Corporate Information

BOARD OF DIRECTORS

Chairman & Managing Director
Mr. Anil Kumar Mittal

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

Directors
Mr. Vinod Ahuja
Mr. Shayam Arora
Mr. Ashok Chand
Mr. Ashwani Dua
Dr. N. K. Gupta
Mr. Gautam Khaitan
Ms. Priyanka Mittal

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

Registered Office
5190, Lahori Gate, Delhi - 110006

Corporate Office
81-B, Central Avenue, Sainik Farms
New Delhi-110062

Bankers
State Bank of India
Corporation Bank
HDFC Bank Ltd.
The Hongkong & Sanghai Banking corporation Ltd.
Karnataka Bank Ltd.
Kotak Mahindra Bank Ltd.
Oriental Bank of Commerce
State Bank of Bikaner and Jaipur
State Bank of Hyderabad
State Bank of Travancore
Union Bank of India
ICICI Bank Limited
IDBI Bank Limited
Standard Chartered Bank
Yes Bank Limited
IndusInd Bank

Works
- 9th Milestone, Post Dujana
  Bulandshahar Road
  Distt, Gautam Budh Nagar - 203 207, U.P.
- Village Bhasaur (Dhuri)
  Distt. Sangrur - 148024, Punjab
- 29/15-29/16, Village Jindpur
  G.T. Karnal Road, Alipur,
  Delhi - 110036
- Plot 258-260 Extended Lal Dora
  Alipur, Delhi - 110036

Management Discussion and Analysis

> "The International Monetary Fund (IMF) in its World Economic Outlook (WEO) has pegged India's growth during FY11 at 9.5%."

Indian Economy

On the back of the global economic revival and the positive indicators emerging worldwide, the Indian economy has shown remarkable signs of improvement in recent months, with the promise of even better performance going ahead.

Founded on a core of strong fundamentals, the Indian economy continued to post robust growth during the year, clocking a Gross Domestic Product (GDP) growth rate of around 7.5%.

The situation is expected to be even better in the months to come and the World Bank's Global Economic Prospects 2010: South Asia, in fact, has predicted that economic growth next year will be strongest in developing countries, especially in Asia.

In a post-Budget statement, India's Finance Minister Pranab Mukherjee expressed confidence that the measures announced in the Budget for 2010-11 would revive private investment and put the economy back on a 9% growth trajectory. The International Monetary Fund (IMF) in its World Economic Outlook (WEO) has pegged India's growth during FY11 at 9.5% as robust corporate profits and favourable financing conditions fuel investment.

Changes in the economic environment, including continuing fluctuations in exchange rates and high unpredictability, have a strong influence on agricultural commodity markets. From the supply side, however, the 2008-2009 price boom spurred plantings and production of many food crops, resulting in a recovery in inventories and boosting stocks-to-use ratios, a tendency likely to prevail also in 2010/11.*

As markets enter the second half of 2010, the focus is shifting gradually to prospects over the next year. Traditionally, the outlook for cereals attracts particular attention at this time as information on plantings for the new season is firmer than for other crops. Based on FAO's first forecasts of global supply and demand in 2010-11, cereal markets are heading towards another comfortable season, with world production in 2010 likely, at least, to match the record achieved in 2008, and global inventories increasing for the third consecutive season.*

**** Source: `Food outlook-Global Market Analysis – June 2010', Food and Agriculture Organisation (FAO), United Nations***

Management Discussion and Analysis

The Indian agriculture sector also reflects and resonates the global mood and scenario. The Indian Government, in its budget for 2010-11, has given considerable thrust to this sector, proposing nearly 21.6% increase in the Central Plan outlay for agriculture. This is the biggest step-up in the Plan allocation for this sector in several years. The Budget has set apart Rs. 12,308 crores as the Central Plan outlay for agriculture and allied sectors for 2010-11, Rs. 2,185 crores, or 21.58% higher than the 2009-10 Revised Estimates (RE) of Rs. 10,123 crores. Further, timely arrival of monsoon is a much needed booster for overall growth in this sector.

Global Rice Overview

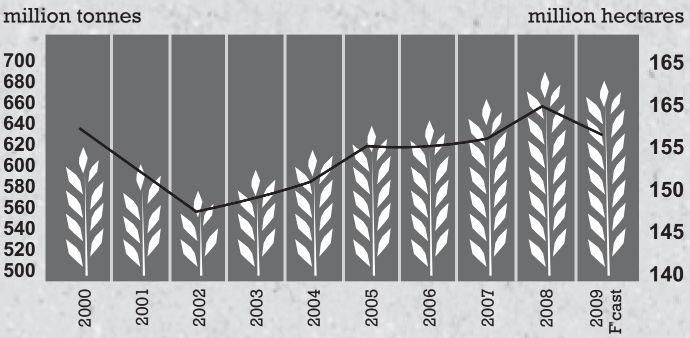
The global rice market is valued at approximately US$125 billion, growing at 2-3% per annum. Asia accounts for 90% of the world's production and consumption, with India & China together contributing to 53% of total global production.

FAO has raised its December estimate of global paddy production in 2009 by 2.3 million tonnes to 680 million tonnes to reflect improved prospects in Asia and Latin America and the Caribbean. At that level, global output would stand 1% below the 2008 outstanding harvest, with much of the reduction being on account of Asia, where crops were impaired by erratic monsoon rains and the resurgence of El Niño conditions. Production also fell in Africa, while gains were registered in Latin America and the Caribbean, Europe, North America and Oceania.

Overall global rice consumption in 2010 is forecast to increase by 2.1% to 454 million tonnes, milled basis.

Although highly tentative at this time of the year, FAO's first forecast of world paddy production in 2010 points to a 4% output expansion to a record 710 million tonnes. The annual increase is expected to concentrate in Asian countries, forecast to gather 643 million tonnes overall, 29 million tonnes more than in 2009. India is anticipated to drive much of the production upturn in the region, with recoveries also foreseen in the Philippines, Sri Lanka and Thailand. Prospects are positive in Bangladesh, China Mainland, Indonesia and Myanmar, while the Chinese Province of Taiwan and the Republic of Korea may incur a decline.

Global Rice Paddy Production & Area*



Global rice trade

Principally reflecting revisions to 2009 production figures, FAO has raised its forecasts of world rice trade in 2010 to 31.3 million tonnes, 5% above 2009's low of 29.7 million tonnes. The recovery is anticipated to be import-driven, with Asian countries largely behind the increase in world rice imports in 2010. Bangladesh, Iraq, Nepal, Sri Lanka and especially the Philippines are expected to purchase more over the year to offset drought and flood-induced production shortfalls.

Imports by European and Latin American countries are also set to increase, while they may fractionally decline in Africa. Despite anticipation of lower international rice prices,

Rice Exports by Major Exporters*

***Source: FAO Rice Market Monitor, April 2010**

> "The global rice market is valued at approx. US$125 billion. Asia accounts for 90% of the world's production and consumption, with India & China together contributing to 53% of total global production."

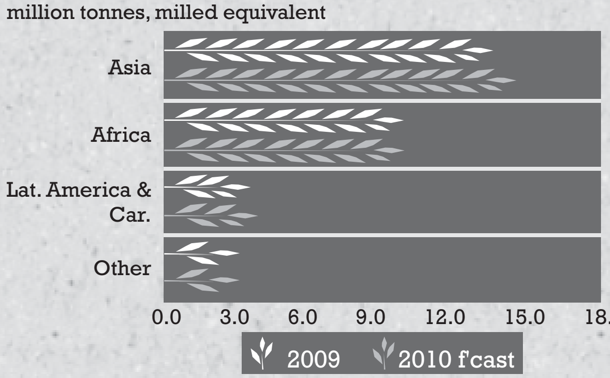
greater protective measures and reinstitution of import duties in various countries that had been exempted in 2008 and most of 2009 may limit trade growth in 2010.

Asian countries are anticipated to account for much of the year-to-year increase in globally traded volumes in 2010, with 14.5 million tonnes of rice forecast to be delivered to countries in the region, 1.2 million tonnes more than in 2009.

At the current forecast level of 124 million tonnes, global stocks would stand less than 1%, or 5,84,000 tonnes, below their opening level, and be sufficient to cover 27% of global consumption. The contraction is anticipated to be absorbed by developing countries, where end of season inventories are forecast to decline by 1% to 120 million tonnes, while stocks held by developed countries are projected to close with a 4% increase to 3.0 million tonnes.

Rice Imports by Regions in 2009 and 2010*

million tonnes, milled equivalent

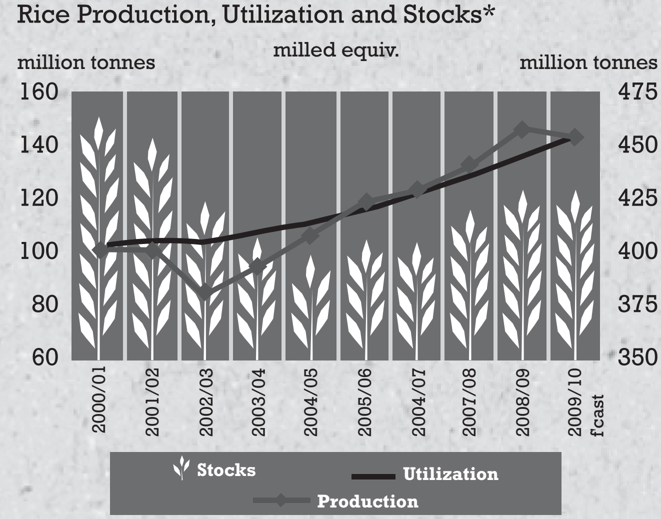


Global Rice Closing Stocks and Stocks-to-use Ratio*

Global rice consumption

Principally drawing on supplies produced over the 2009 season, global rice consumption in 2010, including use of rice for food, feed and other end-uses, is forecast to expand by 2.1% to 454 million tonnes, milled basis. Of these, 86%, equivalent to 388 million tonnes, are expected to be utilised as food, 6 million tonnes more than in 2009. Supplies utilised for other ends, comprising seeds, non-food industrial uses and post harvest losses, are also anticipated to rise to 53 million tonnes, while the small proportion of rice used as animal feed would decline to 12 million tonnes. Based on current estimates, global per capita rice consumption in 2010 is set to increase slightly from 56.5 kilos consumed in 2009 to 56.8 kilos, reflecting an increase in average rice consumption in developing countries to 67.8 kilos as well as in developed countries to 12.6 kilos.

Rice Production, Utilization and Stocks*



Source: FAO Rice Market Monitor, April 2010

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Indian Rice Overview

India is the second largest producer of rice in the world, accounting for 25% of global output. Rice constitutes around 1/3rd of India's total agricultural production and contributes approximately 26% of the overall agricultural exports from India.

Within the country, rice occupies 1/4th of the total cropped area, contributes about 40 to 43% of total food grain production and continues to play a vital role in the national food and livelihood security system.

About 85% of India's total rice output is grown during the Kharif season (between June and September), while the balance 15% is cultivated during the Rabi season (between November and February). Punjab, Haryana and Uttar Pradesh produce the most rice during the Kharif season.

The 2009 overall production forecast now stands at 131.3 million tonnes (87.6 million tonnes, milled basis), 12% below the 2008 record harvest.

Meanwhile, rice procurement by the Food Corporation of India is reported to have reached 26.4 million tonnes by 23 April, 2010, surpassing the 26 million tonne public distribution system's annual need.

Paddy cultivation in India

While a good monsoon is critical for the rain-dependent Kharif crop, it also plays an important role in replenishing irrigation reservoirs vital for the Rabi (winter) crop. The area under cultivation is expected to increase by 10% to 45 million hectares from last year, while yields are expected to rise by 3% to 3.3 tons per hectare.

In India, the 2010 season opened with the May-June arrival of the southwest monsoon over the Kerala coast, which launched planting activities for the main Kharif crop. Given the reliance of summer-sown crops on seasonal rains, production prospects at this time of the year depend on the expected performance of the monsoon. In April, the meteorological department issued its first long-term forecast, which anticipated the unfolding of a normal monsoon during the annual June-September period, with average monsoon rainfall expected to reach 98% of the long period average. Assuming normal growing conditions on this basis, paddy production in the country is provisionally forecast at 151.0 million tonnes (100.7 million tonnes, milled basis), 19.7 million tonnes above the 2009 drought and flood-affected crop.

Various measures are being taken by the Government to ensure the sector recovery, including the preparation of contingency plans, to cope with various monsoon scenarios. On the other hand, several initiatives to boost yields and area coverage under the 2010 Kharif crop have been announced within a framework of a second green revolution, with particular attention being taken to address low productivity levels in the eastern regions.

India - Rice Trade

On the back of substantial crop losses endured from an erratic monsoon season in October 2009, India waived import duties on milled and semi-milled rice until 30 September 2010. Since the measure was instituted, however, it has become increasingly unlikely that the country would have to resort to large foreign purchases. Indeed, with 26.7 million tonnes of rice reported to be stocked in the Central Pool by the end of March 2010, against the 14.2 million tonnes required under the country's buffer norms and strategic reserves, the country does not appear to be considering importing rice.

Accordingly, 2010 deliveries to the country, mainly comprising private sector purchases, are forecast in the order of 100,000 tonnes.

Reduced domestic availability from the poor 2009 harvest has justified the maintenance of an export ban on non-basmati rice, first introduced in April 2008. In early March 2010, there was a small exemption that permitted 45,000 tonnes of non-basmati rice to be exported to Nepal and Sri Lanka through government channels. However, for the remainder of the calendar year, shipment is likely to be restricted to the superior Basmati varieties.

Accordingly, FAO estimates that some 2.2 million tonnes

> Rice constitutes around 1/3rd of India's total agricultural production and contributes approximately 26% of the overall agricultural exports from India.

may be exported in 2010, 12% less than in 2009, when exceptions to export restrictions allowed a sizeable amount of common rice to be shipped under official channels. On the other hand, exports of Basmati and Pusa-1121 may surge by 20%, with the opening of new markets, including Mexico and China, with whom accords to grant access to supplies are being negotiated.

Indian overview – Basmati Rice

The Indian rice industry is growing at a rate of 3-4% per annum, while domestic Basmati rice industry has been growing at a CAGR of around 11% over the last 3 years.

International demand for Indian Basmati rice has grown at a CAGR of 10% since FY2000, while the market size has grown from Rs. 17 billion in FY2000 to Rs. 94 billion in FY09 - a CAGR of 20%. The area under cultivation in India's Basmati belt - Punjab, Haryana, Uttar Pradesh (UP) and Uttarakhand - increased in FY09 as Basmati rice (particularly Pusa-1121 variety) has a yield of Rs. 55,000-60,000 per acre compared to Rs. 30,000-35,000 per acre from the non-Basmati category.*

Growing demand for Basmati

The Basmati rice industry holds prominence and attraction on the back of growing demand in both international and domestic markets, premium realization, changing lifestyle, lower regulations and increasing cultivation ensuring steady supply.

Modern retailing, by virtue of convenience and a better shopping experience, has played a vital role in fuelling consumer demand for Basmati rice and in fact presented an excellent platform for consumers to migrate from unbranded to branded rice. Spurred by a number of factors such as better shelf space, visual merchandise, promotions and personal credit amongst others, branded rice sales are expected to grow at 15% per annum.

Increase in Basmati cultivation

Buoyed by the growing demand for Basmati, farmers are estimated to have planted nearly 15 lakh hectares (lh) under improved Basmati varieties such as Pusa-1121, Pusa Basmati-1 and Super in 2009 as against 12 lh in 2008. In the case of traditional Basmati, the area has shrunk marginally, from 3.7 lh to 2.1 lh. At the same time, average yields have been at least five quintals a hectare more than last year, translating into a record harvest.

The market for Pusa-1121 is growing at a blistering 50 per cent every year and much of it is going to Iran. Unlike the rest of West Asia, Iran has considerable cultivation in Rice and its farmers have seen their realizations fall dramatically because of imports of Pusa-1121. At the same time, Iran needs over 1 million MT of Pusa-1121 this season.

Export of Basmati

The withdrawal of export duty on Basmati rice in February 2009 made conditions even more conducive for increase in export of the commodity, which enjoys a premium in the international market, from India.

Export of Basmati rice from India has increased from Rs. 1,877 crores in 1998-99 to Rs. 9,477 crores in 2008-09, and in quantity terms from 5,97,756 MT to 15,56,411 MT. The bulk of India's Basmati rice was exported to Saudi Arabia, UAE, UK, Kuwait, USA.*

According to APEDA, India is expected to have exported 2 million tonnes of Basmati rice in the fiscal 2009-10, up by 30% as against the previous fiscal, mainly because of the higher demand for Pusa-1121 variety. The Government included the Pusa variety into the Basmati category in 2008 in order to help farmers earn profit from the exports. This led to farmers expanding their acreage in 2009, leading to increase in overall production of Basmati rice. The Pusa-1121 rice variety has found ready buyers in the Middle East and commands a premium of $100-$200/tonne over the floor price of $900/tonne fixed by the Government for Basmati exports. Pusa-1121 - a variety pioneered and commercially launched by KRBL - today accounts for more than 50% of total Basmati exports from India.

India's Basmati export curve is likely to move further upward in the coming months, with China expected to allow India Basmati rice imports following recent breakthrough in talks on resolving the trade barrier between the two countries.

Source: Agricultural and Processed Food Products Export Development Authority, Ministry of Commerce & Industry, Govt. of India

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Three Year Export Statement of APEDA Products

Qty. in MT, Value in Rs. Lacs

Product	2007-08		2008-09		2009-10 (Apr. to Jan. provisional)	
	Qty.	Value	Qty.	Value	Qty.	Value
BASMATI RICE	1183355.74	434458.09	1556411.05	947702.98	1655912	907894.15
NON BASMATI RICE	5285916.33	740979.43	931879.8	168737.41	121180	33082.74
WHEAT	237.27	23.94	1120.52	145.73	23	0.42
OTHER CEREALS	3228051.73	300232.95	3999648.1	392057.69	2363343	237422.61
TOTAL	**9697561.06**	**1475694.44**	**6489059.4**	**1508643.81**	**4140458**	**1178399.92**

** Source: DGCIS Annual Export*

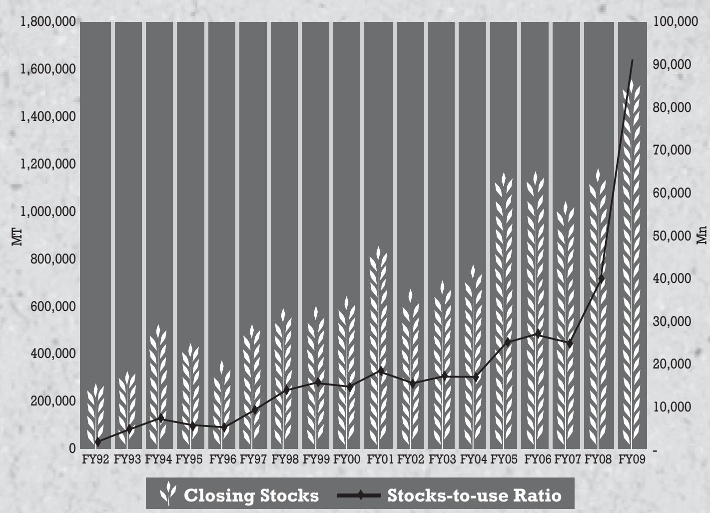
Indian Export Statistics: Basmati Rice

Qty. in MT, Value in Rs. Lacs

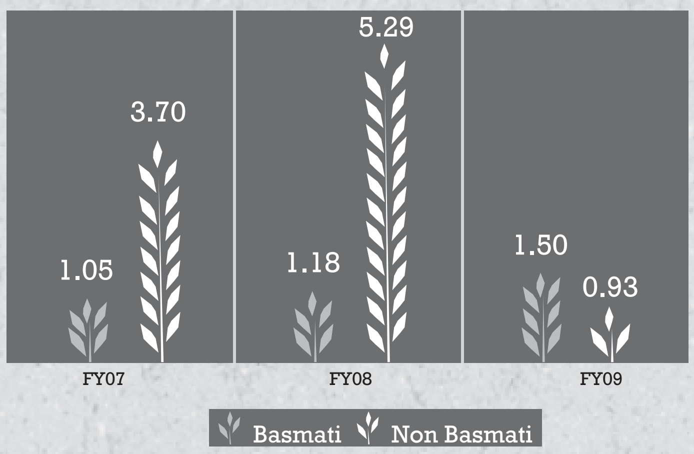
	2006-07		2007-08		2008-09	
	Qty.	Value	Qty.	Value	Qty.	Value
SAUDI ARABIA	499,584.76	124,095.96	543,530.24	203,834.60	524,401.67	310,280.84
UAE	104,998.09	30,521.18	193,102.03	68,983.28	456,146.51	278,620.50
KUWAIT	109,067.36	30,687.29	113,066.57	40,168.30	111,547.25	73,393.68
REST OF MIDDLE EAST	87,428.44	23,883.02	101,933.15	32,165.44	262,137.85	153,483.87
REST OF THE WORLD	244,636.30	70,093.42	231,723.75	89,306.47	202,177.77	131,924.09
TOTAL	**1045714.95**	**279280.87**	**1183355.74**	**434458.09**	**1556411.05**	**947702.98**

** Source: DGCIS Annual Export*

Basmati Rice Exports from India

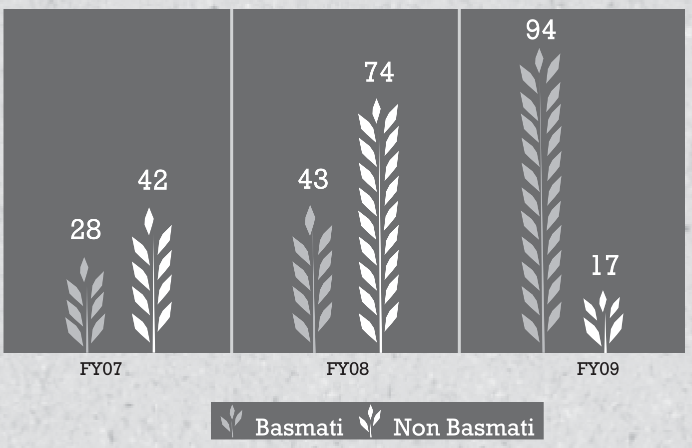


Three Year Export Statistics (in million tonnes)



> "By virtue of owning one of India's most premium Basmati brands - 'India Gate' - it commands a significant premium over most other brands in the industry, with this brand garnering the highest market share in the export market since the past 3 years."

Three Year Export Statistics (in Rs. billion)



The main varieties of Basmati rice produced in India are Pusa-1121 Basmati, Pusa Basmati-1, Basmati 386, Basmati 217, Ranbir Basmati, Karnal Local/Taraori Basmati, Kasturi Basmati, Type-3/Dehradoon Basmati and Mahi Sugandh Basmati Rice.

Basmati is a staple food in Gulf, with Saudi Arabia and UAE being the largest importers of Indian Basmati rice. Iran has also increased its Basmati imports from India, importing more than 98,000 MT of Basmati rice during FY10.

Basmati Outlook

Basmati rice demand is expected to grow at 20%-25% in the next few years, while the supply of Basmati rice is increasing at a lower pace as compared to demand. The international market consumption of Basmati rice is increasing owing to a rise in demand from countries like Saudi Arabia, UAE, Kuwait, UK, USA and the Yemen Republic, along with the addition of new countries.

At the same time, domestic demand is also on the rise due to a spurt in the mall culture and growth of hotels and restaurants. Going ahead, this will affect the suppliers of Basmati rice directly through sales of branded products or indirectly through private sales. The widening gap of demand and supply is expected to create room for an increase in the premium.

KRBL, by virtue of owning one of India's most premium Basmati brands - 'India Gate' - commands a significant premium over most other brands in the industry, with this brand garnering the highest market share in the export market since the past 3 years.

Company Overview

Background

Incorporated in 1993, KRBL ranks as the world's largest rice miller with the largest manufacturing capacity in the world. Armed with the pioneering status of being India's first integrated rice Company, KRBL also enjoys the distinction of being the world's largest Basmati exporters. The Company is credited with demonstrating innovation and thought leadership across the rice value chain – right from seed development and multiplication (QSDIP program) to contact farming and marketing.

