LOANS AND ADVANCES

(In ₹ Lacs)

Particulars	Non Current	
	As at 31/03/2012	As at 31/03/2011
Unsecured - Considered Good		
Capital Advances	514.87	550.39
Security Deposit	1,350.27	1,350.87
Total	**1,865.14**	**1,901.26**

14 CURRENT INVESTMENTS

NON -TRADE - at Cost or Market Price/NAV whichever is lower	Face Value	No. of Shares/Unit		Amount (In ₹ Lacs)	
		As at 31/03/2012	As at 31/03/2011	As at 31/03/2012	As at 31/03/2011
Mutual Fund Instruments - Fully paid up-Unquoted					
SBI Infrastructure Fund-I	10.00	250000	250000	19.53	23.43
SBI One India Fund	10.00	100000	100000	10.00	10.00
Total (A)				**29.53**	**33.43**
Equity Instruments - Fully paid up-Quoted					
NHPC Limited	10.00	882712	882712	173.89	223.33
Coal India Limited	10.00	76437	76437	187.27	187.27
Power Grid Corporation of India Limited	10.00	107667	107667	96.90	96.90
Shipping Corporation of India Limited	10.00	242265	242265	150.33	260.31
MOIL Limited	10.00	18923	18923	47.35	70.96
Total (B)				**655.74**	**838.77**
Total (A+B)				**685.27**	**872.20**
Quoted Investments				655.74	838.77
Unquoted Investments				29.53	33.43
Total				**685.27**	**872.20**
Market Value of Quoted Investment				**750.88**	**932.91**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. INVENTORIES (REFER NOTE 1.6 FOR MODE OF VALUATION)

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
Raw Materials		
- In Stock	44,291.82	54,985.59
- In Transit	210.82	123.75
Finished Goods		
- In Stock	70,099.83	61,054.38
- In Transit	3,881.70	70.93
Stores, Spares, Fuel & Packing Material		
- In Stock	5,288.07	4,615.39
Total	**1,23,772.24**	**1,20,850.04**

16. TRADE RECEIVABLES

Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	579.45	582.80
Unsecured, Considered Doubtful	-	-
Total (A)	**579.45**	**582.80**
Others		
Secured, Considered Good	7,654.57	9,860.25
Unsecured, Considered Good	14,682.61	4,357.28
Total (B)	**22,337.18**	**14,217.53**
Total (A+B)	**22,916.63**	**14,800.33**

Debt due from directors /Firm in which the directors are interested ₹ 1163 Lacs (previous year ₹ 163 lacs)

17. CASH & BANK BALANCES

Cash & Cash Equivalents		
Balance with Banks:		
- In Current Accounts	121.70	346.68
- In Deposit with original maturity of less than 3 months	-	-
- In unpaid Dividend Account	31.22	24.10
Cash in Hand	153.95	99.86
Other Bank Balances		
- Deposits with original maturity of more than 12 months but within 12 months from balance sheet date	70.66	27.09
- Deposits with original maturity of more than 3 months but less than 12 months	1,300.45	-
Total	**1,677.98**	**497.73**

18. SHORT TERM LOANS & ADVANCES

Accrued Interest on FDR	6.40	17.49
VAT Recoverable	537.99	625.65
Sales Tax	128.01	205.27
Prepaid Expenses	236.55	116.87
Income Receivable	494.21	485.91
Advance to Supplier	93.45	1,348.17
Others	1,032.38	1,202.69
Total	**2,528.99**	**4,002.05**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. REVENUE FROM OPERATIONS (REFER NOTE NO 1.7 ON REVENUE RECOGNITION)

(₹ in Lac)

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Sale of Products		
Rice-Export	85,439.66	64,025.44
Rice-Domestic	67,937.50	81,849.57
Electricity Generation (Including CERs Sale)	2,914.72	2,198.96
Bran Oil	2,004.04	1,726.06
Furfural -Export	241.25	-
Furfural -Domestic	128.68	-
Rice Bran	1,314.01	1,319.46
Glucose	138.58	-
Sale of Traded Products		
Cotton Sale-Export	-	296.92
Cotton Sale-Domestic	333.84	533.21
Seed	926.08	902.42
Scrap & Others	1,733.52	1,548.94
Other Operating Revenue	35.30	58.16
Gross Revenue from Operation	**1,63,147.18**	**1,54,459.14**
Less: Excise Duty	12.02	-
Net Revenue from Operation	**1,63,135.16**	**1,54,459.14**

