



01

Corporate Information

02

Believe : Become  
The journey called life

05

About KRBL

06

Our belief in quality became our brands

08

Chairman's Message

12

Q&A with Joint Managing Director

17

Our Beliefs and what it has made us become

18

Believing in the value chain, becoming an integrated entity

20

Believing in procurement, for becoming marketing oriented

22

Believing in green manufacturing, becoming a large producer of non-conventional power

24

Our belief in people has made us become transformation agents

26

Believing in modern retail, becoming ubiquitous brands

28

Management Discussion and Analysis

44

Directors' Report

55

Report on Corporate Governance

74

Consolidated Financial Statements

102

Standalone Financial Statements

133

K B Exports Financial Statements

144

KRBL DMCC Financial Statements

# Contents

# Corporate Information

## » Key Managerial Persons

### • Board of Directors

#### **Chairman & Managing Director**

Mr. Anil Kumar Mittal

#### **Joint Managing Directors**

Mr. Arun Kumar Gupta

Mr. Anoop Kumar Gupta

#### **Whole Time Directors**

Ms. Priyanka Mittal

Mr. Ashok Chand

#### **Independent Non-Executive Directors**

Mr. Vinod Ahuja

Mr. Shyam Arora

Mr. Ashwani Dua

Dr. Narpinder kumar Gupta

Mr. Devendra Kumar Agarwal

### • Chief Financial Officer

Mr. Rakesh Mehrotra

### • Company Secretary and Compliance Officer

Mr. Raman Sapra

## » Board Committees

### • Audit Committee

Mr. Devendra Kumar Agarwal - Chairman

Mr. Ashwani Dua - Member

Mr. Vinod Ahuja - Member

Dr. Narpinder kumar Gupta - Member

### • Nomination and Remuneration Committee

Mr. Ashwani Dua - Chairman

Mr. Vinod Ahuja - Member

Dr. Narpinder kumar Gupta - Member

### • Stakeholders Relationship Committee

Mr. Ashwani Dua - Chairman

Mr. Vinod Ahuja - Member

Dr. Narpinder kumar Gupta - Member

### • Corporate Social Responsibility Committee

Mr. Ashwani Dua - Chairman

Mr. Anil Kumar Mittal - Member

Mr. Anoop Kumar Gupta - Member

Ms. Priyanka Mittal - Member

## » Statutory Auditors

M/s Vinod Kumar Bindal & Co.

Chartered Accountants

Shiv Shushil Bhawan

D-219, Vivek Vihar, Phase-I,

New Delhi - 110 095

## » Cost Auditors

M/s HMVN & Associates

Cost Accountants

31, Community Centre,

Ashok Vihar, Delhi - 110 052

## » Registrar & Share Transfer Agents

Alankit Assignments Limited

Alankit House, 2E/21,

Jhandewalan Extension,

New Delhi - 110 055

Phone: 011 - 4254 1955/59

## » Registered Office

5190, Lahori Gate,

Delhi - 110 006

Phone: 011 - 2396 8328

Fax: 011 - 2396 8327

E-mail: investor@krblindia.com

Website: www.krblrice.com

CIN No.: L01111DL1993PLC052845

## » Corporate Office

9th Milestone,

Post Dujana, Bulandshahr Road,

Distt. Gautambudh Nagar,

Uttar Pradesh - 203 207

## » Bankers

State Bank of India

The Hongkong & Shanghai Banking Corporation Limited

ICICI Bank Limited

DBS Bank Limited

HDFC Bank Limited

Kotak Mahindra Bank Limited

Karnataka Bank Limited

Corporation Bank

Societe Generale

UCO Bank

Scotia Bank

## » Works

### • Ghaziabad Factory

9th Milestone,

Post Dujana,

Bulandshahr Road,

Distt. Gautambudh Nagar,

Uttar Pradesh - 203 207

### • Dhuri Factory

Village Bhasaur (Dhuri),

Distt. Sangrur,

Punjab - 148 024

### • Alipur Unit 1

29/ 15-29/ 16, Village Jindpur,

G.T. Karnal Road, Alipur,

Delhi - 110 036

### • Alipur Unit 2

Plot 258-260,

Extended Lal Dora, Alipur,

Delhi - 110 036

# Believe : Become

The journey called life

Lao Tzu once stated that when I let go of what I am, I become what I might be. Life indeed is the journey of transformation from belief to becoming. It is a journey of self-actualization, of fulfilling one's innate possibilities. KRBL began this journey over 125 years ago as rice traders, with a set of beliefs.

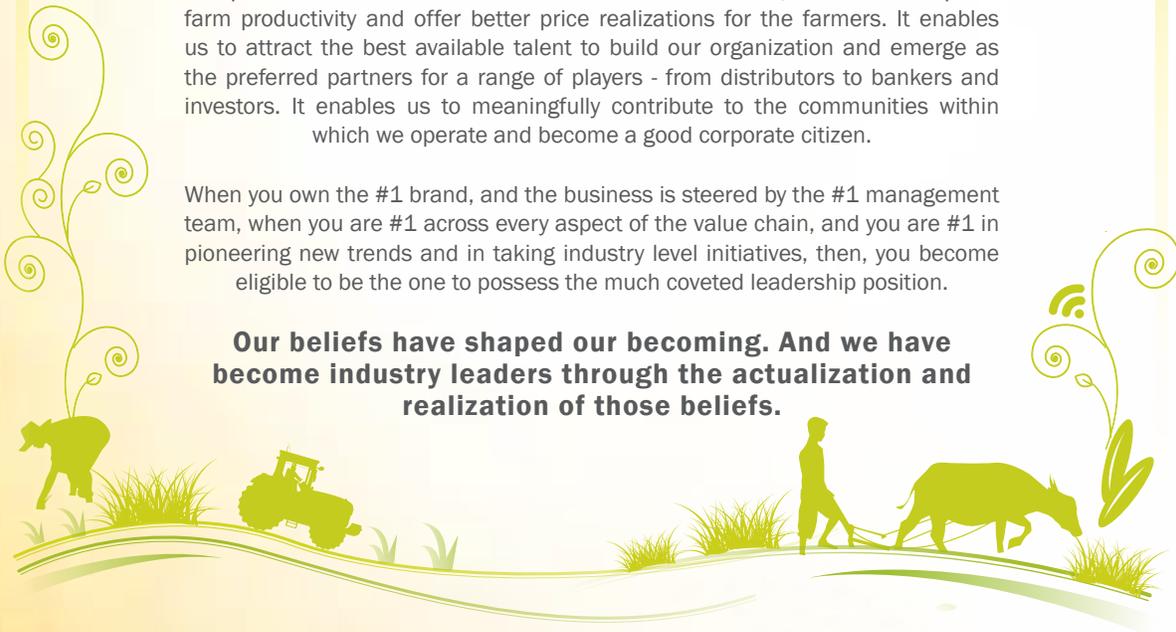
**We believed that quality will drive value, that excellence will attract clients, that service will cement relationships, and Win-Win equations will propel growth.**

**W**hile 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.

The power of #1 enables us to connect better to farmers, do more to improve farm productivity and offer better price realizations for the farmers. It enables us to attract the best available talent to build our organization 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.

**Our beliefs have shaped our becoming. And we have become industry leaders through the actualization and realization of those beliefs.**





Believe : Become



## Becoming what we believe

**W**ith a strong legacy, KRBL has had three generations of involvement with the aromatic basmati grain. We account for more than 30 percent of the domestic branded Basmati Rice market and 25 percent of the total branded basmati exports from India. We have leadership positions in the markets of Saudi Arabia, Kuwait, Qatar, UAE, Australia and New Zealand. Our brands, India Gate, Nur Jahan etc. are synonymous with quality basmati and we clock a realization of 18 percent above the market.

KRBL is also the largest rice miller in the world with a milling capacity of 195 MT/hour. We are an integrated player with deep involvement in every aspect of the basmati value chain, right from seed development, to modern farming, procurement, grading, processing, aging, packaging, branding and marketing etc.

We are also involved in the other aspects of the value chain, and produce value-added products like Rice Bran Oil, non-conventional power by using rice husk as feedstock etc. We also generate power from renewable sources like Wind and Solar.

We believe that the inherent qualities of aroma, flavor, fluffiness, long grain, texture and taste makes the basmati grain a coveted product that has a premium position in our consumption habits. We inculcate within us, in equal measure, the qualities of leadership, dedication, hard work, and a relationship mindset, to emerge as a premium global player in the basmati market.

**By becoming what we believe, we celebrate excellence in all its glory.**



# Our belief in quality became our brands



We began our journey with the belief that quality would drive quantity. So, while we invested in bettering the farm produce through scientific methods, we also invested in state-of-the-art processing, storage and packaging. Grain for grain, our basmati is the best-in-class in terms of quality. The result is that India Gate and its associate brands have become the world benchmark standard in quality Indian Basmati, commanding premium and conquering markets.

**We have, indeed, become what we believed.**



# Chairman's Message



Anil Kumar Mittal, Chairman & Managing Director

**W**e took a long-term view of the market, worked on our beliefs with **passion** and **commitment**, and became what we **believed**.

**Dear Shareholders,**

Leadership is never an accident, but the outcome of belief and concerted working towards making that belief into a market-based reality. We started this Company with a single belief. We believed in the quality of the special grain that was basmati. It's the queen of the rice grains, coveted by emperors and the middle class with equal passion. In keeping with our belief in the grain, we participated wholeheartedly in every aspect of the entire value chain. In each of these practices, we emulated the peerless values of the grain of basmati and benchmarked ourselves to be the best in the world.

**Belief dictates the becoming**

In time, we emerged as undisputed leaders in the market, as the largest integrated rice company in the world. We took a long-term view of the market, worked on our beliefs with passion and commitment, and became what we believed.

“Your Company maintained a **30** percent share in the Indian market and maintained its **25** percent share of basmati exports (Branded Segment)”



### Founded on firm belief

During the year, India experienced one of the lowest growth rates in the decade. Yet, agriculture continued to perform reasonably well. The total basmati production has increased during the year on the back of good monsoon. Exports of basmati rice also increased from India during the year by 9 percent.

Raw material costs during the year were high, but export prices compensated for this increase during the latter part of 2013-14. The export market was firm, with the rise in demand and consumption in the Middle East, which accounts for 65 percent of the global demand, rising from 43 kg per capita to 44 kg per capita. We expect this demand to remain firm in the future as well.

In India, the expansion of modern organized retail has resulted in a distinct improvement in the sale and off take of branded rice, with consumers showing a marked preference for the latter.

### Belief endorsed

Endorsing the belief that is ingrained in the KRBL growth story, your Company accounted for an increased sale during the year, both in the domestic and international market. Your Company maintained a 30 percent share in the Indian market and maintained its 25 percent share of basmati exports (Branded Segment). We did extremely well with a 40 percent increase in value sales.

The Company performed well in the organized retail sector and there was a distinct improvement in the sale and off take of branded rice, with consumers showing a marked preference for the latter. In the packaged and branded rice market, our quality and brands helped us earn a premium over the industry standard, and we continue to garner a greater share of the basmati market year-on-year.

Amongst our basmati brands, India Gate did well with volumes, growing pan India. The brand is doing particularly well in the smaller consumer packs of 1, 5 & 10 kg. Our total volumes of sale of India Gate increased as the brand is doing exceptionally well in the North and the East.

# Chairman's Message

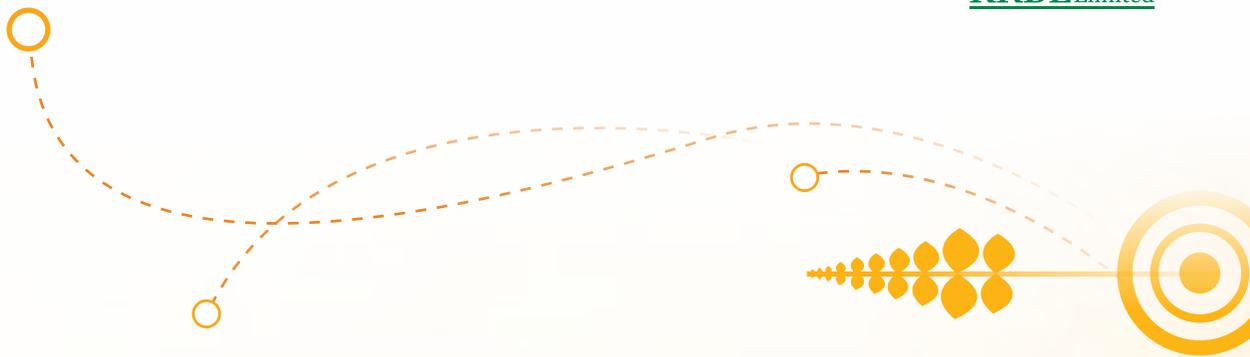
“ During the year our total revenue increased by 40% to **₹ 2,910** Crores and EBITDA increased by 50% to **₹ 455** Crores. Profit After Tax ( PAT) also increased by 96% to **₹ 255** Crores.”



On an overall basis, KRBL's overall volume growth in the domestic market is expected to grow at a CAGR of **12%**, over 2013-16E as against the industry average of **7%**.

On an overall basis, KRBL's overall volume growth in the domestic market is expected to grow at a CAGR of 12% over 2013-16E as against the industry average of 7%.

During the year our total revenue increased by 40% to ₹ 2,910 Crores and EBITDA increased by 50 % to ₹ 455 Crores. Profit After Tax (PAT) also increased by 96% to ₹ 255 Crores. In terms of segmental revenue generation, in the domestic market, 96 percent of our revenues came from the basmati segment with non-basmati contributing only 4 percent, apart from rice, we also earn revenues from the power generation business.



During the year, our non-conventional power generation business continued to be a key growth driver and clocked revenues of ₹ 39.93 Crores, up by 6.28 percent from the last year. The wind and Solar Power Segment of the Company is able to generate a total of 915.42 lacs units in the year 2013-14 as compared to 858.86 lacs units as generated in 2012-13. Having become self-sufficient in our power needs, we are now selling excess power to generate an additional revenue stream for your Company.

### **Reiterating our belief in PUSA 1509**

We have continually partnered agriculture experts and scientists in their endeavour to introduce high yielding seeds and modern farming practices. We were pioneers, way back in 2001, in promoting PUSA 1121, which presently accounts for 65 percent of Basmati Rice Exports from India.

After grand success of PUSA 1121, we are promoting PUSA 1509 which has been recently developed by the Indian Agriculture Research Institute (IARI) and has many advantages including (i) Higher yield per hectare which means higher income to the farmers (ii) Short duration crop resulting in water conservation and more time to the farmers to cultivate next crop and (iii) Lower height of the Plant protects it from logging and shattering.

### **Believing in the future**

Our belief-based initiatives have played a pivotal role in our becoming and remaining the largest integrated Basmati Rice Company in the world and has made us more ambitious. Going forward, we are determined to increase our contribution to R&D, help our farmer partners with better farming technology, expand our procurement, milling capacity utilization and as well as expand the market share of our brands. We also seek to enter other food products to replicate our success in the rice business, and emerge as a significant food Company.

### **These new beliefs will dictate what we become in the coming years**

I would like to take this opportunity to thank our farmers, our team, and our customers for their continued support. I also thank our Board for their timely guidance and support.

I believe that when we work together as an integrated team, we will become even better than we are.

**Thanking you,  
Yours truly**

**Anil Kumar Mittal**  
Chairman & Managing Director

# Q&A with Joint Managing Director



In the Indian market, our promotions and advertising helped shore up demand and create high brand recall.

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## How would you rate the Company's performance in the year gone by?

The year has been good, especially on the domestic front. Both volumes and realizations are up, and there is an increasing preference for quality branded Basmati Rice from the buyers. Domestic and export sales put together helped us to touch a historically high turnover of ₹ 2,910 Crores. The growth, both in India and internationally, has been led by our flagship brand India Gate. The brand continues to derive a premium over the industry standards. In the Indian market, our promotions and advertising helped shore up demand and create high brand recall.

“ Overall, there is an increasing perception that the branded and well packaged rice is of **better quality** and therefore the share of branded rice is **increasing** every year. ”



**To what do you attribute the growth in the basmati demand in India?**

There has been a fourfold increase in modern retail during the last 4 years as it attracts a different set of customers who, along with others, have shown a distinct preference to buying branded and well packaged Basmati Rice. We have benefited from this trend because of the perception of our brands being the best in terms of quality, as well as our extensive presence across all organized retail establishments. Overall, there is an increasing perception that the branded and well packaged rice is of better quality and therefore the share of branded rice is increasing every year.

**Are you planning on capacity augmentation in the coming future?**

We are already the largest millers of rice in the world with a capacity to mill 195 MnT per hour. The focus in

the coming years will be on to increase infrastructure facilities such as covered godowns, silos etc. so as to raise the capacity utilization by increase in procurement of Paddy.

We expect that the Dhuri Plant to achieve 100 percent capacity utilization in the coming 2-3 years. Increase in capacity utilization will also increase the availability of rice husk, which we use as a feed for our biomass electricity production.

**Given the fact that you transact 40 percent of your business in foreign currency, how well are you hedged for shifts in foreign exchange?**

We are seasoned managers of our foreign exchange and, at an average, hedge 80 to 85 percent of our exposure. During the year, we gained ₹ 5.02 Crores from our hedging operations.

# Q&A with Joint Managing Director

“Our position on this is clear. We promote the virtues and qualities of ‘true basmati’ and we are expanding our efforts to educate customers”



Through our continuous and sustained quality control/brand building and involvement in high potential food products, we aim to achieve a turnover level of ₹ 5,000 crores in the near future.

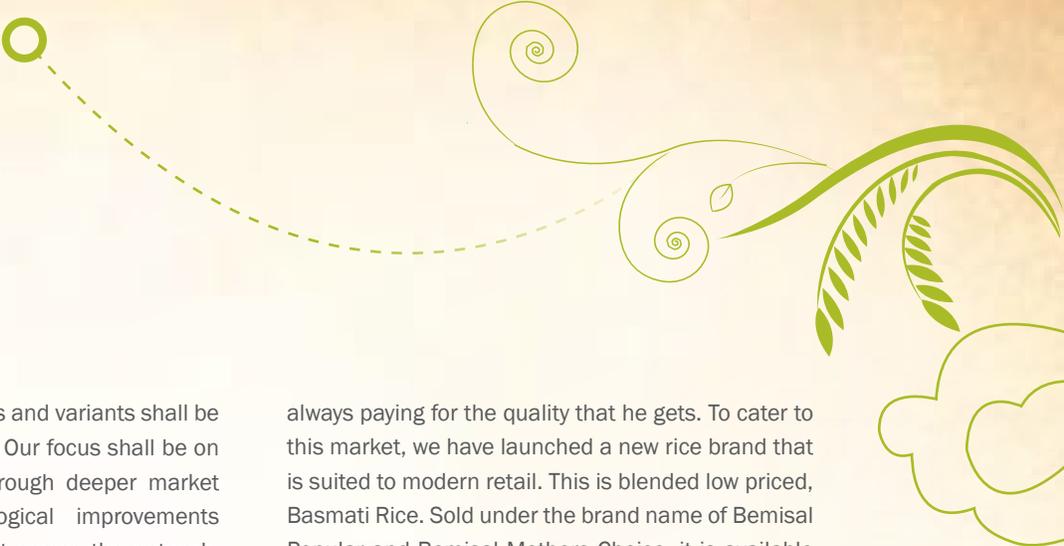
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#### What are the other key achievements for the year?

We are carrying low cost inventory as on March 31, 2014 which is a cause of comfort as it assures us a strong EBITDA going forward. Our inventory level is equivalent almost to one year's domestic and international sales, which is giving us confidence in our ability to sustain our operations at full capacity. Going forward, we will strengthen our procurement to stabilize our operations further.

#### What are the plans for the coming year?

Greater thrust on marketing and brand promotion to counter the threat from competition, with more focus on



R&D to develop better products and variants shall be the key to our growth strategy. Our focus shall be on more targeted promotions through deeper market understanding and technological improvements through greater IT enablement across the network, within the organization as also the distributor and retail outlets. With small consumer packs gaining popularity and doing better business, we shall strengthen our focus on the same.

#### **What are your challenges? How do you counter them?**

Mis-selling, selling cheap rice at cheap prices, challenges to our premium position and pricing are the main issues we confront. In a very unethical fashion, some industry players are misbranding ordinary rice as basmati and trying to lure customers into buying these cheap brands. Our position on this is clear. We promote the virtues and qualities of 'true basmati' and we are expanding our efforts to educate customers. At the same time, we are planning to package, brand and sell India Gate Parmal at comparative prices, without claiming it to be basmati.

The challenge from cheap rice, at cheap prices is something that will not go away. In a market that is fast shifting to brands, this is a challenge that we will counter by aggressive marketing and by educating the consumer so that he understands that he is

always paying for the quality that he gets. To cater to this market, we have launched a new rice brand that is suited to modern retail. This is blended low priced, Basmati Rice. Sold under the brand name of Bemisal Popular and Bemisal Mothers Choice, it is available in 1 kg and 5 kg packs. We have also launched a new India Gate brown rice. It has found good acceptance in the metros - Delhi, Mumbai and Bengaluru. The challenge to our premium position will remain, as we are consistently able to command a better price. Yet, we empower our customers to understand the value/price proposition that we offer. We are confident that once a consumer understands the beneficial proposition that we offer, they will choose wisely.

The institutional (HORECA) market in India is growing and to cater this growing market segment, we have developed Unity and Nur Jahan as institution focused brands, and during the year these brands did well in the South and Western regions.

#### **How do you foresee the future for your Company?**

It is our endeavor to increase our scope for Basmati rice and become a most sought after branded food company in the world. Through our continuous and sustained quality controls/brand building and involvement in high potential food products, we aim to achieve a turnover level of ₹ 5,000 crores in the near future.

# Q&A with Joint Managing Director

It is our **endeavor to increase**  
our scope for **Basmati Rice** and become  
a most sought after branded food company in the world.



# Our Beliefs and what it has made us become

Our central beliefs are in quality of the grain, the quality of the processing, grading and aging, and the quality of our branding and marketing. We believe that we have to positively impact the entire value chain in rice, and we believe that there is value to be accrued from every step of the value chain. These beliefs have made us the #1 integrated Basmati Rice player in the world, with a thriving business.

Here is what we have become because of our beliefs:

(₹ in Lacs, Except Per Share Data)

Year Ended March	2010-11	2011-12	2012-13	2013-14
Revenue from Operations	1,55,127	1,63,100	2,08,039	2,91,046
Other Income	1,527	864	1,073	1,454
<b>Total Income</b>	<b>1,56,654</b>	<b>1,63,964</b>	<b>2,09,112</b>	<b>2,92,500</b>
Operating Expenditure	1,32,496	1,40,234	1,78,701	2,46,991
EBIDTA	24,158	23,730	30,411	45,509
EBIDTA Margin	15.42%	14.47%	14.54%	15.56%
Growth in EBIDTA	10.16%	(1.77%)	28.15%	49.65%
Depreciation	3,595	4,452	5,056	5,766
EBIT	20,563	19,278	25,355	39,743
Interest	4,757	7,189	7,751	7,602
<b>PBT Before Exceptional Items</b>	<b>15,806</b>	<b>12,089</b>	<b>17,604</b>	<b>32,141</b>
PBT Margin	10.19%	7.41%	8.46%	11.04%
Foreign Currency Fluctuation (Gain) / Loss	-	2,564	(816)	(502)
<b>PBT</b>	<b>15,806</b>	<b>9,525</b>	<b>18,420</b>	<b>32,643</b>
Tax	3,773	2,222	5,434	7,131
<b>Net Profit</b>	<b>12,033</b>	<b>7,303</b>	<b>12,986</b>	<b>25,512</b>
Net Profit Margin	7.68%	4.45%	6.21%	8.72%
Earning per share	4.95	3.00	5.37	10.84
Cash EPS	6.43	4.84	7.46	13.29
Net Worth	64,783	71,804	83,035	1,04,485
Capital Employed	1,48,201	1,58,137	1,65,292	2,33,165
Average Capital Employed	1,42,184	1,54,486	1,58,799	2,20,409
Capital Efficiency Ratio	14.46%	6.75%	15.97%	25.72%
Market Capitalization	67,585	42,544	52,613	1,17,900
Gross Fixed Assets (Including CWIP)	57,661	64,068	72,213	89,846

# Believing in the value chain, becoming an integrated entity

In the rice business, our beliefs drive our involvement.

As complete is our belief, so is our involvement in every aspect of the value chain. But the important fact is that our involvement from the seed to the shelf is oriented to our belief in managing and ensuring quality. This has made KRBL a coveted and much liked name all over the world.

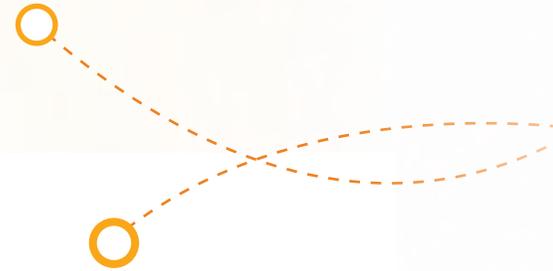
At a very early stage, we understood that the input and its quality drive the output. So our involvement with the rice value chain began with nurturing quality seeds. We understood that the farming technology impacted both the yield and the quality of crop. We undertook research in chemistry and quality parameters of the crop, and started teaching farmers best practices in farming.

We understood that procurement would decide the quality of our grain and our procurement agents scoured the basmati growing districts to source the best of the best grain. We invested in state-of-the-art storage and aging facilities for maturation of the grains, and instituted the world's largest and most sophisticated milling facility to process the grain. Finally, we invested in modern packaging to ensure that our produce was hygienically packed for the shop shelves.

“In the Indian market, our promotions and advertising helped shore up demand and create high brand recall”

Our go-to-market strategy involved partnering with people with the same passion for quality rice, and we created a distribution infrastructure that included 490 distributors, with 6,50,000 retail outlets.

In a business that was essentially trading-oriented, we focused on manufacturing and adding value. Over the time, we built up the ancillary businesses generating power by using rice husk as feedstock, refining Rice Bran Oil, and manufacturing cattle feed additives. Each of these businesses adds to the value we create in the rice business and adds to the pie. Because of the value we derive from each stage of the business, our realization from the business is more than that of the industry.



“Over the time, our beliefs have led us to emerge as the **largest integrated** rice company in the world. Today, we celebrate the **power** of our beliefs, and commemorate our **becoming**”

# Believing in procurement, for becoming marketing oriented

“Our **focus** on procurement has ensured that our brands realize a premium over the industry standards. We believe that it is **our focus** on procurement that has helped us become **what we are** today - #1 in the market”



Every year our agents scour the  
**basmati growing**  
 districts to identify farms that will yield  
**high quality** Basmati Rice.



In a consumer brand led business, where everyone believed that a better marketer would take the slice of the demand, we believed and focused on supply. We knew that the consumer is discerning and no matter how powerful our selling message, it is the product that would make them come back for more. So our way of increasing our demand was to focus on our procurement.

At an early stage, we understood that procurement could not be done centrally, given the fact that the Basmati Rice farmers are scattered across different geographies, and many of them are small and marginal farmers. To enhance our procurement, what was necessary was an empowered, quality conscious agent network that would visit the farms, evaluate the quality against our procurement standards, and buy the grain on our behalf. They would have to balance the quality / price equation

so that we could procure the grain at the right price, while at the same time incentivizing and rewarding the farmer. To this end, we set up a network of procurement agents who worked with passion to fill our granaries with quality basmati. Every year, our agents scour the basmati growing district to identify farms that will yield high quality Basmati Rice. We procure these supplies from our contact farming network, as well as buy from other farmers.

Given the fact that we offered the best quality of Basmati Rice, our marketing task became apparently simple. We just needed to communicate the inherent fact of the quality of our brands, and let the taste buds of our consumers cement their loyalty. Our focus on procurement has ensured that our brands realize a premium over the industry standards. We believe that it is our focus on procurement that has helped us become what we are today - #1 in the market.

# Believing in green manufacturing, becoming a large producer of non-conventional power



**W**orking closely as we do with the power of nature, we are passionate devotees of preserving our ecosystem. We have a nurturing and conservative approach to the ecosystem and believe in being environment-friendly in our business pursuits.

Over the years, we have built up our non-conventional power generation business. Our involvement with the power business began when we started using rice husks as fuel to generate power. Every 100 kg of paddy gives us 22 kg of husk, and this is a good fuel that has high calorific value.

Biomass is a sound source of energy, given the fact that India is coal deficient due to production bottlenecks and imported coal is expensive. Biomass that is available as a by-product is a great way to produce green power. Simultaneously in India, we are blessed with abundant sunlight, a fact that can translate into a significant source of Solar power. Wind power is another potential source of green power. We have an expanding presence in each of these non-conventional sources of power and we are in the process of expanding our power generation capacity during the year 2014-15.

Today, we produce 80.68 MW of power. Of this, Biomass based power contributes 15.8 MW, while Wind and Solar Power contributes 50.15 MW and 14.73 MW respectively. Our power generation fulfills our entire energy requirement and frees us from paying for power from the grid. The excess power we generate is sold to the grid and during the past year, power sales generated a revenue of ₹ 39.93 Crores.

With most of our 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. We are also eligible for carbon credits - a source of revenue that contributed ₹ 3.12 Crores to our coffers during the past year.

In terms of our bottomline, the power business contributes significantly to our total cash profit, hedging our operations from increased dependency on a single line of business.

Our belief in green power has seen us emerge as a diversified power generator with interests in Biomass, Solar and Wind power.

Our **belief in green power**  
has seen us emerge as a diversified power generator with  
**interests in Biomass, Wind and Solar power.**



# Our belief in people has made us become transformation agents

While our belief in the quality of our product transforms meal times into a celebration of taste, aroma and flavor, our belief in our people has made us become transformation agents. We believe in our people and their possibilities. We nurture possibilities and enable people to rise from their circumstances and enhance their lifestyles.

We incentivize growth and development of people's skills by offering targeted training and reward performance with a set of attractive incentive schemes. The Company promotes an honest, ethical and transparent work culture and continually motivates the team to set and maintain the highest standards of performance across all activities. We maintain a harmonious relationship with our labor force and consistently work towards maintaining a healthy industrial atmosphere.

This holds good for the 95,000 farmers who are part of our contact farming network, our 2,50,000 acres scientists and agricultural specialists who research on the grain, our marketing network of 450 domestic agents and 40 international agents, and our family of 6,50,000 retailers and our employees and stakeholders.

“We are forever interested in the possibilities of our people and invest in them with a firm belief in their becoming”

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Our concern for people and their possibilities also extends to our work for the betterment of the society. Our CSR activities revolve around medical intervention at the village level, and popularizing of better farming techniques that help in increasing both quality and yield. Our initiatives have benefited tens of thousands of farmer families who have, with our assistance, been able to improve the profitability of their farm operations.

We approach people not with a transaction approach, but on a relationship-based principle. We are forever interested in the possibilities of our people and invest in them with a firm belief in their becoming.

Our belief in **our people** and **their possibilities** has made them what they have become. Contributors who make our Company the **largest** and **the most coveted** name in the Basmati Rice industry of the **world.**



# Believing in modern retail, becoming ubiquitous brands



“We believe that this is a trend that is secular and in the **coming time**, Modern Retail will be the preferred choice of the **Indian Buyers**”

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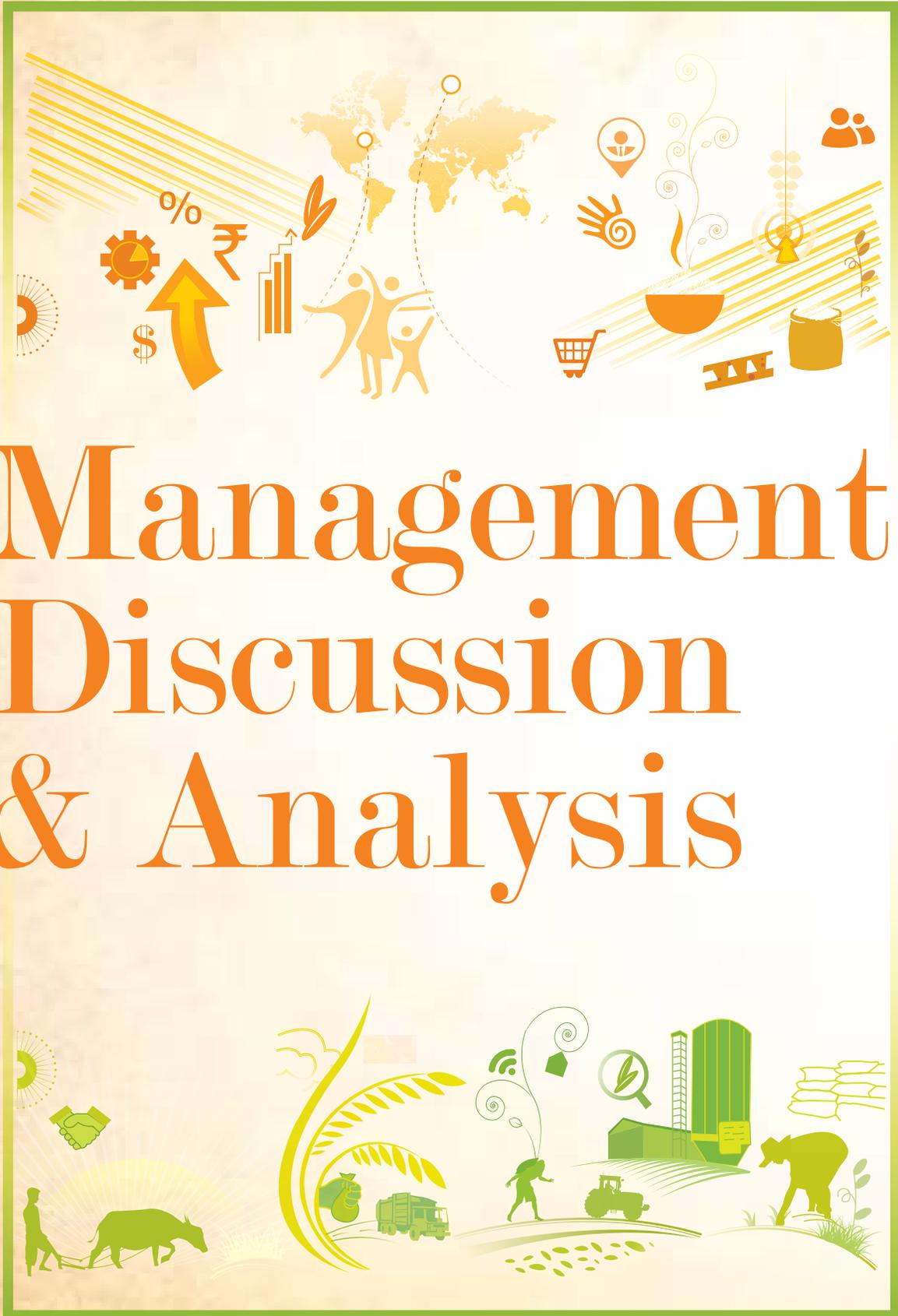
Our presence across the **modern retail** outlets has made our brands ubiquitous and **helped increase** both **brand recall** as well as **sales**.



We believe that as urbanization spreads across India, more and more consumers will move towards modern retail. In the past four years, the market share of organized retail has grown four times and these modern retail outlet sells far more quantities than the mom and pop shops.

KRBL has a strong belief in the possibilities of modern retail and we have forged close and beneficial relationships with this sector. Our 20 brands are available across stores of 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.

To promote in-store sales, we make use of promotions and advertising, and combine our ATL activities with BTL programs. Modern retail has fundamentally changed the buying habits of our consumers, with a distinct trend of preference for branded and packaged rice, as against the commodity standard. We believe that this is a trend that is secular and in the coming time, modern retail will be the preferred choice of the Indian Buyers.



# Management Discussion & Analysis

“The Prime Minister’s Economic Advisory Council (PMEAC) has estimated **farm sector growth** for the current fiscal at **4.8%**, over twice as much as last year’s **1.9%**”



### ECONOMIC OVERVIEW

With a stable and strong government at the helm post the general elections, the Indian economic growth scenario remains upbeat amid expectations of some bold and decisive actions to check inflation, push reforms and boost growth across Agriculture and Industry. There is positivity all around as:

- RBI has reduced SLR by 50 basis points and indicated rate cut if favorable conditions continue.
- There is revival of Corporate Investments on expectations of reforms with stable government at the Centre.
- Current Account Deficit (CAD) has plunged to 0.2% of GDP in the March quarter from 3.6% a year ago.
- FII's have also shown confidence in the new government and have made significant investments both in equity as well in debt market as a result Rupee has strengthened against Dollar and Stock.
- Markets have touched an all time high.

Agriculture, in fact, accounted for much of the economic growth during the year. Foodgrain production for 2013-14 had been estimated at 642.80 Million Tonnes (MnT), compared to 257.13 MnT in 2012-13.

The Prime Minister’s Economic Advisory Council (PMEAC) has estimated farm sector growth for the current fiscal at 4.8%, over twice as much as last year’s 1.9%. Agriculture exports are likely to cross US\$ 45 Billion, almost 10% higher than the amount of US\$ 41 Billion in 2012-13. (Source: IBEF)

Agricultural GDP growth for the fiscal under review, estimated by the Central Statistical Organization (CSO) at 4.6%, also compares favorably with the 4.0% recorded in the last four years. The figure is also significantly up from 1.4% a year earlier.