From embracing notable milestones in its illustrious journey spanning a century and a quarter, the Company has also touched new echelons of success in its financial performance. This was manifest by the Company clocking its highest ever total revenue of Rs. 1,600.65 crores as of 31st March 2010, a 21% increase over the previous fiscal.

Having firmly cemented its principal player positioning in the domestic market with the creation of a bouquet of popular brands such as India Gate, Taj Mahal, Doon, Nurjahan, etc., the Company has continuously and consistently enhanced its presence in the international market through successful collaborations with top global retail chains. Being the largest exporter of Basmati rice in India (Basmati sales account for 95% of KRBL's total revenues and exports constitute 57% of the total revenues), the Company's packaged Basmati products enjoy excellent brand equity and loyalty.

The aggressive and persevering brand building and enhancing initiatives embarked by the Company over the years, coupled with the intention of providing exceptional product offering, have more than paid off. Today, KRBL commands sizeable share in Basmati exports from India. It enjoys a strong presence in key Basmati consuming

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markets, such as Saudi Arabia, Kuwait, US & Middle East, which constitute a significant part of the Company's total export revenues.

Fuelled by high brand recall and a superior product, the Company garners higher realizations, almost 20% higher than the industry average, from these key export markets. Endorsing its principal positioning further is its numero uno ranking in Saudi Arabia – the largest Basmati rice market in the world.

Along with its excellent performance in the export market, the Company enjoys a 30% market share in the domestic branded Basmati space. The Company's relentless efforts in branding and marketing, combined with an extensive distribution network and retail presence, have helped it create a leading Basmati rice brand in the country. In a recent survey conducted in NCR cities namely Delhi, Noida, Faridabad and Gurgaon by an independent agency - Texperts Corporate Advisory Service (T-CAS), India Gate emerged as the most popular brand in the Basmati rice segment . Findings also indicated that India Gate brand awareness level stood at an outstanding 99% and presence of retail packs at 70% of modern retail chains, significantly above that of its peers.

Year 2009-10

Having come through the difficult times of 2009 and riding on the intrinsic strengths of robust & integrated operations, huge milling capacities, extensive R&D initiatives, comprehensive contact farming programme, demonstrated marketing prowess and a strong brand portfolio, the Company reported a robust all-round performance.

The Company recorded its highest ever total revenue, profit before tax and profit after tax of Rs. 1600.65 crores, Rs. 149.98 crores and Rs. 124.55 crores respectively - 21%, 63% and 90% higher than the performance clocked in the previous fiscal. During the year under review, the Company's net worth also surged to Rs. 536 crores, a 28% increase over Rs. 421 crores reported in the earlier year. EPS stood at an all time high of Rs. 5.11, 90% higher than the Rs. 2.69 clocked in FY10. The Company, as of March 31, 2010, reported a healthy order book of more than US$ 34.50 million.

The Company's excellence performance also earned it prestigious rankings from Dun & Bradstreet, the world's leading provider of global business information, knowledge and insight. In its list of India's Top 500 Companies for 2009, Dun & Bradstreet ranked KRBL 7th as per the total income in the Food & Agro Processing sector, 87th (previous year 101) as per exports and 33rd in the Northern region of the country. With the rankings computed and evaluated on the basis of various financial parameters, such as income, net profit and net worth, etc, this recognition underpins the revolutionary efforts undertaken by the Company over the years.

Key Highlights

- Export revenues spiraled up 24% in value terms to Rs. 910 crores in 2009-10 from Rs. 737 crores in 2008-09 and 46% in volume terms from 95908 MT in 2008-09 to 139822MT in 2009-10
- Domestic revenues increased 16% in value terms to Rs. 668 crores from Rs. 575 crores in 2008-09, primarily on the back of improved realizations
- Basmati rice sales increased 27% from Rs. 1190 crores in 2008-09 to Rs. 1509 crores in 2009-10
- Average domestic realization of Basmati rice increased from Rs. 30 in 2008-09 to Rs. 31 in 2009-10
- Contact farming operations expanded to cover 2,30,000 acres, with Punjab contributing most to farming of Basmati paddy
- Sale of packaged Basmati rice has grown at a CAGR of 22% over the last 3 years
- Sale of "India Gate", the flagship brand of the Company, accounted for 60% of total domestic sales in 2009-10, as compared to 54% in 2008-09
- Sale of premium brands, such as India Gate Classic, India Gate Super, India Gate White Organic, India Gate Golden and Doon Premium, grew attractively at an average rate of 22% per annum

Source: Crisil Research

"The Company's relentless efforts in branding and marketing, combined with an extensive distribution network and retail presence, have helped it create a leading Basmati rice brand in the country."

- Premium brands commanded realizations of more than 29% over the other brands in the industry
- Added 14.70 MW of wind energy during the year in the states of Tamil Nadu (6.60 MW) and Rajasthan (8.10 MW). Total power generation capacity increased from 26.50 MW to 41.20 MW
- Launched new brands – Hussam, Blue Bird, City Palace, and relaunched India Farm

Segment-Wise or Product-Wise Performance

(i) KRBL's business groups comprise the following:

   a) Agri - Agri commodities such as rice, pulses, seed, wheat, bran, bran oil, etc.

   b) Energy - Power generation from wind turbine and husk-based power plants

(ii) The geographical segments considered for disclosures are:

   a) Sales within India

   b) Sales outside India

   1. Middle East

   2. Other than Middle East

The segment-wise financial detail is given in Schedule 21 under the head Segment Reporting.

Segment-Wise or Product-Wise Performance

Agri Division

Despite scanty and late rains, Basmati production increased during the year. This is primarily on account of an increase in the total area under irrigation for Basmati. Further, Basmati being a late sowing crop, the lower-than-normal rain resulted in lesser insects, and hence lesser use of insecticides, which in turn boosted productivity and crop yield.

During the year under review, the Company curtailed its procurement cost on the back of its exhaustive market understanding, accurate forecasting and prudent purchase practices.

Committed to delivering excellence across the value chain, the Company strengthened its investments and efforts in improving operations at all levels – from farming to milling to processing to stringent quality checks of the end product.

This unremitting focus on quality, coupled with rigorous cost rationalization & management and aggressive marketing & branding efforts, led to a significant improvement in net realizations per kg in the domestic as well as the export market.

Given the importance of world-class storage and warehousing capacities to age rice, which in turn positively impacts the realizations garnered per kg of rice, the Company continued to invest in further augmenting capacities. Its current storage capacity stands at 1 million tonnes.

Energy Division

During the year under review, the Company added 14.70 MW of windmill capacity through its power plants in Rajasthan and Tamil Nadu. This has increased its total power generation capacities to over 41.20 MW.

Sale of power went up from Rs. 7.41 crores in FY09 to Rs. 21.55 crores during this period, while the total revenue from power went up to Rs. 47 crores during the year under review, as against Rs. 32 crores in the previous year. Of this, Rs. 25 crores was inter-segment (captive consumption) and remaining was external.

As of 31st March 2010, the Company has captive husk-based power plants with a 10.50 MW plant in Dhuri and a 3.50 MW plant in Ghaziabad. Its Dhuri plant uses 59% of power generated for captive use, while the Ghaziabad plant uses 100% of the power generated for captive consumption.

Substitution of coal with rice husk entitles KRBL to Carbon Credits, which have started accruing from April 2009 for the Ghaziabad plant. The Company also earns revenues from bran oil, furfural oil and de-oiled cakes, which are manufactured from by-products of paddy.

The Company has a 12.50 MW wind power plant in Dhulia, Maharashtra, and has signed a 13-year power purchase

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agreement (PPA) with Maharashtra State Electricity Board (MSEB) to sell power at Rs. 3.50 per unit with an increment of 0.15 per unit every year. The Company has also installed a 14.70 MW wind power plant at Rajasthan and Tamil Nadu. Capitalizing on this, it has signed a 20-year power purchase agreement (PPA) for 8.10 MW with Ajmer Vidyut Vitaran Nigam Limited & Jaipur Vidyut Vitaran Nigam Limited to sell at Rs. 4.28 per unit (fixed) and 6.60 MW with Tamil Nadu Electricity Board to sell at Rs. 3.39 per unit (fixed).

Research and Development

Research and Development is the lifeline of the Company's operations and an intrinsic and invaluable driver of its growth story. Being a thrust area, the Company's R&D efforts received a further boost during the year with its Seed Development and Multiplication (QSDIP Programme) continuing its research for better and enhanced quality of Basmati seeds.

Currently, the Company has a 300 hectare seed farm and a 4 MT per hour seed grading plant to carry on the R&D activities and test new products. KRBL's contact farming network enables it to sell high quality seeds to farmers and provide them with guidance and know-how on proper methodologies to improve the yield of Basmati rice.

One of the biggest highlights of the Company's R&D efforts and initiatives till date comprises pioneering the commercial launch of Pusa-1121, one of the most popular varieties of seeds which has been recognized by the Government as a variety of Basmati and notified as such. Taking this success further is the Company's capability to increase availability & access and commercialise through mass production & marketing of the seeds to farmers.

Going ahead, the Company's efforts will be focused on developing new varieties of seeds that require lesser water with the aim of preserving this scarce resource.

Farmer relations and procurement

Excellent farmer relations play an axiomatic role in procuring uninterrupted supply of paddy for the production of high-end quality Basmati rice. This, in turn, directly sustains the growth momentum of the Company's business. Recognizing this fact, 2009-10 saw the Company's farmer relations and farm management initiatives receiving a strong fillip.

Having pioneered the concept of contact farming more than a decade ago to boost quality and yield of produce, the Company further enhanced its farm management coverage by 30,000 acres. This has taken the total land under cultivation to a majestic 2,30,000 acres.

The farmer network under this programme also expanded with a total of over 80,000 farmers now being covered across key rice-growing states of UP, Uttarakhand, Haryana and Punjab.

Carrying forward its contact farm management programme, the Company made significant investments to improve crop management practices across the rice value chain with the aim of enhancing the quality of rice produced. Programmes to create better awareness among the contact farmers also continued.

The financial year 2009-10 saw KRBL's organic farming initiatives raised to new levels of efficiency through merger of different projects and splitting of farmers having more than 4 hectares area. This helped reduce inspection and certification fee for farmers as the Company negotiated for the minimum man days for audits; helped avail the services of local auditors of the certification body (to reduce travel expenses); and ensured timely submission of field reports to the certification body to update the total number of registered farmers with the project.

The Company also developed an exhaustive manual describing the organic Basmati programme activities for the use of farmers, ICS staff, certification body and buyers.

Capacity building through training from two certification bodies on regulations and from APEDA on web-based traceability system – Trace Net – was also undertaken to strengthen the contact farming programme. A new Organic Project office was also opened to serve as farmers' helpline centre and to maintain the necessary documents.

> One of the Company's biggest R&D highlights till date comprises pioneering the commercial launch of Pusa-1121, one of the most popular varieties of seeds which has been recognized by the Government as a variety of Basmati and notified as such.

Manufacturing Capacity

The Company has two state-of-the-art manufacturing units and one processing unit with a total capacity of 195 MT/hr. The Company's Dhuri Plant in Punjab is the largest, fully integrated rice milling plant in the world with a capacity of 150MT/hr and its Ghaziabad plant has existing capacity of 45MT/hr. Together, these two units have enhanced the Company's processing capacities manifold.

Plant Location	Annual Production Capacity (MT/Hours)	Grading & Packing Plant
U.P. Plant (Rice Processing Plant)	45	30
Dhuri Plant (Rice Processing Plant)	150	50
Delhi Plant	—	30

Expansion plans

With revenues from its Energy division growing fast, the Company has invested in a big way in this sector and expects to double its power sales, going ahead.

The addition of par-boiled capacities to the Dhuri plant will enhance capacities, further augmenting the manufacturing prowess of the Company.

Going ahead, the Company intends to embark on additional measures to enhance efficiencies and capacities, de-bottleneck operations, de-risk business and insulate the Company from procurement risks. The Company plans to scale up capacities to 60% by FY11-12, which will further increase KRBL's share in India's Basmati production.

R&D and contact farming shall continue to be a major focus area for the Company's expansion plans, which will also see further diversification into the highly profitable rice by-products. The Company, in fact, plans to increase the size of its seed farm (where high yielding seeds are being developed in collaboration with ICAR) to 700 hectares. The Company also intends to invest in grassroots level agricultural research.

Lastly, the Company aims to boost revenues from its non-Basmati segment, thereby increasing its contribution to the total turnover in the coming years.

Strengths, Weakness, Opportunities and Threats

Strengths

With a strong portfolio of brands and leadership position in the Indian Basmati industry, KRBL is well positioned to capitalise on the immense opportunities unfolding in the global rice industry as compared to its peers.

The Company's management has more than 25 years of experience in the rice industry and has expanded the business in both scale and scope through various initiatives. These include increasing vertical integration, broadening distribution channels, expanding the product range & brand portfolio and harnessing marketing prowess to drive sales in the domestic & export markets

Its presence across the entire value chain makes KRBL a fully integrated player having large capacity and processing capabilities that facilitate manufacturing of a comprehensive downstream product chain. The Company has two manufacturing units and one processing unit with a total capacity of 195 MT/hour. Post acquisition in 2003 and refurbishment and re-engineering, the Dhuri plant is currently ranked as the largest, fully integrated rice milling plant in the world.

The Company has successfully established and entrenched its brand name in the domestic and international markets, and is the leading exporter to the Middle East. It has consistently bagged the APEDA trophy since the last 13 years for being India's topmost Basmati rice exporter. Its premium brand 'India Gate' has been awarded India's Most Preferred Basmati Brand, wherein its excellent brand equity, image and appeal have helped it garner a higher realization

Management Discussion and Analysis

as compared to other brands in the industry.

Adding impetus to its brand positioning is the fact that 'India Gate' has been the leading export brand for the last several years and the Company's other brands, such as Train, Al Wisam, Quilada and Nurjahan, also feature amongst the top export brands.

The Company has also invested in building storage and warehousing capacities. It has a current storage capacity of 1 million tonnes, which will help it store paddy for a longer duration. This, in turn, will provide the optimum storing period required to reduce moisture content, enhance quality and garner higher realizations.

The Company has captive husk-based power plants with a 10.50 MW plant in Dhuri and a 3.50 MW plant in Ghaziabad. Its Dhuri plant uses 59 % of power generated for captive use, while the Ghaziabad plant uses 100% of the power generated for captive consumption.

The Company also earns revenues from bran oil, furfural oil and de-oiled cakes, which are manufactured from by-products of paddy.

KRBL is also eligible for carbon credits on substitution of coal with rice husk. Its Ghaziabad plant has started accruing credits from April 2009 onwards.

The Company has a 12.50 MW wind power plant in Dhulia, Maharashtra, and has signed a 13-year power purchase agreement (PPA) with Maharashtra State Electricity Board (MSEB) to sell power at Rs. 3.50 per unit with an increment of 0.15 per unit every year. The Company has also installed a 14.70 MW wind power plant at Rajasthan and Tamil Nadu. Capitalizing on this, it has signed a 20-year power purchase agreement (PPA) for 8.10 MW with Ajmer Vidyut Vitaran Nigam Limited & Jaipur Vidyut Vitaran Nigam Limited to sell at Rs. 4.28 per unit (fixed) and 6.60 MW with Tamil Nadu Electricity Board to sell at Rs. 3.39 per unit (fixed).

The Company has set up a dedicated division of eminent agricultural experts to research and develop pedigree seeds in line with demand from farmers and the market.

KRBL pioneered the concept of contact farming in Punjab, Uttarakhand and Uttar Pradesh, which helped them procure better quality paddy from farmers. KRBL provides high-yield certified seeds and intensive training for crop cultivation to ensure higher yields and realizations. The Company's initiative helped them increase acreage from 60,000 acres in FY05 to 2,30,000 acres in FY10 under contact farming.

KRBL has adopted the strategy of attracting consumers across all price segments with products varying from Rs. 20 per kg to Rs. 140 per kg, thus catering to price sensitive and premium consumers. It also has a strong sales and distribution network with presence across all the States and Union Territories (UTs) in India and 31 countries across the world. As of 31st March 2010, the Company has 515 nationwide distributors, who in turn have access to over 452,000 retailers. The Company has tie-ups with major retail outlets in India and excellent collaborations with global retail chains.

Weaknesses

While Basmati requires less water for cultivation as compared to normal rice, it is still prone to the vagaries of nature. In the event of scanty or no rainfall, the rice crop, including Basmati, can suffer a significant drop in crop cultivation.

The year 2008-09 was a standing example of how climatic turbulence can impact agriculture, which is a climate-linked, seasonal activity. The drought during the year adversely affected rice production in the country. In fact, climatic destructions, such as drought and floods, not only damage the crop but can, at times, even render the land uncultivable for a long period of time.

Opportunities

The Basmati rice export industry was reasonably elastic to prices until FY07, where the correlation between price movements and volume movements was -0.38, indicating medium price elasticity. However, since FY08, volumes increased significantly despite a steep price increase, following increased demand from Iran and global shortage of food supplies.

> "To continue competing successfully in the market place, KRBL has chosen SAP to help it keep up with expansions, enhance competitiveness and improve real-time visibility."

With demand expected to increase despite firm prices, on account of global food shortage, rice exporters like KRBL are expected to benefit from the macro environment, where they could witness higher prices and volumes at the same time. What is noteworthy is that the Gulf countries, the largest net importers of Basmati rice, have continued to show strong growth in demand.

While most premium branded Basmati rice have similar characteristics, KRBL has built a strong brand through various advertisements and promotional activities, both domestically and internationally. Branding will continue to play an important role for KRBL in further consolidating and growing its Basmati market share.

Other factors that contribute to the expanding opportunity matrix for KRBL include growing popularity and demand for Pusa-1121, which has been labeled by the Government of India as Basmati; strong presence in domestic & international markets; de-risked and diversified geographic presence; increasing domestic demand for Basmati rice and growth in the retail industry.

Boosted by these factors, branded rice sales are expected to continue their growth trajectory, offering KRBL, with its portfolio of premium, high-selling brands an excellent opportunity for further growth.

Threats

With the global economic environment continuing to be unstable, the threat of economic recession in overseas market still remains firm and could adversely impact KRBL's export plans. Another serious threat comes from growing competition from other Indian companies operating in similar segments.

Human Resource Development

A strong and satisfied Human Resource base is a key fundamental boosting KRBL's growth. The Company attributes its inherent strength to its well-qualified and dedicated work force of 1000+ employees and the large number of contractors with whom it works.

The Company has always believed in maintaining friendly and harmonious relations with its workers and does not suffer from any labour problem.

Regular training programmes, skill development initiatives and incentive schemes helped the Company further stimulate its work force to deliver exceptional quality across its entire value chain of operations during the year.

IT

The demands of a competitive market require a solution that supports process-centric collaboration internally and across its value chain. To continue competing successfully in the market place, KRBL has chosen SAP to help it keep up with expansions, enhance competitiveness and improve real-time visibility.

The initiative is inspired by the knowledge that in order to thrive in the era of modern trade, we need to deliver a service level that is higher than what the industry is used to, and operate a logistic supply chain which is superior to that of competitors.

Real-time & uniform transaction processing and reliable information flow from SAP ERP has enabled faster decision-making, along with standardisation of all processes, procedures and management information system, within the Company.

Audit and Systems

In line with its strong commitment to operational efficiency, KRBL has an elaborate and well-managed system of internal control, commensurate with its size and nature of operations. A strong internal control system has insulated the Company from unauthorised use or losses, while maintaining proper accounting control, monitoring operational efficiency, proper compliance with applicable laws and ensuring the reliability of financial and operational information.

The Company's audit committee periodically reviews audit reports, audit plans, significant audit finding, adequacy of internal control, compliance with accounting standards, and suggests improvements for strengthening them.

Management Discussion and Analysis

Outlook

With supply continuously outpacing demand, KRBL is engaged in continuous enhancement of its capacities, thereby offering operating leverage. The Company aims to scale up capacity utilization to 70% by FY11-12. The Dhuri plant is expected to have capacity utilization of more than 40% in FY11 and about 50% by FY12, while the Ghaziabad plant is operating at 90% + of its capacity.

With this enhancement in capacity utilization, KRBL's share in India's Basmati production is slated to increase by 25% in FY12 taking its Basmati rice processing capacities to 900,000 MT by FY12.

On the strength of the high level of brand equity it enjoys and the growing popularity of Basmati in the domestic and international markets, the Company is likely to further increase its share in the Basmati market.

The increasing popularity and growing sales of Pusa-1121 is another key growth driver that is likely to boost realization for the Company, which is also expected to make significant gains in the global Basmati market through the addition of more and more countries in its export net.

Its continuous focus on expanding its contact farming network shall enable the Company to procure 100% of its paddy requirement through the programme by FY12.

The Company shall strive to enhance its margins through higher realizations from by-products and economise its power consumption through captive husk-based power plant.

Through these measures, the Company shall penetrate into new and emerging markets and capture a larger share of the domestic market.

Risks and Concerns

Raw material risk

Raw material costs i.e. paddy comprises nearly 95% of total operating costs in the rice industry. Any adverse impact on paddy production or extreme price fluctuations could put pressures on the Company's margins.

Risk mitigation

The Company's growing contact farming network ensures that it has continued, uninterrupted access to good quality paddy. Its effective farm management services help the Company control the price of paddy procured and ensure regular upgradation in its quality through seed management and other farming related programmes.

Quality risk

An increasingly health-conscious society wants every morsel of its food to undergo through stringent quality checks. Even a marginal decline in the product quality can seriously impact business in the food-related industry.

Risk mitigation

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

Competition risk

The Indian rice market is increasingly getting flooded by the unorganised sector, which is pushing a large number of cheaper variants of rice into this segment. The problem of plagiarism adds to the risk factor.

Risk mitigation

The Company has a strong R&D focus, which enables it to continuously come out with newer and better varieties of rice. Branding initiatives also help it to maintain a strong connect and loyalty with consumers.

Foreign exchange risk

With exports accounting for a major chunk of the Company's revenues, any fluctuation in the rupee could adversely impact KRBL's margins. Since the import of raw materials is insignificant, the Company does not benefit from rupee appreciation and the impact of forex volatility does not get negated.

> With enhancement in capacity utilization, KRBL's share in India's Basmati production is slated to increase by 25% in FY12 taking its Basmati rice processing capacities to 900,000 MT by FY12.

Risk mitigation

The Company has a strong foreign exchange risk management policy in place and therefore, all foreign exchange exposures are hedged as per policy.

Realizations risk

The Company faces the risk of decline in the realizations.

Risk mitigation

The Company sells all its varieties in retail packs. This ensures that quality is maintained and is not perceived or compared with the quality of unpacked unbranded rice.

Further, with optimal ageing and integrated operations that yield higher realization, the Company is able to hedge this risk to a significant extent.

Cost risk

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

Risk mitigation

A high brand equity enables KRBL to pass on the increased cost (freight and interest) to its customers. Besides, optimal ageing, leading to better quality rice, helps the Company garner a premium for the same in the markets, thus enabling it to significantly recover the cost of ageing.

Product concentration risk

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

Risk mitigation

Within the Basmati segment, the Company manufactures and offers a large variety of brands and products. In addition, KRBL has also diversified its bouquet through other value-added products like rice bran oil and power.

Other risks

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

Financial review

While 2008-09 tested the true strength and resilience of the Company, 2009-10 gauged the efficacy, speed and agility with which it responded to the attractive opportunity matrix and set a new threshold of robust all-round performance. The year 2009-10 was an inflexion point in the Group's 125-year odyssey, where it not only added notable financial milestones across its 12 months of working, but more importantly, set the blueprint for the next quantum leap in scale, size and value.

Revenue

During the financial year under review, the Company's total turnover increased by nearly 20% to Rs. 1,579.01 crores from Rs. 1,311.72 crores in the previous fiscal. In terms of revenue proportion of domestic and export sales, the Company posted a ratio of 42:58 in 2009-10, as against 44:56 in 2008-09. Exports showed a stupendous increase of 24% to Rs. 910.23 crores from Rs. 736.55 crores in the previous fiscal. The domestic turnover also reported an increase of 16%, primarily on the back of improved realizations, up from Rs. 575.16 crores in 2008-09 to Rs. 668.77 crores in 2009-10.