20. OTHER INCOME

Warehouse Income	94.58	97.25
Profit on sale of Fixed assets	16.17	51.09
Dividends Income	22.36	24.81
Dividends from Subsidiary Company	362.13	-
Profit on sale of Current Investments	10.89	6.00
Other Non Operating Income	57.59	30.49
Total	**563.72**	**209.64**

21. COST OF MATERIALS CONSUMED

Paddy	90,977.41	73,333.76
Rice	35,893.76	62,695.70
Others	7,023.83	5,713.35
Total	**1,33,895.00**	**1,41,742.81**

22. PURCHASE OF TRADED GOODS

Seed	579.64	521.48
Bran & Others	414.44	96.53
Total	**994.08**	**618.01**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

(₹ in Lac)

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Stocks at the beginning of the year		
- Rice	60,087.05	35,969.68
- Seeds	257.51	521.25
- Others	780.76	552.60
Total (A)	**61,125.32**	**37,043.53**
Less: Stocks at the end of the year		
- Rice	73,100.12	60,087.05
- Seeds	273.88	257.51
- Others	595.22	780.76
Total (B)	**73,969.22**	**61,125.32**
Total (A-B)	**(12,843.90)**	**(24,081.79)**

24. EMPLOYEE BENEFITS EXPENSE

(Refer note 1.10 on employee benefits)		
Salaries, Wages, Bonus & Gratuity	3,438.42	2,810.56
Contribution to Provident and Other Funds	159.98	137.86
Workmen & Staff Welfare Expenses	107.21	77.48
Total	**3,705.61**	**3,025.90**

25. FINANCE COSTS

Interest Expenses		
- On Term Loans	1,128.40	755.01
- To Bank and Others	5,921.74	4,251.52
Total (A)	**7,050.14**	**5,006.53**
Less: Interest Received		
- From Banks	109.05	325.31
- From Others	78.29	61.37
Total (B)	**187.34**	**386.68**
Interest Expenses (Net) **Total (A-B)**	**6,862.80**	**4,619.85**
Other Borrowing Cost	138.78	136.35
Total Finance Cost	**7,001.58**	**4,756.20**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26. OTHER EXPENSES

(₹ in Lac)

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Consumption of Stores, Spare parts and Packing Materials	564.58	471.20
Repairs and Maintenance		
- Machinery	728.88	547.12
- Buildings	107.99	89.88
- Vehicle	88.03	76.25
- Others	27.40	19.49
Warehouse & Godown Rent	334.89	348.08
Power & Fuel	667.57	537.10
Fumigation & Phytosanitary Expenses	176.06	106.28
Freight, Transportation and Handling Charges	792.98	641.20
Loading & Unloading Charges	483.77	363.23
Rice Sorting & Paddy Milling Charges	61.77	41.19
Insurance	153.70	141.35
Travelling & Conveyance	157.37	143.43
Loss on Revaluation of Current Investment	183.03	123.37
Legal & Professional Charges	185.77	125.15
Charity & Donations	8.67	11.77
Postage, Telegram & Telephone	73.62	75.28
Payment to Auditors		
- For Audit	8.99	7.72
- For Tax Audit	2.81	2.50
- For Taxation & Certification work	1.69	1.65
Printing & Stationery	45.57	34.97
Fee & Subscription	50.05	18.80
Advertisement Expenses	1,225.39	881.76
Business Promotion Expenses	1,529.39	994.12
Clearing, Forwarding & Storage Charges	868.08	548.21
Freight on Sale	4,113.61	2,603.33
Brokerage/Commission/Discount	977.80	917.35
Taxes on Sales	943.95	651.26
Other Miscellaneous Expenses	27.51	9.82
Total	**14,590.92**	**10,532.86**

INDIA GATE BASMATI RICE

27. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27.1 Contingent liabilities not provided for in respect of :

(₹ in Lac)