According to US Department of Agriculture (USDA), India remained the world’s largest rice exporter in 2013-14 for the third consecutive year, with

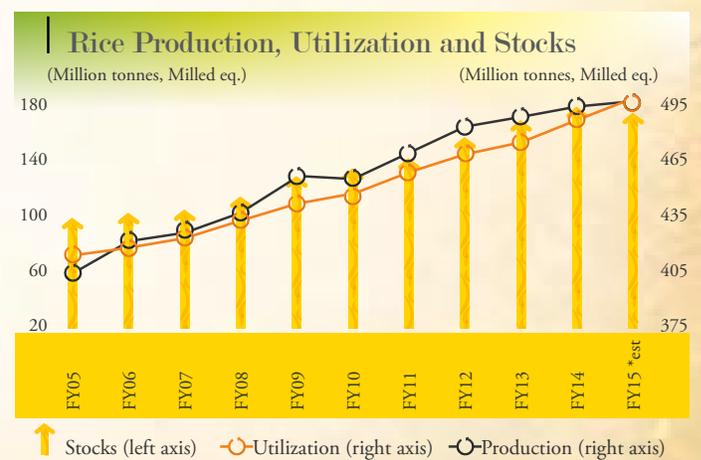
a sharp rise in demand from Iran and devaluation of the rupee against the dollar helping the country’s export earnings. Rice exports touched at record level of 10.4 Million Tonnes last year.

The National Food Security Bill, 2013, passed in August 2013, is expected to significantly scale up demand for cereals and foodgrains to be provided through the Public Distribution System (PDS). This augurs well for the agricultural sector. As per OECD-FAO Agricultural Outlook 2013-2022, agricultural trade is projected to increase, with developing countries capturing most of the export growth.

### GLOBAL RICE OVERVIEW

Amid improving economic conditions, the global rice production and supply estimates were scaled up during the latter half of 2013-14.

Rice Market Monitor (RMM) in April 2014, has revised its outlook upwards by about 3.5 MnT to 744.9 MnT (496.6 MnT, milled basis), implying a growth of only 1.1% (7.8 MnT) over the previous year production estimate.



(Source: FAO Rice Market Monitor, April 2014)



“ The price of basmati increased from ₹2,200-3,300 a quintal in 2012-13 to **₹3,300-3,400** a quintal in 2013-14, due to high demand in the **international market** ”



The relatively modest performance of the rice sector over the season was the result of climatic problems witnessed by several important producers in Asia, including China, the Lao People’s Democratic Republic and Malaysia, where production fell. On the other hand, most of the other countries in the region harvested larger crops, with sizable increases expected in India, Indonesia and Pakistan. In Africa, strong production gains in the western and eastern parts of the continent were offset by a contraction in Madagascar, where output was depressed by erratic weather and pests. In the rest of the world, more favorable growing conditions boosted crops in Australia and in Latin America and the Caribbean, while poor price prospects at planting time trimmed output in the United States and in Europe.

The global paddy production in 2014 could reach 751 MnT (500.7 MnT, milled basis), 0.8% more than currently estimated for 2013. Much of the predicted estimates rests on expectations of an El Niño recurring in mid-2014, which may have a strong impact on yields.

International trade in rice in 2014 is forecast to recover by 5% to 39.3 MnT. Faced with rising domestic prices and a thinning of reserves, Asian countries (Bangladesh, China, Indonesia, Malaysia, Nepal, Philippines and Sri Lanka) would be responsible for much of the 2.0 MnT expected increase in world imports. However, rice flows to countries in Africa are also anticipated to edge higher, mainly on larger purchases by Nigeria, Mali and Tanzania, as deliveries to Madagascar and Mozambique are forecasted to be cut. Imports by countries in Latin America and the Caribbean may also rise, supported by larger inflows to Haiti and Bolivia, while those directed to Brazil may decline.

On the supply side, Thailand is expected to capture much of the expansion in world demand, although most of the other rice exporters (Argentina, Brazil, Cambodia, China, Egypt, Guyana, Pakistan, Paraguay, United States and Vietnam) are also forecast to export more. However, India may retain its number one position among exporters.

Looking forward, climatic events affecting the development of the 2014 season crops, such as the potential El Niño, are also likely to influence market sentiment. On the policy front, decisions in Thailand concerning Government support to the rice sector will hold particular sway, as will the pace with which officials continue the disposal of public stocks.

On the global rice utilization front, FAO has forecast for 2013-14 at 489.4 MnT (milled basis), 2.8% more than in the previous year. The increase over the previous year is sustained by an 8 MnT rise in global food intake to 410.6 MnT, which has taken place in spite of generally high retail prices compared to last year. The price increase has been triggered by a widening of subsidized distribution schemes, especially in Asia, where Bangladesh, Indonesia and particularly India, have recently expanded the scope of such programs..

### INDIAN RICE OVERVIEW

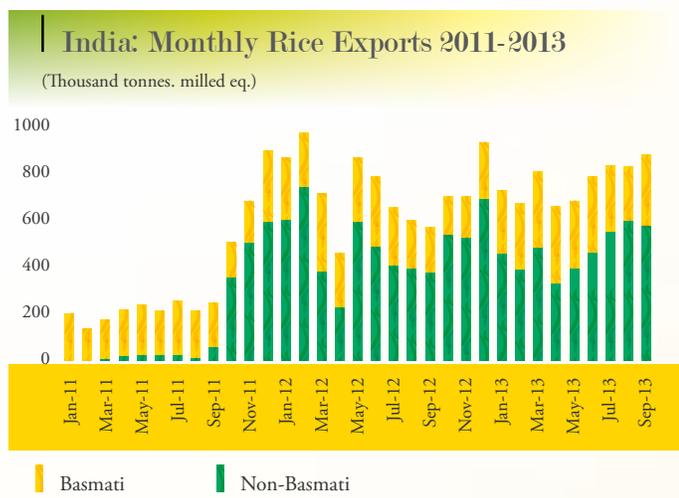
With a favorable rainfall bolstering the agricultural production outlook for 2013-14, the kharif rice planted area witnessed an increase. Rice production is estimated to increase to a record 106.29 MnT.

(Source:- <http://agriexchange.apeda.gov.in>).

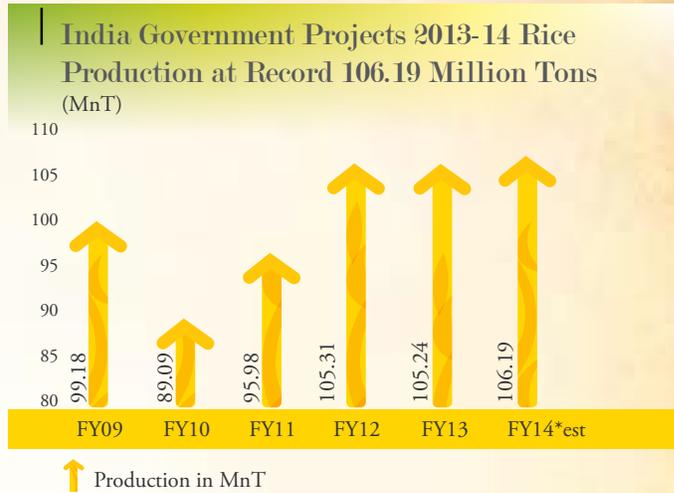
As per USDA Post estimates, MY 2013-14 rice production for India stood at 103 MnT, including 90 MnT from the kharif crop (May-December) and 13 MnT from the rabi crop (January-June). The Post estimates, India's Basmati Rice production at 7.5 MnT in MY 2013-14 from 1.8 million hectares, compared to a record production of 7.8 MnT from 1.9 million hectares in MY 2012-13. However, Indian rice yields are still below the world average, according to the USDA.

The Indian government is working towards improving the yields and has introduced a Green Revolution Program and other improved technologies in the eastern region, comprising the states of Bihar, Chhattisgarh, Jharkhand, eastern Uttar Pradesh, West Bengal, and Odisha. It is also promoting the System of Rice Intensification (SRI) technology in some rice growing states, which requires less water and chemical fertilizer but is labor intensive.

The Post estimates consumption of rice to increase by 3% in MY 2014-15 to 98 MnT, from an estimated 95 MnT in MY 2013-14, on account of expected sufficient domestic supplies. Consumption is also expected to be boosted by higher sales of government rice through the public distribution system, as various states implement the new National Food Security Act.



(Source: FAO Rice Market Monitor, November 2013)



(Source: Ministry of Agriculture)

The Indian government, in its second advance, has estimated that rice production in 2013-14 (October-September) is likely to reach a record 106.19 MnT, the highest ever on record and up about 1% from an estimated 105.24 MnT produced in the previous year.

### INDIAN RICE TRADE

The Indian rice export story continued to remain positive during 2013-14 despite lower production, accounting for around 25% of the total global rice trade of 40.2 MnT. As per USDA, India is forecast to remain the world's largest rice exporter in 2013-14 for the third consecutive year, with a sharp rise in demand from Iran and devaluation of the rupee against the dollar helping the country's export earnings. Backed by these factors, rice exports touched 10.4 MnT last fiscal.

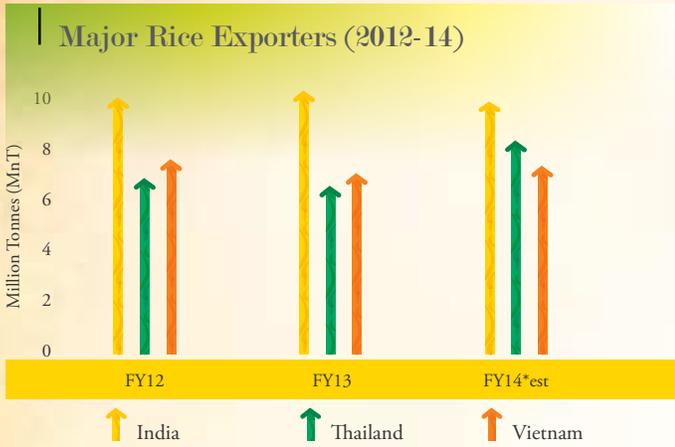
After last year's surge in the price of Basmati Rice, the sowing of basmati by farmers this year in the north of India is expected to be higher. The price of basmati increased from ₹2,200-3,300 a quintal in 2012-13 to ₹3,300-3,400 a quintal in 2013-14, due to high demand in the international market. Other markets are also expected to respond well to the expected increase in production, leading to a projected basmati export estimate of 4 MnT, as against 3.75 MnT last year.

(Source:- <http://agriexchange.apeda.gov.in>)

The demand for basmati, which accounts for over 65% of the overall value of exports of this grain, is mainly from Iran, Saudi Arabia, the UAE, the US and Europe. Non-basmati varieties are in great demand in some African countries, including Benin, Senegal and South Africa, besides the US.

Basmati Rice exports accounted for about 35% of India's total exports, while non-Basmati Rice, mostly parboiled rice, accounted for 65%. While Iran, Saudi Arabia, Iraq, and Kuwait were major buyers of Basmati Rice, parboiled rice exports were mostly destined to Nigeria and other African countries.

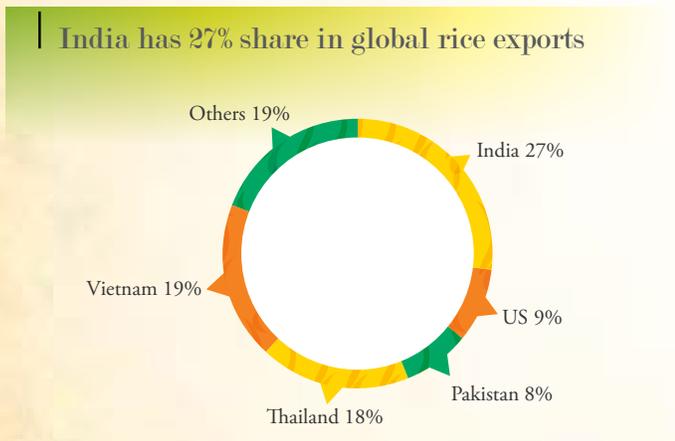




(Source: USDA, <http://oryza.com>, Jan 2014)

With the expectation of an increase in the rice crop in India and a weak production outlook for major rice exporting countries such as Pakistan and Vietnam, India's share in global rice trade is expected to increase further from the current 22%.

As per estimates, India's share in global rice exports stands at 27%. Growth in non-basmati exports is expected to stabilize in 2013-14, following government attempts to maintain an adequate ending stock of 24-25 MnT.



(Source: Company, CRISIL Research)

The US has been emerging as an important basmati export destination for India, and according to the Agricultural and Processed Food Products Export Development Authority (APEDA), India exported about 91,546 tonnes of Basmati Rice to the US in FY 2012-13 (April to March), which was about 3% of total Basmati Rice exports of around 3.46 MnT by India during the year.

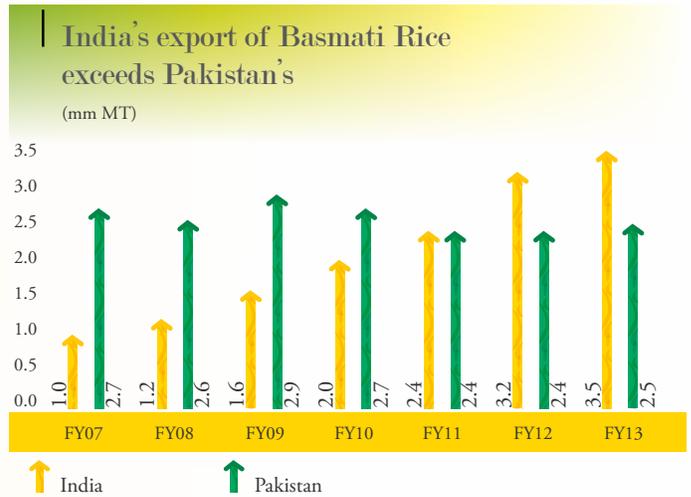
Going forward, the US is likely to relax its import tolerance norms for a fungicide which will give a major boost to Indian Basmati Rice exports.

### INDIAN BASMATI RICE OVERVIEW

Driven by a strong growth in demand and an expected increase in prices, the Indian Basmati Rice industry is on an uptrend, with demand for basmati growing at a robust CAGR of 20% in over the past five years.

An increase in domestic consumption (55% of total demand) and a strong growth in exports (45% of total demand) have been the key drivers for this growth. The last two years, in fact, have witnessed faster growth in domestic consumption than in exports, and the momentum is expected to continue over the next couple of years.

Further, with the increase in income levels and an expansion of organized retail in India, consumption of branded products has been on the rise in the past few years. Domestic consumption posted a CAGR of 15%, driven by a shift in consumer preference to branded rice from unbranded rice. Domestic demand is expected to further grow at the same rate over the next two years.



(Source: Company, CRISIL Research)

The export scenario for Indian Basmati Rice also continued to be positive, with the country's share in the Basmati Rice export market increasing to 60% in 2012-13 from 28% in 2006-07. Basmati Rice exports have recorded a 25% CAGR over the past five years, mainly on account of rising demand from Iran, Saudi Arabia, United Arab Emirates (UAE) and European countries, besides superior quality and higher production growth. The latter has, in fact, helped India take over a substantial share of the export markets from Pakistan, with India's main basmati variety, Pusa 1121 proving better than Pakistan's 'Super' variety.

Overall, the total basmati exports from India stood at 37,57,271 MT, valuing ₹29,299.96 Crores, as per APEDA estimates for the year 2013-14.

Moving forward, rice shipments from India, the world's largest producer after China, will probably expand to a record as buyers from Iran to Saudi Arabia boost purchases of aromatic basmati grain used in biryani and pilaf dishes. Exports are set to increase 7.8% to 11% in the 12 months through March from a year earlier, as per All India Rice Exports Association.

**THREE-YEAR EXPORT STATEMENT OF APEDA PRODUCTS**

(Value in ₹ Lacs, Qty in MT)

PRODUCT	2011-12		2012-13		2013-14	
	Volume	Value	Volume	Value	Volume	Value
Basmati Rice	31,78,174	15,44,960	34,59,899	19,40,939	37,57,271	29,29,996
Non-Basmati Rice	39,97,720	8,65,913	66,87,991	14,44,881	71,33,183	17,74,996
Wheat	7,40,747	1,02,327	65,14,811	10,52,900	55,62,375	9,26,161
Maize	38,55,721	5,15,751	47,88,328	7,09,634	39,54,237	5,98,366
Other Cereals	2,17,962	33,541	6,52,976	1,08,427	6,57,701	1,15,691
<b>Total</b>	<b>1,19,90,324</b>	<b>30,62,492</b>	<b>2,21,04,005</b>	<b>52,56,781</b>	<b>2,10,64,767</b>	<b>63,45,210</b>

 (Source:- <http://agriexchange.apeda.gov.in>, DGCIS Annual Data)

**COMPANY OVERVIEW**

As the world's leading Basmati Rice player, 120-year-old KRBL has a niche, top-ranking position in the global market. Engaged in the business of marketing of grains and agro processing, with a rice milling capacity of 195 MT/hour, the largest in the world, the Company is today the world's largest Basmati Rice exporting company. Mapped by strong growth, the Company has progressed consistently from self-belief to becoming an industry leader, and today holds an enviable position in the basmati trade.

The Company continues to report impressive numbers in its basmati sales, with its flagship brand 'India Gate' retaining its market leadership and commanding a premium over other brands in the industry. India Gate Premium has been leading the Company's packaged rice growth, to become the market leader in terms of volume, across all consumer pack sizes in traditional trade, where it has established a stronghold.

The Company has a strong geographical presence in the Middle East countries, such as Saudi Arabia, UAE, Iran, Iraq and Qatar and an extensive and well-established brand presence in domestic and other international markets.

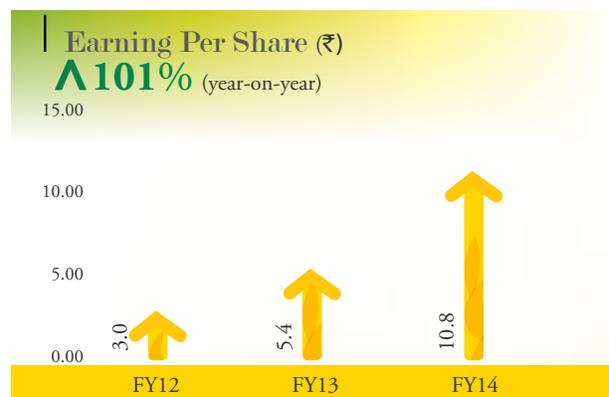
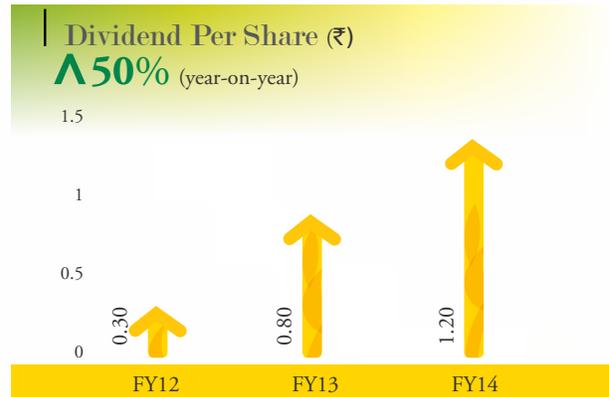
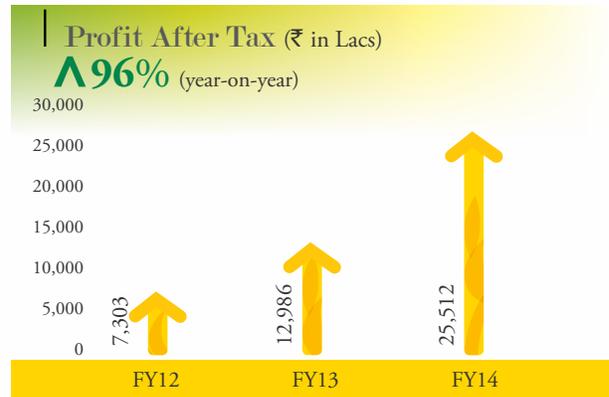
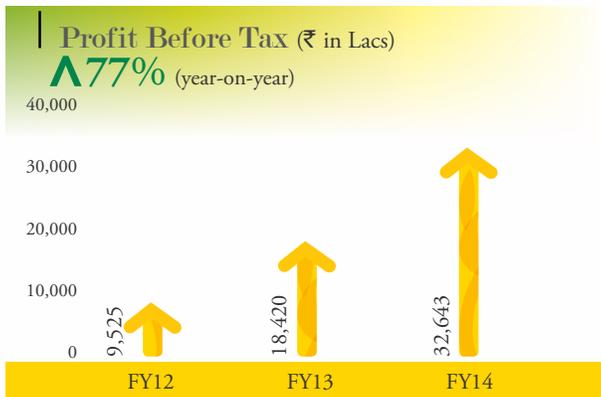
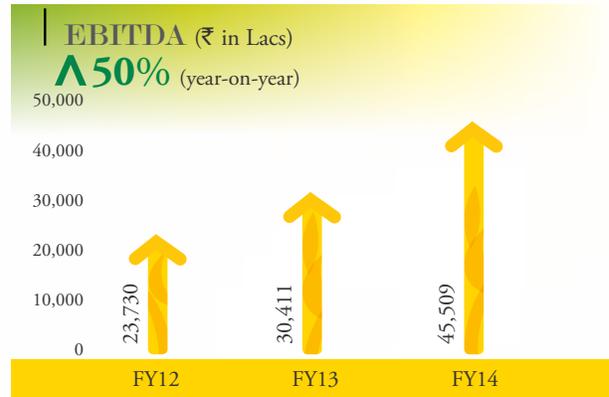
KRBL's futuristic approach has enabled it to strategically foray into other products and synergistic businesses, with Power emerging as a strong revenue driver. A strong procurement network of farmers and quality focus, continuously steered by the R&D network, are among the major drivers of the Company's sustained growth.

With the best and largest manufacturing facilities in the global rice industry, state-of-the-art storage and warehousing capacities, an extensive distribution network and innovative marketing strategies, the Company is well positioned to leverage the growing demand for Basmati Rice, driven by new consumption patterns witnessed domestically and globally.

**HIGHLIGHTS OF 2013-14**

- ☺ Revenue from Operations increased by 40% to ₹2,910 Crores.
- ☺ EBITDA increased by 50% to ₹455 Crores.
- ☺ Profit Before Tax increased by 77% to ₹327 Crores.
- ☺ Profit After Tax increased by 96% to ₹255 Crores.
- ☺ EPS at ₹10.84 per share for the year ended March 2014, as compared to ₹5.37 per share in the previous year.
- ☺ Net Worth of the Company increased by 26% to ₹1,045 Crores.
- ☺ 3-year Net Sales growth CAGR of 23% and EBITDA growth CAGR of 24%.
- ☺ Power Sales increased by 28% to ₹40 Crores.
- ☺ Strengthening of the green energy portfolio, with the Total Installation Capacity of 50.15 MW in the Wind Power Projects, 14.73 MW in the Solar Power Projects and 15.8 MW of Biomass Projects.
- ☺ Rice Milling Capacities of 195 MnT per hour.
- ☺ Good Realizations-Basmati Rice Export Price per MnT commands a premium of more than 18% over the industry average.
- ☺ New variants of Bemisal-Bemisal Popular and Bemisal Mother's Choice-launched in 1 kg and 5 kg packs.
- ☺ India Gate brown rice re-launched in a non-basmati variety; first of its kind.

# KEY PERFORMANCE INDICATORS

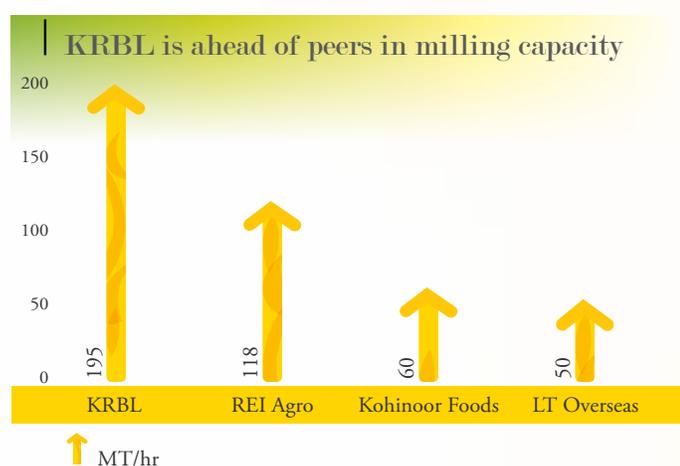


## SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

### Agri Division

Strong self-belief in its capability and ability to deliver value across its rice business has enabled KRBL to emerge as the industry leader in basmati production and trade, both domestically and globally. As one of India's leading branded basmati players, with the world's largest milling capacity, KRBL has the distinction of having an export realization that is 30% higher than the industry's, as well as a consistently excellent financial performance.

Steered by a strong brand and working capital management, the Company's average realization has been 19% higher than the industry over the past five years, with its flagship India Gate brand commanding a significant premium over most other brands in the industry.



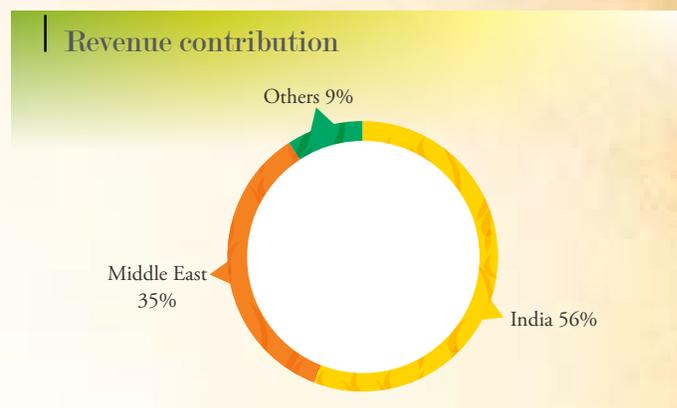
(Source: Company, CRISIL Research)

The Company's 20 Basmati Rice brands, including India Gate, contribute 93% of total revenues to its business, with India Gate alone accounting for the bulk.

The Company's strengths in production capacity and brand superiority have positioned it ideally to leverage the growing demand for basmati within and outside India. KRBL registered a 36.3% value growth in the domestic basmati market during the fiscal under review – an indication of its increasing presence in the domestic market.

The Company has strategically placed its product range across all major price points to garner a share of more than 30% of the basmati organized domestic market. Domestic revenues in 2013-14 recorded a 47.34% growth, driven by growth in realizations at 31.45%, while volume witnessed a growth of 12.1%. Strong brand recall has been the driving growth in the domestic market.

During the year, the Middle East continued to be the biggest export market for Indian Basmati Rice. Saudi Arabia, UAE, Iran, Iraq, Kuwait and Qatar are the key markets for the Company in the Middle East. These account for 78.02% of the Company's branded basmati export demand. KRBL is the largest branded basmati player in Saudi Arabia, UAE, Kuwait, Bahrain, Qatar, Oman & Lebanon. Further, it is amongst the most recognized brand in Jordan and other Levant Countries.



With its strong and well-networked distribution system and focused marketing initiatives, the Company continued to expand its customer base during the year. In the domestic market, KRBL reached out to more customers through its extensive retail presence across 6,50,000 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.

The Company's excellent forward and backward linkages further boosted its quality quotient, enabling it to sustain its growth momentum and build on its industry and market leadership. The integrated value chain of the agri division, with best-in-class manufacturing facilities, further continued to drive growth through the year, leading to a strong financial performance despite the challenging economic environment.

### Energy division

Since its foray into the commercial sale of power eight years ago, KRBL has successfully leveraged the power opportunity in the country to grow its Energy Division into a robust business stream, contributing 13.47% to the Company's total cash profits.

With an average of 22% of the grain yielding husk – the primary source of fuel for bio-power generation - KRBL has developed a total capacity of 80.68 MW in its energy portfolio, which consists of Biomass, Wind and Solar Power Projects.

The Energy Division witnessed sustained growth during the year. Total Power sales were ₹39.93 Crores. The Wind and Solar Power Segment of the Company is able to generate a total of 915.42 Lacs units in the year 2013-14 as compared to 628.43 Lacs units as generated in 2012-13.

During the year under review, the Company strengthened its green energy portfolio with the setting up of Solar Power Plants with capacities of 6.63 MW and 5.60 MW in the state of Madhya Pradesh, which increased the Company's total Solar Power Capacity from 2.5 MW in 2012-13 to 14.73 MW in 2013-14. The total Wind project capacity also increased during the year from 43.55 MW in 2012-13 to 50.15 MW in 2013-14, as a result of setting up of a 2.1 MW Wind Power Plant in the state of Andhra Pradesh and a 4.5 MW Wind Power Plant in the state of Madhya Pradesh.

### Details of Total Installation Capacity and Units Generated under the Power Segment of KRBL Limited:-

Particulars	2013-14	2012-13
Total Wind Project capacity	50.15 MW	43.55 MW
Total Solar Power Plant capacity	14.73 MW	2.5 MW

Details of Project	Details of Units Generated	
	2013-14	2012-13

(A) WIND		
Maharashtra (1.25*10 MW)	1,91,65,268	2,01,64,732
Tamilnadu		
Tirupur (1.5*4 MW)	1,13,04,573	1,45,18,722
Tirunelveli (2.1*1 MW)	26,07,769	41,54,836
Karnataka		
Kalmangi (1.5*6 MW)	2,45,75,510	2,56,00,352
Bellary (2.1*1 MW)	46,92,342	51,01,964
Rajasthan		
Ajmer (1.5*4 MW)	96,22,659	1,04,20,880
Jaisalmer (2.1*1 MW)	33,76,595	33,95,146
Rathkuriya (1.25*3 MW)	48,55,520	25,26,513
Andhra Pradesh (2.1*1 MW)	28,72,812	--
Madhya Pradesh (1.5*3 MW)	2,94,018	--
(B) SOLAR		
Madhya Pradesh		
(2.5*1 MW)	38,47,538	3,197
(6.63*1 MW)	42,62,494	--
(5.60*1 MW)	64,774	--
<b>TOTAL (A+B)</b>	<b>9,15,41,872</b>	<b>8,58,86,342</b>

### Power Business

Plant Location	Function	Capacity (MW)
Dhuri	Biomass	12.3
Ghaziabad	Biomass	3.5
<b>Sub-Total</b>	<b>Biomass</b>	<b>15.8</b>
Maharashtra	Wind	12.5
Rajasthan	Wind	11.85
Tamil Nadu	Wind	8.1
Karnataka	Wind	11.1
Andhra Pradesh	Wind	2.1
Madhya Pradesh	Wind	4.5
<b>Sub-Total</b>	<b>Wind</b>	<b>50.15</b>
Madhya Pradesh	Solar	14.73
<b>Total</b>	<b>Biomass/Wind/Solar</b>	<b>80.68</b>

With its portfolio of renewable energy plants, the Company is self-sufficient in its captive requirements and sells the excess power generated to state utilities, resulting in revenue augmentation. The off-take risk is minimal as most of the commercial power is locked in long-term agreements. The Company gets preference in power procurement by state utilities as renewable energy plants are included in the 'must run' category.

### Research and Development

The focus on sustained quality is an integral component of KRBL's business ethos and continued to drive its success story during the year. KRBL is certified as BRC for meeting the requirements of Global Standard for Food Safety issued by SGS and also meeting the requirements of the SQF Code, 7<sup>th</sup> Edition, for Comprehensive Safety and Quality Management System. Further, KRBL is also in the process for obtaining the Food Safety System Certification, 22000 – a clear endorsement of its strong quality thrust.

The Company has a state-of-the-art seed farm and product testing center, with a 4 MnT per hour seed grading plant to continuously work on improving seed quality year-on-year. The Company works in close coordination with the Indian Agriculture Research Institute (IARI), New Delhi, and the result is better quality cropping methodologies, seed varieties and harvesting techniques of its farmer partners. This has led the Company to ensure an uninterrupted supply of good quality paddy for itself.

The Company also continued, during the year, to gain the benefits of its pioneering and premium Pusa 1121 seed variety, which has proved to be better than the Pakistan basmati seed varieties. Its tie-up with high-end machine manufacturers like Bühler of Germany, the world's leading rice milling manufacturer, has also led to consistent development and progress in terms of improved processes.

### Farmer Relations and Procurement

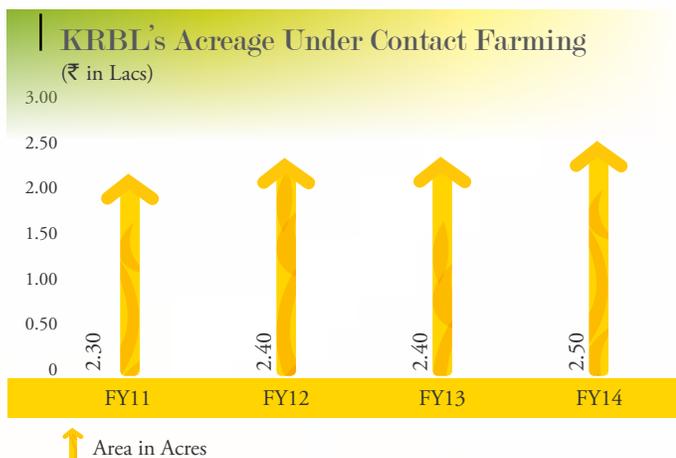
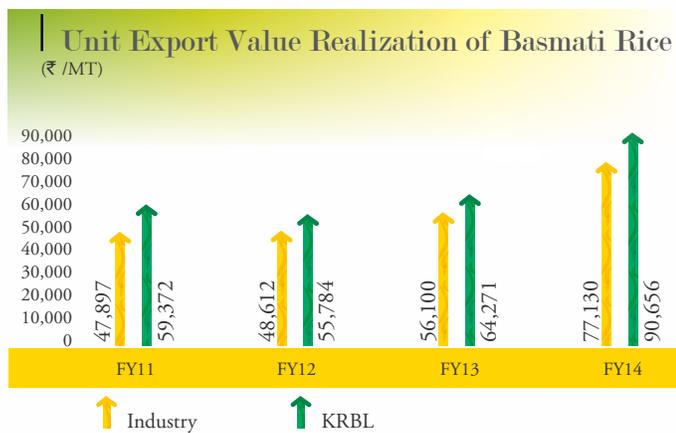
Led by a strong belief in the inherent capabilities of the farming community to deliver high quality paddy, KRBL has over the years, built an extensive contact farming network, covering 2,50,000 acres. The network spans more than 90,000 farmers in the rice-producing states of Western Uttar Pradesh, Uttarakhand, Punjab and Haryana.



The Company invests significantly in providing the latest technology access and know-how to the farmers, who gain through minimization of risks and market uncertainties. The Company, on its part, is assured of adequate availability of good quality paddy and mutually beneficial relations with farmers. The Company's earning potential is also significantly enhanced as a result of improvement in crop quality and greater productivity. All these qualities enabled the Company to continuously enhance its unit export value realization, which went up to ₹90,656 MT in 2013-14 from ₹64,271 MT the previous year.

### KRBL CONTINUES TO COMMAND HIGHER THAN INDUSTRY EXPORT REALIZATION

#### Manufacturing Capacities



Equipped with the world's largest milling capacity of 195 MnT/hour, KRBL has been continually investing in its manufacturing facilities to prepare them to deliver 100% capacity utilization levels in the coming years. The Company has modern, state-of-the-art, integrated facilities for manufacturing in Dhuri and Ghaziabad, and is also equipped with an ultra modern packaging unit and foodgrain warehousing facility at Dhuri.

#### Rice Business

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

#### STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

##### Strengths

- Storage & Warehousing Capacities:**  
 Large facilities for storage space and warehousing - suitable for aging of grain and storage of finished products; enables stocking of premium grains leading to higher price premium and greater profitability.
- Distribution & Marketing Network:**  
 Extensive retail reach across India, tie-ups with international retail chains, leading to strong presence in domestic and global markets.
- Experienced & Visionary Management:**  
 Experience of more than 30 years, strong skill set, ability to look ahead, giving leadership edge.
- R&D Focus:**  
 Continuous innovation leading to higher productivity and cost efficiencies.

“KRBL is certified as **BRC** for meeting the requirements of Global Standard for Food Safety issued by **SGS** and also meeting the requirements of the SQF Code, 7<sup>th</sup> Edition, for Comprehensive Safety and Quality Management System”





“The Company has modern, state-of-the-art, integrated facilities for manufacturing in

# Dhuri and Ghaziabad”

- Modern Manufacturing Facilities:**  
 Largest and most modern milling capacities in the world, continuously improving utilization levels, enabling future readiness.
- Integrated Value Chain:**  
 Strong quality control at every stage – from the seed to the plate.
- Contact Farming Network:**  
 Mutually beneficial relations with farmers ensuring consistent supply of good quality paddy.
- Captive Power Generation:**  
 Self-sufficiency in meeting energy needs and additional source of revenue through power sales.
- Brand Equity:**  
 Strong brand repute and recall has helped build consumer loyalty.