Domestic sales

Basmati offtake continued to be pivotal in fuelling overall domestic sales and witnessed attractive growth due to a number of reasons: perceptible lifestyle changes, increase in Indian middle class population, proliferation of mall culture and growth in hotels and restaurants. The Company's brands are uniquely positioned in the domestic market, with its comprehensive offering of 15 major brands and a large number of sub-brands straddling different price points and addressing varied consumer needs.

Management Discussion and Analysis

Through a combination of factors, such as excellent product quality, integrated and well-planned marketing approach and clear positioning, contribution from its top five brands - India Gate, Nurjahan, Doon, Necklace and Aarti - increased significantly in the year under review. While together these brands accounted for almost 86% of domestic sales (80% in FY09), its flagship brand - India Gate - alone contributed to more than half the domestic revenues at 58 % (54% in FY09).

Reinforcing the popularity of KRBL's brands further is the fact that contribution from branded products has been growing at a phenomenal 30%+ over the last five years, way higher than peer brands. This clear preference for the Company's brands in turn helped it consistently command higher average branded realizations. Its most premium and best quality products retailed at over Rs. 100 per kg – the highest in the country.

To reach out to a wide consumer base, the Company has put in place multiple price segments for its products, ranging from as low as Rs. 20 per kg to as high as Rs. 140 per kg. This allows the Company to adequately meet the needs of both the price-sensitive as well as top-notch premium clientele.

Key Financial Indicators, 2009-10

Rs. in crores

Y/E March	2008	2009	2010
Net Sales	996.53	1,311.73	1,579.01
Growth in Net Sales	9.14%	31.63%	20.38%
Other Income	10.34	9.46	21.64
Total Income	1,006.87	1,321.19	1,600.65
Total Expenditure	852.93	1,116.90	1,381.35
EBIDTA	153.94	204.29	219.30
EBIDTA Margin	15.29%	15.46%	13.70%
Growth in EBIDTA	26.99%	32.71%	7.35%
Depreciation	24.10	23.55	27.58
EBIT	129.84	180.74	191.72
Interest	64.47	88.65	41.74
PBT	65.37	92.09	149.98
TAX	10.39	26.67	25.43
Net Profit	54.97	65.42	124.55
Net Profit Margin	5.46%	4.95%	7.78%
Growth in Net profit	11.18%	19.02%	90.37%
Earnings Per Share*	2.26	2.69	5.12
Cash EPS*	3.25	3.70	6.26
Net Worth	360.81	420.54	536.55
Captial Employed	1,133.51	1,023.05	1,139.80
Average Capital Employed	965.88	1,078.28	1,082.05
Capital Effiency Ratio	15.94%	18.95%	20.28%
Market Capitalisation	28,177	122.77	578.61
Fixed Assets (CWIP)	321.32	359.41	488.95
Net Current Assets	906.52	780.15	794.39

Previous year EPS & Cash EPS are calculated on 243111940 number of equity shares of Re. 1/-

> "On the back of excellent product quality, integrated and well-planned marketing approach and clear positioning, contribution from its top five brands - India Gate, Nurjahan, Doon, Necklace and Aarti - increased significantly in the year under review."

Along with a prudent pricing strategy and aggressive brand building focus, the Company also has a strong sales and distribution network and a growing retail presence across the length and breadth of the country. As of 31st March 2010, the Company has 515 nationwide distributors, who in turn have access to over 452,000 retailers. The Company has tie-ups with major global and Indian retail outlets.

Exports

Boosted by an aggressive marketing and promotion strategy, KRBL continued to grow in the global market as the world's largest branded Basmati player. Its brand 'India Gate' had the highest market share over the last 3 years, while its other brands like Train, Al Wisam, Quilada and Nurjahan are amongst the top five export brands.

Exports accounted for 58% of the Company's total sales in 2009-10, up from 56% contribution in the previous fiscal. In value terms, the Company's exports income increased by 23.58% to Rs. 910.23 crores from Rs. 736.55 crores in the previous fiscal.

The Company's exports witnessed a major leap of 45.79% in quantity terms, and 23.58% in value terms during FY10. Of the total export revenue, almost 100% came from KRBL's in-house brands. In the export market, KRBL's average realization was 20% higher than other brands. In value terms, the export realization of Company stood at Rs. 65 (inclusive of India Gate) during the year under review, enabling its brands to command a premium over its peers in the industry and helping it to expand its reach further in the export market.

Saudi Arabia continues to be the biggest market for KRBL's Basmati rice and the Company's revenues have increased by more than 20% during the year.

The Company's branding and marketing strategy has played a pivotal role in promotion of the in-house premium Basmati brands. Its expanding retail network and exclusive tie-ups with institutional buyers like hotel and retail chains facilitated further increase in sales.

Region-wise % Domestic sales

Region	%
North India	30%
West India	20%
South India	40%
East India	10%

Breakup of Domestic sales (product wise)

(Qty. in MT, Value in Rs. crores)

	2007-08		2008-09		2009-10	
Product	Volume	Value	Volume	Value	Volume	Value
Basmati Rice	129675	356.73	149381	453.33	192727	598.32
Non Basmati Rice	36130	44.14	47381	57.20	2527	5.12
Rice Bran	17681	12.98	18002	13.71	7719	13.61
Electricity & Power	-	3.63	-	7.41	-	21.55**
Seed	13223*	27.25	4129	11.89	4662	11.48
Pulses	151	0.47	-	-	-	-
Paddy	1248	1.92	255	0.39	111	0.38
Bran Oil	3812	15.76	3861	16.80	1647	6.10
Furfural	133	0.56	-	-	-	-
Other	-	13.85	-	14.43	-	12.21
	-	477.29	-	575.16	-	668.77

includes sale of sesame/mustard seeds ** Power sale includes minimum guarantee claim and carbon credit

Management Discussion and Analysis

Realization of Domestic Sales (rice only)

Rs. per tonne

	2007-08	2008-09	2009-10
Basmati Rice	27,510	30,347	31,045
Non Basmati Rice	12,217	12,072	20,261

increased. This increase was mainly due to the fact that the opening stock of raw material during the said year stood at a far higher rate per quintal as compared to the previous year apart from withdrawal of Export Cess and Savings in overheads such as interest cost.

Breakup of Export Sales (product wise)

Qty. in MT, Value in Rs. crores

	2007-08		2008-09		2009-10	
Product	Qty.	Value	Qty.	Value	Qty.	Value
Basmati Rice	118524	486.06	95908	736.56	139822	910.24
Non Basmati Rice	13546	28.98	-	-	-	-
Sesame Seed	108	0.62	-	-	-	-
Pulses	1070	3.45	-	-	-	-
Papad (Pkt.)	48800	0.11	-	-	-	-
	-	519.22	-	736.56	-	910.24

Realization of Export Sales (rice only)

Rs. per tonne

	2007-08	2008-09	2009-10
Basmati Rice	41,009	76,799	65,100
Non Basmati Rice	21,394	-	-

Note: On account of removal of export duty, realization price per MT has reduced.

In an endorsement of the Company's high standing in the international Basmati market KRBL has been receiving the export award by APEDA for the last 13 years consecutively for being the largest Basmati exporter in India.

Expenditure

Raw materials accounted for the largest cost component, almost 90% of total expenses; hence a judicious use of raw materials and cost efficient operations translates into significant savings for the Company. In the year under review, materials consumed as a per cent of total expenses

With brand building constituting an integral part of the Company's growth strategy, administrative and selling expenses comprised almost 5% of the total income. As a value-focused Company, through a combination of better cost management practices, prudent advertisement spend spread, stronger consumer pull and curtailment of business promotions coupled with the abolition of export cess, KRBL lowered administrative and selling expenses significantly in absolute terms from Rs. 134.46 crores in 2008-09 to Rs. 87.41 crores in 2009-10. Administrative and selling costs as a proportion of total income plummeted from 10.18% in 2008-09 to 5.46% in 2009-10. Employee cost continued to grow in line with expanding operations, accounting for 1.57% of the total income in the year under review (1.56% in 2008-09)

Margins and profitability

The Company's EBIDTA stood at Rs. 219.30 crores, up 7.35% from Rs. 204.29 crores in the previous fiscal. By virtue of tight

"In an endorsement of the Company's high standing in the international Basmati market KRBL has been receiving the export award by APEDA for the last 13 years consecutively for being the largest Basmati exporter in India."

of Rs. 10/- into 10 shares of Rs. 1/-, thereby increasing trading and shareholders substantially. The overall market capitalization increased from Rs. 123 crores as 31.03.2009 to Rs. 578 crores as on 31.3.2010.

At the end of fiscal 2009-10, KRBL's reserves surged to Rs. 510.95 crores a 28.53% increase from Rs. 398.08 crores reported in the previous year. The Company's reserves comprised a mix of share premium reserve, general reserve and profit & loss account. Free reserves accounted for 100% of the Company's reserves, indicating an aggressive plough back of profits in the business.

The increased size of the Company's reserves translated into a healthy book value of Rs.22.07 per share towards the close of 2009-10, as compared to Rs. 17.29 per share in the previous fiscal. Another indication of the Company's financial strength is its swelling net worth, which spiraled up from Rs. 421 crores in 2008-09 to Rs. 536 crores in 2009-10. A true indicator of the Company's profitability was the fact that while net worth increased by 28%, post tax profits increased 90%, translating into an improved return of the Company's fiscal monitoring and management, which translated into interest outgo reducing by a whopping 53% from Rs. 88.65 crores to Rs. 41.74 crores in 2009-10, the Company succeeded in reporting a 63% increase in Profit before tax - from Rs. 92.09 crores to Rs. 149.98 crores in 2009-10. Profit after tax surged 90% to Rs. 124.55 crores in 2009-10 from Rs. 65.49 crores in 2008-09 to touch its highest level ever in its history.

In the Company's business, interest cost constitutes a major factor in determining the price of the produce, as it directly impacts the inventory holding levels and the ageing process of rice. Interestingly, key developments transpired in the year under review which showcased excellent business working. While sales perked 21%, borrowings remained almost at the same levels as the previous year. Inventory levels in value terms were retained at a similar level as 2008-09, although in quantity terms, stock of finished goods increased and interest outflow declined significantly, resulting in huge savings for the Company.

In a nutshell, the Company reported improved business operations at relatively lower levels of borrowings, which in turn helped strengthen overall profit before tax and profit after tax levels of the Company. While EBIDTA margin dropped from 15.46% in 2008-09 to 13.70% in the year under review, the above mentioned initiatives positively impacted its post tax margin – which stood at 7.78% in 2009-10 as compared to 4.95% in 2008-09.

Capital efficiency

Given the expanse of business operations, total capital employed increased from Rs. 1,023.05 crores in 2008-09 to Rs. 1,139.79 crores in 2009-10. This increase was largely on account of increase in reserves and surplus and marginal increase in borrowings. The Company reported a handsome return on average capital employed of 20.28% during the year as against 18.95% in 2008-09 (EBIDTA/average capital employed).

Sources of funds

As a shareholder-friendly initiative, in the quarter ended March 2010, the Company announced the split of one share

Expenses (as % of Total Expenses)

	2007-08	2008-09	2009-10
Material Consumed	86.61	85.2	91.03
Other Manufacturing Expenses	2.55	1.98	1.96
Employee Cost	2.01	1.85	1.82

Expenses (as % of Income)

	2007-08	2008-09	2009-10
Material Consumed	73.37	72.02	78.56
Administrative and Selling Expenses	8.82	10.18	5.46
Other Manufacturing Expenses	2.16	1.68	1.69
Employee Cost	1.7	1.56	1.57

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net worth at 23.27%, as compared to 15.49% in the previous fiscal.

Loan profile and funding cost

Despite a higher revenue base & larger scale of operations and Rs. 129.53 crores addition to Fixed Assets, the Company's loan funds increased marginally from Rs. 600.61 crores in 2008-09 to Rs. 604.49 crores in the fiscal under review. Of this, secured loans constituted 87.59 % of total loan funds and working capital loans comprised almost 91.68% of total secured loans, taken mainly to ensure proper ageing of Basmati rice, which in turn fetches the Company a strong premium in the market for the aged rice.

The debt equity ratio stood favourably at 1.13 as on 31st March 2010, compared to 1.42 in the previous fiscal.

Demonstrating excellent financial credibility and transparency, the Company received "A1+(s)" rating by ICRA on commercial paper, enabling it, for the first time, to raise funds at 4-5%. Endorsing prudent fiscal management further is that while the Company's turnover increased by 20%, interest outflow reduced by over 50%. This was on the back of various factors - sound balance sheet, transparency and robust performance, better negotiation power and swapping of loans, translating into successful reduction in average borrowing cost of term loans and working capital loans which stood at 8.49% and 5.79% respectively, along with improvement in working capital management driven by improved inventory cycles and a clear policy of ploughing back profit into the Company.

Application of funds

As on 31.03.10, the Company's gross block stood at Rs. 453.13 crores, as against Rs. 325.33 crores in the previous fiscal. This increase was due to the implementation of its expansion and diversification plans. The Company invested Rs. 83.37 crores in setting up of wind mills as part of its power diversification strategy and the balance towards investments in plant and machinery & storage space at its Dhuri Plant to increase overall utilization and processing capacities.

Depreciation

During the year under review, the Company continued to provide for depreciation and amortization based on the Straight Line Method (SLM) method, a practice unchanged from inception of the Company. In view of the Company's business, a depreciation provision of Rs. 27.58 crores in 2009-10 provided an attractive cash buffer and corresponding tax hedge. The Company applied the normally applicable rate of depreciation as recommended by the IT/Companies Act.

Non-business investments

During the year under review, the Company did not make any fresh investments. However, investments made in the previous years have revalued at Rs. 0.35 crores as on 31.03.2010, as against Rs. 0.19 crores as on 31.03.09. The investments are valued at Cost, as market price at Rs. 0.37 crores was higher than cost price as on 31.03.2010.

Working capital

KRBL operates in a highly working capital intensive business environment, wherein the key raw material – paddy – accounts for almost 95% of the total operating costs and an increase in the ageing period of paddy is imperative to improve the quality of rice, which in turn generates better realization.

In the year under review, prudent working capital management was manifest from the fact that while the Company's turnover increased significantly, inventory levels reduced slightly in value terms but were higher in quantity terms on the back of lower procurement costs. Raw materials inventory increased from Rs. 288.25 crores to Rs. 388.37 crores, an increase of almost 35%, while finished goods inventory reduced from Rs. 476.58 crores to Rs. 359.70 crores, a decrease of 24.53% over the previous fiscal.

Inventory turnover was 1.44 times of material consumed in 2009-10 as compared to 1.32 times in 2008-09, indicating quicker off-take. Number of days of inventory reduced to 253 days in 2009-10 from 276 days in 2008-09, indicating better inventory management. The Company's receivables

> Demonstrating excellent financial credibility and transparency, the Company received “A1+(s)” rating by ICRA on commercial paper, enabling it, for the first time, to raise funds at 4-5%.

increased almost 91.14% as on 31st March, 2010, on account of higher business volumes. Debtors for more than six months consisted of less than one per cent of total debtors outstanding, indicating the surety of receivables.

Forex earnings

A sound hedging policy that consisted of booking of futures at favourable rates ensured that the Company did not leave any foreign exchange position open and stayed constantly in touch with its bankers and foreign exchange consultants to protect its foreign exchange earnings.

Forward-looking Statements

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

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

INDIA GATE
BASMATI RICE

Directors' Report

Dear Shareholders

Your Directors take pleasure in presenting their 17th Annual Report together with the standalone and consolidated Audited Accounts of the Company for the financial year ended 31st March, 2010.

1. FINANCIAL PERFORMANCE

(Rs. In lakh)

PARTICULARS	Consolidated Year Ended Audited		Standalone Year Ended Audited	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
Sales & Other Income	160,065	132,119	158,295	124,751
Less: Operative Expenses	138,135	111,690	138,108	106,496
EBIDTA	21,930	20,429	20,187	18,255
Less: Depreciation	2,758	2,355	2,758	2,355
: Interest	4,174	8,865	4,174	8,599
PBT	14,998	9,209	13,255	7,301
Less: Provision for Tax				
i) Current	2,547	2,650	2,547	2,650
ii) Fringe Benefit	-	32	-	32
iii) Deferred	(4)	(15)	(4)	(15)
Profit After Tax	12,455	6,542	10,712	4,634
Add: Balance of profit as per last Balance Sheet	25,397	19,924	23,474	19,909
Balance available for appropriation	37,852	26,466	34,186	24,543
Appropriation				
i) Proposed Dividend:-Interim	365	-	365	-
Proposed Dividend:-Final	365	486	365	486
ii) Tax on Dividend	124	83	124	83
iii) Transfer to General Reserve	1,500	500	1,500	500
iv) Balance Carried Over to Balance Sheet	35,498	25,397	31,832	23,474

YOUR COMPANY ACHIEVES NEWER HEIGHTS IN THE FINANCIAL YEAR UNDER REVIEW

- On Standalone basis, Company's total revenue increased to Rs. 1,58,295 lakh as on 31st March, 2010 from Rs. 1,24,751 lakh as on 31st March, 2009, registering a growth of 26.89%. The profit before tax increased to Rs. 13,255 lakh (8.39% of Net Sales) as on 31st March, 2010 from Rs.7,301 lakh (5.86% of Net Sales) as on 31st March, 2009 registering a growth of 81.55%. The profit after tax increased to Rs.10,712 lakh (6.78% of Net Sales) as on 31st March, 2010 from Rs. 4,634 lakh (3.72 % of Net Sales) as on 31st March, 2009 registering a growth of 131.16%.

- On Consolidated basis, Company's total revenue increased to Rs.1,60,065 lakh as on 31st March, 2010 from Rs. 1,32,119 lakh as on 31st March, 2009, registering a growth of 21.15%. The profit before tax increased to Rs. 14,998 lakh (9.50% of Net Sales) as on 31st March, 2010 from Rs.9,209 lakh (7.02 % of Net Sales) as on 31st March, 2009 registering a growth of 62.86%. The profit after tax increased to Rs.12,455 lakh (7.89% of Net Sales) as on 31st March, 2010 from Rs.6,542 lakh (4.99 % of Net Sales) as on 31st March, 2009 registering a growth of 90.39%.

2. TRANSFER TO RESERVES

Your Company proposes to transfer Rs.15 Crore to General Reserve out of the amount available for appropriations and an amount of Rs. 318.32 Crore is proposed to be carried over to Balance Sheet.

3. SUB –DIVISION OF EQUITY SHARES

During the year under review your directors in their meeting held on 17th December, 2009 recommended the sub-division of shares from Rs. 10/- to Re. 1/- and same has been approved by the shareholders through postal ballot dated 25th January, 2010. The NSDL & CDSL issue new ISIN for equity shares and the new ISIN is INE001B01026.

4. DIVIDEND

The Board of Directors in their meeting held on 28th January, 2010 declared an interim dividend and on 22nd May, 2010 declared final dividend for the year ended on 31st March, 2010 on Ordinary Shares as under:-

	31st March, 2010(Rs.)	31st March, 2009(Rs.)
Interim Dividend on 24,31,11,940 Ordinary Shares of Re. 1/- each @ Rs. 0.15 per shares (Previous year Rs. Nil per share)	3,64,66,791	-
Final Dividend on 24,31,11,940 Ordinary Shares of Re. 1/- each @Rs. 0.15 per shares (Previous year Rs. 2/- per share on the face value of Rs.10/-each)	3,64,66,791	4,86,22,388

Thus the total outgo on account of both interim dividend and final dividend including dividend tax will be Rs. 8,53,28,644/- (Previous year Rs.5,68,85,763/-), which represents 7.97% of the profit after tax (Previous year 12.29%).

The interim dividend has been paid to those shareholder whose name was appearing on the register of members as on the record date i.e. 12th February, 2010. The final divided, if approved, will be paid within 30 days of declaration:

(i) to those members, holding shares in physical form, whose names appear on the Register of Members of the Company at the close of business hours on 15th September, 2010, after giving effect to all valid transfers in physical form lodged with the Company or its Registrar and Shares Transfer Agent on or before 15th September, 2010; and

(ii) to those beneficial owners, holding shares in electronic form, whose names appear in the statement of beneficial owners furnished by the Depositories to the Company as at close of business hour on 15th September, 2010.

5. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 205A (5) and 205C of the Companies Act, 1956, the Company has deposited Rs.3,55,190/- during the year being the unclaimed dividend for the year 2001-02 in the "Investor Education and Protection Fund" established by the Central Government.

6. ACCOUNTS & AUDIT

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

7. SEGMENT REPORTING

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

8. CASH FLOW ANALYSIS

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

9. SUBSIDIARY COMPANY

Company has a 100% subsidiary namely KRBL DMCC in Dubai. The audited annual accounts for the period ended 31st March, 2010 along with the Directors' and Auditors' Report are attached with the Annual Report as per the requirement of Section 212 of the Companies Act, 1956. During the Year Trading License has been renewed by DMCC and a fresh License was issued. Mr. Anoop Kumar Gupta, Director of the Company has been named as Manager in the Trading License. In the financial year under review the net profit of the company was Rs. 17.43 Crore (Previous Year Rs. 19.08 Crore)

10. CONSOLIDATED FINANCIAL STATEMENTS

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

11. AUDITORS

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

12. 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.

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

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

14. RATINGS

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

- In January 2010, "CRISIL" has conducted the "Independent Equity Research" and assigned 3/5 on fundamentals and 5/5 on valuations. CRISIL assigns fundamental grade of 3/5 i.e. "Good" to the company against other listed peers on account of its established brand presence, anticipated strong revenue growth, expected ROE expansion and strong position in the market. The valuation grade of 5/5 indicates that the stock has "Strong Upside" to the current market price;
- In December 2009, "ICRA" upgrades long term rating for bank facilities to LA+; reaffirms A1 rating for bank facilities; and
- In December 2009, "ICRA" has also assigned rating of A1+(s) (pronounced as A one plus S) for commercial paper (CP).

15. DIRECTORS

In accordance with the provisions of section 255 of the Companies Act, 1956 and Article 89 of the Articles of Association of the Company, Dr. N. K. Gupta and Mr. Gautam Khaitan retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-appointment. Your Directors recommend their re-appointment.

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

16. PERSONNEL

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

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirms;

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

ii. that the selected accounting policies applied consistently and the Directors made judgments were estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profits of the Company for that period;

iii. 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;

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

18. CORPORATE GOVERNANCE

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

19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

20. DEPOSITORY SYSTEMS

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March, 2010, 99.80% of the Company's paid-up capital representing 24,26,15,250 equity shares is in dematerialized form with both the depositories as compared to 99.76% representing 24,25,21,100 equity shares for the previous year ending 31st March, 2009.

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 Transfer Agent across physical and electronic alternatives.

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

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

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

The Company has paid the Annual Listing Fee for the financial year 2010-11 to the stock exchanges.

The Company has paid custodial fees for the year 2010-11 to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of numbers of beneficial accounts maintained by them as on 31st March, 2010.

III. The Global Depository Receipts (GDRs) of the Company were listed on Luxembourg Stock Exchange (Code: US4826571030), at de la Bourse de Luxembourg, 11, av de la Porter – Neuve, L-2227 Luxembourg and same has been delisted from exchange with effect from 07th day of July, 2010.

22. APPRECIATION

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

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Place : New Delhi — **Anil Kumar Mittal**
Dated : 10th Aug, 2010 — Chairman & Managing Director

Annexure 'A' to Directors' Report

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

Conservation of Energy:

(a) Energy Conservation Measures Taken:

At Ghaziabad Unit

1. Installation of capacitors to improve the power factor from 0.92 to 0.97.
2. Installation of temperature sensor at cooling tower to run the cooling tower pump in close loop.
3. Energy audit was conducted for entire plant to find the losses in utility and process.
4. Use of fuel additive in boiler to increase the combustion efficiency.
5. Installation of pressure sensor to operate the compressor in close loop with VFD.
6. Shifting of air compressor for optimum compressed air uses in plant.
7. Use of treated effluent for horticulture.
8. Installation of Vapor absorption Machine for air conditioning
9. Replacement of existing 40W tube light with copper ballast with 28 watt T5 tube light with electronic ballast.
10. Replacement of 400 watt Mercury fittings with 70 watt Mercury fittings.