Particulars	As at 31/03/2012	As at 31/03/2011
(i) Claims against the Company not acknowledged as debts		
(a) Liability relating to Bank Guarantee	166.00	205.00
(b) Liability relating to Bills Discounted with Scheduled Banks	-	6,775.05
- Liability relating to Bills Discounted with Scheduled Banks as on date ₹ NIL (PY NIL)		
(c) Disputed liability in respect of Income Tax Demand in appeal	23.32	200.16
- Amount paid against disputed Income Tax appeal as ₹ 5.75 Lacs (PY ₹ 80.68 Lacs)		
(d) Disputed liability relating to Sales Tax	32.70	102.79
- Amount paid against disputed Sales Tax appeal as ₹ 28.95 Lacs (PY ₹ 99.04 Lacs)		
(e) Disputed liability relating to ESI (Malerkotla, Punjab)	6.12	-
(f) Disputed liability relating to Market Fees (Fazilka, Punjab)	15.09	-
- Amount paid against disputed is ₹ 1.37 lacs		
(f) Other	28.25	-
	271.48	7,283.00

27.2 Details of movement in Provisions in accordance with Accounting Standard 29

Income Tax		
Provisions as on 01/04/2011	277.58	-
Addition made during the Year	1,878.12	3,328.00
Adjustment/Reverse/Paid	1,899.65	3,050.42
Provisions as at 31/03/2012	**256.05**	**277.58**

Wealth Tax		
Provisions as on 01/04/2011	1.83	2.20
Addition made during the Year	3.73	1.83
Adjustment/Reverse/Paid	1.83	2.20
Provisions as at 31/03/2012	**3.73**	**1.83**

27.3 In the opinion of the Board and to the best of their knowledge and belief, the valuation on realisation of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

27.4 Value of Raw Materials, including packaging materials, spare parts and components consumed during the year

Particulars	Percentage		Value (₹ in Lacs)	
	2011-12	2010-11	2011-12	2010-11
Raw Material				
Imported	NIL	NIL	NIL	NIL
Indigenous	100%	100%	1,26,871.17	1,36,029.46
Spare Parts, Components & Packing Materials				
Imported	1.5%	0.001%	110.40	0.03
Indigenous	98.5%	99.99%	7,478.02	6,184.54

27.5 A sum of ₹ 29.94 (P.Y. ₹ 40.36 Lacs) has been received from DMI through NABARD towards construction of rural godown and a sum of ₹ 73.66 Lacs (P.Y. ₹ 44.01 Lacs) is receivable from DMI through NABARD towards construction of rural godown. The entire grant so received/receivable has been deducted from the respective cost of the Capital Expenditure.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27.6 CIF value of Imports made during the year in respect of

(₹ in Lac)

Particulars	2011-12	2010-11
Components and Spare Parts	110.40	2.96
Capital Goods	287.78	1,285.24

27.7

Earnings in Foreign Exchange on Mercantile Basis	83,920.79	64,280.07

27.8

F.O.B. Value of Exports	81,567.30	62,658.89

27.9 Expenditure in foreign currency on mercantile basis

(₹ in Lac)

Particulars	2011-12	2010-11
Foreign Travel & Other	25.58	15.08
- By Directors ₹ 20.29 Lacs (PY ₹ 9.63 Lacs)		
Ocean Freight	1,760.11	1,360.57
Legal, Professional & Other charges	39.12	12.91
Salary	13.61	20.92
Selling & Distribution Expenses	255.54	13.82

27.10 Managerial remuneration to Executive Directors

- On account of Salary	231.98	222.84
- On Account of Perquisite	120.17	1.98

27.11

Payment of Insurance charges on account of Key man Insurance policy	102.82	102.82

27.12

Unclaimed dividend pending on bank account of non presentation of cheques has been deposited in separate bank accounts with Scheduled Bank	31.22	24.10

27.13 Remittance in Foreign Currency on account of dividends

a) No. of non-resident share holders	5	5
b) No. of equity shares held by them	39000000	39000000
c) Amount of dividend paid (In ₹ Lacs)	117.00	58.50
d) Year to which the dividend relates	2010-11	2009-10

27.14 There is no prior period item, which is considered material for the purpose of disclosure in accordance with the Accounting Standard-5 on "Net Profit or Loss for the period, Prior Period items and changes in Accounting Policies".