### Weaknesses

- Vagaries in weather condition as monsoon is critical to business.
- Plant diseases that can destroy crop.
- High working capital requirement due to aging.
- Drop in paddy price could result in inventory loss.

### Opportunities

The opportunity for growth in Basmati Rice consumption has been on the rise in recent years on account of multiple factors:

- Change in lifestyle and purchasing pattern to branded Basmati Rice from non-branded.
- Change in consumer preference from local grocers to retail malls and large, modern retail spaces.
- Greater access to world market.
- Increasing per capita consumption of Basmati Rice & higher population growth in Middle East.
- Rice becoming staple diet of more and more people across the world.
- Increase in consumer perception and quality consciousness about food.
- Lower regulations and increasing cultivation of basmati.

### Threats

The Company faces several internal and external threats, which it is continuously striving to address:

- Competition from small, unorganized players eats into the revenue pie since such players are able to sell at a lower price.
- Growth in private labels, especially in export markets, poses a short term threat to the Company.
- Negative economic environment, particularly in some of the key basmati markets such as the US and Europe, impacts the Company's international business.
- Rupee appreciation reduces export realizations.
- Improved performance by Pakistan exports.

## HUMAN RESOURCE DEVELOPMENT

As a people-focused organization, KRBL has in place a strong HR model with continuous investments in training and skill development of employees. Incentive schemes and motivational programs help the Company to continuously strengthen its human capital by providing its employees with multiple growth opportunities. The Company encourages active employee participation as it believes that people constitute a key driver of its journey towards sustained global leadership.

The work culture at KRBL is ethical, transparent, honest and dynamic, with a strong focus on maintaining the highest standards of quality and commitment. The environment is conducive to collaborative teamwork in the best spirits of mutual growth and progress.

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

KRBL's strong contact farming network enables it to engage proactively in various programs for the upliftment of the farming community. Awareness campaigns to promote better and cost-effective farming techniques are conducted regularly, thereby helping the farmers and their families improve their incomes and living standards.

The Company also holds regular medical camps in the areas in and around its contact farming network. Skill development camps are also held to empower farmers to augment their capacities and capabilities.

## INFORMATION TECHNOLOGY (IT)

Technology has emerged as a strong pillar of KRBL's growth and the Company is continuously investing in upgrading its technological strength. The process of extension of SAP to the distributor network remained on track during the year. The system will enable the Company to ensure real-time tracking at the distributor and sub-distributor level too, thereby further strengthening supply chain efficiencies and enabling greater qualitative control. SAP has helped standardize processes at all levels within the Company.

## AUDIT SYSTEMS

KRBL's journey of self-belief actuating into its emergence as an industry leader has been steered by strong transparency, ethics and corporate governance systems. The Company's internal controls are well aligned to its growth across its business and geographical networks. It maintains proper accounting control and has in place a well established process to monitor operational efficiency and ensure proper compliance with applicable laws. Reliability of financial and operational information is stringently maintained.

The Company's Audit Committee periodically reviews all audit reports, audit plans, significant audit findings, adequacy of internal controls and compliance with accounting standards. The Committee, after detailed reviews, also suggests improvements where it is deemed necessary.

## FUTURE OUTLOOK

The Company has a future-centric outlook, led by a strong belief in its ability to scale new levels of excellence and success. Its efforts, going forward, shall be focused on enhancing capacity utilization as a step towards preparing itself to leverage future opportunities.

Expansion of the product portfolio into more rice by-products and other food products, continued investments in Research & Development, an aggressive marketing thrust, qualitative and quantitative expansion of the contact farming network, strengthening the HR module and augmenting the distribution & dealer expanse are some of the areas in which the Company shall focus in a bigger way.

The Company aims to grow as a multi-product, multi-brand FMCG player through diversification into synergistic food products that shall enable it to become an even bigger player in the food industry. Concurrently, it will continue to grow its rice business in the domestic and international markets, with the new, high-yield basmati variety, PUSA 1509, expected to significantly strengthen export demand, going ahead.

As per available data, the Company's volume growth in the domestic market is expected to grow at a CAGR of 11.4% over 2013-16E as against the industry average of 7%. The introduction of high yield basmati variety, Pusa-1509, is likely to increase the supply of Basmati Rice in the domestic market from 2015-16 onwards, according to the report, and KRBL will be the biggest beneficiary of the same.

## RISKS & CONCERNS

### Raw Material Risk

An uninterrupted supply of good quality paddy is vital for the Company, given the nature of its business. KRBL normally purchases both semi-processed rice and paddy depending upon the demand and price expectations at a given point of time. This exposes the Company to fluctuations in raw material prices. Fluctuations in the production or price of paddy can adversely impact margins since paddy accounts for 95% of the total operating costs in this business.

### Risk Mitigation

The Company has in place a strong contact farming network, ensuring constant availability of high quality paddy at reasonable prices.

### Quality Risk

Any deviation from its quality focus can cost the Company heavily in terms of loss of brand and consumer loyalty since today's consumers are extremely demanding when it comes to hygiene, aroma, flavor and taste.

### Risk Mitigation

KRBL's quality commitment is endorsed by its BRC Certification for meeting the requirements of Global Standard for Food Safety issued by SGS and also meeting the requirements of the SQF Code, 7<sup>th</sup> Edition, for

Comprehensive Safety and Management System. Further, KRBL is also in the process for obtaining the Food Safety System Certification, 22000. The Company maintains complete control over the entire basmati value chain.

#### Competition Risk

The increasing number of unbranded and unorganized players in the market, offering cheap variants of poor quality basmati, could erode the Company's share in the domestic market. Brand and product imitations also augment the risk.

#### Risk Mitigation

Strong R&D skills and regular brand initiatives ensure that the Company is able to sustain consumer and brand loyalty and maintain its leadership position.

#### Foreign Exchange Risk

With the export of Basmati Rice forming an important revenue source, fluctuations in the rupee rate is a constant threat to the Company's margins. KRBL's exports currently account for 45% of its total revenues.

“Strong R&D skills and regular brand initiatives ensure that the Company is able to **sustain consumer and brand loyalty** and maintain its leadership position”

#### Risk Mitigation

The Company's foreign exchange risk management policy enables it to hedge all foreign exchange exposures.

#### Realizations Risk

Decline in realizations is a serious threat for the Company, as it has traditionally enjoyed higher than industry realizations.

#### Risk Mitigation

KRBL offers retail packs across multiple price segments, giving it a competitive quality and brand advantage vis-à-vis competition. Optimal aging and integrated operations also help mitigate this risk to a significant extent.

#### Cost Risk

The high costs of storage of the entire inventory, post procurement in the October-December period, can have a negative impact if rice prices fall in the latter part of the year.

#### Risk Mitigation

The premium that the Company's products enjoy over its competitors helps it counter any cost hikes, such as interest and freight increases, by absorbing these in the sale price.

#### Product Concentration Risk

Dependency on a single-product type, as bulk revenues for the Company come from Basmati Rice, is a serious risk to the sustainability of operations.

#### Risk Mitigation

The Company manufactures and offers a large variety of brands and products across price points within the Basmati Rice segment. It has also diversified its portfolio through value-added products and a foray into the energy business.

#### Geo-political Risk

The Middle East is the biggest export market for Indian Basmati Rice and accounts for over 35% of KRBL's revenues; most of KRBL's exports are to Saudi Arabia, UAE, Iraq and Kuwait. Hence, any political turmoil in this region may adversely impact exports.

#### Risk Mitigation

The Company is continuously foraying into new markets, including the US, Europe, Australia and New Zealand.

#### Regulatory Risk

From April 2008 to September 2011, the Indian government had banned exports of non-Basmati Rice in a bid to check inflation. Although historically India has not witnessed any ban on Basmati Rice exports, any policy change in that regard could significantly impact the industry.

#### Risk Mitigation

The Company's efforts towards diversification will help it counter this challenge.

**FINANCIAL REVIEW**
**Key Financial Indicators**

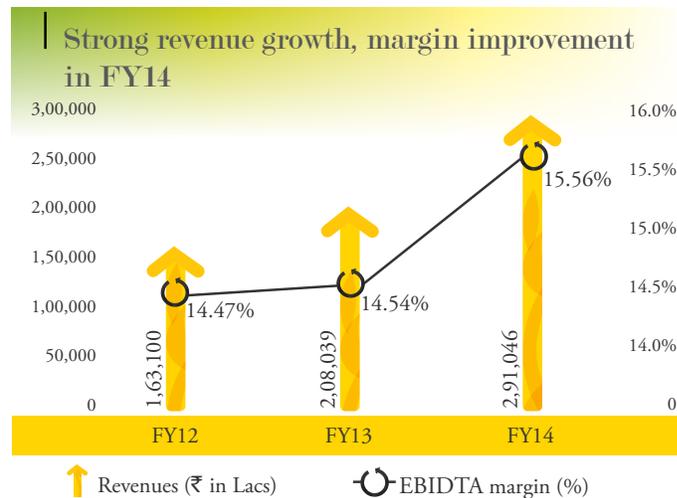
(₹ in Lacs except Per Share Data)

Year Ended March	2013-14	2012-13	2011-12
Revenue from Operations	2,91,046	2,08,039	1,63,100
Other Income	1,454	1,073	864
Total Income	2,92,500	2,09,112	1,63,964
Operating Expenditure	2,46,991	1,78,701	1,40,234
EBIDTA	45,509	30,411	23,730
EBIDTA Margin	15.56%	14.54%	14.47%
Growth in EBIDTA	49.65%	28.15%	-1.77%
Depreciation	5,766	5,056	4,452
EBIT	39,743	25,355	19,278
Interest	7,602	7,751	7,189
PBT before exceptional Items	32,141	17,604	12,089
Foreign Currency Fluctuation (Gain)/Loss	(502)	(816)	2,564
PBT	32,643	18,420	9,525
Tax	7,131	5,434	2,222
Net Profit	25,512	12,986	7,303
Net Profit Margin	8.72%	6.21%	4.45%
Earning per share	10.84	5.37	3.00
Cash EPS	13.29	7.46	4.84
Net Worth	1,04,485	83,035	71,804
Capital Employed	2,33,165	1,65,292	1,58,137
Average Capital Employed	2,20,409	1,58,799	1,54,486
Return on Capital Employed	18.26%	16.48%	10.82%
Return on Equity	10.72%	16.97%	27.81%
Market Capitalization	1,17,900	52,613	42,544
Gross Fixed Assets (Including CWIP)	89,846	72,213	64,068

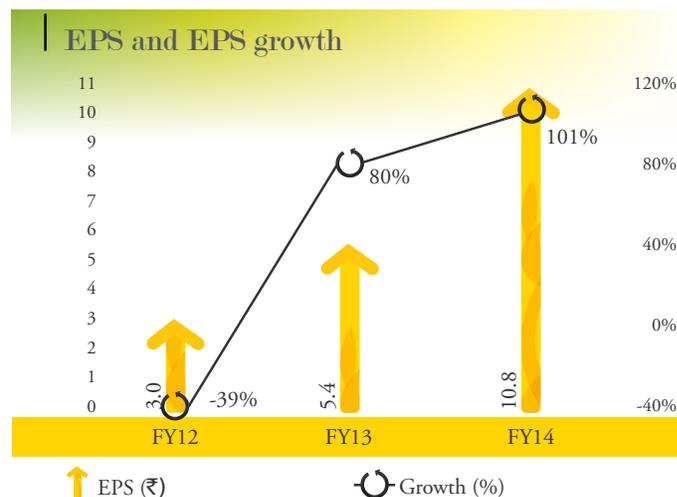
With a fillip from a strong shift in consumer preference towards branded Basmati Rice in the domestic market and a healthy premium realization, KRBL reported excellent numbers during the year 2013-14, achieving the highest ever top line of ₹2,910 Crores – an increase of 40% over the previous year. Better realizations was the key factors that drove the topline.

With India Gate gaining huge acceptance in the domestic market and a low cost inventory level, the Company successfully sustained its growth momentum to post an impressive profitability. Increased per capita consumption of basmati in the Middle East is another factor boosting the Company's basmati business.

For the year under review, the 40% increase in sales translated into a 15.56% of the EBIDTA margin – the highest ever margin reported by the Company so far. The EBIDTA margin last year stood at 14.54%.



The Profit After Tax (PAT) went up by an impressive 96.5% to touch ₹255 Crores and the EPS for the year ended March 2014 stood at ₹10.84 per share as against ₹5.37 per share the previous year.



With KRBL being one of the biggest beneficiaries of the structural change in the consumption pattern in India, the Company's brands, led by India Gate, continued to fetch premium realizations during the year. The per tonne realization in domestic rice sales stood at ₹49 per kg, while the export realization for rice sales was ₹91 per kg.

The revenue split between domestic and export sales saw a shift in the ratio to 54:46 from 55:45 in the previous fiscal.

**Revenue**

With a sales turnover of ₹2,910 Crores for the year ended 2013-14, as against ₹2,080 Crores during 2012-13, the Company continued to demonstrate aggressive growth during 2013-14. Domestic rice sales stood at 3,07,294 MT, while export sales were 1,44,051 MT. Total sales stood at 4,51,345 MT.

High inflation impacted the volume growth for the year. However, in value terms, the Company reported an exceptional 39.9% growth.

### Expenditure

During the year under review, the Company has set up new solar power plants with capacities of 6.63 MW and 5.60 MW in the State of Madhya Pradesh. This brings the Company's total Solar Power Capacity from 2.5 MW in 2012-13 to 14.73 MW in 2013-14. The total Wind Project capacity was also increased during the year from 43.55 MW in 2012-13 to 50.15 MW in 2013-14 by way of setting up a 2.1 MW Wind Power Plant in the State of Andhra Pradesh and a 4.5 MW Wind Power Plant in the State of Madhya Pradesh. Apart from this, other routine capital expenditure was incurred during the year.

Expenses (as % of total expenses)	2011-12	2012-13	2013-14
Materials cost	80.68%	82.99%	86.89%
Employee benefit cost	2.36%	2.18%	1.75%
Finance cost	4.73%	4.05%	2.92%
Other expense	9.30%	8.14%	6.23%
Depreciation	2.93%	2.64%	2.21%

Expenses (as % of total income)	2011-12	2012-13	2013-14
Materials cost	74.73%	76.00%	77.34%
Employee benefit cost	2.19%	2.00%	1.56%
Finance cost	4.38%	3.71%	2.60%
Other expense	8.61%	7.46%	5.54%
Depreciation	2.72%	2.42%	1.97%

### Margins and Profitability

#### EBIDTA & EBIDTA margins

The EBIDTA margin increased to 15.56% in 2013-14 from 14.54% in 2012-13, to its highest ever level. The EBIDTA increased to ₹455.09 Crores in 2013-14 from ₹304.11 Crores in 2012-13. The increase in the margins was attributable mainly to growth in realizations.

#### Depreciation

Depreciation increased further by 14.04% from the previous year level to stand at ₹57.7 Crores.

#### Interest

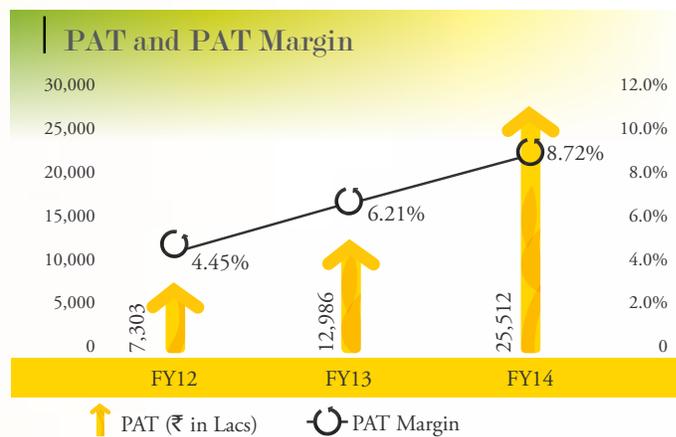
Increased Interest and finance costs, witnessed a decline by 1.94% to ₹76 Crores in 2013-14 as against ₹77.5 Crores in 2012-13. The average rate of interest for Term Loans stood at 8.18% and for Working Capital at 7.74%.

### PBT and Pre-tax margins

Profit before Tax increased by 77.22% to ₹326.43 Crores in 2013-14 as against ₹184.20 Crores in 2012-13.

### PAT and PAT margins

The increase in PBT also pushed up Profit After Tax, which reported an increase of 96.45% to ₹255.12 Crores in 2013-14 as against ₹129.86 Crores in 2012-13. The increase was less than that reported in 2012-13. The post tax margin also increased to 8.72% in 2013-14 as against 6.21% in 2013-14.



### Capital Efficiency

The increase in the EBIDTA led to a rise in the Return on Capital Employed, which went up to 18.26% in 2013-14 as against 16.48% in 2012-13. Return on Equity also increased from 16.97% in 2012-13 to 27.81% in 2013-14.

### Exports Sales

The Company reported rice sales (basmati and non-basmati) of ₹ 1157 Crores during the year 2013-14 in the international market as against ₹ 939 Crores in the previous year 2012-13. The increase resulted from the increase in the Average realisation.

Increasing demand from Saudi Arabia, United Arab Emirates and European countries helped the Company report volume growth, though, in value terms, the rupee depreciation adversely impacted performance.

The Company's strong distribution network of 40 international distributors, of which 14 are in the Middle East, continues to be a key growth driver.

### Domestic Sales

The domestic market continued to be the key growth driver for the Company during 2013-14 as the domestic demand, which has grown 48% year-on-year in value terms, sustained its growth momentum on the back of rising income levels and an expansion of organized retail. The marked consumer shift towards branded basmati was reflected in the increasing sales of rice in the domestic market. The Company sold 3,07,294 MT of rice during the year 2013-14, as against 2,74,155 MT in the previous year – which implies an increase of 12% in volume terms.

Rice sales in the domestic market stood at ₹1,497.90 Crores in 2013-14 as compared to ₹1,016 Crores in 2012-13. Basmati contributed 96% to the domestic revenue from rice sales, with the remaining coming from non-basmati.

India Gate continued to lead the growth story, contributing 15% to volume growth in the domestic market. The small consumer packs of 1 kg and 5 kg did especially well in the north and eastern parts of the country.

Though institutional sales posed a challenge, the Company succeeded in checking the same with Unity and Nur Jahan brands, which performed quite well in the southern and western markets of the country during the year.

The new Bemisal variants (Bemisal Popular and Bemisal Mother's Choice), launched in 1 kg and 5 kg consumer packs, have evoked a positive response in the initial phase as a blended, low price Basmati Rice product. The non-basmati India Gate brown rice has received a fairly good response in the metros of Delhi, Mumbai and Bengaluru and will be aggressively marketed, going forward.

The Company's new TVC has created a new emotional connect with the consumer by promoting the values of togetherness and family bonding. More targeted marketing and promotions are on the anvil over the coming years, which will also see a high level of technological advancement across the value chain.

### Sources of Funds

The Company did not raise any capital during the year. However, the Company has Bought Back and extinguished 65,21,396 Equity Shares at an average price of ₹23.43 per share, utilizing a sum of ₹15.28 Crores (Rupees Fifteen Crores and Twenty Eight Lacs) excluding Transaction Cost. The amount paid towards Buy-back of Equity Shares, in excess of the face value, has been utilized out of Free Reserve. During the year, Company has also extinguished 35,000 Equity Shares Bought Back in the previous year. Consequently paid up Equity Share capital of the Company has reduced and Company has created capital redemption reserve of ₹ 65.57 Lacs towards the face value of 65,56,396 Equity Shares of ₹1 each by utilizing free reserves.

### Transfer to Reserves

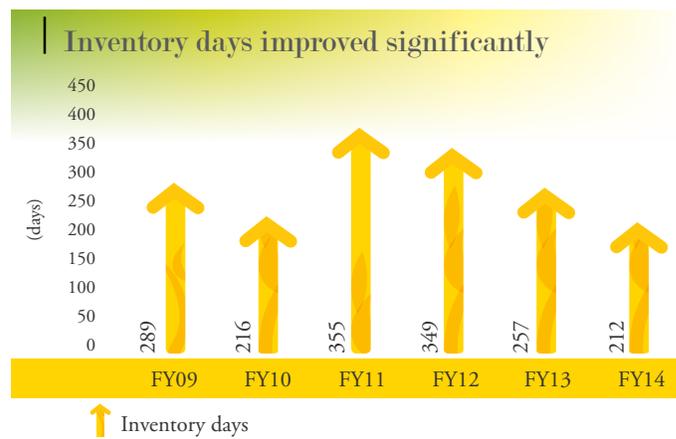
Out of the amount available for appropriation, your Directors propose to transfer ₹40 Crores to General Reserve and retain ₹187 Crores in the Profit and Loss Account. Total Reserves and Surplus increased from ₹805.31 Crores in the previous year to ₹1,020.39 Crores during the year under review.

### Application of Funds

The Company made total investments of ₹177.88 Crores in Plant & Machinery which includes setting up new solar power plants with capacities of 6.63 MW and 5.60 MW in the State of Madhya Pradesh, 2.1MW Wind Power Plant in the State of Andhra Pradesh and 4.5 MW Wind Power Plant in the State of Madhya Pradesh. Apart from this, normal capital expenditure in the warehousing etc was also incurred during the year.

### Working Capital

With focused initiatives, the Company's working capital cycle improved significantly during the year. While with better inventory management systems, inventory days improved from 257 days in 2012-13 to 212 days in 2013-14 as a result our total Finance cost decreased from ₹77.51 Crores in 2012-13 to ₹76 Crores in 2013-14. The reduction in interest cost has been possible even though total revenue grew by 40% year-on-year.

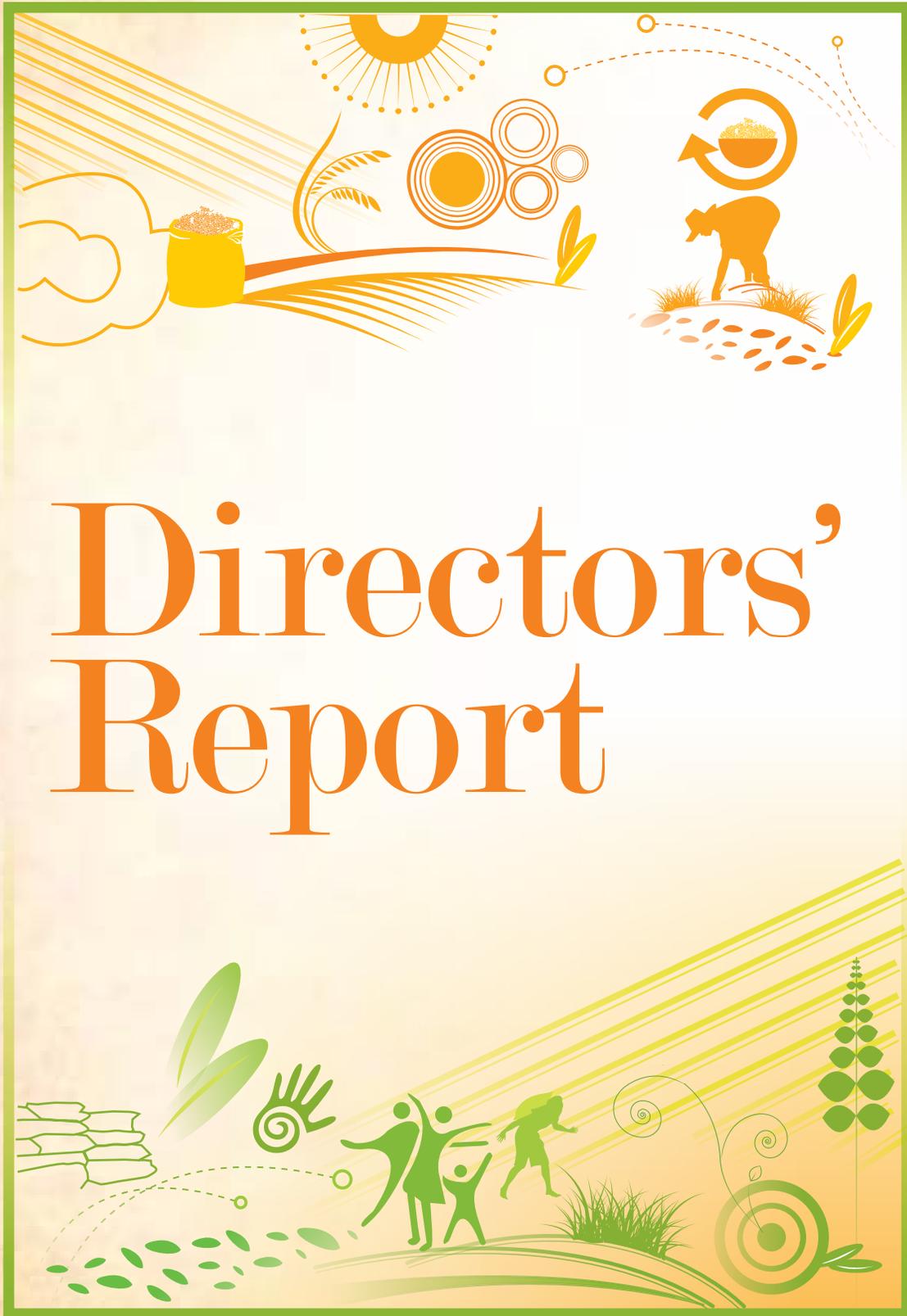


### Loan Profile and Funding Cost

A conservative approach helped the Company keep a control over its balance sheet. The Company's total debt, as of March 31, 2014, stood at ₹1,379.50 Crores, while cash and cash equivalents were at ₹66.19 Crores and the resulting net debt at ₹1,313.31 Crores as compared to ₹857.09 Crores, Previous year Increase in Debt has been mainly on account of increase in Inventory by ₹429.73 Crores and addition to Fixed Assets by ₹177.88 Crores.

### 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 delighted to present their Report on Company's Business Operations along with the Audited Statement of Accounts for the Financial Year ended March 31, 2014.

### 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 2013-14 along with the previous Financial year 2012-13 are tabulated below:

(₹ in Lacs, Except Per Share Data)

PARTICULARS	Consolidated		Standalone	
	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013
Revenue from Operations	2,91,046.36	2,08,038.67	2,79,130.93	2,08,034.09
Other Income	1,454.30	1,073.01	6,189.71	2,971.80
<b>Total Income</b>	<b>2,92,500.66</b>	<b>2,09,111.68</b>	<b>2,85,320.64</b>	<b>2,11,005.89</b>
Operating Expenditure	2,46,991.88	1,78,699.97	2,38,796.31	1,78,536.32
<b>Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>45,508.78</b>	<b>30,411.71</b>	<b>46,524.33</b>	<b>32,469.57</b>
Depreciation and Amortization Expenses	5,765.93	5,056.42	5,764.46	5,055.39
Finance Cost	7,602.05	7,751.67	7,600.01	7,751.04
<b>Profit before Exceptional Items and Tax</b>	<b>32,140.80</b>	<b>17,603.62</b>	<b>33,159.86</b>	<b>19,663.14</b>
Exceptional Items-Foreign Exchange Fluctuation (Gain)/Loss	(502.10)	(816.25)	(501.95)	(816.35)
<b>Profit before Tax (PBT)</b>	<b>32,642.90</b>	<b>18,419.87</b>	<b>33,661.81</b>	<b>20,479.49</b>
Tax expense:				
Current Year	7,096.17	5,450.00	7,095.00	5,450.00
Earlier Year	44.50	8.75	44.50	8.75
Deferred Tax	(9.03)	(25.18)	(9.03)	(25.18)
<b>Profit After Tax (PAT)</b>	<b>25,511.26</b>	<b>12,986.31</b>	<b>26,531.34</b>	<b>15,045.92</b>
<b>Balance as per the last Financial Statements</b>	<b>59,417.24</b>	<b>50,436.22</b>	<b>57,139.69</b>	<b>46,099.06</b>
<b>Appropriations</b>				
i) Proposed Dividend-Final	2,811.79	1,905.29	2,811.79	1,905.29
ii) Tax on Dividend	-	-	-	-
iii) Transfer to General Reserve	4,000.00	2,100.00	4,000.00	2,100.00
<b>Closing Balance of P&amp;L A/c</b>	<b>78,116.70</b>	<b>59,417.24</b>	<b>76,859.22</b>	<b>57,139.69</b>
<b>EARNING PER EQUITY SHARE (Face Value of ₹1 each)</b>				
i) Basic	10.84	5.37	11.27	6.22
ii) Diluted	10.84	5.37	11.27	6.22

## 2. FINANCIAL REVIEW

Pushed by strong shift in consumer preference towards branded basmati rice in the domestic market and a healthy premium realisation, KRBL reported excellent numbers during the year 2013-14. Better realisation was the key factors that pushed the topline. The Company performed extremely well and the highlights of the performance on consolidated basis are as under:

- Revenue from Operations increased by 39.90% to ₹2,910 Crores (P.Y. ₹2,080 Crores).
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) increased to ₹455 Crores (P.Y. ₹304 Crores).
- Profit after Tax (PAT) increased to ₹255 Crores (P.Y. ₹130 Crores).
- PAT Margin increased to 8.72% (P.Y. 6.21%).
- Return on Capital Employed (ROCE) increased to 18.26% (P.Y. 16.48%).
- Net Worth of the Company increased to ₹1,045 Crores (P.Y. ₹830 Crores).
- Return on Net Worth (RONW) increased to 24.42% (P.Y. 15.64 %).
- Market Capitalization increased to ₹1,179 Crores (P.Y. ₹526 Crores).
- Earning per Equity Share increased to ₹10.84 (P.Y. ₹5.37).
- 3 year Net Sales growth CAGR of 23% and EBITDA growth CAGR of 24%.

## 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, 2014 on Ordinary Equity Shares as under:-

(Amount in ₹)

Particulars of Dividend	March 31, 2014	March 31, 2013
Final Dividend on 23,53,89,892 Ordinary Equity shares of ₹1 each @ ₹1.20 per share (P.Y. ₹0.80 per share)	28,24,67,870	19,05,29,030

Thus the total outgo on account of Final Dividend excluding Dividend tax will be ₹28,24,67,870 (P.Y. ₹19,05,29,030).

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 declare 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 Thursday, August 28, 2014, after giving effect to all valid transfers in physical form lodged with the Company or its Registrar and Shares Transfer Agent on or before Thursday, August 28, 2014; 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 hour on Thursday, August 28, 2014.

## 4. TRANSFER TO RESERVES

In view of the robust financial strength of the Company, a sum of ₹40 Crores has been transferred to General Reserve out of the amount available for appropriations and an amount of ₹768.59 Crores is proposed to be carried over to the Balance Sheet.

## 5. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 205A (5) and 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 ₹3,07,918 being the unclaimed dividend for the year 2005-06 in the "Investor Education and Protection Fund" established by the Central Government.

## 6. BUY- BACK OF EQUITY SHARES

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 having 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.

During the Buy-back period i.e. March 4, 2013 to February 11, 2014, the Company has Bought back and Extinguished 77,22,048 Equity Shares at an average price of ₹23.58 per share, utilising a sum of ₹18.21 Crores (Rupees Eighteen Crores Twenty One Lacs) excluding Transaction Cost. The amount paid towards Buy-back of Equity Shares, in excess of the face value, has been utilised out of Free Reserve.

## 7. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the Financial position of the Company have occurred between April 1, 2014 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 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.krblice.com](http://www.krblice.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, 2014 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 the 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 ₹40.56 Crores (P.Y. ₹3.41 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, 2014 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. BOARD OF DIRECTORS

### Inductions:

Mr. Devendra Kumar Agarwal is appointed as an additional director w.e.f. January 16, 2014. He is a Fellow Chartered Accountant

(1977) and qualified Information System Auditor (2003-ICAI). Has vast experience of over 35 years in the area of financial management, management consultancy, business advisory, corporate taxation, auditing etc.

### Re-appointments:

At KRBL Limited, the Managing Director were not liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. Pursuant to the provisions of Section 152 of the Companies Act, 2013 at every Annual General Meeting, not less than two-thirds of the total number of directors of the company (excluding independent directors) would be the Rotational Directors. Aligning with the above mentioned provisions, Mr. Anoop Kumar Gupta, Joint Managing Director, Mr. Ashok Chand, Whole Time Director and Ms. Priyanka Mittal, Whole Time Director would be the rotational directors. Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, one-third of such of the rotational directors are liable to retire by rotation, Therefore Ms. Priyanka Mittal, Whole Time Directors of the Company will retire in the ensuing Annual General Meeting of the Company and being eligible, seek re-appointment. As Mr. Anoop Kumar Gupta, Joint Managing Director of the company, would be appointed as a Director liable to retire by rotation, this shall not constitute a break in his office as the Joint Managing Director of the Company.

The Companies Act, 2013 provides for appointment of Independent Directors. Section 149(10) of the Companies Act, 2013 (effective April 1, 2014) provides that Independent Directors shall hold the office for a term of upto five consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a Special Resolution by the Shareholders of the Company.

At KRBL Limited, the Independent Directors were appointed as the directors liable to be retire by rotation under the provisions of the erstwhile Companies Act, 1956. Section 149(11) of the Companies Act, 2013 states that no Independent Director shall be eligible for more than two consecutive terms of five years. Section 149(13) states that the provisions of retirement by rotation as defined in 152(6) and (7) of the Act shall not apply to such Independent Directors.

Therefore, it stands to reason that only Mr. Devendra Kumar Agarwal who is appointed as an Additional Director on January 16, 2014 under the category of Non-Executive Independent Directors and who will complete his present term at the ensuing AGM of the Company, being eligible and seeking re-appointment, be considered by the shareholders for re-appointment for a term of up to five consecutive years. All other Non-executive Independent Directors (except Mr. Devendra Kumar Agarwal), will continue to hold office and thereafter would be eligible for re-appointment for a fixed term of five years in accordance with the Companies Act, 2013.

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.

#### **Resignations:-**

Mr. Gautam Khaitan has resigned from Directorship w.e.f. April 18, 2013. The Board would like to thank and record its appreciation for his contribution for the services rendered by him during his tenure as the Independent Non-executive director of the Company.

### **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, 2014, 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, 2014 and of the profit of the Company for the Financial year ended March 31, 2014;
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, 2014 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](http://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**

In accordance with the provisions of Companies Act, 2013, all Companies having Net Worth of ₹500 Crores or more, or Turnover of ₹1,000 Crores or more or a Net Profit of ₹5 Crores or more during any Financial Year will be required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more Directors, at least one of whom will be an Independent Director.

Aligning with the guidelines, we have constituted Corporate Social Responsibility Committee on May 8, 2014. The composition of the Corporate Social Responsibility Committee is as under:

- |                         |            |
|-------------------------|------------|
| - Mr. Ashwani Dua       | - Chairman |
| - Mr. Anil Kumar Mittal | - Member   |
| - Mr. Anoop Kumar Gupta | - Member   |
| - Mr. Priyanka Mittal   | - Member   |

The committee is responsible for formulating and monitoring the CSR policy of the Company.

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 neighborhood under Company's Green Initiative for sustainable development programme.



*Plantation of sapling on dated February 11, 2014 by M S Swaminathan "Father of the Green Revolution in India" with Directors and other Members of KRBL Limited at the Ghaziabad plant.*

## 17. AUDITORS

M/s. Vinod Kumar Bindal & Co., Chartered Accountants, New Delhi, the Statutory Auditors of the Company, will retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

## 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. HVMN & Associates, Delhi, the Cost Accountants Firm, as Cost Auditors of the Company.

Your Directors re-appointed M/s. HVMN & Associates, Cost Accountant, as Cost Auditor of the Company for the Financial year 2014-15 and the partner of M/s. HVMN & Associates confirmed that they are not disqualified for such re-appointment within the meaning of Section 148 of the Companies Act, 2013.

## 20. RATINGS

The Company received various ratings, which are as follows:

- In May 2014, "CRISIL" has reviewed and reaffirmed its "Independent Equity Research" and assigned 3/5 on both fundamental grade and valuation grade. 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 3/5 indicates that the stock has "Good fundamentals" which is in align and on the basis of current market price of ₹61 per share.

- In February 2014, “ICRA” has reviewed and reaffirmed [ICRA] A+ (Positive) (pronounced as ICRA A plus Positive) rating for Short-term & Long-term bank facilities.
- In April 2014, “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

## 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, and 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 of 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. Hence the details required under Section 217(2A) are not required to be given.

## 24. DEPOSITORY SYSTEMS

As the members are aware, the Company’s shares are compulsorily tradable in electronic form. As on March 31, 2014, almost 99.82% of the Company’s Paid-up Capital representing 23,49,70,846 Equity Shares is in dematerialized form with both the depositories.

Your Company has established connectivity with both depositories – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, Member 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 2014-15 to the stock exchanges.

The Company has paid Annual Custodial Fees for the Financial year 2014-15 to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of numbers of beneficial accounts maintained by them as on March 31, 2014.