At Dhuri Unit

1. Installation of 3 nos. flash steam recovery heat exchangers in sella plant, solvent plant & Berico plant for heating water with the help of flash steam from condensate.
2. Installation of 2 nos. heat exchangers for preheating boiler feed water with deareator vent steam in H.P. boiler.
3. Installation of heat exchanger for pre heating boiler feed water with the help of boiler flue gases.
4. Replacement of one no. aluminium blade fan of cooling tower FRP blade fan thereby saving electrical power.
5. Replaced soft water pump for cooling tower make up water by installing a pipe line which supplies make up water to cooling tower by gravity head only thereby saving on electrical power used for running the soft water 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. Direct energy costs reduced approximately by Rs. 400 the year over previous year on account of measures taken. By above measures energy saved per day is approximately 2500 units.

Form - A

Form for disclosure of Particulars with respect to Conservation of Energy :2009-10

Disclosure of particulars with respect to Conservation of Energy:

A. Power and Fuel Consumption

1	Electricity	Current Year	Previous Year	Reason For variation
	(A) Purchased			
	Unit	4598500	5216500	Decrease due to captive con sumption of own power
	Total Amount	2,29,18,860	2,27,01,358	
	Rate/Unit	4.98	4.35	
	(B) Own Generation			
	(i) Through Diesel Generator			
	Unit	579689	387267	Increase in production capacity
	Units per ltr. of diesel oil	3.12	3.10	
	Cost/Unit	9.96	10.31	
	(i) Through Steam Turbine			
	Unit	31572182	29978262	Increase in production capacity
	Units per ltr. of fuel oil/gas	148.44	156.07	
	Cost/Unit	1.80	1.70	
2	**Coal(Specify quantity and where used)**			
	Quantity(tonnes)	NIL	NIL	
	Total Cost	NA	NA	
	Average rate	NA	NA	
3	**Furnace Oil**			
	Quantity(k. ltrs)	NIL	NIL	
	Total Cost	NA	NA	
	Average rate	NA	NA	
4	**Other/internal generation (please give details)**			
	Quantity	NIL	NIL	
	Total Cost	NA	NA	
	Rate/Unit	NA	NA	

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

Total energy consumptions are as under: (In Unit)

Unit	2009-10	2008-09
Ghaziabad	14121699	16632679
Dhuri	11407472	10058062

Energy consumption per MT of production is as under: (In Unit)

	2009-10	2008-09
Dhuri		
Rice Bran Oil	222	308
Rice	128	92
Furfural	NIL	NIL
Ghaziabad		
Rice	122	85

Form - B

[See Rule 2]

Form for disclosure of particulars with respect to absorption:2009-10

Research and Development (R & D)

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

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

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

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

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

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

   ii) Quality evaluation of finished products and raw materials.

   iii) Ensuring product quality.

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

   v) Entering new market segments.

3. Future plan of action

   i) Reducing packaging weight / volume.

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

   iii) Improvement of process and resource use efficiencies.

   iv) Enlarge the scope of Agri-inputs options.

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

4. Expenditure on R & D (Rs. in Lacs)

(a)	Capital	0.17	:	(P.Y. 0.29)
(b)	Recurring	161.96	:	(P.Y. 130.19)
(c)	Total	162.13	:	(P.Y. 130.48)
(d)	Total R & D expenditure as a percentage of total turnover	0 .10	:	(P.Y. 0.10)

Technology absorption, adaptation and innovation

1. 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.

2. 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.

3. Imported technology during the last 5 years:

   (a) Technology imported:

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

   (b) Year of import: 2009-10

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

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

C. Foreign Exchange Earnings and Outgo:

   (f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

   The Company mainly deals in agri-products like rice, which are sold throughout the world and in the domestic market under various brand names like: India Gate, Doon, Nur Jahan, Bemisal, Lotus and Aarati, India Gate Classic. Company's brand India Gate Classic has got a overwhelming response in overseas market. Company has made its Dhuri plant fully operational to have economies of scale of mass production to become more competitive in international market.

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

   (g) 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 Rs.881,16,32,102/- (Previous Year Rs.661,15,73,108/-).

   During the year under review, Company expended Rs.18,56,46,779/- (Previous Year Rs. 12,35,21,594/-) in foreign exchange while earnings in foreign exchange were Rs. 892,64,88,897/- (Previous Year Rs.679,04,93,908/-). Thus the net inflow in foreign exchange was Rs. 874,08,42,118 /- (Previous Year Rs.666,69,22,314/-) during the year under review.

Report on Corporate Governance

CORPORATE GOVERNANCE

Corporate governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practice and performance of companies, corporate governance has engaged on the centre stage.

KRBL'S PHILOSHPHY ON CODE OF CORPORATE GOVERNANCE

KRBL believes in the principle of corporate governance and endeavors its best to maintain transparency and professionalism with fairness and integrity to enhance the interest of all its stakeholders.

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

Corporate governance is an integral part of philosophy of the company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized. The company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of corporate governance in the overall interest of all the stakeholders.

BOARD OF DIRECTORS AND THEIR ROLES

Composition and Role of Directors:

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

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

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

The following is the composition of Board as on 31st March, 2010:

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

Name of Directors	Category	No. of other Directorship(s)*	No. of Membership (s) / Chairmanship (s) of Board Committee of other Companies **
Executive Directors			
Mr.Anil Kumar Mittal	Chairman & Managing Director	1	Nil
Mr.Arun Kumar Gupta	Joint Managing Director	1	Nil
Mr.Anoop Kumar Gupta	Joint Managing Director	1	Nil
Ms. Priyanka Mittal	Whole Time Director	Nil	Nil
Mr. Ashok chand	Whole Time Directors	Nil	Nil
Non-Executive Directors			
Dr. Narpinder Kumar Gupta	Independent Director	5	Nil
Mr. Vinod Ahuja	Independent Director	3	Nil
Mr. Ashwani Dua	Independent Director	Nil	Nil
Mr. Shyam Arora	Independent Director	Nil	Nil
Mr. Gautam Khaitan	Independent Director	8	7

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

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

Meeting and Attendance

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

Details of Board Meetings during the Financial Year

During the financial year ended on 31st March, 2010, nine meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
01.	14.04.2009	10	8
02.	30.06.2009	10	9
03.	09.07.2009	10	6
04.	31.07.2009	10	7
05.	15.09.2009	10	8
06.	29.10.2009	10	8
07.	17.12.2009	10	7
08.	28.01.2010	10	7
09.	30.03.2010	10	7

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

Name of Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Anil Kumar Mittal	8	Present
Mr. Arun Kumar Gupta	7	Present
Mr. Anoop Kumar Gupta	7	Present
Dr. Narpinder Kumar Gupta	8	Absent
Mr. Ashok chand	8	Present
Mr. Vinod Ahuja	9	Absent
Ms. Priyanka Mittal	9	Present
Mr. Shyam Arora	Nil	Absent
Mr. Ashwani Dua	9	Present
Mr. Gautam Khaitan	2	Absent

COMMITTEES

I. Audit Committee

Terms of Reference

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

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

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

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

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

c) Recommending the appointment and removal of statutory auditors;

d) Review of unaudited and audited financial results;

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

f) Review of the adequacy of internal control systems;

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

Composition, Name of Members and Chairperson

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

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

Meeting and Attendance

During the Financial Year ended 31st March, 2010, four meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
01.	30.06.2009	4	4
02.	31.07.2009	4	3
03.	29.10.2009	4	3
04.	28.01.2010	4	3

Attendance at Audit Committee Meetings during the Financial Year

Mr. Ashwani Dua	4
Mr. Vinod Ahuja	4
Mr. Gautam Khaitan	2
Mr. Anoop Kumar Gupta	3

II. Remuneration Committee

The director in their Board Meeting held on 30th June, 2009 has constituted remuneration committee. Prior to this remuneration of the Executive and Non-Executive Directors was decided by the Board of Directors subject to and within the ceiling prescribed under the provisions of Companies Act, 1956 and subject to the approval of the shareholders of the Company at General Meeting.

The composition of the Remuneration Committee is as follows:

Mr. Ashwani Dua	Non-Executive & Independent	Chairman
Mr. Vinod Ahuja	Non-Executive & Independent	Member
Mr. Gautam Khaitan	Non-Executive & Independent	Member

Terms of Reference & Policy

The Remuneration Committee has been constituted to recommend/review remuneration of Managing Director and Whole Time Directors. 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.

Meeting and Attendance

During the financial year ended 31st March, 2010, two meetings of remuneration committee were held as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
01.	31.07.2009	3	2
02.	17.12.2009	3	2

Attendance at remuneration committee during the financial year

Name of Member	Number of Meetings Attended
Mr. Ashwani Dua	2
Mr. Vinod Ahuja	2
Mr. Gautam Khaitan	Nil

The detail of the remuneration paid in financial year 2009-10 to the Managerial Personnel is as under:

Name of Director	Sitting Fee (Rs.)	Salaries and Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Anil Kumar Mittal	Nil	36,26,400	Nil	36,26,400
Mr. Arun Kumar Gupta	Nil	36,26,400	Nil	36,26,400
Mr. Anoop Kumar Gupta	Nil	36,26,400	Nil	36,26,400
Mr. Ashok Chand	Nil	24,26,400	Nil	24,26,400
Ms. Priyanka Mittal	Nil	9,00,000	Nil	9,00,000
Dr. Narpinder Kumar Gupta	Nil	Nil	Nil	Nil
Mr. Vinod Ahuja	Nil	Nil	Nil	Nil
Mr. Ashwani Dua	Nil	Nil	Nil	Nil
Mr. Shyam Arora	Nil	Nil	Nil	Nil
Mr. Gautam Khaitan	Nil	Nil	Nil	Nil
TOTAL	**NIL**	**1,42,05,600**	**NIL**	**1,42,05,600**

Shares and Options granted to/held by Directors

Name of Directors	No. of Ordinary Shares of Rs.1/- each held (singly/ jointly or as a Karta of HUF) as on 31st March, 2010	No. of option granted during the Financial Year
Mr. Anil Kumar Mittal	2,91,61,010	Nil
Mr. Arun Kumar Gupta	2,39,81,000	Nil
Mr. Anoop Kumar Gupta	2,61,60,000	Nil
Dr. Narpinder Kumar Gupta	29,000	Nil
Mr. Ashok Chand	Nil	Nil
Ms. Priyanka Mittal	2,50,000	Nil
Mr. Vinod Ahuja	Nil	Nil
Mr. Ashwani Dua	Nil	Nil
Mr. Shyam Arora	Nil	Nil
Mr. Gautam Khaitan	Nil	Nil

III. Shareholders Committee

Terms of Reference

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

Composition

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

Complaints

During the financial year ended 31st March, 2010, one investor complaint was received and the same has been resolved to the satisfaction of investor within a reasonable time.

Meetings and Attendance

The Committee has been holding regular meetings to ensure compliance with the provisions of the Companies Act, 1956 and the Listing Agreement and ensure proper services to investors. During the financial year ended 31st March, 2010 four meetings have been held. The attendance of members at these meetings are as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
01.	31.07.2009	3	2
02.	29.10.2009	3	2
03.	28.01.2010	3	2
04.	13.02.2010	3	2

Attendance at shareholders/investors grievance committee during the financial year

Name of Member	Category	Number of Meetings Attended
Mr. Ashwani Dua	Non-Executive & Independent	4
Mr. Vinod Ahuja	Non-Executive & Independent	4
Mr. Gautam Khaitan	Non-Executive & Independent	Nil

CODE OF CONDUCT

KRBL Code of Conduct

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

Declaration as required under Clause 49 of the Listing Agreement

All Directors, Senior Management and senior employees of the Company have affirmed Compliance with the KRBL Code of Conduct for the financial year ended 31st March, 2010.

Sd/-

New Delhi, Anil Kumar Mittal

Date: 10th Aug, 2010 Chairman & Managing Director

KRBL Code of Conduct for Prevention of Insider Trading

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

GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2009	4, Bougainvellea Avenue, Village Rajokari, New Delhi-110037	29.09.2009	11.00 A.M.
2008	4, Bougainvellea Avenue, Village Rajokari, New Delhi-110037	29.09.2008	11.00 A.M.
2007	4, Bougainvellea Avenue, Village Rajokari, New Delhi-110037	27.09.2007	11.00 A.M.

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

Special Resolution passed in the previous Three AGMs

I. In the AGM on 29th September, 2009

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

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

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

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

v. Increase in FII Limit from 24% to 49%

II. In the AGM on 29th September, 2008

No Special Resolution.

III. In the AGM on 27th September, 2007

Amendment in the object clause of Memorandum of Association of the company.

Postal Ballot

- One Resolution was passed by postal ballot during the financial year 2009-10.The resolution was Sub-Division of Face Value of Shares from Rs.10/- to Rs.1/- each. Mr. Deepak Kukreja, Company Secretary in Whole time Practice was appointed as Scrutinizer.

The resolution has been passed with the requisite majority. The Company has complied with the procedures for the postal ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and amendments thereto. The details of voting pattern are:-

-	Total Postal Ballot Forms Received	:	241
-	Invalid Postal Ballot Forms	:	8
-	Valid Postal Ballot Forms	:	233
-	Postal Ballot Forms with Assent for the Resolution	:	231
-	Postal Ballot Forms with Dissent for the Resolution	:	2
a)	No. of Assents received	:	231
	Vote Value of Assents received	:	Rs.14,55,89,020
	% Value of Assents received	:	99.14
	% of Value of Total Equity	:	59.89
b)	No. of Dissents received	:	2
	Vote Value of Dissents received	:	Rs.3,000
	% Value of Dissents received	:	0.86
	% of Value of Total Equity	:	0.0012

Since the % of value of total assents exceeds the % of vote value of total dissents, the resolution is passed as an Ordinary Resolution through Postal Ballot Process.

- None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

DISCLOSURES

Disclosure on materially significant related party transactions

Related party transactions as required by the Accounting Standard (AS) 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) have been disclosed at Schedule 20 of the Annual Accounts. Member may refer to the notes to accounts for details of related party transactions. However, these are not having potential conflict with the interest of the company at large.

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

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

Whistle Blower Policy

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

Pecuniary relationships or transactions with Non-Executive Directors

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

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

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

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

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

- **Dr. N. K. Gupta (64)** is the Director of KRBL Limited. He is having 35 years of experience in the food processing industry. He is Ph. D in food technology and engineering from Technical University, Dresden, Germany and is one of the leading consultants in the food processing industry. He was also a research scholar in the Department of "Food Engineering & Process Technique" at the Technical

University, Dresden, Germany. He was awarded with the degree of Doctor-Engineer (Ph. D) by the Technical University, Dresden, Germany in December 1973 dissertation with the title "Development of Cutting and Packing Process for Hot Food Products with Elasto-Plastic Properties". He has attended short course on Indian Advanced Milling sponsored by US Wheat Association in Kanssas State University, USA. He visits regularly to different mills and manufacturers in Europe, USA and Asia for upgrading the technology and incorporating in project.

- **Mr. Gautam Khaitan (45)** is the Director of KRBL Limited. After completing his schooling from Modern School and Graduation from Delhi University, Mr. Gautam Khaitan has earned Law Degree from Law Campus, University of Delhi, has started his practice as an Advocate in the year 1992 and associated himself with O. P. Khaitan & Co., Solicitors and Advocates, New Delhi. He has handled various corporate litigation work on behalf of various leading multinational and national companies, banks and financial institutions all over the world. He is also holding directorships in various companies of leading corporate houses other than holding membership of International Bar Association, FICCI, Delhi High Court Bar Association, etc.

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

Details of compliance with mandatory requirements

All mandatory requirements have been appropriately complied with.

NON-MANDATORY REQUIREMENTS UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

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

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

2. **Tenure of Independent Directors**

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

3. **Remuneration Committee**

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

4. **Shareholder Rights**

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

5. **Audit Qualification**

   It is always the Company's endeavor to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2010.

6. **Training of Board Member**

   There was no Directors' training programme during the year ended 31st March, 2010.

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

   Non-Executive Directors were being always evaluated by their own peer in the Board meetings during the year 2009-10 although there was no formal peer group review by the entire Board except the Directors concerned.

8. **Whistle Blower Policy**

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

9. **Nomination Facility**

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

MEANS OF COMMUNICATION

Financial Results and Annual Reports etc.

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

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

MANAGEMENT

Management Discussion and Analysis Report

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date & Time	:	**21st Spetember, 2010 at 11.00 A.M.**
Venue	:	4, Bougainvellea Avenue, Village Rajokari, New Delhi – 110 037
Financial Calendar	:	The Financial Year of the Company covers 1st April to 31st March
Financial Reporting for		
- Quarter ending June 30, 2010	:	By Second Week of August, 2010
- Quarter ending September 30, 2010	:	By Second Week of November, 2010
- Quarter ending December 31, 2010	:	By Second Week of February, 2011
- Quarter ending March 31, 2011	:	By Second Week of May, 2011
- Annual General Meeting	:	By end of September, 2011
Date of Book Closure	:	16th September, 2010 to 21st September, 2010 (both the days inclusive)
Dividend Payment Date	:	On or after 27th September, 2010

Registrar and Share Transfer Agents and Share Transfer System

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

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

Dematerialization of Shares and liquidity

The Company's shares are required to be traded in the dematerialized form and are available for trading under both the depository systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Shares under the depository system is INE001B01026. The Annual Custodial Fees for the financial year 2010-11 has been paid to NSDL and CDSL.

During the year under review 10315 shares of the company covered in 12 requests were converted into dematerialized form. As on 31st March, 2010, 242615250 shares of the company constituting 99.79% of the paid up share capital are in dematerialized form.

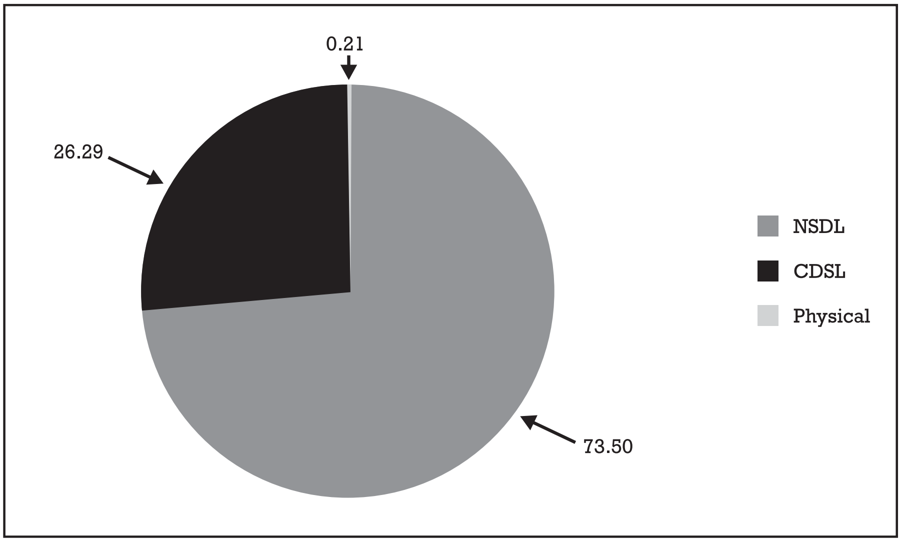
For guidance on depository services, shareholders may write to the company or to the respective depoditories:

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

Distribution of shareholding as on 31st March, 2010

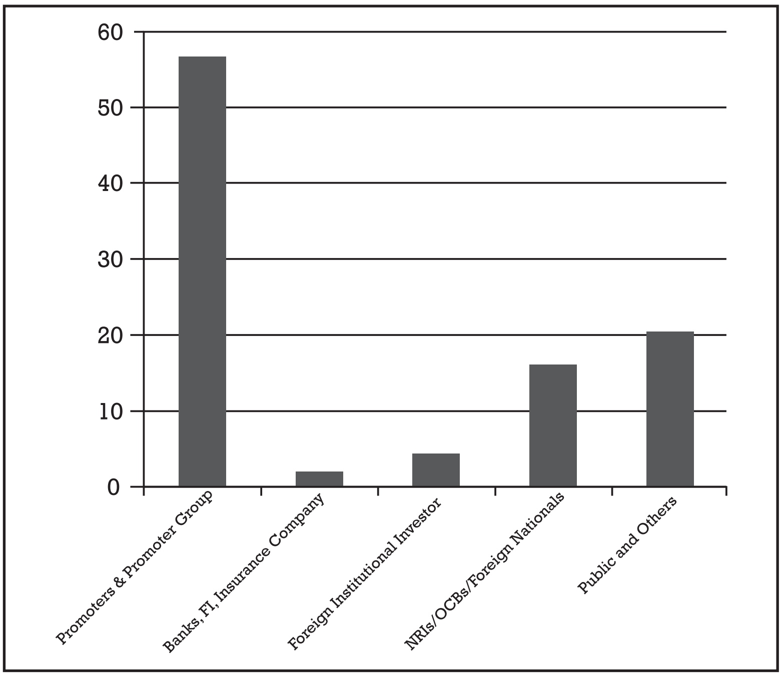
Range	No. of Shareholders	%age of Shareholders	Number of Shares	% of Total Shares
1 – 50	2690	14.05	78210	0.03
51 – 100	3067	16.02	294624	0.12
101 – 500	6823	35.62	2183963	0.90
501 – 1000	3126	16.33	2864217	1.18
1001 – 5000	2529	13.21	6542108	2.69
5001 – 10000	452	2.36	3637945	1.50
10001 – 50000	340	1.78	7232185	2.97
50001 – 100000	46	0.24	3361701	1.38
100000 & Above	75	0.39	216916987	89.23
TOTAL	**19148**	**100.00**	**243111940**	**100.00**

Shares held in Physical and dematerialized form as on 31st March, 2010



Category of Shareholders as on 31st March, 2010

Category	No. of Shares held	Percentage
Promoters & Promoter Group	137953160	56.74
Banks, Financial Institution, Insurance Company and Mutual Fund	5144360	2.12
Foreign Institutional Investors	10632180	4.37
NRIs/OCBs/Foreign Nationals	39585696	16.28
Public and Others	49796544	20.49
TOTAL	**243111940**	**100.00**



Top Ten Shareholders (Other than Promoters) as on 31st March, 2010

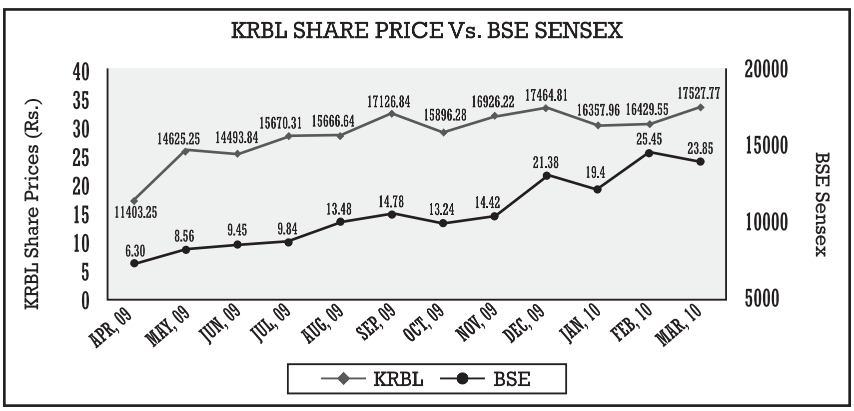
S. No.	Name	No. of Shares	Percentage
01.	Reliance Commodities DMCC	22900000	9.42
02.	Abdulla Ali Obeid Balsharaf	7500000	3.08
03.	Omar Ali Obeid Balsharaf	7500000	3.08
04.	Copthall Mauritius Investment Limited	6923000	2.85
05.	Som Nath Aggarwal	5674850	2.33
06.	Anil Kumar Goel	3053047	1.26
07.	HSBC Midcap Equity Fund	2496400	1.03
08.	APIS Global Deep Value Offshore, Ltd	1823750	0.75
09.	SBIMF – Magnum Comma Fund	1600960	0.66
10.	Vocation Investment and Finance C. Pvt. Ltd.	1500000	0.62

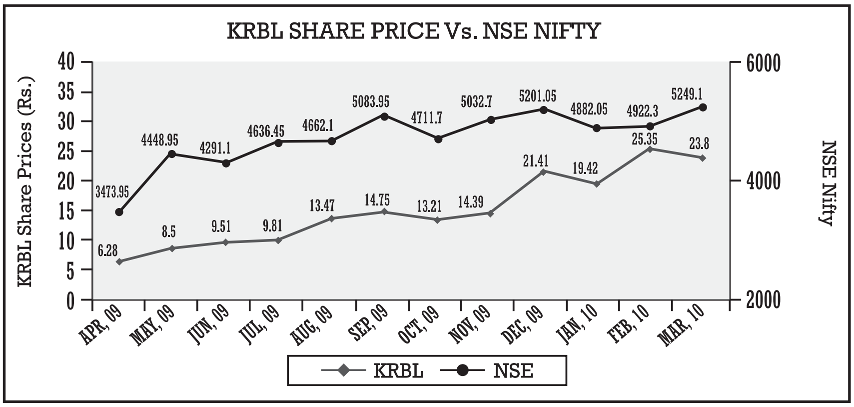
Market Price Data

Monthly High and Low quotes and volume of shares (of Rs.1/- each) traded on Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE):

Month	Bombay Stock Exchange Limited				National Stock Exchange of India Ltd.			
	High (Rs.)	Low (Rs.)	No. of Shares Traded	Turnover (Rs. in Lacs	High (Rs.)	Low (Rs.)	No. of Shares Traded	Turnover (Rs. in Lacs)
April, 2009	7.20	5.08	21023310	1361.68	7.19	5.00	24544410	1574.36
May, 2009	9.10	6.00	12235150	963.55	9.18	6.00	16729180	1302.11
June, 2009	12.18	8.50	21471300	2253.97	12.24	8.52	29740720	3119.19
July, 2009	10.78	7.50	8729850	827.71	10.70	7.43	11597530	1076.77
August, 2009	14.07	9.90	56434970	6934.76	14.10	9.61	74629920	9267.74
September, 2009	15.84	13.21	43769100	6377.25	15.83	12.20	52169730	7633.20
October, 2009	15.05	11.71	13821090	1888.22	15.08	11.70	16275260	2233.67
November, 2009	16.44	12.00	15075030	2207.59	16.47	12.01	19983590	2944.92
December, 2009	23.32	14.22	82931950	16688.87	23.29	14.50	147099030	29978.80
January, 2010	23.20	18.98	17450600	3824.41	23.09	18.90	28702880	6297.98
February, 2010	26.25	22.50	65610869	17175.11	26.24	23.00	111737257	32404.30
March, 2010	28.25	23.15	17585909	4479.87	29.00	23.20	17970712	4558.88

[Source : www.bseindia.com & www.nseindia.com]





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

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

The Company's Global Depositary 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. The equity shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange Limited, India. There was no Outstanding Global Depositary Receipts (GDRs) as on 31st March, 2010. The GDRs have been delisted from Luxembourg stock exchange with effect from 7th day of July, 2010.