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27.15 The Company has in-house R & D Centre. The details of revenue/capital expenditure incurred by the R&D Centre during the year is as under :-

(₹ in Lac)

Particulars	2011-12	2010-11
1) Revenue Expenditure charged to Profit & Loss Account		
i) Salary and other Benefits	192.98	162.72
ii) Others	54.22	57.31
Total	**247.20**	**220.03**
2) Capital expenditure shown under Fixed assets schedule	-	-
Grand Total	**247.20**	**220.03**

27.16 Intangible Assets

In accordance with Accounting Standard - 26 on 'Intangible Assets' ₹ 1.41 Lacs (P.Y. ₹ 61.86 Lacs) have been capitalized on account of computer software development charge.

27.17 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity share holders by the average number of equity shares outstanding during the year. Number used for calculating basic and diluted earnings per equity is stated below

Particulars	2011-12	2010-11
Profit after tax (₹ in Lacs)	7,114.57	11550.85
Weighted average number of equity shares for basic & dilutive	243111940	243111940
Nominal value per equity share (₹)	1.00	1.00
Earnings per share (Basic & Dilutive)	2.93	4.75

27.18 The Company has entered into lease agreement for the period of five years, which are in the nature of operating leases as defined in the Accounting Standard-19(AS-19) in respect of leases:-

a) Future minimum lease payment under non cancellable operating leases in respect of lease agreement

- Not later than one year	NIL	NIL
- Later than one year but not later than five years	82.35	164.70
- Later than five years	68.00	76.50

b)

Lease payment recognised in the statement of Profit and Loss Account, in respect of operating lease agreement	90.85	90.85

c) Significant Leasing arrangement

The Company has entered into leasing arrangements in respect of godowns/premises

(i) Basis of determining contingent rent

- Contingent rents are payable for excessive, improper or unauthorized use of the assets, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump-sum amount, as agreed between the parties.

(ii) Renewal/purchase options & escalation clauses

- Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change in the basis of computation of lease rentals by the lessor.

(iii) There are no restrictions imposed by the lease arrangements, concerning dividends, additional debt and further leasing.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27.19 Segment Disclosure (AS - 17) *Figures in brackets are in respect of previous year*

Particulars	Agri	Energy	Others	Unallocable	Total
Segment operating Revenue					
External	1,60,185.00	7,634.00			1,67,819.00
	(1,52,202.00)	(4,470.00)	-	-	(1,56,672.00)
Less: Inter-Segment		4,719.00			4,719.00
		(2,271.00)	-	-	(2,271.00)
Segment Result					
Profit / (Loss) before Tax and Interest	15,842.00	725.00			16,567.00
	(20,305.00)	(-2.00)			(20,303.00)
Interest				7,002.00	7,002.00
				(4,756.20)	(4,756.20)
Other Unallocable expenditure net of unallocable income				224.34	224.34
				(222.89)	(222.89)
Profit before Taxation					**9,340.66**
					(15,323.91)
Provision for Taxation - Current				1,878.12	1,878.12
				(3,328.00)	(3,328.00)
Tax relating to earlier years				35.18	35.18
				(-37.72)	(-37.72)
Deferred Tax				309.05	309.05
				(481.05)	(481.05)
Wealth Tax				3.73	3.73
				(1.73)	(1.73)
Profit after Taxation					**7,114.58**
					(11,550.84)
Other Information					
Segment Assets	1,77,228.32	18,793.58			1,96,021.90
	(1,66,202.83)	(17,239.40)			(1,83,442.23)
Segment Liabilities	1,29,060.67	4.67	-		1,29,065.34
	(1,22,474.86)	(277.73)			(1,22,752.59)
Geographical Segment (Based on Location of customers)				**2011-12**	**2010-11**
Segment Assets					
- Middle East				11,818.42	8,389.00
- Other Than Middle East				3,102.70	1,689.00
- India				1,81,100.78	1,73,364.23
Total				**1,96,021.90**	**1,83,442.23**
Segment Revenue					
- Middle East				63,439.89	57,979.00
- Other Than Middle East				22,241.11	6,353
- India				77,454.16	90,127.14
Total				**1,63,135.16**	**1,54,459.14**

i) The business groups comprise of the following
   a) Agri - Agri commodities such as rice, cotton, seed, bran, bran oil, etc.
   b) Energy - Power generation from wind turbine and husk based power plant.

ii) The Geographical segments considered for disclosure are
   - Sales within India
   - Sales outside India
     a) Middle East
     b) Other than Middle East

