



THE
POWER
OF #
ONE

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Corporate Information

Board of Directors

Chairman & Managing Director
Mr. Anil Kumar Mittal

Joint Managing Directors

Mr. Arun Kumar Gupta
Mr. Anoop Kumar Gupta

Directors

Ms. Priyanka Mittal
Mr. Ashok Chand
Mr. Vinod Ahuja
Mr. Shyam Arora
Mr. Ashwani Dua
Dr. Narpinder Kumar Gupta
Mr. Gautam Khaitan

Board Committees

Audit Committee

Mr. Ashwani Dua - Chairman
Mr. Vinod Ahuja - Member
Dr. Narpinder Kumar Gupta - Member
Mr. Anoop Kumar Gupta - Member

Remuneration Committee

Mr. Ashwani Dua - Chairman
Mr. Vinod Ahuja - Member
Dr. Narpinder Kumar Gupta - Member

Shareholder's/Investors Grievance Committee

Mr. Ashwani Dua - Chairman
Mr. Vinod Ahuja - Member
Dr. Narpinder Kumar Gupta - Member

Chief Financial Officer

Mr. Rakesh Mehrotra

Company Secretary and Compliance Officer

Mr. Raman Sapra

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. HVMN & Associates
Cost Accountants
31, Community Centre, Ashok Vihar,
Delhi - 110052

Registrar & Share Transfer Agents

Alankit Assignments Limited
Alankit House, 2E/21,
Jhandewalan Extension,
New Delhi-110055
Phone: 011-42541955/59

Registered Office

5190, Lahori Gate,
Delhi-110006

Corporate Office

9th Milestone,
Post Dujana, Bulandshahr Road, Distt.
Gautambudh Nagar, U.P.-203207

Bankers

State Bank of India
HSBC Bank Limited
DBS Bank Limited
ICICI Bank Limited
HDFC Bank Limited
State Bank of Bikaner and Jaipur
Kotak Mahindra Bank Limited
Corporation Bank Limited
State Bank of Travancore
Oriental Bank of Commerce
Karnataka Bank Limited

Works

Ghaziabad Factory

9th Milestone,
Post Dujana, Bulandshahr Road, Distt.
Gautambudh Nagar, U.P.-203207

Dhuri Factory

Village Bhasaur (Dhuri),
Distt. Sangrur, Punjab-148024

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-110036





**Everybody remembers the perfect 10 that
Nadia Comaneci scored in gymnastics at
the Montreal Olympics of 1976.** 

Nobody remembers who came second.

That is the Power of #1.
– the quality v/s quantity conundrum

While the world believes that being #1 is based on the power of quantities of the grain sold, We focused on being #1 in many other vital aspects before we even started thinking of quantity. It is our focus on these diverse aspects of the business that has helped us draw increasing numbers of consumers across the world to our brands, and has powered our emergence as #1 in Basmati Rice trade.

Our enduring focus has remained on research & development, seed development, contract farming, procurement, ageing and storage, milling, quality control, and brand-led marketing.

KRBL is proud to have reached and sustained its leadership position in the market, and in the hearts and the minds of the consuming audience, on the strength of this focus.

Our flagship brand India Gate is recognised both in India and abroad, with a strong presence and impressive market share. It has earned respect and patronage among customers, and today it has the proud distinction of being the #1 preferred brand amongst global households, that appreciate the special aroma, taste, form and flavours of Basmati Rice.

As a Company, we are the single largest marketer of Basmati Rice in the world and market leader in the leading consumption geographies.

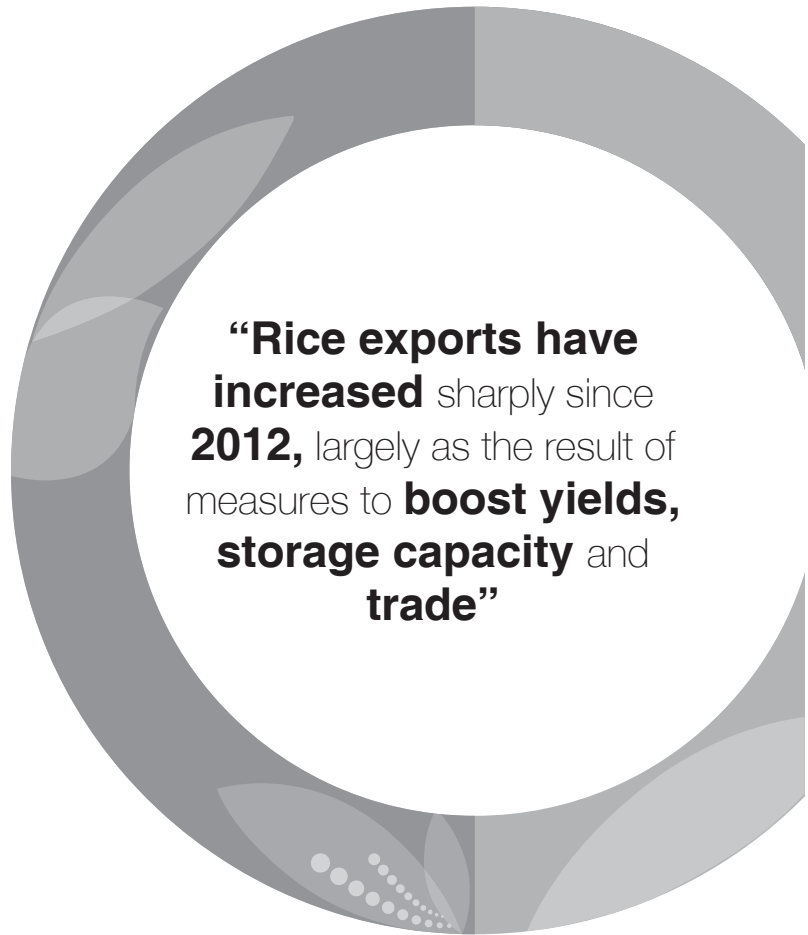
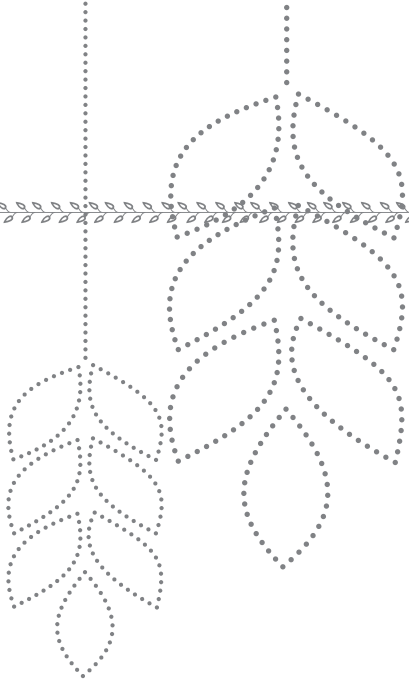
The power of #1 enables us to connect better to farmers, do more to improve farm productivity and offer better price realisations for the farmer. It enables us to attract the best available talent to build our organisation and emerge as the preferred partners for a range of players - from distributors to bankers and investors. It enables us to meaningfully contribute to the communities within which we operate and become a good corporate citizen.

When you own the #1 brand, and the business is steered by the #1 management team, when you are #1 across every aspect of the value chain, and you are #1 in pioneering new trends and in taking industry level initiatives, then, you become eligible to be the one to possess the much coveted leadership position.

To us, that is the power of #1.

Management Discussion & Analysis



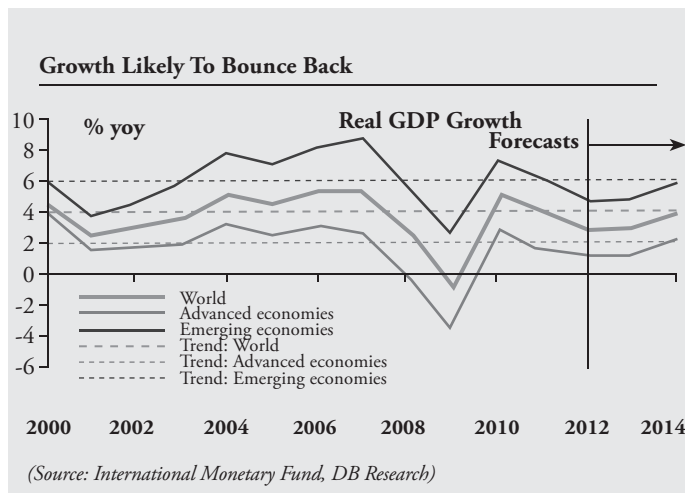


“Rice exports have increased sharply since 2012, largely as the result of measures to boost yields, storage capacity and trade”

ECONOMIC OVERVIEW

Though the global fiscal environment had a cyclic impact on the Indian economy, causing it to slow down for the second consecutive year, the Indian agriculture story remain intact during 2012-13. Backed by policy initiatives and a good monsoon, exports of the country’s agricultural and allied products increased by 11% to US\$ 33.54 Billion during the fiscal as compared to US\$ 29.8 Billion in 2011-12.¹

Source: 1. Ministry of Agriculture



With the International Monetary Fund (IMF), in its World Economic Outlook of April 2013, projecting recovery in the global economy during 2013, along with increase in the output growth over the next two years, emerging markets and developing economies are set to show marked improvement, going forward. As per the report, rice prices have been relatively stable during the past three years, with markets remaining well supplied. Rice exports have increased sharply since 2012, largely as the result of measures to boost yields, storage capacity and trade.

Going forward, globally, wheat production is expected to underperform consumption by the greatest percentage during 2013, which puts pressure

on already declining global stocks. In contrast, the rice market appears adequately supplied, and 2013 production is projected to reach record-high levels and broadly align with global demand needs, according to the IMF report.

Indian agriculture, which has done remarkably well in the past few years in terms of output growth, is set to scale up on the back of rising external demand and the sector’s wider participation in the global economy. The 11th Five Year Plan (2007-2012) witnessed an average annual growth of 3.6% in Gross Domestic Product (GDP) from agriculture and allied sector. The growth target for agriculture in the 12th Five Year Plan stands at 4%.

Backed by policy impetus by the Government of India, the country ranks 10th in global agricultural and food exports, as per Economic Survey 2012-13. Agriculture accounts for about 10% of the total export earnings and provides raw material to a large number of industries. Exports of agricultural products are expected to cross the US\$ 22 Billion mark by 2014, and account for 5% of the World’s agriculture exports.²

Source: 2. Indian Brand Equity Foundation (IBEF) / APEDA

In order to boost investments in the sector, the Government of India has allowed 100% Foreign Direct Investment (FDI) under automatic route in storage and warehousing including cold storages. The government has also allowed 100% FDI under the automatic route for the development of seeds.

The Indian Council of Agricultural Research (ICAR) and the World Bank have been implementing a joint National Agricultural Innovation Project (NAIP) in the country to accelerate the collaborative development and application of agricultural innovations. Till date, an amount of ₹727.93 Crores (US\$ 134.13 Million) has been released by the World Bank for the project.

The Government support to agriculture in India can also be gauged from the fact that the total planned expenditure for the Ministry of Agriculture has increased considerably to ₹27,049 Crores (US\$ 4.98 Billion) in the Union Budget 2013-14. The outlay is 22% over the revised estimates of the year 2012-13. Further, an amount of ₹1,000 Crores (US\$ 184.32 Million) has been allocated to continue support to the new green revolution in Eastern States like Assam, Bihar, Chhattisgarh and West Bengal to increase the rice production. An outlay of ₹500 Crores (US\$ 92.17 Million) is also proposed for starting a programme of crop diversification that would promote technological innovation and encourage farmers to choose crop alternatives in the original green revolution states.

These initiatives are expected to further boost agricultural growth in India, adding impetus to the farming sector.

GLOBAL RICE OVERVIEW

With global economy expected to pick up, the outlook for international rice production and trade is also projected to be positive for the coming financial year. India, as a leading producer and exporter, is likely to be the major beneficiary of the improved global rice business scenario.³

According to the FAO Rice Market Monitor (RMM) April 2013, world rice trade went up by some 7,60,000 Tonnes in 2012-13 to an all time high of 38.6 Million Tonnes (milled basis). Due to a host of factors like expanded production, large public stocks, weak currency and liberal export policy of the Government of India, the country exported a record 10.3 Million Tonnes of rice in calendar year 2012, beating Thailand as the top exporter for the first time in three decades, shipping out 10.3 Million Tonnes of milled rice compared with Thailand's 7.0 Million Tonnes.

As per the RMM report, the international rice utilisation in 2013 stands at 477.6 Million Tonnes (milled basis), 1.9 Million Tonnes of rice more than foreseen earlier. The upward revision shows expectations of higher consumption of rice as food, now forecast to absorb 402.7 Million Tonnes, at 2% more than the previous year.

Assuming more regular climatic conditions, Asia is likely to produce about 677.5 Million Tonnes (451.7 Million Tonnes, milled basis), during the

2013 season, 2.2% (15 Million Tonnes) up from the 2012 level, as per the report. This enhanced projection, to a large extent, has been pegged on expectations of a recovery in India, with further large absolute gains anticipated in China (Mainland) and Indonesia, it said.

The enhanced production in Asia, as per the FAO is, due to good weather and government price supports for farmers in India and Thailand. India's stockpile would reach 22 Million Tonnes by year-end 2013, down 7.6% from 2012, while Thailand's will reach 16.3 Million Tonnes, up 29 % from 2012, according to FAO.

For the year 2013, FAO has upgraded exports from India by 800,000 tonnes to 8.3 Million Tonnes, in line with upward revisions to production estimates for the year 2012. FAO has raised its estimates of International Rice Trade in 2012 by 8,00,000 tonnes to 38.6 Million Tonnes (Milled Basis) and in 2013 by 5,00,000 Tonnes to 37.8 Million Tonnes Milled Basis. Indian exports in 2013 would stand second only to the 2012 record, as per the world UN body, suggesting that this year too, India is likely to continue playing a lead role in global rice trade.

Source: 3. The Food and Agriculture Organization Rice Market Monitor (FAO-RMM), April 2013.

INDIAN RICE OVERVIEW

India, known as the 'King of Rice', and the leading supplier of the Basmati Rice to the international market, exported 3,456.41 thousand Tonnes of Basmati Rice to the world for the worth of ₹19,390.53 Crores during the year 2012-13, as per statistics released by APEDA.

Iran, Saudi Arabia, United Arab Emirates, Iraq and Kuwait were the major export destinations of the country's Basmati Rice during the year, according to APEDA.

Basmati Rice is the gift of India to the world and the main varieties of Basmati Rice produced in India as Notified under Seed Act 1966 are Basmati 386, Basmati 217, Ranbir Basmati, Karnal Local/Taraori Basmati, Pusa Basmati-1, Pusa Basmati 1121, Basmati 370, Punjab Basmati-1, Haryana Basmati-1, Kasturi and Mahi Sugandha Basmati and Type-3/Dehradoon Basmati.

This aromatic rice is grown only in certain parts of India and Pakistan due to conducive agro-climatic and soil conditions in the two neighbouring nations of South Asia. The major regions of India where Basmati Rice is being produced include the northern states of Haryana, Punjab, Himachal Pradesh, Uttar Pradesh and Uttarakhand.

According to estimates, about 70% of global Basmati Rice is produced in India and the rest by its neighbours. While India exported approximately 3.5 Million Tonnes of Basmati during the fiscal under review, Pakistan's share was much less. This is primarily because India enjoys a significant advantage as it exports a variety of Basmati called Pusa 1121, which is much superior and preferred to Pakistan's 'Super' variety.



India and Pakistan are the only two nations producing this top-class premium rice. A first-class long-grain fine-textured rice and a Geographical Indication (GI) product, Basmati's demand for the rice, one of the costliest commodities, has steadily been growing every passing year.

INDIAN RICE TRADE

It was yet another good year for the Indian rice exports, surpassing even the previous year numbers. European Union (EU) was the key market that gave a boost to India's rice trade.

Exports of Basmati Rice from India to the EU during 2012-13 surged a whopping 30% from the previous year. In all, 27 EU countries imported around 2,78,902 tonnes of Basmati Rice from India and Pakistan in 2012-13, up about 21% from the previous year.

India accounted for the bulk of the Basmati Rice imports by EU nations, while imports from Pakistan dropped. India accounted for around 2,33,985 tonnes or about 84% of total Basmati Rice imports by the EU in 2012-13, while Basmati Rice imports from Pakistan stood at around 44,917 tonnes in 2012-13, down about 9% from 2011-12.

The United Kingdom was the largest importer of Basmati Rice during the year under review, buying about 1,32,701 tonnes, followed by the Neitherland (about 44,893 tonnes), France (about 29,158 tonnes) and Italy (about 27,618 tonnes).⁴

Source: 4. <http://oryza.com/content/india-surges-ahead-pakistan-2012-13-basmati-rice-exports-eu>

Spain has reported a significant increase in Basmati Rice consumption as per the European Commission report, Spain imported about 14,896 tonnes of Basmati Rice from India and Pakistan in 2012-13, almost double the 7,440 tonnes of Basmati Rice imported in the previous year. Total Basmati Rice imports by Spain in 2012-13 included around 9,050 tonnes of rice from India, up about 45% from the previous year.

In an important development during 2012, China allowed Basmati Rice imports from India. Beijing had banned imports of several Indian agricultural products, including Basmati Rice, due to issues of pest control and monitoring of quarantine pests in processing and storage houses in India.

The move to remove the ban has come as a big boost to Indian exporters, giving them access to the world's largest rice market of 1.3 Billion people for their about 4.5 Million Tonnes of aromatic rice.

India has been looking at China, Mexico and the Commonwealth of Independent States (CIS) as new markets for its Basmati Rice with a view to expand its share in global trade. India's share of the global market for Basmati Rice is nearly 60%, while Pakistan accounts for the remaining 40%. This high quality rice is mainly grown in these two countries.



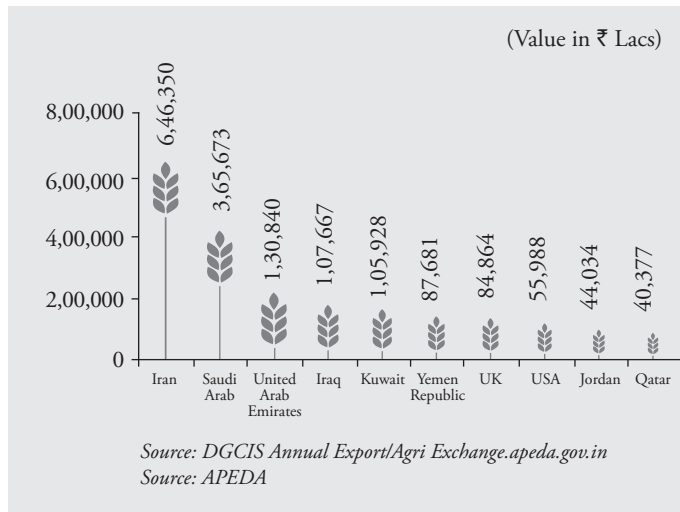
Indian Basmati is sold to over 100 countries, including the United States, the United Kingdom, the European Union, the United Arab Emirates (UAE), Iran and Kuwait.

India's Annual Basmati Rice production currently stands at around 4.5 Million Tonnes fetching about \$1,100 per ton in the global market.



EXPORT OF BASMATI RICE FROM INDIA

Export of Basmati Rice from India



INDUSTRY OVERVIEW: BASMATI RICE

Basmati, a premium rice produced only in India and Pakistan, is always in great demand, which has steadily been growing every passing year all around the globe.

The demand for Basmati Rice has been consistently growing at a compounded annual growth rate (CAGR) of 20% driven by a robust growth in its exports as well as domestic consumption. A 5% lower output in 2012-13 has resulted in a demand-supply mismatch for the commodity, thereby pushing the prices higher by almost 50% in the last few months.⁵

Source: 5. http://www.moneycontrol.com/news_html_files/broker_report/2013/May-170513-44170513.pdf

There is considerable scope for more growth as Basmati currently accounts for only 1% of the total global consumption of rice. The boost in global demand for Basmati, which continues to outpace supply, is likely to result in a greater price premium for the commodity, making it more precious than it already is.

3 YEAR EXPORT STATEMENT OF APEDA PRODUCTS

(Value in ₹ Lacs, Qty in MT)

Product	2010-11		2011-12		2012-13	
	Quantity	Value	Quantity	Value	Quantity	Value
Basmati Rice	23,70,658	11,35,463	31,78,174	15,44,960	34,56,411	19,39,052
Non Basmati Rice	1,00,686	23,129	39,97,720	8,65,913	66,74,695	14,42,157
Wheat	395	70	7,40,747	1,02,327	64,96,203	10,52,856
Other Cereals	32,20,071	3,64,849	40,73,683	5,49,292	54,31,640	8,16,767
Milled Products	81,429	16,949	1,30,648	28,616	2,39,468	52,751
Total	57,73,239	15,40,460	1,21,20,972	30,91,108	2,22,98,417	53,03,583

(Source: APEDA Rice Monitor, Aug 2013)

COMPANY OVERVIEW

Company Overview

As the world's leading Basmati Rice player, KRBL has a niche, top-ranking position in the global market. The largest exporter of Branded Basmati Rice in the world, KRBL has an extensive and well-positioned brand presence in both, the domestic and international markets. Their flagships brand 'India Gate' is a market leader, commanding significant premium over most other brands in the industry. With a milling capacity that is the largest in the world, KRBL has been growing its sale of Basmati year on year to post impressive numbers.

KRBL's leadership position in the packaged rice category is par excellence—a clear endorsement of its brand strength. It is the largest player in traditional trade, where it has further consolidated its position by gaining market share. India Gate Rozana (5kg and 1kg) packs are leading the Company's packaged rice category growth. With 35.21% volume growth and 49.64% value growth, KRBL continues to make significant inroads into the market, as per the recent market data. Further endorsing its brand power is the fact that KRBL is at the leading position (in volumes) across all three pack sizes in Traditional Trade.

With an aim to diversify its portfolio and a vision to evolve as a branded food player, KRBL continues to grow its Power business and is working towards foraying into other products and synergistic business streams. India's first fully integrated and scalable Company, KRBL has excellent backward and forward linkages. These linkages are the cornerstone of its success, which is endorsed by its 30% market share in the Branded Basmati domestic market and 25% share in the Branded Basmati exports from India. Its procurement network, with an ever-expanding farmer base, has become a model par excellence for the industry and is a key component of its quality focus.

The awards and accolades that have regularly come the Company's way are also a key endorsement of its strategic prowess and execution skills.

KRBL has extensive storage and warehousing capacities which serve as state-of-the-art facilities for both, ageing of grain and storage of finished goods. A pan India distribution network is a major pillar of the Company's growth strategy, which is built on an aggressive marketing focus.

KRBL global distribution focus further enables it to grow its international business, with new regions adding to its reach and scale.



ANALYSING OUR NUMBERS

Year 2012-13

- Revenue:- Highest ever topline of ₹2,080 Crores
- 3-year net sales growth CAGR of 16% and EBITDA growth CAGR of 12%
- 3-year average return on capital employed of 27.97%
- Net worth of the Company increased from ₹718.04 Crores in FY12 to ₹830.35 Crores in 2012-13
- Total sales increased by 27.55% (including Power and Other By-products) over FY12
- Total domestic rice sales increased by 49.64% and rice export sales went up by 9.54%
- Sale of flagship brand 'India Gate' accounted for 63% of total domestic rice sales
- Power sales went up by 7 % to ₹31.19 Crores over the previous fiscal
- Power business contributed 14.28% of the Company's total cash profit
- Strengthened its green energy portfolio with the setting up of a 2.5 MW solar plant in Madhya Pradesh and 3.75 MW Wind Power Plant in Rathkuriya, Rajasthan
- Rice Milling capacities of 195 MT/per hour
- Good realizations - export price per MT commands a premium of more than 14% over the Industry average
- Launched India Gate Long Grain Parmal Rice
- Plans to launch India Gate Brown Rice

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

Agri Division

Buoyed by an aggressive marketing strategy and a strong distribution market, KRBL's Agri Division posted impressive growth in the Basmati Rice segment during the year under review.

KRBL reported excellent progress across the entire value chain – from seed development and multiplication, to contact farming, production and marketing of Basmati Rice – to record 49.64% increase in domestic rice sales.

With a strong order book in both domestic and export markets, coupled with better realizations, KRBL posted its highest ever turnover of ₹2080 Crores and Profit After Tax (PAT) of ₹129.86 Crores. Dip in production of Basmati paddy during the year 2012 led to an over 45% increase in the market price of Basmati Rice since March 2012, thus boosting domestic sales growth in both volume and value terms. Domestic sales contributed to 55.47% to the overall Basmati sales during 2012-13.



“KRBL global distribution focus further enables it to grow its international business, with new regions adding to its reach and scale”

India Gate, the flagship brand, continued to lead the Company's growth across the domestic and international markets, with the Brand Unity showing exceptional growth in the domestic market, to further consolidate KRBL's No. 1 position as the largest Branded Basmati Rice player. Brand Unity surged to impressive growth levels particularly in HORECA and institutional segments, which have emerged as strong growth drivers for the KRBL.

Given the growing health awareness, KRBL is planning to introduce 1kg jars of India Gate Brown Rice and also repositioned its Brown Rice by customizing it to the urban working class population on the health plank. New packaging across products continued to add flavour to its product portfolio, which straddles multiple price points (₹40 per kg to ₹180 per kg) to meet the diverse tastes of its growing consumer base.

KRBL continued to leverage its well-established distribution network, while strengthening its relationships with its >490 distributors pan India. KRBL shares long-standing and strong relations with its distributors, supporting them even in times of market volatility. Cognizant of the criticality to the distribution network to its business growth, the Company is moving towards automation of this function through extension of SAP to distributors as well as sub-distributors in order to enable real time tracking.

For the first time, KRBL went in for micro sales in an effort to extend its reach in the domestic market through extension of its dealer network to sub-dealers. The Company also has an extensive international distribution network.

Marketing was another key focus area for the Company like KRBL, which continued to invest in BTL (Below The Line) activities while shifting greater focus to modern retail in the domestic market. Regular incentives to retailers through exciting schemes throughout the year steered growth in key markets. The Company has an extensive retail presence, extending across 6,40,000 outlets in the country, including tie-ups with major retail chains such as Food Bazaar, Spencers, D'Mart, Reliance Retail, Vishal Mega Mart, N'Mart, V.Mart, Star Bazar, Auchan, Aditya Birla-More, Bharti Walmart, Reliance Cash & Carry, Metro Cash and Carry, Sabka Bazaar, Big Apple, Hypercity, Easy Day etc.

KRBL is also innovating across ATL (Above The Line) marketing efforts to enhance its brand reach and loyalty. In a pioneering move for the rice industry, it has initiated co-branding with Hindi movies. KRBL has, in fact, always been the largest spender on ATL activities in the industry.

Its new TVC (Television Commercial) introduced during FY12 had a visible impact on KRBL's brand-building focus, while its targeted and innovative marketing initiatives enabled it to penetrate deeper into the markets of its presence.

KRBL's 1 Million Tonnes warehousing capacity, providing facilities for ageing of Basmati and storage of grains, also proved to be a major asset in the growth of its Agri business.

Energy Division

KRBL had strategically forayed into commercial power generation to further build on its forward linkages by leveraging the opportunity arising due to huge power deficit in the country. In a short span of time, the Company has built a solid foundation for this diversified business stream.