## 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**

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director  
DIN-00030100

Sd/-

**Anoop Kumar Gupta**

Joint Managing Director  
DIN- 00030160

Place : Gautambudh Nagar, U.P.  
Date : August 05, 2014

## 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. List 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. An O<sub>2</sub>/CO<sub>2</sub> analyzer is used for monitoring and controlling flue gas of the boiler.
- ii. Installation of capacitors to increase the power factor from 0.92 to 0.96.
- iii. Installation of LED Lights in export packing hall and boundary wall.
- iv. Installation of on/off delay timer at hot water pumps to reduce its running hours.
- v. Installation of timer to switch on/off the lights in the plant area.
- vi. Installation of Variable Frequency Drive at Blower at Induss dryer.
- vii. Installation of Variable Frequency Drive at mixing conveyor in sella sortex.
- viii. Insulation of steam line in plant to reduce the heat losses to atmosphere.
- ix. Interlocking of motor operation to reduce the idle running hours of the motor.
- x. Leak analysis test done on compressed air line to reduce the wastage of compressed air.

- xi. Replacement of new high efficient motor at compressor to avoid extra running of compressor.
- xii. Schedule cleaning of condenser in power plant and heat exchanger of various plants is being carried out to increase the heat transfer.
- xiii. Use of fuel additive in boiler to increase the combustion efficiency.

##### At Dhuri Unit of KRBL Limited

- i. Variable Frequency Drives on Furfural plant cooling water circulation pumps.
- ii. Variable Frequency Drives on Furfural Plant LP Drum Water circulation pumps.
- iii. Variable Frequency Drives on Organic Pump and Inorganic pump at Mini ETP.
- iv. Variable Frequency Drives on Raw water pump, Equalization pump, Buffer pump and treated water pump of ETP.
- v. Variable Frequency Drives on Boiler Feed Pump.
- vi. Variable Frequency Drives on Boiler Condensate Pump No. 3.
- vii. Variable Frequency Drives on Turbine Alternator Cooler Pump.
- viii. Variable Frequency Drives on DM Water Transfer Pump.

**(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: 2013-14

### (A) POWER AND FUEL CONSUMPTION

S. No.	Particulars	Current Year	Previous Year	Reason for Variation
1.	<b>Electricity</b>			
	<b>(A) Purchased</b>			
	Unit	35,42,500	30,66,000	Increase in own production through Steam Turbine
	Total Amount	2,50,37,841	2,15,75,258	
	Rate/Unit	7.06	7.04	
	<b>(B) Own Generation</b>			
	(i) Through Diesel Generator			
	Unit	20,67,345	2,66,988	Increase in own production through Steam Turbine
	Units Pre ltr. of Diesel Oil	3.53	3.77	
	Cost/Unit	15.88	12.23	
	(ii) Through Steam Turbine			
	Unit	4,40,70,347	4,72,03,271	Increase in production
	Husk/Unit (in Kg)	1.53	1.53	
	Cost/Unit	6.07	5.65	
2.	<b>Coal (Specify quantity and where used)</b>			
	Quantity (Tonnes)	-	-	-
	Total Cost	-	-	-
	Average Rate	-	-	-
3.	<b>Furnace Oil</b>			
	Quantity (k. ltrs.)	-	-	-
	Total Cost	-	-	-
	Average Cost	-	-	-
4.	<b>Other/Internal Generation</b>			
	Quantity	-	-	-
	Total Cost	-	-	-
	Rate/Unit	-	-	-

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

Particulars	(In Units)	
	As at March 31, 2014	As at March 31, 2013
Production Unit-Ghaziabad	1,74,42,457	1,78,79,774
Production Unit-Dhuri	2,73,86,398	2,80,05,396

### ENERGY CONSUMPTION PER MT OF PRODUCTION ARE AS UNDER:

Particulars	(In Units)	
	As at March 31, 2014	As at March 31, 2013
Production Unit-Ghaziabad		
Paddy Milling	82	84
Production Unit-Dhuri		
Rice Bran Oil	254	235
Rice	130	108

## FORM – B

[See Rule 2]

**Form for disclosure of particulars with respect to technology absorption 2013-14**

### 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 2013-14:
  - 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 2013-14:
 

(a) Capital	0.00	(P.Y. 0.00)
(b) Recurring	298.24	(P.Y. 258.37)
(c) Total	298.24	(P.Y. 258.37)
(d) Total R&D expenditure as a percentage of total turnover	0.10	(P.Y. 0.12)

### 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 2013-14):

During the Financial year 2013-14 Company imported Plant & Machinery, Capital Goods, and Spares of Capital Goods like New Komatsu Diesel Forklift Trucks, Sortex Colour Sorting Machine with S Module, Woven Wire Screens, Separating Trays, Furniture, Automatic Packaging System from Japan, U.K., USA, Thailand, China etc.

- (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 have overwhelming response in overseas market. Company has made its Dhuri plant fully operational to have economies of scale of mass production to become more competitive in international market.

Your Company is certified as BRC for meeting the requirements of Global Standard for Food Safety issued by SGS and also meeting the requirements of the SQF Code, 7<sup>th</sup> Edition, for Comprehensive Safety and Quality management system. Further your company is also in the process for obtaining the Food Safety System Certification, 22000.

- 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 ₹1,13,806.15 Lacs (P.Y. ₹90,704.98 Lacs).

During the year under review, Company expended ₹1,599.94 Lacs (P.Y. ₹1,908.13 Lacs) in foreign exchange while earnings in foreign exchange were ₹1,14,085.32 Lacs (P.Y. ₹92,727.25 Lacs). Thus the net inflow in foreign exchange was ₹1,12,485.38 Lacs (P.Y. ₹90,819.12 Lacs) during the year under review.



# Report on Corporate Governance

## REPORT ON CORPORATE GOVERNANCE

“I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live by the light that I have. I must stand with anybody that stands right, and stand with him while he is right, and part with him when he goes wrong.”

- *Abraham Lincoln*

KRBL Limited (‘KRBL’ or ‘the Company’) follows the four major pillars of Corporate Governance in the form of accountability, fairness, transparency and responsibility. We at KRBL are very fair in the protection of rights of stakeholders; we consider it our intrinsic responsibility for the timely, accurate disclosure on all material matters, including the financial situation, performance, ownership and Corporate Governance.

### OUR CORPORATE GOVERNANCE PHILOSOPHY

Our Corporate Governance philosophy 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 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 behaviour, both within the organization as well as in external relationship.

The company’s philosophy on corporate governance is aimed at:

- a) Enhancing long term shareholder’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 a trustee of all stakeholders’s and acknowledges its responsibilities to the stakeholders’s for creating and safeguarding their wealth.

### COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

The Company is fully compliant with the mandatory requirements of Clause 49 of the listing agreement formulated by the Securities and Exchange Board of India.

We present our report on compliance of governance conditions as specified in Clause 49 of the listing agreement:

#### I. BOARD OF DIRECTORS

##### A. COMPOSITION AND SIZE OF THE BOARD

KRBL policy is to maintain an optimum combination of Executive and Non-Executive Directors to clearly demarcate the functions of governance and management. The KRBL Board is a balanced Board, comprising of 10 (Ten) Directors out of which 5 (Five) are Executive Directors and 5 (Five) are Non-Executive Directors. All the Non Executive Directors are drawn from amongst eminent professionals with experience in Business/Finance/Law/Public Enterprises and other allied field. Presently the Managing Director were not liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. Pursuant to the provisions of Section 152 of the Companies Act, 2013 at every Annual General Meeting, not less than two-thirds of the total number of directors of the company (excluding independent directors) would be the rotational directors. Aligning with the above mentioned provisions, Mr. Anoop Kumar Gupta, Joint Managing Director, Mr. Ashok Chand, Whole Time Director and Ms. Priyanka Mittal, Whole Time Director would be the rotational directors. All the Board of Directors are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

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 direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders’ aspirations and societal expectation.

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

**TABLE 1:**
**COMPOSITION OF THE BOARD, ATTENDANCE RECORD, DIRECTORSHIPS & COMMITTEE MEMBERSHIP FOR THE FINANCIAL YEAR 2013-14**

BRIEF INFORMATION ABOUT DIRECTORS		ATTENDANCE RECORD DURING FINANCIAL YEAR 2013-14			DIRECTORSHIP/MEMBERSHIP / CHAIRMANSHIP AS ON MARCH 31, 2014		
Name of the Director	Director Identification Numbers	No. of Board Meeting held and attended		Attendance at the last AGM	Number of Directorships in all Companies* as on 31.03.2014	Number of Committee Positions held in all Companies** as on 31.03.2014	
		Held	Attended			Chairman	Member
<b>Executive Director</b>							
Mr. Anil Kumar Mittal	00030100	4	3	Yes	13	-	-
Mr. Arun Kumar Gupta	00030127	4	4	Yes	13	-	-
Mr. Anoop Kumar Gupta	00030160	4	4	Yes	13	-	1
Mr. Ashok Chand	00030318	4	3	Yes	1	-	-
Ms. Priyanka Mittal	00030479	4	2	Yes	2	-	-
<b>Non Executive &amp; Independent Director</b>							
Dr. Narpinder Kumar Gupta	00032956	4	3	No	8	-	3
Mr. Vinod Ahuja	00030390	4	4	No	16	-	3
Mr. Ashwani Dua	01097653	4	4	Yes	5	3 <sup>^</sup>	3 <sup>^</sup>
Mr. Shyam Arora	00742924	4	-	No	1	-	-
Mr. Gautam Khaitan <sup>@</sup>	00021117	4	-	No	1	-	-
Mr. Devendra Kumar Agarwal <sup>@@</sup>	06754542	4	-	No	1	1 <sup>^</sup>	1 <sup>^</sup>

\* This includes directorships in all companies incorporated in India (Listed, Unlisted and Private Limited Companies) including KRBL Limited and its Subsidiaries.

\*\* 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.

@ Mr. Gautam Khaitan has Resigned from Directorship w.e.f. April 18, 2013.

@@ Mr. Devendra Kumar Agarwal has appointed as an additional director w.e.f. January 16, 2014.

<sup>^</sup> Mr. Ashwani Dua was Chairman of Audit Committee and replaced with Mr. Devendra Kumar Agarwal w.e.f. January 16, 2014.

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 and Promoters 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 and Independent Directors.

Neither of the Directors hold Directorship in more than 20 Companies in total including directorships in not more than 10 public companies nor any of them 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 Director, all three

are brothers and Ms. Priyanka Mittal, Whole Time Director is 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 is not 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 by the Companies Act, 2013.

### BOARD PROCEDURE

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 of 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 2013-14

Sl. No.	Date	Board Strength	No. of Directors Present
01.	May 29, 2013	9	8
02.	August 13, 2013	9	5
03.	November 14, 2013	9	8
04.	January 16, 2014	9	6

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 shares held as Karta of HUF) as on March 31, 2014 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
Ms. Priyanka Mittal	2,50,000
Dr. Narpinder Kumar Gupta	29,000

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

1.	<b>Name</b>	: <b>Ms. Priyanka Mittal</b>
	Age	: 37 Years
	Qualification	: BS in Business Management from University of Southern California, Los Angeles, C.A. Chartered Financial Analyst (AIMR) Candidate Level II
	Experience	: 14 years of experience in the field of international marketing. Worked at 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 & ETV) through interviews. Among other credits, Ms. Priyanka Mittal 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 nomination is member of World Economic Forum, CII, Assocham, Airea, FICCI and Beta Gamma Sigma.
	Other Directorships	: Radha Raj Ispat Private Limited
	Number of Equity Shares Held in the Company	: 2,50,000

<b>2.</b>	<b>Name</b>	<b>: Mr. Devendra Kumar Agarwal</b>
	Age	: 60 Years
	Qualification	: Chartered Accountant (CA) from ICAI, Diploma In Information System Audit (DISA) from ICAI, B.Com (Hons) from Ramjas College, Delhi University
	Experience	: Practicing Chartered Accountant. Has vast experience of over 35 years in the area of Financial Management, Management Consultancy, Business Advisory, Corporate Taxation, Auditing etc.
	Other Directorships	: None
	Number of Equity Shares Held in the Company	: Nil
<b>3.</b>	<b>Name</b>	<b>: Mr. Anil Kumar Mittal</b>
	Age	: 63 Years
	Qualification	: Arts Graduate from Delhi University
	Experience	: Having more than 40 years of experience in the field of Rice Industry. The Visionary behind the success of the Company, Mr. Mittal is the founder Chairman of KRBL Limited. He has been instrumental, in turning the Company into a global brand and the leader in Indian Basmati Industry. He was also the President of All India Rice Exporters Associations and presently he is the Vice President of the Basmati Rice Farmers & Exporters Development Forum. He has been the Board Member of the Export Inspection Council and the Basmati Development Fund. He also formulates the marketing strategy of the Company and supervises the marketing functions.
	Other Directorships	: 1. Anurup Exports Private Limited 2. Radha Raj Ispat Private Limited 3. Radha Raj Infrastructure Private Limited 4. KRBL Infrastructure Limited 5. Aakash Hospitality Private Limited 6. K B Exports Private Limited 7. Holistic Farms Private Limited 8. Radha Raj IT City & Parks Private Limited 9. Radha Raj Logistics Private Limited 10. KRBL Foods Limited 11. Adwet Warehousing Private Limited 12. Padmahasta Warehousing Private Limited
	Number of Equity Shares Held in the Company (including shares held as Karta of HUF)	: 2,91,90,648
<b>4.</b>	<b>Name</b>	<b>: Mr. Arun Kumar Gupta</b>
	Age	: 57 Years
	Qualification	: Commerce Graduate from Delhi University
	Experience	: Having more than 32 years of experience in the field of Rice Industry. Promoter and Director of KRBL Limited. The Promoters have their three generations in the rice business and they enjoy great reputation and respect in the trading and farming community. An expert on the Basmati Paddy Supply Chain Management and the Paddy Milling Technology. He has steered the Company into a growth trajectory. He holds various eminent positions in various reputed organization, one of them being Executive Member of the Basmati Rice farmers & Exporters Development Forum. He plays a key role on the project implementation of the Company.
	Other Directorships	: 1. Anurup Exports Private Limited 2. Radha Raj Ispat Private Limited 3. Radha Raj Infrastructure Private Limited 4. KRBL Infrastructure Limited 5. Aakash Hospitality Private Limited 6. K B Exports Private Limited 7. Holistic Farms Private Limited 8. Radha Raj IT City & Parks Private Limited 9. Radha Raj Logistics Private Limited 10. KRBL Foods Limited 11. Adwet Warehousing Private Limited 12. Padmahasta Warehousing Private Limited
	Number of Equity Shares Held in the Company (including shares held as Karta of HUF)	: 2,40,08,500

5.	<b>Name</b>	: <b>Mr. Anoop Kumar Gupta</b>
	Age	: 55 Years
	Qualification	: Science Graduate from Delhi University
	Experience	: Having more than 30 years of experience in the field of Rice Industry. Promoter and Director of KRBL Limited. The Promoters have their three generations in the rice business and they enjoy great reputation and respect in the trading and farming community. He is having more than 27 years of experience in the Rice Industry. The Financial Architect and the Chief Strategist of the Company. He has added immense value to the Company's financial stability. He has been the Executive Committee member of All India Rice Exporters Association. He is also responsible for domestic marketing and advertisement.
	Other Directorships	: 1. Anurup Exports Private Limited 2. Radha Raj Ispat Private Limited 3. Radha Raj Infrastructure Private Limited 4. KRBL Infrastructure Limited 5. Aakash Hospitality Private Limited 6. K B Exports Private Limited 7. Holistic Farms Private Limited 8. Radha Raj IT City & Parks Private Limited 9. Radha Raj Logistics Private Limited 10. KRBL Foods Limited 11. Adwet Warehousing Private Limited 12. Padmahasta Warehousing Private Limited
	Number of Equity Shares Held in the Company (including shares held as Karta of HUF)	: 2,61,96,876
6.	<b>Name</b>	: <b>Mr. Ashok Chand</b>
	Age	: 62 Years
	Qualification	: B.E. (Honors)-Mechanical, Post Graduate Diploma in Personnel Management & Industrial Relation, Certificate of Entrepreneurship from Indian Institute of Management
	Experience	: In 37 years of Industrial experience in the field of Engineering and Food Processing Industry worked with companies of repute in various capacities such as "Design Engineer" with M/s Engineer India Ltd., "Project & Engineering Manager" with an American Multinational Pharmaceutical company – M/s Pfizer Ltd. and "Project Manager" with Food Multinational company – M/s Nestle India Ltd. From August, 1998 in present assignment with M/s KRBL Ltd., the largest Basmati Rice Processing Company.
	Other Directorships	: None
	Number of Equity Shares Held in the Company	: Nil

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 pursuant to the Clause 49 of the Listing Agreement and Companies Act, 2013.

#### A. AUDIT COMMITTEE

##### I. COMPOSITION OF THE COMMITTEE

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

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

Name	Designation	Category
Mr. Devendra Kumar Agarwal*	Chairman	Non-Executive & Independent
Mr. Ashwani Dua**	Member	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

\* Mr. Devendra Kumar Agarwal was inducted into the Board w.e.f. January 16, 2014 and appointed as chairman of the Audit Committee.

\*\* Mr. Ashwani Dua was relinquished the office of Chairman of Audit Committee w.e.f. January 17, 2014.

\*\*\* Mr. Anoop Kumar Gupta left the position of member of Audit Committee w.e.f. January 17, 2014.

All the members of the Committee have good knowledge of Finance, Accounts and Business management. The Chairman of the Committee, Mr. Devendra Kumar Agarwal, has considerable accounting and related financial expertise. Statutory Auditors attend the meetings of the Committee on the invitation of 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.

Further, Company has complied with the requirements of Section 177 of the Companies Act, 2013. Each member of the committee

is an independent director, according to the definition laid down in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the relevant Indian stock exchanges.

Mr. Raman Sapra, Company Secretary, acts as 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 and Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.

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.

### III. MEETINGS AND ATTENDANCE

#### 1. MEETINGS

During the Financial Year 2013-14, four meetings of the Audit Committee were held on May 29, 2013, August 13, 2013, November 14, 2013 and January 16, 2014. Details of Audit Committee Meeting held and attended by the Members during the Financial year 2013-14 are as follows:

S. No.	Name	Position held	No. of Meetings held during the year	No. of Meetings attended
01.	Mr. Ashwani Dua <sup>^</sup>	Chairman	4	4
02.	Mr. Vinod Ahuja	Member	4	4
03.	Dr. Narpinder Kumar Gupta	Member	4	3
04.	Mr. Anoop Kumar Gupta <sup>^</sup>	Member	4	4
05.	Mr. Devendra Kumar Agarwal <sup>^</sup>	Chairman	-	-

<sup>^</sup> Mr. Ashwani Dua was Chairman of Audit Committee and replaced with Mr. Devendra Kumar Agarwal w.e.f. January 17, 2014. Mr. Anoop Kumar Gupta was also resigned from the Audit Committee w.e.f. January 17, 2014.

#### B. REMUNERATION COMMITTEE

The purpose of the committee is to oversee the Company's Nomination process for the Top-level Management and specifically to identify, screen and review individuals qualified to serve as Executive Directors, Non-executive Directors and Independent Directors consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM. The committee also makes recommendations to the Board on candidates for (i) nomination for election or re-election by the shareholders; and (ii) any Board vacancies that are to be filled.

The committee may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Executive Chairman of the Board. The committee will review and discuss all matters pertaining to candidates and will evaluate the candidates in accordance with a process that it sees fit and appropriate, passing on the recommendations for the nomination to the Board. The committee coordinates and oversees the annual self-evaluation of the performance of the Board and of individual directors in the governance of the Company.

#### I. COMPOSITION OF THE COMMITTEE

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

The details of the composition of the 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 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 2013-14, one meetings of Remuneration Committee were held on May 29, 2013. Details of Remuneration Committee Meeting held and attended by the Members during the Financial Year 2013-14 as follows:

S. No.	Name	Position held	No. of Meetings held during the year	No. of Meetings attended
01.	Mr. Ashwani Dua	Chairman	1	1
02.	Mr. Vinod Ahuja	Member	1	1
03.	Dr. Narpinder Kumar Gupta	Member	1	1

#### IV. REMUNERATION POLICY

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

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 during the Financial Year 2013-14 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	1,68,81,765	Nil	1,68,81,765
Mr. Anoop Kumar Gupta	Nil	72,39,600	Nil	72,39,600
Mr. Ashok Chand	Nil	26,07,600	Nil	26,07,600
Ms. Priyanka Mittal	Nil	29,19,600	Nil	29,19,600
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
Mr. Devendra Kumar Agarwal**	Nil	Nil	Nil	Nil

\* Upto April 17, 2013 being the last date of directorship.

\*\* Appointed as an additional director w.e.f. January 16, 2014.

Pursuant to the provisions the provision of Section 178 of the Companies Act, 2013 the Board of Directors of every listed companies, all public companies with a paid up capital of ten crores rupees or more, all public companies having turnover of one hundred crores rupees or more and all public companies, having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding fifty crores rupees or more shall constitute the Nomination and Remuneration Committee consisting of three or more Non executive Directors out of which not less than half shall be Independent Directors.

Presently the Company is having a Remuneration Committee which was constituted in accordance with the provisions of Clause 49 of the Listing Agreement with stock exchanges. In accordance with the provisions of Companies Act 2013 and rules made thereunder, the present nomenclature of the "Remuneration Committee" needs to be changed to "Nomination and Remuneration Committee". The composition of the "Remuneration Committee" and "Nomination and Remuneration Committee" is proposed to be the same, in compliance with the provisions of Listing Agreement and Section 178 of the Companies Act, 2013 is as under:

Erstwhile Remuneration Committee	Nomination and Remuneration Committee	Status
Mr. Ashwani Dua, Chairman & Member	Mr. Ashwani Dua, Chairman & Member	Non-executive & Independent
Mr. Vinod Ahuja, Member	Mr. Vinod Ahuja, Member	Non-executive & Independent
Dr. Narpinder Kumar Gupta, Member	Dr. Narpinder Kumar Gupta, Member	Non-executive & Independent

## C. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

### I. COMPOSITION OF THE COMMITTEE

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

The details of the Composition of Shareholders/Investors Grievance Committee is as follow:

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 Secretary to the Committee.

### II. TERMS OF REFERENCE

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

- i) Redressal of Shareholder's grievance by reviewing the mechanism implemented.
- ii) Review of Dematerialised Shares.
- iii) Transfer and transmission of shares and duplicate shares.
- iv) 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 2013-14, four meetings of the Shareholders/Investors Grievance Committee were held on May 29, 2013, August 13, 2013, November 14, 2013 and, January 16, 2014. Details of Audit Committee Meeting held and attended by the Members during the Financial year 2013-14 are as follows:

S. No.	Name	Position held	No. of Meetings held during the year	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	3

### 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 were 5 (Five). No complaints were outstanding as on March 31, 2014. No requests for transfer/transmission and for dematerialization were pending for approval as on March 31, 2014. The Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited (RTA), 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 Investors electronically. This e-mail id has been displayed on the Company's website www.krbllrice.com.

Pursuant to the provisions of Section 178 of the Companies Act, 2013 every company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a Financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.

Presently company is having a Shareholders/Investors Grievance Committee which was constituted in accordance with the provisions of Clause 49 of the Listing Agreement with stock exchanges. In accordance with the provisions of Companies Act, 2013 and Rules made thereunder, the present nomenclature of the "Shareholders/Investors Grievance Committee" needs to be changed to "Stakeholders Relationship Committee".

The composition of the “Shareholders/Investors Grievance Committee” and “Stakeholders Relationship Committee” is proposed to be the same, in compliance of the provisions of Listing Agreement and Section 178 of the Companies Act, 2013 is as under:

<b>Erstwhile Shareholders/Investors Grievance Committee</b>	<b>Stakeholders Relationship Committee</b>	<b>Status</b>
Mr. Ashwani Dua, Chairman & Member	Mr. Ashwani Dua, Chairman & Member	Non-executive & Independent
Mr. Vinod Ahuja, Member	Mr. Vinod Ahuja, Member	Non-executive & Independent
Dr. Narpinder Kumar Gupta, Member	Dr. Narpinder Kumar Gupta, Member	Non-executive & Independent

## **D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

### **I. CONSTITUTION AND COMPOSITION**

Pursuant to the provisions of Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility policy) Rules, 2014 company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during any Financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors out of which at least one director shall be an Independent Director.

Accordingly company has constituted the Corporate Social Responsibility Committee on May 8, 2014.

The composition of the Corporate Social Responsibility Committee is as under:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Ashwani Dua	Chairman	Non-Executive & Independent Director.
Mr. Anil Kumar Mittal	Member	Chairman & Managing Director
Mr. Anoop Kumar Gupta	Member	Joint Managing Director
Ms. Priyanka Mittal	Member	Whole-Time Director

### **II. TERMS OF REFERENCE**

The terms of reference of Corporate Social Responsibility Committee includes:

- i) Contribute towards better society and a cleaner environment.
- ii) Develop and review the CSR policies relating to workplace quality, environmental protection, operating practices and community involvement.
- iii) Identify CSR issues, and related risks and opportunities that are relevant to the Company’s operations, and incorporate the issues or factors into the Company’s existing risk management.
- iv) Evaluate and enhance the Company’s CSR performance and make recommendation to the Board for improvement.
- v) Prepare transparent monitoring mechanism for ensuring implementation of the projects, programmes, activities proposed to be undertaken by the KRBL.
- vi) Monitor Corporate Social Responsibility Policy of the KRBL time to time.

## **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, 2014.

Gautambudh Nagar, U.P. August 05, 2014	<b>Anil Kumar Mittal</b> Chairman & Managing Director DIN: 00030100
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### **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
20th AGM – 2013	11.00 A.M. Monday September 23, 2013 FICCI Auditorium, Tansen Marg, New Delhi-110001	- Re-appointment of Ms. Priyanka Mittal as Whole Time Director and revision in remuneration - Revision in remuneration of Mr. Arun Kumar Gupta, Joint Managing Director
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

### B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

- No Special resolution was passed through Postal Ballot during the Financial Year 2013-14. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot.

Further the Company is proposed to passed the following resolutions through postal ballot :-

1. Authorization for Borrowing Money u/s 180 (1) (c) of the Companies Act, 2013
2. Providing Security u/s 180 (1) (a) of the Companies Act, 2013 in connection with the borrowings of the Company
3. Acceptance of Deposits from Members and/or Public u/s 73 and 76 of the Companies Act, 2013
4. Transactions with Related Parties u/s 188 of the Companies Act, 2013
5. Authority to make loan(s), give guarantee(s) and make investment(s) in other bodies corporate(s)

## 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 / VIGIL MECHANISM POLICY

As on March 31, 2014, Company did not have any Whistle Blower Policy. However, no personnel is being denied any access to the Audit Committee.

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, every listed company, Companies which accept deposits from the public and Companies which have borrowed money from banks and public Financial institutions in excess of fifty crores rupees shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances. Accordingly, the Board of Directors at its meeting held on May 8, 2014 have established a vigil mechanism.

### 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 is given under the head Directors. Further, the relevant details also forms part of 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. SHAREHOLDER RIGHTS

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

### 3. 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, 2014.

### 4. TRAINING OF BOARD MEMBER

There was no Directors training program during the year ended March 31, 2014.

### 5. 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 2013-14 although there was no formal peer group review by the entire Board except the Directors concerned.

### 6. 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 to the Company or its RTA of the Company.

## 8. MEANS OF COMMUNICATION

### Financial Results and Annual Reports etc.

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board of Directors of the Company are published during the year under review in leading national newspapers, i.e. Economic Times, Business Standard 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.krblrice.com](http://www.krblrice.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 INFORMATION

### 1. ANNUAL GENERAL MEETING

Day, Date & Time	: Tuesday, September 9, 2014 at 11 A.M.
Venue	: FICCI K.K. Birla Auditorium, 1 Tansen Marg, New Delhi-110001
Financial Calendar	: The Financial Year of the Company cover April 1 to March 31

### 2. FINANCIAL REPORTING

Financial Year	: April 1 to March 31
For the Financial Year 2013-14 results were announced on:	
1st Quarter ended June 30, 2013	: August 13, 2013
2nd Quarter and Half Year ended	: November 14, 2013
September 30, 2013	
3rd Quarter ended December 31,	: January 16, 2014
2013	
4th Quarter and Year Ended March	: May 8, 2014
31, 2014	
For the Financial Year 2014-15, result are likely to be announced on: (Tentative and subject to change)	
1st Quarter ended June 30, 2014	: By First Week of August, 2014
2nd Quarter and Half Year ended	: By Third Week of September 30, 2014
October, 2014	
3rd Quarter ended December 31,	: By Third Week of 2014
January, 2015	
4th Quarter and Year Ended March	: By Second Week of 31, 2015
May, 2015	

### 3. DATE OF BOOK CLOSURE

The dates of Book Closure shall be from Thursday, August 28, 2014 to Tuesday, September 09, 2014 (both days inclusive).

#### 4. DIVIDEND PAYMENT DATE

The Board of Directors has recommended a Final Dividend @ 120 % i.e. ₹1.20 per equity share for the Financial year 2013-14. The Dividend, if approved by Shareholders at the ensuing AGM shall be paid to the Shareholders, whose names appearing in the Register of Members as on Thursday, August 28, 2014. 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 Wednesday, August 27, 2014 as per details furnished by the Depositories for this purpose. The Dividend declared shall be paid on or after Tuesday, September 16, 2014.

#### 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 Share 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 Shareholders/Investors Grievance Committee reviews the Share 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 2014-15 has been paid to both the depositories.

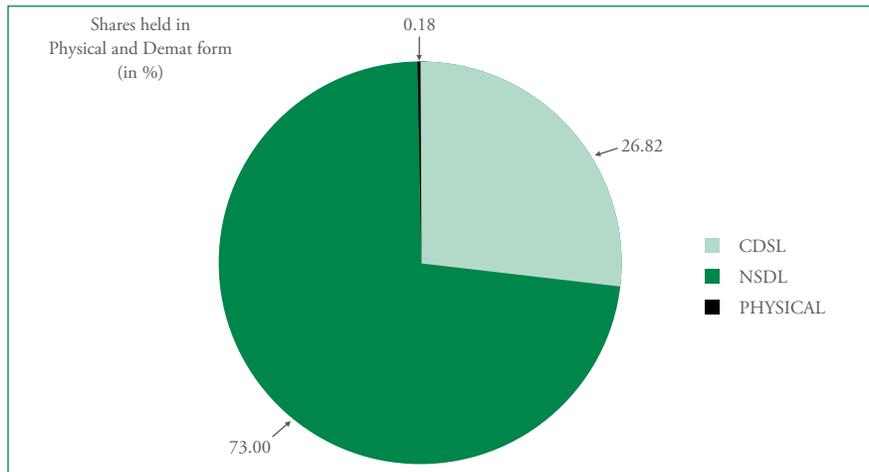
During the year under review 10,000 shares of the company covered in 1 requests were converted into dematerialized form. As on March 31, 2014, 23,49,70,846 shares of the company constituting 99.82% of the Paid -up share capital are in dematerialized form.

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

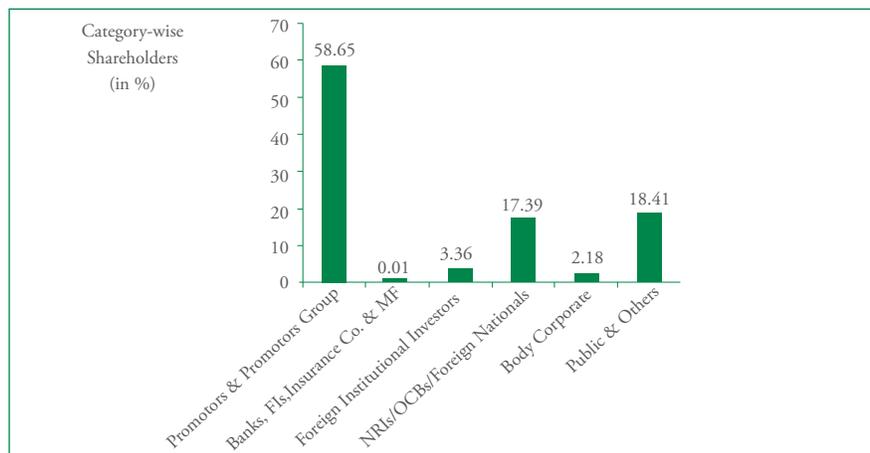
National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 Telephone: 022 – 24994200 Facsimile: 022 – 24972933 E-mail: investor@nsdl.co.in Website: www.nsdl.co.in	Phiroze 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, 2014

No. of Shares held (₹1 paid up)	Folios		Shares of ₹1 Fully Paid up	
	Numbers	%	Numbers	%
1 – 50	4,752	22.01	1,12,668	0.05
51 – 100	3,954	18.32	3,76,586	0.16
101 – 500	6,972	32.30	21,44,637	0.91
501 – 1000	2,576	11.93	22,72,019	0.97
1001 – 5000	2,317	10.73	58,19,621	2.47
5001 – 10000	462	2.14	35,76,213	1.52
10001 – 50000	421	1.95	91,56,651	3.89
50001 – 100000	50	0.23	35,76,901	1.52
100000 & Above	84	0.39	20,83,54,596	88.51
<b>Total</b>	<b>21,588</b>	<b>100.00</b>	<b>23,53,89,892</b>	<b>100.00</b>

**8. SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM AS ON MARCH 31, 2014**

**9. CATEGORY-WISE SHAREHOLDING AS ON MARCH 31, 2014**

Category	No. of Shares held	%
Promoter's & Promoters Group	13,80,47,174	58.65
Banks, FIs, Insurance Company's & Mutual Fund	11,887	0.01
FII's	79,14,865	3.36
NRI's/OCB's/Foreign Nationals	4,09,28,419	17.39
Body Corporate	51,35,888	2.18
Public and Others	4,33,51,659	18.41
<b>Total</b>	<b>23,53,89,892</b>	<b>100.00</b>

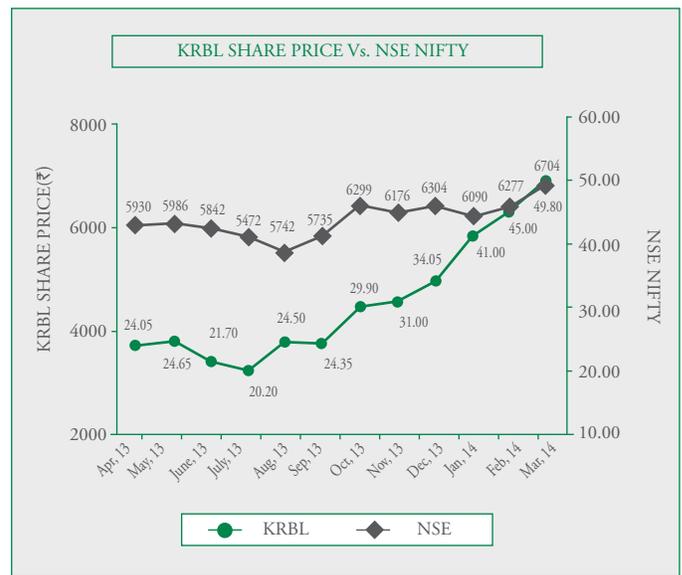
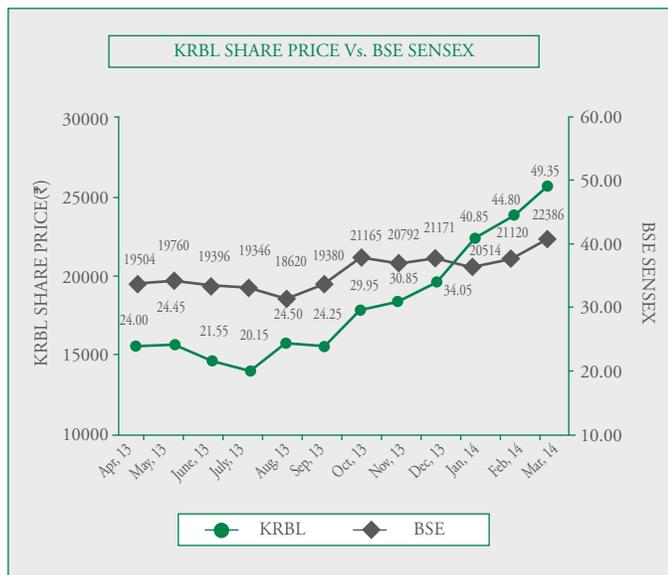

**10. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON MARCH 31, 2014**

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	50,90,000
06.	Manulife Global Fund Asian Small Cap Equity Fund	21,44,945
07.	Seema Goel	19,45,000
08.	Cophall Mauritius Investment Limited	16,79,000
09.	Quant Foreign Value Small Cap Fund	14,75,200
10.	Seema Ahuja	11,46,414

## 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, 2013	25.50	22.05	26,87,476	620.31	25.35	21.95	45,10,057	1,054.79
May, 2013	26.55	23.35	6,44,901	158.18	26.50	23.50	24,73,970	605.39
June, 2013	25.35	21.10	14,71,543	339.62	25.50	21.10	49,41,802	1,143.35
July, 2013	21.95	19.40	15,45,691	316.80	22.00	19.65	48,47,511	995.30
August, 2013	25.40	19.65	12,31,781	275.79	25.45	19.30	29,90,881	678.16
September, 2013	25.70	23.10	9,76,275	238.33	25.60	23.70	24,49,783	597.84
October, 2013	31.30	24.00	31,66,399	903.23	31.30	24.05	92,12,261	2,632.82
November, 2013	34.00	28.00	22,71,992	722.13	34.00	28.55	69,46,128	2,208.93
December, 2013	34.90	30.90	23,22,798	758.78	35.00	30.10	77,78,975	2,542.24
January, 2014	43.10	34.00	85,15,495	3,389.21	43.85	33.80	2,06,23,808	8,201.83
February, 2014	48.00	39.75	24,74,380	1,108.80	48.15	39.65	98,31,761	4,413.02
March, 2014	50.00	44.25	14,81,676	701.43	50.20	44.35	48,40,271	2,297.08



## 12. OUTSTANDING ADRS/GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND LIKELY IMPACT ON EQUITY

The Company had allotted 34,28,594 nos. of underlying equity shares of ₹10/- each at a premium of ₹145.08 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 Investors, in accordance with the provisions of Section 81 and 81(1A) of the Companies Act, 1956 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through 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. 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 2005-06 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 of transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF):

<b>Date of Declaration of Dividend</b>	<b>Dividend for the year</b>	<b>Due Date of transfer to IEPF</b>
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
23/09/2013	2012-13	30/10/2020

Attention is drawn that the Unclaimed Final Dividend for the Financial Year 2006-07 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  
 CIN No.- L01111DL1993PLC052845

**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**

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

**For & on behalf of the Board**

Sd/-

**Anil Kumar Mittal**

Chairman & Managing Director  
 DIN-00030100

Place : Gautambudh Nagar, U.P.  
 Date : August 05, 2014



## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members, of M/s. KRBL Limited

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the Financial Year ended on March 31, 2014.