Listing on Stock Exchanges and Stock Code

Stock Exchanges	
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, 25 floor Dalal Street, Mumbai – 400001 Website: www.bseindia.com **Stock Code: 530813**	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex Bandra (E), Mumbai – 400051 Website: www.nseindia.com **Symbol: KRBL, Series: Eq.**

Compliance Officer & Company Secretary

Dhiraj Kumar Jaiswal
5190, Lahori Gate, Delhi – 110006
Phone: 011 – 43148400
E-mail: investor@krblindia.com

Unpaid Dividend

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the dividend unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the unpaid dividend for the year 2000-2001 has been transferred and necessary Statement in Form No. 1 pursuant to Rule 3 of the Investor Education and Protection Fund (Awareness and Protection of Investors) Rule, 2001 has been filed.

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

Date of Declaration of Dividend	Dividend for the year	Due Date of transfer to IEPF
29/07/2003	2003-04 (Interim)	04/09/2010
29/09/2003	2002-03	05/11/2010
29/09/2004	2003-04 (Final)	05/11/2011
26/09/2005	2004-05	02/11/2012
28/09/2006	2005-06	04/11/2013
27/09/2007	2006-07	03/11/2014
29/09/2008	2007-08	05/11/2015
29/09/2009	2008-09	05/11/2016
28/01/2010	2009-10 (Interim)	06/03/2017

Attention is drawn that the unclaimed final dividend for the Financial Year 2002-03 and unclaimed interim dividend for the Financial Year 2003-04 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 - 43148400
Fax: 011 - 43148498 / 99
E-Mail: investor@krblindia.com

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

Plant Locations

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

CERTIFIATE ON CORPORATE GOVERNANCE

To the members of M/s. KRBL Limited

We have examined the compliance of the conditions of Corporate Governance by M/s KRBL Limited ("the Company") for the Financial Year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and to the representations made by Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above said Listing Agreements.

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

Dated: 10th August, 2010
Place: New Delhi

CEO AND CFO CERTIFICATION

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

a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2010 and to the best of our knowledge and belief:

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

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

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2010 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.

Date: 10th August, 2010
Place: New Delhi

Sd/-
Joint Managing Director

Sd/-
Chairman & Managing Director

Consolidated Financial Statements

CONTENTS

Consolidated Auditors' Report

The Member of KRBL Limited

We have audited the attached consolidated balance sheet of KRBL Limited and its subsidiary (the Group) as at 31st March, 2010, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of KRBL Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We did not carry out the audit of the financial statements of the subsidiary, whose financial statements reflect the Group's share of total assets of Rs. 38.83 crores (P.Y. Rs. 23.29 crores) as at 31st March, 2010 and the Group's share of total revenues of Rs. 17.70 crores (P.Y Rs. 73.67 crore) for the year ended on that date, and net cash inflows amounting to Rs. 39.07 Crore {P.Y. Rs. (2.32) crores} for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, duly certified by the management. Our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.

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

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

(a) in the case of the consolidated balance sheet, of the state of affairs of the group as at 31st March, 2010;

(b) in the case of the consolidated profit and loss account, of the profit of the group for the year ended on that date, and

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

for Vinod Kumar Bindal & Co.
Chartered Accountants

Shiv Sushil Bhawan
D-219, Vivek Vihar,
Phase-I,
New Delhi - 110 095

22nd May, 2010

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

Consolidated Balance Sheet As at 31st March, 2010

PARTICULARS	SCHEDULE	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SOURCES OF FUNDS			
Shareholders Funds			
(a) Share Capital	1	24,35,40,558	24,35,40,558
(b) Reserves & Surplus	2	512,19,93,275	396,18,67,009
Foreign Currency Translation Reserve		(1,24,46,809)	1,88,80,203
Loan Funds			
(a) Secured Loan	3	529,49,08,201	550,61,67,510
(b) Unsecured Loan	4	75,00,00,000	50,00,00,000
Deferred Tax Liability		8,31,56,658	8,35,19,584
TOTAL		1148,11,51,883	1031,39,74,864
APPLICATION OF FUNDS			
Fixed Assets	5		
(a) Gross Block		453,13,20,009	325,32,61,884
Less:Depreciation		135,57,76,322	108,36,61,809
Net Block		317,55,43,687	216,96,00,075
(b) Capital work In Progress		35,81,61,209	34,09,13,119
		353,37,04,896	251,05,13,194
Investments	6	35,00,000	19,59,500
Current Assets, Loan & Advances			
(a) Inventories	7	781,27,43,291	787,89,62,312
(b) Sundry Debtors	8	135,07,88,308	70,67,50,730
(c) Cash & Bank Balances	9	44,43,69,554	33,37,29,947
(d) Loans & Advances	10	37,49,34,064	32,97,65,089
		998,28,35,217	924,92,08,078
Less: Current Liabilities & Provisions	11	203,88,88,230	144,77,05,908
Net Current Assets		794,39,46,987	780,15,02,170
TOTAL		1148,11,51,883	1031,39,74,864
Notes to Accounts (Including Contingent Liabilities)	19		
Related party Disclosures	20		
Segment Reporting	21		
Significant Accounting Policies	22		
The Schedules referred to above form an integral part of the Balance sheet			

Auditors' Report
As per our Separate report of even date attached

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

New Delhi
22nd May, 2010

For and on behalf of the Board

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Consolidated Profit and Loss Account For the year Ended 31st March, 2010

PARTICULARS	SCHEDULE	For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount (Rs.)
INCOME			
Gross Sales	12	1579,01,31,665	1311,72,81,170
Less:Excise Duty		-	-
Net Sales		1579,01,31,665	1311,72,81,170
Other Income	13	21,64,18,076	9,45,86,385
TOTAL		1600,65,49,741	1321,18,67,555
EXPENDITURE			
Material Cost	14	1257,40,15,081	951,58,41,637
Manufacturing Expenses	15	36,54,49,148	30,84,85,058
Administrative Expenses	16	26,01,37,853	20,65,88,049
Selling & Distribution Expenses	17	61,39,31,062	113,80,67,750
Interest & Financial Charges	18	41,74,38,870	88,64,61,264
Depreciation		27,57,88,508	23,54,95,983
TOTAL		1450,67,60,522	1229,09,39,741
Profit before Tax (PBT)		149,97,89,219	92,09,27,814
Provision for Taxation			
Current Tax - Current Year		25,45,00,000	26,34,00,000
- Earlier Period		-	13,83,398
Deferred Tax		(3,62,926)	(15,00,000)
Fringe Benefit Tax		-	32,05,750
Wealh Tax		1,97,235	2,50,000
Profit after Tax(PAT)		124,54,54,910	65,41,88,666
Balance Brought Forward		253,96,57,323	1,99,23,54,420
Amount Available for Appropriation		378,51,12,233	264,65,43,086
Appropriations			
Dividend- Interim (inclusive of tax)		4,26,64,322	-
Dividend- Proposed (inclusive of tax)		4,26,64,322	5,68,85,763
General Reserve		15,00,00,000	5,00,00,000
Balance carried to Balance Sheet		354,97,83,589	253,96,57,323
		378,51,12,233	264,65,43,086
Basic & Diluted Earning Per Share [F.V. {Re. 1/- each (P.Y. Rs.10/- each)}]		5.12	26.91
Notes to Accounts (Including Contingent Liabilities)	19		
Related party Disclosures	20		
Segment Reporting	21		
Significant Accounting Policies	22		
The Schedules referred to above form an integral part of the Balance sheet			

Auditors' Report

As per our Separate report of even date attached

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668
New Delhi
22nd May, 2010

For and on behalf of the Board

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Schedules attached to and forming part of the Consolidated Balance Sheet

PARTICULARS		As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SCHEDULE - 1: SHARE CAPITAL			
AUTHORISED			
30,00,00,000 Equity Shares of Rs. 1/- each		30,00,00,000	30,00,00,000
ISSUED, SUBSCRIBED			
24,39,66,940 Equity Shares of Re.1/- each (P.Y. 2,43,96,694 Equity Shares of Rs 10/- each)		24,39,66,940	24,39,66,940
PAID UP			
24,31,11,940 Equity Shares of Re.1/- each (P.Y. 2,43,11,194 Equity Shares of Rs.10/- each)		24,31,11,940	24,31,11,940
Add: Amount received on 8,55,000 Equity Share of Re. 1/- each forfeited (P.Y. 85,500 Equity Shares of Rs. 10/- each)		4,28,618	4,28,618
TOTAL		24,35,40,558	24,35,40,558
SCHEDULE - 2: RESERVES & SURPLUS			
SHARE PREMIUM ACCOUNT			
As per Last Balance Sheet		114,75,90,036	114,75,90,036
	A	114,75,90,036	114,75,90,036
GENERAL RESERVE			
As per Last Balance Sheet		27,46,19,650	22,46,19,650
Transferred from Profit & Loss Account		15,00,00,000	5,00,00,000
	B	42,46,19,650	27,46,19,650
PROFIT & LOSS ACCOUNT		354,97,83,589	253,96,57,323
	C	354,97,83,589	253,96,57,323
TOTAL (A+B+C)		512,19,93,275	396,18,67,009
SCHEDULE - 3: SECURED LOANS			
1. **Term Loan from Banks** [(Amount due within a year Rs. 48.52 Crores (P.Y.22.66 Crore))includes interest accrued and due Rs. 5,44,285/- (P.Y. Rs. 44,89,495/-] (Secured by 1st pari-passu charge by way of equitable mortgage on Land & Building of the company and by way of hypothecation on present & future Plant & Machinery of the company & personal guarantees of Chairman & Managing Director, Joint Managing Directors & their relatives).		97,38,27,759	41,22,39,802
2. **Working Capital Borrowing from Banks** (Secured by 1st pari-passu charge on all Stocks,Book Debts & other Current Assets beside 2nd pari passu charge on factory Land & Building, Plant & Machinery & personal guarantees and equitable mortgage of certain personal properties of Chairman & Managing Director, Joint Managing Directors & their relatives).		432,10,80,442	509,39,27,708
TOTAL		529,49,08,201	550,61,67,510
SCHEDULE - 4: UNSECURED LOANS			
SHORT TERM LOAN			
From Banks		75,00,00,000	50,00,00,000
From Others		-	-
TOTAL		75,00,00,000	50,00,00,000
(secured against personal guarantee of promoter Director in personal capacity & PDC of the Company)			

SCHEDULE - 5: FIXED ASSETS

Amount (Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01/04/2009	Addition During the year	Deductions/ Adjustments	As at 31/03/2010	As at 01/04/2009	For the Year	Deductions/ Adjustments	As at 31/03/2010	As at 31/03/2010	As at 31/03/2009
Land:-										
(a) FreeHold Land	21,81,36,555	1,07,99,165	-	22,89,35,720	-	-	-	-	22,89,35,720	21,81,36,555
(b) Lease Hold Land	1,08,47,800	68,00,000	-	1,76,47,800	-	3,93,968	-	3,93,968	1,72,53,832	1,08,47,800
Buildings	63,69,19,897	13,06,02,181	15,03,859	76,60,18,219	7,32,35,748	1,40,40,952	-	8,72,76,700	67,87,41,519	56,36,84,149
Plant & Machinery	218,23,89,920	110,56,12,548	25,12,075	328,54,90,393	94,84,11,326	24,22,77,552	22,55,664	118,84,33,214	209,70,57,179	123,39,78,594
Vehicle and Trolley	11,48,24,636	1,92,63,032	49,31,522	12,91,56,146	2,99,23,262	1,16,01,993	14,18,331	4,01,06,924	8,90,49,222	8,49,01,374
Furniture & Fixtures	9,01,43,076	21,91,389	-	9,23,34,465	3,20,91,473	66,78,753	-	3,87,70,226	5,35,64,239	5,80,51,603
Intaingible Assets:-										
(a) Patent,Trade mark & Design	-	22,37,170	-	22,37,170	-	82,132	-	82,132	21,55,038	-
b) Computer Software Development Charges	-	95,00,096	-	95,00,096	-	7,13,158	-	7,13,158	87,86,938	-
TOTAL (A)	325,32,61,884	128,70,05,581	89,47,456	453,13,20,009	108,36,61,809	27,57,88,508	36,73,995	135,57,76,322	317,55,43,687	216,96,00,075
Add: Capital Work in Progress										
Building	12,97,67,028	-	2,62,54,837	10,35,12,191	-	-	-	-	10,35,12,191	12,97,67,028
Plant & Machinery	21,11,46,091	4,35,02,927	-	25,46,49,018	-	-	-	-	25,46,49,018	21,11,46,091
TOTAL (B)	34,09,13,119	4,35,02,927	2,62,54,837	35,81,61,209	-	-	-	-	35,81,61,209	34,09,13,119
TOTAL(A+B)	359,41,75,003	133,05,08,508	3,52,02,293	488,94,81,218	108,36,61,809	27,57,88,508	36,73,995	135,57,76,322	353,37,04,896	251,05,13,194
Previous Year	321,32,11,756	42,24,69,344	4,15,06,097	359,41,75,003	86,37,92,606	23,54,95,983	1,56,26,780	108,36,61,809	251,05,13,194	234,94,19,150

PARTICULARS	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SCHEDULE - 6: INVESTMENTS		
CURRENT		
Quoted	-	-
Not Quoted		
SBI One India Fund	10,00,000	5,47,000
1,00,000 Unit (1,00,000 units of Rs.10/- each)		
SBI Infrastructure Fund-I	25,00,000	14,12,500
2,50,000 Unit (2,50,000 units of Rs.10/- each)		
TOTAL	35,00,000	19,59,500
During the year the unqouted current investment 27,86,58,136.66 units (P.Y.NIL units) in Mutual Fund was purchased for Rs.308 Crores (P.Y.Rs. NIL) & the same was sold/redeemed at Rs..308.59 Crores (P.Y.Rs. NIL)		
SCHEDULE - 7: INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials	388,36,88,756	288,25,34,590
Finished Goods	370,43,51,960	482,04,47,850
Stores, Spares & Packing Material	22,47,02,575	17,59,79,872
TOTAL	781,27,43,291	787,89,62,312
SCHEDULE - 8: SUNDRY DEBTORS		
UNSECURED & CONSIDERED GOOD		
Exceeding Six Months	81,44,353	86,39,937
Others	134,26,43,955	69,81,10,793
TOTAL	135,07,88,308	70,67,50,730
Debt due from Directors / firms in which the directors are interested Rs.Nil (P.Y. Rs. 4.92 Crores.)(Maximum amount outstanding at any time during the year Rs.Nil (P.Y. Rs. 4.92 Crores)		
SCHEDULE - 9: CASH & BANK BALANCES		
Cash in hand	1,48,10,502	61,85,560
(As certified by the Management)		
Balance with Scheduled Banks in Current Accounts	40,64,93,358	10,56,51,715
Balance with Scheduled Banks in Term Deposits	2,30,65,694	22,18,92,672
TOTAL	44,43,69,554	33,37,29,947
SCHEDULE - 10: LOANS & ADVANCES		
UNSECURED & CONSIDERED GOOD		
Advance recoverable in cash or in kind or for value to be received	25,47,69,808	30,60,44,719
Security Deposits	12,01,64,256	2,37,20,370
TOTAL	37,49,34,064	32,97,65,089
Debt/Security Deposits by the company in which the directors are interested Rs.9.71 Crore (P.Y. Rs. NIL) (Maximum amount outstanding at any time during the year Rs.9.71 Crore (P.Y. Rs. NIL)		

PARTICULARS	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SCHEDULE - 11: CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	98,72,22,488	58,51,78,970
Overdraft in Current a/c with banks	40,89,481	1,01,89,565
Security Deposits	64,72,269	50,14,324
Advances from customers	87,71,31,374	64,83,45,108
Other Liabilities	9,80,11,640	10,76,84,964
PROVISION FOR		
Proposed Dividend	3,64,66,791	4,86,22,388
Tax on Dividend	61,97,531	82,63,375
Provident Fund	12,02,463	10,53,449
Insurance, Leave Encashment, Bonus & Gratuity	2,18,74,193	1,65,58,428
Income Tax (Net)	-	1,65,45,337
Wealth Tax	2,20,000	2,50,000
TOTAL	203,88,88,230	144,77,05,908

PARTICULARS		For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount(Rs.)
SCHEDULE - 12: SALE			
EXPORT			
Rice		910,23,51,357	736,55,88,036
TOTAL (A)		910,23,51,357	736,55,88,036
DOMESTIC			
Rice		603,44,36,137	510,53,04,140
Rice Bran		13,60,89,505	13,71,07,508
Seed		11,48,43,662	11,89,11,953
Paddy		37,09,461	39,16,494
Scrap & Others		12,21,42,512	14,43,30,253
Bran Oil		6,10,38,052	16,80,38,318
Electricity Generation		21,55,20,979	7,40,84,468
TOTAL (B)		668,77,80,308	575,16,93,134
TOTAL (A+B)		1579,01,31,665	1311,72,81,170
SCHEDULE - 13: OTHER INCOME			
Profit on Investment		59,46,630	-
Warehouse Rent		78,78,384	-
Miscellaneous Income		20,25,93,062	9,45,86,385
TOTAL		21,64,18,076	9,45,86,385
SCHEDULE - 14: MATERIAL COST			
Opening Stock of Raw Material		288,25,34,590	471,71,86,466
Purchases of Raw Material		1191,80,90,279	855,54,72,843
		1480,06,24,869	1327,26,59,309
Less: Closing Stock of Raw Material		388,36,88,756	288,25,34,590
Raw Material Consumed	A	1091,69,36,113	1039,01,24,719
(Increase)/Decrease in Finised Goods (Produced)	B	111,60,95,890	(133,50,73,968)
Purchases of Seeds	C	8,40,37,652	8,63,55,565
Bardana/Packing Material Consumed	D	41,39,58,305	34,21,74,731
Purchases-others	E	4,29,87,121	3,22,60,590
TOTAL (A+B+C+D+E)		1257,40,15,081	951,58,41,637
SCHEDULE - 15: MANUFACTURING EXPENSES			
Wages & Salaries		8,84,17,079	8,10,28,329
Contribution to Provident & Other Funds		60,91,471	59,30,247
Power & Fuel		6,57,83,302	6,09,58,059
Consumption of Stores & Spare Parts		3,18,31,840	73,09,987
Machinery Repairs & Maintenance		7,54,33,168	5,16,49,156
Freight Charges		4,49,21,034	4,43,18,680
Warehouse & Godown Rent		1,41,28,259	1,14,78,522
Fumigation & Phytosanitory Expenses		84,15,155	67,49,638
Loading & Unloading charges		2,88,77,942	3,68,05,725
Rice Sorting & Paddy Milling Charges		3,17,375	10,39,026
Other Manufacturing Expenses		12,32,523	12,17,689
TOTAL		36,54,49,148	30,84,85,058

PARTICULARS	For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount(Rs.)
SCHEDULE - 16: ADMINISTRATIVE EXPENSES		
Salaries/Establishment	14,57,94,544	11,31,36,591
Contribution to Provident & Other Funds	61,46,913	41,99,629
Gratuity	53,68,170	19,63,344
Travelling & Conveyance	1,82,50,002	1,52,52,217
Postage, Telegram & Telephone	66,44,829	65,17,182
Insurance Charges	1,50,94,018	2,18,41,587
Vehicle Running & Maintenance	71,06,234	51,44,395
Loss on Sale of Assets	13,82,444	15,60,590
Loss on Revaluation of Short Term Investment	(15,40,500)	15,30,500
Payment to Auditors		
- For Audit	6,43,440	5,93,001
- For Tax Audit	2,50,000	1,10,300
- For Taxation & Certification work	1,10,300	1,50,000
Printing & Stationery	44,04,867	28,89,965
Legal & Professional Charges	1,48,52,383	1,23,47,302
Fee & Subscription	25,26,336	23,36,010
Rent	95,70,929	61,46,870
Charity & Donation	1,48,220	2,86,562
Repairs & Maintenance (Building)	1,29,10,457	41,60,438
Repairs & Maintenance (Others)	37,64,408	62,91,041
DEPB Written off	47,75,673	-
Other Expenses	19,34,186	1,30,525
TOTAL	26,01,37,853	20,65,88,049
SCHEDULE - 17: SELLING & DISTRIBUTION EXPENSES		
Advertisement Expenses	7,06,56,381	5,58,34,631
Business Promotion Expenses	8,65,63,440	12,42,92,187
Clearing, Forwarding & Storage Charges	5,81,17,906	3,87,46,133
Freight on Sale	26,37,78,942	32,23,74,793
Brokerage/Commission/Discount	7,06,17,286	6,19,63,887
Export Cess	-	49,33,96,767
Taxes on Sale	6,41,97,107	4,14,59,352
TOTAL	61,39,31,062	113,80,67,750
SCHEDULE - 18: INTEREST & FINANCIAL CHARGES		
Interest paid		
- On Term Loans	6,28,18,234	7,46,94,093
- On Others	34,35,36,593	80,40,92,999
TOTAL (A)	40,63,54,827	87,87,87,092
Less:Interest Received		
From Banks {TDS Rs.14,56,249/-(P.Y.Rs. 81,62,179/-)}	28,23,464	3,90,16,026
From Others on Trading Debt, Staff Loan {TDS Rs.1,60,160/- (P.Y.Rs.6,61,215/-)}	29,13,151	62,00,416
TOTAL (B)	57,36,615	4,52,16,442
Interest Paid (Net) **TOTAL (A-B)**	40,06,18,212	83,35,70,650
Bank Charges	1,68,20,658	5,10,19,295
ECGC Premium	-	18,71,319
TOTAL	41,74,38,870	88,64,61,264

Schedule -19: Notes to the Accounts attached to and forming part of the Consolidated Financial Statements For the year ended 31st March, 2010

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

   (a) Details of the Subsidiary company that with KRBL Limited ,the parent, constitutes the group considered in the preparation of these consolidated financial statements are given below:-

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2010	Percentage of ownership interest as at 31st March, 2009
KRBL DMCC	U.A.E.	100	100

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

   (ii) There is no exceptional item during the year ended 31.03.2010 (P.Y. NIL).