On an average, approximately 22% of the grain results in husk, which forms a primary source of fuel for bio-power generation. With focused initiatives, the Company continued on its steady growth path in the Energy Division, reporting Power sales of ₹31.19 Crores during the year 2012-13. The total wind project capacity also increased during the year- from 39.8 MW in FY12 to 43.55 MW in 2012-13, with Bio-mass accounting for 15.8 MW.

During the year under review, the Company has further strengthened its green energy portfolio with the setting up of a 2.5 MW solar plant in Madhya Pradesh. The plant is now operational and is expected to start yielding energy benefits during FY14.

Total power generation increased during the year across all the plants (Maharashtra, Tamil Nadu, Karnataka, Rajasthan) to 61.85 MW. The Company's plants, which are strategically spread out across different states in India, qualify as renewable energy plants.

The Company has already become self-sufficient in its captive requirements and is selling the excess power generated to state utilities, thus adding to its revenue sources. With most of its commercial power locked into long-term agreements, the Company's off-take risk is minimal. It also has the added advantage of getting preference in power procurement by state utilities since renewable energy plants comes in the 'must run' category.

Details of Power Segment of KRBL Limited

Particulars	2012-13	2011-12
Capacity		
Total wind project capacity	43.55 MW	39.8 MW
Solar plant capacity	2.5 MW	-
Generation	Details of Units Generated in 2012-13 & 2011-12	
Maharashtra	2,01,64,732	1,75,55,906
Tamil Nadu		
Tirupur (1.5*4)MW	1,45,18,722	1,32,01,569
Tirunelveli (2.1*1) MW	41,54,836	33,27,919
Karnataka		
Kalmangi (1.5*6)MW	2,56,00,352	1,68,00,039
Bellary (2.1*1)MW	51,01,964	9,69,392
Rajasthan		
Ajmer (1.5*4) MW	1,04,20,880	1,10,20,650
Jaisalmer (2.1*1)MW	33,95,146	34,64,473
Rathkuriya (1.25*3)MW	25,26,513	-

During 2012-13, sale of Power contributed to 14.28% of the Company's total cash profit, including carbon credit sales.

Power Business

Plant Location	Function	Capacity (MW)
Dhuri	Biomass	12.3
Ghaziabad	Biomass	3.5
Sub-Total	Biomass	15.8
Maharashtra	Wind	12.5
Rajasthan	Wind	11.85
Tamil Nadu	Wind	8.1
Karnataka	Wind	11.1
Sub-Total	Wind	43.55
Madhya Pradesh	Solar	2.5
Total	Biomass / Wind / Solar	61.85

Research and Development

With R&D a strong component of KRBL's success strategy, the Company continued to invest in its Research and Development capabilities during the year, to ensure high levels of quality. The Company, which is ISO 9002-2008 certified, also holds HACCP Certification for Food Safety System.



KRBL's seed farm and product testing centre, which has a 4 Million Tonnes per house seed grading plant, work continuously with the Indian Agriculture Research Institute (IARI), New Delhi, to evolve better quality premium grains year after year. The R&D efforts of the Company find reflection in the improving quality of cropping techniques, seed varieties and harvesting techniques of its farmer partners. The improving yield of its farmers ensures good quality, uninterrupted paddy supply for the Company as a result of the sharing of its R&D initiatives.

The Company's pioneering and premium Pusa 1121 seed variety has transformed the fortunes of many of its farming partners and pushed growth for the Company.

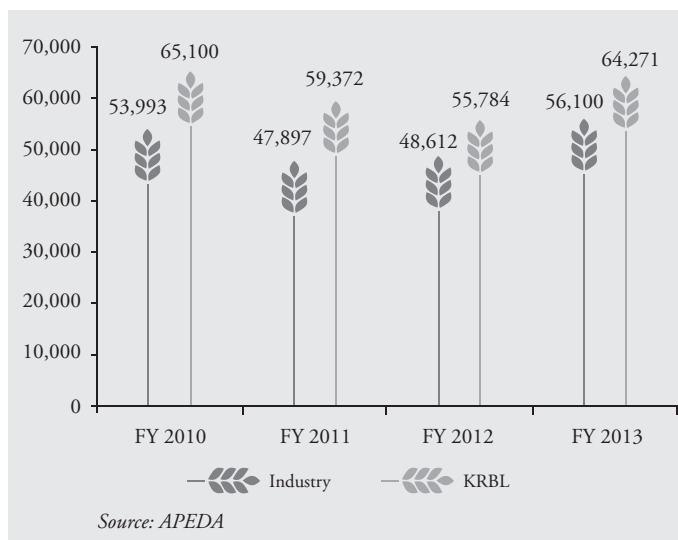
To enable continuous improvement of its process and equipments, the Company has a tie-up with machine manufacturers like Buhler of Germany, the world's leading rice milling manufacturer.

Farmer Relations and Procurement

KRBL's strong procurement focus has proved to be a major growth driver for the Company, which has the largest contact farming base in the world. Its collaborative approach inspired the Company to pioneer the contact farming concept more than a decade ago and it currently has 2,40,000 acres under coverage. This has not only enabled the Company to continuously enhance its unit export value realization, which went up to ₹64,271 MT in 2012-13 from ₹55,784 MT the previous year, but also ensures adequate availability, good quality of procured paddy, significant savings in Mandi tax and transportation, insulation from paddy price fluctuations and mutually beneficial relations with farmers.

KRBL CONTINUES TO COMMAND HIGHER THAN INDUSTRY EXPORT REALIZATION

Unit Export Value Realization of Basmati Rice (₹/MT)



“The Company, through its contact farming **initiative,** reaches out to more than **90,000 farmers** in **Uttar Pradesh, Uttarakhand, Punjab and Haryana,** giving them **access** to **latest technology** and know-how”

The Company, through its contact farming initiative, reaches out to more than 90,000 farmers in Uttar Pradesh, Uttarakhand, Punjab and Haryana, giving them access to latest technology and know-how. This leads to significant reduction in risks and uncertainty of markets for the farmers, as well as enhanced earning potential due to improved crop quality and productivity.

Manufacturing Capacities

KRBL has been regularly investing in the development of its state-of-the-art manufacturing facilities, enabling it to augment capacities across its Rice and Power business.

The Company's Dhuri plant in Punjab, the world's largest fully integrated rice milling facility, has a capacity of 150 MT/hr, while its Ghaziabad plant in Uttar Pradesh has a capacity of 45 MT/hr.

Though the Dhuri plant is yet to reach its optimum capacity utilization level and operated at about 40% capacity only during 2012-13, the Company is regularly upgrading it to meet future needs and envisages it to operate at full capacity in another couple of years.

During the year, a new automated packaging plant was installed at Dhuri to enhance capacity and quality of packaging. This plant has the packing capacity of 10 MT per hour for the packing of branded premium Basmati Rice in the packs of 5kg, 10kg and 25kg for export market as well as for domestic market. The Dhuri plant also purchased about 11 acres of land for developing green belt and for increasing the storage capacity of paddy. Another investment in Dhuri during 2012-13 related to a contract to construct new warehouses to increase the warehousing capacity to store the foodgrains. Construction of the new warehouses, with a storage capacity of 25,000 MT of foodgrains, has started.

Rice Business

Plant Location	Function	Production Capacity (MT/hr)	Grading & Packing (MT/hr)
Ghaziabad	Rice Processing	45	30
Dhuri	Rice Processing	150	60
Delhi	Grading	-	30
Total		195	120

STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

Strengths

- **Large storage space and warehousing means to serve as facilities for both ageing of grain and storage of finished products:**

With ageing absolutely indispensable or essential for finest quality Basmati Rice, KRBL has always focused on regular expansion and improvement of its storage facilities. Backed by its fiscal strength, the Company has continuously been investing in these facilities, leading to stocks of premium grains that enable it to procure higher than industry price and enhanced profitability.

- **Extensive distribution and marketing networks:**

As a leader in the Indian Basmati market and major player in the Non-Basmati segment, KRBL has built a huge marketing network to extend the reach of its products to retail outlets in towns and cities across India. Strong tie-ups with several international retail chains regularly enhance the Company's brand visibility all around. This has resulted in large and growing presence in the retail segment both in Indian as well as global markets. The Company's growing pan-India and global distribution networks are consistently strengthening its capabilities to expand its reach and presence.

- **Forward-looking management team having over 30-year-long experience and skills in the Indian rice industry:**

This has pushed continuous expansion and progress of KRBL, the largest rice millers and Basmati Rice exporters in India.

- **KRBL's focused commitment to Research & Development:**

The move ensures greater productivity and cost efficiency for the Company through regular investments in seed improvement and other R&D initiatives.

- **State-of-the-art manufacturing capacities and enhanced utilization levels:**

Continuous upgradation of manufacturing facilities and measures to improve utilization levels boost profitability for the Company.

- **Control over quality of products across entire value chain:**

India's first fully-integrated rice Company, KRBL leads the country's rice market at every stage through quality focus across the value chain.

- **Long-lasting, steadfast and dependable relations with suppliers and farmers:**

Mutually beneficial relations with contact farmers ensure consistent quality and reliable supply of paddy.

- **Ever-growing captive power generation capacities:**

This diversification move ensures self-sufficiency for the Company in terms of energy needs while developing an additional revenue stream.

- **Well-establishing brand positioning, popularity, equity and loyalty:**

In both domestic as well as globally-branded Basmati markets, KRBL is the largest Branded Basmati Rice supplier with a strong brand equity and consumer loyalty.

Weaknesses

KRBL's achievements are largely and directly linked to adequate monsoons in the country. While research has enabled the Company to employ seeds that require less water for cultivation, the bulk of its crop is dependent on good weather conditions. With the Indian weather conditions prone to vagaries, this proves to be an inherent weakness in the Company's business structure. Plant diseases that can result in harvest and yield failures also pose a problem.

Opportunities

- With the consumption of rice going up year after year, the use of the commodity will rise further as it becomes staple diet of more and more people all across the world.



- As consumers, both in India as well as globally, become more perceptive and conscious about food quality, the use of Basmati Rice is growing at a much higher rate than Non-Basmati Rice.

Though the Middle East is still the largest export market, the demand for India's Basmati has started picking up in other regions also, such as the United States, Europe, Australia and the African continent.

- A host of factors like ever-growing demand, both in Indian and global markets, coupled with first-rate returns, changing lifestyles, lower regulations as well as increasing cultivation ensuring steady supply, are boosting Basmati growth. This has placed the Basmati Rice industry attractive.
- The explosion of modern retailing has helped fuel consumption of more branded products by Indian consumers as they fast embrace the mall culture and organized retail. The trend has prompted a shift from unbranded to branded rice and from economy to premium brands. This offers an attractive channel for KRBL to augment its Branded Basmati Rice sales in the domestic market, where branded rice sales are expected to grow attractively year on year.
- India and Pakistan are the two largest exporters of rice and the quality of Indian Basmati is superior to that of the Pakistani variety globally. This offers a great opportunity to KRBL to push its exports further.
- There has been a growing popularity and demand for Pusa 1121, a seed variety which KRBL has specialized in and commercialized successfully.


Threats

- Rising stiff competition from other Indian companies operating in similar field is likely to pose a threat in the short run.
- Growth in private label, particularly in some overseas markets, could hurt the Company's branded business in the short term.
- Overall depressive economic conditions in international markets, particularly Europe and US which are strong markets for Basmati, still prevail and could adversely impact KRBL's export plans.

HUMAN RESOURCE DEVELOPMENT

KRBL has an international approach towards its human capital and is continuously striving for the growth and development of its people. Cognizant of the importance of its employees to its growth charter, the Company regularly invests in their training and skill development. The Company also has in place incentive schemes to encourage employee motivation and participation in the realization of its goals. The Company has an ethical, transparent and honest work culture which it is continuously striving to imbibe among the work force to ensure the highest standards of quality at all stages of its business functions.

The Company maintains harmonious and friendly relations with its workers and the year under review did not see any labour problems affecting its business.



“There has been a **growing popularity** and **demand** for **Pusa 1121**, a **seed variety** which **KRBL** has **specialized** in and **commercialized successfully**”

CORPORATE SOCIAL RESPONSIBILITY (CSR)

KRBL has a strong farmer network and is actively engaged in the betterment of its farming partners and their families. While it regularly conducts medical camps in the villages where its farming partners are located, the Company also undertakes vital initiatives to ensure better farming techniques that lead to enhanced crop thus enabling higher income and improved standard of living.

During the year under review, the Company tied up with M/s. Bayer Crop Science, headquartered in Monheim, Germany to develop a special kit for pest control. Its extension on regularly monitoring the use of the kit by farmers, whom the Company gives subsidy for the same. KRBL has also tied up with M/s. Ayurvet Limited, a Subsidiary of M/s. Dabur India Limited, for Hydroponic process for growing Nursery and the same is under trial with M/s. Mahendra & Mahendra for automatic sowing and sampling over 20 acres of land in Jewar (Uttar Pradesh).

The Company has further tied up with M/s. Claas India Private Limited, a German multinational (headquartered at Harsewinkel Germany), for harvesting machine which give minimum grain loss. Trials will take place in 2013-14 and the Company plans to set up training centres to ensure

skill development. This will help the Company set up a base of trained entrepreneurs to help farmers on various issues.

INFORMATION TECHNOLOGY (IT)

Continuous investments in IT and its upgradation underline KRBL's technology focus. The Company is continue to leverage technology to maintain and grow its leadership position across business functions. In line with this thrust, it is now working on extension of SAP, which it has already implemented internally, to its extensive distributor network. This will help real-time tracking at the distributor and sub-distributor level too, thus improving the supply chain and enhancing efficiencies. SAP implementation within the Company has helped streamline business through real time and uniform transaction processing. With reliable information flow a critical component of the SAP-ERP, decision-making has become faster and processes have been standardized to achieve greater progress.

AUDIT SYSTEMS

A strong advocate and believer of transparency and corporate governance, KRBL has an elaborate and well-managed system of internal controls that matches the growing needs of its expanding operations. The Company is protected from all unauthorized use or losses as a result of its well-built internal controls system. It maintains proper accounting control, while monitoring operational efficiency and ensuring proper compliance with applicable laws, as well the reliability of financial and operational information.

In line with its objectives, KRBL's Audit Committee periodically reviews all audit reports, audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards, and if required, suggests improvements for strengthening them.

FUTURE OUTLOOK

Outlook

With a forward-looking approach and future-centric growth strategy, KRBL shall continue to make strategic investments in Research & Development, Manufacturing Capabilities, Diversification, Distribution, Marketing, Human Resource Development and IT , in order to consolidate and expand its No. 1 position and ranking in the industry.

- Collaborate with IARI and other major research institutes to improve the quality of seed and paddy
- Expand contact farming programme to further streamline its procurement system and increase the percentage of paddy procurement from this programme
- Further increase capacity utilization of Dhuri plant to grow Basmati production share and boost bottom line

- Diversify into other value-driven and synergistic food products to grow as a multi-product, multi-brand FMCG player
- Strengthen micro-distribution system to penetrate deeper into the market with focus on leveraging the growing rural opportunity
- Focus on more targeted marketing to scale up Basmati Rice business in niche segments
- Expand geographic reach in the global market with thrust on emerging rice-consuming regions to drive export revenues
- Tie up with bankers for not just working capital needs and loans but also for guidance on currency and interest rate fluctuation management
- Groom a second line of management and put in place a seamless succession plan for the realization of the future goals

RISKS & CONCERNS

Raw Material Risk

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

Risk Mitigation

An efficient and ever-growing contact farming network of KRBL ensures that the Company gets constant and sufficient access to good quality paddy. KRBL's effective farm management as well as its various Research & Development initiatives enables the Company to manage the price and quality of paddy procured, to a large extent.

Quality Risk

With the modern-day consumers becoming increasingly demanding on issues of hygiene, aroma, flavour and taste, even a marginal decline in product quality can seriously impact brand loyalty. Further ever-increasing competition too is making consumers more and more selective about quality products.

Risk Mitigation

KRBL 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 of its products is ensured by the Company through its overall and constant attention to quality during the production process.

Competition Risk

Though KRBL still holds leadership position in the domestic market, the rice market in India is more and more flooded by the unorganized and unbranded players, who supply poor quality and cheaper variants



of rice. The problem of brand imitation and copying adds to the risk factor.

Risk Mitigation

Indeed it is a big challenge but KRBL has decades of experience and has seen good as well as bad times and survived them to emerge stronger all along. On its journey, the Company it has had to compete with branded and Non-Branded players both in the domestic and international markets. With a strong R&D capacity and continuous branding initiatives, KRBL builds and maintain strong relations with its consumers, making its way into their hearts and homes.

Foreign Exchange Risk

The fluctuating and sliding rate of rupee has always been a threat for the Company. As a large portion of KRBL's revenues comes from export of Basmati Rice, the declining rate of rupee, especially a weakening against major world currencies, could adversely impact the Company's margins.

Risk Mitigation

KRBL has a strong foreign exchange risk management policy that gives it space to hedge all foreign exchange exposures.

Realizations Risk

KRBL faces the risk of decline in realizations.

Risk Mitigation

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

Cost Risk

As rice procurement is largely limited to October-December period, arrangements have to be made for storage of the entire inventory for the whole year. This requires sizeable and continuous investment in working capital requirements. This huge inventory carrying could impact KRBL negatively if the rice prices go down significantly.

Risk Mitigation

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



“KRBL risk management is a dynamic process with an attempt to constantly identify all the emerging risks and propose solutions to manage it”

Product Concentration Risk

KRBL faces a significant risk to its sustainability in the long run due to the Company's dependence on a single-product type as bulk of KRBL's sales are derived from its Basmati Rice varieties.

Risk Mitigation

In an attempt to create consumer diversity and help mitigate this risk, KRBL has consciously catered to a range of customers within the Basmati consuming segment by pricing its products between ₹40 per kg to ₹180 per kg. Moreover, the Company manufactures and offers a large variety of brands and products.

Besides, KRBL has also diversified its product basket through other value-added products like Rice Bran Oil and Power.

Other Risks

KRBL's business is exposed to some other untimely and unexpected operating risks, which are mitigated through regular monitoring and corrective actions.

FINANCIAL REVIEW

Key Financial Indicators

(₹ In Lacs)

Year Ended March	2010-11	2011-12	2012-13
Net Revenue	1,55,127	1,63,100	2,08,039
Other Income	1,527	864	1,073
Total Income	1,56,654	1,63,964	2,09,112
Total Expenditure	1,32,496	1,40,233	1,78,700
EBIDTA	24,158	23,731	30,412
EBIDTA Margin	15.42%	14.47 %	14.54%
Growth in EBIDTA	10.16%	-1.77%	28.16%
Depreciation	3,595	4,452	5,056
EBIT	20,563	19,279	25,356
Interest	4,757	7,189	7,712
PBT Before Exceptional Items	15,806	12,090	17,644
PBT Margin	10.09%	7.37%	8.44%
Foreign Currency Fluctuation Gain/(Loss)	-	(2,564)	776
PBT	15,806	9,526	18,420
Tax	3,773	2,223	5,434
Net Profit	12,033	7,303	12,986
Net Profit Margin	7.68%	4.45%	6.21%
Earning per share	4.95	3.00	5.37
Cash EPS	6.43	4.84	7.46
Net Worth	64,783	71,804	83,035
Capital Employed	73,933	82,443	90,780
Average Capital Employed	68,601	78,188	86,612
Return on Capital Employed	29.97%	24.66%	29.28%
Market Capitalization	67,585	42,544	52,613
Fixed Assets (Including CWIP)	40,550	42,628	45,777

Boosted by exceptional growth in domestic sales, KRBL posted impressive results during 2012-13 to achieve the highest ever revenue top line of ₹2,080 Crores, an increase of 27% over the previous fiscal. Better realization and an 18% increase in quantitative sales were the key factors that pushed the top line. The Company also commensurately posted the highest ever EBIDTA margin of ₹304 Crores, translating into 14.54% as compared to 14.47% during 2011-12.

Profit After Tax (PAT) jumped by 78% from 2011-12 to 2012-13 to reach ₹130 Crores, while EPS for the year ended March 2013 stood at ₹5.37 per share as against ₹3.00 per share in the previous year.

Backed by aggressive marketing, the Company's brands fetched premium realizations in both, domestic and global markets. In terms of domestic rice sales, per tonne realization went up 10.68% while export

realization for rice sales increased 15.2% despite a marginal decrease in Basmati sales.

In terms of revenue split between domestic and export sales, the Company posted a ratio of 55:45, as compared 47:53 to in the previous fiscal.

Revenue

Pushed by high growth in the domestic market, the Company delivered sales turnover of ₹2,080 Crores during the year under review as against ₹1,631 Crores in the previous year to mark over 27% increase. Total rice sales in domestic and global markets, across Basmati and Non-Basmati segments, grew from ₹1,536 Crores to ₹1,956 Crores from 2011-12 to 2012-13.

Expenditure

With its continued thrust on modernization and improving efficiencies, the Company invested, during the year, in setting up a 2.5 MW solar plant in Madhya Pradesh. It also installed a new automated packaging plant at Dhuri to enhance capacity and quality of packaging. In a bid to increase the storage capacity of paddy and for development of green belt, the Dhuri plant purchased about 11 acres of land.

Expenses (as % of total expenses)

	2010-11	2011-12	2012-13
Materials cost	84.33%	80.68%	83.00%
Employee benefit cost	2.17%	2.36%	2.19%
Finance cost	3.39%	4.73%	4.03%
Other expense	7.55%	9.30%	8.14%
Depreciation	2.56%	2.93%	2.64%

Expenses (as % of total income)

	2010-11	2011-12	2012-13
Materials cost	76.20%	74.73%	76.00%
Employee benefit cost	1.96%	2.19%	2.00%
Finance cost	3.06%	4.38%	3.69%
Other expense	6.82%	8.61%	7.46%
Depreciation	2.32%	2.72%	2.42%

Margins and Profitability

EBIDTA & EBIDTA margins

Increased volumes of domestic rice sales led to 28.16% growth in EBIDTA, which increased from ₹237.31 Crores to ₹304.12 Crores, while EBIDTA margin increased slightly to 14.47% to 14.54% from 2011-12 to 2012-13. Higher raw material costs and increased proportion of low-margin domestic sales, coupled with increased expenses (including marketing expenses), impacted EBIDTA margin.



Depreciation

Depreciation continued to increase during 2012-13, going up over 13% year-on-year, for the 12 month period between March 31, 2012 and March 31, 2013. Depreciation during 2012-13 stood at ₹50.6 Crores.

Interest

Increasing rate of interest continued to push interest and finance costs, which increased 7.3% from ₹71.9 Crores in 2011-12 to ₹77.1 Crores during 2012-13. The average rate of interest for Term Loan stood at 7.64% and for Working Capital at 6.3%.

PBT and Pre-tax margins

Profit before Tax increased more than 93% to rise from ₹95.26 Crores in 2011-12 to ₹184.20 Crores in 2012-13.

PAT and PAT margins

As a result, Profit after Tax increased more than 77% from ₹73.03 Crores in 2011-12 to ₹129.86 Crores in 2012-13. Post Tax margin also increased commensurately, going up from 4.45% to 6.21%.

Capital Efficiency

With increase in EBIDTA, Return on Capital Employed also went up, increasing from 24.66% in the previous year to 29.28% for the year under review.

Exports Sales

The Company is continued to expand and grow in the international market, witnessing increase in total rice sales (Basmati and Non-Basmati) from ₹857 Crores in the previous fiscal to ₹939.8 Crores in 2012-13. However, high international prices for Basmati Rice resulted in lower export volumes. The growth was flattish in the Basmati segment also due to the developments in the Iran market, which saw exceptional increase in sales in the private label, where the quality-conscious and Brand-focused Company does not have a major presence. India Gate remained the market leader, contributing 49% to the export revenues.

With its strategic focus on expansion into key rice-consuming markets, the Company forayed into several new markets during the year – Bulgaria, Cameroon, Cayman Islands, Ghana, Ivory Coast, Korea, Maldives, Morocco, Pakistan, Peru, Poland and Taiwan.

Growth remained on track in the existing markets of the Middle East, US, Europe, Africa, Australia and New Zealand as the Company leveraged its major distributor tie-ups. 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.

Domestic Sales

A dip in production of Basmati paddy during 2012 led to increase in the market price of Basmati Rice over the year, causing domestic rice sales to grow from ₹679 Crores in 2011-12 to ₹1,017 Crores in 2012-13. As demand for



“To meet the challenge, KRBL has adopted the strategy of attracting retail consumers across all price segments with a variety of retail packs”

Basmati grew across the country on the back of changing lifestyles, expansion of retail formats and consumer shift in eating habits, realization of domestic sales improved during the year. Domestic rice sales revenue was once again the major contributor to the total revenue of the Company, with the flagship brand, India Gate, leading the brand story, account for 63% of the total domestic rice sales.

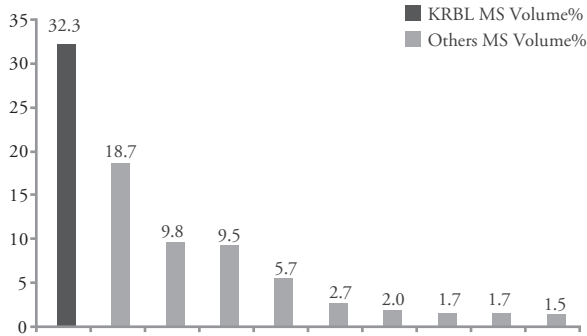
The Unity brand also showed remarkable growth in the domestic market, particularly in the fast-growing HORECA and Biryani segments, which the Company is tapping aggressively as key markets, especially in South India. Other brands that contributed significantly to the domestic rice sales included Nurjahan, Doon, Necklace and Aarti.

With its products straddling multiple prices points – from the entry level ₹40 per kg to the most premium at ₹180 per kg – the Company went in for a focused marketing strategy to expand its domestic profile. It also made concerted efforts to penetrate further and deeper into the market by reaching out to consumers pan India through its strong distributor, dealer and sub-dealer network.

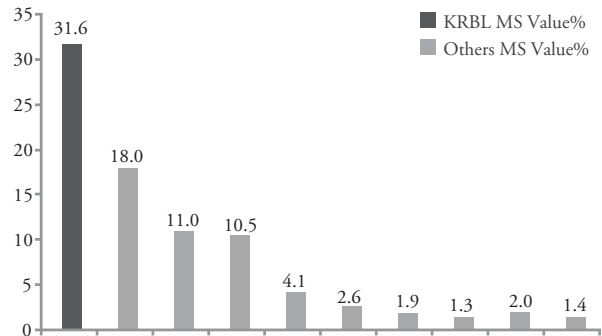
Strategic tie-ups with leading retail chains in the country, including Food Bazaar, Spencers, D’Mart, Reliance Retail, Vishal Mega Mart, N’Mart, Star Bazar, SPAR, Aditya Birla–More, Bharti Walmart, Reliance Cash & Carry etc., continued to boost the Company’s brand power in the domestic market, which shows immense potential for further growth in the year ahead.

Traditional Trade – Top Players: KRBL is the largest player in traditional trade and has consolidated its position by gaining market share, its growth is led by India Gate Rozana 5kg and 1kg packs.