INDIA GATE
BASMATI RICE

27.20 Related Party Disclosures (AS-18)

a) Related parties and their relationship :

1) Subsidiary Company

Subsidiary Company	:	KRBL DMCC
	:	K. B. Exports Private Limited

2) Key Management Personnel

Mr. Anil Kumar Mittal	:	Chairman & Managing Director
Mr. Arun Kumar Gupta	:	Joint Managing Director
Mr. Anoop Kumar Gupta	:	Joint Managing Director
Mr. Ashok Chand	:	Whole Time Director
Dr. Narpinder Kumar Gupta	:	Non Executive & Independent Director
Ms. Priyanka Mittal	:	Whole Time Director & Daughter of CMD
Mr. Vinod Ahuja	:	Non Executive & Independent Director
Mr. Ashwani Dua	:	Non Executive & Independent Director
Mr. Shyam Arora	:	Non Executive & Independent Director
Mr. Gautam Khaitan	:	Non Executive & Independent Director

3) Employee benefit plans where there in significant influence

- KRBL LIMITED Employees Group Gratuity Trust

4) Relatives of Key Management Personnel

Mrs. Preeti Mittal	:	Wife of Mr. Anil Kumar Mittal
Mrs. Anulika Gupta	:	Wife of Mr. Arun Kumar Gupta
Mrs. Binita Gupta	:	Wife of Mr. Anoop Kumar Gupta
Mr. Ashish Mittal	:	Son of Mr. Anil Kumar Mittal
Mrs. Neha Gupta	:	Daughter of Mr. Arun Kumar Gupta
Mrs. Rashi Gupta	:	Daughter of Mr. Anoop Kumar Gupta
Mr. Kunal Gupta	:	Son of Mr. Arun Kumar Gupta
Mr. Akshay Gupta	:	Son of Mr. Anoop Kumar Gupta
Mr. Ayush Gupta	:	Son of Mr. Anoop Kumar Gupta
Anil Kumar Mittal HUF	:	Mr. Anil Kumar Mittal is Karta of HUF
Arun Kumar Gupta HUF	:	Mr. Arun Kumar Gupta is Karta of HUF
Anoop Kumar Gupta HUF	:	Mr. Anoop Kumar Gupta is Karta of HUF
Bhagirath Lal Gupta HUF	:	Mr. Anil Kumar Mittal is Karta of HUF

5) Enterprises over which key management personnel are able to exercise significant influence :

Khushi Ram Behari Lal	:	Partnership Firm in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are partners
Anurup Exports Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj Ispat Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta, Mr. Anoop K. Gupta & Ms. Priyanka Mittal are Directors
Radha Raj Infrastructure Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta, Mr. Anoop K. Gupta & Mr. Ashwani Dua are Directors
KRBL Infrastructure Limited	:	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Aakash Hospitality Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Holistic Farms Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj IT City & Parks Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj Logistics Private Limited	:	Private Limited Company in which Mr. Anoop K . Gupta & Mr. Ashwani Dua are Directors

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

KRBL Foods Limited	:	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Adwet Warehousing Private Limited	:	Private Limited Company in wich Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Padmahasta Warehousing Private Limited	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors

b) Transactions with the related parties :

Particulars	**Enterprises over which significant influence exercised by key management personnel**		**Key Management Personnel (Including relatives)**		**Subsidiary Company**		**Total**	
	2011-12	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Purchase of Goods and Fixed Assets	262.40	-	-	-	-	-	262.40	-
Sale of Goods and Fixed Assets	3,427.18	1,869.92	-	-	-	-	3,427.18	1,869.92
Service Received	-	-	1.59	1.50	-	-	1.59	1.50
Rent Paid by the company	8.50	8.50	130.95	82.35	-	-	139.45	90.85
Dividend Paid	82.56	41.28	331.29	165.65	-	-	413.85	206.93
Dividend Received	-	-	-	-	362.13	-	362.13	-
Remuneration Paid	-	-	352.15	224.82	-	-	352.15	224.82
Equity Participation	-	210.00	-	-	-	-	-	210.00

c) Balance Outstanding at the end of the Financial Year:

Receivable on account of goods sold	1,163.00	162.84	-	-	-	-	162.84	162.84
Advance Payable	-	-	-	-	14.68	14.68	14.68	14.68
Receivable on account of Security deposit	971.00	971.00	-	-	-	-	971.00	971.00

Notes: (1) Amount written of or written back in respect of debts due from or to related parties in NIL (P.Y. ₹ NIL)

(2) Loans & Advances (without repayment schedule) given to subsidiary i.e. KRBL DMCC, Dubai and K. B. Exports Private Limited, which is outstanding as on 31/03/2012 ₹ NIL (P.Y. ₹ NIL). Maximum outstanding balance during the year ₹ NIL (P.Y. ₹ NIL) as interest free loan.