2. Previous year figures have been regrouped/ recast wherever found necessary.

3. Additional information pursuant to Part - II of Schedule VI to the Companies Act, 1956

   (a) Production

Class of Goods	Licenced Capacity	Installed Capacity	Actual Production
Rice	N.A	195.00 MT per hour (P.Y. 195.00 MT per hour) (Paddy Milling)	Milling of 3,24,734.63 MT (P.Y. 4,15,349.10 MT) of paddy resulting into production of 1,97,534.81 MT (P.Y. 2,58,824.05 MT) of Rice
Furfural	N.A	10 MT (P.Y. 10 MT) per day	Nil (P.Y. Nil)
Bran Oil	42 MT per day	42 MT (P.Y 42 MT) per day	2671 MT (P.Y. 2943 MT)
Power	N.A.	41.20 MW (P.Y.26.5 MW)	5,65,90,310 Unit (P.Y.4,68,42,085 Unit)

Production of 5,65,90,310 units (P.Y.4,68,42,085 units) of power out of which 2,55,29,171units (P.Y. 26,69,0741 units) were used as captive consumption. Steam produced for captive consumption 2,64,460 MT (P.Y.1,85,182 MT).

(b) Opening Stock, Purchases, Sales and Closing Stock of each class of goods dealt in by the Company:

Class of Goods		CURRENT YEAR		PREVIOUS YEAR	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
OPENING STOCK					
Paddy	(MT)	1,46,784	288,25,34,590	2,66,221	471,71,86,466
Rice - Finished Goods	(MT)	1,58,037	476,57,96,242	1,44,305	341,77,88,890
Seeds	(MT)	1,729	4,24,86,246	1,237	2,52,26,650
Bardana HDPE Bags	(Nos.)	1,03,43,043	14,53,72,518	84,24,951	12,60,82,290
LDPE Films	(Kgs.)	49,308	98,22,205	57,899	1,05,79,671
Jute Cloth	(Yards)	2,59,286	43,13,907	5,93,030	90,53,225
Bran Oil	(MT)	204	77,53,608	1,122	4,22,45,192
Handi	(Nos.)	-	-	1,550	1,13,150
PURCHASES					
Paddy	(MT)	3,72,054	727,99,56,747	2,91,608	604,61,29,011
Rice	(MT)	1,10,373	463,81,33,532	49,783	250,93,43,832
Seeds	(MT)	5,106	8,40,37,652	4,621	8,63,55,562
Bardana & HDPE Bags	(Nos.)	96,29,149	17,65,54,075	1,02,39,763	7,54,03,909
LDPE Film	(Kgs.)	3,20,215	5,81,35,592	2,31,526	4,03,48,452
Jute Cloth	(Yards)	71,59,000	15,15,41,608	63,41,000	9,57,30,201
SALES					
Paddy	(MT)	111	37,09,461	255	39,16,094
Rice	(MT)	3,35,076	1513,67,87,494	2,91,847	1247,08,92,176
Seeds	(MT)	4,662	11,48,43,662	4,129	11,89,11,953
Rice Bran	(MT)	7,719	13,60,89,505	18,002	13,71,07,508
Bran Oil	(MT)	1,647	6,10,38,052	3,861	16,80,38,318
Power	(Units)	3,10,61,139	21,55,20,979*	2,01,51,344	7,40,84,468
CLOSING STOCK					
Paddy	(MT)	1,95,495	388,36,88,756	1,46,784	288,25,34,590
Rice - Finished Goods	(MT)	1,29,871	359,69,67,711	1,58,037	476,57,96,242
Seeds	(MT)	2,167	5,21,24,109	1,729	4,24,86,246
Bardana & HDPE Bags	(Nos.)	1,40,89,583	12,88,84,252	1,03,43,043	14,53,72,518
LDPE Film	(Kgs.)	35,305	60,18,001	49,308	98,22,205
Jute Cloth	(Yards)	4,07,170	1,20,79,628	2,59,286	43,13,907
Bran Oil	(MT)	1,228	4,29,94,525	204	77,53,608
CONSUMPTION					
Paddy	(MT)	3,23,232	627,88,02,581	4,10,790	788,07,80,887
Rice	(MT)	1,10,373	463,81,33,532	49,783	250,93,43,832
Bardana & HDPE Bags	(Nos.)	58,82,609	19,30,42,341	83,21,671	5,61,13,681
LDPE Film	(Kgs.)	3,34,218	6,19,39,796	2,40,117	4,11,05,918
Jute Cloth	(Yards)	70,11,116	14,37,75,887	66,74,744	10,04,69,519

*Power sales includes minimum guarantee claim & carbon credit.

VALUE OF RAW MATERIALS, INCLUDING PACKAGING MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR

	PERCENTAGE		VALUE (Rs. in crore)	
	2010	2009	2010	2009
RAW MATERIAL				
Imported	Nil	Nil	Nil	Nil
Indigenous	100%	100%	1131.57	1058.78
SPARE PARTS & COMPONENTS				
Imported	59.80%	42.47%	1.90	0.31
Indigenous	40.20%	57.53%	1.28	0.42

- The shortages in quantity of rice and seeds have not been separately shown but are included in the sales figure. Paddy shortages have been included in consumption figures since the quantities involved were insignificant as compared to the volume handled.

- Purchases and consumption of Bardana includes bags received/supplied free of cost along with purchase/sale of Paddy and Rice.

(c) The Company has milled 1502.63 MT (P.Y. 4559.10 MT) of Paddy on job work basis received from various agencies namely, Pun Sup and Pun Grain, resulting in production of 996.69 MT (P.Y. 3028.05 MT) of Rice and 431.78 MT(P.Y. 3001.05 MT) of Rice has been dispatched to these Agencies during the year.

(d) CIF Value of Imports made during the year in respect of:

(i) Components and Spare Parts Rs. 1,90,36,399/- (P.Y. Rs. 30,84,099/-), (ii) Capital Goods Purchased Rs. 8,89,70,155/- (P.Y. Rs. 4,59,07,556/-).

(e) Earnings in foreign exchange on mercantile basis - Rs. 8,92,64,88,897/- (P.Y. Rs. 6,79,04,93,908/-).

(f) Expenditure in foreign currency on mercantile basis (i) Foreign Travel & Others: Rs.13,81,655/- (P.Y. Rs.5,58,430/-)[By Directors: Rs.6,85,054/- (P.Y. Rs.1,42,290/-)],(ii) Ocean Freight: Rs.5,34,06,740/- (P.Y.Rs.4,11,24,495/-), (iii) Advertisement & Exhibition: Rs.Nil (P.Y.Rs.199,34,258/-), (iv) Legal, Professional & Other charges: Rs.16,30,054/- (P.Y.Rs.15,37,272/-), (v) Salary: Rs. 20,04,223/- (P.Y. Rs. 21,55,484/-), (vi) Selling & Distribution Expenses Rs.47,47,553/- (P.Y. Rs. Nil).

(g) Remittance in Foreign Currency on account of dividends:

Financial Year	On account of	No. of shares held	No. of Non-Resident Shareholder	Rs. in lacs.
2009-10 (Final)	2008-09	43,10,000	5	86.20
(P.Y. 2008-09)	(P.Y. 2007-08)	(P.Y. 46,10,000)	(P.Y. 5)	(P.Y. 92.20)
2009-10 (Interim)	2009-10	3,90,00,000	5	58.50
(P.Y. 2008-09)	(P.Y.2008-09)	(P.Y. 46,10,000)	(P.Y. 5)	(P.Y. Nil)

(h) Managerial remuneration to Executive Directors Rs.1,41,00,000/- (P.Y. Rs. 63,86,400/-). Value of Perquisites Rs. 1,05,600/- (P.Y. Rs. 1,79,75,962).

i) F.O.B. Value of exports - Rs. 881,16,32,102 /- (P.Y. Rs. 661,15,73,108/-).

4. (a) The Company has requested all its Sundry Creditors to furnish Small Scale Industries Registration Certificate (SSIRC) but since the creditors, having outstanding balance at the year end, have not furnished the SSIRC, it is deemed that none of them is a Small Scale Industrial Undertaking and no such amount is payable as on the balance sheet date.

(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 31st March, 2010. 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.

5. Unclaimed dividend amounting to Rs.23,95,663/- (P.Y. Rs. 20,73,939/-) pending on account of non presentation of cheques has been deposited in separate accounts with Scheduled Banks.

6. Insurance charges include payment of Rs. 102,81,712/- (P.Y. Rs. 122,17,858/-) on account of Keymen Insurance of directors of the Company.

7. A sum of Rs. 72.10 Lacs (P.Y. Rs. 11.25 Lacs) has been received from Directorate of Marketing and Inspection (Department of Agricluture and Cooperation) through NABARD towards construction of rural godown and a sum of Rs. Nil (P.Y. Rs. 72.10 Lacs) receivable towards construction of rural godown. The entire grant so received / receivable has been deducted from the respective cost of the Capital Expenditure.

8. The Company purchased assets (Land, Building & Machineries) of an integrated rice mill at Dhuri, District Sangrur, Punjab in an auction for net consideration of Rs. 15.80 crores through Hon'ble High Court of Punjab & Haryana at Chandigarh. Conveyance deed of the said property was registered on 02.05.2005. However, an appeal no. 21 of 2003 was filed by the bidders before the Hon'ble High Court of Punjab & Haryana challenging the sale process. While the appeal was pending, in a new judgment, the Hon'ble High Court of Punjab & Haryana remanded the judgment, against which appeal no. 21 of 2003 was pending, for review of the decision by another independent Judge. Thus appeal no 21 of 2003 got infructuous and in remand the case was again heard and sale was reconfirmed in favour of KRBL Limited by the independent Judge. Against the reconfirmation of sale the party which had filed earlier appeal, have filed an appeal contesting this judgment. The new appeal number is 4 of 2009, which is lying pending before The Hon'ble High Court of Punjab & Haryana.

9. None of the fixed assets has been revalued during the year.

10. Borrowing Costs

The borrowing costs amounting to Rs. 17,33,855/- (P.Y. Rs. Nil) attributable to the acquisition or construction of qualifying assets are capitalized as a part of those assets.

11. Prior Period Items

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

12. Research & Development Expenses for the year amount to Rs. 162.13 Lacs (P.Y. Rs. 130. 48 Lacs) including capital expenditure of Rs.0.17 Lacs (P.Y. Rs. 0.29 Lacs).

13. Intangible Assets

In accordance with Accounting Standard - 26 on 'Intangible Assets', Rs. 117.37 lacs have been capitalized on account of computer software development charge & Trade Mark Purchase and for miscellaneous expenditure incurred by the company is being charged off to the Profit & Loss Account, unless it qualifies to be an 'Intangible Asset, in which case it shall be forwarded as permitted by the Standard.

14. Earnings per Share (EPS)

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

		2009-10	2008-09
(i)	Profit after tax (Rs. in Lacs)	1,24,54.55	65,41.89
(ii)	Weighted average number of equity shares for basic & dilutive EPS	24,31,11,940	2,43,11,194
(iii)	Nominal value per equity share	1	10
(iv)	Earnings per share (Basic & Diluted)	5.12	22.61

15. The deferred Tax Liability comprises of the following:

		As at 31st March, 2010	As at 31st March, 2009
(a)	Deferred Tax Liability related to Fixed Assets	8,74,60,288	8,63,23,702
(b)	Disallowance under the Income Tax Act,1961	43,03,630	28,04,118
	Deferred Tax liability	8,31,56,658	8,35,19,584

16. Derivative Instruments

(a) Outstanding forward contracts as at 31st March, 2010 entered by the Company for the purpose of hedging its foreign currency exposures are as under:

(Rs. in Crores)

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupee	Rs. Nil (P.Y. Rs. Nil)	Rs. Nil (P.Y. Rs. 145.34)

(b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at 31st March, 2010 are as under:

(Rs. in Crores)

Currency	Cross Currency	Buy	Sell	Net*
US Dollar	Indian Rupee	Rs. Nil (P.Y. Rs.3.58)	Rs. Nil (P.Y. Rs. 468.93)	Rs. Nil (P.Y. Rs.465.35)

* Positive figure indicates open exports and vice versa.

Consequent to the announcement issued by the Institute of Chartered Accountants of India in March, 2008, on accounting for derivatives, the Company has Marked to Market Forward Contracts Outstanding as at 31st March, 2010, and accordingly unrealized gain/(Loss) of Rs. Nil {P.Y. Rs.(1.36) Crore} has arisen, which has been accounted for accordingly in the books of account.

17. The Company has entered into lease agreements for the period of five years, which are in the nature of operating leases as defined in the Accounting Standard - AS 19 in respect of leases.

		31/03/2010	31/03/2009
(a)	Contingent rent by way of future minimum lease payments under non cancellable operating leases in respect of lease agreements entered into on or after 01/04/2009:		
	- Not later than one year	NIL	NIL
	- Later than one year but not later than five years	236.25	110.00
	- Later than five years	85.00	NIL
(b)	Lease payments recognised in the statement of Profit and Loss Account, in respect of operating lease agreements entered into on or after 01/04/2009	87.25	27.50

(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.

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

18. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

(a) the Company has a present obligation as a result of a past event;

(b) a probable outflow of resources is expected to settle the obligation; and

(c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received ultimately.

Contingent liability is disclosed in case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(b) a present obligation when no reliable estimate is possible; and

(c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Detail of movements in provisions in accordance with Accounting Standard 29. (Rs. in Lacs)

Provisions	As at 01/04/2009	Additions made during the year	Reversed / adjusted / paid	As at 31/03/2010
Taxation Provision				
Income Tax	165.46	2,538.37	2,703.83	-
	(P.Y. 54.57)	(P.Y. 2,634.00)	(P.Y. 2,523.11)	(P.Y.165.46)
Fringe Benefit Tax	-	6.63	6.63	-
	(P.Y. 5.99)	(P.Y. 32.05)	(P.Y. 38.04)	(P.Y. 0.00)
Wealth Tax	2.50	2.20	2.50	2.20
	(P.Y. 2.50)	(P.Y. 2.50)	(P.Y. 2.50)	(P.Y. 2.50)

Contingent liabilities

(a) Contingent liabilities in respect of Bank guarantees Rs.176.92 Lacs (P.Y. Rs. 173.43 Lacs).

(b) Contingent liabilities in respect of Bills discounted with Banks is Rs.1,460.90 Lacs (P.Y. Rs. 3,539.46 Lacs). Outstanding amount as on date is Rs. NIL (P.Y. Rs. 2,656 lacs).

(c) Disputed Income Tax demand in appeal Rs.3.11 Lacs (P.Y Rs. 850.06 Lacs) and disputed Sales Tax demand in appeal Rs. 419.03 Lacs (P.Y. Rs. 169.45 Lacs), which includes amount paid Rs.Nil Lacs (P.Y. Rs. 675.00 Lacs) for Income Tax and Rs. 174.28 Lacs (P.Y. Rs. 131.79 Lacs) for Sales Tax. Based on pronounced legal ratio and the interpretation of other relevant provisions, the company has been legally advised that the demands are likely to be either deleted or substantially reduced and thus no provision thereof has been made in current year.

	31/03/2010	31/03/2009
Contingent Assets	NIL	NIL

19. As per the Accounting standard (AS-11) on "Effect of change in foreign exchange rates "the Company has no foreign currency loan on fixed assets at the year end. Therefore, there is no effect in profit & loss account at the year end.

20. Defined Benefit Plan - As per Actuarial Valuations as on 31st March, 2010 and recognised in the financial statements in respect of Employee Benefit Schemes:

		For the year ended 31st March, 2010 (Rs. in Lacs) Gratuity Fund	For the year ended 31st March, 2009 (Rs. in Lacs) Gratuity Fund
I.	Components of Employer Expense		
	1. Current Service Cost	7.66	7.81
	2. Interest Cost	5.85	5.59
	3. Expected Return on Plan Assets	(4.33)	(3.16)
	4. Actuarial Losses / (Gains)	43.23	9.39
	5. Total expense recognised in the Statement of Profit & Loss Account	52.41	19.63
II.	Actual Returns	-	-
III.	Net Asset / (Liability) recognised in Balance Sheet		
	1. Present Value of Defined Benefit Obligation	(124.33)	(75.51)
	2. Fair Value on Plan Assets	71.39	55.90
	3. Status [Surplus / (Deficit)]	52.94	19.61
	4. Net Asset / (Liability) recognised in Balance Sheet	(52.94)	(19.61)
IV	Change in Defined Benefit Obligations (DBO)		
	1. Present Value of DBO at the beginning of period	75.51	69.91
	2. Current Service Cost	7.66	7.81
	3. Interest Cost	5.85	5.59
	4. Actuarial (Gains) / Losses	47.69	5.74
	5. Benefits Paid	(12.39)	(13.55)
	6. Present value of DBO at the end of period	124.33	75.51
V.	Change in Fair Value of Assets		
	1. Plan Assets at the beginning of period	55.90	39.57
	2. Expected Return on Plan Assets	4.33	3.16
	3. Actuarial Gains / (Losses)	4.46	(3.65)
	4. Actual Company Contribution	19.09	30.37
	5. Benefits paid	(12.39)	(13.55)
	6. Plan Assets at the end of period	71.39	55.90
VI.	Actuarial Assumptions		
	1. Discount Rate (%)	8.00	7.75
	2. Expected Return on Plan Assets (%)	8.00	7.75

The estimates of future salary increase, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

SCHEDULE - 20: RELATED PARTY DISCLOSURES IN ACCORDANCE WITH AS-18 "RELATED PARTY DISCLOSURES"

(A) RELATED PARTIES AND THEIR RELATIONSHIP

1. Key Management Personnel

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

2. Employee benefit plans where there in significant influence

- KRBL LIMITED Employees Group Gratuity Trust.

3. Relatives of Key Management Personnel

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

4. Enterprises over which significant influence exercised by Key Management Personnel

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 (P) 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 (P) 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 (P) Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are directors
K.B. Exports (P) Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are directors
Holistic Farms Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj IT City & Parks Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj Logistics Pvt. Ltd.	:	Private Limited Company in which Mr. Anoop K. Gupta & Mr. Ashwani Dua are Directors

(B) TRANSACTIONS WITH THE RELATED PARTIES

(Rs. in Lacs)

PARTICULARS	Enterprises over which significant influence exercised by Key Management Personnel		Key Management Personnel (including relatives)		Subsidiary Company		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Purchase of goods	Nil	711.81	Nil	Nil	Nil	Nil	Nil	711.81
Sale of goods	1,584.81	1,572.87	Nil	Nil	Nil	Nil	1584.81	1,572.87
Rent paid by the company	8.50	Nil	114.75	69.00	Nil	Nil	123.25	69.00
Dividend Paid	96.32	55.04	386.51	204.66	Nil	Nil	482.83	259.70
Director Remuneration	Nil	Nil	142.06	243.62	Nil	Nil	142.06	243.62
Services obtained	Nil	Nil	2.09	9.64	Nil	Nil	2.09	9.64
Security Deposit (Against Lease Property)	971.00	Nil	Nil	Nil	Nil	Nil	971.00	Nil

(C) BALANCE OUTSTANDING ON 31ST MARCH, 2010

(Rs. in Lacs)

PARTICULARS	Enterprises over which significant influence exercised by Key Management Personnel		Key Management Personnel (including relatives)		Subsidiary Company		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Purchases /(Sales) of goods	(575.58)	491.95	Nil	Nil	Nil	Nil	(575.58)	491.95
Services obtained	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent paid	Nil	Nil	Nil	24.08	Nil	Nil	Nil	24.08
Security Deposit (Against Lease Property)	971.00	Nil	Nil	Nil	Nil	Nil	971.00	Nil

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

SCHEDULE - 21: SEGMENT REPORTING

Information about the business segment as under (Rs. In Lacs)

	2009-10			2008-09		
PARTICULARS	Agri	Energy	Total	Agri	Energy	Total
A. PRIMARY SEGMENT						
1. SEGMENT REVENUE						
Sales	155,746	4,733	160,479	130,432	3,231	133,663
Less:-Inter Segment Transfer	-	2,578	2,578	-	2,490	2,490
Net Revenue from Operation	155,746	2,155	157,901	130,432	741	131,173
2. SEGMENT RESULT	16,433	1,137	17,570	18,103	35	18,138
Less: Other Unallocable expenditure net of unallocable income			(1,602)			64
Interest			4,174			8,865
Profit before Tax			14,998			9,209
Provision for current year Tax			2,545			2,634
Deferred Tax			(4)			(15)
Fringe Benefit Tax			-			32
Wealth Tax			2			3
Prov. for tax earlier period						14
Profit after Tax			12,455			6,542
3. SEGMENT CAPITAL EMPLOYED	37,363	16,292	53,655	35,573	7,062	42,635

B. GEOGRAPHICAL SEGMENT (SECONDARY)
(Based on location of customers)

PARTICULARS	2009-10				2008-09			
	Middle East	Other than Middle East	India	Total	Middle East	Other than Middle East	India	Total
Sales	84,250	6,774	66,877	1,57,901	68,261	5,395	57,517	1,31,173
Assets	13,195	969	1,00,772	1,14,936	4,378	344	98,418	1,03,140

(i) The business segments comprise of the following:

(a) Agri - Agri commodities such as rice, pulses, seed, wheat, bran, bran oil, etc.

(b) Energy - Power generation from wind turbine and husk based power plant

(ii) The Geographical segments considered for disclosure are:

- Sales with India
- Sales outside India

(a) Middle East

(b) Other than Middle East

SCHEDULE - 22: SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

A. ACCOUNTING CONVENTION

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

(b) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

B. USE OF ESTIMATES

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of Financial Statements and reported amount of revenue and expenditure during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialise.

C. FIXED ASSETS

(a) VALUATION OF FIXED ASSETS

(i) Fixed Assets are stated at cost of acquisition / installation inclusive of freight, duties, taxes and all incidental expenses and are stated 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 is 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 significant additional benefits.

(ii) Intangible assets are stated at their cost of acquisition,

(iii) Land is stated at original cost of acquisition.

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

(b) METHODS OF DEPRECIATION AND AMORTISATION

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

(ii) Computer software Development charges and Patent, Trademark & Design are recognised as intangible assets and amortized on straight line method over a period of 10 years.

(iii) Leasehold land is amortized on straight line method over lease period.

D. INVESTMENTS

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

E. INVENTORIES

(a) Items of inventories are measured at lower of cost or net realizable value. Raw material on floor shop and work-in-process is taken as part of raw material and valued accordingly.

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

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

(d) Inventory of Finished Excisable product is valued inclusive of Excise Duty.

F. REVENUE RECOGNITION

(a) Export sales are accounted for on the basis of date of bill of lading. Domestic sales of goods are recognised on the dispatch of goods to the customers. Sales are net of discounts, Sales Tax, Excise Duty and Returns but include exchange fluctuations on exports realised during the year and also the effect of trade receivable in foreign exchange as at the year end and restated at exchange rate existing as on that date. Dividend income is recognised when the right to receive dividend is established. Revenue and Expenditure are accounted for on a going concern basis. Interest Income / Expenditure is recognised using the time proportion method based on the rates implicit in the transaction.

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

(c) Turnover includes gain / loss on corresponding forward contracts.

G. PROPOSED DIVIDEND

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

H. RESEARCH & DEVELOPMENT

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

I. EMPLOYEE BENEFITS

Contributions to the provident fund, which is a defined contribution retirement plan, are charged to the profit and loss account in the period in which the contributions are incurred. Present liability for future payment of gratuity and unavailed leave benefits are determined on the basis of actuarial valuation carried out by M/s. K.A. Pandit Consultant & Actuarial at the balance sheet date and is charged to the profit and loss account. Gratuity fund is managed by the Kotak Life Insurance.

J. FOREIGN EXCHANGE TRANSACTIONS AND FORWARD CONTRACT

(a) 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.

(b) Exchange difference on forward contract is also recognized in profit & loss Account on change of Exchange rate at the year end date.

(c) 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. Non monetary foreign currency items are carried at cost.

(d) To recornise the net mark to market loss in the profit and loss accounts on the outstanding portfolio of options as at the balance sheet date, and to ignore the net gain, if any, 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.