Market Share - Volume Wise

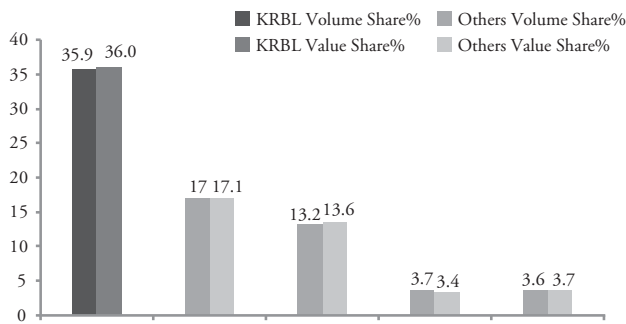


Market Share - Value Wise

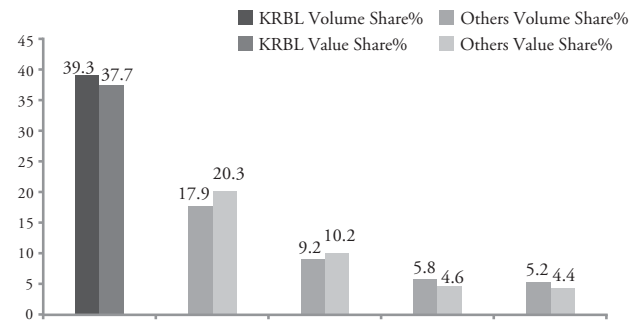


Key players in Pack Size: KRBL is at the leading position (in volumes) across 1 kg and 5 kg pack sizes in Traditional Trade.

Share in 1kg Pack



Share in 5kg Pack



KRBL

continues to make significant inroads into the domestic market, as per recent market data.

The data reveals the strong lead that KRBL has viz-a-viz its nearest competitors:

Market Share (Volume Wise)

KRBL:- 32.3%

Nearest Competitor:- 18.7%

Market Share (Value Wise)

KRBL:- 31.6 %

Nearest Competitor:- 18 %

Market Share (Volume Wise in 1kg Pack)

KRBL:- 35.9%

Nearest Competitor:- 17%

Market Share (Value Wise in 1kg Pack)

KRBL:- 36%

Nearest Competitor:- 17.1%

Market Share (Volume Wise in 5kg Pack)

KRBL:- 39.3%

Nearest Competitor:- 17.9%

Market Share (Value Wise in 5kg Pack)

KRBL:- 37.7%

Nearest Competitor:- 20.3%



Sources of Funds

The Company did not raise any capital during the year. However, the Company has bought back 12,00,652 Equity Shares as at March 31, 2013 at an average price of ₹24.38 per share, utilizing a sum of ₹293.32 Lacs. The amount paid towards buy-back of shares, in excess of the face value, has been utilized out of Free Reserve. In terms of the Provisions of Section 77A of the Companies Act, 1956 and SEBI (Buy Back of Securities) Regulations 1998, as at March 31, 2013, the Company has extinguished 11,65,652 Shares and the Remaining 35,000 Shares have been extinguished on April 1, 2013. Consequently, the Paid-up Equity Share Capital of the Company has been reduced and the Company has created Capital Redemption Reserve of ₹11.65 Lacs towards face value of 11,65,652 Equity Shares of ₹1 each by utilizing Free Reserve. The balance amount paid on Buy-back of Equity Shares which are yet to be extinguished as on March 31, 2013 has been shown by way of deduction from the Shareholder's Fund. Reserves and surplus increased from 692.81 Crores in the previous year to 805.31 Crores during the year under review.

Application of funds

The Company made investments in setting up a 2.5 MW Solar Power Plant in Madhya Pradesh, 3.75 MW wind power plant in Rathkuriya, Rajasthan and a new packaging unit in Dhuri during the year under review.

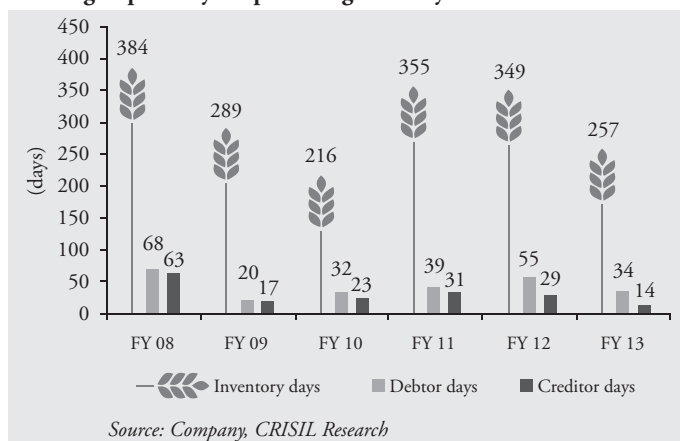
Forex Earnings

High rupee depreciation and exchange fluctuations led to lowering of forex gain and a resultant increase in adjusted PAT by 15.4% year-on-year. Adjusted PAT margin remained flat during the period from March 31, 2012 to March 31, 2013.

Working Capital

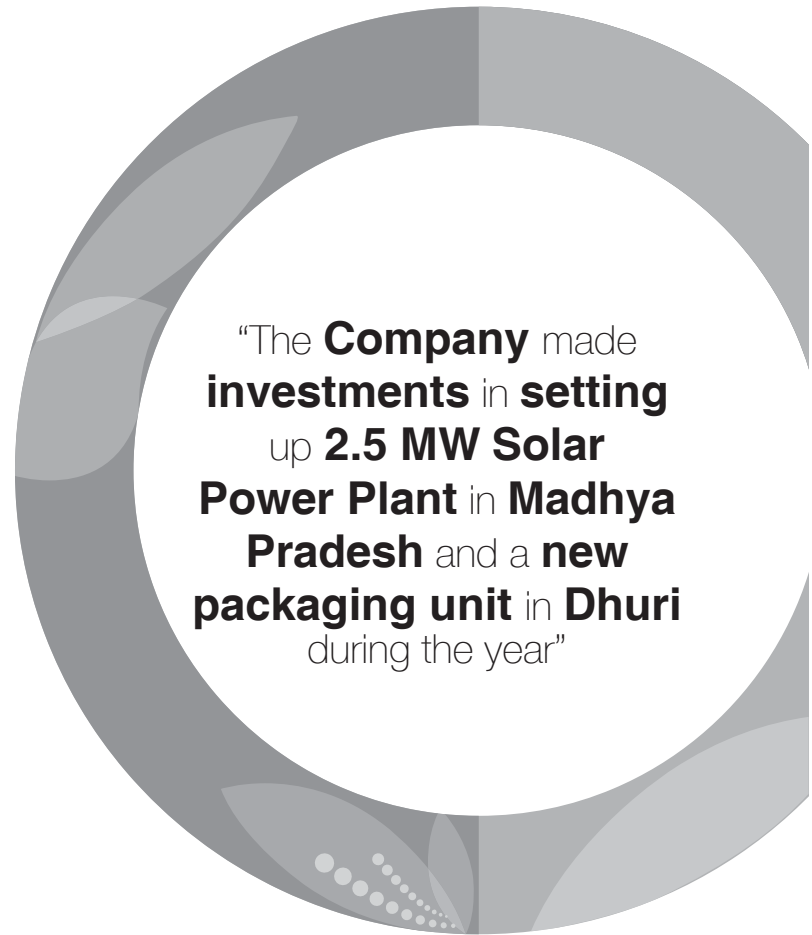
With focused initiatives, the Company's working capital cycle improved significantly during the year. While inventory days improved from 349 in 2011-12 to 257 in 2012-13, debtor days improved from 55 to 34 days in the same period. Creditor days came down to 14 days in 2012-13 from 29 days in 2011-12.

Working Capital days improved significantly

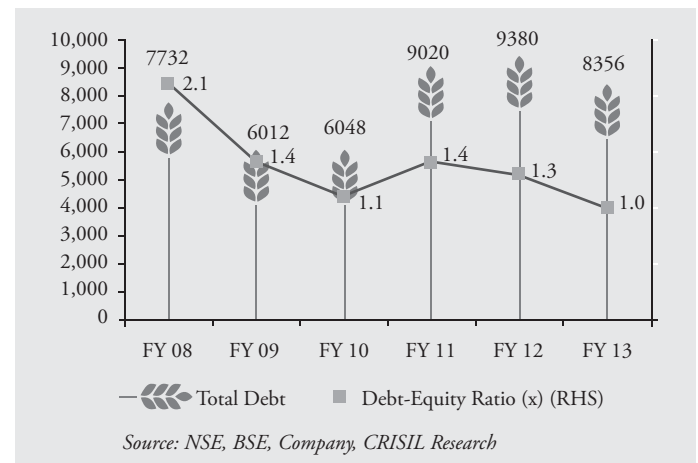


Loan Profile and Funding Cost

A conservative approach helped the Company keep a control over its balance sheet. The Company's total debt, as of March 31, 2013, stood at ₹870.33 Crores, while cash and cash equivalents were at ₹13.24 Crore and the resulting net debt at ₹857.09 Crore. Debt reduction led to an improved debt-equity ratio, which came down from 1.3x in 2011-12 to 1.04x in 2012-13.



Debt reduction improved debt-equity ratio



Forward-looking statements

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

DIRECTORS' REPORT

To
The Members,
KRBL Limited

Your Directors are pleased to present their Report on Company's Business Operations along with the Audited Statement of Accounts for the Financial Year ended March 31, 2013.

1. RESULTS OF OUR OPERATIONS

Your Company's Financial performance for the year under review has been encouraging. Key aspects of Consolidated Financial performance for KRBL Limited and its Subsidiary Companies and standalone Financial results for KRBL Limited for the current Financial year 2012-13 along with the previous Financial year 2011-12 are tabulated below:

(₹ in Lacs)

Particulars	Consolidated Year Ended		Standalone Year Ended	
	Audited		Audited	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Total Revenue	2,09,111.68	1,63,964.27	2,11,005.89	1,63,621.15
Operating Expenditure	1,78,699.97	1,40,233.33	1,78,536.32	1,40,080.36
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	30,411.71	23,730.94	32,469.57	23,540.79
Depreciation and Amortization Expenses	5,056.42	4,451.81	5,055.39	4,450.67
Finance Cost	7,711.50	7,189.14	7,710.87	7,188.92
Profit before Tax and Exceptional Items	17,643.79	12,089.99	19,703.31	11,901.20
Exceptional Items-Foreign Exchange Fluctuation Gain/(Loss)	776.08	(2,564.28)	776.17	(2,564.28)
Profit before Tax (PBT)	18,419.87	9,525.71	20,479.48	9,336.92
Tax expense:				
- Current Year	5,450.00	1,878.12	5,450.00	1,878.12
- Earlier Year	8.75	35.18	8.75	35.18
- Deferred Tax	(25.19)	309.05	(25.19)	309.05
Profit After Tax (PAT)	12,986.31	7,303.35	15,045.92	7,114.57
Balance as per the last Financial Statements	50,436.31	44,980.62	46,099.05	40,832.14
Appropriations				
i) Proposed Dividend-Final	1,905.29	729.34	1,905.29	729.34
ii) Tax on Dividend	-	118.32	-	118.32
iii) Transfer to General Reserve	2,100.00	1,000.00	2,100.00	1,000.00
Closing Balance of P&L A/c	59,417.33	50,436.31	57,139.68	46,099.05

2. FINANCIAL REVIEW

The Global Economy in the Financial Year (FY) 2012-13 improved slowly, but was short on expectations. The 11th Five Year Plan (2007-2012) witnessed an average annual growth of 3.6% in Gross Domestic Product (GDP) from agriculture and allied sector. The growth target for agriculture in the 12th Five Year Plan stands at 4%. Backed by policy impetus by the Government of India, the country ranks 10th in global agricultural and food exports, as per Economic Survey 2012-13.

FY 2012-13 proved to be a challenging year amidst global economic uncertainties and disturbances in many parts of the world. Despite these constraints and challenging environment, the Company performed remarkably well and the highlights of the performance are as under:

- Revenue from Operations increased by 27.55% to ₹2,080.39 Crores (P.Y. ₹1,631.00 Crores)
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) increased to ₹304.12 Crores (P.Y. ₹237.31 Crores)
- Profit after Tax (PAT) increased to ₹129.86 Crores (P.Y. ₹73.03 Crores)
- PAT Margin increased to 6.21% (P.Y. 4.45%)
- Return on Capital Employed (ROCE) increased to 29.28% (P.Y. 24.66%)
- Net Worth of the Company increased to ₹830.35 Crores (P.Y. ₹718.04 Crores)
- Return on Net Worth (RONW) increased to 15.64% (P.Y. 10.17%)
- Market Capitalization increased to ₹526.13 Crores (P.Y. ₹425.44 Crores)
- Debt Equity(D/E) Ratio improved to 1.04 (P.Y. 1.23)

3. DIVIDEND

Based on the Company's performance, the Board of Directors are pleased to recommend for approval of the Members a Final Dividend for the year ended on March 31, 2013 on Ordinary Equity Shares as under:

	March 31, 2013 (Amount in ₹)	March 31, 2012 (Amount in ₹)
Final Dividend on 23,81,61,288 Ordinary Equity Shares of ₹1/- each @ ₹0.80 per shares (Previous year ₹0.30 per Share)	19,05,29,030	7,29,33,582

Thus the total outgo on account of Final Dividend excluding Dividend tax will be ₹19,05,29,030/- (P.Y. ₹7,29,33,582), which represents 12.66% of the Profit After Tax (P.Y. 10.25%).

In view of the amended provision of Section 115-O(1A)(i) of the Income Tax Act, 1961, no provision of Corporate Dividend Tax has been made in the books of accounts as the Company has set-off declared Foreign Dividend from its Subsidiary Company against declared Dividend.

The Final Dividend, if approved, will be paid within 30 days from the date of declaration:

- 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 September 9, 2013, after giving effect to all valid transfers in physical form lodged with the Company or its Registrar and Shares Transfer Agent on or before September 9, 2013; and
- 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 hours on September 9, 2013.

4. TRANSFER TO RESERVES

In view of the robust Financial strength of the Company, a sum of ₹21 Crores has been transferred to General Reserve out of the amount available for appropriations and an amount of ₹571.40 Crores is proposed to be carried over to the Balance Sheet.

5. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 205A (5) read with 205C of the Companies Act, 1956 and as required under the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001, the Company has transferred ₹1,28,890/- being the unclaimed Dividend for the year 2004-05 in the "Investor Education and Protection Fund" established by the Central Government.

6. BUY-BACK OF EQUITY SHARES

The Board of Directors of the Company at its meeting held on February 12, 2013 approved the Buy-back of upto One Crores fully paid-up Equity Shares of ₹1 each (hereinafter referred to as "Buy-back"), at a price not exceeding ₹35 per Equity Share, payable in cash, upto an aggregate amount not exceeding ₹35 Crores, representing approximately 5.23% of the Company's total paid-up Equity Capital and Free Reserves as on March 31, 2012. The Buy-back is being made out of the free reserves and/or the securities

premium account of the Company, from the open market through Stock Exchange(s) in India, as per the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998. The Buy-back offer is open up to February 11, 2014 or such earlier date as may be determined by the Company after necessary compliances.

Pursuant to the aforesaid Buy-back offer, the Company has bought Back 12,00,652 Equity Shares as at March 31, 2013 at an average price of ₹24.38 per Share, utilizing a sum of ₹293.32 Lacs. In terms of the provisions of Section 77A of the Companies Act, 1956 read with SEBI (Buy Back of Securities) Regulations 1998, as at March 31, 2013 the Company has extinguished 11,65,652 Equity Shares and the remaining 35000 Shares has been extinguished on April 1, 2013. Consequently, the Paid-up Equity Share Capital of the Company has been reduced to ₹24,23,74,906 as on March 31, 2013.

7. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the Financial position of the Company have occurred between April 1, 2013 and the date on which this Report has been signed.

8. SEGMENT REPORTING

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

9. CASH FLOW ANALYSIS

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

10. SUBSIDIARY COMPANY

The following may be read in conjunction with the Consolidated Financial Statements enclosed with the Annual Accounts, prepared in accordance with Accounting Standard AS-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 Companies Subsidiary 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. 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 of KRBL Limited in Dubai having its registered office at Unit No. AG-14-K. Floor No. 14, AG Tower (Silver), Plot No. 11, Jumeirah Lake Tower P.O. Box:1 116461, Dubai, United Arab Emirates. The Audited Annual Account for the period ended March 31, 2013 along with the Directors' and Auditors' Report are available with the Company and Shareholders desirous of obtaining the report and accounts of your Companies Subsidiary may obtain the same upon request. 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 ₹3.41 Crores (P.Y. ₹5.52 Crores)

K. B. Exports Private Limited:- a 70% Subsidiary of KRBL Limited in Delhi having its registered office at 5190, Lahori Gate, Delhi-110006. The audited annual account for the period ended March 31, 2013 along with the Directors' and Auditors' Report are available with the Company and Shareholders desirous of obtaining the report and accounts of your Companies Subsidiary may obtain the same upon request.

11. 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.

12. DIRECTORS

In accordance with the provisions of Section 255 of the Companies Act, 1956, read with Article 89 of the Articles of Association of the Company, Mr. Shyam Arora & Dr. Narpinder Kumar Gupta, Directors of the Company shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-appointment.

Brief resume/details of the Directors who are proposed to be re-appointed have been furnished along with the Notice of the ensuing Annual General Meeting.

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

13. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following Statement in terms of Section 217(2AA) of the Companies Act, 1956, which is to the best of



their knowledge and belief and according to the information and explanations obtained by them:

1. that in the preparation of the Annual Accounts for the year ended March 31, 2013, the applicable Accounting Standards have been followed and that there are no material departures;
2. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs as at March 31, 2013 and of the profit of the Company for the Financial year ended March 31, 2013;
3. that proper and sufficient care has been taken 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; and
4. that the annual accounts for the year ended March 31, 2013 have been prepared on a going concern basis.

14. 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" pursuant to Clause 49 of the Listing Agreement is annexed and forms part of this Annual Report.

15. CORPORATE GOVERNANCE

At KRBL Ltd., it is our firm belief that the quintessence of Good Corporate Governance lies in the phrase 'Your Company'. It is 'Your' Company because it belongs to you – the stakeholders. The Chairman and Directors are 'Your' fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes 'Your' long-term value.

Your Company is devoted to benchmarking itself with global standards for providing Good Corporate Governance. It has put in place an effective Corporate Governance System which ensures that the provisions of Clause 49 of the Listing Agreement are duly complied with.

The Board has also evolved and implemented a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is available on the website of the Company www.krblrice.com. A separate section titled 'Report on

Corporate Governance has been included in this Annual Report along with the Secretarial Auditors Certificate on its compliance.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)/ SUSTAINABLE DEVELOPMENT

Through sustainable initiatives, your Company manages the business of today with the future in mind. The Company's Corporate Social Responsibility (CSR) activities, reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the community. Across all sites, your Company is engaged in several initiatives such as Environment Protection, Protection of Rights of Workers, Right to Education and Healthy Life. Plantation initiatives are a regular featured at most of Company's facilities and their neighbourhood under Company's Green Initiative for sustainable development programme.



Plantation of Sapling by Mr. Gholam Reza Ansari - Ambassador of Islamic Republic of Iran with Directors and other Members of KRBL at Ghaziabad Plant

17. AUDITORS

M/s. Vinod Kumar Bindal & Co., Chartered Accountants, New Delhi, the Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. Your Directors recommends their re-appointment as the Statutory Auditors of the Company.

18. AUDITORS' REPORT

The observations of Auditors in their Report, read with the relevant notes to accounts are self explanatory and therefore, do not require further explanations.

19. COST AUDITORS

Pursuant to notification issued by Ministry of Corporate Affairs regarding the cost audit of power generation & compliance report on cost records, Your Company has appointed M/s. HMVN & Associates, Delhi, the Cost Accountants Firm, as Cost Auditors of the Company.

Your Directors re-appointed M/s. HMVN & Associates, Cost Accountant, as Cost Auditor of the Company for the Financial year 2013-14 and the partner of M/s. HMVN & Associates confirmed that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

20. RATINGS

The Company received various ratings, which are as follows:

- As per the last CRISIL Report, “CRISIL” has reviewed and reaffirmed 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 January 2013, “ICRA” has reviewed and reaffirmed [ICRA] A+ (pronounced as ICRA A plus) rating for Short term & Long term bank facilities.
- In March 2013, “ICRA” has also reviewed and reaffirmed [ICRA] A1+ (pronounced as ICRA A one plus) rating for Commercial Paper (CP) / Short Term Debt (STD) programme for ₹150 Crores (enhanced from ₹100 Crores).

21. PUBLIC DEPOSITS

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

22. 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 Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as Annexure ‘A’ and forms an integral part to this Report.

23. 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 from time to time. Hence the details under Section 217 (2A) are not required to be given.

24. DEPOSITORY SYSTEM

As the Members are aware, that the Company’s Shares are compulsorily tradable in electronic form. As on March 31, 2013, almost 99.82% of the Company’s Paid-up Capital representing 24,15,02,242 Equity Shares are in dematerialized form with both the depositories as compared to 99.81% of the Company’s Paid-up Capital representing 24,26,55,890 Equity Shares for the previous year ending March 31, 2012.

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

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

25. LISTING

The Equity Shares of the Company are Listed on the following Stock Exchanges:-

I. National Stock Exchange of India Limited (NSE)

“Exchange Plaza” C-1, Block G,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051

II. BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400001



The Company has paid the Annual Listing Fee for the Financial year 2013-14 to the stock exchanges.

The Company has paid Annual custodial fees for the Financial year 2013-14 to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts maintained by them as on March 31, 2013.

26. APPRECIATION

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the co-operation and assistance provided to your Company by its bankers, Financial institutions, and government as well as non-government agencies. The Board wishes to place on record its appreciation to the contribution made by employees

of the Company during the year under review. The Company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth.

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

For & on behalf of the Board

Place : Gautambudh Nagar, U.P.
Date : August 13, 2013

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

ANNEXURE 'A' TO DIRECTORS' REPORT

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of The Board of Directors) Rule, 1988 and forming part of the Directors' Report

A CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken:

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

At Ghaziabad Unit of KRBL Limited

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

- i. Installation of Variable Frequency Drive at Cooling Tower pump.
- ii. Installation of soft starter on grading cylinder and existing star delta starter.
- iii. Installation of AC drive on cooling fan motor to optimize the running of these fans.
- iv. Installation of capacitors to increase the power factor from 0.90 to 0.95.
- v. Use of fuel additive in boiler to increase the combustion efficiency.
- vi. Interlocking of motor operation to reduce the idle running hours of the motor.
- vii. Installation of timer to switch on/off the lights on the boundary of factory.
- viii. Use of ETP treated water for horticulture.
- ix. Schedule cleaning of condenser in power plant and heat exchanger of various plants is being carried out to increase the heat transfer.

- x. An O₂/CO₂ analyzer is used for monitoring and controlling flue gas of the boiler.
- xi. Installation of Sewage treatment plant.

At Dhuri Unit of KRBL Limited

- i. Variable Frequency Drives installed at turbine cooling tower water circulation pumps.
- ii. Variable Frequency Drives installed at turbine cooling tower air fans.
- iii. Variable Frequency Drives installed at turbine condensate pumps.
- iv. Variable Frequency Drives installed at solvent cooling water pumps.
- v. Variable Frequency Drives installed at solvent extractor circulation pumps.
- vi. Variable Frequency Drives installed at DM water feed pumps.
- vii. Flash steam recovery from sella plant dryers condensate.
- viii. Katchi cookers and soaking tanks of sella plant insulated.
- ix. De-superheating condensate line to sella plants insulated.
- x. Scheduled cleaning of heat exchangers is done to maintain heat transfer.

(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: 2012-13

(A) POWER AND FUEL CONSUMPTION

S. No.	Particulars	Current Year	Previous Year	Reason for Variation
1.	Electricity			
	(A) Purchased			
	Unit	30,66,000	44,44,500	Increase in own production through Steam Turbine
	Total Amount	2,15,75,258	2,71,93,080	
	Rate/Unit	7.04	6.12	
	(B) Own Generation			
	(i) Through Diesel Generator			
	Unit	2,66,988	6,04,764	Increase in own production through Steam Turbine
	Units Pre ltr. of Diesel Oil	3.77	3.03	
	Cost/Unit	12.23	12.08	
	(ii) Through Steam Turbine			
	Unit	4,72,03,271	4,63,77,043	Increase in production
	Husk/Unit (in KG)	1.53	1.37	
	Cost/Unit	5.65	4.91	
2.	Coal (Specify quantity and where used)			
	Quantity (Tonnes)	-	-	
	Total Cost	-	-	
	Average Rate	-	-	
3.	Furnace Oil			
	Quantity (k. ltrs.)	-	-	
	Total Cost	-	-	
	Average Cost	-	-	
4.	Other/Internal Generation			
	Quantity	-	-	
	Total Cost	-	-	
	Rate/Unit	-	-	

(B) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION: TOTAL ENERGY CONSUMPTION ARE AS UNDER:

(In Units)

Particulars	As at March 31, 2013	As at March 31, 2012
Production Unit - Ghaziabad	1,78,79,774	1,51,58,783
Production Unit - Dhuri	2,80,05,396	2,54,97,713

ENERGY CONSUMPTION PER MT OF PRODUCTION ARE AS UNDER:

(In Units)

Particulars	As at March 31, 2013	As at March 31, 2012
Production Unit - Ghaziabad		
Rice	84	124
Production Unit - Dhuri		
Rice Bran Oil	235	299
Rice	108	112

FORM B

[See Rule 2]

Form for disclosure of particulars with respect to technology absorption 2012-13

RESEARCH AND DEVELOPMENT (R&D)

1. Your Company continues to pursue innovation and applied research as means to sustain its global leadership in a competitive environment. Following are the areas in which the R&D is being carried out by the Company in the Financial Year 2012-13:
 - 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 etc.

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:

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

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

4. Expenditure on R&D (₹ in Lacs):

Your Company has incurred the following expenditure on R & D in the Financial Year 2012-13:

(a) Capital	0.00	(P.Y. 0.00)
(b) Recurring	258.37	(P.Y. 247.20)
(c) Total	258.37	(P.Y. 247.20)
(d) Total R&D expenditure as a percentage of total turnover	0.12	(P.Y. 0.15)

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 (during the Financial year 2012-13):
- Company continuously import Plant and Machinery like Sortex Automatic Colour Sorting Machine, Diesel Fork Lift Trucks, Air Cooled Series R. Rotary Liquid Chiller, Air Handling Units, Auto Tensil Tester XLW (PC), Heat Seal Tester HST-H3, Elevator Buckets, Elevator Bolt, Agilent 7820A GC System from UK, Japan, France, USA, China, Singapore etc., for grading and sortex of rice to the satisfaction of the customers.
- (b) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.
- (c) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

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 is also having a 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 ₹91,814.67 Lacs (P.Y. ₹83,679.54 Lacs).

During the year under review, Company expended ₹1,908.13 Lacs (Previous Year ₹2,093.96 Lacs) in foreign exchange while earnings in foreign exchange were ₹93,836.94 Lacs (Previous Year ₹85,439.65 Lacs). Thus the net inflow in foreign exchange was ₹91,928.81 Lacs (Previous Year ₹83,345.69 Lacs) during the year under review.

REPORT ON CORPORATE GOVERNANCE

A report for the Financial year ended March 31, 2013 on the compliance by the Company with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is furnished below:

1. PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligations to stakeholder's and is guided by a strong emphasis on transparency, accountability and integrity. For several years, the Company has adopted a codified Corporate Governance Charter, which is in line with the best practice, as well as it meets all the relevant legal and regulatory requirements. All Directors and employees are bound by Codes of Conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company. The philosophy is manifested in its operations through exemplary standards of ethical behavior, both within the organization as well as in external relationship.