27.21 Employee Benefits - AS 15 (Revised)

a) The Company has determined the liability for Employee benefits as at 31st March, 2012 in accordance with revised Accounting Standard 15 issued by ICAI - Employee defined benefits.

b) Following information are based on report of Actuary.

Defined benefit plans			**Year Ended 31/03/2012 Gratuity (Funded)**	**Year Ended 31/03/2011 Gratuity (Funded)**
A.	Components of Employee Benefit			
	1	Current Service Cost	35.84	25.50
	2	Interest Cost	14.48	9.95
	3	Expected Return on Plan Assets	(9.71)	(5.71)
	4	Net Actuarial (Gain) / Loss Recognised during the year	16.47	25.46
	5	Total Expense Recognised in the Statement of Profit & Loss A/c	57.07	55.20
B.	Actual Return on Plan Assets			
	1	Expected Return on Plan Assets	9.71	5.71
	2	Actuarial Gain / (Loss) on Plan Assets	(3.80)	0.44
	3	Actual Return on Plan Assets	5.92	6.15

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C.	Reconciliation of Obligation and Fair Value of Assets		
1	Present Value of the Obligation	211.26	175.46
2	Fair Value of Plan Assets	151.64	117.71
3	Funded Status [surplus / (deficit)]	(59.62)	(57.76)
D.	Change in present value of the obligation during the year ended 31st March, 2012		
1	Present Value of obligation as at April 1, 2011	175.46	124.33
2	Current Service Cost	35.84	25.50
3	Interest Cost	14.48	9.95
4	Benefits Paid	(27.18)	(10.22)
5	Actuarial (gain) / loss on Plan Assets	12.67	25.90
6	Present Value of obligation as at 31st March, 2012	211.26	175.46
E.	Change in Assets during the year ended 31st March, 2012		
1	Fair Value of Plan Assets as at April 1, 2011	117.71	71.39
2	Expected Return on Plan Assets	9.71	5.71
3	Contribution made	55.20	50.38
4	Benefits paid	(27.18)	(10.22)
5	Actuarial gain / (loss) on Plan Assets	(3.80)	0.44
6	Fair Value of Plan Assets as at 31st March, 2012	151.64	117.71
F.	The major category of plan assets as a percentage of total plan		
	Gratuity : 93% invested with Central Govt / State Govt / State Govt. Securities / Public sector bonds / Fixed Deposit with PSU Banks. Leave Encashment : Unfunded		
G.	Actuarial Assumptions		
1	Discount Rate	8.50%	8.25%
2	Expected Rate of Return on Plan Assets	8.50%	8.25%
3	Mortality	LIC 1994-96(Ultimate)	LIC 1994-96(Ultimate)
4	Salary Escalation	5.00%	5.00%
Gratuity is administered by an approved gratuity fund trust			
Amount recognised as an expense in respect of defined benefits plan as under :			
1	Contribution to Gratuity Fund	57.07	55.20
2	Gratuity paid directly	-	-
		57.07	55.20

27.22 As required under AS-11 the Company has Outstanding Forward contracts as on 31st March, 2012 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts is ₹ 7.49 lacs (P.Y. ₹ 2.97 lacs) , which has been accounted for accordingly in the books of accounts.

Derivative Instruments

(a) Outstanding forward exchange contracts as at 31st March, 2012 entered by the Company for the purpose of hedging its foreign currency exposures are as under:

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupee	₹ NIL (P.Y. ₹ NIL)	₹ 14244 lacs (P.Y. ₹ 134 lacs)

(b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at 31st March, 2012 are as under:

Currency	Cross Currency	Buy	Sell	Net
US Dollar	Indian Rupee	₹ NIL (P.Y. ₹ NIL)	₹ NIL (P.Y. ₹ 134 lacs)	₹ NIL (P.Y. ₹ NIL)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Apart from above Company has foreign currency Liability (PCFC/Advances received from customers/ECB) of ₹ 43,704 Lacs (P.Y. ₹ 37,658 Lacs) at the year end and As per Accounting Standard (AS-11) the effect of change in foreign exchange as on 31st March, 2012 amounting to ₹ (2,571) Lacs (P.Y ₹ 842 Lacs) has been taken to profit & loss account.