K. 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 realised. Grant received from government towards fixed assets acquired by the Company is deducted from gross value of the asset acquired and depreciation is charged accordingly.

L. 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.

M. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the period. 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 substantively enacted by the balance sheet date, to the extent these are capable of reversal in one or more subsequent periods.

N. LEASES

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

O. CONTINGENT LIABILITIES

Contingent liabilities are disclosed by way of notes to the accounts of financial statements. Provision is made in accounts for those liabilities which are likely to materialise after the year end and having effect on the position stated in the Balance Sheet as at the year end.

P. 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 accounted for on the basis of transactions which are primary market led. Revenue and expenses which relate to enterprises as a whole and not attributable to segments are included under "other unallocable expenditure net of unallocable income".

Q. 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 to 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 Divisions, with each Division incorporating into its costing system, the basic tenets and principles of Standard Costing, Budgetary Control and Marginal Costing as appropriate.

R. 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.

Additional Information

as required under Part-IV of Schedule - VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	**Registration Details**	
	Registration No.	52845
	State Code	55
	Balance Sheet Date	31.03.2010
II.	**Capital Raised during the Year**	**(Amount in Rs. Thousand)**
	Public / GDR Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
III.	**Position of Mobilisation and Deployment of Funds**	**(Amount in Rs. Thousand)**
	Total Liabilities	1,14,81,152
	Total Assets	1,14,81,152
	Sources of Funds:	
	Paid-up Capital	2,43,541
	Reserves & Surplus	51,21,933
	Foreign Currency Translation Reserve	(12,446)
	Secured Loans	52,94,908
	Unsecured Loans	7,50,000
	Deferred Tax Liability	83,156
	Application of Funds:	
	Net Fixed Assets	35,33,705
	Investment	3,500
	Net Current Assets	79,43,947
	Misc. Expenditure	-
IV.	**Performance of Company**	**(Amount in Rs. Thousand)**
	Turnover	1,60,06,549
	Total Expenditure	1,45,06,760
	Profit / (Loss) Before Tax	14,99,789
	Profit / (Loss) After Tax	12,45,454
	Basic Earning Per Share (Rs.)	5.12
	Diluted Earnings per Share (Rs.)	5.12
	Dividend Rate	30%
V.	**Generic Names of Principal Products of Company**	
	(As per monetary terms)	
	Item Code No. (ITC Code)	100600
	Product Description	Rice

Auditors' Report

As per our Separate report of even date attached

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

New Delhi
22nd May, 2010

For and on behalf of the Board

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31st March,2010

PARTICULARS	31/03/2010 Amount (Rs.)	31/03/2009 Amount(Rs.)
A. Cash flow from Operating Activities		
Net profit before taxation	149,97,89,219	92,09,27,814
Adjustments for		
Depreciation	27,57,88,508	23,54,95,983
Loss on sale on Fixed Assets	13,82,444	15,60,590
Loss on revaluation of short term investment	(15,40,500)	15,30,500
Interest Expense	40,63,54,827	87,87,87,092
Interest Income	(57,36,615)	(4,52,16,442)
Foreign Currency Translation Reserve	(3,13,27,012)	2,09,27,920
Operating Profit before Working Capital Changes	214,47,10,871	201,40,13,457
Decrease/ (Increase) in Inventory	6,62,19,021	46,93,13,222
Decrease/ (Increase) in Sundry Debtors	(64,40,37,578)	110,13,26,989
Decrease/ (Increase) in Term Deposits	19,88,26,978	(5,11,16,091)
Decrease/(Increase) in Loans & Advances	(4,51,68,975)	1,78,17,406
Increase/ (Decrease) in Sundry Creditors	40,20,43,518	(113,96,41,993)
Increase/ (Decrease) in Bank overdraft a/c with Banks	(61,00,084)	(21,27,138)
Increase/ (Decrease) in Advances from Customers	22,87,86,266	64,00,12,506
Increase/ (Decrease) in Other Liabilities	(96,73,324)	5,22,49,374
Increase/ (Decrease) in Employee Benefits	54,64,779	(1,32,09,549)
Increase/ (Decrease) in Security Deposits	14,57,945	14,33,085
Cash from Operating Activities	234,25,29,417	309,00,71,268
Income tax paid (net of refund)	(27,10,45,337)	(25,38,82,946)
Fringe Benefits paid	-	(36,42,420)
Net Cash from Operating Activities	207,14,84,080	283,25,45,902
B. Cash flow from Investing Activities		
Purchase of fixed Assets	(126,07,50,744)	(11,29,68,409)
Decrease/(Increase) in Capital Work-in progress	(4,35,02,927)	(28,81,18,646)
Sale/Adjustment of Fixed Assets	38,91,017	29,36,438
Net Cash from Investing Activities	(130,03,62,654)	(39,81,50,617)
C. Cash Flow from Financing Activities		
Decrease in Secured loans	(21,12,59,309)	(72,18,74,643)
Decrease in Unsecured loans	25,00,00,000	(99,90,00,000)
Interest Paid (Net)	(40,06,18,212)	(83,35,70,650)
Wealth Tax Paid	(2,27,235)	(2,25,175)
Dividend Paid	(8,50,89,179)	(4,86,22,388)
Dividend tax paid	(1,44,60,906)	(82,63,375)

PARTICULARS	31/03/2010 Amount (Rs.)	31/03/2009 Amount(Rs.)
Net Cash from financing Activities	(46,16,54,841)	(261,15,56,231)
Net Change in Cash & Cash Equivalents (A+B+C)	30,94,66,585	(17,71,60,946)
Cash & Cash Equivalents- Opening Balance	11,18,37,275	28,89,98,221
Cash & Cash Equivalents- Closing Balance	42,13,03,860	11,18,37,275
Cash & Cash Equivalents		
Cash in hand	1,48,10,502	61,85,560
Balance with scheduled banks in current accounts	40,64,93,358	10,56,51,715
	42,13,03,860	11,18,37,275

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

As per our Separate report of even date attached

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

New Delhi
22nd May, 2010

For and on behalf of the Board

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Standalone Financial Statements

CONTENTS

Auditors' Report

The Member of KRBL Limited

1. We have audited the attached Balance Sheet of KRBL Limited as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

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

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

(e) On the basis of the written representations received from the Directors and taken on record by the Board, we report that none of the Directors are disqualified as on 31st March, 2010 for being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;

(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the significant accounting policies and notes to accounts as per Schedule 19 to 22 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

   i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

   ii. In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and

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

Shiv Sushil Bhawan
D-219, Vivek Vihar,
Phase-I,

New Delhi - 110 095
22nd May, 2010

for Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal

Proprietor

Membership No. 80668

Annexure to the Auditors' Report

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

1. In respect of fixed assets:

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

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

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

2. In respect of inventories:

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

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

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

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

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

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

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

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

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

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

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

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

8. We have broadly reviewed the books of account relating to the generation of power pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determining whether they are accurate or complete. 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 other products 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, 2010 for a period of more than six months from the date of becoming payable.

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

Name of the Statute	Nature of the dues	Disputed dues	Period which amount Relates	Forum where dispute is pending
U.P. Trade Tax	Tax on Stock transfer of Rice	3,75,000/-	A.Y. 2005-06	Joint Commissioner Range-ii ,Noida
Haryana Trade Tax	Regular Assessment	31,93,900/-	A.Y. 2003-04	Sales Tax Tribunal Chandigarh
Punjab VAT	Regular Assessment	1,10,70,455/-	A.Y. 2005-06	Punjab VAT Tribunal Chandigarh
Punjab VAT	Regular Assessment	98,35,769/-	A.Y. 2006-07	Punjab VAT Tribunal Chandigarh
Income Tax	Regular Assessment	3,11,422/-	A.Y. 2007-08	CIT (Appeal), New Delhi

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

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

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

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

14. 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 any guarantee for loans taken by others from banks or financial institutions.

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

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

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

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

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

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

Shiv Sushil Bhawan
D-219, Vivek Vihar,
Phase-I,
New Delhi - 110 095

for Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

22nd May, 2010

Balance Sheet As at 31st March, 2010

PARTICULARS	SCHEDULE	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SOURCES OF FUNDS			
Shareholders Funds			
(a) Share Capital	1	24,35,40,558	24,35,40,558
(b) Reserves & Surplus	2	475,53,85,585	376,95,70,416
Loan Funds			
(a) Secured Loan	3	529,49,08,201	550,61,67,510
(b) Unsecured Loan	4	75,00,00,000	50,00,00,000
Deferred Tax Liability		8,31,56,658	8,35,19,584
TOTAL		1112,69,91,002	1010,27,98,068
APPLICATION OF FUNDS			
Fixed Assets	5		
(a) Gross Block		451,84,52,141	323,88,90,157
Less:Depreciation		135,57,76,322	108,36,61,809
Net Block		316,26,75,819	215,52,28,348
(b) Capital work In Progress		35,81,61,209	34,09,13,119
		352,08,37,028	249,61,41,467
Investments	6	2,52,27,433	2,36,86,933
Current Assets, Loan & Advances			
(a) Inventories	7	781,27,43,291	787,89,62,312
(b) Sundry Debtors	8	135,07,88,308	58,35,59,659
(c) Cash & Bank Balances	9	8,42,26,980	33,29,64,749
(d) Loans & Advances	10	37,34,86,995	32,83,09,171
Total Current Assets		962,12,45,574	912,37,95,891
Less: Current Liabilities & Provisions	11	204,03,19,033	154,08,26,223
Net Current Assets		758,09,26,541	758,29,69,668
TOTAL		1112,69,91,002	1010,27,98,068
Notes to Accounts (Including Contingent Liabilities)	19		
Related party Disclosures	20		
Segment Reporting	21		
Significant Accounting Policies	22		
The Schedules referred to above form an integral part of the Balance sheet			

Auditors' Report
As per our Separate report of even date attached

For and on behalf of the Board

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

New Delhi
22nd May, 2010

Profit and Loss Account As at 31st March, 2010

PARTICULARS	SCHEDULE	For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount (Rs.)
INCOME			
Gross Sales	12	1579,01,31,665	1245,45,65,945
Less:Excise Duty		-	-
Net Sales		1579,01,31,665	1245,45,65,945
Other Income	13	3,93,83,672	2,05,77,040
TOTAL		1582,95,15,337	1247,51,42,985
EXPENDITURE			
Material Cost	14	1257,40,15,081	899,75,84,005
Manufacturing Expenses	15	36,54,49,148	30,84,85,058
Administrative Expenses	16	25,80,06,299	20,60,37,492
Selling & Distribution Expenses	17	61,33,39,309	113,75,81,107
Interest & Financial Charges	18	41,74,38,870	85,98,68,692
Depreciation		27,57,88,508	23,54,95,983
TOTAL		1450,40,37,215	1174,50,52,337
Profit before Tax (PBT)		132,54,78,122	73,00,90,648
Provision for Taxation			
Current Tax - Current Year		25,45,00,000	26,34,00,000
- Earlier Period		-	13,83,398
Deferred Tax		(3,62,926)	(15,00,000)
Fringe benefit tax		-	32,05,750
Wealh Tax		1,97,235	2,50,000
Profit after Tax(PAT)		107,11,43,813	46,33,51,500
Balance Brought Forward		234,73,60,730	199,08,94,993
Amount Available for Appropriation		341,85,04,543	245,42,46,493
Appropriations			
Dividend- Interim (inclusive of tax)		4,26,64,322	-
Dividend- Proposed (inclusive of tax)		4,26,64,322	5,68,85,763
General Reserve		15,00,00,000	5,00,00,000
Balance carried over to Balance Sheet		318,31,75,899	234,73,60,730
		341,85,04,543	245,42,46,493
Basic & Diluted Earning per Share [F.V. {Re. 1/- each (P.Y. Rs.10/- each)}]		4.41	19.06
Notes to Accounts (Including Contingent Liabilities)	19		
Related party Disclosures	20		
Segment Reporting	21		
Significant Accounting Policies	22		
The Schedules referred to above form an integral part of the Balance sheet			

Auditors' Report
As per our Separate report of even date attached

For and on behalf of the Board

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

New Delhi
22nd May, 2010

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Schedules attached to and forming part of the Balance Sheet As at 31st March, 2010

PARTICULARS		As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SCHEDULE - 1: SHARE CAPITAL			
AUTHORISED			
30,00,00,000 Equity Shares of Re. 1/- each		30,00,00,000	30,00,00,000
ISSUED ,SUBSCRIBED			
24,39,66,940 Equity Shares of Re.1/- each (P.Y. 2,43,96,694 Equity Shares of Rs 10/- each)		24,39,66,940	24,39,66,940
PAID UP			
24,31,11,940 Equity Shares of Re.1/- (P.Y. 243,11,194 Equity Shares of Rs.10/- each)		24,31,11,940	24,31,11,940
Add: Amount received on 8,55,000 Equity Share of Re. 1/- each forfeited (P.Y. 85,500 Equity Shares of Rs. 10/- each)		4,28,618	4,28,618
TOTAL		24,35,40,558	24,35,40,558
SCHEDULE - 2: RESERVES & SURPLUS			
SHARE PREMIUM ACCOUNT			
As per last Balance Sheet		114,75,90,036	114,75,90,036
	A	114,75,90,036	114,75,90,036
GENERAL RESERVE			
As per Last Balance Sheet		27,46,19,650	22,46,19,650
Transferred from Profit & Loss Account		15,00,00,000	5,00,00,000
	B	42,46,19,650	27,46,19,650
PROFIT & LOSS ACCOUNT		318,31,75,899	234,73,60,730
	C	318,31,75,899	234,73,60,730
TOTAL (A+B+C)		475,53,85,585	376,95,70,416
SCHEDULE - 3: SECURED LOANS			
1. Term Loan from Banks [(Amount due within a year Rs. 48.52 Crores(P.Y.22.66 Crore)) includes interest accrued and due Rs. 5,44,285/- (P.Y. Rs. 44,89,495/-] (Secured by 1st pari-passu charge by way of equitable mortgage on Land & Building of the company and by way of hypothecation on present & future Plant & Machinery of the company & personal guarantees of Chairman & Managing Director, Joint Managing Directors & their relatives).		97,38,27,759	41,22,39,802
2. Working Capital Borrowing from Banks (Secured by 1st pari-passu charge on all Stocks,Book Debts & other Current Assets beside 2nd pari passu charge on factory Land & Building, Plant & Machinery & personal guarantees and equitable mortgage of certain personal properties of Chairman & Managing Director, Joint Managing Directors & their relatives).		432,10,80,442	509,39,27,708
TOTAL		529,49,08,201	550,61,67,510
SCHEDULE - 4: UNSECURED LOANS			
SHORT TERM LOAN			
From Banks		75,00,00,000	50,00,00,000
From Others		-	-
Total		75,00,00,000	50,00,00,000
(secured against personal guarantee of promoter Director in personal capacity and PDC of the company)			

SCHEDULE - 5: FIXED ASSETS

Amount in (Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01/04/2009	Addition During the year	Deductions/ Adjustments	As at 31/03/2010	As at 01/04/2009	For the Year	Deductions/ Adjustments	As at 31/03/2010	As at 31/03/2010	As at 31/03/2009
Land:-										
a) FreeHold Land	21,81,36,555	1,07,99,165	-	22,89,35,720	-	-	-	-	22,89,35,720	21,81,36,555
b) Lease Hold Land	1,08,47,800	68,00,000		1,76,47,800	-	3,93,968	-	3,93,968	1,72,53,832	1,08,47,800
Buildings	62,25,48,170	13,06,02,181	-	75,31,50,351	7,32,35,748	1,40,40,952	-	8,72,76,700	66,58,73,651	54,93,12,422
Plant & Machinery	218,23,89,920	110,56,12,548	25,12,075	328,54,90,393	94,84,11,326	24,22,77,552	22,55,664	118,84,33,214	209,70,57,179	123,39,78,594
Vehicle and Trolley	11,48,24,636	1,92,63,032	49,31,522	12,91,56,146	2,99,23,262	1,16,01,993	14,18,331	4,01,06,924	8,90,49,222	8,49,01,374
Furniture & Fixtures	9,01,43,076	21,91,389	-	9,23,34,465	3,20,91,473	66,78,753	-	3,87,70,226	5,35,64,239	5,80,51,603
Intaingible Assets:-										
a) Patent,Trade mark & Design	-	22,37,170	-	22,37,170	-	82,132	-	82,132	21,55,038	-
b) Computer Software Development Charges	-	95,00,096	-	95,00,096	-	7,13,158	-	7,13,158	87,86,938	-
TOTAL (A)	323,88,90,157	128,70,05,581	74,43,597	451,84,52,141	108,36,61,809	27,57,88,508	36,73,995	135,57,76,322	316,26,75,819	215,52,28,348
Add: Capital Work-in Progress										
Building	12,97,67,028	-	2,62,54,837	1,03,51,291	-	-	-	-	1,03,51,291	12,97,67,028
Plant & Machinery	21,11,46,091	4,35,02,927	-	25,46,49,018	-	-	-	-	25,46,49,018	21,11,46,091
TOTAL (B)	34,09,13,119	4,35,02,927	2,62,54,837	35,81,61,209	-	-	-	-	35,81,61,209	34,09,13,119
TOTAL(A+B)	357,98,03,276	133,05,08,508	3,36,98,434	487,66,13,350	108,36,61,809	27,57,88,508	36,73,995	135,57,76,322	352,08,37,028	249,61,41,467
Previous Year	321,32,11,756	40,80,97,617	4,15,06,097	357,98,03,276	86,37,92,606	23,54,95,983	1,56,26,780	108,36,61,809	249,61,41,467	234,94,19,150

INDIA GATE
BASMATI RICE

PARTICULARS	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SCHEDULE - 6: INVESTMENTS		
LONG TERM		
Not Quoted		
Wholly owned Subsidiary company	2,17,27,433	2,17,27,433
1,800 (P.Y. 1800) Ordinary Shares of AED 1000/- each		
CURRENT		
Quoted	-	-
Not Quoted		
SBI One India Fund	10,00,000	5,47,000
(1,00,000 units of Rs.10/- each)		
SBI Infrastructure Fund-I	25,00,000	14,12,500
(2,50,000 units of Rs.10/- each)		
TOTAL	2,52,27,433	2,36,86,933
During the year the unqouted current investment 27,86,58,136.66 units (P.Y.Nil units) in Mutual Fund was purchased for Rs.308 Crores (P.Y.Rs. Nil) & the same was sold/redeemed at Rs..308.59 Crores (P.Y.Rs. Nil)		
SCHEDULE - 7: INVENTORIES		
(As quantified, valued and certified by the Management)		
Raw Materials	388,36,88,756	288,25,34,590
Finished Goods	370,43,51,960	482,04,47,850
Stores, Spares & Packing Material	22,47,02,575	17,59,79,872
TOTAL	781,27,43,291	787,89,62,312
SCHEDULE - 8: SUNDRY DEBTORS		
UNSECURED & CONSIDERED GOOD		
Exceeding Six Months	81,44,353	86,39,937
Others	134,26,43,955	57,49,19,722
TOTAL	135,07,88,308	58,35,59,659
Debt due from Directors / firms in which the directors are interested Rs.Nil (P.Y. Rs. 4.92 Crores) (Maximum amount outstanding at any time during the year Rs.Nil (P.Y.Rs. 4.92 Crores)		
SCHEDULE - 9: CASH & BANK BALANCES		
Cash in hand	1,45,64,892	61,85,532
(As certified by the Management)		
Balance with Scheduled Banks in Current Accounts	4,65,96,394	10,48,86,545
Balance with Scheduled Banks in Term Deposits	2,30,65,694	22,18,92,672
TOTAL	8,42,26,980	33,29,64,749
SCHEDULE - 10: LOANS & ADVANCES		
UNSECURED & CONSIDERED GOOD		
Advance recoverable in cash or in kind or for value to be received	25,33,22,739	30,45,88,801
Security Deposits	12,01,64,256	2,37,20,370
TOTAL	37,34,86,995	32,83,09,171
Debt/Security Deposits by the company in which the directors are interested Rs.9.71 Crore (P.Y. Rs. Nil) (Maximum amount outstanding at any time during the year Rs.9.71 Crore (P.Y. Rs. Nil)		

PARTICULARS	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SCHEDULE - 11: CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	98,72,22,488	58,51,78,970
Overdraft in Current a/c with banks	40,89,481	1,01,89,565
Advances from subsidiary company	14,67,593	9,31,61,816
Security Deposits	64,72,269	50,14,324
Advances from customers	87,71,31,374	64,83,45,108
Other Liabilities	9,79,74,850	10,76,43,463
PROVISION FOR		
Proposed Dividend	3,64,66,791	4,86,22,388
Tax on Dividend	61,97,531	82,63,375
Provident Fund	12,02,463	10,53,449
Insurance, Leave Encashment, Bonus & Gratuity	2,18,74,193	1,65,58,428
Income Tax (Net)	-	1,65,45,337
Wealth Tax	2,20,000	2,50,000
TOTAL	[illegible]	

PARTICULARS	For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount(Rs.)
SCHEDULE - 12: SALE		
EXPORT		
Rice	910,23,51,357	670,28,72,811
TOTAL (A)	910,23,51,357	670,28,72,811
Domestic		
Rice	603,44,36,137	510,53,04,140
Rice Bran	13,60,89,505	13,71,07,508
Seed	11,48,43,662	11,89,11,953
Paddy	37,09,461	39,16,494
Scrap & Others	12,21,42,512	14,43,30,253
Bran Oil	6,10,38,052	16,80,38,318
Electricity Generation	21,55,20,979	7,40,84,468
TOTAL (B)	668,77,80,308	575,16,93,134
TOTAL (A+B)	1579,01,31,665	1245,45,65,945
SCHEDULE - 13: OTHER INCOME		
Profit on Investment	59,46,630	-
Warehouse Rent	78,78,384	-
Miscellaneous Income	2,55,58,658	2,05,77,040
TOTAL	3,93,83,672	2,05,77,040

PARTICULARS		For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount(Rs.)
SCHEDULE - 14: MATERIAL COST			
Opening Stock of Raw Material		288,25,34,590	471,71,86,466
Purchases of Raw Material		1191,80,90,279	803,72,15,211
		1480,06,24,869	1275,44,01,677
Less: Closing Stock of Raw Material		388,36,88,756	288,25,34,590
Raw Material Consumed	A	1091,69,36,113	987,18,67,087
(Increase)/Decrease in Finised Goods (Produced)	B	111,60,95,890	(133,50,73,968)
Purchases of Seeds	C	8,40,37,652	8,63,55,565
Bardana/Packing Material Consumed	D	41,39,58,305	34,21,74,731
Purchases-others	E	4,29,87,121	3,22,60,590
TOTAL (A+B+C+D+E)		1257,40,15,081	899,75,84,005
SCHEDULE - 15: MANUFACTURING EXPENSES			
Wages & Salaries		8,84,17,079	8,10,28,329
Contribution to Provident & Other Funds		60,91,471	59,30,247
Power & Fuel		6,57,83,302	6,09,58,059
Consumption of Stores & Spare Parts		3,18,31,840	73,09,987
Machinery Repairs & Maintenance		7,54,33,168	5,16,49,156
Freight Charges		4,49,21,034	4,43,18,680
Warehouse & Godown Rent		1,41,28,259	1,14,78,522
Fumigation & Phytosanitory Expenses		84,15,155	67,49,638
Loading & Unloading charges		2,88,77,942	3,68,05,725
Rice Sorting & Paddy Milling Charges		3,17,375	10,39,026
Other Manufacturing Expenses		12,32,523	12,17,689
TOTAL		36,54,49,148	30,84,85,058
SCHEDULE - 16: ADMINISTRATIVE EXPENSES			
Salaries/Establishment		14,57,94,544	11,31,36,591
Contribution to Provident & Other Funds		61,46,913	41,99,629
Gratuity		53,68,170	19,63,344
Travelling & Conveyance		1,82,50,002	1,52,52,217
Postage, Telegram & Telephone		66,44,829	65,17,182
Insurance Charges		1,50,94,018	2,18,26,903
Vehicle Running & Maintenance		71,06,234	51,44,395
Loss on Sale of Assets		13,82,444	15,60,590
Loss on Revaluation of Short Term Investment		(15,40,500)	15,30,500
Payment to Auditors			
- For Audit		6,06,650	5,51,500
- For Tax Audit		2,50,000	1,10,300
- For Taxation & Certification work		1,10,300	1,50,000
Printing & Stationery		44,04,867	28,89,965
Legal & Professional Charges		1,47,66,848	1,20,59,259
Fee & Subscription		25,26,336	23,36,010
Rent		94,21,485	59,40,541
Charity & Donation		1,48,220	2,86,562
Repairs & Maintenance (Building)		1,29,10,457	41,60,438
Repairs & Maintenance (Others)		37,64,408	62,91,041
DEPB Written off		47,75,673	-
Other Expenses		74,401	1,30,525
TOTAL		25,80,06,299	20,60,37,492