The Company's philosophy on Corporate Governance is aimed at:

- a) Enhancing long term stakeholder's value through:
 - Assisting the top management in taking sound business decisions and;
 - Prudent Financial management.
- (b) Achieving transparency and professionalism in all decisions and activities of the Company.
- (c) Achieving excellence in Corporate Governance by:
 - Confirming to prevalent guidelines on Corporate Governance and excelling in, wherever possible and;
 - Reviewing periodically the existing systems and controls for further improvements.

KRBL Corporate Governance has been a high priority both in letter as well as in spirit. The Company believes that the Board considers itself as a trustee of all its stakeholder's and acknowledges its responsibilities to the stakeholder's for creating and safeguarding their wealth.

2. BOARD OF DIRECTORS

A. COMPOSITION AND SIZE OF THE BOARD

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. The KRBL Board is a balanced Board, comprising of both the Executive as well as 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 and other allied fields. All Directors except Managing Directors are liable to be retire by rotation. In terms of Articles of Association of the Company, the strength of the Board shall not be fewer than there and not more than twelve Directors. 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 stakeholder's value through strategic supervision of KRBL and its subsidiaries. As trustees, the Board ensures that the Company has clear goals relating to stakeholder's value and its growth. The Board sets strategic goal and seek accountability for their fulfillment. The Board also provides directions and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

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 responsibilities of strategic supervision as the trustees to the stakeholder's of the Company.

The following is the composition of Board as on March 31, 2013:

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



Table 1:

ATTENDANCE RECORD DURING FINANCIAL YEAR 2012-13			DIRECTORSHIP/MEMBERSHIP/CHAIRMANSHIP AS ON MARCH 31, 2013			
Name of Directors	No. of Board Meeting held and attended during their tenure		Attendance at last AGM	Number of Directorships of other Companies 1	Number of Membership of other Committees 2	Number of other Committees Chairmanship 2
	Held	Attended				
Executive Directors						
Mr. Anil Kumar Mittal	5	5	Yes	3	--	--
Mr. Arun Kumar Gupta	5	5	Yes	3	--	--
Mr. Anoop Kumar Gupta	5	5	Yes	3	--	--
Mr. Ashok Chand	5	4	No	--	--	--
Ms. Priyanka Mittal	5	2	No	--	--	--
Non Executive & Independent Directors						
Dr. Narpinder Kumar Gupta	5	3	No	3	--	--
Mr. Vinod Ahuja	5	5	No	4	--	--
Mr. Ashwani Dua	5	5	Yes	--	--	--
Mr. Shyam Arora	5	--	No	--	--	--
Mr. Gautam Khaitan	5	2	No	11	6	3

1. This includes only Directorships in Public Limited Companies and Private Limited Companies which are subsidiaries of Public Limited Companies and excludes Directorships in Plain Private Limited Companies, Companies under Section 25 of the Companies Act, 1956 and alternative Directorships.
2. This relates to Committees referred to in Clause 49 (I) (C) of the Listing Agreement viz. Audit Committee and Shareholder's/Investor Grievance Committee. However, this excludes Remuneration Committee which is not considered for the purpose of computing maximum limits under Clause 49.

Four Directors namely Mr. Anil Kumar Mittal (Chairman & Managing Director), Mr. Arun Kumar Gupta (Joint Managing Director), Mr. Anoop Kumar Gupta (Joint Managing Director) and Ms. Priyanka Mittal (Whole Time Director) belongs to the Promoter's and Promoter group of KRBL Limited. All these four along with Mr. Ashok Chand (Whole Time Director) are into the category of Executive Directors of the Board. The rest of the Board Comprises of Non-Executive/Non-Executive and Independent Directors.

As it appears from the above table, neither of the Directors hold Directorship in more than 15 Public Limited Companies nor any of them is a Member of more than ten committees of the prescribed nature or holds chairmanship of more than five such committees across all public limited companies in which they are Directors. The Board does not have any Nominee Director representing any institution.

ROLE OF INDEPENDENT DIRECTORS

Independent Directors have emerged as the cornerstones of the worldwide Corporate Governance movement. Their increased presence in the boardroom has been hailed as an effective deterrent to fraud and mismanagement, inefficient use of resources, inequality and unaccountability of decisions and as a harbinger for striking the right balance between individual, economic and social interests.

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

INTER-SE RELATIONSHIP AMONGST DIRECTORS

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

B. BOARD MEETINGS AND PROCEDURES

BOARD MEETINGS

Company's Corporate Governance Policy requires the Board to meet at least four times in a year. The maximum gap between two board

meetings shall not be more than four month as prescribed under Clause 49 of the Listing Agreement. Additional board meetings may be convened to address the specific needs of the Company. In case of business exigencies or matters of urgency the board may also approves resolution by circulation as permitted under the Companies Act, 1956.

BOARD PROCEDURES

Meetings are governed by a structured agenda. The Agenda is prepared in consultation with the Chairman of the Board of Directors, the Chairman of various committees and Managing Directors. The agenda for the meetings of the board and its committees, together with the appropriate supporting documents, are circulated well in advance from the meeting date. Detailed presentations are also made to the Board covering operations, business performance, finance, sales, marketing, global & domestic business environment and related details. All necessary information but not limited to those mentioned in Annexure IA of Clause 49 are placed before the Board. Members of the senior management team are invited to attend the Board Meetings as and when required, which provides additional inputs to the items being discussed by the Board.

C. DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS DURING THE FINANCIAL YEAR 2012-13:

Sl. No.	Date	Board Strength	No. of Directors Present
01.	April 28, 2012	10	7
02.	May 22, 2012	10	6
03.	August 13, 2012	10	6
04.	November 07, 2012	10	7
05.	February 12, 2013	10	9

The period between any two consecutive meetings of the Board of Directors of the Company was not more than 4(four) months.

Directors' Attendance Records and Directorships/ Committee Memberships details are given in Table 1

D. SHAREHOLDING OF DIRECTORS

The Shareholding of Directors (including holding Shares as Karta of HUF) as on March 31, 2013 are given below:

Name	No. of Shares Held
Mr. Anil Kumar Mittal	2,91,90,648
Mr. Arun Kumar Gupta	2,40,08,500
Mr. Anoop Kumar Gupta	2,61,96,876
Dr. Narpinder Kumar Gupta	29,000
Ms. Priyanka Mittal	2,50,000

E. DISCLOSURE REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AT THE FORTHCOMING AGM

1.	Name	: Mr. Shyam Arora
	Age	: 66 Years
	Qualification	: M. Tech. in Electronic Instrumentation and Control
	Experience	: 34 years of experience in manufacturing electronic power management system and IT enabled services. Extensive experience in setting up solar/wind power plants under renewable source of energy – working for social benefits of rural India. Provide light to every home in rural areas under the motto “Light Every Home” under corporate social responsibility in association with corporate – Financial consultants for projects for Financial assistance under ECB.
	Other Directorship	: None
	No. of Equity Shares Held in the Company	: Nil



2.	Name	: Dr. Narpinder Kumar Gupta
	Age	: 67 Years
	Qualification	: Dr. Engineering, Food Technology
	Experience	: He is having 40 years of experience in the food processing industry. He is Ph. D. in food technology and engineering from Technical University, Dresden, Germany and is one of the leading consultants in the food processing industry. He was also a research scholar in the department of “Food Engineering & Process Technique” at the technical university, Dresden, Germany. He was awarded the degree of Doctor-Engineer (Ph. D.) by the Technical University, Dresden, Germany in December, 1973 dissertation with the title “Development of Cutting and Packaging Process for Hot Food Products with Elasto-Plastic Properties”. He has attended short course of Indian Advanced Milling sponsored by US Wheat Association in Kansas State University, USA. He visits regularly to different mills and manufacturers in Europe, USA and Asia for upgrading the technology and incorporating in project empanelled with NIFTEM consultancy division (Ministry of Food Processing Industries, Government of India).
	Other Directorship	: Dr Ing N K Gupta Technical Consultants Private Limited Indopol Food Processing Machinery Private Limited Khapoli Roller Flour Mills Private Limited REI Agro Limited Grintec India Limited REI Six Ten Retail Limited Flormach Technology Private Limited
	No. of Equity Shares Held in the Company	: 29,000
3.	Name	: Ms. Priyanka Mittal
	Age	: 36 Years
	Qualification	: BS in Business Management from University of Southern California, Los Angeles; C.A. Chartered Financial Analyst (AIMR) Candidate, Level II
	Experience	: 13 Years of experience in the field of international marketing. Worked with Merrill Lynch private client group, Beverly Hills. Now she heads the entire International Marketing Division. She presides over the marketing and branding strategies of KRBL. She is the Company spokesperson to the media (including CNBC, NDTV Profit and ETV) through interviews. Among other credits, Ms. Priyanka gave a presentation at a very young age to the president of Nigeria and key political heads of state from agriculture and industry on Nigeria’s potential on rice self sufficiency with the collaboration with KRBL and technical tie up with Buhler. She also represented the Indian rice industry in CII delegation to Malaysia for open market access on agriculture commodities from India. Besides, Ms. Priyanka had also put forward India’s interest to Bernas, Malaysia’s rice controlling body. Ms. Priyanka individually or via KRBL is nominated as a member of world economic forum, CII, ASSOCHAM, AIREA, FICCI and BETA GAMA SIGMA.
	Other Directorship	: Radha Raj Ispat Private Limited
	No. of Equity Shares held in the Company	: 2,50,000

Further, the relevant details also forms part of the notice of Annual General Meeting, annexed to this report.

3. BOARD LEVEL COMMITTEES

Your Board has constituted the following Committees under the mandatory and non-mandatory requirements under Clause 49 of the Listing Agreement.

A. AUDIT COMMITTEE

I. CONSTITUTION OF THE COMMITTEE

The Audit Committee comprises of 4 (four) Members of which three are Non-Executive & Independent Directors and one is Executive Director, which is in accordance with the prescribed guidelines.

The details of the Composition of Audit Committee are as follows:

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

All the Members of the Committee have good knowledge of Finance, Accounts and Business Management. The Chairman of the Committee, Mr. Ashwani Dua, has considerable accounting and related Financial expertise.

Statutory Auditors attended the meetings of the Committee on the invitation by the Chairman. The composition of Audit Committee is in compliance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

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

II. TERMS OF REFERENCE

The roles, powers and functions of the Audit Committee are as per Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

III. MEETINGS AND ATTENDANCE

1. MEETINGS

During the Financial Year 2012-13, four meetings of the Audit Committee were held on Tuesday, May 22, 2012, Monday, August 13, 2012, Wednesday, November 7, 2012 and Tuesday, February 12, 2013. Details of Audit Committee Meeting held and attended by the Members during the Financial year 2012-13 are as follows:-

S.No.	Name	Position held	No. of Meetings held during his tenure	No. of Meetings attended
01.	Mr. Ashwani Dua	Chairman	4	4
02.	Mr. Vinod Ahuja	Member	4	4
03.	Dr. Narpinder Kumar Gupta	Member	4	2
04.	Mr. Anoop Kumar Gupta	Member	4	4

The Committee, inter alia:

- Ensures the preservation of good Financial practices throughout the Company.
- Monitors that internal controls are in force to ensure the integrity of the Financial performance reported to the Members.
- Reviews the Quarterly and Annual full year Financial Statements with the Management and Statutory Auditor before recommending them to the Board.
- Reviews Management Discussion and Analysis of Financial condition and result of operations.
- Reviews Statement of Related Party transactions.
- Discuss with the Statutory Auditors their concerns, if any, arising from their audits.
- Considers the findings of internal investigations if any and Management's responses thereto.
- Reviews the Company's Financial control systems including those of treasury. In particular, it periodically reviews procedures for identifying business risks (including Financial risks) and controlling their Financial impact on the Company.
- Company's policies for preventing or detecting fraud.
- Company's policies for ensuring compliance with the relevant regulatory and legal requirements and their operational effectiveness.
- Discuss with Statutory Auditors before the commencement of the audit, the nature and scope of the audit as well as post audit discussion to ascertain any areas of concern.

B. REMUNERATION COMMITTEE

I. CONSTITUTION OF THE COMMITTEE

The Remuneration Committee comprises of 3 (three) Members, all three are Non-Executive & Independent Directors, which is in accordance with the prescribed guidelines.

The details of the Composition of Remuneration Committee are as follows:

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

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

II. TERMS OF REFERENCE

The Remuneration Committee reviews and makes recommendations on remuneration of Managing Directors and Whole Time Directors based on their performance and defined assessment criteria. The committee takes into consideration the remuneration practices followed by leading companies while determining the overall remuneration package.

III. MEETINGS AND ATTENDANCE

During the Financial Year 2012-13, two meetings of Remuneration Committee were held on Tuesday, May 22, 2012 and Tuesday, February 12, 2013. Details of Remuneration Committee Meeting held and attended by the Members during the Financial year 2012-13 are as follows:-

S.No.	Name	Position held	No. of Meetings held during his tenure	No. of Meetings attended
01.	Mr. Ashwani Dua	Chairman	2	2
02.	Mr. Vinod Ahuja	Member	2	2
03.	Dr. Narpinder Kumar Gupta	Member	2	2

IV. REMUNERATION POLICY

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

The remuneration paid to Executive Directors is recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the subsequent approval by the Shareholders at the general meeting and such other authorities, as the case may be.

No remuneration or compensation is paid to any Non-Executive Directors; however the Company has obtained necessary approval of Shareholders to pay remuneration or compensation to Non-Executive Directors.

V. REMUNERATION OF DIRECTORS

Remuneration and Commission paid to the Managing Directors, Whole Time Directors and Non-Executive Directors during the Financial year 2012-13 is as follows:

Name of Directors	Sitting Fee (₹)	Salaries and Perquisites (₹)	Commission (₹)	Total (₹)
Mr. Anil Kumar Mittal	Nil	72,39,600	Nil	72,39,600
Mr. Arun Kumar Gupta	Nil	4,34,31,400	Nil	4,34,31,400
Mr. Anoop Kumar Gupta	Nil	4,34,31,400	Nil	4,34,31,400
Mr. Ashok Chand	Nil	26,07,600	Nil	26,07,600
Ms. Priyanka Mittal	Nil	24,39,600	Nil	24,39,600
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

C. SHAREHOLDER'S/INVESTORS GRIEVANCE COMMITTEE

I. CONSTITUTION OF THE COMMITTEE

The Shareholder's/Investors Grievance Committee comprises of 3 (three) Members all three are Non-Executive & Independent Directors, which is in accordance with the prescribed guidelines.

The details of the Composition of Shareholder's/Investors Grievance Committee are as follows:

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

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

II. TERMS OF REFERENCE

The terms of reference of the Shareholder's/Investors Grievance Committee includes:

- Redressal of Shareholder's grievance by reviewing the mechanism implemented.
- Review of Dematerialised Shares.
- Transfer and transmission of Shares and duplicate Shares.
- Overseeing the performance of the Registrar and Transfer Agent of the Company and recommending measures for improvement in the quality of Investor's services.

III. MEETINGS AND ATTENDANCE

During the Financial year 2012-13, four meetings of Shareholder's/Investors Grievance Committee were held on Tuesday, May 22, 2012, Monday, August 13, 2012, Wednesday, November 7, 2012 and Tuesday, February 12, 2013. Details of Shareholder's/Investors Grievance Committee Meeting held and attended by the Members during the Financial year 2012-13 are as follows:-

S.No.	Name	Position held	No. of Meetings held during his tenure	No. of Meetings attended
01.	Mr. Ashwani Dua	Chairman	4	4
02.	Mr. Vinod Ahuja	Member	4	4
03.	Dr. Narpinder Kumar Gupta	Member	4	2

IV. INVESTORS GRIEVANCE REDRESSAL

The total number of complaints received by the Company and redressed to the satisfaction of Shareholders during the year under review was 1(One). No complaints were outstanding as on March 31, 2013. No requests for transfer/transmission and for dematerialization were pending for approval as on March 31, 2013. The Registrar and Transfer Agents, M/s. Alankit Assignments Limited, attend to all grievances of the Shareholders and Investors received directly through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving complaints/queries of the Shareholder's/Investors and also takes initiatives for solving critical issues. Shareholders are requested to furnish their telephone numbers and/or e-mail addresses to facilitate prompt action. The Company has designated the e-mail id investor@krblindia.com exclusively for the purpose of registering complaints by Investor's electronically. This e-mail id has been displayed on the Company's website www.krblrice.com.

4. CODE OF CONDUCT

The Company has adopted a Code of Conduct and the Board of Directors, Senior Management and the Employees of the Company have affirmed their adherence to the Code and the Model Code of Conduct has been uploaded on the Company's website www.krblrice.com. The declaration from the Chairman & Managing Director to the effect forms a part of this report.

**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 March 31, 2013.

Gautambudh Nagar, U.P.
August 13, 2013

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

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 provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992.

5. GENERAL BODY MEETINGS

A. GENERAL BODY MEETING HELD DURING LAST 3 YEARS:

Year	Time, Day, Date and Location	Summary of Resolutions Passed in regard to Special Resolutions
19th AGM – 2012	10.30 A.M. Tuesday September 25, 2012 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	- Appointment of Mr. Kunal Gupta, as a Management Trainee U/s. 314 - Appointment of Mr. Akshay Gupta, as a Management Trainee U/s. 314 - Appointment of Mr. Ayush Gupta, as a Management Trainee U/s. 314
18th AGM – 2011	11.00 A.M. Tuesday September 27, 2011 4, Bougainvillea Avenue, Village Rajokari, New Delhi-110037	- No Special Resolution
17th AGM – 2010	11.00 A.M. Tuesday September 21, 2010 4, Bougainvillea Avenue, Village Rajokari, New Delhi-110037	- Revision in remuneration of Ms. Priyanka Mittal

B. POSTAL BALLOT

- No resolution was passed through Postal Ballot during the Financial Year 2012-13.
- No resolution is proposed to be passed through Postal Ballot during this year.

6. DISCLOSURES

A. 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) disclosed in Notes to the Annual Accounts. Members may refer to the notes to accounts for details of related party transactions. However these are not having potential conflict with the interest of the Company at large.

B. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

There were no cases of non-compliance with stock exchanges or SEBI regulations. Also no penalties or strictures were imposed by any Stock Exchange or SEBI or any other Statutory authorities for any violation related to the Capital market during the last three years.

C. WHISTLE BLOWER POLICY

At present Company does not have any Whistle Blower Policy. However, no personnel is being denied any access to the Audit Committee.

D. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS

There is no pecuniary relationship or transactions with Non-Executive Directors.

E. MATERIAL NON-LISTED SUBSIDIARY COMPANY

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

F. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Disclosure regarding Directors appointed/re-appointed are given under the head Directors. Further, the relevant details also forms part to the Notice of Annual General Meeting, annexed to this report.

G. RISK MANAGEMENT

As required under Clause 49 of the Listing Agreement, the Company has a review procedure to apprise the Board of Directors of the Company on the key risk assessment areas and suggest risk mitigation mechanism.

H. CORPORATE SOCIAL RESPONSIBILITY POLICY

Through sustainable initiatives, KRBL manages the business of today with the future in mind. The Company's Corporate

Social Responsibility (CSR) activities reflect its philosophy of helping to build a better, more sustainable society by taking into account the societal needs of the community. Across all sites, your Company is engaged in several initiatives such as Environment Protection, Protection of Rights of Workers, Right to Education and Healthy Life. Plantation initiatives are a regular feature at most of Company's facilities and their neighborhood under Company's Green Initiative for sustainable development programme.

7. NON-MANDATORY REQUIREMENTS

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 retire 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 Directors and Whole Time Directors, based on their performance and defined assessment criteria.

4. SHAREHOLDER'S 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 were no audit qualifications in the Company's Financial Statements for the year ended March 31, 2013.

6. TRAINING OF BOARD MEMBERS

There were no Directors training program during the year ended March 31, 2013.

7. MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

Non-Executive Directors are being always evaluated by their own peer in the Board meetings during the year 2012-13 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 of 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 the same to the Company or to RTA of the Company.

8. MEANS OF COMMUNICATION

Financial Results and Annual Report 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 and Nav Bharat Times, and are also sent immediately to all the Stock Exchanges within 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 Investor's from the website of the Company www.krblice.com.

9. MANAGEMENT

Management Discussion and Analysis Report:

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

10. GENERAL SHAREHOLDER'S INFORMATION

1. ANNUAL GENERAL MEETING

Date & Time	: September 23, 2013 at 11.00 A.M.
Venue	: FICCI Auditorium, Tansen Marg, New Delhi-110001
Financial Calendar	: The Financial Year of the Company covers April 1 to March 31

2. FINANCIAL REPORTING

Financial Year	: April 1 to March 31
For the Financial Year 2012-13 results were announced on:	
1st Quarter ended June 30, 2012	: August 13, 2012
2nd Quarter and Half Year ended September 30, 2012	: November 07, 2012
3rd Quarter ended December 31, 2012	: February 12, 2013
4th Quarter and Year Ended March 31, 2013	: May 29, 2013

For the Financial year 2013-14, results are likely to be announced on: (Tentative and subject to change)

1st Quarter ended June 30, 2013	: By Second Week of August, 2013
2nd Quarter and Half Year ended September 30, 2013	: By Second Week of November, 2013
3rd Quarter ended December 31, 2013	: By Second Week of February, 2014
4th Quarter and Year ended March 31, 2014	: By end of May, 2014

3. DATE OF BOOK CLOSURE

The date of Book Closure shall be from Tuesday, September 10, 2013 to Monday, September 23, 2013 (both days inclusive).

4. DIVIDEND PAYMENT DATE

The Board of Directors has recommended a Final Dividend @ 80 percent i.e. ₹.80 per Equity Share for the Financial year 2012-13. The Dividend, if approved by the Shareholders at the ensuing AGM shall be paid to the Shareholders, whose names are appearing in the Register of Members as on Tuesday, September 10, 2013. In respect of Shares held in electronic form, the Dividend will be payable to the beneficial owners of the Shares as on the closing of business hours on Monday, September 9, 2013 as per details furnished by the Depositories for this purpose. The Dividend declared shall be paid on or after Monday, September 30, 2013.

5. REGISTRAR AND SHARE TRANSFER AGENT

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

The Company's Shares are traded in the Stock Exchanges compulsorily in demat mode. Physical Shares sent for transfer are duly transferred within 15 days of receipt of the documents, if they are complete in all respects. Shares under objection are returned within 7 working days. Share transfers in physical form can be lodged with Alankit Assignments Limited, Registrar & Transfer Agents (RTA) at the above mentioned address. The Shareholder's/ Investors Grievance Committee reviews the Shares transfers approved by the RTA, Company Secretary or Manager-Corporate Affairs, who have been delegated with requisite

authority. All requests for Dematerialization of Shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Members holding Shares in electronic mode should address all their correspondence to their respective Depository Participants (DP) regarding change of address, change of bank mandates and nomination.

6. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's Shares are required to be traded compulsorily in the dematerialized form and are available for trading under both the depository systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the depository system is INE001B01026. The Annual custodial Fees for the Financial Year 2013-14 has been paid to both the depositories.

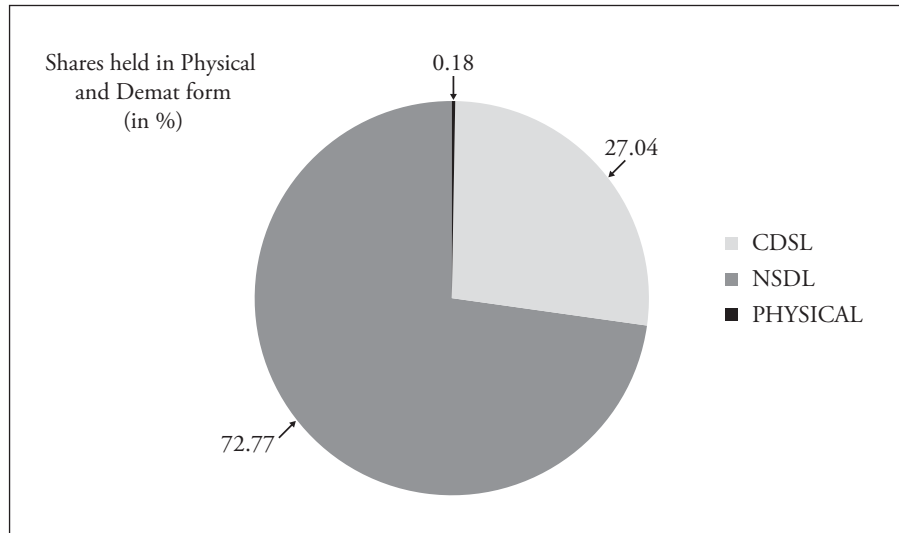
During the year under review 11010 Shares of the Company covered in 6 requests were converted into dematerialized form. As on March 31, 2013, 24,15,02,242 Shares of the Company constituting 99.82% of the Paid-up Share Capital are in dematerialized form.