27.23 Till the year ended 31st March, 2011, the company was using pre-revised Schedule VI of the Companies Act, 1956 for preparation and presentation of its financial statement. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 is applicable to the company. The company has reclassified and regrouped previous year figure in conformity with revised Schedule-VI of the companies Acts, 1956 and wherever necessary.

27.24 The Consolidated Financial Statements of the company and its subsidiary, are enclosed separately in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements".

for KRBL LIMITED
On behalf of the Board,

	Annexure to our Report of Date		
		Sd/-	Sd/-
	for Vinod Kumar Bindal & Co.	**Anoop Kumar Gupta**	**Anil Kumar Mittal**
	Chartered Accountants	Joint Managing Director	Chairman &Managing Director
	Sd/-	Sd/-	Sd/-
	Vinod Kumar Bindal	**Dhiraj Kumar Jaiswal**	**Rakesh Mehrotra**
Place : New Delhi	Proprietor	Company Secretary	Chief Financial Officer
Date : 22.05.2012	Firm No- 003820N, M No. 80668		

Statement Pursuant to Section 212 of the Companies Act, 1956, Relating to Subsidiary Companies

(₹ in Lacs)

Name of the subsidiary company	KRBL DMCC	K.B. Exports Pvt. Ltd.
Financial year of the subsidiary company ended on	**31/03/2012**	**31/03/2012**
Number of Shares in the subsidiary company held by KRBL Ltd. at the above date	1,800	21,00,000
The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of KRBL Limited:		
(i) Dealt with in the accounts of KRBL Limited amounted to:		
(a) for the subsidiary's financial year ended 31st March, 2012	NIL	NIL
(b) for previous financial years of the subsidiary since it became subsidiary of KRBL Limited	NIL	NIL
(ii) Not dealt with in the accounts of KRBL Limited amounted to:		
(a) for the subsidiary's financial year ended 31st March, 2012	552.12	NIL
(b) for previous financial years of the subsidiary since it became	482.41	NIL
Changes in the interest of KRBL Limited between the end of the subsidiary's financial year and 31st March, 2012		
Number of shares acquired	NIL	NIL
Material changes between the end of the subsidiary's financial year and 31st March, 2012		
(i) Fixed Assets (net additions)	NIL	NIL
(ii) Investments	NIL	NIL
(iii) Moneys lent by the subsidiary	NIL	NIL
(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	NIL	NIL

for KRBL LIMITED
On behalf of the Board,

Annexure to our Report of Date

for Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Firm No- 003820N, M No. 80668

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Sd/-
Anil Kumar Mittal
Chairman &Managing Director

Sd/-
Rakesh Mehrotra
Chief Financial Officer

Place : New Delhi
Date : 22.05.2012

CASH FLOW STATEMENT for the year ended 31st March, 2012

(₹ in Lacs)