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

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

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

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

For **DMK ASSOCIATES**  
Company Secretaries

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

Place: New Delhi  
Date: August 05, 2014



## CEO AND CFO CERTIFICATION

We, Anil Kumar Mittal, Chairman & Managing Director and 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, 2014 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, 2014 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.

Sd/-

Sd/-

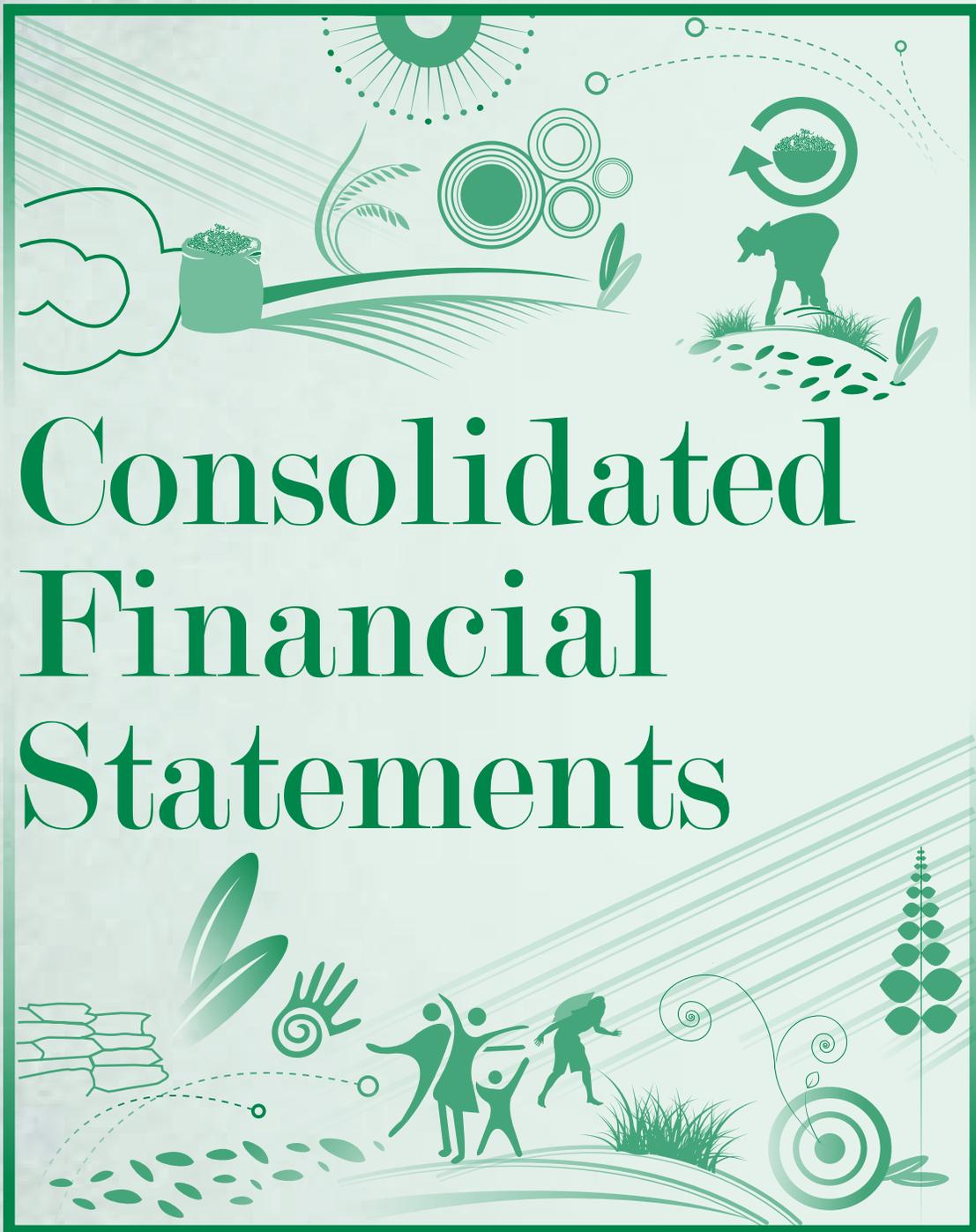
Sd/-

Date : August 05, 2014

Chairman & Managing Director

Joint Managing Director

Chief Financial Officer



# Consolidated Financial Statements

## Contents

Auditors' Report.....	75
Balance Sheet .....	76
Statement of Profit and Loss.....	77
Cash Flow Statement.....	78
Notes forming part of the Balance Sheet.....	80

# 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, 2014, 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 standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs) and 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 auditor's 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 noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- 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
- 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 ₹ 32.55 Crores (PY. ₹ 36.75 Crores) as at March 31, 2014, total revenues of ₹ 123.06 Crores (PY ₹ 5.02 Crores) and net cash flows amounting to ₹ 1.90 Crores (PY. ₹ 0.13 Crores) for the year then ended. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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-1

New Delhi-110 095

Dated: May 08, 2014

## CONSOLIDATED BALANCE SHEET

as at March 31, 2014

(₹ in Lacs)

S. No	Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I.	<b>EQUITY &amp; LIABILITIES</b>			
	<b>Shareholder's Funds</b>			
	Share Capital	2	2,358.19	2,423.75
	Reserves and Surplus	3	1,02,039.09	80,531.04
	Investment in Own Shares Account (Refer to Note No. 28.02)		-	(8.04)
	<b>Total Shareholder's Funds (A)</b>		<b>1,04,397.28</b>	<b>82,946.75</b>
	<b>Minority Reserve (B)</b>		<b>88.30</b>	<b>88.39</b>
	<b>Non-Current Liabilities</b>			
	Long-Term Borrowings	4	20,437.84	7,744.72
	Deferred Tax Liabilities (Net)	5	1,587.46	1,596.49
	Long-Term Provisions	6	148.65	116.75
	<b>Total Non-Current Liabilities (C)</b>		<b>22,173.95</b>	<b>9,457.96</b>
	<b>Current Liabilities</b>			
	Short-Term Borrowings	7	1,11,117.01	75,812.31
	Trade Payables	8	14,958.44	7,994.41
	Other Current Liabilities	9	15,184.22	22,267.03
	Short-Term Provisions	10	3,552.41	2,434.68
	<b>Total Current Liabilities (D)</b>		<b>1,44,812.08</b>	<b>1,08,508.43</b>
	<b>Total (A+B+C+D)</b>		<b>2,71,471.61</b>	<b>2,01,001.53</b>
II.	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Fixed Assets	11		
	Tangible Assets		56,132.42	44,116.71
	Intangible Assets		129.37	148.42
	Capital Work-in-progress		1,440.23	1,511.79
	Long-Term Loans and Advances	12	4,471.77	2,889.48
	Other Non-Current Assets	13	138.82	121.83
	<b>Total Non-Current Assets (A)</b>		<b>62,312.61</b>	<b>48,788.23</b>
	<b>Current Assets</b>			
	Current Investments	14	630.34	627.15
	Inventories	15	1,69,001.96	1,26,029.11
	Trade Receivables	16	28,725.70	19,471.65
	Cash & Bank Balances	17	6,618.69	1,324.49
	Short-Term Loans and Advances	18	3,455.09	4,335.90
	Other Current Assets	19	727.22	425.00
	<b>Total Current Assets (B)</b>		<b>2,09,159.00</b>	<b>1,52,213.30</b>
	<b>Total (A+B)</b>		<b>2,71,471.61</b>	<b>2,01,001.53</b>
	Significant Accounting Policies	1		
	Other Notes forming part of the Financial Statements	28		
	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 Regn. 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 08, 2014

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>INCOME</b>			
Revenue from Operations	20	2,91,046.36	2,08,038.67
Other Income	21	1,454.30	1,073.01
<b>TOTAL INCOME</b>		<b>2,92,500.66</b>	<b>2,09,111.68</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	22	2,09,694.07	1,66,287.68
Purchases of Stock in Trade	23	9,566.74	1,122.14
Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	24	6,956.63	(8,483.89)
Employee Benefits Expenses	25	4,564.95	4,184.05
Finance Costs	26	7,602.05	7,751.67
Depreciation & Amortization Expenses		5,765.93	5,056.42
Other Expenses	27	16,209.49	15,589.99
<b>TOTAL EXPENDITURE</b>		<b>2,60,359.85</b>	<b>1,91,508.06</b>
<b>PROFIT BEFORE TAXATION &amp; EXCEPTIONAL ITEMS</b>			
Exceptional Items-Foreign Exchange Fluctuation (Gain)/Loss		(502.10)	(816.25)
<b>PROFIT BEFORE TAXATION</b>		<b>32,642.90</b>	<b>18,419.87</b>
<b>Tax Expense:</b>			
Current Year		7,096.18	5,450.00
Earlier Year		44.50	8.75
Deferred Tax		(9.03)	(25.19)
<b>PROFIT/ (LOSS) FOR THE YEAR AFTER TAX</b>		<b>25,511.25</b>	<b>12,986.31</b>
<b>EARNING PER EQUITY SHARE (Face Value of ₹1 each)</b>			
1) Basic (₹)		10.84	5.37
2) Diluted (₹)		10.84	5.37
Significant Accounting Policies	1		
Other Notes forming part of the Financial Statements	28		
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 Regn. 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 08, 2014

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2014

(₹ in Lacs)

S. No	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax From Continuing Operations	32,642.90	18,419.87
	<b>Adjustment for :</b>		
	Depreciation & Amortization Expenses	5,765.93	5,056.42
	Loss/(Profit) on Sale of Fixed Assets	0.74	(7.55)
	Effect of Exchange Rate Difference	(502.10)	(816.25)
	Profit on Sale of Investment	(30.46)	(6.70)
	Interest Expense	7,602.05	7,751.67
	Interest Receipt	(1,271.44)	(999.73)
	Loss/(Profit) on Revaluation of Current Investment	(1.80)	56.66
	Foreign Currency Translation Reserve	278.62	442.91
	Dividend on Investment	(34.76)	(19.94)
	<b>Operating Profit Before Working Capital Changes</b>	<b>44,449.68</b>	<b>29,877.36</b>
	<b>Adjustments for Working Capital changes</b>		
	Increase/(Decrease) in Long-Term Provisions	31.90	23.71
	Increase/(Decrease) in Trade Payable	6,964.02	(4,946.51)
	Increase/(Decrease) in Other Current Liabilities	(7,082.80)	(3,104.58)
	Increase/(Decrease) in Short -Term Provisions	2.56	37.37
	Decrease/(Increase) in Inventories	(42,972.85)	(2,256.87)
	Decrease/(Increase) in Trade Receivables	(9,254.06)	3,444.98
	Decrease/(Increase) in Long-Term Loans and Advances	(1,582.29)	185.54
	Decrease/(Increase) in Other Current Assets	(302.22)	160.31
	Decrease/(Increase) in Short-Term Loans and Advances	880.81	1142.79
	Decrease/(Increase) in Other Non Current Assets	(16.99)	(51.16)
	<b>Cash Generated From Operations</b>	<b>(8,882.24)</b>	<b>24,512.95</b>
	Tax Paid (Net)	(6,932.20)	(5,603.83)
	<b>Net Cash Flow From Operating Activities (Total - A)</b>	<b>(15,814.44)</b>	<b>18,909.12</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets & WIP	(17,716.26)	(8,292.38)
	Sale of Fixed Assets	27.17	94.26
	Profit on sale of Investment	30.46	6.70
	Minority Reserve	0.09	0.04
	Dividend on Investments	34.76	19.94
	<b>Net Cash Generated / (-) Used in Investing Activities (Total - B)</b>	<b>(17,623.78)</b>	<b>(8,171.44)</b>

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2014

(₹ in Lacs)

S. No	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Buy-back of Equity Shares	(1,535.59)	(293.32)
	Increase/(Decrease) in Long-Term Borrowings	12,693.12	(2,894.65)
	Increase/(Decrease) in Short-Term Borrowings	35,304.69	(1,082.79)
	Effect of Exchange Rate Difference	502.10	816.25
	Interest Expense	(7,602.05)	(7,751.67)
	Interest Income	1,271.44	999.73
	Dividend Paid	(1,895.85)	(729.34)
	Taxes on Dividend Paid	-	(118.32)
	Wealth Tax	(5.45)	(3.73)
	<b>Net Cash Flow from Financing Activities (Total-C)</b>	<b>38,732.42</b>	<b>(11,057.84)</b>
	<b>Net changes in Cash and Bank Balances (Total-A+B+C)</b>	<b>5,294.20</b>	<b>(320.16)</b>
	Cash & Bank Balance-Opening Balance	1324.49	1,644.65
	Cash & Bank Balance-Closing Balance	<b>6,618.69</b>	<b>1,324.49</b>
	<b>Cash &amp; Bank Balance</b>		
	Cash in hand	75.13	133.58
	Balance with Scheduled Bank	6,543.56	1,190.91
		<b>6,618.69</b>	<b>1,324.49</b>

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.

Annexure to our Report of Date

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

Sd/-

**Vinod Kumar Bindal**

Proprietor

Firm Regn. 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 08, 2014

# NOTES FORMING PART OF THE CONSOLIDATED 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 CONSOLIDATED 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/constructed by the Company is deducted out of gross value of the asset acquired/ constructed 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 par value of ₹1 each as follows:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
<b>Authorised Shares</b>		
30,00,00,000 (P.Y. 30,00,00,000) Ordinary Equity Shares of ₹1 each	3,000.00	3,000.00
<b>Total Authorised Share Capital</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued &amp; Subscribed Shares</b>		
23,62,44,892 (P.Y. 24,28,01,288) Ordinary Equity Shares of ₹1 each	2,362.45	2,428.01
<b>Total Issued &amp; Subscribed Share Capital</b>	<b>2,362.45</b>	<b>2,428.01</b>
<b>Paid up Shares</b>		
23,53,89,892 (P.Y. 24,19,46,288) Ordinary Equity Shares of ₹1 each, Fully Paid up	2,353.90	2,419.46
Add : Amount received on 8,55,000 (P.Y. 8,55,000) Ordinary Equity Share of ₹1 forfeited	4.29	4.29
<b>Total Paid up Share Capital</b>	<b>2,358.19</b>	<b>2,423.75</b>

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Ordinary Equity Shares outstanding at the beginning of the year	24,19,46,288	2,419.46	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. 28.02)	65,56,396	65.56	11,65,652	11.66
Ordinary Equity Shares outstanding at the end of the year	23,53,89,892	2,353.90	24,19,46,288	2,419.46

#### 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 be 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, 2014, the amount of per share Dividend recognized as distributions to Equity Shareholders is ₹1.20 per share (P.Y. : ₹0.80 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

S. No	Particulars	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Anil Kumar Mittal	1,84,90,648	7.86%	1,84,90,648	7.64%
2	Anoop Kumar Gupta	1,88,96,876	8.03%	1,88,96,876	7.81%
3	Arun Kumar Gupta	1,91,58,500	8.14%	1,91,58,500	7.92%
4	Radha Raj Ispat Private Limited	2,75,21,150	11.69%	2,75,21,150	11.38%
5	Reliance Commodities DMCC	2,29,00,000	9.73%	2,29,00,000	9.47%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

- 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:** During the Buy-back period i.e. March 4, 2013 to February 11, 2014, the Company has Bought-back and Extinguished 77,22,048 Equity Shares at an average price of ₹23.58 per share, utilising a sum of ₹18.21 Crores (Rupees Eighteen Crores Twenty One Lacs) excluding Transaction Cost.

### 3. RESERVES AND SURPLUS

Reserves and Surplus consist of the following:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
<b>Capital Redemption Reserve</b>		
Transfer from General Reserve on Buy-back of Equity Shares (Refer to Note No. 28.02)	77.22	11.66
<b>Closing Balance (A)</b>	<b>77.22</b>	<b>11.66</b>
<b>Securities Premium Reserve</b>		
Balance as per the last Financial Statements	11,190.63	11,475.90
Add : Received during the year	-	-
Less : Buy-back of Equity Shares (Refer to Note No. 28.02)	(1,470.02)	(273.61)
Less : Transferred to Capital Redemption Reserve on Buy-back of Equity of Shares (Refer to Note No. 28.02)	(65.57)	(11.66)
<b>Closing Balance (B)</b>	<b>9,655.04</b>	<b>11,190.63</b>
<b>Foreign Currency Translation Reserve</b>		
As per Last Balance Sheet	865.31	422.40
Add : Adjustment for Translation of Non Integral Operation	278.62	442.91
<b>Closing Balance (C)</b>	<b>1,143.93</b>	<b>865.31</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	9,046.20	6,946.20
Add : Transferred from Profit & Loss Appropriations A/c	4,000.00	2,100.00
<b>Closing Balance (D)</b>	<b>13,046.20</b>	<b>9,046.20</b>
<b>Surplus/(Deficit)</b>		
Balance as per the last Financial Statements	59,417.24	50,436.22
Add : Profit for the year as per the Statement of Profit and Loss	25,511.25	12,986.31
Less : Appropriations		
Proposed Dividend [Including Tax on Proposed Dividend (Amount per share ₹1.20 (P.Y. ₹0.80)]	2,811.79	1,905.29
Transfer to General Reserve	4,000.00	2,100.00
Total Appropriations	6,811.79	4,005.29
<b>Closing Balance (E)</b>	<b>78,116.70</b>	<b>59,417.24</b>
<b>Total Reserves &amp; Surplus (A+B+C+D+E)</b>	<b>1,02,039.09</b>	<b>80,531.04</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 4. LONG-TERM BORROWINGS

Long-Term Borrowings consist of the following:

(₹ in Lacs)

Particulars	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>Secured</b>				
<b>Term Loans- From Banks</b>				
State Bank of India (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Oct, 12)	3,285.19	5,162.44	1,877.25	1,877.25
HSBC Bank (Mauritius) Limited (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Dec, 11)	705.00	2,115.00	1,410.00	1,410.00
ICICI Bank Bahrain (Foreign Currency Loan)# (Repayable in 20 semi annual installments from Aug,14)	6,585.33	-	1,162.12	-
HSBC Bank Limited # (Repayable in 16 quarterly installments from Sep, 14)	4,875.00	-	1,125.00	-
HSBC Bank Limited # (Repayable in 18 quarterly installments from Dec, 14)	4,444.44	-	555.56	-
ICICI Bank Limited # (Repayable in 20 quarterly installments from Dec, 13)	265.31	-	75.80	-
HDFC Bank Limited # (Repayable in 20 quarterly installments from June, 10)	-	60.00	60.00	60.00
Corporation Bank Limited # (Repayable in 28 quarterly installments from Nov, 09)	128.57	214.28	85.71	85.71
Corporation Bank Limited # (Repayable in 10 quarterly installments from April, 13)	44.00	60.00	16.00	16.00
Corporation Bank Limited # (Repayable in 10 quarterly installments from April, 13)	105.00	133.00	28.00	28.00
<b>Sub-Total</b>	<b>20,437.84</b>	<b>7,744.72</b>	<b>6,395.44</b>	<b>3,476.96</b>
Less: Shown under Other Current Liabilities (Refer to Note No. 9)	-	-	6,395.44	3,476.96
<b>Total</b>	<b>20,437.84</b>	<b>7,744.72</b>	<b>-</b>	<b>-</b>

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

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

### 5. DEFERRED TAX LIABILITIES (NET)

Major Components of Deferred Tax Liabilities consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets	1,660.70	1,656.74
<b>Deferred Tax Assets</b>		
Disallowance under Income Tax Act, 1961	(73.24)	(60.25)
<b>Net Provision For Deferred Tax Liabilities</b>	<b>1,587.46</b>	<b>1,596.49</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 6. LONG-TERM PROVISIONS

Long-Term Provisions consist of the following:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
<b>Provisions for Employee Benefits</b>		
Leave Encashment Payable	148.65	116.75
<b>Total</b>	<b>148.65</b>	<b>116.75</b>

### 7. SHORT-TERMS BORROWINGS

Short - Term Borrowings consist of the following:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
<b>Secured ##</b>		
Loans repayable on Demand		
From Banks	1,11,117.01	73,881.93
From Other Parties	-	-
<b>Unsecured</b>		
Loans repayable on Demand		
From Banks	-	1,930.38
From Other Parties	-	-
<b>Total</b>	<b>1,11,117.01</b>	<b>75,812.31</b>

## 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:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Micro & Small Enterprises^^	-	-
Others	14,958.44	7,994.41
<b>Total</b>	<b>14,958.44</b>	<b>7,994.41</b>

^^ 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, 2014. This information, required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. Moreover, the Company primarily deals in procurement of agri-products which are sourced from the Farmers and Aartias (Commission Agents) who are not covered under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 9. OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Current maturities of long-term debts (Refer to Note No. 4)	6,395.44	3,476.96
Interest accrued but not due on borrowings	210.47	102.17
Unpaid Dividends #	42.80	35.30
Advance payments from customers	7,354.26	17,675.93
Other payables		
Security received	107.22	24.28
Statutory dues payable	331.85	301.48
Expenses payable	742.18	650.91
<b>Total</b>	<b>15,184.22</b>	<b>22,267.03</b>

# 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:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
<b>Employee benefits</b>		
Bonus & Incentive Payable	101.39	102.28
Gratuity Payable	44.96	67.61
Salary & Wages Payable	263.18	236.48
Directors Remuneration Payable	13.15	13.75
<b>Others</b>		
Provision for Income-Tax	299.63	103.82
Provision for Wealth-Tax	5.29	5.45
Provision for Dividend	2,824.68	1,905.29
Provision for Tax on Dividend	-	-
Provision for Excise Duty	0.13	-
<b>Total</b>	<b>3,552.41</b>	<b>2,434.68</b>

## 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, 2013	Addition during the year	Sale\ deduction during the year	As at March 31, 2014	Up to March 31, 2013	For the Year	Sale\ deduction during the year	Up to March 31, 2014	As at March 31, 2013	As at March 31, 2014
<b>a. Tangible Assets:</b>										
Land-Freehold	3,583.06	304.31	-	3,887.37	-	-	-	-	3,887.36	3,583.05
Land-Leasehold	391.27	130.34	-	521.61	42.48	17.29	-	59.77	461.84	348.79
Buildings	10,483.85	1,004.39	-	11,488.24	1,428.76	212.37	-	1,641.13	9,847.10	9,055.09
Plant & Machinery	52,964.22	16,099.29	12.00	69,051.51	23,544.27	5,238.01	11.40	28,770.88	40,280.66	29,419.97
Vehicle and Trolley	1,979.05	230.82	70.84	2,139.03	781.18	211.81	45.33	947.66	1,191.36	1,197.87
Furniture & Fixture	1,093.01	18.59	0.05	1,111.55	581.07	67.40	1.02	647.48	464.10	511.94
<b>Total</b>	<b>70,494.46</b>	<b>17,787.75</b>	<b>82.90</b>	<b>88,199.31</b>	<b>26,377.76</b>	<b>5,746.88</b>	<b>57.75</b>	<b>32,066.92</b>	<b>56,132.42</b>	<b>44,116.71</b>
<b>b. Intangible Assets:-</b>										
Patent, Trade mark & Design	22.37	-	-	22.37	7.53	2.24	-	9.77	12.60	14.84
Computer Software Development Charges	167.41	-	-	167.41	50.38	16.74	-	67.12	100.29	117.03
Goodwill	17.02	-	-	17.02	0.47	0.07	-	0.54	16.48	16.55
<b>Total</b>	<b>206.80</b>	<b>-</b>	<b>-</b>	<b>206.80</b>	<b>58.38</b>	<b>19.05</b>	<b>-</b>	<b>77.43</b>	<b>129.37</b>	<b>148.42</b>
<b>Total a &amp; b</b>	<b>70,701.26</b>	<b>17,787.75</b>	<b>82.90</b>	<b>88,406.12</b>	<b>26,436.14</b>	<b>5,765.93</b>	<b>57.75</b>	<b>32,144.35</b>	<b>56,261.79</b>	<b>44,265.13</b>
Previous Year	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
<b>c. Capital Work-in-Progress</b>										
Building	305.05	1,123.85	1,349.00	79.90	-	-	-	-	79.90	305.05
Plant & Machinery	1,206.74	5,062.47	4,908.88	1,360.33	-	-	-	-	1,360.33	1,206.74
<b>Total</b>	<b>1,511.79</b>	<b>6,186.32</b>	<b>6,257.88</b>	<b>1,440.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,440.23</b>	<b>1,511.79</b>

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. ₹ Nil).
- 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	As at March 31, 2014	As at March 31, 2013
<b>Unsecured - Considered Good</b>		
Capital Advances	1,899.25	364.88
Security Deposit	1,321.02	1,325.22
Others loans and advance	1,251.50	1,199.38
<b>Total</b>	<b>4,471.77</b>	<b>2,889.48</b>

### 13. OTHER NON-CURRENT ASSETS

Other Non-Current Assets consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Unsecured - Considered Good</b>		
FDR With Banks (Deposits with banks with Original Maturity of More than 12 months )	138.82	121.83
<b>Total</b>	<b>138.82</b>	<b>121.83</b>

### 14. 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, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>Equity Instruments - Fully paid up-Quoted</b>					
NHPC limited	10.00	8,82,712	8,82,712	168.60	175.22
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	100.54	97.51
MOIL Limited	10.00	18,923	18,923	47.58	42.19
<b>Total(A)</b>		<b>13,28,004</b>	<b>13,28,004</b>	<b>600.89</b>	<b>599.09</b>
<b>Mutual Fund Instruments - Fully paid up-Unquoted</b>					
SBI Infrastructure Fund-I	10.00	2,50,000	2,50,000	19.02	18.19
SBI Magnum Equity Fund	10.00	9,86,948	1,00,000	10.43	9.87
<b>Total (B)</b>		<b>12,36,948</b>	<b>3,50,000</b>	<b>29.45</b>	<b>28.06</b>
Quoted Investments		13,28,004	13,28,004	600.89	599.09
Unquoted Investments		12,36,948	3,50,000	29.45	28.06
<b>Total Investments (A + B)</b>		<b>25,64,952</b>	<b>16,78,004</b>	<b>630.34</b>	<b>627.15</b>
Market Value of Quoted Investment		13,28,004	13,28,004	650.48	665.10

## 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	As at
	March 31, 2014	March 31, 2013
<b>Raw Materials</b>		
In Stock	87,571.46	37,788.32
In Transit	-	-
<b>Finished goods</b>		
In Stock	75,496.53	81,554.83
In Transit	-	901.34
<b>Stores, Spares, Fuel &amp; Packing Materials</b>		
In Stock	5,933.96	5,784.62
<b>Total</b>	<b>1,69,001.96</b>	<b>1,26,029.11</b>

### 16. TRADE RECEIVABLES

Trade Receivables consist of the following:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	924.85	230.33
Unsecured, Considered Doubtful	-	-
<b>Total (A)</b>	<b>924.85</b>	<b>230.33</b>
Others		
Secured, Considered Good	85.35	6,187.97
Unsecured, Considered Good	27,715.50	13,053.35
<b>Total (B)</b>	<b>27,800.85</b>	<b>19,241.32</b>
<b>Total (A+B)</b>	<b>28,725.70</b>	<b>19,471.65</b>

Debt due from Directors /Firm in which the Directors are interested ₹Nil (P.Y. ₹1,840.34 Lacs).

### 17. CASH & BANK BALANCES

Cash & Bank Balances consist of the following:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
<b>Cash &amp; Cash Equivalents</b>		
Balance with banks:		
In Current Accounts	6,481.91	9,35.46
In Deposit with original maturity of less than 3 months	-	-
In Unpaid Dividend Account	42.80	35.30
Cash in hand	75.13	133.58
<b>Other Bank Balances</b>		
Deposits with original maturity of more than 12 months but within 12 months from the Balance Sheet date	18.85	-
Deposits with original maturity of more than 3 months but less than 12 months	-	220.15
<b>Total</b>	<b>6,618.69</b>	<b>1,324.49</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 18. SHORT-TERM LOANS & ADVANCES

Short-Term Loan & Advances consist of the following:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Statutory Dues Recoverable	1,113.21	755.49
Prepaid Expenses	619.33	284.41
Others	1,722.55	3,296.00
<b>Total</b>	<b>3,455.09</b>	<b>4,335.90</b>

### 19. OTHER CURRENT ASSETS

Other Current Assets consist of the following:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Foreign Exchange Gain/ (Loss) on Forward Contracts	200.97	225.25
Insurance Claim Recoverable	31.18	67.07
Income Receivable	391.07	101.72
Subsidy Receivable	104.00	30.96
<b>Total</b>	<b>727.22</b>	<b>425.00</b>

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

Revenue From Operations consist of the following:

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	March 31, 2014	March 31, 2013
<b>Sale of Products</b>		
Rice-Export	1,27,444.63	93,862.31
Rice-Domestic	1,49,789.87	1,01,664.07
Electricity Generation ( Including CERs Sale)	3,993.63	3,119.56
Bran Oil- Domestic	2,522.75	3,112.93
Furfural -Export	210.11	-
Furfural -Domestic	317.76	236.85
Rice Bran- Domestic	2,483.12	1,667.30
Glucose- Domestic	136.20	134.02
<b>Sale of Traded Products</b>		
Seed-Domestic	1,647.61	1,162.56
<b>By Products, Scrap &amp; Others</b>	2,535.75	3,105.11
<b>Other Operating Revenues</b>	-	-
<b>Gross Revenue From Operations</b>	<b>2,91,081.44</b>	<b>2,08,064.72</b>
Less: Excise Duty	35.08	26.05
<b>Net Revenue From Operations</b>	<b>2,91,046.36</b>	<b>2,08,038.67</b>

### 21. OTHER INCOME

Other Income consist of the following:

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	March 31, 2014	March 31, 2013
Warehouse Income	94.56	94.90
Gain/(Loss)on Sale/Revaluation of Securities	32.26	(49.96)
Interest Income	1,271.44	999.73
Dividend Income	34.76	19.94
Other Non- Operating Income	21.28	8.40
<b>Total</b>	<b>1,454.30</b>	<b>1,073.01</b>

## 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, 2014	Year Ended March 31, 2013
Paddy	1,36,866.85	1,03,725.79
Rice	60,925.49	52,859.07
Others	11,901.73	9,702.82
<b>Total</b>	<b>2,09,694.07</b>	<b>1,66,287.68</b>

### 23. PURCHASE OF TRADED GOODS

Purchase of Traded Goods consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Seeds	1,596.58	1,122.14
Others	7,970.16	-
<b>Total</b>	<b>9,566.74</b>	<b>1,122.14</b>

### 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, 2014	Year Ended March 31, 2013
Stocks at the beginning of the year		
Rice	81,038.28	73,100.13
Seeds	632.96	273.88
Others	781.92	595.26
<b>Total (A)</b>	<b>82,453.16</b>	<b>73,969.27</b>
Less: Stocks at the end of the year		
Rice	73,039.18	81,038.28
Seeds	1,788.33	632.96
Others	669.02	781.92
<b>Total (B)</b>	<b>75,496.53</b>	<b>82,453.16</b>
<b>Total (A-B)</b>	<b>6,956.63</b>	<b>(8,483.89)</b>

### 25. EMPLOYEE BENEFITS EXPENSE (REFER NOTE 1.10 ON EMPLOYEE BENEFITS)

Employee Benefits Expense consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Salaries, Wages, Bonus & Gratuity	4,365.20	4,006.52
Contribution to EPF and Other Funds	199.75	177.53
<b>Total</b>	<b>4,564.95</b>	<b>4,184.05</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 26. FINANCE COSTS

Finance Costs consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Expenses		
On Term Loans	1,309.16	980.15
On Others	5,962.07	6,557.96
<b>Total (A)</b>	<b>7,271.23</b>	<b>7,538.11</b>
Bank Charges	192.92	173.39
Foreign Currency Fluctuation	137.90	40.17
<b>Total (B)</b>	<b>330.82</b>	<b>213.56</b>
<b>Total Finance Cost (A+B)</b>	<b>7,602.05</b>	<b>7,751.67</b>

### 27. OTHER EXPENSES

Other Expenses consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Power and Fuel	1,003.95	797.52
Consumption of Stores and Spares	499.56	487.94
Repairs and Maintenance		
Machinery	1,110.88	1,068.62
Buildings	117.99	131.14
Others	72.22	71.55
Warehouse and Godown Rent	301.09	297.50
Fumigation Charges	228.49	251.65
Freight and Cartage	1,001.89	956.30
Travelling and Conveyance	298.23	291.76
Postage, Telegram and Telephones	73.76	72.84
Rent office and Others	228.13	62.65
Legal and Professional Charges	263.67	202.71
Fees, Rates and Taxes	91.84	118.40
Vehicle Running and Maintainance	115.54	104.95
Insurance Charges	69.41	111.89
Payment to Auditors		
For Audit	18.79	14.08
For Tax Audit	2.81	3.34
For Taxation & Certification Work	1.69	1.72
Printing and Stationery	30.82	21.63
Testing & Inspection Charges	43.49	58.70
Charity and Donations	10.35	4.79
(Profit) / Loss on Sale of Fixed Assets	0.74	(7.55)
Freight on Sales	3,916.20	4,320.62
Clearing and Forwarding Charges	790.84	996.01
Sales and Business Promotion Expenses	194.41	98.38
Advertisement Expenses	1,895.36	1,311.15
Meeting and Seminar Expenses	263.24	200.89
Schemes, Incentives and Discounts on Sales	2,252.13	2,178.30
Commission and Brokerage Expenses	526.41	393.12
Taxes on Sales	607.90	723.37
Other Miscellaneous Expenses	177.68	244.00
<b>Total</b>	<b>16,209.49</b>	<b>15,589.99</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 28. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 28.01 Contingent liabilities not provided for in respect of:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
(i) <b>Claims against the Company not acknowledged as debts</b>		
(a) Liability relating to Bank Guarantee	369.57	133.90
(b) Liability relating to Bills Discounted with Scheduled Banks	909.68	-
(c) Disputed liability in respect of Income Tax Demand in appeal -Amount paid against disputed Income Tax appeal as ₹Nil (P.Y. ₹17.93 Lacs)	3.41	26.25
(d) Disputed liability relating to Sales Tax/VAT -Amount paid against disputed Sales Tax/VAT appeal as ₹27.32 Lacs (P.Y. ₹20.00 Lacs)	31.07	23.75
(e) Disputed purchase tax liability on paddy purchased in the course of exports* -Amount paid against disputed purchase tax liability under appeal ₹226.37 Lacs (P.Y. ₹Nil)	905.49	-
(f) Disputed liability relating to Market Fees (Fazilka, Punjab) -Amount paid against disputed Market Fees is ₹Nil (P.Y. ₹1.37 Lacs)	15.09	15.09
(g) Others -Amount paid against other disputed liabilities is ₹Nil (P.Y. ₹Nil)	50.08	50.08
<b>Total</b>	<b>2,284.39</b>	<b>249.07</b>

\*Note:- The appeal is pending before Hon'ble VAT Tribunal, Punjab. As per the legal opinion the demand created by VAT department is arbitrary and the matter will be discussed in favour of company.

#### 28.02 Brief Information on Shares Bought-back:

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 having 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.

During the Buy-back period i.e. March 4, 2013 to February 11, 2014, the Company has Bought-back and Extinguished 77,22,048 Equity Shares at an average price of ₹23.58 per share, utilising a sum of ₹18.21 Crores (Rupees Eighteen Crores Twenty One Lacs) excluding Transaction Cost. The amount paid towards Buy-back of Equity Shares, in excess of the face value, has been utilised out of Free Reserve.