For guidance on depository services, Shareholders may write to the Company or to the respective depositories:

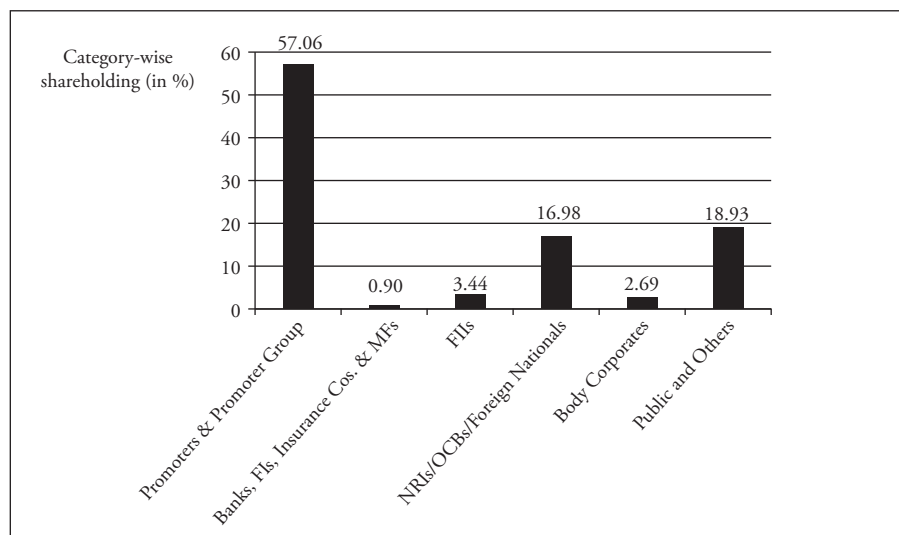
National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Telephone: 022 – 24994200 Facsimile: 022 – 24972933 E-mail: investor@nsdl.co.in Website: www.nsdl.co.in	Phiroze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

7. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

No. of Shares held (₹1/- Paid-up)	Folios		Shares of ₹1 Paid-up	
	Numbers	%	Numbers	%
1 – 50	5,000	17.67	1,30,991	0.06
51 – 100	5,160	18.23	4,93,907	0.20
101 – 500	10,238	36.17	31,65,915	1.31
501 – 1000	3,692	13.05	32,45,470	1.34
1001 – 5000	3,126	11.05	76,72,882	3.17
5001 – 10000	508	1.80	38,86,704	1.61
10001 – 50000	443	1.57	96,84,242	4.00
50001 – 100000	47	0.17	34,38,084	1.42
100001 & Above	81	0.29	21,02,28,093	86.89
Total	28,295	100.00	24,19,46,288	100.00

8. SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM AS ON MARCH 31, 2013

9. CATEGORY-WISE SHAREHOLDING AS ON MARCH 31, 2013

Category	No. of Shares held	%
Promoter's & Promoter Group	13,80,47,174	57.06
Banks, FIs, Insurance Company's & Mutual Funds	21,68,275	0.90
FII's	83,26,643	3.44
NRI's/OCB's/Foreign Nationals	4,10,88,115	16.98
Body Corporates	65,13,237	2.69
Public and Others	4,58,02,844	18.93
Total	24,19,46,288	100.00



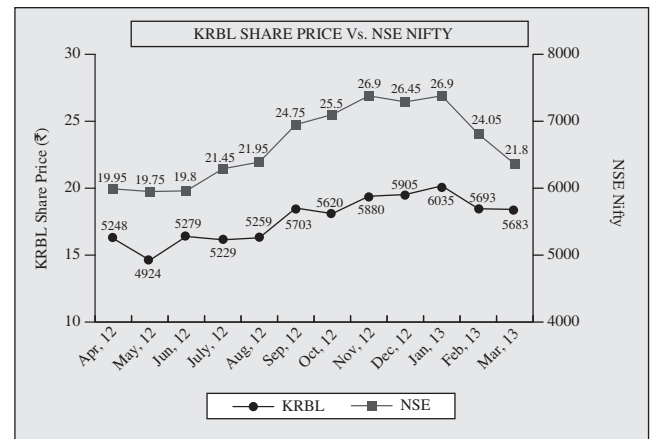
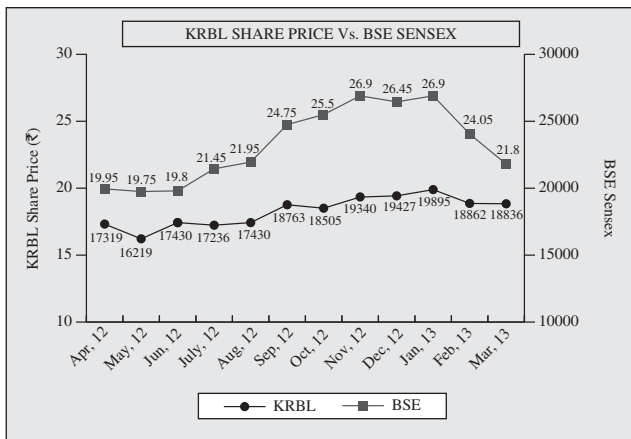
10. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON MARCH 31, 2013

S. No.	Name	No. of Shares
01.	Reliance Commodities DMCC	2,29,00,000
02.	Abdulla Ali Obeid Balsharaf	75,00,000
03.	Omar Ali Obeid Balsharaf	75,00,000
04.	Som Nath Aggarwal	56,74,850
05.	Anil Kumar Goel	37,47,000
06.	CLSA (Mauritius) Limited	26,70,270
07.	HSBC Midcap Equity Fund	18,57,006
08.	Cophall Mauritius Investment Limited	16,79,000
09.	Swiss Finance Corporation (Mauritius) Limited	15,63,457
10.	Seema Goel	15,10,000

11. MARKET PRICE DATA

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

Month	BSE Limited				National Stock Exchange of India Limited			
	High (₹)	Low (₹)	No. of Shares Traded	Turnover (₹ in Lacs)	High (₹)	Low (₹)	No. of Shares Traded	Turnover (₹ in Lacs)
April, 2012	24.00	17.60	38,56,558	781.17	21.50	17.50	99,32,995	2,008.83
May, 2012	21.25	18.00	18,11,631	370.75	21.60	18.05	51,15,474	1,013.77
June, 2012	20.10	18.00	9,25,464	178.77	20.10	18.00	26,53,392	511.47
July, 2012	24.50	19.50	50,48,418	1,104.19	23.25	19.35	1,40,58,481	3,081.11
August, 2012	25.00	21.10	24,83,793	574.66	24.35	21.40	92,82,542	2,138.99
September, 2012	24.95	21.55	16,99,512	399.91	24.85	20.00	52,68,799	1,233.78
October, 2012	28.20	24.35	29,79,243	789.28	28.20	24.35	78,78,627	2,087.72
November, 2012	28.90	25.40	17,12,890	455.26	28.90	25.20	47,94,995	1,271.51
December, 2012	28.00	25.55	17,39,395	469.14	27.90	25.60	46,72,118	1,254.20
January, 2013	28.60	24.95	18,96,411	505.59	28.50	24.85	58,96,684	1,568.98
February, 2013	28.20	24.00	19,85,186	519.84	28.35	24.00	52,79,478	1,386.87
March, 2013	24.70	21.00	17,57,049	422.06	24.70	21.15	28,84,563	678.32



12. OUTSTANDING ADRs/GDRs/WARRANTS OR ANY OTHER CONVERTIBLE INSTRUMENTS AND LIKELY IMPACT ON EQUITY

The Company has allotted 34,28,594 nos. of underlying Equity Shares of ₹10/- each at a premium of ₹145.08 aggregating to ₹5,316.94 Lacs pursuant to the offer of 17,14,297 Global Depository Receipts (GDRs) made by the Company on February 24, 2006 to Foreign Investor's, in accordance with the provisions of Section 81 and 81(1A) of the Companies Act, 1956 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, on preferential basis.

The Company's Global Depository Receipts (GDRs) were listed on the Luxembourg Stock Exchange (Code: US4826571030), at de la Bourse de Luxembourg, 11, av de la Porter – Neuve, L-2227 Luxembourg. As all GDRs were converted into Equity Shares, so Company delist its GDRs from Luxembourg Stock Exchange w.e.f. July 7, 2010. However, listing of the underlying Equity Shares are continued on the BSE Limited and National Stock Exchange of India Limited.

13. LISTING ON STOCK EXCHANGES AND STOCK CODE

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street Mumbai – 400001 Website: www.bseindia.com Stock Code: 530813	C-1, Block G, Exchange Plaza Bandra-Kurla Complex Bandra East, Mumbai – 400051 Website: www.nseindia.com Symbol: KRBL, Series: Eq.

14. NAME, DESIGNATION AND ADDRESS OF COMPLIANCE OFFICER

Raman Sapra
Company Secretary
5190, Lahori Gate,
Delhi-110006
Phone: 011-23968328
E-mail: investor@krblindia.com

15. 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 2004-05 has been transferred and necessary Statement in Form-1 pursuant to Rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rule, 2001 has been filed.

Time frame for 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
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)	28/10/2017
27/09/2011	2010-11	03/11/2018
25/09/2012	2011-12	01/11/2019

Attention is drawn that the Unclaimed Final Dividend for the Financial Year 2005-06 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 Limited,
Alankit House, 2E/21, Jhandewalan Extension,
New Delhi-110055
Phone: 011-42541955, 42541959
Fax: 011-23552001
E-mail: ramap@alankit.com

16. PLANT LOCATION

1. 9th Milestone, Post-Dujana, Bulandshahr Road, Dist. Gautambudh Nagar-203207, U.P.
2. 29/15-29/16, Village Jindpur, G. T. Karnal Road, Alipur, Delhi-110036
3. Plot No. 258-260, Extended Lal Dora, Alipur, Delhi-110036
4. Village Bhasaur, Tehsil Dhuri, Distt. Sangrur, Punjab-148024

On behalf of the Board

Place : Gautambudh Nagar, U.P.
Date : August 13, 2013

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members, 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 of India for the Financial Year ended on March 31, 2013.

The compliance of condition of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementations 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

Sd/-

(Deepak Kukreja)
C.P. No. 8265

Place: New Delhi

Date: August 13, 2013

CEO AND CFO CERTIFICATION

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

- a) We have reviewed the Financial Statements and Cash Flow Statement for the year ended March 31, 2013 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 March 31, 2013 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 : August 13, 2013

Sd/-

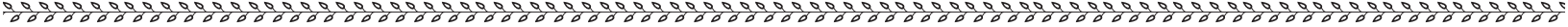
Chairman & Managing Director

Sd/-

Joint Managing Director

Sd/-

Chief Financial Officer



Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of KRBL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of KRBL Limited (the "Company") and its Subsidiaries (the Company and its Subsidiaries constitute the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting

estimates made by the Management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other Auditors on the Financial Statements / Financial Information of the Subsidiaries referred to below in the Other Matter paragraph, the aforesaid 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 the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

OTHER MATTER

We did not audit the Financial Statements / Financial information of certain Subsidiaries, whose Financial Statements / Financial information reflect total assets (net) of ₹36.75 Crores (P.Y. ₹52.77 Crores) as at March 31, 2013, total revenues of ₹5.02 Crores (P.Y. ₹7.06 Crores) and net Cash Flows amounting to ₹12.80 Lacs (P.Y. ₹8.98 Lacs) for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements / Financial information have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, is based solely on the reports of the other Auditors.

Our opinion is not qualified in respect of this matter.

Shiv Sushil Bhawan
D-219, Vivek Vihar
Phase-I,
New Delhi - 110 095
Dated: May 29, 2013

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

CONSOLIDATED BALANCE SHEET as at March 31, 2013

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY & LIABILITIES			
Shareholder's Funds			
Share Capital	2	2,423.75	2,435.41
Reserves and Surplus	3	80,531.04	69,280.71
Investment in Own Shares Account (Refer to Note No. 28.02)		(8.04)	-
Total Shareholder's Funds (A)		82,946.75	71,716.12
Minority Reserve (B)		88.39	88.43
Non Current Liabilities			
Long-Term Borrowings	4	7,744.72	10,639.38
Deferred Tax Liabilities (Net)	5	1,596.49	1,621.67
Long-Term Provisions	6	116.75	93.05
Total Non Current Liabilities (C)		9,457.96	12,354.10
Current Liabilities			
Short-Term Borrowings	7	75,812.31	76,895.11
Trade Payables	8	7,993.82	12,940.33
Other Current Liabilities	9	22,267.62	25,372.20
Short-Term Provisions	10	2,434.68	1,489.88
Total Current Liabilities (D)		1,08,508.43	1,16,697.52
Total (A+B+C+D)		2,01,001.53	2,00,856.17
II. ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		44,116.72	41,685.97
Intangible Assets		148.42	157.96
Capital Work-in-progress		1,511.79	783.75
Long-Term Loans and Advances	12	2,657.85	2,843.40
Other Non-Current Assets	13	121.83	70.66
Total Non-Current Assets (A)		48,556.61	45,541.74
Current Assets			
Current Investments	14	627.15	685.27
Inventories	15	1,26,029.11	1,23,772.24
Trade Receivables	16	19,471.64	22,916.63
Cash & Bank Balances	17	1,324.49	1,644.65
Short-Term Loans and Advances	18	4,567.53	5,710.33
Other Current Assets	19	425.00	585.31
Total Current Assets (B)		1,52,444.92	1,55,314.43
Total (A+B)		2,01,001.53	2,00,856.17
Significant Accounting Policies	1		
Other Notes forming part of the Financial Statements	28		
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
DIN-00030160

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Sd/-
Vinod Kumar Bindal
Proprietor

Sd/-
Raman Sapra
Company Secretary
M. No. 29044

Sd/-
Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

Place : New Delhi
Date : May 29, 2013

Firm No- 003820N, M. No. 80668



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2013

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2013	Year Ended March 31, 2012
INCOME			
Revenue from Operations	20	2,08,038.67	1,63,099.86
Other Income	21	1,073.01	864.41
Total Income		2,09,111.68	1,63,964.27
EXPENDITURE			
Cost of Materials Consumed	22	1,66,287.68	1,34,793.27
Purchases of Stock in Trade	23	1,122.14	579.64
Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	24	(8,483.89)	(12,843.90)
Employee Benefits Expense	25	4,184.05	3,588.78
Finance Costs	26	7,711.50	7,189.14
Depreciation & Amortization Expense		5,056.42	4,451.81
Other Expenses	27	15,589.99	14,115.55
Total Expenditure		1,91,467.89	1,51,874.29
PROFIT BEFORE TAXATION & EXCEPTIONAL ITEMS		17,643.79	12,089.99
Exceptional Items-Foreign Exchange Fluctuation Gain/(Loss)		776.08	(2,564.28)
PROFIT BEFORE TAXATION		18,419.87	9,525.71
Tax Expense:			
-Current Year		5,450.00	1,878.12
-Earlier Year		8.75	35.18
-Deferred Tax		(25.19)	309.05
PROFIT/ (LOSS) FOR THE YEAR AFTER TAX		12,986.31	7,303.36
EARNING PER EQUITY SHARE (Face Value of ₹1/- each)			
1) Basic (₹)		5.37	3.00
2) Diluted (₹)		5.37	3.00
Significant Accounting Policies	1		
Other Notes forming part of the Financial Statements	28		
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

Place : New Delhi
Date : May 29, 2013

Firm No- 003820N, M. No. 80668

Sd/-
Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Sd/-
Raman Sapra
Company Secretary
M. No. 29044

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Sd/-
Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2013

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
A. NET CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax from Continuing Operations	18,419.87	9,525.71
Adjustment for :		
Depreciation & Amortization Expenses	5,056.42	4,451.81
Loss/(Profit) on Sale of Fixed Assets	(7.55)	(16.17)
Effect of Exchange Rate Difference	(776.08)	2,564.28
Profit on Sale of Investment	(6.70)	(10.89)
Interest Expense	7,711.50	7,189.14
Interest Receipt	(999.72)	(187.34)
Loss on Revaluation of Current Investment	56.66	183.03
Foreign Currency Translation Reserve	442.91	565.00
Dividend on Investment	(19.95)	(21.15)
Operating Profit Before Working Capital Changes	29,877.36	24,243.42
Adjustments for Working Capital changes		
Increase/(Decrease) in Long-Term Provisions	23.71	22.20
Increase/(Decrease) in Trade Payable	(4,946.52)	(281.57)
Increase/(Decrease) in Other Current Liabilities	(3,104.58)	2,634.36
Increase/(Decrease) in Short-Term Provisions	37.37	16.31
Decrease/(Increase) in Inventories	(2,256.87)	(2,922.20)
Decrease/(Increase) in Trade Receivables	3,444.99	(8,098.35)
Decrease/(Increase) in Long-Term Loans and Advances	185.54	(992.14)
Decrease/(Increase) in Other Current Assets	160.31	(18.27)
Decrease/(Increase) in Short-Term Loans and Advances	1,142.79	1,757.04
Decrease/(Increase) in Other Non Current Assets	(51.16)	(20.66)
Cash generated from Operations	24,512.94	16,340.13
Tax Paid (Net)	(5,603.83)	(1,843.41)
Net Cash Flow from Operating Activities (Total - A)	18,909.11	14,496.72
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & WIP	(8,292.38)	(6,660.50)
Sale of Fixed Assets	94.26	71.28
Profit on sale of Investment	6.70	10.89
Minority Reserve	0.04	0.05
Decrease/(Increase) in Current Investment	-	-
Dividend on Investments	19.95	22.36
Net Cash generated / (-) used in Investing Activities (Total - B)	(8,171.44)	(6,555.92)



CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2013

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy-back of Equity Shares	(293.31)	-
Increase/(Decrease) in Long-Term Borrowings	(2,894.65)	1,488.73
Increase/(Decrease) in Short-Term Borrowings	(1,082.79)	2,111.38
Effect of Exchange Rate Difference	776.08	(2,564.28)
Interest Expense	(7,711.50)	(7,189.14)
Interest Income	999.72	187.34
Dividend Paid	(729.34)	(722.00)
Taxes on Dividend Paid	(118.32)	(121.13)
Wealth Tax	(3.73)	(1.83)
Net Cash Flow from Financing Activities (Total - C)	(11,057.84)	(6,810.93)
Net changes in Cash and bank balances (Total - A+B+C)	(320.16)	1,129.88
Cash & Bank Balance-Opening Balance	1,644.65	514.77
Cash & Bank Balance-Closing Balance	1,324.49	1,644.65
Cash & Bank Balance		
Cash in Hand	133.58	153.96
Balance with Scheduled Bank	1,190.91	1,490.69
	1,324.49	1,644.65

Notes.

- Statement has been prepared under the Indirect Method as set out in the Accounting Standard AS-3 on Cash Flow Statement.
- Figures in Brackets represent outflows.
- 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/-
Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

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

Sd/-
Raman Sapra
Company Secretary
M. No. 29044

Sd/-
Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

Place : New Delhi
Date : May 29, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENT

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 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

- Items of inventories are measured at lower of cost or net realizable value. Raw material on shop floor and work-in-process is taken as part of raw material and valued accordingly.
- The cost is calculated on weighted average cost method and it comprises expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving & defective inventories are identified at the time of physical verification and wherever necessary a provision is made.
- By-products are valued at net realizable value and are deducted from the cost of main product.
- Inventory of Finished Excisable products are valued inclusive of Excise Duty

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. Gross sales includes Excise Duty and then reduced thereafter to compute net sales in conformity with AS-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.

1.8 Proposed Dividend

- Dividend (including Dividend Tax thereon, if any) are provided for in the books of account as proposed by the Directors pending for approval at the ensuing 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENT

1.10 Treatment of Employee Benefits

- Contributions to defined provident fund are charged to the profit and loss account 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 organization 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 assesses at each Balance Sheet date whether there is any indication that an assets may be impaired. If any such Indication exists; the Company estimates the recoverable amount of assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit & Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at recoverable amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

2. SHARE CAPITAL

The Authorised, Issued, Subscribed and Paid-up Share Capital comprises of Equity Shares having a par value of ₹1 each as follows:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised Shares		
30,00,00,000 (P.Y. 30,00,00,000) Ordinary Equity Shares of ₹1 each	3,000.00	3,000.00
	3,000.00	3,000.00
Issued & Subscribed Shares		
24,28,01,288 (P.Y. 24,39,66,940) Ordinary Equity Shares of ₹1 each	2,419.46	2,431.12
Total Issued & Subscribed Share Capital	2,419.46	2,431.12
Paid up Shares		
24,19,46,288 (P.Y. 24,31,11,940) Ordinary Equity Shares of ₹1 each, fully paid up	2,419.46	2,431.12
Add : Amount received on 8,55,000 (P.Y. 8,55,000) Ordinary Equity Share of ₹1/- forfeited	4.29	4.29
Total Paid up Share Capital	2,423.75	2,435.41

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

(₹ in Lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	No of Shares	Amount	No of Shares	Amount
Ordinary Equity Shares outstanding at the beginning of the year	24,31,11,940	2,431.12	24,31,11,940	2,431.12
Ordinary Equity Shares issued during the year	-	-	-	-
Ordinary Equity Shares Bought-back during the year (Refer to Note No. 28.2)	11,65,652	11.66	-	-
Ordinary Equity Shares outstanding at the end of the year	24,19,46,288	2,419.46	24,31,11,940	2,431.12

b) Terms/rights attached to ordinary Equity Shares

The Company has only one class of Equity Shares having a par value of ₹1/- per share. Each holder of Equity Shares is entitled to vote per share. The Company declares and pays Dividend 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 March 31, 2013, the amount of per share Dividend recognized as distributions to Equity Shareholders was ₹0.80 per share (P.Y. ₹0.30 per share)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

c) Details of Shareholders holding more than 5% Shares in the Company

Sl. No	Particulars	As at March 31, 2013		As at March 31, 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Anil Kumar Mittal	1,84,90,648	7.64%	1,84,90,648	7.61%
2	Anoop Kumar Gupta	1,88,96,876	7.81%	1,88,96,876	7.77%
3	Arun Kumar Gupta	1,91,58,500	7.92%	1,91,58,500	7.88%
4	Radha Raj Ispat Private Limited	2,75,21,150	11.38%	2,75,21,150	11.32%
5	Reliance Commodities DMCC	2,29,00,000	9.47%	2,29,00,000	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 STATEMENT

3. RESERVES AND SURPLUS

Reserves and Surplus consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Redemption Reserve		
Transfer from General Reserve on Buy-back of Equity Shares (Refer to Note No. 28.2)	11.66	-
Closing Balance (A)	11.66	-
Securities Premium Reserve		
Balance as per the last Financial Statements	11,475.90	11,475.90
Add : Received during the year	-	-
Less : Buy-back of Equity Shares (Refer to Note No. 28.2)	273.61	-
Less : Transferred to Capital Redemption Reserve on Buy back of Equity of Shares (Refer to Note No. 28.2)	11.66	-
Closing Balance (B)	11,190.63	11,475.90
Foreign Currency Translation Reserve		
As per last Balance Sheet	422.40	(142.65)
Add: Adjustment for translation of Non Integral Operation	442.91	565.05
Closing Balance (C)	865.31	422.40
General Reserve		
Balance as per the last Financial Statements	6,946.20	5,946.20
Add : Transferred from Profit & Loss Account Appropriations A/c	2,100.00	1,000.00
Closing Balance (D)	9,046.20	6,946.20
Surplus / (Deficit)		
Balance as per the last Financial Statements	50,436.22	44,980.62
Add: Profit for the year as per the Statement of Profit and Loss	12,986.31	7,303.25
Less: Appropriations		
Proposed Dividend [(Amount per share ₹0.80/- (Previous Year ₹0.30/-)]	1,905.29	729.34
Tax on proposed Dividend	-	118.32
Transfer to General Reserve	2,100.00	1,000.00
Total Appropriations	4,005.29	1,847.66
Closing Balance (E)	59,417.24	50,436.21
Total Reserves & Surplus (A+B+C+D+E)	80,531.04	69,280.71

4. LONG-TERM BORROWINGS

Long-Term Borrowings consist of the following:

(₹ in Lacs)

Particulars	Non Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Secured				
Term Loans- From Banks				
- State Bank of India (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Oct., 12)	5,162.43	6,570.38	1,877.25	938.63
- HSBC (Mauritius) Limited (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Dec., 11)	2,115.00	3,525.00	1,410.00	1,410.00
- HDFC Bank Limited # (Repayable in 20 quarterly installments from Jun., 10)	60.00	120.00	60.00	60.00
- YES Bank Limited# (Repayable in 04 quarterly installments from Sept.,11)	-	-	-	3,072.22
- Corporation Bank Limited # (Repayable in 28 quarterly installments from Nov., 09)	214.29	300.00	85.71	85.71
- Corporation Bank Limited # (Repayable in 10 quarterly installments from Apr., 13)	60.00	40.00	16.00	-
- Corporation Bank Limited # (Repayable in 10 quarterly installments from Apr., 13)	133.00	84.00	28.00	-
- State Bank of Bikaner & jaipur# (Repayable in 12 quarterly installments from Jun., 10)	-	-	-	695.00
	7,744.72	10,639.38	3,476.96	6,261.56
Less: Shown under Other Current Liabilities (Refer to Note No. 9)	-	-	3,476.96	6,261.56
Total	7,744.72	10,639.38	-	-

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 STATEMENT

5. DEFERRED TAX LIABILITIES (NET)

Major components of Deferred Tax Liabilities consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liabilities		
Related to Fixed Assets	1,656.74	1,668.59
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	60.25	46.92
Net Provision for Deferred Tax Liability	1,596.49	1,621.67

6. LONG-TERM PROVISIONS

Long-Term Provisions consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Provisions for Employee benefits		
Leave Encashment Payable	116.75	93.05
Total	116.75	93.05

7. SHORT-TERM BORROWINGS

Short-Term Borrowings consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured ##		
Loans Repayable on Demand		
From Banks	73,727.99	74,681.94
From Other Parties	-	-
Unsecured		
Loans repayable on demand		
From Banks	2,084.32	2213.17
From Other Parties	-	-
Advance from related party	-	-
Total	75,812.31	76,895.11

Working capital facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, 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

Trade Payables consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Micro & Small Enterprises^^	-	-
Others	7,993.82	12,940.33
Total	7,993.82	12,940.33

^^ There are no Micro, Small and Medium Enterprises, (PY. Nil) to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. This information, required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and 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 CONSOLIDATED FINANCIAL STATEMENT

9. OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of long-term debts (Refer Note No. 4)	3,476.96	6,261.56
Interest accrued but not due on borrowings	102.17	455.81
Unpaid Dividends #	35.30	31.21
Advance payments from customers	17,675.93	17,696.18
Other payables		
- Security Received	24.28	55.67
- Statutory Dues Payable	301.47	161.02
- Expenses Payable	651.51	710.75
Total	22,267.62	25,372.20

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

10. SHORT-TERM PROVISIONS

Short-Term Provisions consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Employee benefits		
Bonus & Incentive Payable	102.28	101.31
Gratuity Payable	67.61	57.07
Salary & Wages Payable	236.48	210.41
Directors Remuneration Payable	13.75	13.96
Others		
Provision for Income-tax	103.82	255.74
Provision for Wealth-tax	5.45	3.73
Provision for Dividend	1,905.29	729.34
Provision for Tax on Dividend	-	118.32
Total	2,434.68	1,489.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

11. FIXED ASSETS

Fixed Assets consist of the following:

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At April 1, 2012	Addition during the year	Sale/ deduction during the year	As at March 31, 2013	Up to March 31, 2012	For the Year	Sale/ deduction during the year	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
a. Tangible Assets:-										
Land - Freehold	2,573.95	1,009.11	-	3,583.06	-	-	-	-	3,583.06	2,573.95
Land - Leasehold	330.60	60.67	-	391.27	25.23	17.25	-	42.48	348.79	305.37
Buildings	10,351.55	137.15	4.85	10,483.85	1,226.34	202.57	0.15	1,428.76	9,055.09	9,125.21
Plant & Machinery	47,067.59	5,950.52	53.89	52,964.22	18,981.67	4,563.68	1.10	23,544.25	29,419.97	28,085.92
Vehicle and Trolley	1,686.67	381.21	88.83	1,979.05	653.33	187.46	59.61	781.18	1,197.87	1,033.34
Furniture & Fixture	1,076.47	16.54	-	1,093.01	514.29	66.78	-	581.07	511.94	562.18
Total	63,086.83	7,555.20	147.57	70,494.46	21,400.86	5,037.74	60.86	26,377.74	44,116.72	41,685.97
b. Intangible Assets:-										
Patent, Trade mark & Design	22.37	-	-	22.37	5.30	2.23	-	7.53	14.84	17.07
Computer Software Development Charges	158.27	9.14	-	167.41	34.10	16.28	-	50.38	117.03	124.17
Goodwill	17.02	-	-	17.02	0.30	0.17	-	0.47	16.55	16.72
Total	197.66	9.14	-	206.80	39.70	18.68	-	58.38	148.42	157.96
Total a & b	63,284.49	7,564.34	147.57	70,701.26	21,440.56	5,056.42	60.86	26,436.12	44,265.14	41,843.93
Previous Year	55,618.92	7,841.90	176.33	63,284.49	17,110.79	4,451.81	122.04	21,440.56	41,843.93	38,508.13
c. Capital Work-in Progress										
Building	53.20	251.85	-	305.05	-	-	-	-	305.05	53.20
Plant & Machinery	730.55	476.19	-	1,206.74	-	-	-	-	1,206.74	730.55
Total	783.75	728.04	-	1,511.79	-	-	-	-	1,511.79	783.75

Notes:

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

12. LONG-TERM LOANS AND ADVANCES

Long-Term Loans and Advances consist of the following:

(₹ in Lacs)

Particulars	Non-Current	
	As at March 31, 2013	As at March 31, 2012
Unsecured - Considered Good		
Capital Advances	364.88	514.88
Security Deposit	1,325.22	1,350.27
Others loans and advance	967.75	978.25
Total	2,657.85	2,843.40