Particulars		31/03/2012	31/03/2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Taxation	**9,340.66**	**15,323.91**
	Adjustment for :		
	Depreciation & Amortization Expenses	4,450.66	3,594.53
	Loss/(Profit) on Sale of Fixed Assets	(16.17)	(51.09)
	Effect of Exchange Rate Difference	2,564.27	(843.65)
	Profit on Sale of Investment	(10.89)	(6.00)
	Interest Expense	7,188.92	5,142.89
	Interest Receipt	(187.34)	(386.68)
	Loss on Revaluation of Current Investment	186.93	123.37
	Dividend on Investment	(384.49)	(24.81)
	Operating Profit Before Working Capital Changes	**23,132.55**	**22,872.47**
	Adjustments for Working Capital Changes		
	Increase/(Decrease) in Long Term Provisions	22.20	28.38
	Increase/(Decrease) in Trade Payable	(291.81)	3,349.67
	Increase/(Decrease) in Other Current Liabilities	2,679.05	7,539.26
	Increase/(Decrease) in Short Term Provisions	(5.42)	674.86
	Decrease/(Increase) in Inventories	(2,922.20)	(42,722.61)
	Decrease/(Increase) in Trade Receivables	(8,116.30)	(1,292.45)
	Decrease/(Increase) in Long Term Loans & Advances	36.13	(411.02)
	Decrease/(Increase) in Other Current Assets	1,473.04	(1,757.43)
	Cash from Operating Activities	**16,007.24**	**(11,718.87)**
	Tax Paid (Net)	(1,843.41)	(3,050.43)
	Net Cash from Operating Activities (Total A)	**14,163.83**	**(14,769.29)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets & Work in Progress	(6,639.10)	(8,600.38)
	Sale/Write off of Fixed Assets	71.28	86.00
	Profit on sale of Investment	10.89	6.00
	Decrease /(Increase) in Non Current Investment	-	(210.00)
	Decrease /(Increase) in Current Investment	-	(837.20)
	Dividend on Investments	384.49	24.81
	Net Cash Generated / (-) Used in Investing Activities (Total B)	**(6,172.44)**	**(9,530.77)**

C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Increase/(Decrease) in Long Term Borrowings	1,488.72	4,264.52
	Increase/(Decrease) in Short Term Borrowings	2,110.95	24,032.02
	Effect of Exchange Rate difference	(2,564.27)	843.65
	Interest Expense	(7,001.58)	(4,756.20)
	Dividend Paid	(722.00)	(364.67)
	Taxes on Dividend Paid	(121.13)	(61.98)
	Wealth Tax	(1.83)	(1.83)
	Net Cash from Financing Activities (Total C)	**(6,811.14)**	**23,955.51**
	Net Changes in Cash & Bank Balance (A+B+C)	**1,180.25**	**(344.55)**
	Cash & Bank Balance-Opening Balance	497.73	842.28
	Cash & Bank Balance-Closing Balance	**1,677.98**	**497.73**

	Cash & Bank Balance		
	Cash in Hand	153.95	99.86
	Balance with Scheduled Bank	1,524.03	397.85
		1,677.98	**497.73**

Notes:
1. Statement has been prepared under the Indirect Method ‘ as set out in the Accounting Standard-3 on Cash Flow Statement.
2. Figures in brackets represent outflows.
3. Previous year figures have been recast / rearranged wherever considered necessary.

for KRBL LIMITED
On behalf of the Board,

Annexure to our Report of Date

Sd/-
for Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Firm No- 003820N, M No. 80668

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Sd/-
Anil Kumar Mittal
Chairman &Managing Director

Sd/-
Rakesh Mehrotra
Chief Financial Officer

Place : New Delhi
Date : 22.05.2012


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World's Largest Rice Millers & Basmati Rice Exporters
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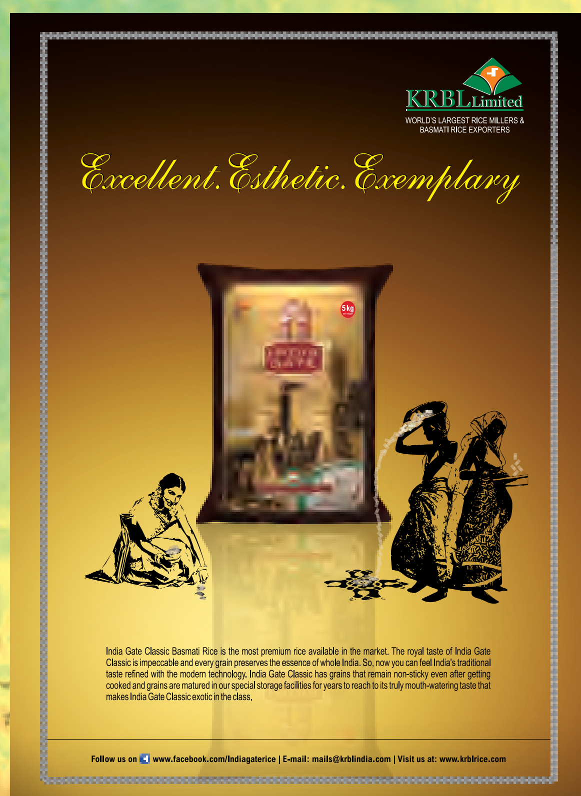
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