#### 28.03 Details of movement in Provisions related to Income Tax and Wealth Tax in accordance with Accounting Standard AS- 29:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Income Tax</b>		
Provision as on April 1, 2013	103.82	256.05
Addition made during the Year	7,095.00	5,450.00
Adjustment/Reverse/Paid	6,899.19	5,602.23
<b>Provisions as at March 31, 2014</b>	<b>299.63</b>	<b>103.82</b>
<b>Wealth Tax</b>		
Provision as on April 1, 2013	5.45	3.73
Addition made during the Year	5.29	5.45
Adjustment/Reverse/Paid	5.45	3.73
<b>Provision as at March 31, 2014</b>	<b>5.29</b>	<b>5.45</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

**28.04** 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.

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

Particulars	Percentage		Value (₹ in Lacs)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Raw Material</b>				
Imported	-	-	-	-
Indigenous	100%	100%	1,97,792.33	1,56,584.87
<b>Spare Parts, Components &amp; Packing Materials</b>				
Imported	0.97%	0.17%	99.86	16.13
Indigenous	99.03%	99.83%	10,228.96	9,445.64

**28.06** A sum of ₹30.95 Lacs (P.Y. ₹64.69 Lacs) has been received from DMI through NABARD towards construction of rural godown and a sum of ₹104.00 Lacs (P.Y. ₹30.95 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.

**28.07** CIF value of Imports made during the year in respect of:

Particulars	(₹ in Lacs)	
	March 31, 2014	March 31, 2013
Components and Spare Parts	99.86	16.13
Capital Goods Purchased	98.99	310.06

**28.08** Earnings in Foreign Exchange on Mercantile basis: 1,14,085.32 92,727.25

**28.09** F.O.B. Value of Exports 1,13,806.15 90,704.98

**28.10** Expenditure in foreign currency on Mercantile basis:

Foreign Travel & Other(Total)	73.01	0.11
- By Directors ₹0.32 (P.Y. ₹Nil)		
Ocean Freight	1,409.86	1,787.34
Legal, Professional & Other charges	46.54	46.41
Selling & Distribution Expenses	43.04	6.81
Others	27.49	67.46

**28.11** Managerial Remuneration to Executive Directors:

- On Account of Salary	270.48	265.68
- On Account of Perquisite	98.40	725.82

**28.12** Payment of Insurance charges on account of Keyman Insurance policy 12.19 73.82

**28.13** Unclaimed Dividend pending on account of non presentation of cheques has been deposited in separate accounts with Scheduled Bank 42.80 35.29

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 28.14 Remittance in Foreign Currency on account of Dividend:

Particulars	March 31, 2014	March 31, 2013
(a) No. of Non-Resident shareholders	5	5
(b) No. of Equity Shares held by them	3,90,00,000	3,90,00,000
(c) Amount of Dividend paid (₹ in Lacs)	312.00	117.00
(d) Year to which the Dividend relates	2012-13	2011-12

**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)	
1) Revenue Expenditure charged to Profit & Loss Account		
i) Salary and other Benefits	230.32	205.81
ii) Others	67.93	52.56
<b>Total</b>	<b>298.25</b>	<b>258.37</b>
2) Capital expenditure shown under Fixed assets schedule	-	-
<b>Grand Total (1 + 2)</b>	<b>298.25</b>	<b>258.37</b>

### 28.17 Intangible Assets:

In accordance with Accounting Standard AS-26 on ‘Intangible Assets’, a sum of ₹NIL (P.Y. ₹9.14 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(IA)(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 declare 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:

Profit After Tax (₹ in Lacs)	25,511.26	12,986.31
Weighted average number of Equity Shares for Basic & Diluted	23,53,89,892	24,19,46,288
Nominal value per equity share (Amount in ₹)	1.00	1.00
Earnings per share (Basic & Diluted)	10.84	5.37

**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 Standards (AS-19) in respect of leases:**

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

	(₹ in Lacs)	
- Not later than one year	84.00	84.00
- Later than one year but not later than five years	192.00	-
- Later than five years	938.97	65.45

B) Lease payment recognised in the statement of Profit and Loss Account, in respect of operating lease agreement	258.05	93.35
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## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 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.

### 28.21 Segment Disclosure Accounting Standard AS-17 for the year ended March 31, 2014. Figures in Brackets are in respect of previous year ended March 31, 2013:

(₹ in Lacs)

Particulars	Agri	Energy	Others	Unallocable	Total
<b>Segment operating Revenue</b>					
External	2,87,053.00	8,961.00			2,96,014.00
	(2,04,920.00)	(7,717.00)			(2,12,637.00)
Less: Inter-Segment		4,968.00			4,968.00
		(4,598.00)			(4,598.00)
<b>Segment Result</b>					
Profit/(Loss) before Tax and Interest	39,838.95	609.00			40,447.95
	(25,767.54)	(670.00)			(26,437.54)
Less : Interest				7,602.05	7,602.05
				(7,751.67)	(7,751.67)
Other Unallocable expenditure net of unallocable income				203.00	203.00
				(266.00)	(266.00)
<b>Profit before Taxation</b>					32,642.90
					(18,419.87)
Provision for Taxation - Current				7,096.17	7,096.17
				(5,450.00)	(5,450.00)
Tax Relating to Earlier Years				44.50	44.50
				(8.75)	(8.75)
Deferred Tax				9.03	9.03
				(25.19)	(25.19)
Profit after Taxation				25,511.26	25,511.26
					(12,986.32)
<b>Other Information</b>					
Segment Assets	2,39,335.96	32,135.65			2,71,471.61
	(1,80,557.69)	(20,443.84)			(2,01,001.53)
Segment Liabilities	1,61,520.99	5,553.34			1,67,074.33
	(1,18,029.25)	(25.53)			(1,18,054.78)

Geographical Segment	March 31, 2014	March 31, 2013
Segment Assets		
Middle East	4,299.25	7,168.74
Other Than Middle East	14,931.37	2,094.00
India	2,52,240.99	1,91,738.79
<b>Total</b>	<b>2,71,471.61</b>	<b>2,01,001.53</b>
Segment Revenue		
Middle East	1,01,989.83	68,450.53
Other Than Middle East	25,664.60	25,411.80
India	1,63,391.93	1,14,176.34
<b>Total</b>	<b>2,91,046.36</b>	<b>2,08,038.67</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

- 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, husk based power plant & solar power plant.
- b) The Geographical segments considered the following disclosures:
- 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 Private Limited
- 2) **Key Managerial Persons**
- 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. Devendra Kumar Agarwal : Non-Executive & Independent Director
  - Mr. Rakesh Mehrotra : Chief Financial Officer
  - Mr. Raman Sapra : Company Secretary
- 3) **Employee benefit plans where there in significant influence:**  
KRBL LIMITED Employees Group Gratuity Trust:
- 4) **Relatives of Key Managerial Persons:**
- 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
  - Mrs. Avantika Gupta : Wife of Mr. Kunal 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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

### 5) Enterprises over which key managerial persons 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. Limited	:	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
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. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta 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 :

(₹ in Lacs)

Particulars	Enterprises over which significant influence exercised by key management personnel		Key Managerial Persons (including relatives)		Subsidiary Company		Total	
	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013
Purchase of goods/fixed assets	197.01	196.81	-	-	-	-	197.01	196.81
Sale of goods/ fixed assets	7,048.20	6,707.43	-	-	-	-	7,048.20	6,707.43
Service received	-	-	-	14.42	-	-	-	14.42
Rent Paid by the company	174.05	9.35	86.88	98.85	-	-	260.93	108.20
Dividend paid	220.17	82.56	884.21	331.58	-	-	1,104.38	414.14
Dividend received	-	-	-	-	5,075.68	2,400.78	5,075.68	2,400.78
Interest received	231.89	319.13	-	-	-	-	231.89	319.13
Remuneration given	-	-	368.88	991.50	-	-	368.88	991.50
Equity participation	-	-	-	-	-	-	-	-

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

Receivable (payable) on account of goods sale	(759.25)	1,995.29	-	-	-	-	(759.25)	1,995.29
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 dues from or to related parties is ₹Nil (P.Y. ₹Nil).

2 Loan & 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, 2014 ₹Nil (P.Y. ₹Nil). Maximum outstanding balance during the Year ₹Nil (P.Y. ₹Nil) as interest free loan.

## 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, 2014 in accordance with revised Accounting Standard AS-15 issued by ICAI - Employee defined benefits.
- b) Following information are based on report of Actuary.

S. No	Defined benefit plans:-	Year Ended March 31, 2014 Gratuity (Funded)	Year Ended March 31, 2013 Gratuity (Funded)
<b>A</b>	<b>Components of Employee Benefit</b>		
1	Current Service Cost	47.37	39.28
2	Interest cost	23.88	17.96
3	Expected return on plan assets	(18.09)	(12.89)
4	Net Actuarial (gain)/loss recognised during the year	(8.20)	23.26
5	Total expense recognised in the Statement of Profit & Loss A/c	44.96	67.61
<b>B</b>	<b>Actual return on plan assets</b>		
1	Expected return on plan assets	18.09	12.89
2	Actuarial gain/(loss) on plan assets	(2.12)	6.65
3	Actual return on plan assets	15.97	19.54
<b>C</b>	<b>Reconciliation of obligation and fair value of assets</b>		
1	Present value of the obligation	(317.94)	(289.40)
2	Fair value of plan assets	270.43	219.24
3	Funded status [surplus/(deficit)]	(47.52)	(70.16)
<b>D</b>	<b>Change in present value of the obligation during the year ended March 31, 2014</b>		
1	Present value of obligation as at April 1, 2013	289.40	211.26
2	Current Service Cost	47.37	39.28
3	Interest cost	23.88	17.96
4	Benefits paid	(32.39)	(9.02)
5	Actuarial (gain)/loss on plan assets	(10.32)	29.92
6	Present value of obligation as at March 31, 2014	317.94	289.40
<b>E</b>	<b>Change in Assets during the year ended March 31, 2014</b>		
1	Fair value of plan assets as at April 1, 2013	219.24	151.64
2	Expected return on plan assets	18.09	12.89
3	Contribution made	67.61	57.07
4	Benefits paid	(32.39)	(9.02)
5	Actuarial gain/(loss) on plan assets	(2.12)	6.65
6	Fair value of plan assets as at March 31, 2014	270.43	219.23
<b>F</b>	<b>The major category of plan assets as a percentage of total plan</b>		
	Gratuity : 93% invested with Central Govt / State Govt / State Govt. Securities / Public sector bonds / Fixed Deposit with PSU Banks.		
	Leave Encashment : Unfunded		
<b>G</b>	<b>Actuarial Assumptions</b>		
1	Discount rate	9.31%	8.25%
2	Expected rate of return on plan assets	9.31%	8.25%
3	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
4	Salary escalation	5%	5%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

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

Particulars	March 31, 2014	March 31, 2013
1 Contribution to Gratuity Fund	44.96	67.60
2 Gratuity paid directly	-	-
<b>Total</b>	<b>44.96</b>	<b>67.60</b>

**28.24 As required under Accounting Standard AS-11 the Company has Outstanding Forward contracts as on March 31, 2014 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts is ₹303.58 Lacs (P.Y. ₹225.24 Lacs), which has been accounted for accordingly in the books of accounts:**

### Derivative Instruments:

- a) Outstanding forward exchange contracts as at March 31, 2014 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)	₹3,613.95 Lacs (P.Y. ₹27,517.00 Lacs)

- b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at March 31, 2014 are as under:

Particulars	₹ in Lacs		USD in Lacs	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
i) Receivables in Foreign Currency -Sundry Debtors	19,524.00	-	328.70	-
ii) Payables in Foreign Currency -Sundry Creditors	-	-	-	-

Apart from above Company has foreign currency Liability (PCFC/Advances received from customers/ECB) of ₹21,142.00 Lacs (P.Y. ₹29,807.00 Lacs) at the year end and As per Accounting Standard AS-11 the effect of change in foreign exchange as on March 31, 2014 amounting to ₹501.94 Lacs (P.Y. ₹816.35 Lacs) has been taken to Profit & Loss Account.

**28.25 During Construction Phase Companies generally temporarily invest the surplus funds to reduce the cost of capital or for other business reasons. However subsequently the same are utilised for the stated objective.**

**During the year surplus funds (if any) out of the Term Loans availed by KRBL Limited are temporarily invested in bank FDR's but were ultimately utilized for the stated end use.**

**28.26 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, 2014	Percentage of ownership interest as at March 31, 2013
KRBL DMCC	U.A.E	100.00%	100.00%
K B Exports Pvt. Ltd.	India	70.00%	70.00%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

- 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

### 28.27 Statement of information regarding Subsidiary Companies:

(₹ in Lacs)

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	Interim Dividend Paid
KRBL DMCC*	217.27	2,401.59	2,955.66	336.81	-	12,306.01	4,055.59	-	4,055.59	2,939.65
K B Exports Pvt. Ltd.	300.00	-	300.24	0.24	-	-	-	-	-	-

\* Converted into Indian Rupees at the exchange rate, 1 AED = ₹16.3314 as on March 31, 2014.

# Turnover includes Other income and Other Operational Income.

### 28.28 The company has reclassified and regrouped previous year figure & wherever considered necessary.

Annexure to our Report of Date

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

Sd/-

**Vinod Kumar Bindal**  
Proprietor

Firm Regn. No. 003820N, M. No. 80668

Place : New Delhi  
Date : May 08, 2014

Sd/-

**Anoop Kumar Gupta**  
Joint Managing Director  
DIN-00030160

Sd/-

**Raman Sapra**  
Company Secretary  
M. No. 29044

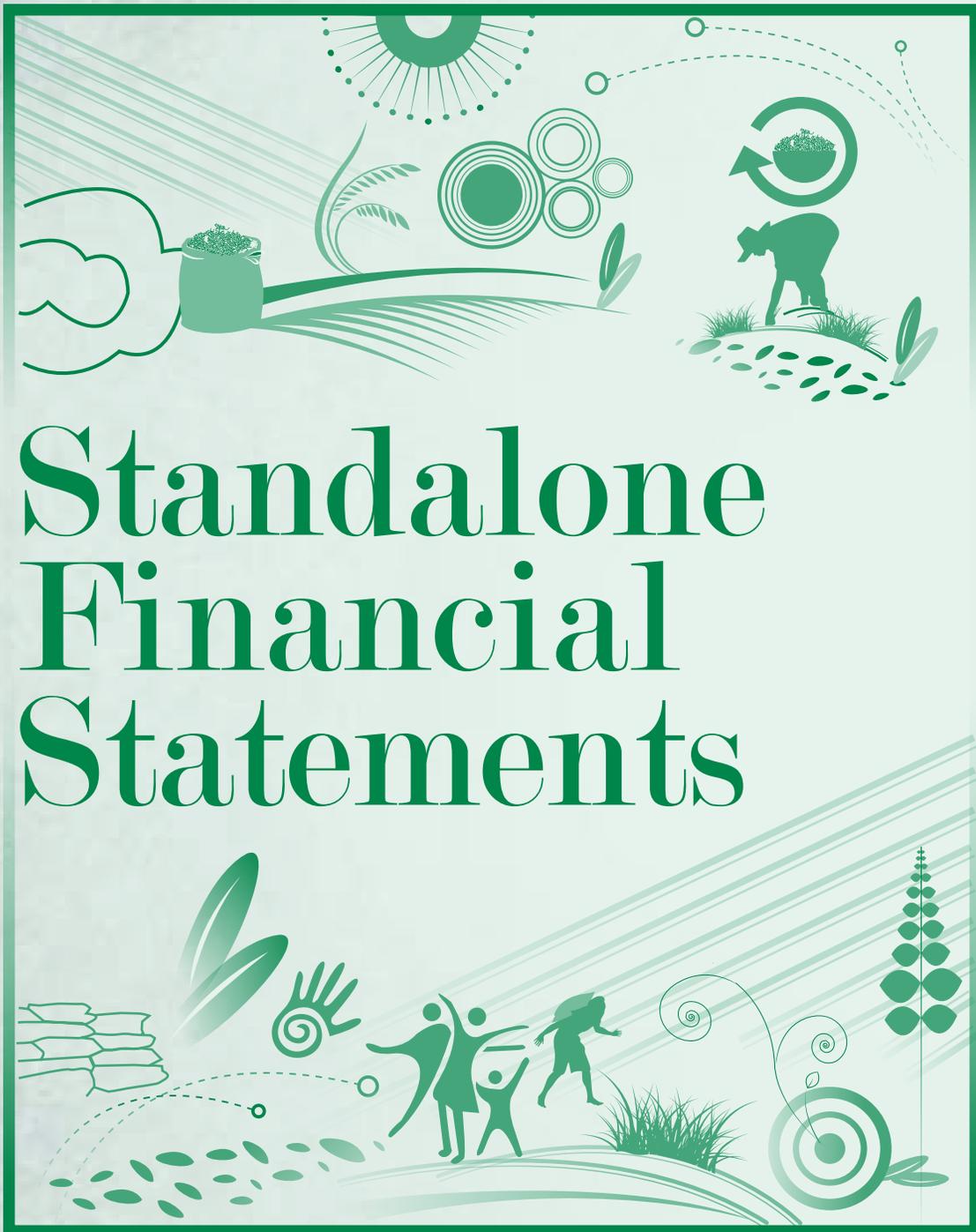
for **KRBL Limited**  
On behalf of the Board,

Sd/-

**Anil Kumar Mittal**  
Chairman & Managing Director  
DIN-00030100

Sd/-

**Rakesh Mehrotra**  
Chief Financial Officer  
M. No. 84366



# Standalone Financial Statements

## Contents

Auditors' Report.....	103
Balance Sheet .....	106
Statement of Profit and Loss.....	107
Cash Flow Statement.....	108
Notes forming part of the Balance Sheet.....	110

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the member's 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, 2014, 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 standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, 2014;
- (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.
    - (bb) All Branch offices of the Company were audited by us only, and, therefore, no comment is required to be made on how any other branch auditor's report has been dealt with in preparing our audit report.
  - (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, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 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-1  
New Delhi-110 095  
Dated: May 08, 2014

## 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 Rs. 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 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, 2014 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income Tax and VAT/Trade Tax, which have not been deposited as at March 31, 2014 on account of disputes, are given below:

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 Lacs	A.Y. 2005-06	Joint Commissioner, Range-II, Noida
Punjab Vat	Purchase-tax on paddy purchased in the course of exports	679.11 Lacs	A.Y. 2009-10	VAT Tribunal Chandigarh
Income Tax	Regular Assessment	3.41 Lacs	A.Y. 2011-12	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, 2014 on account of disputes.

- |   |  |
|---|--|
| <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> |
|---|--|

**Shiv Sushil Bhawan**  
D-219, Vivek Vihar, Phase-1  
New Delhi-110 095  
Dated: May 08, 2014

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

## BALANCE SHEET

as at March 31, 2014

(₹ in Lacs)

S. No	Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I.	<b>EQUITY &amp; LIABILITIES</b>			
	<b>Shareholder's Funds</b>			
	Share Capital	2	2,358.19	2,423.75
	Reserves and Surplus	3	99,637.70	77,388.17
	Investment in Own Shares Account (Refer to Note No. 29.02)		-	(8.04)
	<b>Total Shareholder's Funds (A)</b>		<b>1,01,995.89</b>	<b>79,803.88</b>
	<b>Non Current Liabilities</b>			
	Long-Term Borrowings	4	20,437.84	7,744.72
	Deferred Tax Liabilities (Net)	5	1,587.46	1,596.49
	Long-Term Provisions	6	148.65	116.75
	<b>Total Non Current Liabilities (B)</b>		<b>22,173.95</b>	<b>9,457.96</b>
	<b>Current Liabilities</b>			
	Short-Term Borrowings	7	1,11,117.01	75,812.31
	Trade Payables	8	14,703.56	8,008.18
	Other Current Liabilities	9	15,184.02	22,266.78
	Short-Term Provisions	10	3,552.41	2,434.68
	<b>Total Current Liabilities (C)</b>		<b>1,44,557.00</b>	<b>1,08,521.95</b>
	<b>Total (A+B+C)</b>		<b>2,68,726.84</b>	<b>1,97,783.79</b>
II.	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Fixed Assets	11		
	Tangible Assets		55,672.16	43,655.03
	Intangible Assets		1,12.89	131.87
	Capital Work-in-Progress		1,440.23	1,511.79
	Non-Current Investments	12	427.27	427.27
	Long-Term Loans and Advances	13	4,471.77	2,889.48
	Other Non-Current Assets	14	138.82	121.83
	<b>Total Non-Current Assets (A)</b>		<b>62,263.14</b>	<b>48,737.27</b>
	<b>Current Assets</b>			
	Current Investments	15	630.34	627.15
	Inventories	16	1,68,990.34	1,26,029.06
	Trade Receivables	17	27,925.31	19,500.89
	Cash & Bank Balances	18	6,381.99	1,281.33
	Short-Term Loans and Advances	19	1,808.50	1,183.09
	Other Current Assets	20	727.22	425.00
	<b>Total Current Assets (B)</b>		<b>2,06,463.70</b>	<b>1,49,046.52</b>
	<b>Total (A+B)</b>		<b>2,68,726.84</b>	<b>1,97,783.79</b>
	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 Regn. 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 08, 2014

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>INCOME</b>			
Revenue from Operations	21	2,79,130.93	2,08,034.09
Other Income	22	6,189.71	2,971.80
<b>TOTAL INCOME</b>		<b>2,85,320.64</b>	<b>2,11,005.89</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	23	2,09,694.07	1,66,287.68
Purchases of Stock in Trade	24	1,596.58	1,122.14
Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	25	6,956.63	(8,483.95)
Employee Benefits Expenses	26	4,514.18	4,100.52
Finance Costs	27	7,600.01	7,751.04
Depreciation & Amortization Expenses		5,764.46	5,055.39
Other Expenses	28	16,034.85	15,509.93
<b>TOTAL EXPENDITURE</b>		<b>2,52,160.78</b>	<b>191,342.75</b>
<b>PROFIT BEFORE TAXATION &amp; EXCEPTIONAL ITEMS</b>			
Exceptional Items-Foreign Exchange Fluctuation (Gain)/Loss		(501.95)	(816.34)
<b>PROFIT BEFORE TAXATION</b>		<b>33,661.81</b>	<b>20,479.48</b>
<b>Tax Expense:</b>			
Current Year		7,095.00	5,450.00
Earlier Year		44.50	8.75
Deferred Tax		(9.03)	(25.19)
<b>PROFIT/ (LOSS) FOR THE YEAR AFTER TAX</b>		<b>26,531.34</b>	<b>15,045.92</b>
<b>EARNING PER EQUITY SHARE (Face Value of ₹1 each)</b>			
1) Basic (₹)		11.27	6.22
2) Diluted (₹)		11.27	6.22
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

Place : New Delhi  
Date : May 08, 2014

Firm Regn. 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

## CASH FLOW STATEMENT

for the year ended March 31, 2014

(₹ in Lacs)

S. No	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax from Continuing Operations	33,661.81	20,479.49
	<b>Adjustment for :</b>		
	Depreciation & Amortization Expenses	5,764.46	5,055.39
	Loss/(Profit) on Sale of Fixed Assets	0.74	(7.55)
	Effect of Exchange Rate Difference	(501.95)	(816.35)
	Profit on Sale of Investment	(30.46)	(6.70)
	Interest Expense	7,600.01	7,751.04
	Interest Receipt	(941.97)	(497.74)
	Loss/(Profit) on Revaluation of Current Investment	(1.80)	56.66
	Dividend on Investment	(5,110.45)	(2,420.73)
	<b>Operating Profit Before Working Capital Changes</b>	<b>40,440.41</b>	<b>29,593.51</b>
	<b>Adjustments for Working Capital Changes</b>		
	Increase/(Decrease) in Long-Term Provisions	31.90	23.71
	Increase/(Decrease) in Trade Payable	6,695.39	(4,932.16)
	Increase/(Decrease) in Other Current Liabilities	(7,082.77)	(3,104.62)
	Increase/(Decrease) in Short -Term Provisions	2.56	37.37
	Decrease/(Increase) in Inventories	(42,961.27)	(2,256.82)
	Decrease/(Increase) in Trade Receivables	(8,424.43)	3,415.74
	Decrease/(Increase) in Long-Term Loans and Advances	(1,582.29)	(46.09)
	Decrease/(Increase) in Other Current Assets	(302.22)	160.31
	Decrease/(Increase) in Short-Term Loans and Advances	(625.41)	(224.06)
	Decrease/(Increase) in Other Non Current Assets	(16.99)	(51.16)
	<b>Cash Generated From Operations</b>	<b>(13,825.12)</b>	<b>22,615.74</b>
	Tax Paid (Net)	(6,930.91)	(5,604.07)
	<b>Net Cash Flow From Operating Activities (Total - A)</b>	<b>(20,756.03)</b>	<b>17,011.67</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets & WIP	(17,716.24)	(8,292.41)
	Sale of Fixed Assets	27.17	94.26
	Profit on sale of Investment	30.46	6.70
	Dividend on Investments	5,110.45	2,420.73
	<b>Net Cash Generated / (-) Used in Investing Activities (Total - B)</b>	<b>(12,548.17)</b>	<b>(5,770.73)</b>

## CASH FLOW STATEMENT

for the year ended March 31, 2014

(₹ in Lacs)

S. No	Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Buy- back of Equity Shares	(1,535.59)	(293.32)
	Increase/(Decrease) in Long-Term Borrowings	12,693.12	(2,894.65)
	Increase/(Decrease) in Short-Term Borrowings	35,304.69	(1,097.47)
	Effect of Exchange Rate Difference	501.95	816.35
	Interest Expense	(7,600.01)	(7,751.04)
	Interest Income	941.97	497.74
	Dividend Paid	(1,895.86)	(729.34)
	Taxes on Dividend Paid	-	(118.32)
	Wealth Tax	(5.45)	(3.73)
	<b>Net Cash Flow from Financing Activities (Total-C)</b>	<b>38,404.84</b>	<b>(11,573.78)</b>
	<b>Net changes in Cash and Bank Balances (Total A+B+C)</b>	<b>5,100.66</b>	<b>(332.83)</b>
	Cash & Bank Balance-Opening Balance	1281.33	1,614.16
	Cash & Bank Balance-Closing Balance	<b>6,381.99</b>	<b>1,281.33</b>
	<b>Cash &amp; Bank Balance</b>		
	Cash in hand	75.13	133.58
	Balance with Scheduled Bank	6,306.87	1,147.75
		<b>6,381.99</b>	<b>1,281.33</b>

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.

Annexure to our Report of Date

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

Sd/-

**Vinod Kumar Bindal**

Proprietor

Firm Regn. No. 003820N, M. No. 80668

Place : New Delhi  
Date : May 08, 2014

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

## 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 par value of ₹1 each as follows:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Authorised Shares</b>		
30,00,00,000 (P.Y.30,00,00,000) Ordinary Equity Shares of ₹1 each	3,000.00	3,000.00
<b>Total Authorised Share Capital</b>	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued &amp; Subscribed Shares</b>		
23,62,44,892 (P.Y. 24,28,01,288) Ordinary Equity Shares of ₹1 each	2,362.45	2,428.01
<b>Total Issued &amp; Subscribed Share Capital</b>	<b>2,362.45</b>	<b>2,428.01</b>
<b>Paid up Shares</b>		
23,53,89,892 (P.Y. 24,19,46,288) Ordinary Equity Shares of ₹1 each, fully Paid up	2,353.90	2,419.46
Add : Amount received on 8,55,000 (P.Y. 8,55,000) Ordinary Equity Share of ₹1 forfeited	4.29	4.29
<b>Total Paid up Share Capital</b>	<b>2,358.19</b>	<b>2,423.75</b>

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Ordinary Equity Shares outstanding at the beginning of the year	24,19,46,288	2,419.46	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. 29.02)	65,56,396	65.56	11,65,652	11.66
Ordinary Equity Shares outstanding at the end of the year	23,53,89,892	2,353.90	24,19,46,288	2,419.46

#### 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 be 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, 2014, the amount of per share dividend recognized as distributions to equity shareholders is ₹1.20 per share (P.Y. : ₹0.80 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

S.No	Particulars	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Anil Kumar Mittal	1,84,90,648	7.86%	1,84,90,648	7.64%
2	Anoop Kumar Gupta	1,88,96,876	8.03%	1,88,96,876	7.81%
3	Arun Kumar Gupta	1,91,58,500	8.14%	1,91,58,500	7.92%
4	Radha Raj Ispat Private Limited	2,75,21,150	11.69%	2,75,21,150	11.38%
5	Reliance Commodities DMCC	2,29,00,000	9.73%	2,29,00,000	9.47%

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

- 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:** During the Buy-back period i.e. March 4, 2013 to February 11, 2014, the Company has Bought-back and Extinguished 77,22,048 Equity Shares at an average price of ₹23.58 per share, utilising a sum of ₹18.21 Crores (Rupees Eighteen Crores Twenty One Lacs) excluding Transaction Cost.

### 3. RESERVES AND SURPLUS

Reserves and Surplus consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Capital Redemption Reserve</b>		
Transfer from General Reserve on Buy- back of Equity Shares (Refer to Note No. 29.02)	77.22	11.66
<b>Closing Balance (A)</b>	<b>77.22</b>	<b>11.66</b>
<b>Securities Premium Reserve</b>		
Balance as per the last Financial Statements	11,190.63	11,475.90
Add : Received during the year	-	-
Less : Buy- back of Equity Shares (Refer to Note No. 29.02)	(1,470.02)	(273.61)
Less : Transferred to Capital Redemption Reserve on Buy- back of Equity of Shares (Refer to Note No. 29.02)	(65.57)	(11.66)
<b>Closing Balance (B)</b>	<b>9,655.04</b>	<b>11,190.63</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	9,046.20	6,946.20
Add : Transferred from Profit & Loss Appropriations A/c	4,000.00	2,100.00
<b>Closing Balance (C)</b>	<b>13,046.20</b>	<b>9,046.20</b>
<b>Surplus/ (Deficit)</b>		
Balance as per the last Financial Statements	57,139.69	46,099.05
Add: Profit for the year as per the Statement of Profit and Loss	26,531.34	15,045.92
Less: Appropriations		
Proposed Dividend [Including Tax on Proposed Dividend (Amount per share ₹1.20 (P.Y. ₹0.80))]	2,811.79	1,905.29
Transfer to General Reserve	4,000.00	2,100.00
Total Appropriations	6,811.79	4,005.29
<b>Closing Balance (D)</b>	<b>76,859.24</b>	<b>57,139.68</b>
<b>Total Reserves &amp; Surplus (A+B+C+D)</b>	<b>99,637.70</b>	<b>77,388.17</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 4. LONG-TERM BORROWINGS

Long-Term Borrowings consist of the following:

(₹ in Lacs)

Particulars	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>Secured</b>				
<b>Term Loans- From Banks</b>				
State Bank of India- (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Oct, 12)	3,285.19	5,162.44	1,877.25	1,877.25
HSBC Bank (Mauritius) Limited (Foreign Currency Loan)# (Repayable in 16 quarterly installments from Dec, 11)	705.00	2,115.00	1,410.00	1,410.00
ICICI Bank Bahrain (Foreign Currency Loan)# (Repayable in 20 semi annual installments from Aug,14)	6,585.33	-	1,162.12	-
HSBC Bank Limited # (Repayable in 16 quarterly installments from Sep, 14)	4,875.00	-	1,125.00	-
HSBC Bank Limited # (Repayable in 18 quarterly installments from Dec, 14)	4,444.44	-	555.56	-
ICICI Bank Limited # (Repayable in 20 quarterly installments from Dec, 13)	265.31	-	75.80	-
HDFC Bank Limited # (Repayable in 20 quarterly installments from June, 10)	-	60.00	60.00	60.00
Corporation Bank Limited # (Repayable in 28 quarterly installments from Nov, 09)	128.57	214.28	85.71	85.71
Corporation Bank Limited # (Repayable in 10 quarterly installments from April, 13)	44.00	60.00	16.00	16.00
Corporation Bank Limited # (Repayable in 10 quarterly installments from April, 13)	105.00	133.00	28.00	28.00
<b>Sub-Total</b>	<b>20,437.84</b>	<b>7,744.72</b>	<b>6,395.44</b>	<b>3,476.96</b>
Less: Shown under other current liabilities (Refer to Note No. 9)	-	-	6,395.44	3,476.96
<b>Total</b>	<b>20,437.84</b>	<b>7,744.72</b>	<b>-</b>	<b>-</b>

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

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

### 5. DEFERRED TAX LIABILITIES (NET)

Major Components of Deferred Tax Liabilities consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets	1,660.70	1,656.74
<b>Deferred Tax Assets</b>		
Disallowance under Income Tax Act, 1961	(73.24)	(60.25)
<b>Net Provision For Deferred Tax Liabilities</b>	<b>1,587.46</b>	<b>1,596.49</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 6. LONG-TERM PROVISIONS

Long-Term Provisions consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Provisions for Employee Benefits</b>		
Leave Encashment Payable	148.65	116.75
<b>Total</b>	<b>148.65</b>	<b>116.75</b>

### 7. SHORT-TERMS BORROWINGS

Short - Term Borrowings consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Secured ##</b>		
Loans Repayable on Demand		
From Banks	1,11,117.01	73,881.93
From Other Parties	-	-
<b>Unsecured</b>		
Loans repayable on Demand		
From Banks	-	1,930.38
From Other Parties	-	-
<b>Total</b>	<b>1,11,117.01</b>	<b>75,812.31</b>

## 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, 2014	As at March 31, 2013
Micro & Small Enterprises^^	-	-
Others	14,703.56	8008.18
<b>Total</b>	<b>14,703.56</b>	<b>8008.18</b>

^^ 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, 2014. This information, required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. Moreover, the Company primarily deals in procurement of agri-products which are sourced from the Farmers and Aartias (Commission Agents) who are not covered under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 9. OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following:

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Current maturities of long-term debts (Refer to Note No. 4)	6,395.44	3,476.96
Interest accrued but not due on borrowings	210.47	102.17
Unpaid dividends #	42.80	35.30
Advance payments from customers	7,354.26	17,675.93
Other payables		
Security Received	107.22	24.28
Statutory Dues Payable	331.85	301.48
Expenses Payable	741.98	650.66
<b>Total</b>	<b>15,184.02</b>	<b>22,266.78</b>

# 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	As at
	March 31, 2014	March 31, 2013
<b>Employee benefits</b>		
Bonus & Incentive Payable	101.39	102.28
Gratuity Payable	44.96	67.61
Salary & Wages Payable	263.18	236.48
Directors Remuneration Payable	13.15	13.75
<b>Others</b>		
Provision for Income-Tax	299.63	103.82
Provision for Wealth-Tax	5.29	5.45
Provision for Dividend	2,824.68	1,905.29
Provision for Tax on Dividend	-	-
Provision for Excise Duty	0.13	-
<b>Total</b>	<b>3,552.41</b>	<b>2,434.68</b>

## 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, 2013	Addition during the year	Sale\ deduction during the year	As at March 31, 2014	Up to March 31, 2013	For the Year	Sale\ deduction during the year	Up to March 31, 2014	As at March 31, 2013
<b>a. Tangible Assets:-</b>									
Land- Freehold	3,298.47	304.31	-	3,602.78	-	-	-	-	3,298.47
Land- Leasehold	391.27	130.34	-	521.61	42.48	17.29	-	59.77	348.79
Buildings	10,309.08	1,004.39	-	11,313.47	1,427.73	212.37	-	1,640.10	8,881.35
Plant & Machinery	52,963.88	16,099.29	12.00	69,051.17	23,544.27	5,238.01	11.40	28,770.88	29,419.61
Vehicle and Trolley	1,979.05	230.82	70.84	2,139.03	781.18	211.81	45.33	947.66	1,197.87
Furniture & Fixture	1,087.97	18.63	0.05	1,106.55	579.03	66.00	0.99	644.04	508.94
<b>Total</b>	<b>70,029.72</b>	<b>17,787.79</b>	<b>82.90</b>	<b>87,734.61</b>	<b>26,374.69</b>	<b>5,745.48</b>	<b>57.72</b>	<b>32,062.45</b>	<b>43,655.03</b>
<b>b. Intangible Assets:-</b>									
Patent, Trade mark & Design	22.37	-	-	22.37	7.53	2.24	-	9.77	14.84
Computer Software Development Charges	167.41	-	-	167.41	50.38	16.74	-	67.12	117.03
<b>Total</b>	<b>189.78</b>	<b>-</b>	<b>-</b>	<b>189.78</b>	<b>57.91</b>	<b>18.98</b>	<b>-</b>	<b>76.89</b>	<b>131.87</b>
<b>Total a &amp; b</b>	<b>70,219.50</b>	<b>17,787.79</b>	<b>82.90</b>	<b>87,924.39</b>	<b>26,432.60</b>	<b>5,764.46</b>	<b>57.72</b>	<b>32,139.34</b>	<b>43,786.90</b>
Previous Year	62,802.70	7,564.37	147.57	70,219.50	21,438.07	5,055.39	60.86	26,432.60	41,364.63
<b>c. Capital Work-in-Progress</b>									
Building	305.05	1,123.85	1,349.00	79.90	-	-	-	-	305.05
Plant & Machinery	1,206.74	5,062.47	4,908.88	1,360.33	-	-	-	-	1,206.74
<b>Total</b>	<b>1,511.79</b>	<b>6,186.32</b>	<b>6,257.88</b>	<b>1,440.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,511.79</b>