13. OTHER NON-CURRENT ASSETS

Other Non-Current Assets consist of the following:

(₹ in Lacs)

Particulars	Non-Current	
	As at March 31, 2013	As at March 31, 2012
Unsecured - Considered Good		
FDR With Banks (Deposits with banks with Original Maturity of More than 12 months)	121.83	70.66
Total	121.83	70.66

14. CURRENT INVESTMENTS

Current Investments consist of the following:

(₹ in Lacs)

NON -TRADE - At Cost or Market Price/NAV whichever is lower	Face Value	No. of Shares / Units		Amount (In ₹Lacs)	
		As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Mutual Fund Instruments - Fully paid up- Unquoted					
SBI Infrastructure Fund-I	10.00	2,50,000	2,50,000	18.19	19.53
SBI One India Fund	10.00	-	1,00,000	-	10.00
SBI Magnum Equity	10.00	9,86,948	-	9.87	-
Total(A)				28.06	29.53
Equity Instruments - Fully paid up-Quoted					
NHPC limited	10.00	8,82,712	8,82,712	175.22	173.89
Coal India Limited	10.00	76,437	76,437	187.27	187.27
Power Grid Corporation of India Limited	10.00	1,07,667	1,07,667	96.90	96.90
Shipping Corporation of India Limited	10.00	2,42,265	2,42,265	97.51	150.33
MOIL Limited	10.00	18,923	18,923	42.19	47.35
Total(B)				599.09	655.74
Total (A+B)				627.15	685.27
Quoted Investments				608.96	655.74
Unquoted Investments				18.19	29.53
Total				627.15	685.27
Market Value of Quoted Investment				665.10	750.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

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

Inventories consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw Materials		
- In Stock	37,788.32	44,291.81
- In Transit	-	210.82
Finished goods		
- In Stock	81,554.78	70,099.84
- In Transit	901.39	3,881.70
Stores, Spares, Fuel & Packing Material		
- In Stock	5,784.62	5,288.07
Total	1,26,029.11	1,23,772.24

16. TRADE RECEIVABLES

Trade Receivables consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	230.33	579.45
Unsecured, Considered Doubtful	-	-
Total (A)	230.33	579.45
Others		
Secured, Considered Good	6,187.96	7,654.57
Unsecured, Considered Good	13,053.35	14,682.61
Total (B)	19,241.31	22,337.18
Total (A+B)	19,471.64	22,916.63

Debt due from Directors /Firm in which the Directors are interested ₹1,870 Lacs (P.Y. ₹1,163 lacs)

17. CASH & BANK BALANCES

Cash & Bank Balances consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash & Cash Equivalents		
Balance with banks:		
- In current accounts	935.75	159.03
- In deposit with original maturity of less than 3 months	-	-
- In unpaid Dividend account	35.30	31.21
Cash in hand	133.58	153.96
Other Bank Balances		
- Deposits with original maturity of more than 12 months but within 12 months from the Balance Sheet date	-	-
- Deposits with original maturity of more than 3 months but less than 12 months	219.86	1,300.45
Total	1,324.49	1,644.65

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

18. SHORT-TERM LOANS & ADVANCES

Short-Term Loans & Advances consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Statutory dues recoverable	755.49	621.01
Prepaid Expenses	284.41	236.55
Advances to Supplier	231.63	93.45
Others	3,296.00	4,759.32
Total	4,567.53	5,710.33

19. OTHER CURRENT ASSETS

Other Current Assets consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Foreign Exchange Gain/(Loss) on Forward Contracts	225.25	10.46
Insurance Claim Recoverable	67.07	6.98
Income Receivable	101.72	494.21
Subsidy Receivable	30.96	73.66
Total	425.00	585.31

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

Revenue from Operations consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Sale of Products		
Rice-Export	93,944.00	85,680.91
Rice-Domestic	1,01,664.07	67,937.50
Electricity Generation (Including CERs Sale)	3,119.56	2,914.70
Bran Oil-Domestic	3,112.93	2,004.04
Furfural-Domestic	236.85	128.68
Rice Bran-Domestic	1,518.72	1,314.01
Doil Cakes-Domestic	1,975.65	978.08
Glucose-Domestic	134.02	138.58
Sale of Traded Products		
Cotton Sale-Export	-	-
Cotton Sale-Domestic	-	333.84
Seed-Domestic	1,162.56	926.09
By Products Scrap & Others	1,278.04	755.44
Other Operating Revenue	-	-
Gross Revenue From Operations	2,08,146.40	1,63,111.87
Less: Sale of Rice to Subsidiary Company	(81.68)	-
Less: Excise Duty	(26.05)	(12.01)
Net Revenue From Operations	2,08,038.67	1,63,099.86

21. OTHER INCOME

Other Income consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Warehouse Income	94.90	94.57
Gain/(Loss) on Sale/Revaluation of Securities	(49.96)	(172.13)
Interest Income	999.72	187.34
Dividend Income	19.95	21.15
Other Non-Operating Income	8.40	733.48
Total	1,073.01	864.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

22. COST OF MATERIAL CONSUMED

Cost of Material Consumed consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Paddy	1,09,712.63	90,977.41
Rice	46,152.64	35,893.76
Others	10,422.41	7,922.10
Total	1,66,287.68	1,34,793.27

23. PURCHASE OF TRADED GOODS

Purchase of Traded Goods consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Seeds	1,122.14	579.64
Total	1,122.14	579.64

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

Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Stocks at the beginning of the year		
- Rice	73,100.13	60,087.05
- Seeds	273.88	257.51
- Others	595.21	780.76
Total (A)	73,969.22	61,125.32
Less: Stocks at the end of the year		
- Rice	81,038.22	73,100.12
- Seeds	632.96	273.88
- Others	781.93	595.22
Total (B)	82,453.11	73,969.22
Total (A-B)	(8,483.89)	(12,843.90)

25. EMPLOYEE BENEFITS EXPENSE

Employee Benefits Expense consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
(Refer Note 1.10 on Employee Benefits)		
Salaries, Wages, Bonus & Gratuity	4,006.52	3,428.79
Contribution to EPF and Other Funds	177.53	159.99
Total	4,184.05	3,588.78

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

26. FINANCE COSTS

Finance Costs consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Interest Expenses		
- On Term Loans	980.15	1,128.40
- On Others	6,557.96	5,921.74
Total (A)	7,538.11	7,050.14
Bank Charges	173.39	139.00
Total (B)	173.39	139.00
Total Finance Cost (A + B)	7,711.50	7,189.14

27. OTHER EXPENSES

Other Expenses consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Consumption of Stores and Spares	487.94	564.59
Repairs and Maintenance		
- Machinery	1,068.62	701.65
- Buildings	131.14	107.99
- Vehicle	104.95	88.03
- Others	71.55	52.39
Warehouse and Godown Rent	297.50	238.85
Power and Fuel	797.44	687.75
Fumigation Charges	251.65	165.21
Freight and Cartage	956.30	793.84
Rice Sorting and Paddy Milling Job Work Charges	39.86	61.77
Insurance Charges	111.89	153.70
Travelling and Conveyance	291.18	248.78
Legal and Professional Charges	202.71	181.24
Charity and Donations	4.79	8.67
(Profit)/Loss on Sale of Fixed Assets	(7.55)	(16.17)
Postage, Telegram and Telephones	72.85	73.62
Payment to Auditors		
- For Audit	14.08	8.99
- For Tax Audit	3.34	2.81
- For Taxation & Certification Work	1.72	1.69
Printing and Stationery	21.63	40.99
Fees, Rates and Taxes	118.40	85.60
Advertisement Expenses	1,311.15	1,225.39
Sales and Business Promotion Expenses	100.53	276.30
Clearing and Forwarding Charges	996.02	823.43
Freight on Sale	4,320.62	4,089.51
Commission and Brokerage Expenses	393.12	231.21
Taxes on Sales	723.38	946.79
Meeting and Seminar Expenses	200.89	8.41
Schemes, Incentives and Discounts on Sales	2,178.30	1,961.11
Testing & Inspection Charges	58.70	49.62
Other Miscellaneous Expenses	265.30	172.19
Total	15,589.99	14,115.55

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

28 OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28.1 Contingent liabilities not provided for in respect of:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(i) Claims against the Company not acknowledged as debts		
(a) Liability relating to Bank Guarantee	133.90	166.00
(b) Liability relating to Bills Discounted with Scheduled Banks	-	-
- Liability relating to Bills Discounted with Scheduled Banks as on date ₹Nil (P.Y. Nil)		
(c) Disputed liability in respect of Income Tax Demand in appeal	26.25	23.32
-Amount paid against disputed Income Tax appeal as ₹17.93 Lacs (P.Y. ₹5.75 Lacs)		
(d) Disputed liability relating to Sale Tax	23.75	32.70
-Amount paid against disputed Sale tax appeal as ₹20.00 Lacs (P.Y. ₹28.95 Lacs)		
(e) Disputed liability relating to ESI (Malerkotla, Punjab)	-	6.12
(f) Disputed liability relating to Market Fees (Fazilka, Punjab)	15.09	15.09
-Amount paid against disputed Market Fees is ₹1.37 Lacs		
(g) Others	50.08	28.25
Total	225.32	271.48

28.2 Brief Information on Shares Bought Back during the Year:

Pursuant to the resolution passed by the Board of Directors of the Company and in accordance with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, the Company made a Public Announcement on February, 14, 2013, to Buy-back the Equity Shares of Face Value of ₹1/- each of the Company from open market through Stock Exchange route at a price not exceeding ₹35/- per share, aggregating to ₹35 Crores.

The Company has bought back 12,00,652 Equity Shares as at March 31, 2013 at an average price of ₹24.38 per share, utilising a sum of ₹292.70 Lacs. The amount paid towards Buy-back of Shares, in excess of the face value, has been utilised out of Free Reserve.

In terms of the Provisions of Section 77A of the Companies Act, 1956 and SEBI (Buy-back of Securities) Regulations 1998, as at March 31, 2013 the Company has extinguished 11,65,652 Shares and the remaining 35,000 Shares has been extinguished on April 1, 2013. Consequently, the Paid-up Equity Share Capital of the Company has been reduced and the Company has created Capital Redemption Reserve of ₹11.65 Lacs towards face value of 11,65,652 Equity Shares of ₹1 each by utilising Free Reserve. The balance amount paid on Buy-back of Equity Shares which are yet to be extinguished as on March 31, 2013 has been shown by way of deduction from the Shareholder's Fund.

28.3 Details of movement in Provisions in accordance with Accounting Standard AS - 29

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Income Tax		
Provisions as on April 1, 2012	256.05	277.58
Addition made during the Year	5,450.00	1,878.12
Adjustment/Reverse/Paid	5,602.23	1,899.65
Provisions as at March 31, 2013	103.82	256.05
Wealth Tax		
Provisions as on April 1, 2012	3.73	1.83
Addition made during the Year	5.45	3.73
Adjustment/Reverse/Paid	3.73	1.83
Provisions as at March 31, 2013	5.45	3.73

28.4 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.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

28.5 Value of raw materials, including packaging materials, spare parts and components consumed during the year:

(₹ in Lacs)

Particulars	PERCENTAGE		VALUE (₹ in Lacs)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Raw Material				
Imported	-	-	-	-
Indigenous	100%	100%	1,56,584.87	1,27,354.94
Spare Parts, Components & Packing Materials				
Imported	0.17%	1.5%	16.13	110.40
Indigenous	99.83%	98.5%	9,445.64	7,478.02

28.6 A sum of ₹64.69 Lacs (P.Y. ₹29.94 Lacs) has been received from DMI through NABARD towards construction of rural godown and a sum of ₹30.95 Lacs (P.Y. ₹73.66 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.

28.7 CIF value of Imports made during the year in respect of:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Components and Spare Parts	16.13	110.40
Capital Goods Purchased	310.06	287.78

28.8 Earnings in Foreign Exchange on Mercantile basis

	93,836.94	85,439.65
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28.9 F.O.B. Value of Exports

	91,814.67	83,679.54
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28.10 Expenditure in Foreign Currency on Mercantile basis

Foreign Travel & Other (Total)	0.11	25.58
- By Directors ₹Nil (P.Y. ₹20.29 Lacs)		
Ocean Freight	1,787.34	1,760.11
Legal, Professional & Other Charges	46.41	39.12
Salary	-	13.61
Selling & Distribution Expenses	6.81	255.54
Others	67.46	-

28.11 Managerial Remuneration to Executive Directors

- On Account of Salary	265.68	231.98
- On Account of Perquisite	725.82	120.17

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

	73.82	102.82
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28.13 Unclaimed Dividend pending on account of non presentation of cheques has been deposited in separate accounts with Scheduled Bank

	35.29	31.22
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28.14 Remittance in Foreign Currency on account of Dividend

(a) No. of Non-Resident Shareholders	5.00	5.00
(b) No. of Equity Shares held by them	3,90,00,000	3,90,00,000
(c) Amount of Dividend paid (In ₹Lacs)	117.00	117.00
(d) Year to which the Dividend relates	2011-12	2010-11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

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

28.16 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 Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
1) Revenue Expenditure charged to Profit & Loss Account		
i) Salary and other Benefits	205.81	192.98
ii) Others	52.56	54.22
Total	258.37	247.20
2) Capital expenditure shown under Fixed assets schedule	-	-
Grand Total	258.37	247.20

28.17 Intangible Assets

In accordance with Accounting Standard AS-26 on ‘Intangible Assets’, a sum of ₹9.14 Lacs (P.Y. ₹1.41 Lacs) have been capitalized on account of computer software development charge.

28.18 Corporate Dividend Tax

In view of the amended provision of Section 115-O(1A)(i) of the Income Tax Act, 1961, no provision of Corporate Dividend Tax has been made in the books of accounts as the Company has set-off declared Foreign Dividend from its Subsidiary Company against declared Dividend.

28.19 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the Equity Shareholders by the average number of Equity Shares outstanding during the year. Number used for calculating basic and diluted earnings per Equity is stated below:

Particulars	March 31, 2013	March 31, 2012
Profit After Tax (₹ in Lacs)	12,986.31	7,303.36
Weighted average number of Equity Shares for Basic & Dilutive	2,41,946,288	24,31,11,940
Nominal value per Equity Share (₹)	1.00	1.00
Earnings Per Share (Basic & Dilutive)	5.37	3.00

28.20 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 AS-19 in respect of leases:-

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

(₹ in Lacs)

Particulars	March 31, 2013	March 31, 2012
- Not later than one year	84.00	-
- Later than one year but not later than five years	-	82.35
- Later than five years	65.45	68.00

(₹ in Lacs)

Particulars	March 31, 2013	March 31, 2012
B) Lease payment recognised in the Statement of Profit and Loss Account, in respect of operating lease agreement	93.35	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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(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.

28.21 Segment Disclosure, Accounting Standard AS - 17, for the year ended March 31, 2013 Figures in Brackets are in respect of previous year ended March 31, 2012.

(₹ in Lacs)

Particulars	Agri	Energy	Others	Unallocable	Total
Segment operating Revenue					
External	2,04,920.38	7,717.00			2,12,637.38
	(1,60,185.00)	(7,634.00)			(1,67,819.00)
Less: Inter-Segment		4,598.00			4,598.00
		(4,719.00)			(4,719.00)
Segment Result					
Profit / (Loss) before Tax and Interest	25,727.37	670.00			26,397.38
	(16,213.85)	(725.00)			(16,938.84)
Less : Interest				7,711.50	7,711.50
				(7,189.14)	(7,189.14)
Other Unallocable expenditure net of unallocable income				266.00	266.00
				(224.00)	(224.00)
Profit before Taxation					18,419.88
					(9,525.71)
Provision for Taxation - Current				5,450.00	5,450.00
				(1,878.12)	(1,878.12)
Tax Relating to Earlier Years				8.75	8.75
				(35.18)	(35.18)
Deferred Tax				25.18	25.18
				(309.05)	(309.05)
Profit after Taxation					12,986.31
					(7,303.36)
Other Information					
Segment Assets	1,80,557.69	20,443.84			2,01,001.53
	(1,82,062.59)	(18,793.58)			(2,00,856.17)
Segment Liabilities	1,18,029.25	25.53			1,18,054.78
	(1,29,135.38)	(4.67)			(1,29,140.05)
Geographical Segment (Based on Location of customers)				March 31, 2013	March 31, 2012
Segment Assets					
- Middle East				7,168.74	16,652.69
- Other Than Middle East				2,094.00	3,102.70
- India				1,91,738.79	1,81,100.78
Total				2,01,001.53	2,00,856.17
Segment Revenue					
- Middle East				68,450.53	63,439.89
- Other Than Middle East				25,411.80	22,241.11
- India				1,14,176.34	77,418.86
Total				2,08,038.67	1,63,099.86

a) The business groups comprise of the following:

- Agri - Agri commodities such as rice, Furfural, seed, bran, bran oil, etc.
- Energy - Power generation from wind turbine and husk based power plant

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

b) The Geographical segments considered for disclosure are:

- Sales within India
- Sales outside India
 - a) Middle East
 - b) Other than Middle East

28.22 Related Party Disclosures Accounting Standard AS-18:

A) Related parties and their relationship:

- 1) **Subsidiary Company** : KRBL DMCC
: K. B. EXPORTS PVT. LTD.

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
 Ms. Priyanka Mittal : Whole Time Director
 Mr. Ashok Chand : Whole Time Director
 Dr. Narpinder Kumar Gupta : Non Executive & Independent Director
 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 is 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 Pvt. Ltd. : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

Radha Raj Ispat Pvt. Ltd.	:	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 Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta, Mr. Anoop K. Gupta & Mr. Ashwani Dua are Directors
KRBL Infrastructure Ltd.	:	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Aakash Hospitality Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Holistic Farms Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj IT City & Parks Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj Logistics Pvt. Ltd.	:	Private Limited Company in which Mr. Anoop K. Gupta & Mr. Ashwani Dua are Directors
KRBL Foods Ltd.	:	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Adwet Warehousing Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Padmahasta Warehousing Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
K. B. Foods Pvt. Ltd.	:	Private Limited Company in which Mr. Akshay Gupta and Mr. Ayush 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	
	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012
Purchase of goods/ fixed assets	196.81	262.40	-	-	-	-	196.81	262.40
Sale of goods/ fixed assets	6,707.43	3,427.18	-	-	-	-	6,707.43	3,427.18
Service received	-	-	14.42	1.59	-	-	14.42	1.59
Rent Paid by the Company	9.35	8.50	98.85	130.95	-	-	108.20	139.45
Dividend Paid	82.56	82.56	331.58	331.29	-	-	414.14	413.85
Dividend Received	-	-	-	-	2,400.78	362.13	2,400.78	362.13
Remuneration Given	-	-	991.50	352.15	-	-	991.50	352.15
Equity Participation	-	-	-	-	-	-	-	-

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

Receivable on account of goods sale	1,995.29	1,163.00	-	-	-	-	1,995.29	1,163.00
Receivable on account of Security deposit	971.00	971.00	-	-	-	-	971.00	971.00

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

28.23 Employee Benefits Accounting Standard - AS 15 (Revised)

- a) The Company has determined the liability for Employee benefits as at March 31, 2013 in accordance with revised Accounting Standard AS - 15 issued by ICAI - Employee defined benefits.
- b) Following information are based on report of Actuary.

Defined benefit plans as at March 31, 2013	Year Ended March 31, 2013 Gratuity (Funded)	Year Ended March 31, 2012 Gratuity (Funded)
A Components of Employee Benefit		
1 Current Service Cost	39.28	35.84
2 Interest cost	17.96	14.48
3 Expected return on plan assets	(12.89)	(9.71)
4 Net Actuarial (gain) / loss recognised during the year	23.26	16.47
5 Total expense recognised in the Statement of Profit & Loss A/c	67.61	57.07
B Actual return on plan assets		
1 Expected return on plan assets	12.89	9.71
2 Actuarial gain / (loss) on plan assets	6.65	(3.80)
3 Actual return on plan assets	19.54	5.92
C Reconciliation of obligation and fair value of assets		
1 Present value of the obligation	(289.40)	211.26
2 Fair value of plan assets	219.24	151.64
3 Funded status [surplus / (deficit)]	(70.16)	(59.62)
D Change in present value of the obligation during the year ended March 31, 2013		
1 Present value of obligation as at April 1, 2012	211.26	175.46
2 Current Service Cost	39.28	35.84
3 Interest cost	17.96	14.48
4 Benefits paid	(9.02)	(27.18)
5 Actuarial (gain) / loss on plan assets	29.92	12.67
6 Present value of obligation as at March 31, 2013	289.40	211.26
E Change in Assets during the year ended March 31, 2013		
1 Fair value of plan assets as at April 1, 2012	151.64	117.71
2 Expected return on plan assets	12.89	9.71
3 Contribution made	57.07	55.20
4 Benefits paid	(9.02)	(27.18)
5 Actuarial gain / (loss) on plan assets	6.65	(3.80)
6 Fair value of plan assets as at March 31, 2013	219.23	151.64
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%	8.50%
2 Expected rate of return on plan assets	8.50%	8.50%
3 Mortality	Indian Assured Lives Mortality (2006-2008) Ultimate	LIC 1994-96 (Ultimate)
4 Salary escalation	5.00%	5.00%

- c) Gratuity is administered by an approved gratuity fund trust
- d) Amount recognised as an expense in respect of defined benefits plan as under:

1 Contribution to Gratuity Fund	67.60	57.07
2 Gratuity paid directly	-	-
Total	67.60	57.07

28.24 As required under Accounting Standard AS-11 the Company has Outstanding Forward contracts as on March 31, 2013 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts is ₹225.24. Lacs (P.Y. ₹7.49 Lacs), which has been accounted for accordingly in the books of accounts.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

Derivative Instruments

- (a) Outstanding forward exchange contracts as at March 31, 2013 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)	₹27,517.11 lacs (P.Y. ₹14,244.00 lacs)

- (b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at March 31, 2013 are as under:

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

Apart from above Company has foreign currency Liability (PCFC/Advances received from customers/ECB) of ₹29,807.00 Lacs (P.Y. ₹43,704.00 Lacs) at the year end and as per accounting Standard (AS-11) the effect of change in foreign exchange as on March 31, 2013 amounting to ₹776.08 Lacs {P.Y ₹(2,564.28 Lacs)} has been taken to Profit & Loss Account.

28.25 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 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 March 31, 2013	Percentage of Ownership Interest as at March 31, 2012
KRBL DMCC	U.A.E.	100.00%	100.00%
K. B. Exports Pvt. Ltd.	India	70.00%	70.00%

- b) The group has adopted Accounting standard 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.

28.26 Statement of information regarding Subsidiaries Companies:-

Name of the Subsidiary Company	Issued & Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investment Excluding Investment made in Subsidiaries	Turnover#	Profit/(Loss) before Tax	Provision for Taxation	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 Pvt. Ltd.	300.00	-	300.24	0.24	-	-	-	-	-	-

* Converted into Indian Rupees at the exchange rate, 1 AED= ₹14.804 as on March 31, 2013.

Turnover includes Other income and Other Operational Income.

28.26 The Company has reclassified and regrouped previous year figure 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/-
Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Sd/-
Vinod Kumar Bindal
Proprietor

Sd/-
Raman Sapra
Company Secretary
M. No. 29044

Sd/-
Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

Place : New Delhi
Date : May 29, 2013

Firm No- 003820N, M. No. 80668



Standalone Financial Statements

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To The Members of KRBL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of KRBL LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditors considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of Section 274(1)(g) of the Act.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for **Vinod Kumar Bindal & Co.**

Chartered Accountants

(Firm Registration No. 003820N)

Sd/-

Vinod Kumar Bindal

Proprietor

Membership No. 80668

Shiv Sushil Bhawan

D-219, Vivek Vihar

Phase-I,

New Delhi - 110 095

Dated: May 29, 2013



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Company's business/activities during the year, clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
2. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) Fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. In respect of the Company's inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the Management was reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
5. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
6. In our opinion and according to the information and explanations given to us, there are 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 audit, we have not observed any major weakness in internal controls.
7. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of ₹5 Lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
8. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of the clause 4 (vi) of the Order are not applicable to the Company.
9. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
10. According to the information and explanations given to us, in respect of Statutory dues:
 - (a) The Company has generally been regular in depositing undisputed Statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material Statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, 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 in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.



(c) Details of dues of Income Tax and UP Trade Tax, which have not been deposited as at March 31, 2013 on account of disputes are given below:

(Amount in ₹)

Name of the Statute	Nature of the dues	Disputed dues	Period which amount related	Forum where dispute is pending
U.P. Trade Tax	Seed Tax Liability	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
	Regular Assessment	6,03,990/-	A.Y. 2004-05	CIT(Appeal) New Delhi
	Regular Assessment	4,74,609/-	A.Y. 2008-09	CIT(Appeal) New Delhi
	Regular Assessment	2,93,275/-	A.Y. 2010-11	CIT(Appeal) New Delhi
	TDS Demand	5,75,311/-	F.Y. 2006-09	CIT(Appeal) New Delhi

There were no dues of Wealth Tax, Customs Duty, Excise Duty and Cess which have not been deposited as at March 31, 2013 on account of disputes.

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| <p>11. The Company does not have accumulated losses. The Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.</p> <p>12. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions or debenture holders.</p> <p>13. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.</p> <p>14. In our opinion and according to the information and explanations given to us, the Company is not dealing in Shares, securities and debentures. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.</p> <p>15. In our opinion and according to the information and explanations given to us, having regard to the fact that the subsidiaries are wholly owned the terms and conditions of the guarantee given by the Company for loans taken by the subsidiaries from banks are not prima facie prejudicial to the interest of the Company.</p> <p>16. In our opinion and according to the information and explanations given to us, there is no continuing default in repayment of any of the term loan.</p> <p>17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long- term investment.</p> | <p>18. According to the information and explanations given to us, during the year covered by our audit, the Company has not made preferential allotment of Equity Shares to parties and companies covered in the register maintained under Section 301 of the Act.</p> <p>19. According to the information and explanations given to us, during the year covered by our report, the Company has not issued any secured debentures.</p> <p>20. During the year covered by our report, the Company has not raised any money by way of public issue.</p> <p>21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.</p> |
|--|--|

for **Vinod Kumar Bindal & Co.**

Chartered Accountants

(Firm Registration No. 003820N)

Sd/-

Vinod Kumar Bindal

Proprietor

Membership No. 80668

Shiv Sushil Bhawan

D-219, Vivek Vihar

Phase-I,

New Delhi - 110 095

Dated: May 29, 2013

BALANCE SHEET as at March 31, 2013

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY & LIABILITIES			
Shareholder's Funds			
Share Capital	2	2,423.75	2,435.41
Reserves and Surplus	3	77,388.17	64,521.15
Investment in Own Shares Account (Refer Note No. 29.2)		(8.04)	-
Total Shareholder's Funds (A)		79,803.88	66,956.56
Non Current Liabilities			
Long-Term Borrowings	4	7,744.72	10,639.38
Deferred Tax Liabilities (Net)	5	1,596.49	1,621.67
Long-Term Provisions	6	116.75	93.05
Total Non Current Liabilities (B)		9,457.96	12,354.10
Current Liabilities			
Short-Term Borrowings	7	75,826.67	76,909.78
Trade Payables	8	7,993.82	12,940.33
Other Current Liabilities	9	22,266.78	25,371.40
Short-Term Provisions	10	2,434.68	1,490.19
Total Current Liabilities (C)		1,08,521.95	1,16,711.70
Total (A+B+C)		1,97,783.79	1,96,022.36
II. ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		43,655.03	41,223.39
Intangible Assets		131.87	141.24
Capital Work-in-progress		1,511.79	783.75
Non-Current Investments	12	427.27	427.27
Long-Term Loans and Advances	13	2,657.85	2,843.40
Other Non-Current Assets	14	121.83	70.66
Total Non-Current Assets (A)		48,505.64	45,489.71
Current Assets			
Current Investments	15	627.15	685.27
Inventories	16	1,26,029.06	1,23,772.24
Trade Receivables	17	19,500.89	22,916.63
Cash & Bank Balances	18	1,281.33	1,614.16
Short-Term Loans and Advances	19	1,414.72	959.04
Other Current Assets	20	425.00	585.31
Total Current Assets (B)		1,49,278.15	1,50,532.65
Total (A+B)		1,97,783.79	1,96,022.36
Significant Accounting Policies	1		
Other notes forming part of the Financial Statements	29		
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
DIN-00030160

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

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

Sd/-
Raman Sapra
Company Secretary
M. No. 29044

Sd/-
Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

Place : New Delhi
Date : May 29, 2013



STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2013

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2013	Year Ended March 31, 2012
INCOME			
Revenue from Operations	21	2,08,034.09	1,63,099.86
Other Income	22	2,971.80	521.29
Total Income		2,11,005.89	1,63,621.15
EXPENDITURE			
Cost of Materials Consumed	23	1,66,287.68	1,34,793.27
Purchases of Stock in Trade	24	1,122.14	579.64
Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	25	(8,483.95)	(12,843.90)
Employee Benefits Expense	26	4,100.52	3,515.41
Finance Costs	27	7,710.87	7,188.92
Depreciation & Amortization Expense		5,055.39	4,450.67
Other Expenses	28	15,509.93	14,035.94
Total Expenditure		1,91,302.58	1,51,719.95
PROFIT BEFORE TAXATION & EXCEPTIONAL ITEMS		19,703.31	11,901.20
Exceptional Items-Foreign Exchange Fluctuation Gain/(Loss)		776.17	(2,564.28)
PROFIT BEFORE TAXATION		20,479.48	9,336.92
Tax Expense:			
-Current Year		5,450.00	1,878.12
-Earlier Year		8.75	35.18
-Deferred Tax		(25.19)	309.05
PROFIT/ (LOSS) FOR THE YEAR AFTER TAX		15,045.92	7,114.57
EARNING PER EQUITY SHARE (Face Value of ₹1/- each)			
1) Basic (₹)		6.22	2.93
2) Diluted (₹)		6.22	2.93
Significant Accounting Policies	1		
Other notes forming part of the Financial Statements	29		
The Accompanying Notes form an integral part of the Financial Statements			

Annexure to our Report of Date

 for **Vinod Kumar Bindal & Co.**
Chartered Accountants

 Sd/-
Vinod Kumar Bindal
Proprietor

Firm No- 003820N, M. No. 80668

 Place : New Delhi
Date : May 29, 2013

 Sd/-
Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

 Sd/-
Raman Sapra
Company Secretary
M. No. 29044

 for **KRBL Limited**
On behalf of the Board,

 Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

 Sd/-
Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2013

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax from Continuing Operations	20,479.48	9,336.92
Adjustment for :		
Depreciation & Amortization Expenses	5,055.39	4,450.67
Loss/(Profit) on Sale of Fixed Assets	(7.55)	(16.17)
Effect of Exchange Rate Difference	(776.17)	2,564.27
Profit on Sale of Investment	(6.70)	(10.89)
Interest Expense	7,710.87	7,188.92
Interest Receipt	(497.74)	(187.34)
Loss on Revaluation of Current Investment	56.66	186.93
Dividend on Investment	(2,420.72)	(384.49)
Operating Profit Before Working Capital Changes	29,593.52	23,128.82
Adjustments for Working Capital Changes		
Increase/(Decrease) in Long-Term Provisions	23.71	22.20
Increase/(Decrease) in Trade Payable	(4,946.52)	(281.56)
Increase/(Decrease) in Other Current Liabilities	(3,104.62)	2,640.86
Increase/(Decrease) in Short-Term Provisions	37.38	16.31
Decrease/(Increase) in Inventories	(2,256.82)	(2,922.20)
Decrease/(Increase) in Trade Receivables	3,415.74	(8,116.30)
Decrease/(Increase) in Long-Term Loans and Advances	185.54	201.96
Decrease/(Increase) in Other Current Assets	160.31	(12.30)
Decrease/(Increase) in Short-Term Loans and Advances	(455.68)	1,308.04
Decrease/(Increase) in Other Non Current Assets	(51.16)	(43.57)
Cash Generated from Operations	22,601.39	15,942.25
Tax Paid (Net)	(5,604.07)	(1,842.67)
Net Cash Flow from Operating Activities (Total - A)	16,997.32	14,099.58
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & WIP	(8,292.41)	(6,639.10)
Sale of Fixed Assets	94.26	71.28
Profit on Sale of Investment	6.70	10.89
Decrease/(Increase) in Non Current Investment	-	-
Decrease/(Increase) in Current Investment	-	-
Dividend on Investments	2,420.72	384.49
Net Cash Generated / (-) Used in Investing Activities (Total - B)	(5,770.73)	(6,172.43)

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy-back of Equity Shares	(293.32)	-
Increase/(Decrease) in Long-Term Borrowings	(2,894.66)	1,488.72
Increase/(Decrease) in Short-Term Borrowings	(1,083.12)	2,111.39
Effect of Exchange Rate Difference	776.17	(2,564.28)
Interest Expense	(7,710.87)	(7,188.92)
Interest Income	497.74	187.34
Dividend Paid	(729.34)	(722.00)
Taxes on Dividend Paid	(118.32)	(121.13)
Wealth Tax	(3.73)	(1.83)
Net Cash Flow from Financing Activities (Total - C)	(11,559.42)	(6,810.71)
Net Changes in Cash and Bank Balances (Total A+B+C)	(332.83)	1,116.44
Cash & Bank Balance-Opening Balance	1,614.16	497.73
Cash & Bank Balance-Closing Balance	1,281.33	1,614.17
Cash & Bank Balance		
Cash in Hand	133.58	153.96
Balance with Scheduled Bank	1,147.75	1,460.20
	1,281.33	1,614.16

Notes.

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

Annexure to our Report of Date

for **Vinod Kumar Bindal & Co.**
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor

Firm No- 003820N, M. No. 80668

Sd/-
Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Sd/-
Raman Sapra
Company Secretary
M. No. 29044

for **KRBL Limited**
On behalf of the Board,

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Sd/-
Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

Place : New Delhi
Date : May 29, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENT

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 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

- Items of inventories are measured at lower of cost or net realizable value. Raw material on shop floor and work-in-process is taken as part of raw material and valued accordingly.
- The cost is calculated on weighted average cost method and it comprises expenditure incurred in normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving & defective inventories are identified at the time of physical verification and wherever necessary a provision is made.
- By-products are valued at net realizable value and are deducted from the cost of main product.
- Inventory of Finished Excisable products are valued inclusive of Excise Duty

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. Gross sales includes Excise Duty and then reduced thereafter to compute net sales in conformity with AS-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.

1.8 Proposed Dividend

- Dividends (including Dividend Tax thereon, if any) are provided for in the books of account as proposed by the Directors pending for approval at the ensuing 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENT

1.10 Treatment of Employee Benefits

- Contributions to defined provident fund are charged to the profit and loss account 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 organization 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 assesses at each Balance Sheet date whether there is any indication that an assets may be impaired. If any such Indication exists; the Company estimates the recoverable amount of assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit & Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at recoverable amount.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

2. SHARE CAPITAL

The Authorised, Issued, Subscribed and Paid-up Share Capital comprises of Equity Shares having a par value of ₹1 each as follows:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised Shares		
30,00,00,000 (P.Y. : 30,00,00,000) Ordinary Equity Shares of ₹1 each	3,000.00	3,000.00
	3,000.00	3,000.00
Issued & Subscribed Shares		
24,28,01,288 (P.Y. 24,39,66,940) Ordinary Equity Shares of ₹1 each	2,419.46	2,439.67
Total Issued & Subscribed Share Capital	2,419.46	2,439.67
Paid Up Shares		
24,19,46,288 (P.Y. 24,31,11,940) Ordinary Equity Shares of ₹1 each, fully paid up	2,419.46	2,431.12
Add : Amount received on 8,55,000 (P.Y. 8,55,000) Ordinary Equity Share of ₹1/- forfeited	4.29	4.29
Total Paid Up Share Capital	2,423.75	2,435.41

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

(₹ in Lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Ordinary Equity Shares outstanding at the beginning of the year	24,31,11,940	2,431.12	24,31,11,940	2,431.12
Ordinary Equity Shares issued during the year	-	-	-	-
Ordinary Equity Shares Bought Back during the year (Refer to Note No. 29.2)	11,65,652	11.66	-	-
Ordinary Equity Shares outstanding at the end of the year	24,19,46,288	2,419.46	24,31,11,940	2,431.12

b) Terms/rights attached to ordinary Equity Shares

The Company has only one class of Equity Shares having a par value of ₹1/- per share. Each holder of Equity Shares is entitled to vote per share. The Company declares and pays Dividend 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 March 31, 2013, the amount of per share Dividend recognized as distributions to Equity Shareholders was ₹0.80 per share (P.Y. ₹0.30 per share)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

c) Details of Shareholders holding more than 5% Shares in the Company

Sl. No	Particulars	As at March 31, 2013		As at March 31, 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Anil Kumar Mittal	1,84,90,648	7.64%	1,84,90,648	7.61%
2	Anoop Kumar Gupta	1,88,96,876	7.81%	1,88,96,876	7.77%
3	Arun Kumar Gupta	1,91,58,500	7.92%	1,91,58,500	7.88%
4	Radha Raj Ispat Private Limited	2,75,21,150	11.38%	2,75,21,150	11.32%
5	Reliance Commodities DMCC	2,29,00,000	9.47%	2,29,00,000	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 STATEMENT

3. RESERVES AND SURPLUS

Reserves and Surplus consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Redemption Reserve		
Transfer from General Reserve on Buy-back of Equity Shares (Refer to Note No. 29.2)	11.66	-
Closing Balance (A)	11.66	-
Securities Premium Reserve		
Balance as per the last Financial Statements	11,475.90	11,475.90
Add: Received during the year	-	-
Less: Buy-back of Equity Shares (Refer to Note No. 29.2)	273.61	-
Less: Transferred to Capital Redemption Reserve on Buy back of Equity of Shares (Refer to Note No. 29.2)	11.66	-
Closing Balance (B)	11,190.63	11,475.90
General Reserve		
Balance as per the last Financial Statements	6,946.20	5,946.20
Add: Transferred from Profit & Loss Account Appropriation A/c	2,100.00	1,000.00
Closing Balance (C)	9,046.20	6,946.20
Surplus/ (Deficit)		
Balance as per the last Financial Statements	46,099.05	40,832.13
Add: Profit for the year as per the Statement of Profit and Loss	15,045.92	7,114.57
Less: Appropriations		
Proposed Dividend [(Amount per share ₹0.80/- (Previous Year ₹0.30/-)]	1,905.29	729.34
Tax on Proposed Dividend	-	118.32
Transfer to General Reserve	2,100.00	1,000.00
Total Appropriations	4,005.29	1,847.65
Closing Balance (D)	57,139.68	46,099.05
Total Reserves & Surplus (A+B+C+D)	77,388.17	64,521.15

4. LONG-TERM BORROWINGS

Long-Term Borrowings consist of the following:

(₹ in Lacs)

Particulars	Non Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Secured				
Term Loans- From Banks				
- State Bank of India (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Oct., 12)	5,162.43	6,570.38	1,877.25	938.63
- HSBC (Mauritius) Limited (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Dec., 11)	2,115.00	3,525.00	1,410.00	1,410.00
- HDFC Bank Limited # (Repayable in 20 quarterly installments from Jun., 10)	60.00	120.00	60.00	60.00
- YES Bank Limited# (Repayable in 04 quarterly installments from Sept., 11)	-	-	-	3,072.22
- Corporation Bank Limited # (Repayable in 28 quarterly installments from Nov., 09)	214.29	300.00	85.71	85.71
- Corporation Bank Limited # (Repayable in 10 quarterly installments from Apr., 13)	60.00	40.00	16.00	-
- Corporation Bank Limited # (Repayable in 10 quarterly installments from Apr., 13)	133.00	84.00	28.00	-
- State Bank of Bikaner & Jaipur# (Repayable in 12 quarterly installments from Jun., 10)	-	-	-	695.00
	7,744.72	10,639.38	3,476.96	6,261.56
Less: Shown under Other Current Liabilities (Refer to Note No.9)	-	-	3,476.96	6,261.56
Total	7,744.72	10,639.38	-	-

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 FINANCIAL STATEMENT

5. DEFERRED TAX LIABILITIES (NET)

Major components of Deferred Tax Liabilities consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liabilities		
Related to Fixed Assets	1,656.74	1,668.59
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	60.25	46.92
Net Provision for Deferred Tax Liability	1,596.49	1,621.67

6. LONG-TERM PROVISIONS

Long-Term Provisions consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Provisions for Employee benefits		
Leave Encashment Payable	116.75	93.05
Total	116.75	93.05

7. SHORT-TERM BORROWINGS

Short-Term Borrowings consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured ##		
Loans Repayable on Demand		
From Banks	73,727.99	74,681.94
From Other Parties	-	-
Unsecured		
Loans repayable on demand		
From Banks	2,084.32	2,213.17
From Other Parties	-	-
Advance from related party	14.36	14.67
Total	75,826.67	76,909.78

Working capital facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, 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

Trade Payables consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Micro & Small Enterprises^^	-	-
Others	7,993.82	12,940.33
Total	7,993.82	12,940.33

^^ 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 March 31, 2013. This information, required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, and 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 STATEMENT

9. OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of long-term debts (Refer Note No. 4)	3,476.96	6,261.56
Interest accrued but not due on borrowings	102.17	455.81
Unpaid Dividends #	35.30	31.21
Advance payments from customers	17,675.93	17,696.18
Other payables		
- Security Received	24.28	55.67
- Statutory Dues Payable	301.47	161.02
- Expenses Payable	650.67	709.95
Total	22,266.78	25,371.40

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

10. SHORT-TERM PROVISIONS

Short-Term Provisions consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Employee benefits		
- Bonus & Incentive Payable	102.28	101.31
- Gratuity Payable	67.61	57.07
- Salary & Wages Payable	236.48	210.41
- Directors Remuneration Payable	13.75	13.96
Others		
- Provision for Income-tax	103.82	256.06
- Provision for Wealth-tax	5.45	3.73
- Provision for Dividend	1,905.29	729.33
- Provision for Tax on Dividend	-	118.32
Total	2,434.68	1,490.19

NOTES FORMING PART OF THE FINANCIAL STATEMENT

11. FIXED ASSETS

Fixed Assets consist of the following:

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At April 1, 2012	Addition during the year	Sale/ deduction during the year	As at March 31, 2013	Up to March 31, 2012	For the Year	Sale/ deduction during the year	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
a. Tangible Assets:-										
Land - Freehold	2,289.36	1,009.11	-	3,298.47	-	-	-	-	3,298.47	2,289.36
Land - Leasehold	330.60	60.67	-	391.27	25.23	17.25	-	42.48	348.79	305.37
Buildings	10,176.78	137.15	4.85	10,309.08	1,225.31	202.57	0.15	1,427.73	8,881.35	8,951.47
Plant & Machinery	47,067.22	5,950.55	53.89	52,963.88	18,981.68	4,563.69	1.10	23,544.27	29,419.61	28,085.54
Vehicle and Trolley	1,686.67	381.21	88.83	1,979.05	653.33	187.46	59.61	781.18	1,197.87	1,033.34
Furniture & Fixture	1,071.43	16.54	-	1,087.97	513.12	65.91	-	579.03	508.94	558.31
Total	62,622.06	7,555.23	147.57	70,029.72	21,398.67	5,036.88	60.86	26,374.69	43,655.03	41,223.39
b. Intangible Assets:-										
Patent, Trade mark & Design	22.37	-	-	22.37	5.30	2.23	-	7.53	14.84	17.07
Computer Software Development Charges	158.27	9.14	-	167.41	34.10	16.28	-	50.38	117.03	124.17
Total	180.64	9.14	-	189.78	39.40	18.51	-	57.91	131.87	141.24
Total a & b	62,802.70	7,564.37	147.57	70,219.50	21,438.07	5,055.39	60.86	26,432.60	43,786.90	41,364.63
Previous Year	55,158.41	7,820.62	176.33	62,802.70	17,109.45	4,450.67	122.04	21,438.07	41,364.63	38,048.96
c Capital Work-in Progress										
Building	53.20	251.85	-	305.05	-	-	-	-	305.05	53.20
Plant & Machinery	730.55	476.19	-	1,206.74	-	-	-	-	1,206.74	730.55
Total	783.75	728.04	-	1,511.79	-	-	-	-	1,511.79	783.75

Notes:

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



NOTES FORMING PART OF THE FINANCIAL STATEMENT

12. NON-CURRENT INVESTMENTS

Non-Current Investments consist of the following:

TRADE - Unquoted - At Cost	Face Value	No. of Shares / Units		Amount (In ₹Lacs)	
		As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Equity Instruments - Fully paid up					
Wholly Owned Subsidiaries					
KRBL DMCC, Dubai (Face Value in AED each)	1,000	1,800	1,800	217.27	217.27
Partially owned Subsidiaries					
K. B. Exports Private Limited [Extent of Holding 70% (P.Y. 70%)]	10	2,10,00,000	2,10,00,000	210.00	210.00
Total				427.27	427.27
Quoted Investments				-	-
Unquoted Investments				427.27	427.27
Total				427.27	427.27

13. LONG-TERM LOANS AND ADVANCES

Long-Term Loans and Advances consist of the following:

(₹ in Lacs)

Particulars	Non-Current	
	As at March 31, 2013	As at March 31, 2012
Unsecured - Considered Good		
Capital Advances	364.88	514.88
Security Deposit	1,325.22	1,350.27
Others Loans and Advance	967.75	978.25
Total	2,657.85	2,843.40

14. OTHER NON-CURRENT ASSETS

Other Non-Current Assets consist of the following:

(₹ in Lacs)

Particulars	Non-Current	
	As at March 31, 2013	As at March 31, 2012
Unsecured - Considered Good		
FDR With Banks (Deposits with banks with Original Maturity of More than 12 months)	121.83	70.66
Total	121.83	70.66

NOTES FORMING PART OF THE FINANCIAL STATEMENT

15. CURRENT INVESTMENTS

Current Investments consist of the following:

NON -TRADE - At Cost or Market Price/NAV whichever is lower	Face Value	No. of Shares / Units		Amount (In ₹Lacs)	
		As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Mutual Fund Instruments - Fully paid up- Unquoted					
SBI Infrastructure Fund-I	10.00	2,50,000	2,50,000	18.19	19.53
SBI One India Fund	10.00	-	1,00,000	-	10.00
SBI Magnum Equity Fund	10.00	9,86,948	-	9.87	-
Total (A)				28.06	29.53
Equity Instruments - Fully paid up-Quoted					
NHPC limited	10.00	8,82,712	8,82,712	175.22	173.89
Coal India Limited	10.00	76,437	76,437	187.27	187.27
Power Grid Corporation of India Limited	10.00	1,07,667	1,07,667	96.90	96.90
Shipping Corporation of India Limited	10.00	2,42,265	2,42,265	97.51	150.33
MOIL Limited	10.00	18,923	18,923	42.19	47.35
Total (B)				599.09	655.74
Total (A+B)				627.15	685.27
Quoted Investments				599.09	655.74
Unquoted Investments				28.06	29.53
Total				627.15	685.27
Market Value of Quoted Investment				665.10	750.88

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

Inventories consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw Materials		
- In Stock	37,788.32	44,291.81
- In Transit	-	210.82
Finished goods		
- In Stock	81,554.78	70,099.84
- In Transit	901.34	3,881.70
Stores, Spares, Fuel & Packing Material		
- In Stock	5,784.62	5,288.07
Total	1,26,029.06	1,23,772.24

17. TRADE RECEIVABLES

Trade Receivables consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	230.33	579.45
Unsecured, Considered Doubtful	-	-
Total (A)	230.33	579.45
Others		
Secured, Considered Good	3,038.21	7,654.57
Unsecured, Considered Good	16,232.35	14,682.61
Total (B)	19,270.56	22,337.18
Total (A+B)	19,500.89	22,916.63

Debt due from Directors /Firm in which the Directors are interested ₹1,870 Lacs (P.Y. ₹1,163 lacs)

NOTES FORMING PART OF THE FINANCIAL STATEMENT

18. CASH & BANK BALANCES

Cash & Bank Balances consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash & Cash Equivalents		
Balance with banks:		
- In Current Accounts	892.30	128.54
- In Deposit with original maturity of less than 3 months	-	-
- In Unpaid Dividend Account	35.30	31.21
Cash in Hand	133.58	153.96
Other Bank Balances		
- Deposits with original maturity of more than 12 months but within 12 months from the Balance Sheet date	-	-
- Deposits with original maturity of more than 3 months but less than 12 months	220.15	1,300.45
Total	1,281.33	1,614.16

19. SHORT-TERM LOANS & ADVANCES

Short-Term Loans & Advances consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Statutory dues recoverable	755.49	621.01
Prepaid Expenses	284.41	236.55
Advances to Supplier	231.63	93.45
Others	143.19	8.03
Total	1,414.72	959.04

20. OTHER CURRENT ASSETS

Other Current Assets consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Foreign Exchange Gain/(Loss) on Forward Contracts	225.25	10.46
Insurance Claim Recoverable	67.07	6.98
Income Receivable	101.72	494.21
Subsidy Receivable	30.96	73.66
Total	425.00	585.31

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

Revenue from Operations consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Sale of Products		
Rice-Export	93,857.74	85,680.91
Rice-Domestic	1,01,664.07	67,937.50
Electricity Generation (Including CERs Sale)	3,119.56	2,914.70
Bran Oil - Domestic	3,112.93	2,004.04
Furfural - Domestic	236.85	128.68
Rice Bran - Domestic	1,518.72	1,314.01
Doil Cakes - Domestic	1,975.65	978.08
Glucose - Domestic	134.02	138.58
Sale of Traded Products		
Cotton Sale - Export	-	-
Cotton Sale - Domestic	-	333.84
Seed - Domestic	1,162.56	926.09
By Products, Scrap & Others	1,278.04	755.44
Other Operating Revenues	-	-
Gross Revenue From Operations	2,08,060.14	1,63,111.87
Less: Excise Duty	26.05	12.01
Net Revenue From Operations	2,08,034.09	1,63,099.86

NOTES FORMING PART OF THE FINANCIAL STATEMENT

22. OTHER INCOME

Other Income consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Warehouse Income	94.90	94.57
Gain/(Loss) on Sale/Revaluation of Securities	(49.96)	(172.13)
Interest Income	497.74	187.34
Dividend Income	19.95	22.36
Dividend from Subsidiary Company	2,400.77	362.13
Other Non-Operating Income	8.40	27.02
Total	2,971.80	521.29

23. COST OF MATERIAL CONSUMED

Cost of Material Consumed consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Paddy	1,03,725.79	90,341.47
Rice	52,859.07	37,013.47
Others	9,702.82	7,438.33
Total	1,66,287.68	1,34,793.27

24. PURCHASE OF TRADED GOODS

Purchase of Traded Goods consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Seeds	1,122.14	579.64
Total	1,122.14	579.64

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

Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Stocks at the beginning of the year		
- Rice	73,100.13	60,087.05
- Seeds	273.88	257.51
- Others	595.21	780.76
Total (A)	73,969.22	61,125.32
Less: Stocks at the end of the year		
- Rice	81,038.28	73,100.12
- Seeds	632.96	273.88
- Others	781.93	595.22
Total (B)	82,453.17	73,969.22
Total (A-B)	(8,483.95)	(12,843.90)

NOTES FORMING PART OF THE FINANCIAL STATEMENT

26. EMPLOYEE BENEFITS EXPENSE

Employee Benefits Expense consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
(Refer Note No. 1.10 on Employee Benefits)		
Salaries, Wages, Bonus & Gratuity	3,922.99	3,355.42
Contribution to EPF and Other Funds	177.53	159.99
Total	4,100.52	3,515.41

27. FINANCE COSTS

Finance Costs consist of the following

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Interest Expenses		
- On Term Loans	980.15	1,128.40
- On Others	6,557.96	5,921.74
Total (A)	7,538.11	7,050.14
Bank Charges	172.76	138.78
Total (B)	172.76	138.78
Total Finance Cost (A + B)	7,710.87	7,188.92

28. OTHER EXPENSES

Other Expenses consist of the following

(₹ in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Consumption of Stores and Spares	487.94	564.59
Repairs and Maintenance		
- Machinery	1,068.62	701.65
- Buildings	131.14	107.99
- Vehicle	104.95	88.03
- Others	71.55	52.39
Warehouse and Godown Rent	297.50	238.85
Power and Fuel	797.44	687.75
Fumigation Charges	251.65	165.21
Freight and Cartage	956.30	793.84
Rice Sorting and Paddy Milling Job Work Charges	39.86	61.77
Insurance Charges	109.45	153.70
Travelling and Conveyance	291.18	248.78
Legal and Professional Charges	199.72	181.24
Charity and Donations	4.79	8.67
(Profit)/Loss on Sale of Fixed Assets	(7.55)	(16.17)
Postage, Telegram and Telephones	72.85	73.62
Payment to Auditors		
- For Audit	13.48	8.99
- For Tax Audit	3.34	2.81
- For Taxation & Certification Work	1.72	1.69
Printing and Stationery	21.63	40.99
Fees, Rates and Taxes	118.40	85.60
Advertisement Expenses	1,311.15	1,225.39
Sales and Business Promotion Expenses	52.40	276.30
Clearing and Forwarding Charges	985.83	823.43
Freight on Sales	4,320.62	4,089.51
Commission and Brokerage Expenses	393.12	231.21
Taxes on Sales	723.37	946.79
Meeting and Seminar Expenses	200.89	8.41
Schemes, Incentives and Discounts on Sales	2,178.30	1,961.11
Testing & Inspection Charges	58.70	49.62
Other Miscellaneous Expenses	249.57	172.19
Total	15,509.93	14,035.94

NOTES FORMING PART OF THE FINANCIAL STATEMENT

29. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29.1 Contingent liabilities not provided for in respect of:

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
(i) Claims against the Company not acknowledged as debts		
(a) Liability relating to Bank Guarantee	133.90	166.00
(b) Liability relating to Bills Discounted with Scheduled Banks	-	-
- Liability relating to Bills Discounted with Scheduled Banks as on date ₹Nil (P.Y. Nil)		
(c) Disputed liability in respect of Income Tax Demand in appeal	26.25	23.32
-Amount paid against disputed Income Tax appeal as ₹17.93 Lacs(P.Y. ₹5.75 Lacs)		
(d) Disputed liability relating to Sale Tax	23.75	32.70
-Amount paid against disputed Sale Tax appeal as ₹20.00 Lacs(P.Y. ₹28.95 Lacs)		
(e) Disputed liability relating to ESI (Malerkotla, Punjab)	-	6.12
(f) Disputed liability relating to Market Fees (Fazilka, Punjab)	15.09	15.09
-Amount paid against disputed Market Fees is ₹1.37 lacs		
(g) Others	50.08	28.25
Total	225.32	271.48

29.2 Brief Information on Shares Bought Back during the Year:

Pursuant to the resolution passed by the Board of Directors of the Company and in accordance with the provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, the Company made a Public Announcement on February 14, 2013, to Buy-back the Equity Shares of Face Value of ₹1/- each of the Company from open market through Stock Exchange route at a price not exceeding ₹35/- per share, aggregating to ₹35 Crores.