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. ₹Nil).
- 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, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>Equity Instruments - Fully paid up</b>					
<b>Wholly Owned Subsidiaries</b>					
KRBL DMCC, Dubai	AED 1,000.00	1,800	1,800	217.27	217.27
<b>Partially owned Subsidiaries</b>					
K B Exports Private Limited [Extent of Holding 70 % (P.Y. 70%)]	INR 10.00	2,10,00,000	2,10,00,000	210.00	210.00
<b>Total</b>		<b>2,10,01,800</b>	<b>2,10,01,800</b>	<b>427.27</b>	<b>427.27</b>
Quoted Investments				-	-
Unquoted Investments				427.27	427.27
<b>Total</b>				<b>427.27</b>	<b>427.27</b>

### 13. LONG-TERM LOANS AND ADVANCES

Long-Term Loans and Advances consist of the following:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
<b>Unsecured - Considered Good</b>		
Capital Advances	1,899.25	364.88
Security Deposit	1,321.02	1,325.22
Others loans and advance	1,251.50	1,199.38
<b>Total</b>	<b>4,471.77</b>	<b>2,889.48</b>

### 14. OTHER NON-CURRENT ASSETS

Other Non-Current Assets consist of the following:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
<b>Unsecured - Considered Good</b>		
FDR With Banks (Deposits with banks with Original Maturity of More than 12 months)	138.82	121.83
<b>Total</b>	<b>138.82</b>	<b>121.83</b>

## 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	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Equity Instruments - Fully paid up-Quoted</b>					
NHPC limited	10.00	8,82,712	8,82,712	168.60	175.22
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	100.54	97.51
MOIL Limited	10.00	18,923	18,923	47.58	42.19
<b>Total(A)</b>		<b>13,28,004</b>	<b>13,28,004</b>	<b>600.89</b>	<b>599.09</b>
<b>Mutual Fund Instruments - Fully paid up-Unquoted</b>					
SBI Infrastructure Fund-I	10.00	2,50,000	2,50,000	19.02	18.19
SBI Magnum Equity Fund	10.00	9,86,948	1,00,000	10.43	9.87
<b>Total (B)</b>		<b>12,36,948</b>	<b>3,50,000</b>	<b>29.45</b>	<b>28.06</b>
Quoted Investments		13,28,004	13,28,004	600.89	599.09
Unquoted Investments		12,36,948	3,50,000	29.45	28.06
<b>Total Investments (A + B)</b>		<b>25,64,952</b>	<b>16,78,004</b>	<b>630.34</b>	<b>627.15</b>
Market Value of Quoted Investment		13,28,004	13,28,004	650.48	665.10

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

Inventories consist of the following:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
<b>Raw Materials</b>		
In Stock	87,559.84	37,788.32
In Transit	-	-
<b>Finished goods</b>		
In Stock	75,496.53	81,554.78
In Transit	-	901.34
<b>Stores, Spares, Fuel &amp; Packing Material</b>		
In Stock	5,933.97	5,784.62
<b>Total</b>	<b>1,68,990.34</b>	<b>1,26,029.06</b>

### 17. TRADE RECEIVABLES

Trade Receivables consist of the following:

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	924.85	230.33
Unsecured, Considered Doubtful	-	-
<b>Total (A)</b>	<b>924.85</b>	<b>230.33</b>
Others		
Secured, Considered Good	85.35	3,038.21
Unsecured, Considered Good	26,915.11	16,232.35
<b>Total (B)</b>	<b>27,000.46</b>	<b>19,270.56</b>
<b>Total (A+B)</b>	<b>27,925.31</b>	<b>19,500.89</b>

Debt due from Directors /Firm in which the Directors are interested ₹67.50 Lacs (P.Y. ₹1,869.60 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, 2014	As at March 31, 2013
<b>Cash &amp; Cash Equivalents</b>		
Balance with banks:		
In Current Accounts	6,245.21	892.30
In Deposit with original maturity of less than 3 months	-	-
In Unpaid Dividend Account	42.80	35.30
Cash in hand	75.13	133.58
<b>Other Bank Balances</b>		
Deposits with original maturity of more than 12 months but within 12 Months from the Balance Sheet Date	18.85	-
Deposits with original maturity of more than 3 months but less than 12 months	-	220.15
<b>Total</b>	<b>6,381.99</b>	<b>1,281.33</b>

### 19. SHORT-TERM LOANS & ADVANCES

Short-Term Loan & Advances consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Statutory Dues Recoverable	1,113.22	755.49
Prepaid Expenses	619.33	284.41
Others	75.95	143.19
<b>Total</b>	<b>1,808.50</b>	<b>1,183.09</b>

### 20. OTHER CURRENT ASSETS

Other Current Assets consist of the following:

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Foreign Exchange Gain/ (Loss) on Forward Contracts	200.97	225.25
Insurance Claim Recoverable	31.18	67.07
Income Receivable	391.07	101.72
Subsidy Receivable	104.00	30.96
<b>Total</b>	<b>727.22</b>	<b>425.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 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, 2014	Year Ended March 31, 2013
<b>Sale of Products</b>		
Rice-Export	1,15,529.20	93,857.74
Rice-Domestic	1,49,789.87	1,01,664.07
Electricity Generation ( Including CERs Sale)	3,993.63	3,119.56
Bran Oil- Domestic	2,522.75	3,112.93
Furfural -Export	210.11	-
Furfural -Domestic	317.76	236.85
Rice Bran- Domestic	2,483.12	1,667.30
Glucose- Domestic	136.20	134.02
<b>Sale of Traded Products</b>		
Seed-Domestic	1,647.61	1,162.56
<b>By Products, Scrap &amp; Others</b>	2,535.75	3,105.11
<b>Other Operating Revenues</b>	-	-
<b>Gross Revenue From Operation</b>	<b>2,79,166.02</b>	<b>2,08,060.15</b>
Less: Excise Duty	35.08	26.05
<b>Net Revenue From Operations</b>	<b>2,79,130.93</b>	<b>2,08,034.09</b>

### 22. OTHER INCOME

Other Income consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Warehouse Income	94.56	94.90
Gain/(Loss)on Sale/Revaluation of Securities	32.26	(49.96)
Interest Income	941.97	497.74
Dividend Income	-	19.95
Dividend from Subsidiary Company	5,110.45	2,400.77
Other Non- Operating Income	10.47	8.40
<b>Total</b>	<b>6,189.71</b>	<b>2,971.80</b>

### 23. COST OF MATERIALS CONSUMED

Cost of Material Consumed consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Paddy	1,36,866.85	1,03,725.79
Rice	60,925.49	52,859.07
Others	11,901.73	9,702.82
<b>Total</b>	<b>2,09,694.07</b>	<b>1,66,287.68</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 24. PURCHASE OF TRADED GOODS

Purchase of Traded Goods consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Seeds	1,596.58	1,122.14
<b>Total</b>	<b>1,596.58</b>	<b>1,122.14</b>

### 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, 2014	Year Ended March 31, 2013
Stocks at the beginning of the year		
Rice	81,038.28	73,100.13
Seeds	632.96	273.88
Others	781.93	595.21
<b>Total (A)</b>	<b>82,453.17</b>	<b>73,969.22</b>
Less: Stocks at the end of the year		
Rice	73,039.18	81,038.28
Seeds	1,788.33	632.96
Others	669.03	781.93
<b>Total (B)</b>	<b>75,496.54</b>	<b>82,453.17</b>
<b>Total (A-B)</b>	<b>6,956.63</b>	<b>(8,483.95)</b>

### 26. EMPLOYEE BENEFITS EXPENSE (REFER NOTE 1.10 ON EMPLOYEE BENEFITS)

Employee Benefits Expense consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Salaries, Wages, Bonus & Gratuity	4,314.42	3,922.99
Contribution to EPF and Other Funds	199.76	177.53
<b>Total</b>	<b>4,514.18</b>	<b>4,100.52</b>

### 27. FINANCE COSTS

Finance Costs Consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Expenses		
On Term Loans	1,309.16	980.15
On Others	5,962.07	6,557.96
<b>Total (A)</b>	<b>7,271.23</b>	<b>7,538.11</b>
Bank Charges	190.88	172.76
Foreign Currency Fluctuation	137.90	40.17
<b>Total (B)</b>	<b>328.78</b>	<b>212.93</b>
<b>Total Finance Cost (A+B)</b>	<b>7,600.01</b>	<b>7,751.04</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 28. OTHER EXPENSES

Other Expenses consist of the following:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Power and Fuel	1,003.77	797.44
Consumption of Stores and Spares	499.56	487.94
Repairs and Maintenance		
Machinery	1,110.88	1,068.62
Buildings	117.99	131.14
Others	72.22	71.55
Warehouse and Godown Rent	301.09	297.50
Fumigation Charges	228.49	251.65
Freight and Cartage	1,001.89	956.30
Travelling and Conveyance	297.88	291.18
Postage, Telegram and Telephones	73.76	72.84
Rent office and Others	228.13	62.65
Legal and Professional Charges	217.78	199.72
Fees, Rates and Taxes	91.84	118.40
Vehicle Running & Maintenance	115.54	104.95
Insurance Charges	66.60	109.45
Payment to Auditors		
For Audit	17.98	13.48
For Tax Audit	2.81	3.34
For Taxation & Certification Work	1.69	1.72
Printing and Stationery	30.82	21.63
Testing & Inspection Charges	43.49	58.70
Charity and Donations	10.35	4.79
Profit / (Loss) on Sale of Fixed Assets	0.74	(7.55)
Freight on Sales	3,916.20	4,320.62
Clearing and Forwarding Charges	774.22	985.83
Sales and Business Promotion Expenses	141.84	52.40
Advertisement Expenses	1,890.61	1,311.15
Meeting and Seminar Expenses	263.24	200.89
Schemes, Incentives and Discounts on Sales	2,252.13	2,178.30
Commission and Brokerage Expenses	526.41	393.12
Taxes on Sales	607.90	723.37
Other Miscellaneous Expenses	127.02	226.78
<b>Total</b>	<b>16,034.85</b>	<b>15,509.93</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 29. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 29.01 Contingent liabilities not provided for in respect of:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
(i) <b>Claims against the Company not acknowledged as debts</b>		
(a) Liability relating to Bank Guarantee	369.57	133.90
(b) Liability relating to Bills Discounted with Scheduled Banks	909.68	-
(c) Disputed liability in respect of Income Tax Demand in appeal -Amount paid against disputed Income Tax appeal as ₹Nil (P.Y. ₹17.93 Lacs)	3.41	26.25
(d) Disputed liability relating to Sales Tax/VAT -Amount paid against disputed Sales Tax/VAT appeal as ₹27.32 Lacs (P.Y. ₹20.00 Lacs)	31.07	23.75
(e) Disputed purchase tax liability on paddy purchased in the course of exports* -Amount paid against disputed purchase tax liability under appeal ₹226.37 Lacs (P.Y. ₹Nil)	905.49	-
(f) Disputed liability relating to Market Fees(Fazilka, Punjab) -Amount paid against disputed Market Fees is ₹Nil (P.Y. ₹1.37 Lacs)	15.09	15.09
(g) Others -Amount paid against other disputed liabilities is ₹Nil (P.Y ₹Nil)	50.08	50.08
<b>Total</b>	<b>2,284.39</b>	<b>249.07</b>

\*Note:- The appeal is pending before Hon'ble VAT Tribunal, Punjab. As per the legal opinion the demand created by VAT department is arbitrary and the matter will be discussed in favour of company.

#### 29.02 Brief Information on Shares Bought-back:

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 having 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.

During the Buy-back period i.e. March 4, 2013 to February 11, 2014, the Company has Bought-back and Extinguished 77,22,048 Equity Shares at an average price of ₹23.58 per share, utilising a sum of ₹18.21 Crores (Rupees Eighteen Crores Twenty one Lacs) excluding Transaction Cost. The amount paid towards Buy-back of Equity Shares, in excess of the face value, has been utilised out of Free Reserve.

#### 29.03 Details of movement in Provisions related to Income Tax and Wealth Tax in accordance with Accounting Standard AS- 29:

(₹ in Lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Income Tax</b>		
Provision as on April 1, 2013	103.82	256.05
Addition made during the Year	7,095.00	5,450.00
Adjustment/Reverse/Paid	6,899.19	5,602.23
<b>Provision as at March 31, 2014</b>	<b>299.63</b>	<b>103.82</b>
<b>Wealth Tax</b>		
Provision as on April 1, 2013	5.45	3.73
Addition made during the Year	5.29	5.45
Adjustment/Reverse/Paid	5.45	3.73
<b>Provision as at March 31, 2014</b>	<b>5.29</b>	<b>5.45</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

**29.04** 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.

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

Particulars	Percentage		Value (₹ in Lacs)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Raw Material</b>				
Imported	-	-	-	-
Indigeneous	100%	100%	1,97,792.33	1,56,584.87
<b>Spare Parts, Components &amp; Packing Materials</b>				
Imported	0.97%	0.17%	99.86	16.13
Indigeneous	99.03%	99.83%	10,228.96	9,445.64

**29.06** A sum of ₹30.95 Lacs (P.Y. ₹64.69 Lacs) has been received from DMI through NABARD towards construction of rural godown and a sum of ₹104.00 Lacs (P.Y. ₹30.95 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.

**29.07** CIF value of Imports made during the year in respect of :

Particulars	(₹ in Lacs)	
	March 31, 2014	March 31, 2013
Components and Spare Parts	99.86	16.13
Capital Goods Purchased	98.99	310.06

**29.08** Earnings in Foreign Exchange on Mercantile basis: 1,14,085.32 92,727.25

**29.09** F.O.B. Value of Exports 1,13,806.15 90,704.98

**29.10** Expenditure in foreign currency on Mercantile basis:

Foreign Travel & Other(Total)	73.01	0.11
- By Directors ₹0.32 (P.Y. ₹Nil)		
Ocean Freight	1,409.86	1,787.34
Legal, Professional & Other charges	46.54	46.41
Selling & Distribution Expenses	43.04	6.81
Others	27.49	67.46

**29.11** Managerial Remuneration to Executive Directors:

- On Account of Salary	270.48	265.68
- On Account of Perquisite	98.40	725.82

**29.12** Payment of Insurance charges on account of Keyman Insurance policy 12.19 73.82

**29.13** Unclaimed Dividend pending on account of non presentation of cheques has been deposited in separate accounts with Scheduled Bank 42.80 35.29

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 29.14 Remittance in Foreign Currency on account of Dividend:

Particulars	March 31, 2014	March 31, 2013
(a) No. of Non-Resident shareholders	5	5
(b) No. of Equity Shares held by them	3,90,00,000	3,90,00,000
(c) Amount of Dividend paid (₹ in Lacs)	312.00	117.00
(d) Year to which the Dividend relates	2012-13	2011-12

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".

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)	
1) Revenue Expenditure charged to Profit & Loss Account		
i) Salary and other Benefits	230.32	205.81
ii) Others	67.93	52.56
<b>Total</b>	<b>298.25</b>	<b>258.37</b>
2) Capital expenditure shown under Fixed assets schedule	-	-
<b>Grand Total (1 + 2)</b>	<b>298.25</b>	<b>258.37</b>

### 29.17 Intangible Assets:

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

### 29.18 Corporate Dividend Tax:

In view of the amended provision of Section 115-O(IA)(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 declare 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:

Profit After Tax (₹ in Lacs)	26,531.34	15,045.92
Weighted average number of Equity Shares for Basic & Diluted	2,35,389,892	2,41,946,228
Nominal value per equity share (Amount in ₹)	1.00	1.00
Earnings per share (Basic & Diluted)	11.27	6.22

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 Standards (AS-19) in respect of leases.

A) Future minimum lease payment under non cancellable operating lease in respect of lease agreement:	(₹ in Lacs)	
- Not later than one year	84.00	84.00
- Later than one year but not later than five years	192.00	-
- Later than five years	938.97	65.45
<b>B) Lease payment recognised in the statement of Profit and Loss Account, in respect of operating lease agreement</b>	<b>258.05</b>	<b>93.35</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 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.

### 29.21 Segment Disclosure Accounting Standard AS-17 for the year ended March 31, 2014. Figures in Brackets are in respect of previous year ended March 31, 2013

(₹ in Lacs)

Particulars	Agri	Energy	Others	Unallocable	Total
<b>Segment operating Revenue</b>					
External	2,75,138.00	8,961.00			2,84,099.00
	(2,04,915.00)	(7,717.00)			(2,12,632.00)
Less: Inter-Segment		4,968.00			4,968.00
		(4,598.00)			(4,598.00)
<b>Segment Result</b>					
Profit / (Loss) before Tax and Interest	40,855.82	609.00			41,464.82
	(27,826.52)	(670.00)			(28,496.52)
Less : Interest				7,600.01	7,600.01
				(7,751.04)	(7,751.04)
Other Unallocable expenditure net of unallocable income				203.00	203.00
				(266.00)	(266.00)
<b>Profit before Taxation</b>					33,661.81
					(20,479.48)
Provision for Taxation-Current				7,095.00	7,095.00
				(5,450.00)	(5,450.00)
Tax Relating to Earlier Years				44.50	44.50
				(8.75)	(8.75)
Deferred Tax				9.03	9.03
				(25.19)	(25.19)
Profit after Taxation				26,531.34	26,531.34
					(15,045.92)
<b>Other Information</b>					
Segment Assets	2,36,591.19	32,135.65			2,68,726.84
	(1,77,339.95)	(20,443.84)			(1,97,783.79)
Segment Liabilities	1,61,177.61	5,553.34			1,66,730.95
	(1,17,954.38)	(25.53)			(1,17,979.91)

Geographical Segment	March 31, 2014	March 31, 2013
Segment Assets		
Middle East	1,554.49	3,951.00
Other Than Middle East	14,931.37	2,094.00
India	2,52,240.99	1,91,738.79
<b>Total</b>	<b>2,68,726.84</b>	<b>1,97,783.79</b>
Segment Revenue		
Middle East	90,074.40	68,445.95
Other Than Middle East	25,664.60	25,411.80
India	1,63,391.93	1,14,176.34
<b>Total</b>	<b>2,79,130.93</b>	<b>2,08,034.09</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

- 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, husk based power plant & solar power plant.
- b) The Geographical segments considered the following disclosures:
- Sales within India
  - Sales outside India
    - a) Middle East
    - b) Other than Middle East

### 29.22 Related Party Disclosures Accounting Standard AS-18:

#### A) Related parties and their relationship:

- 1) **Subsidiary Company** : KRBL DMCC  
: K B Exports Private Limited
- 2) **Key Managerial Persons**
- |                            |   |                                      |
|----------------------------|---|--------------------------------------|
| 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. Devendra Kumar Agarwal | : | Non-Executive & Independent Director |
| Mr. Rakesh Mehrotra        | : | Chief Financial Officer              |
| Mr. Raman Sapra            | : | Company Secretary                    |
- 3) **Employee benefit plans where there in significant influence:**  
KRBL LIMITED Employees Group Gratuity Trust:
- 4) **Relatives of Key Managerial Persons:**
- |                         |   |                                       |
|-------------------------|---|---------------------------------------|
| 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           |
| Mrs. Avantika Gupta     | : | Wife of Mr. Kunal 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 |

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 5) Enterprises over which key managerial persons 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. Limited	:	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
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. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta 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 :

(₹ in Lacs)

Particulars	Enterprises over which significant influence exercised by key management personnel		Key Managerial Persons (Including relatives)		Subsidiary Company		Total	
	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013
Purchase of goods/ fixed assets	197.01	196.81	-	-	-	-	197.01	196.81
Sale of goods/ fixed assets	7,048.20	6,707.43	-	-	-	-	7,048.20	6,707.43
Service received	-	-	-	14.42	-	-	-	14.42
Rent paid by the company	174.05	9.35	86.88	98.85	-	-	260.93	108.20
Dividend paid	220.17	82.56	884.21	331.58	-	-	1,104.38	414.14
Dividend received	-	-	-	-	5,075.68	2,400.78	5,075.68	2,400.78
Interest received	231.89	319.13	-	-	-	-	231.89	319.13
Remuneration given	-	-	368.88	991.50	-	-	368.88	991.50
Equity participation	-	-	-	-	-	-	-	-

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

Receivable (payable) on account of goods sale	(759.25)	1,995.29	-	-	-	-	(759.25)	1,995.29
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 dues from or to related parties is ₹Nil (P.Y. ₹Nil).

2 Loan & 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, 2014 ₹Nil (P.Y. ₹Nil). Maximum outstanding balance during the Year ₹Nil (P.Y. ₹Nil) as interest free loan.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 29.23 Employee Benefits Accounting Standard AS-15 (Revised):

- a) The Company has determined the liability for Employee benefits as at March 31, 2014 in accordance with revised Accounting Standard AS-15 issued by ICAI - Employee defined benefits.
- b) Following information are based on report of Actuary.

S. No	Defined benefit plans:-	Year Ended March 31, 2014 Gratuity (Funded)	Year Ended March 31, 2013 Gratuity (Funded)
<b>A</b>	<b>Components of Employee Benefit</b>		
1	Current Service Cost	47.37	39.28
2	Interest cost	23.88	17.96
3	Expected return on plan assets	(18.09)	(12.89)
4	Net Actuarial (gain)/loss recognised during the year	(8.20)	23.26
5	Total expense recognised in the Statement of Profit & Loss A/c	44.96	67.61
<b>B</b>	<b>Actual return on plan assets</b>		
1	Expected return on plan assets	18.09	12.89
2	Actuarial gain/(loss) on plan assets	(2.12)	6.65
3	Actual return on plan assets	15.97	19.54
<b>C</b>	<b>Reconciliation of obligation and fair value of assets</b>		
1	Present value of the obligation	(317.94)	(289.40)
2	Fair value of plan assets	270.43	219.24
3	Funded status [surplus/(deficit)]	(47.52)	(70.16)
<b>D</b>	<b>Change in present value of the obligation during the year ended March 31, 2014</b>		
1	Present value of obligation as at April 1, 2013	289.40	211.26
2	Current service cost	47.37	39.28
3	Interest cost	23.88	17.96
4	Benefits paid	(32.39)	(9.02)
5	Actuarial (gain)/loss on plan assets	(10.32)	29.92
6	Present value of obligation as at March 31, 2014	317.94	289.40
<b>E</b>	<b>Change in Assets during the year ended March 31, 2014</b>		
1	Fair value of plan assets as at April 1, 2013	219.24	151.64
2	Expected return on plan assets	18.09	12.89
3	Contribution made	67.61	57.07
4	Benefits paid	(32.39)	(9.02)
5	Actuarial gain/(loss) on plan assets	(2.12)	6.65
6	Fair value of plan assets as at March 31, 2014	270.43	219.23
<b>F</b>	<b>The major category of plan assets as a percentage of total plan</b>		
	Gratuity : 93% invested with Central Govt / State Govt / State Govt. Securities / Public sector bonds / Fixed Deposit with PSU Banks.		
	Leave Encashment : Unfunded		
<b>G</b>	<b>Actuarial Assumptions</b>		
1	Discount rate	9.31%	8.25%
2	Expected rate of return on plan assets	9.31%	8.25%
3	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
4	Salary escalation	5%	5%

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

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

(₹ in Lacs)

Particulars	March 31, 2014	March 31, 2013
1 Contribution to Gratuity Fund	44.96	67.60
2 Gratuity paid directly	-	-
<b>Total</b>	<b>44.96</b>	<b>67.60</b>

29.24 As required under Accounting Standard AS-11 the Company has Outstanding Forward contracts as on March 31, 2014 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts is ₹303.58 Lacs (P.Y. ₹225.24 Lacs), which has been accounted for accordingly in the books of accounts.

### Derivative Instruments

- a) Outstanding forward exchange contracts as at March 31, 2014 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)	₹3,613.95 Lacs (P.Y. ₹27,517.00 Lacs)

- b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at March 31, 2014 are as under:

Particulars	₹ in Lacs		USD in Lacs	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
i) Receivables in Foreign Currency -Sundry Debtors	19,524.00	-	328.70	-
ii) Payables in Foreign Currency -Sundry Creditors	-	-	-	-

Apart from above Company has foreign currency Liability (PCFC/Advances received from customers/ECB) of ₹21,142.00 Lacs (P.Y. ₹29,807.00 Lacs) at the year end and As per Accounting Standard AS-11 the effect of change in foreign exchange as on March 31, 2014 amounting to ₹501.94 Lacs (P.Y. ₹816.35 Lacs) has been taken to Profit & Loss Account.

29.25 During Construction Phase Companies generally temporarily invest the surplus funds to reduce the cost of capital or for other business reasons. However subsequently the same are utilised for the stated objective.

During the year surplus funds (if any) out of the Term Loans availed by KRBL Limited are temporarily invested in bank FDR's but were ultimately utilized for the stated end use.

29.26 The company has reclassified and regrouped previous year figure & wherever considered necessary.

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

Annexure to our Report of Date

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

Sd/-

**Vinod Kumar Bindal**

Proprietor

Firm Regn. 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 08, 2014

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

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

(₹ in Lacs)

Name of the Subsidiary Company Financial Year of the Subsidiary Company ended on	KRBL DMCC	K B Exports Pvt. Ltd.
	March 31, 2014	March 31, 2014
Number of Shares in the Subsidiary Company held by KRBL Ltd. at the above date	1,800	21,00,000
The net aggregate of profits, less losses, of the Subsidiary Company so far as it concerns the members of KRBL Limited		
i) Dealt with in the accounts of KRBL Limited amounted to:		
(a) for the Subsidiary's Financial Year ended March 31, 2014	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, 2014	4,055.59	Nil
(b) for previous Financial Years of the Subsidiary since it became Subsidiary of KRBL Limited	341.28	Nil
Changes in the interest of KRBL Limited between the end of the Subsidiary's Financial Year and March 31, 2014		
Number of Shares acquired	Nil	Nil
Material Changes between the end of the Subsidiary's Financial Year and March 31, 2014		
(i) Fixed Assets (net additions)	Nil	Nil
(ii) Investments	Nil	Nil
(iii) Moneys lent by the Subsidiary Company	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 08, 2014

Firm Regn. 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



## Corporate Information

<b>Board of Directors</b>	: Mr. Anil Kumar Mittal, Director, DIN: - 00030100 Mr. Arun Kumar Gupta, Director, DIN: - 00030127 Mr. Anoop Kumar Gupta, Director, DIN: - 00030160
<b>Auditors</b>	: M/s. SPMR & Associates, Chartered Accountants, A-121, First Floor, Main Vikas Marg, Shakarpur, New Delhi – 110092 Firm Registration Number:- 007578N
<b>Bankers</b>	: HDFC Bank Limited
<b>Registered Office</b>	: 5190, Lahori Gate, Delhi-110006
<b>CIN</b>	: U70200DL1998PTC096113

### Contents

Directors' Report .....	134
Auditors' Report .....	135
Balance Sheet .....	138
Statement of Pre-Operative Expenses .....	139
Notes Forming Part of The Financial Statement .....	140

## DIRECTORS' REPORT

To  
The Members  
K B Exports Private Limited  
Delhi

Your Directors are pleased to present their 16<sup>th</sup> Annual Report on the business and operations along with the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2014.

### 1. FINANCIAL RESULTS

The Financial Results for the year under review are summarized as under:

(Amount in ₹)		
Particulars	Current Year	Previous Year
Pre-Operative expenses during the year	(92,656)	(95,321)
Balance Brought forward from Previous Year	(3,77,148)	(2,81,827)
<b>Total Pre-Operative expenses c/f</b>	<b>(4,69,804)</b>	<b>(3,77,148)</b>

### 2. OPERATIONS & ACTIVITIES

During the period under review, the Company could not commence any business activities due to non-availability of orders. The directors are trying their best to get business in the near future.

### 3. DIVIDEND

Due to inadequacy of profit, the directors do not propose any dividend.

### 4. PUBLIC DEPOSITS

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

### 5. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

- |                                      |   |      |
|--------------------------------------|---|------|
| a) Energy Conservation               | : | N.A. |
| b) Technology Absorption             | : | N.A. |
| c) Foreign Exchange Earnings & outgo | : | NIL  |

### 6. PARTICULARS OF EMPLOYEES

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

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Provisions of Section 217 (2AA) of the Companies Act, 1956, your directors confirm as under:

- That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors had prepared the annual accounts on a going concern basis.

### 8. AUDITORS

M/s. SPMR & Associates, Chartered Accountants, Statutory Auditors of the Company are the retiring auditor and being eligible, offer themselves for re-appointment. You are requested to consider their re-appointment.

### 9. HOLDING COMPANY

M/s. KRBL Limited is our holding company. M/s KRBL Limited is holding 21,00,000 equity shares @ ₹ 10/- each (i.e. 70% shares) of the company.

### 10. COMPLIANCE CERTIFICATE

M/s. DMK Associates, Company Secretaries, New Delhi have been appointed by the Board of directors to give a compliance certificate pursuant to Section 383A of the Companies Act, 1956. Certificate of compliance has been obtained from M/s. DMK Associates.

### 11. DIRECTORS

Pursuant to the Provisions of Sec 256 of the Companies Act, 1956, Mr. Arun Kumar Gupta retires by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

### 12. ACKNOWLEDGEMENT

Your directors acknowledge the recognition given and trust reposed in your Company by the Shareholders, Customers, Bankers, Suppliers and all other associates and record the appreciation for the support lent by them. Your directors also place on record their sense of appreciation for the valuable contributions made by the personnel of the Company.

**for K B Exports Private Limited**  
By order of the Board

Sd/-

**Anil Kumar Mittal**

Place : New Delhi

Director

Date : May 5, 2014

DIN-00030100

Sd/-

**Anoop Kumar Gupta**

Director

DIN-00030160

## INDEPENDENT AUDITORS' REPORT

To the members of K B Exports (P) Ltd.

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of K B Exports (P) Ltd, which comprises the Balance Sheet as at 31<sup>st</sup> March, 2014 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 and financial performance of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 read with the general Circular No. 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of corporate affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on auditor's judgments, including the assessment of the risks of material misstatement of these 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 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 entity'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 statement.

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 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 31<sup>st</sup> March, 2014.

### Report on Other Legal Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters in the paragraphs 4 and 5 of the 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 purpose 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 dealt with by this Report is in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet and the Statement of Preoperative Expenses comply with the Accounting Standards referred to in Section 211(3C) of the Act read with the general Circular No. 15/2013 dated 13<sup>th</sup> September, 2013 of Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013; and
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Boards of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act.

**for SPMR & Associates**  
Chartered Accountants

Sd/-

**Ajay Kumar Mittal**

Partner

Dated: May 5, 2014

Place: New Delhi

(Firm Registration No. 007578N)

(Membership No. 95273)

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements Section' of our report of even date)

1. In respect of fixed assets:
  - (a) On the basis of available information, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such physical verification.
  - (c) In our opinion & according to the information and explanation given to us, the Company has not disposed of any fixed assets during the year and the going concern status of the Company is not affected.
2. As explained to us, and on financial statements verified by us, the company has no inventory; hence clause (ii) of the said order is not applicable to the company.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - (a) The company has not granted any secured or unsecured loans to parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore, Clauses (iii) (b),(c),(d) of Paragraph 4 of the Order are not applicable to the Company.
  - (b) The Company has not taken unsecured loans from companies, firms, or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions, made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees 5.00 lac or more in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time or the prices at which the transactions for similar goods have been made with other parties.
6. According to information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for any product /services of the Company.
9. In respect of statutory dues:
  - (a) According to the records of the Company examined by us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been deposited regularly with the appropriate Authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
  - (b) To the best of our knowledge and according to the information and explanations given to us, there are following statutory dues that have not been deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit.
11. As per the records of the company produced before us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

14. The Company is not dealing in shares, securities, debentures and other investments. Accordingly, the clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
15. The Company has not given guarantees for the loans taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, clause no. (xvi) of the said order is not applicable to the company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not utilized short term sources towards repayment of long-term borrowings.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures and hence no securities have been created in this respect.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the company and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**for SPMR & Associates**  
**Chartered Accountants**

Sd/-

**Ajay Kumar Mittal**

Partner

(Firm Registration No. 007578N)  
(Membership No. 95273)

Dated: May 5, 2014  
Place: New Delhi

## BALANCE SHEET

as at March 31, 2014

(Amount in ₹)				
S. No	Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I.	<b>EQUITY &amp; LIABILITIES</b>			
	<b>Shareholder's funds</b>			
	Share Capital	3	3,00,00,000	3,00,00,000
	<b>Total Shareholder's Fund (A)</b>		<b>3,00,00,000</b>	<b>3,00,00,000</b>
	<b>Current Liabilities</b>			
	Other Current Liabilities	4	24,383	24,383
	<b>Total Current Liabilities (B)</b>		<b>24,383</b>	<b>24,383</b>
	<b>TOTAL (A+B)</b>		<b>3,00,24,383</b>	<b>3,00,24,383</b>
II	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Fixed Assets			
	Tangible Assets	5	2,84,58,150	2,84,58,150
	Pre-Operative Expenses	6	5,50,504	5,38,548
	<b>Total Non-Current Assets (A)</b>		<b>2,90,08,654</b>	<b>2,89,96,698</b>
	<b>Current assets</b>			
	Cash & Bank Balances	7	10,15,729	10,27,685
	<b>Total Current Assets (B)</b>		<b>10,15,729</b>	<b>10,27,685</b>
	<b>TOTAL (A+B)</b>		<b>3,00,24,383</b>	<b>3,00,24,383</b>
	Significant Accounting Policies & Other Notes forming part of the Financial Statements	1 & 2		
	The Accompanying notes form an integral part of the Financial Statements			

Annexure to our Report of Date  
for **SPMR & Associates**  
Chartered Accountants

for **K B Exports Private Limited**  
On behalf of the Board

Sd/-  
**Ajay Kumar Mittal**  
Partner

Sd/-  
**Anil Kumar Mittal**  
Director  
DIN-00030100

Sd/-  
**Anoop Kumar Gupta**  
Director  
DIN-00030160

Place : New Delhi  
Date : May 5, 2014

Firm Regn. No. 007578N  
M. No. 95273

## STATEMENT OF PRE-OPERATIVE EXPENSES

for the Year Ended on March 31, 2014

Particulars	(Amount in ₹)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>Pre-Operative Expenses</b>		
Filing Fees	4,090	6,530
Bank Charges	-	225
Audit Fee	3,933	3,933
Legal Expenses	3,933	3,933
Preliminary Expenses W/o	80,700	80,700
<b>TOTAL</b>	<b>92,656</b>	<b>95,321</b>
Add: Balance brought forward	3,77,148	2,81,827
<b>TOTAL</b>	<b>4,69,804</b>	<b>3,77,148</b>

Annexure to our Report of Date  
for **SPMR & Associates**  
Chartered Accountants

for **K B Exports Private Limited**  
On behalf of the Board

Sd/-  
**Ajay Kumar Mittal**  
Partner

Sd/-  
**Anil Kumar Mittal**  
Director

Sd/-  
**Anoop Kumar Gupta**  
Director

Place : New Delhi  
Date : May 5, 2014

Firm Regn. No. 007578N  
M. No. 95273

DIN-00030100

DIN-00030160

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS.

##### 1.1 Basis of Preparation of Financial Statements

- (a) Financial statements are prepared under the historical cost convention in consonance and accordance with applicable accounting standards, accepted accounting principles and relevant presentational requirements of the Companies Act, 1956. Company follows accrual basis of accounting in accordance with the provisions of the Companies Act, 1956.
- (b) Use of Estimates:- The Preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities of the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods

##### 1.2 System of Accounting

Company follows accrual basis of accounting in preparation of the Accounts. The Balance Sheet and Profit & Loss Account of the Company area prepared in accordance with the provision contained in section 211 of the Companies Act, 1956 read with the Schedule VI thereto

##### 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 capitalized. Expenses capitalized 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.

Freehold Land is stated at original cost of acquisition

##### 1.4 Depreciation and Amortization

Depreciation is provided in the accounts for the year at the rates provided in the Schedule XIV to the Companies Act, 1956 on written down value method in respect of assets which were used for full period, and on pro-rata basis for assets acquired during the year; no depreciation is provided on the assets sold during the year.

##### 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 cost or net realizable value.

##### 1.7 Retirement Benefit

Contribution to the Provident fund, which is defined contribution retirement plan, are charged to profit & loss accounts in the year in which the contributions are incurred. Present liabilities for future payment of gratuity and un-availed leave benefits are determined on the basis of actuarial valuation.

##### 1.8 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 sale includes Excise Duty and then reduced thereafter to compute net sales in conformity with ASI-14 on disclosure of the revenue from sale transaction. Dividend income is recognised when the right to receive dividend is established. Revenue and Expenditure are accounted for on going concern basis. Interest Income / Expenditure is recognized using the time proportion method based on the rates implicit in the transaction.

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 1.9 Treatment of Contingent Liability

Contingent Liabilities are disclosed by way of note on the Balance Sheet. Provision is made in accounts for those liabilities, which are likely to materialize after the year-end and having effect on the position stated in the Balance Sheet as at the year-end. At present there are no contingent liabilities.

### 1.10 Prior Period Extra – Ordinary Items

Since no commercial activity was undertaken by the company, no Profit & Loss Account has been prepared. Therefore, there are no prior period items.