The Company has bought Back 12,00,652 Equity Shares as at March 31, 2013 at an average price of ₹24.38 per share, utilising a sum of ₹293.32 Lacs. The amount paid towards Buy-back of Shares, in excess of the face value, has been utilised out of Free Reserve.

In terms of the Provisions of Section 77A of the Companies Act, 1956 and SEBI (Buy-back of Securities) Regulations 1998, as at March 31, 2013 the Company has extinguished 11,65,652 Shares and the remaining 35,000 Shares has been extinguished on April 1, 2013 Consequently, the Paid-up Equity Share Capital of the Company has been reduced and the Company has created Capital Redemption Reserve of ₹11.65 Lacs towards face value of 11,65,652 Equity Shares of ₹1 each by utilising Free Reserve. The balance amount paid on Buy-back of Equity Shares which are yet to be extinguished as on March 31, 2013 has been shown by way of deduction from the Shareholder's Fund.

29.3 Details of movement in Provisions in accordance with Accounting Standard AS - 29

(₹ in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Income Tax		
Provisions as on April 1, 2012	256.05	277.58
Addition made during the Year	5,450.00	1,878.12
Adjustment/Reverse/Paid	5,602.23	1,899.65
Provisions as at March 31, 2013	103.82	256.05
Wealth Tax		
Provisions as on April 1, 2012	3.73	1.83
Addition made during the Year	5.45	3.73
Adjustment/Reverse/Paid	3.73	1.83
Provisions as at March 31, 2013	5.45	3.73

29.4 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENT

29.5 Value of raw materials, including packaging materials, spare parts and components consumed during the year

(₹ in Lacs)

Particulars	PERCENTAGE		VALUE (₹ in Lacs)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Raw Material				
Imported	-	-	-	-
Indigenous	100%	100%	1,56,584.87	1,27,354.94
Spare Parts, Components & Packing Materials				
Imported	0.17%	1.5%	16.13	110.40
Indigenous	99.83%	98.5%	9,445.64	7,478.02

29.6 A sum of ₹64.69 Lacs (P.Y. ₹29.94 Lacs) has been received from DMI through NABARD towards construction of rural godown and a sum of ₹30.95 Lacs (P.Y. ₹73.66 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.

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

(₹ in Lacs)

Particulars	March 31, 2013	March 31, 2012
Components and Spare Parts	16.13	110.40
Capital Goods Purchased	310.06	287.78

29.8 Earnings in Foreign Exchange on Mercantile basis

29.9 F.O.B. value of exports

29.10 Expenditure in Foreign Currency on Mercantile basis

Foreign Travel & Other (Total)	0.11	25.58
- By Directors ₹Nil (P.Y. ₹20.29 Lacs)		
Ocean Freight	1,787.34	1,760.11
Legal, Professional & Other charges	46.41	39.12
Salary	-	13.61
Selling & Distribution Expenses	6.81	255.54
Others	67.46	-

29.11 Managerial Remuneration to Executive Directors

- On account of Salary	265.68	231.98
- On Account of Perquisite	725.82	120.17

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

29.13 Unclaimed Dividend pending on account of non presentation of cheques has been deposited in separate accounts with Scheduled Bank

29.14 Remittance in Foreign Currency on account of Dividends

(a) No. of Non-Resident Shareholders	5	5
(b) No. of Equity Shares held by them	39,000,000	39,000,000
(c) Amount of Dividend paid (In ₹Lacs)	117.00	117.00
(d) Year to which the Dividend relates	2011-12	2010-11

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

NOTES FORMING PART OF THE FINANCIAL STATEMENT

29.16 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 Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
1) Revenue Expenditure charged to Profit & Loss Account		
i) Salary and other Benefits	205.81	192.98
ii) Others	52.56	54.22
Total	258.37	247.20
2) Capital expenditure shown under Fixed assets schedule	-	-
Grand Total	258.37	247.20

29.17 Intangible Assets

In accordance with Accounting Standard AS - 26 on 'Intangible Assets', a sum of ₹9.14 Lacs (P.Y. ₹1.41 Lacs) have been capitalized on account of computer software development charge.

28.18 Corporate Dividend Tax

In view of the amended provision of Section 115-O(1A)(i) of the Income Tax Act, 1961, no provision of Corporate Dividend Tax has been made in the books of accounts as the Company has set-off declared Foreign Dividend from its Subsidiary Company against declared Dividend.

29.19 Earnings Per Share (EPS)

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

Particulars	March 31, 2013	March 31, 2012
Profit After Tax (₹ in Lacs)	15,045.92	7,114.57
Weighted average number of Equity Shares for Basic & Dilutive	241,946,288	243,111,940
Nominal value per Equity Share (₹)	1.00	1.00
Earnings Per Share (Basic & Dilutive)	6.22	2.93

29.20 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 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	84.00	-
- Later than one year but not later than five years	-	82.35
- Later than five years	65.45	68.00

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

	93.35	90.85
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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 STATEMENT

29.21 Segment Disclosure Accounting Standard AS - 17 for the year ended March 31, 2013. Figures in Brackets are in respect of previous year ended March 31, 2012.

(₹ in Lacs)

Particulars	Agri	Energy	Others	Unallocable	Total
Segment operating Revenue					
External	2,04,915.48	7,717.00			2,12,632.48
	(1,60,185.00)	(7,634.00)			(1,67,819.00)
Less: Inter-Segment		4,598.00			4,598.00
		(4,719.00)			(4,719.00)
Segment Result					
Profit / (Loss) before Tax and Interest	27,786.48	670.00			28,456.48
	(16,025.00)	(725.00)			(16,750.00)
Less : Interest				7,711.00	7,711.00
				(7,189.00)	(7,189.00)
Other Unallocable expenditure net of unallocable income				266.00	266.00
				(224.00)	(224.00)
Profit before Taxation					20,479.48
					(9,336.92)
Provision for Taxation - Current				5,450.00	5,450.00
				(1,878.12)	(1,878.12)
Tax Relating to Earlier Years				8.75	8.75
				(35.18)	(35.18)
Deferred Tax				25.19	25.19
				(3,09.05)	(309.05)
Profit after Taxation					15,045.92
					(7,114.57)
Other Information					
Segment Assets	1,77,339.95	20,443.84			1,97,783.79
	(1,77,228.79)	(18,793.58)			(1,96,022.37)
Segment Liabilities	1,17,954.38	25.53			1,17,979.91
	(1,29,061.13)	(4.67)			(1,29,065.80)

Geographical Segment (Based on Location of customers)	March 31, 2013	March 31, 2012
Segment Assets		
- Middle East	3,951.00	11,818.89
- Other Than Middle East	2,094.00	3,102.70
- India	1,91,738.79	181,100.78
Total	1,97,783.79	1,96,022.37
Segment Revenue		
- Middle East	68,445.95	63,439.89
- Other Than Middle East	25,411.80	22,241.11
- India	1,14,176.34	77,418.86
Total	2,08,034.09	1,63,099.86

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

29.22 Related Party Disclosures Accounting Standard AS-18:

A) Related parties and their relationship:

- 1) **Subsidiary Company** : KRBL DMCC
: K. B. EXPORTS PVT. LTD.

- 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
 - Ms. Priyanka Mittal : Whole Time Director
 - Mr. Ashok Chand : Whole Time Director
 - Dr. Narpinder Kumar Gupta : Non Executive & Independent Director
 - 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 is 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
 - Ms. 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 Pvt. Ltd. : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
 - Radha Raj Ispat Pvt. Ltd. : 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 Pvt. Ltd. : Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta, Mr. Anoop K. Gupta & Mr. Ashwani Dua are Directors

NOTES FORMING PART OF THE FINANCIAL STATEMENT

KRBL Infrastructure Ltd	:	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Aakash Hospitality Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Holistic Farms Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj IT City & Parks Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj Logistics Pvt. Ltd.	:	Private Limited Company in which Mr. Anoop K. Gupta & Mr. Ashwani Dua are Directors
KRBL Foods Ltd.	:	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Adwet Warehousing Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Padmahasta Warehousing Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
K. B. Foods Pvt. Ltd.	:	Private Limited Company in which Mr. Akshay Gupta and Mr. Ayush 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	
	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2013	Year Ended March 31, 2012
	Purchase of goods/fixed assets	196.81	262.40	-	-	-	-	196.81
Sale of goods/fixed assets	6,707.43	3,427.18	-	-	-	-	6,707.43	3427.18
Service received	-	-	14.42	1.59	-	-	14.42	1.59
Rent Paid by the Company	9.35	8.50	98.85	130.95	-	-	108.20	139.45
Dividend Paid	82.56	82.56	331.58	331.29	-	-	414.14	413.85
Dividend Received	-	-	-	-	2400.78	362.13	2,400.78	362.13
Remuneration Given	-	-	991.50	352.15	-	-	991.50	352.15
Equity Participation	-	-	-	-	-	-	-	-

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

Receivable on account of goods sale	1995.29	1,163.00	-	-	-	-	1,995.29	1,163.00
Advance Payable	-	-	-	-	14.36	14.68	14.36	14.68
Receivable on account of Security deposit	971.00	971.00	-	-	-	-	971.00	971.00

- Notes:
- (1) Amount written off or written back in respect of debts due from or to related parties is 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 March 31, 2013 ₹Nil (P.Y. ₹Nil). Maximum outstanding balance during the year ₹Nil (P.Y. ₹Nil) as interest free loan

29.23 Employee Benefits Accounting Standard - AS 15 (Revised)

- The Company has determined the liability for Employee benefits as at March 31, 2013 in accordance with revised Accounting Standard 15 issued by ICAI - Employee defined benefits.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

b) Following information are based on report of Actuary.

Defined benefit plans as at March 31, 2013	Year Ended March 31, 2013 Gratuity (Funded)	Year Ended March 31, 2012 Gratuity (Funded)
A Components of Employee Benefit		
1 Current Service Cost	39.28	35.84
2 Interest cost	17.96	14.48
3 Expected return on plan assets	(12.89)	(9.71)
4 Net Actuarial (gain) / loss recognised during the year	23.26	16.47
5 Total expense recognised in the Statement of Profit & Loss A/c	67.61	57.07
B Actual return on plan assets		
1 Expected return on plan assets	12.89	9.71
2 Actuarial gain / (loss) on plan assets	6.65	(3.80)
3 Actual return on plan assets	19.54	5.92
C Reconciliation of obligation and fair value of assets		
1 Present value of the obligation	(289.40)	211.26
2 Fair value of plan assets	219.24	151.64
3 Funded status [surplus / (deficit)]	(70.16)	(59.62)
D Change in present value of the obligation during the year ended March 31, 2013		
1 Present value of obligation as at April 1, 2012	211.26	175.46
2 Current Service Cost	39.28	35.84
3 Interest cost	17.96	14.48
4 Benefits paid	(9.02)	(27.18)
5 Actuarial (gain) / loss on plan assets	29.92	12.67
6 Present value of obligation as at March 31, 2013	289.40	211.26
E Change in Assets during the year ended March 31, 2013		
1 Fair value of plan assets as at April 1, 2012	151.64	117.71
2 Expected return on plan assets	12.89	9.71
3 Contribution made	57.07	55.20
4 Benefits paid	(9.02)	(27.18)
5 Actuarial gain / (loss) on plan assets	6.65	(3.80)
6 Fair value of plan assets as at March 31, 2013	219.23	151.64
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%	8.50%
2 Expected rate of return on plan assets	8.50%	8.50%
3 Mortality	Indian Assured Lives Mortality (2006-2008) Ultimate	LIC 1994-96 (Ultimate)
4 Salary escalation	5.00%	5.00%

c) Gratuity is administered by an approved gratuity fund trust

d) Amount recognised as an expense in respect of defined benefits plan as under:

1 Contribution to Gratuity Fund	67.60	57.07
2 Gratuity paid directly	-	-
Total	67.60	57.07

29.24 As required under Accounting Standard AS-11 the Company has Outstanding Forward contracts as on March 31, 2013 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts is ₹225.24. Lacs (P.Y. ₹7.49 Lacs) , which has been accounted for accordingly in the books of accounts.



NOTES FORMING PART OF THE FINANCIAL STATEMENT

Derivative Instruments

- (a) Outstanding forward exchange contracts as at March 31, 2013 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)	₹27,517.11 Lacs (P.Y. ₹14,244.00 Lacs)

- (b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at March 31, 2013 are as under:

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

Apart from above Company has foreign currency Liability (PCFC/Advances received from customers/ECB) of ₹29,807.00 Lacs (P.Y. ₹43,704.00 Lacs) at the year end and as per Accounting Standard AS-11 the effect of change in foreign exchange as on March 31, 2013 amounting to ₹776.17 Lacs {P.Y ₹(2,564.28 Lacs)} has been taken to Profit & Loss Account.

29.25 The Company has reclassified and regrouped previous year figure wherever considered necessary.

29.26 The Consolidated Financial Statements of the Company and its Subsidiary, are enclosed separately in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements"

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
DIN-00030160

Sd/-

Raman Sapra
Company Secretary
M. No. 29044

for **KRBL Limited**
On behalf of the Board,

Sd/-

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Sd/-

Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

Place : New Delhi
Date : May 29, 2013

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

Name of the Subsidiary Company Financial Year of the Subsidiary Company ended on	KRBL DMCC March 31, 2013	K B Exports Pvt. Ltd. March 31, 2013
Number of Shares in the Subsidiary Company held by KRBL Ltd. at the above date	1800	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 March 31, 2013	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 March 31, 2013	341.28	NIL
(b) for previous Financial Years of the Subsidiary since it became Subsidiary of KRBL Limited	552.12	NIL
Changes in the interest of KRBL Limited between the end of the Subsidiary's Financial Year and March 31, 2013		
Number of Shares acquired	NIL	NIL
Material Changes between the end of the Subsidiary's Financial Year and March 31, 2013		
(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

Annexure to our Report of Date

for **Vinod Kumar Bindal & Co.**
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor

Place : New Delhi
Date : May 29, 2013

Firm No- 003820N, M. No. 80668

Sd/-
Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Sd/-
Raman Sapra
Company Secretary
M. No. 29044

for **KRBL Limited**
On behalf of the Board,

Sd/-
Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Sd/-
Rakesh Mehrotra
Chief Financial Officer
M. No. 84366

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the members of KRBL Limited will be held on Monday, September 23, 2013 at 11.00 A.M. at FICCI Auditorium, Tansen Marg, New Delhi-110001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend for the financial year ended March 31, 2013.
3. To appoint a Director in place of Mr. Shyam Arora, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Narpinder Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration by passing with or without modification(s) the following resolution, as an Ordinary Resolution:

“RESOLVED THAT M/s. Vinod Kumar Bindal & Co., Chartered Accountant, having Firm Registration No. 003820N, the retiring Auditors of the company, be and are hereby reappointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration as may be decided by the Directors of the company in consultation with the Statutory Auditors.”

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 302, 309, Schedule XIII and any other applicable provisions if any, of the Companies Act, 1956 and in accordance with the Articles of the Association of the Company, the consent of the members be and is hereby accorded for re-appointment of Ms. Priyanka Mittal as Whole Time Director of the Company for a period of five years with effect from April 1, 2013 at a gross monthly remuneration not exceeding ₹3,00,000 (Rupees Three Lacs only) whether paid as salary, allowance(s), perquisites or a combination thereof provided that the following perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Rent Free Accommodation;
- c. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- d. Encashment of leave as per the policy of the company; and
- e. Medical reimbursement as per actual.

Provided further that payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred in the course of official duties will not be included in the aforesaid remuneration.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year during the tenure of the Whole Time Director, the remuneration payable to the Whole Time Director shall not exceed the maximum limits prescribed under Section I of Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.”

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 302, 309, Schedule XIII and any other applicable provisions if any, of the Companies Act, 1956 and in accordance with the Articles of the Association of the Company, approval of members as granted in their remuneration committee meeting held on May 29, 2013 and consent of the Board of Directors as accorded in their board meeting held on May 29, 2013, approval of members now be and is hereby accorded to increase the remuneration of Mr. Arun Kumar Gupta by revising the existing remuneration structure.

RESOLVED FURTHER THAT the Remuneration Structure of Mr. Arun Kumar Gupta with effect from April 1, 2013 would be as follows:-

Salary : Not Exceeding ₹1,00,00,000/- Per Annum.

Perquisites : Presently Mr. Arun Kumar Gupta is entitled to the following perquisites:

- Contribution to the Provident Fund, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- Gratuity payable at a rate not exceeding half month's salary for each completed year of service;
- Encashment of Leave as per the policy of the Company;
- Telephone facility at residence;
- The Company shall provide and maintain Chaffeur driven Car for official use of the Managing Director;
- The Company shall reimburse club membership fees for maximum for two clubs and all reasonable expenses incurred for business use;

In addition to the above Salary and Perquisites Mr. Arun Kumar Gupta is entitled to the Rent Free Accommodation to the extent of ₹4,00,000/- (Rupees Four Lacs Only) per month with effect from April 1, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration within the ceiling as provided in Section 302, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and to do all such acts, deeds, things and matters as may be necessary to give effect to the aforesaid resolution."

By Order of the Board
For KRBL Limited

Gautam Budh Nagar, U.P.
August 13, 2013

Raman Sapra
Company Secretary
M. No. 29044

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the ensuing Annual General Meeting.
- In terms of Article 90 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Shyam Arora and Dr. Narpinder Kumar Gupta, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointment.
- Brief resume of Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, Shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are annexed hereto.
- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, which sets out details relating to Special Business to be transacted at the meeting is Annexed hereto.
- Relevant documents including annual accounts referred to in the accompanying notice are open for inspection by the members at the Corporate Office of the Company, 9th Mile Stone, Post Dujana, Bulandshahr Road, Dist. Gautambudh Nagar-203207, U.P. on all working days, except Sunday and Holidays between 11.00 A.M. to 01.00 P.M. till the date of Annual General Meeting.
- Members desiring of any information as regards to the Accounts are requested to write on to the Registered Office of the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready at the Annual General Meeting.
- the Company has already notified closure of Register of Members and Share Transfer Books from September 10, 2013 to September 23, 2013 (both the days inclusive) for determining the names of members eligible for Dividend on Equity Shares, if declared at the Annual General Meeting;
 - The Dividend on Equity Shares, if declared at the Meeting, will be paid on or after September 30, 2013 to those members whose names shall appear on the Company's Register of Members on September 10, 2013, in respect of the Shares held in dematerialized form, the Dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.



9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in address immediately to the Company/ Registrar and Shares Transfer Agents, M/s. Alankit Assignments Limited.
10. Shareholders holding shares in physical form are requested to advise about any changes of Address/Bank Account Number to the Company or its Registrar.
11. In order to avail the numerous advantages of NECS facilities members are requested to provide/update NECS mandates with respective Depository Participants/Registrar.
12. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend upto the financial year 2004-05, to the Investor Education and Protection Fund (IEPF) established by the Government.

Hereunder are the details of Dividend paid by the Company and their respective due dates of transfer of unpaid or unclaimed dividend to the designated fund of the Central Government:

Date of Declaration of Dividend	Dividend for the year	Due Date of transfer to IEPF
September 28, 2006	2005-06	November 4, 2013
September 27, 2007	2006-07	November 3, 2014
September 29, 2008	2007-08	November 5, 2015
September 29, 2009	2008-09	November 5, 2016
January 28, 2010	2009-10 (Interim)	March 6, 2017
September 21, 2010	2009-10 (Final)	October 28, 2017
September 27, 2011	2010-11	November 3, 2018
September 25, 2012	2011-12	November 1, 2019

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
14. Members are requested to bring their attendance slip along with their copy of annual report in the meeting.
15. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

16. Company's Equity Shares are listed on the following Stock Exchanges:

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

The Company has paid the annual listing fees for the financial year 2013-2014 to the stock exchanges.

The Company has paid custodial fees for the year 2013-2014 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them as on March 31, 2013.

- III. The Global Depository Receipts (GDRs) of the Company were listed at Luxembourg Stock Exchange (Code: US4826571030), at de la Bourse de Luxembourg, 11, av de la Porter – Neuve, L-2227 Luxembourg. The Global Depository Receipts are delisted with effect from July 7, 2010.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required pursuant to Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

1.	Name	:	Mr. Shyam Arora
	Age	:	66 Years
	Qualification	:	M. Tech. in Electronic Instrumentation and Control
	Experience	:	32 years of experience in manufacturing electronic power management system and IT enabled services. Extensive experience in setting up solar/wind power plants under renewable source of energy – working for social benefits of rural India. Provide light to every home in rural areas under the motto “Light Every Home” under corporate social responsibility in association with corporate – financial consultants for projects for financial assistance under ECB.
	Other Directorship	:	None
	No. of Equity Shares Held in the Company	:	Nil
2.	Name	:	Dr. Narpinder Kumar Gupta
	Age	:	67 Years
	Qualification	:	Dr. Engineering, Food Technology
	Experience	:	He is having 40 years of experience in the food processing industry. He is Ph. D. in food technology and engineering from Technical University, Dresden, Germany and is one of the leading consultants in the food processing industry. He was also a research scholar in the department of “Food Engineering & Process Technique” at the technical university, Dresden, Germany. He was awarded the degree of Doctor-Engineer (Ph. D.) by the Technical University, Dresden, Germany in December, 1973 dissertation with the title “Development of Cutting and Packaging Process for Hot Food Products with Elasto-Plastic Properties”. He has attended short course of Indian Advanced Milling sponsored by US Wheat Association in Kansas State University, USA. He visits regularly to different mills and manufacturers in Europe, USA and Asia for upgrading the technology and incorporating in project. Empanelled with NIFTEM Consultancy division (Ministry of Food Processing Industries, Government of India).
	Other Directorship	:	Dr Ing N K Gupta Technical Consultants Private Limited Indopol Food Processing Machinery Private Limited Khapoli Roller Flour Mills Private Limited REI Agro Limited Graintec India Limited REI Six Ten Retail Limited Flormach Technology Private Limited
	No. of Equity Shares Held in the Company	:	29,000

3.	Name	:	Ms. Priyanka Mittal
	Age	:	36 Years
	Qualification	:	BS in Business Management from University of Southern California, Los Angeles; C.A. Chartered Financial Analyst (AIMR) Candidate, Level II
	Experience	:	13 Years of experience in the field of international marketing. Worked with Merrill Lynch private client group, Beverly Hills. Now she heads the entire International Marketing Division. She presides over the marketing and branding strategies of KRBL. She is the company spokesperson to the media (including CNBC, NDTV Profit and ETV) through interviews. Among other credits, Ms. Priyanka gave a presentation at a very young age to the president of Nigeria and key political heads of state from agriculture and industry on Nigeria's potential on rice self sufficiency with the collaboration with KRBL and technical tie up with Buhler. She also represented the Indian rice industry in CII delegation to Malaysia for open market access on agriculture commodities from India. Besides, Ms. Priyanka had also put forward India's interest to Bernas, Malaysia's rice controlling body. Ms. Priyanka individually or via KRBL is nominated as a member of world economic forum, CII, ASSOCHAM, AIREA, FICCI and BETA GAMA SIGMA.
	Other Directorship	:	Radha Raj Ispat Private Limited
	No. of Equity Shares held in the Company	:	2,50,000

By Order of the Board

Gautam Budh Nagar, U.P.
August 13, 2013

Raman Sapra
Company Secretary
M. No. 29044

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

The members of the Company has, vide results of Postal Ballot announced on September 19, 2008, approved the appointment of Ms. Priyanka Mittal as Whole Time Director for a period 5 years (five years) with effect from April 1, 2008. Accordingly the present term of office of Ms. Priyanka Mittal, Whole Time Director of the Company expired on March 31, 2013.

Keeping in view of her involvement in the expansion and diversification program in international market and also the increased responsibilities to meet the challenges of competitions, the Board of Directors has decided to recommend, for approval of shareholders, the re-appointment of Ms. Priyanka Mittal as Whole Time Director for a further period of 5 years (five years) with effect from April 1, 2013 and revision in remuneration as stated in the resolution.

The Remuneration Committee and the Board of Directors of the Company vide their respective resolution passed at their meeting held on May 29, 2013 approved the same.

The Board of Directors recommends the said resolution for your approval.

Except Ms. Priyanka Mittal, Whole Time Director of the Company, who is interested in the proposed resolution to the extent of her remuneration, no other directors are concerned or interested.

ITEM NO. 7

Members of the Company at the Annual General Meeting held on September 29, 2009, approved the reappointment of Mr. Arun Kumar Gupta, Joint Managing Director and revision of his remuneration.

The Board of Directors at its meeting held on May 29, 2013 has recommended in addition to existing remuneration and other perquisites, rent free accommodation to the extent of ₹4,00,000/- (Rupees Four Lacs Only). Earlier rent free accommodation was not included and hence approval of members was not obtained.

Now it is proposed to include rent free accommodation as perquisite.

The Remuneration Committee and the Board of Directors of the Company vide their respective resolution passed at their meeting held on May 29, 2013 approved the same.

The Board of Directors recommends the said resolution for your approval.

Except Mr. Arun Kumar Gupta, Joint Managing Director of the Company, who is interested in the proposed resolution to the extent of his remuneration, no other directors are concerned or interested.





Regd. Office: 5190, Lahori Gate, Delhi - 110 006, India
Fax: +91-11-23968327 | E-mail: investor@krblindia.com
Website: www.krblice.com

PROXY FORM

I/We of in the district of
being a member(s) of the above named Company, hereby appoint
of in the district of or failing him/her
of in the district of as my/
our proxy to attend and vote for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held on Monday, September
23, 2013 at 11.00 A.M. at FICCI Auditorium, Tansen Marg, New Delhi-110001, and at any adjournment thereof.

Folio No. DP ID No. Client ID No.
No. of shares held

Signed this day of 2013.

Signature

Affix ₹1
Revenue
Stamp

- NOTES: 1. This Proxy must be lodged with the Company at its Registered Office at 5190, Lahori Gate, Delhi - 110 006, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance slip/Proxy.



Regd. Office: 5190, Lahori Gate, Delhi - 110 006, India
Fax: +91-11-23968327 | E-mail: investor@krblindia.com
Website: www.krblice.com

ATTENDANCE SLIP

(To be presented at the entrance)

20th Annual General Meeting on Monday, September 23, 2013 at 11.00 A.M.

Folio No. DP ID No. Client ID No.

No. of Shares held Name of the Member Signature

Name of the Proxyholder Signature

1. Only Member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.

Company Highlights

01

India's First Fully Integrated and Scalable Rice Company

02

World's Largest Rice Millers with Capacity of 195 MT Per Hour

03

Strong Brand Presence Both in Domestic and International Markets

04

"India Gate", the Flagship Brand of the Company, is the Topmost Selling Brand in India

05

Achieved All Time High Turnover of ₹2,080 Crores in FY 2012-13

06

Good Realizations – Commands a 14% Premium Over Industry Average in Export Sales



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