### 1.11 Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized 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 recognized as expense in the period in which they are incurred.

### 1.12 Taxes on Income and Wealth Tax

Current tax is determined on taxable income and taxable wealth for the period at the applicable rates. Deferred tax is recognized 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.

### 1.13 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 bases 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.

### 1.14 Leases

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

## 2. NOTES TO ACCOUNTS

**2.1** In line with the method recommended by the accounting standard, there is no cumulative deferred tax asset or liability as on 01st April, 2013 of the Company. Moreover, as the Company has not undertaken any business activity during the year, no deferred tax asset or liability has arisen for the year and the balance of deferred tax asset / liability remains Nil as at the year ended on 31st March, 2014.

**2.2** Managerial Remuneration to Directors:- Nil

**2.3** CIF Value of Imports, earning in Foreign Currency and Expenditure in foreign currency:- Nil

**2.4** Particulars regarding quantitative details are not applicable, as the Company did not undertake any business during the year ended on 31st March, 2014.

**2.5** Claims against the Company not acknowledged as debts:- Nil

**2.6** Previous year figures have been regroup/recast wherever found necessary.

**2.7** In accordance with the accounting standards on ‘Related Party Disclosures’ AS (18), the disclosures in respect of related parties and the transaction with them as identified and certified by the management are as follows:-

Nature of Related parties and Description of relationships:-  
 Holding Company M/s KRBL Limited  
 No. of Equity Shares held 21,00,000 (70% shares)

### Key Managerial Personnel

Anil Kumar Mittal	Director
Arun Kumar Gupta	Director
Anoop Kumar Gupta	Director

**for K B Exports Private Limited**  
By order of the Board

	Sd/-	Sd/-
	<b>Anil Kumar Mittal</b>	<b>Anoop Kumar Gupta</b>
	Director	Director
Place : New Delhi	DIN-00030100	DIN- 00030160
Date : May 5, 2014		

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 3 SHARE CAPITAL

Particulars	As at	
	March 31, 2014	March 31, 2013
<b>Authorised Shares</b>		
50,00,000 Equity Shares (P.Y. 50,00,000) of ₹10/- each	5,00,00,000	5,00,00,000
<b>Total Authorised Share Capital</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>Issued Shares</b>		
30,00,000 Equity Shares (P.Y. 30,00,000) of ₹10/- each	3,00,00,000	3,00,00,000
<b>Total Issued Share Capital</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>
<b>Subscribed &amp; Paid up Shares</b>		
30,00,000 Equity Shares (P.Y. 30,00,000) of ₹10/- each	3,00,00,000	3,00,00,000
<b>Total Subscribed &amp; Paid up Share Capital</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Ordinary Equity Shares outstanding at the beginning of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Ordinary Equity Shares issued during the year	-	-	-	-
Ordinary Equity Shares bought back during the year	-	-	-	-
Ordinary Equity Shares outstanding at the end of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

#### b) Terms/ rights attached to ordinary shares

The Company has issued only one class of ordinary equity shares having a par value of ₹ 10/- per share. Each holder of ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2014, the amount of dividend per share recognised for distribution to ordinary shareholders is ₹ Nil (P.Y. ₹ Nil).

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

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

S. No.	Name of the Shareholders	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	KRBL Limited	21,00,000	70.00%	21,00,000	70.00%
2	Anil Kumar Mittal	2,96,500	9.88%	2,96,500	9.88%
3	Arun Kumar Gupta	2,96,500	9.88%	2,96,500	9.88%
4	Anoop Kumar Gupta	2,96,500	9.88%	2,96,500	9.88%

#### 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.

### 4 OTHER CURRENT LIABILITIES

Particulars	As at	
	March 31, 2014	March 31, 2013
Audit Fees Payable	24,383	24,383
<b>Total</b>	<b>24,383</b>	<b>24,383</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 5 FIXED ASSETS

Particulars	As at March 31, 2014	As at March 31, 2013
Land at Ghaziabad	2,84,58,150	2,84,58,150
<b>Total</b>	<b>2,84,58,150</b>	<b>2,84,58,150</b>

### 6 PRE-OPERATIVE EXPENSES

Particulars	As at March 31, 2014	As at March 31, 2013
Pre-operative Expenses	4,69,804	3,77,148
Preliminary Expenses	80,700	1,61,400
<b>Total</b>	<b>5,50,504</b>	<b>5,38,548</b>

### 7 CASH & BANK BALANCES

Particulars	As at March 31, 2014	As at March 31, 2013
Cash & Cash Equivalents		
Balance with banks:		
- In current accounts	10,15,529	10,27,485
Cash in hand	200	200
<b>Total</b>	<b>10,15,729</b>	<b>10,27,685</b>

Annexure to our Report of Date  
for **SPMR & Associates**  
Chartered Accountants

for **K B Exports Private Limited**  
On behalf of the Board

Sd/-  
**Ajay Kumar Mittal**  
Partner

Sd/-  
**Anil Kumar Mittal**  
Director  
DIN-00030100

Sd/-  
**Anoop Kumar Gupta**  
Director  
DIN-00030160

Place : New Delhi  
Date : May 5, 2014

Firm Regn. No. 007578N  
M. No. 95273



**KRBL DMCC**  
**Consolidated Financial Statements**

## Corporate Information

Board of Directors	:	Mr. Anil Kumar Mittal Mr. Arun Kumar Gupta Mr. Anoop Kumar Gupta
Manager	:	Mr. Anoop Kumar Gupta
Auditors	:	M Al Ali Auditing P.O. Box: 171492 Dubai, United Arab Emirates
Company License No.	:	30637
The Main Bank	:	Bank of Baroda
Address	:	Unit No. AG-14-K, Floor No. 14, AG Tower (Silver) Plot No.11, P.O. Box: 116461 Jumeirah Lakes Tower Dubai, U.A.E.

### Contents

Directors' Report .....	145
Independent Auditors' Report .....	147
Balance Sheet .....	148
Statement of Profit and Loss .....	149
Cash Flow Statement.....	150
Statement of Changes in Shareholders' Equity .....	151
Notes forming part of the Financial Statement .....	152

## DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2014.

Even though the current financial year has been a challenging, as the region's business environment has been characterized by increasing commodity prices, hike in oil and consumer products with a very tough competition. Therefore encouraging to see that the revenue has been increased in the current year, with AED 7,08,83,655 (INR 1,19,65,73,134) in sales this year as compared to the previous year.

The management focus of the past financial year has been on stabilizing the business. At the same time, maximizing revenue was another key focus point, primarily achieved by retaining the best talent in the industry and the management team has been strengthened considerably to ensure effective coordination between all markets and functions.

We are confident that these factors, along with best practices, offer a sustainable growth for the Entity in time to come.

### PRINCIPAL ACTIVITIES OF THE ENTITY :

The principal activities of the entity consist of trading in commodities.

### FINANCIAL REVIEW:

The table below summarized results of 2014 and 2013

	2014	2013	2,014	2,013
	AED		INR	
Revenue	7,08,83,655	5,82,688	1,19,65,73,134	86,25,952
Direct cost	(4,69,74,099)	(5,51,375)	(80,20,46,443)	(81,62,403)
Gross profit	2,39,09,556	31,313	39,45,26,691	4,63,549
Net profit for the year	2,45,27,184	22,99,005	40,55,59,003	3,41,28,201

### BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS:

The infrastructure of the U.A.E is considered to be excellent and we expect it to drive the economy to the foreseeable future. The current financial year has already started on a strong note and the Entity is optimistic about the prospects on the performance of its business in the ensuing year.

### ROLE OF THE DIRECTORS:

The Directors are the Entity's principal decision-making forum. Directors have the overall responsibility for leading and supervising the Entity and is accountable to shareholders for delivering sustainable shareholder value through their guidance and supervision of the Entity's business. The Directors sets the strategies and policies of the Entity. They monitor performance of the Entity's business, guides and supervises its management.

### RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS:

The Entity is committed to the ongoing process of identifying risk factors, analysing the risks, and deciding upon measures of risk handling and risk control, with a view to achieving sustainability of business operations, employment and surpluses. The Entity's risk management framework identifies, assesses, manages and reports risks on a consistent and reliable basis. The Directors consider primary risk areas to be: credit risk, interest rate risk, foreign exchange and liquidity risk.

The Directors recognised their responsibilities to ensure the existence of the system of internal control and for reviewing its continued effectiveness. In view of the above, the management has in place a management information system that facilitates financial and other information being periodically reported on a transparent basis to the management and that in turn helps in initiating action to mitigate risks to the extent feasible.

### GOING CONCERN:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

### EVENTS AFTER YEAR END:

In the opinion of the Directors, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

### AUDITORS:

M/s. M AL ALI AUDITING, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

### STATEMENT OF DIRECTORS RESPONSIBILITIES:

The applicable requirements, requires the Directors to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirms that



sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

#### **ACKNOWLEDGEMENTS**

The Directors wishes to place on record their sincere gratitude for the continuous support extended by various government departments, banks, customers, suppliers, employees and all well wishers.

Sd/-  
Director  
**KRBL DMCC**  
April 24, 2014

## INDEPENDENT AUDITORS' REPORT

To,  
**The Shareholder's**  
**KRBL DMCC Group**  
**Dubai - United Arab Emirates**

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of KRBL Group, Dubai, U.A.E. ("Entity") which comprise the statement of financial position as at March 31, 2014 and the statement of comprehensive income, statement of changes in shareholder equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). The management is also responsible for such internal controls as it determines necessary to enable the preparation of financial statements that are free from material misstatement, 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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, the financial statements present fairly, in all material respects, the financial position of the KRBL Group as at March 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the provisions of the DMCC Entity Regulation No. 1/3 issued in 2003, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit,
2. Proper books of accounts have been maintained by the Entity,
3. The contents of the Director report which relates to the financial statements are in agreement with the Entity's books of account.
4. We are not aware of any contraventions during the year of the above mentioned law or the Entity's Articles of Association; which may have material effect on the financial position of the Entity or the result of its operations for the year.

For **M ALI AUDITING**

Sd/-  
Managing Partner  
Dubai, United Arab Emirates  
April 24, 2014

## BALANCE SHEET

as at March 31, 2014

Particulars	Notes	As at	As at	As at	As at
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		Amount in AED		Amount in INR	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	4	17,023	25,048	1,93,283	3,35,540
Investment Property	5	12,50,009	12,50,009	1,73,74,875	1,73,74,875
Intangible Assets	6	92,868	92,868	12,90,847	12,90,847
<b>Total Non Current Assets</b>		<b>13,59,900</b>	<b>13,67,925</b>	<b>1,88,59,005</b>	<b>1,90,01,262</b>
<b>Current assets</b>					
Inventories	7	71,278	-	11,61,518	-
Trade Receivables	8	53,14,270	-	8,67,89,463	-
Advances, Deposits and Other Receivables	9	1,00,82,534	2,12,97,895	16,46,61,901	31,52,92,196
Cash and Bank Balances	10	13,87,130	2,22,154	2,26,53,783	32,88,767
<b>Total Current Assets</b>		<b>1,68,55,212</b>	<b>2,15,20,049</b>	<b>27,52,66,665</b>	<b>31,85,80,963</b>
<b>TOTAL ASSETS</b>		<b>1,82,15,112</b>	<b>2,28,87,974</b>	<b>29,41,25,670</b>	<b>33,75,82,225</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Equity</b>					
Share Capital	11	18,00,000	18,00,000	2,17,27,433	2,17,27,433
Retained Earnings	12	1,44,82,002	79,54,818	24,01,58,538	12,11,14,342
<b>Total Shareholders' Equity</b>		<b>1,62,82,002</b>	<b>97,54,818</b>	<b>26,18,85,971</b>	<b>14,28,41,775</b>
<b>Current Liabilities</b>					
Trade and Other Payables	13	19,33,110	1,31,33,156	3,22,39,699	19,47,40,450
<b>Total Current Liabilities</b>		<b>19,33,110</b>	<b>1,31,33,156</b>	<b>3,22,39,699</b>	<b>19,47,40,450</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,82,15,112</b>	<b>2,28,87,974</b>	<b>29,41,25,670</b>	<b>33,75,82,225</b>

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

\* Converted into Indian Rupees at the exchange rate, 1 AED = ₹ 16.3314 as on March 31, 2014

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

Sd/  
Director

Sd/-  
Director

## STATEMENT OF PROFIT AND LOSS

year ended March 31, 2014

Particulars	Notes	Year Ended	Year Ended	Year Ended	Year Ended
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		Amount in AED		Amount in INR	
Revenue	14	7,08,83,655	5,82,688	1,19,65,73,134	86,25,952
Direct Cost	15	(4,69,74,099)	(5,51,375)	(80,20,46,443)	(81,62,403)
Gross Profit		<b>2,39,09,556</b>	<b>31,313</b>	<b>39,45,26,691</b>	<b>4,63,549</b>
Other Income	16	20,22,186	33,90,902	3,40,42,850	5,01,98,914
Selling and Distribution Expenses	17	(3,42,308)	(2,94,063)	(54,31,145)	(43,07,772)
Administrative Expenses	18	(10,62,250)	(8,29,147)	(1,75,79,393)	(1,22,26,490)
<b>Profit for the Year</b>		<b>2,45,27,184</b>	<b>22,99,005</b>	<b>40,55,59,003</b>	<b>3,41,28,201</b>
Other Comprehensive Income:		-	-	-	-
<b>Total Comprehensive Income for the Year</b>		<b>2,45,27,184</b>	<b>22,99,005</b>	<b>40,55,59,003</b>	<b>3,41,28,201</b>

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

\* Converted into Indian Rupees at the exchange rate, 1 AED = ₹ 16.3314 as on March 31, 2014

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

Sd/  
Director

Sd/-  
Director

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2014

Particulars	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit for the year	2,45,27,184	22,99,005	40,55,59,003	3,41,28,201
<b>Adjustments for:</b>				
Depreciation on property, plant and equipment	8,477	8,448	1,45,141	1,28,626
<b>Operating Profit Before Working Capital Changes</b>	<b>2,45,35,661</b>	<b>23,07,453</b>	<b>40,57,04,144</b>	<b>3,42,56,827</b>
<b>Adjustments for Working Capital Changes</b>				
<b>(Increase) / decrease in current assets</b>				
Inventories	(71,278)	-	(11,61,518)	-
Trade receivables	(53,14,270)	-	(8,67,89,463)	-
Advances, deposits and other receivables	1,12,15,361	1,29,93,961	15,06,30,295	16,13,57,739
<b>Increase / (decrease) in current liabilities</b>				
Trade and other payables	(1,12,00,046)	(21,70,892)	(16,25,00,751)	(1,79,82,089)
<b>Cash generated from operations</b>	<b>1,91,65,428</b>	<b>1,31,30,522</b>	<b>30,58,82,707</b>	<b>17,76,32,477</b>
Dividend Proposed	(1,80,00,000)	(1,30,50,000)	(29,39,65,200)	(19,31,92,200)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (TOTAL - A)</b>	<b>11,65,428</b>	<b>80,522</b>	<b>1,19,17,507</b>	<b>(1,55,59,723)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(452)	-	(2,884)	-
Proceed from disposal of property, plant and equipment	-	(2,835)	-	(37,991)
<b>NET CASH (USED IN) INVESTING ACTIVITIES (TOTAL - B)</b>	<b>(452)</b>	<b>(2,835)</b>	<b>(2,884)</b>	<b>(37,991)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Adjustment due to Foreign Currency translation	-	-	74,50,393	1,68,78,418
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (TOTAL - C)</b>	<b>-</b>	<b>-</b>	<b>74,50,393</b>	<b>1,68,78,418</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (TOTAL- A+B+C)</b>	<b>11,64,976</b>	<b>77,687</b>	<b>1,93,65,016</b>	<b>12,80,704</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>2,22,154</b>	<b>1,44,467</b>	<b>32,88,767</b>	<b>20,08,063</b>
<b>Cash and cash equivalents, end of the year</b>	<b>13,87,130</b>	<b>2,22,154</b>	<b>2,26,53,783</b>	<b>32,88,767</b>
<b>Represented by:</b>				
Cash in hand	-	-	-	-
Cash at banks	13,87,130	2,22,154	2,26,53,783	32,88,767
	<b>13,87,130</b>	<b>2,22,154</b>	<b>2,26,53,783</b>	<b>32,88,767</b>

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

\* Converted into Indian Rupees at the exchange rate, 1 AED = ₹ 16.3314 as on March 31, 2014

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

Sd/  
Director

Sd/-  
Director

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended March 31, 2014

Particulars	Share capital	Retained earnings	Shareholders' current account	Total shareholders' equity	Share Capital	Retained earning	Shareholders' current account	Total shareholders' equity
	Amount in AED				Amount in INR			
As at April 01, 2012	18,00,000	1,87,05,813	-	2,05,05,813	2,17,27,433	26,32,98,510	-	28,50,25,943
Comprehensive income for the year	-	22,99,005	-	22,99,005		5,10,08,032	-	5,10,08,032
Dividend declared	-	(1,30,50,000)	-	(1,30,50,000)		(19,31,92,200)	-	(19,31,92,200)
As at March 31, 2013	<b>18,00,000</b>	<b>79,54,818</b>	-	<b>97,54,818</b>	<b>2,17,27,433</b>	<b>12,11,14,342</b>	-	<b>14,28,41,775</b>
Comprehensive income for the year	-	2,45,27,184	-	2,45,27,184		41,30,09,396	-	41,30,09,396
Dividend declared	-	(1,80,00,000)	-	(1,80,00,000)		(29,39,65,200)	-	(29,39,65,200)
<b>As at March 31, 2014</b>	<b>18,00,000</b>	<b>1,44,82,002</b>	-	<b>1,62,82,002</b>	<b>2,17,27,433</b>	<b>24,01,58,538</b>	-	<b>26,18,85,971</b>

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

\* Converted into Indian Rupees at the exchange rate, 1 AED = ₹ 16.3314 as on March 31, 2014

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

Sd/  
Director

Sd/-  
Director

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 1 LEGAL STATUS AND BUSINESS ACTIVITIES

- 1.1 KRBL DMCC, Dubai – United Arab Emirates (the “Entity”) was registered on February 14, 2007 as DMCC Company and operates in the United Arab Emirates under a trade license issued by the Dubai Multi Commodities Centre, Dubai, U.A.E. & KRBL LLC (the “Entity”) was incorporated on October 10, 2008 as Limited Liability Company and operates in the Secretary of State, Delaware - United State of America.
- 1.2 The Entity is licensed by DMCC authorities for trading in commodities.
- 1.3 The registered office of the Entity is located at Unit No. AG-14-K. Floor no 14, AG Tower (Silver), Plot No.11, Jumeirah Lake Tower P.O. Box: 116461, Dubai, United Arab Emirates.
- 1.4 The management and control are vested with Mr. Anoop Kumar Gupta, Indian national.
- 1.5 These financial statements incorporate the operating results of the trade license no. DMCC-30637

### 2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

#### 2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	Summary of requirements
IFRS 9 <i>Financial Instruments</i> (as part of IAS 39 replacement project)	New requirements on accounting for financial liabilities measured at fair value through profit or loss (FVTPL) and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities. The new requirements address the problem of volatility in profit or loss arising from an issuer choosing to measure its own debt at fair value.
IFRS 9 <i>Financial Instruments</i> (as part of IAS 39 replacement project)	The application of these new requirements has no effect on the financial statements of the Entity for the year then ended as all financial liabilities are measured at amortised cost by using the effective interest rate method.
Amendments to IAS 1 <i>Presentation of Financial Statements</i> (as part of Improvements to IFRSs issued in 2009)	The amendments to IAS 1 clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.  This amendment had no effect on the amounts reported in current year and prior years because the Entity has not previously issued instruments of this nature.
Amendments to IAS 7 <i>Statement of Cash Flows</i> (as part of Improvements to IFRSs issued in 2009)	The amendments to IAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.
IFRIC 17 <i>Distributions of Non-Cash Assets to Owners</i>	The Interpretation provides guidance on the appropriate accounting treatment when the Entity distributes assets other than cash as dividends to its shareholders.
IFRIC 18 <i>Transfers of Assets from Customers</i>	The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from ‘customers’ and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit being recognised as revenue in accordance with IAS 18 Revenue.

#### 2.2 New and revised IFRSs in issue and adopted

The Entity has adopted all the new and revised IFRSs that have been issued and effective.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and the applicable requirements of the UAE laws. These financial statements are presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Entity is domiciled.

#### 3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed after significant accounting policies.

The principal accounting policies applied in these financial statements are set out below.

#### 3.3 Foreign currency

In preparing the financial statements of Entity, transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in

the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

#### 3.4 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight-line method over its useful lives as follows:

	Years
Office equipment & furniture & fixtures	5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

#### 3.5 Impairment of tangible and intangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of income.

### 3.6 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

### 3.7 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through income statement' (FVTIS), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### Financial assets at fair value through income statement

Financial assets at fair value through income statement are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Entity commits to purchase or sell the asset. Transaction costs directly attributable to the acquisition are recognised immediately in income statement.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through income statement' category are presented in the income statement.

Dividend income from financial assets at fair value through income statement is recognised in the income statement when the Entity's right to receive payments is established.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Entity's loans and receivables comprise "trade and other receivables", "cash and cash equivalents", "due from/to related parties", "shareholders' loan" and "loan from/to related parties" in the statement of financial position.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### Trade and other receivables

Trade and other receivables are measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

#### Due from/Loan to related parties

Due from/Loans to related parties are measured at amortised cost.

#### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Entity has the positive intent and ability to hold to maturity. Subsequent to

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

### Available-for-sale investments

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories are stated at fair value or cost at the end of each reporting period.

Available-for-sale investments that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are measured at cost less any identified impairment losses at the end of each reporting period.

Gains and losses arising from the changes in the fair value are recognised directly in the equity in the investments revaluation reserve with the exception of impairment losses.

Where the investment is disposed off or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in statement of income.

Dividends on AFS equity instruments are recognised in income statement when the Entity's right to receive the dividends is established.

### Impairment of financial assets

#### Assets carried at amortised cost

The Entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable

decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

#### Assets classified as available for sale:

The Entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or a group of financial assets is impaired. (For debt securities, the group uses the criteria referred to in above).

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from equity and recognised profit or loss.

### 3.8 Financial liabilities and equity

Financial liabilities and equity instruments issued by the Entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability (and an equity investment).

An equity instrument is any contract that evidences a residual interest in the assets of the Entity after deducting all of its liabilities. (Equity instruments issued by the Entity are recorded at the proceeds received).

#### Trade and other payables

Trade and other payables are measured at amortised cost.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### Due to/loan from related parties

Amounts due to/loan from related parties are stated at amortised cost

### Bank borrowings

Borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

### Share capital

Equity instruments are recorded at the proceeds received, net of direct issue costs.

### Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire.

### 3.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3.12 Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 3.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the Entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 3.14 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

### Revenue recognition

In recognising the revenue the management is of the view that in line with the requirement of IAS 18 "Revenue", the risk and reward of ownership is transferred to the buyers of the goods and services and that revenue is reduced for the estimated returns, rebate and other allowances (if any).

### Related parties

The Management have disclosed the related parties and the related due to and from related parties as per the requirements of IAS 24 "Related Parties Disclosures". In view of due to and from related parties being receivable

and payable on demand and the Management intention to realise or pay the related parties as and when necessarily required, the disclosed balances are classified as current assets and current liabilities.

### Key assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

### Allowance for doubtful debts

Allowances for doubtful debts are determined using a combination of factors to ensure that trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Entity becomes aware of the customer's inability to meet its financial obligations.

### Inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues.

### Property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 4 PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciations and impairment is shown below:

Particulars	Office Equipment	Furniture and fixtures	Total	Office Equipment	Furniture and fixtures	Total
	Amount in AED			Amount in INR		
<b>Cost</b>						
As at April 01, 2012	9,032	30,065	39,097	1,25,543	4,17,891	5,43,434
Addition during the year	2,835	-	2,835	37,991	-	37,991
As at March 31, 2013	11,867	30,065	41,932	1,63,534	4,17,891	5,81,425
Addition during the year	452	-	452	2,884	-	2,884
<b>As at March 31, 2014</b>	<b>12,319</b>	<b>30,065</b>	<b>42,384</b>	<b>1,66,418</b>	<b>4,17,891</b>	<b>5,84,309</b>
<b>Accumulated depreciation</b>						
As at March 31, 2013	3,867	13,017	16,884	54,662	1,91,223	2,45,885
Charge for the year	2,464	6,013	8,477	63,922	81,219	1,45,141
As at March 31, 2014	<b>6,331</b>	<b>19,030</b>	<b>25,361</b>	<b>1,18,584</b>	<b>2,72,442</b>	<b>3,91,026</b>
<b>Carrying value as at March 31, 2014</b>	<b>5,988</b>	<b>11,035</b>	<b>17,023</b>	<b>47,834</b>	<b>1,45,449</b>	<b>1,93,283</b>
Carrying value as at March 31, 2013	8,000	17,048	25,048	1,08,872	2,26,668	3,35,540

### 5 INVESTMENT PROPERTY

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Amount in AED		Amount in INR	
Investment in Apartment	12,50,009	12,50,009	1,73,74,875	1,73,74,875
<b>Total</b>	<b>12,50,009</b>	<b>12,50,009</b>	<b>1,73,74,875</b>	<b>1,73,74,875</b>

### 6. INTANGIBLE ASSETS

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Amount in AED		Amount in INR	
Goodwill	92,868	92,868	12,90,847	12,90,847
<b>Total</b>	<b>92,868</b>	<b>92,868</b>	<b>12,90,847</b>	<b>12,90,847</b>

### 7 INVENTORIES

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Amount in AED		Amount in INR	
Finished goods	71,278	-	11,61,518	-
<b>Total</b>	<b>71,278</b>	<b>-</b>	<b>11,61,518</b>	<b>-</b>

Note: The Physical verification has been done by the management and the inventories are disclosed based on the valuation and certified by them.

### 8 TRADE RECEIVABLES

Particulars	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Amount in AED		Amount in INR	
Trade receivables	53,14,270	-	8,67,89,463	-
<b>Total</b>	<b>53,14,270</b>	<b>-</b>	<b>8,67,89,463</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 9 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Particulars	As at	As at	As at	As at
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Deposits	21,785	6,620	3,55,780	98,002
Unsecured loan	1,00,60,749	2,11,02,664	16,43,06,121	31,24,03,844
Loans and advances	-	450	-	6,662
Other receivables	-	1,88,161	-	27,83,688
<b>Total</b>	<b>1,00,82,534</b>	<b>2,12,97,895</b>	<b>16,46,61,901</b>	<b>31,52,92,196</b>

### 10 CASH AND BANK BALANCES

Particulars	As at	As at	As at	As at
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Cash in hand	-	-	-	-
Cash at banks	13,87,130	2,22,154	2,26,53,783	32,88,767
<b>Total</b>	<b>13,87,130</b>	<b>2,22,154</b>	<b>2,26,53,783</b>	<b>32,88,767</b>

### 11 SHARE CAPITAL

Authorised, issued and paid up capital of the KRBL DMCC Group is AED 1,800,000 divided into 1800 shares of AED 1,000 each fully paid up and held by the shareholder, M/s. KRBL Limited, India, 100% holding company.

\* Converted into Indian Rupees at the exchange rate, 1 AED = ₹ 16.3314 as on March 31, 2014

### 12 RETAINED EARNINGS

Particulars	As at	As at	As at	As at
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Balance at the beginning of the year	79,54,818	1,87,05,813	12,11,14,342	26,32,98,510
Comprehensive income for the year	2,45,27,184	22,99,005	40,55,59,003	3,41,28,201
Transfer from revaluation surplus	-	-	74,50,393	1,68,79,831
Dividend declared	(1,80,00,000)	(1,30,50,000)	(29,39,65,200)	(19,31,92,200)
<b>Balance at the end of the year</b>	<b>1,44,82,002</b>	<b>79,54,818</b>	<b>24,01,58,538</b>	<b>12,11,14,342</b>

### 13 TRADE AND OTHER PAYABLES

Particulars	As at	As at	As at	As at
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Trade payables	16,43,875	-	2,68,46,783	-
Proposed dividend payable	-	1,30,50,000	-	19,31,92,200
Other Payables	5,172	4,000	84,459	15,48,250
<b>Total</b>	<b>16,49,047</b>	<b>1,30,54,000</b>	<b>2,69,31,242</b>	<b>19,47,40,450</b>

### 14 REVENUE

Particulars	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Sales	7,08,83,655	5,82,688	1,19,65,73,134	86,25,952
<b>Total</b>	<b>7,08,83,655</b>	<b>5,82,688</b>	<b>1,19,65,73,134</b>	<b>86,25,952</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 15 DIRECT COST

Particulars	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Purchases (including other direct expenses)	4,69,74,099	5,51,375	80,20,46,443	81,62,403
<b>Total</b>	<b>4,69,74,099</b>	<b>5,51,375</b>	<b>80,20,46,443</b>	<b>81,62,403</b>

### 16 OTHER INCOME

Particulars	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Interest income	19,55,940	33,90,902	3,29,46,831	5,01,98,914
Other income	66,246	-	10,96,019	-
<b>Total</b>	<b>20,22,186</b>	<b>33,90,902</b>	<b>3,40,42,850</b>	<b>5,01,98,914</b>

### 17 SELLING AND DISTRIBUTION EXPENSES

Particulars	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Selling & distribution	27,028	-	4,39,735	-
Advertisement	27,678	35,852	4,74,876	5,27,745
Business promotion	97,582	2,39,405	15,35,021	35,01,727
Commission expenses	1,90,020	18,806	29,81,513	2,78,300
<b>Total</b>	<b>3,42,308</b>	<b>2,94,063</b>	<b>54,31,145</b>	<b>43,07,772</b>

### 18 ADMINISTRATIVE EXPENSES

Particulars	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
Salaries and related benefits	3,41,503	5,70,017	56,40,180	83,84,759
Printing and stationery	982	9,417	15,849	1,41,025
Travelling and entertainment	10,342	40,533	1,73,532	6,02,959
Legal, visa, professional and related expenses	3,54,209	26,728	58,56,351	3,93,294
Utilities & Communication	28,775	31,188	4,55,952	4,62,718
Depreciation on property, plant and equipment (note 4)	8,477	5,839	1,38,449	86,438
Insurance	17,361	16,206	2,80,634	2,43,455
Amortization on intangible assets (note 6)	-	1,127	-	16,679
Bank charges	12,316	4,223	2,04,107	62,687
Vehicle maintenance	1,749	2,584	28,446	39,030
Misc. expenses	2,86,536	1,21,285	47,85,893	17,93,446
<b>Total</b>	<b>10,62,250</b>	<b>8,29,147</b>	<b>1,75,79,393</b>	<b>1,22,26,490</b>

### 19 FINANCIAL INSTRUMENTS

#### a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### b) Categories of financial instruments

Particulars	As at	As at	As at	As at
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Amount in AED		Amount in INR	
<b>Financial assets</b>				
Investment property	12,50,009	12,50,009	1,73,74,875	1,73,74,875
Trade receivables	53,14,270	-	8,67,89,463	-
Other receivables	1,00,82,534	2,12,97,895	16,46,61,901	31,52,92,196
Cash and bank balances	13,87,130	2,22,154	2,26,53,783	32,88,767
	<b>1,80,33,943</b>	<b>2,27,70,058</b>	<b>29,14,80,022</b>	<b>33,59,55,838</b>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	19,33,110	1,31,33,156	3,22,39,699	19,47,40,450
<b>Total</b>	<b>19,33,110</b>	<b>1,31,33,156</b>	<b>3,22,39,699</b>	<b>19,47,40,450</b>

### c) Fair values of financial instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, trade receivables, investments, due from related parties and certain other assets. Financial liabilities consist of trade payables and accruals, due to related parties, term loans, bank overdrafts and certain other liabilities.

The fair values of financial assets and liabilities are not materially different from their carrying values as at the reporting date.

## 20 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

### a) Foreign currency risk management

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in U.S. Dollars and Dirham to USD conversion is pegged.

### b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Entity's financial assets. The contractual maturities of the financial assets have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity were maintained. The maturity profile of the assets and liabilities at the financial position date based on contractual repayment arrangements were also show on the following table.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

Particulars	Interest bearing			Non Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
<b>As at March 31, 2014</b>							
<b>Financial assets</b>							
Investment property (In AED)	-	-	-	-	12,50,009	-	12,50,009
Investment property (In INR)	-	-	-	-	1,73,74,875	-	1,73,74,875
Trade receivables (In AED)	-	-	-	-	53,14,270	-	53,14,270
Trade receivables (In INR)	-	-	-	-	8,67,89,463	-	8,67,89,463
Other receivables (In AED)	-	1,00,60,749	-	-	21,785	-	1,00,82,534
Other receivables (In INR)	-	16,43,06,121	-	-	3,55,780	-	16,46,61,901
Cash and bank balances (In AED)	-	-	-	13,87,130	-	-	13,87,130
Cash and bank balances (In INR)	-	-	-	2,26,53,783	-	-	2,26,53,783
<b>Financial liabilities</b>							
Trade and other payables (In AED)	-	-	-	-	19,33,110	-	19,33,110
Trade and other payables (In INR)	-	-	-	-	2,69,31,242	-	2,69,31,242
Due to related parties (In AED)	-	-	-	-	-	-	-
Due to related parties (In INR)	-	-	-	-	-	-	-

Particulars	Interest bearing			Non Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
<b>As at March 31, 2013</b>							
<b>Financial assets</b>							
Investment property (In AED)	-	-	-	-	12,50,009	-	12,50,009
Investment property (In INR)	-	-	-	-	1,73,74,875	-	1,73,74,875
Other receivables (In AED)	-	-	-	-	2,12,97,895	-	2,12,97,895
Other receivables (In INR)	-	-	-	-	31,52,92,196	-	31,52,92,196
Cash and bank balances (In AED)	-	-	-	2,22,154	-	-	2,22,154
Cash and bank balances (In INR)	-	-	-	32,88,767	-	-	32,88,767
<b>Financial liabilities</b>							
Trade and other payables (In AED)	-	-	-	1,31,33,156	-	-	1,31,33,156
Trade and other payables (In INR)	-	-	-	19,47,40,450	-	-	19,47,40,450

### c) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity uses its own trading records to rate its existing customers and increase their credits limits. The Entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly and the Entity maintains an allowance for doubtful debts based on expected collectability of all trade receivables.

The Entity have significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics. The Entity defines counterparties as having similar characteristics if they are related entities.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 21 CAPITAL RISK MANAGEMENT

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

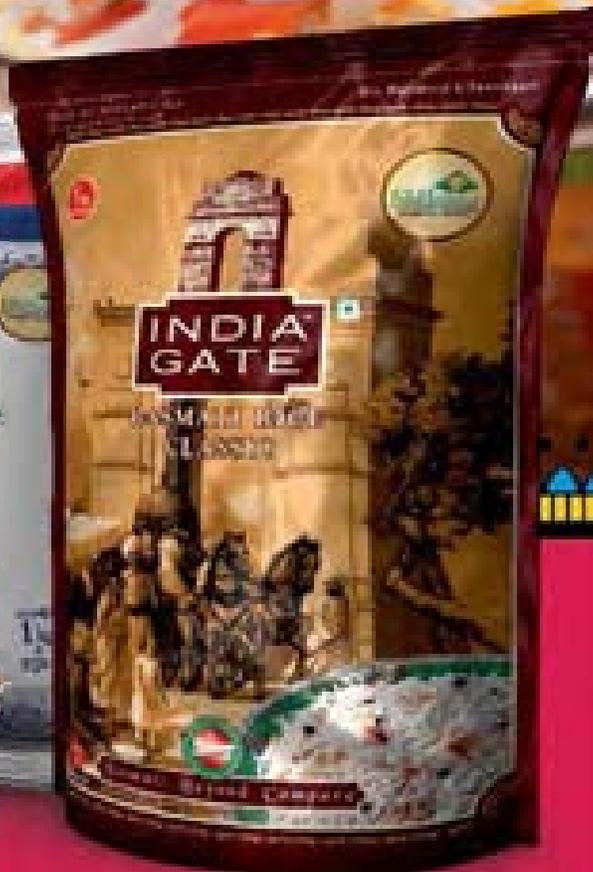
The Entity monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by shareholders' funds. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is equivalent to shareholder funds as shown in the statement of financial position.

### 22 CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Entity's financial statements as of reporting date.

### 23 COMPARATIVE AMOUNTS

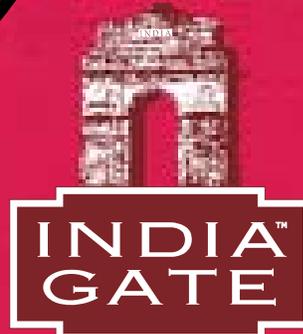
Certain amounts for the prior year were reclassified to conform to current year presentation, however such reclassification do not have a impact on the previously reported profit or equity.





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Regd. Office: 5190, Lahori Gate, Delhi - 110 006, India  
Ph: +91-11-23968328 | Fax: +91-11-23968327  
E-mail: [investor@krblindia.com](mailto:investor@krblindia.com)  
Website: [www.krblice.com](http://www.krblice.com)  
CIN No. - L01111DL1993PLC052845