PARTICULARS	For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount(Rs.)
SCHEDULE - 17: SELLING & DISTRIBUTION EXPENSES		
Advertisement Expenses	7,06,56,381	5,58,34,631
Business Promotion Expenses	8,59,71,687	12,38,05,544
Clearing, Forwarding & Storage Charges	5,81,17,906	3,87,46,133
Freight on Sale	26,37,78,942	32,23,74,793
Brokerage/Commission/Discount	7,06,17,286	6,19,63,887
Export Cess	-	49,33,96,767
Taxes on Sale	6,41,97,107	4,14,59,352
TOTAL	61,33,39,309	113,75,81,107
SCHEDULE - 18: INTEREST & FINANCIAL CHARGES		
Interest paid		
- On Term Loans	6,28,18,234	7,46,94,093
- On Others	34,35,36,593	80,40,92,999
TOTAL (A)	40,63,54,827	87,87,87,092
Less:Interest Received		
From Banks {TDS Rs.14,56,249/- (P.Y.Rs. 81,62,179/-)}	28,23,464	3,90,16,026
From Others on Trading Debt, & Staff Loan {TDS Rs.1,60,160/- (P.Y.Rs.6,61,215/-)}	29,13,151	62,00,416
TOTAL (B)	57,36,615	4,52,16,442
Interest Paid (Net) **TOTAL (A-B)**	40,06,18,212	83,35,70,650
Bank Charges	1,68,20,658	2,44,26,723
ECGC Premium	-	18,71,319
TOTAL	41,74,38,870	85,98,68,692

Schedule -19: Notes to the Accounts attached to and forming part of the Financial Statements For the year ended 31st March, 2010

1. The Consolidated Financial Statements of the Company and its subsidiary are enclosed separately in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements".
2. Previous year figures have been regrouped/ recast wherever found necessary
3. Additional information pursuant to Part - II of Schedule VI to the Companies Act, 1956

(a) Production

Class of Goods	Licenced Capacity	Installed Capacity	Actual Production
Rice	N.A	195.00 MT per hour (P.Y. 195.00 MT per hour) (Paddy Milling)	Milling of 3,24,734.63 MT (P.Y. 4,15,349.10 MT) of paddy resulting into production of 1,97,534.81 MT (P.Y. 2,58,824.05 MT) of Rice
Furfural	N.A	10 MT (P.Y. 10 MT) per day	Nil (P.Y. Nil)
Bran Oil	42 MT per day	42 MT (P.Y 42 MT) per day	2671 MT (P.Y. 2943 MT)
Power	N.A.	41.20 MW (P.Y.26.5 MW)	5,65,90,310 Unit (P.Y.4,68,42,085 Unit)

Production of 56590310 units (P.Y.46842085 units) of power out of which 25529171units (P.Y. 26690741 units) were used as captive consumption. Steam produced for captive consumption 264460 MT (P.Y.185182 MT)

(b) Opening Stock, Purchases, Sales and Closing Stock of each class of goods dealt in by the Company:-

Class of Goods		CURRENT YEAR		PREVIOUS YEAR	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
OPENING STOCK					
Paddy	(MT)	1,46,784	288,25,34,590	2,66,221	4,71,71,86,466
Rice - Finished Goods	(MT)	1,58,037	476,57,96,242	1,44,305	341,77,88,890
Seeds	(MT)	1,729	4,24,86,246	1,237	2,52,26,650
Bardana HDPE Bags	(Nos.)	1,03,43,043	14,53,72,518	84,24,951	12,60,82,290
LDPE Films	(Kgs.)	49,308	98,22,205	57,899	1,05,79,671
Jute Cloth	(Yards)	2,59,286	43,13,907	5,93,030	90,53,225
Bran Oil	(MT)	204	77,53,608	1,122	4,22,45,192
Handi	(Nos.)	-	-	1,550	1,13,150
PURCHASE					
Paddy	(MT)	3,72,054	727,99,56,747	2,91,608	604,61,29,011
Rice	(MT)	1,10,373	463,81,33,532	42,289	199,10,86,200
Seeds	(MT)	5,106	8,40,37,652	4,621	8,63,55,562
Bardana & HDPE Bags	(Nos.)	96,29,149	17,65,54,075	1,02,39,763	7,54,03,909
LDPE Film	(Kgs.)	3,20,215	5,81,35,592	231,526	4,03,48,452
Jute Cloth	(Yards)	71,59,000	15,15,41,608	63,41,000	9,57,30,201

Class of Goods		CURRENT YEAR		PREVIOUS YEAR	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
SALES					
Paddy	(MT)	111	37,09,461	255	39,16,094
Rice	(MT)	3,35,076	1513,67,87,494	2,84,353	1180,81,76,951
Seeds	(MT)	4,662	11,48,43,662	4,129	11,89,11,953
Rice Bran	(MT)	7,719	13,60,89,505	18,002	13,71,07,508
Bran Oil	(MT)	1,647	6,10,38,052	3,861	16,80,38,318
Power	(Units)	3,10,61,139	21,55,20,979*	2,01,51,344	7,40,84,468
CLOSING STOCK					
Paddy	(MT)	1,95,495	388,36,88,756	1,46,784	288,25,34,590
Rice - Finished Goods	(MT)	1,29,871	359,69,67,711	1,58,037	476,57,96,242
Seeds	(MT)	2,167	5,21,24,109	1,729	4,24,86,246
Bardana & HDPE Bags	(Nos.)	1,40,89,583	12,88,84,252	1,03,43,043	14,53,72,518
LDPE Film	(Kgs.)	35,305	60,18,001	49,308	98,22,205
Jute Cloth	(Yards)	4,07,170	1,20,79,628	2,59,286	43,13,907
Bran Oil	(MT)	1,228	4,29,94,525	204	77,53,608
CONSUMPTION					
Paddy	(MT)	3,23,232	627,88,02,581	4,10,790	788,07,80,887
Rice	(MT)	1,10,373	463,81,33,532	42,289	199,10,86,200
Bardana & HDPE Bags	(Nos.)	58,82,609	19,30,42,341	83,21,671	5,61,13,681
LDPE Film	(Kgs.)	3,34,218	6,19,39,796	2,40,117	4,11,05,918
Jute Cloth	(Yards)	70,11,116	14,37,75,887	66,74,744	10,04,69,519

*Power sale includes minimum guarantee claim & carbon credit.

VALUE OF RAW MATERIALS, INCLUDING PACKAGING MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR

	PERCENTAGE		VALUE (Rs. In crore)	
	2010	2009	2010	2009
RAW MATERIAL				
Imported	Nil	Nil	Nil	Nil
Indigenous	100%	100%	1131.57	1006.96
SPARE PARTS & COMPONENTS				
Imported	59.80%	42.47%	1.90	0.31
Indigenous	40.20%	57.53%	1.28	0.42

The shortages in quantity of rice and seeds have not been separately shown but are included in the sales figure. Paddy shortages have been included in consumption figures since the quantities involved were insignificant as compared to the volume handled.

- Purchases and consumption of Bardana includes bags received/supplied free of cost along with purchase/sale of Paddy and Rice.

(c) The Company has milled 1502.63 MT (P.Y. 4559.10 MT) of Paddy on job work basis received from various agencies namely, Pun Sup and Pun Grain, resulting in production of 996.69 MT (P.Y. 3028.05 MT) of Rice and 431.78 MT (P.Y. 3001.05 MT) of Rice has been dispatched to these Agencies during the year.

(d) CIF Value of Imports made during the year in respect of:

(i) Components and Spare Parts Rs. 1,90,36,399/- (P.Y. Rs. 30,84,099/-), (ii) Capital Goods Purchased Rs. 8,89,70,155/- (P.Y. Rs. 4,59,07,556/-).

(e) Earnings in foreign exchange on mercantile basis - Rs. 892,64,88,897/- (P.Y. Rs. 679,04,93,908/-).

(f) Expenditure in foreign currency on mercantile basis (i) Foreign Travel & Others: Rs.13,81,655/- (P.Y. Rs.5,58,430/-) [By Directors:Rs.6,85,054/- (P.Y. Rs.1,42,290/-)], (ii) Ocean Freight:Rs.534,06,740/- (P.Y. Rs.411,24,495/-), (iii) Advertisement & Exhibition: Rs.Nil (P.Y. Rs.199,34,258/-), (iv) Legal, Professional & Other charges: Rs.16,30,054/- (P.Y.Rs.15,37,272/-), (v) Salary: Rs. 20,04,223/- (P.Y. Rs. 21,55,484/-), (vi) Selling & Distribution Expenses Rs. 47,47,553/- (P.Y. Rs. Nil).

(g) Remittance in Foreign Currency on account of dividends:

Financial Year	On account of	No. of shares held	No. of Non-Resident Shareholder	Rs. in lacs.
2009-10 (Final)	2008-09	43,10,000	5	86.20
(P.Y. 2008-09)	(P.Y. 2007-08)	(P.Y. 46,10,000)	(P.Y. 5)	(P.Y. 92.20)
2009-10 (Interim)	2009-10	3,90,00,000	5	58.50
(P.Y. 2008-09)	(P.Y.2008-09)	(P.Y. 46,10,000)	(P.Y. 5)	(P.Y. Nil)

(h) Managerial remuneration to Executive Directors Rs.1,41,00,000/- (P.Y. Rs. 63,86,400/-). Value of Perquisites Rs. 1,05,600/- (P.Y. Rs. 1,79,75,962).

(i) F.O.B. Value of exports - Rs.881,16,32,102 /- (P.Y. Rs. 661,15,73,108/-).

4. (a) The Company has requested all its Sundry Creditors to furnish Small Scale Industries Registration Certificate (SSIRC) but since the creditors, having outstanding balance at the year end, have not furnished the SSIRC, it is deemed that none of them is a Small Scale Industrial Undertaking and no such amount is payable as on the balance sheet date.

(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 31st March, 2010. 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.

5. Unclaimed dividend amounting to Rs.23,95,663/- (P.Y. Rs. 20,73,939/-) pending on account of non presentation of cheques has been deposited in separate accounts with a Scheduled Banks.

6. Insurance charges include payment of Rs. 102,81,712/- (P.Y. Rs. 122,17,858/-) on account of Keymen Insurance of directors of the Company.

7. A sum of Rs. 72.10 Lacs (P.Y. Rs. 11.25 Lacs) has been received from Directorate of Marketing and Inspection (Department of Agricluture and Cooperation) through NABARD towards construction of rural godown and a sum of Rs. Nil (P.Y. Rs. 72.10 Lacs) receivable towards construction of rural godown. The entire grant so received / receivable has been deducted from the respective cost of the Capital Expenditure.

8. The Company purchased assets (Land, Building & Machineries) of an integrated rice mill at Dhuri, District Sangrur, Punjab in an auction for net consideration of Rs. 15.80 crores through Hon'ble High Court of Punjab & Haryana at Chandigarh. Conveyance deed of the said property was registered on 02.05.2005. However, an appeal no. 21 of 2003 was filed by the bidders before the Hon'ble High Court of Punjab & Haryana challenging the sale process. While the appeal was pending, in a new judgment, the Hon'ble High Court of Punjab & Haryana remanded the judgment, against which appeal no. 21 of 2003 was pending, for review of the decision by another independent Judge. Thus appeal no 21 of 2003 got infructuous and in remand the case was again heard and sale was reconfirmed in favour of KRBL Limited by the independent Judge. Against the reconfirmation of sale the party which had filed earlier appeal, have filed an appeal contesting this judgment. The new appeal number is 4 of 2009, which is lying pending before The Hon'ble High Court of Punjab & Haryana.

9. None of the fixed assets has been revalued during the year.

10. Borrowing Costs

The borrowing costs amounting to Rs. 17,33,855/- (P.Y. Rs. Nil) attributable to the acquisition or construction of qualifying assets are capitalized as a part of those assets.

11. Prior Period Items

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

12. Research & Development Expenses for the year amount to Rs. 162.13 Lacs (P.Y. Rs. 130. 48 Lacs) including capital expenditure of Rs.0.17 Lacs (P.Y. Rs. 0.29 Lacs).

13. Intangible Assets

In accordance with Accounting Standard - 26 on 'Intangible Assets', Rs. 117.37 lacs have been capitalized on account of Computer software development charges & Trade Mark Purchase and for miscellaneous expenditure incurred by the company is being charged off to the Profit & Loss Account, unless it qualifies to be an 'Intangible Asset, in which case it shall be forwarded as permitted by the Standard.

14. Earnings per Share (EPS)

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

		2009-10	2008-09
(i)	Profit after tax (Rs. in Lacs)	107,11.44	46,33.52
(ii)	Weighted average number of equity shares for basic & diluted EPS	24,31,11,940	2,43,11,194
(iii)	Nominal value per equity share	1	10
(iv)	Earnings per share (Basic & Diluted)	4.41	19.06

15. The deferred Tax Liability comprises of the following:

		As at 31st March 2010	As at 31st March 2009
(a)	Deferred Tax Liability related to Fixed Assets	8,74,60,288	8,63,23,702
(b)	Disallowance under the Income Tax Act,1961	43,03,630	28,04,118
	Deferred Tax liability	8,31,56,658	8,35,19,584

16. Derivative Instruments

(a) Outstanding forward contracts as at 31st March, 2010 entered by the Company for the purpose of hedging its foreign currency exposures are as under:

(Rs. in Crores)

Currency	Cross Currency	Buy	Sell
US Dollar	Indian Rupee	Rs. Nil (P.Y. Rs. Nil)	Rs. Nil (P.Y. Rs. 145.34)

(b) Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument or otherwise as at 31st March, 2010 are as under:

(Rs. in Crores)

Currency	Cross Currency	Buy	Sell	Net*
US Dollar	Indian Rupee	Rs. Nil (P.Y. Rs.3.58)	Rs. Nil (P.Y. Rs. 468.93)	Rs. Nil (P.Y. Rs.465.35)

* Positive figure indicates open exports and vice versa.

Consequent to the announcement issued by the Institute of Chartered Accountants of India in March, 2008, on accounting for derivatives, the Company has Marked to Market Forward Contracts Outstanding as at 31st March, 2010, and accordingly unrealized gain/(Loss) of Rs. Nil {P.Y. Rs.(1.36) Crore} has arisen, which has been accounted for accordingly in the books of account.

17. The Company has entered into lease agreements for the period of five years, which are in the nature of operating leases as defined in the Accounting Standard - AS 19 in respect of leases.

(Rs. In lacs)

		2009-10	2008-09
(a)	Contigent rent by way of future minimum lease payments under non cancellable operating leases in respect of lease agreements entered into on or after 01/04/2009:		
	- Not later than one year	Nil	Nil
	- Later than one year but not later than five years	236.25	110.00
	- Later than five years	85.00	Nil
(b)	Lease payments recognised in the statement of Profit and Loss Account, in respect of operating lease agreements entered into on or after 01/04/2009	87.25	27.50

(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.

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

18. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

(a) the Company has a present obligation as a result of a past event;

(b) a probable outflow of resources is expected to settle the obligation; and

(c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received ultimately.

Contingent liability is disclosed in case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(b) a present obligation when no reliable estimate is possible; and

(c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Detail of movements in provisions in accordance with Accounting Standard 29.

(Rs. in lacs)

Provisions	As at 01/04/2009	Additions made during the year	Reversed / adjusted / paid	As at 31/03/2010
Taxation Provision				
Income Tax	165.46	25,38.37	2,703.83	-
	(P.Y. 54.57)	(P.Y. 2,634.00)	(P.Y. 2,523.11)	(P.Y.165.46)
Fringe Benefit Tax	-	6.63	6.63	-
	(P.Y. 5.99)	(P.Y. 32.05)	(P.Y. 38.04)	(P.Y. 0.00)
Wealth Tax	2.50	2.20	2.50	2.20
	(P.Y. 2.50)	(P.Y. 2.50)	(P.Y. 2.50)	(P.Y. 2.50)

Contingent liabilities

(a) Contingent liabilities in respect of Bank guarantees Rs.176.92 Lacs (P.Y. Rs. 173.43 Lacs).

(b) Contingent liabilities in respect of Bills discounted with Banks is Rs.1,460.09 Lacs (P.Y. Rs. 3,539.46 Lacs). Outstanding amount as on date is Rs. NIL (P.Y. Rs. 2,656 lacs).

(c) Disputed Income Tax demand in appeal Rs.3.11 Lacs (P.Y Rs. 850.06 Lacs) and disputed Sales Tax demand in appeal Rs. 419.03 Lacs (P.Y. Rs. 169.45 Lacs), which includes amount paid Rs.Nil Lacs (P.Y. Rs. 675.00 Lacs) for Income Tax and Rs. 174.28 Lacs (P.Y. Rs. 131.79 Lacs) for Sales Tax. Based on pronounced legal ratio and the interpretation of other relevant provisions, the company has been legally advised that the demands are likely to be either deleted or substantially reduced and thus no provision thereof has been made in current year.

	2009-10	2008-09
Contingent Assets	Nil	Nil

19. As per the Accounting standard (AS-11) on "effect of change in foreign exchange rates", the Company has no foreign currency loan on fixed assets at the year end. Therefore, there is no effect in profit & loss account at the year end.

20. Defined Benefit Plan - As per Actuarial Valuations as on 31st March, 2010 and recognised in the financial statements in respect of Employee Benefit Schemes:

		For the year ended 31st March, 2010 (Rs. in Lacs) Gratuity Fund	For the year ended 31st March, 2009 (Rs. in Lacs) Gratuity Fund
I.	Components of Employer Expense		
	1 Current Service Cost	7.66	7.81
	2 Interest Cost	5.85	5.59
	3 Expected Return on Plan Assets	(4.33)	(3.16)
	4 Actuarial Losses / (Gains)	43.23	9.39
	5 Total expense recognised in the Statement of Profit & Loss Account	52.41	19.63
II.	Actual Returns	-	-
III.	Net Asset / (Liability) recognised in Balance Sheet		
	1 Present Value of Defined Benefit Obligation	(124.33)	(75.51)
	2 Fair Value on Plan Assets	71.39	55.90
	3 Status [Surplus / (Deficit)]	52.94	19.61
	4 Net Asset / (Liability) recognised in Balance Sheet	(52.94)	(19.61)
IV	Change in Defined Benefit Obligations (DBO)		
	1 Present Value of DBO at the beginning of period	75.51	69.91
	2 Current Service Cost	7.66	7.81
	3 Interest Cost	5.85	5.59
	4 Actuarial (Gains) / Losses	47.69	5.74
	5 Benefits Paid	(12.39)	(13.55)
	6 Present value of DBO at the end of period	124.33	75.51
V.	Change in Fair Value of Assets		
	1 Plan Assets at the beginning of period	55.90	39.57
	2 Expected Return on Plan Assets	4.33	3.16
	3 Actuarial Gains / (Losses)	4.46	(3.65)
	4 Actual Company Contribution	19.09	30.37
	5 Benefits paid	(12.39)	(13.55)
	6 Plan Assets at the end of period	71.39	55.90
VI.	Actuarial Assumptions		
	1 Discount Rate (%)	8.00	7.75
	2 Expected Return on Plan Assets (%)	8.00	7.75

The estimates of future salary increase, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

SCHEDULE - 20: RELATED PARTY DISCLOSURES IN ACCORDANCE WITH AS-18 "RELATED PARTY DISCLOSURES"

(A) RELATED PARTIES AND THEIR RELATIONSHIP

1. Subsidiary Company	:	**KRBL DMCC**
2. Key Management Personnel		
Mr. Anil Kumar Mittal	:	Chairman & Managing Director
Mr. Arun Kumar Gupta	:	Joint Managing Director
Mr. Anoop Kumar Gupta	:	Joint Managing Director
Mr. Ashok Chand	:	Whole Time Director
Dr. Narpinder Kumar Gupta	:	Non Executive & Independent Director
Ms. Priyanka Mittal	:	Whole Time Director & Daughter of CMD
Mr. Vinod Ahuja	:	Non Executive & Independent Director
Mr. Ashwani Dua	:	Non Executive & Independent Director
Mr. Shyam Arora	:	Non Executive & Independent Director
Mr. Gautam Khaitan	:	Non Executive & Independent Director
3. Employee benefit plans where there in significant influence		
- KRBL LIMITED Employees Group Gratuity Trust.		
4. Relatives of Key Management Personnel		
Mrs. Preeti Mittal	:	Wife of Mr. Anil Kumar Mittal
Mrs. Anulika Gupta	:	Wife of Mr. Arun Kumar Gupta
Mrs. Binita Gupta	:	Wife of Mr. Anoop Kumar Gupta
Mr. Ashish Mittal	:	Son of Mr. Anil Kumar Mittal
Mrs. Neha Gupta	:	Daughter of Mr. Arun Kumar Gupta
Ms. Rashi Gupta	:	Daughter of Mr. Anoop Kumar Gupta
Mr. Kunal Gupta	:	Son of Mr. Arun Kumar Gupta
Mr. Akshay Gupta	:	Son of Mr. Anoop Kumar Gupta
Mr. Ayush Gupta	:	Son of Mr. Anoop Kumar Gupta
Anil Kumar Mittal HUF	:	Mr. Anil Kumar Mittal is Karta of HUF
Arun Kumar Gupta HUF	:	Mr. Arun Kumar Gupta is Karta of HUF
Anoop Kumar Gupta HUF	:	Mr. Anoop Kumar Gupta is Karta of HUF
Bhagirathi Lal Gupta HUF	:	Mr. Anil Kumar Mittal is Karta of HUF
5. Enterprises over which significant influence exercised by Key Management Personnel		
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 (P) 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 (P) 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 (P) Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are directors
K.B. Exports (P) Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are directors
Holistic Farms Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj IT City & Parks Pvt. Ltd.	:	Private Limited Company in which Mr. Anil K. Mittal, Arun K. Gupta & Mr. Anoop K. Gupta are Directors
Radha Raj Logistics Pvt. Ltd.	:	Private Limited Company in which Mr. Anoop K. Gupta & Mr. Ashwani Dua are Directors

(B) TRANSACTIONS WITH THE RELATED PARTIES (Rs. in Lacs)

PARTICULARS	Enterprises over which significant influence exercised by Key Management Personnel		Key Management Personnel (including relatives)		Subsidiary Company		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Purchase of goods	Nil	711.81	Nil	Nil	Nil	Nil	Nil	711.81
Sale of goods	1584.81	1572.87	Nil	Nil	Nil	Nil	1584.81	1572.87
Rent paid by the Company	8.50	Nil	114.75	69.00	Nil	Nil	123.25	69.00
Dividend paid	96.32	55.04	386.51	204.66	Nil	Nil	482.83	259.70
Director Remuneration	Nil	Nil	142.06	243.62	Nil	Nil	142.06	243.62
Advances given	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Services obtained	Nil	Nil	2.09	9.64	Nil	Nil	2.09	9.64
Equity Participation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses incurred	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Security Deposit (Against Lease Property)	971.00	Nil	Nil	Nil	Nil	Nil	971.00	Nil

(C) BALANCE OUTSTANDING ON 31st MARCH, 2010 (Rs. in Lacs)

PARTICULARS	Enterprises over which significant influence exercised by Key Management Personnel		Key Management Personnel (including relatives)		Subsidiary Company		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Purchases /(Sales) of goods	(575.58)	491.95	Nil	Nil	Nil	Nil	(575.58)	491.95
Advances given	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Services obtained	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent paid	Nil	Nil	Nil	24.08	Nil	Nil	Nil	24.08
Equity Participation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Advances taken	Nil	Nil	Nil	Nil	14.68	931.62	14.68	931.62
Security Deposit (Against Lease Property)	971.00	Nil	Nil	Nil	Nil	Nil	971.00	Nil

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

(ii) Loans & Advances (without repayment schedule) given to subsidiary i.e. KRBL DMCC, Dubai, UAE, which is outstanding as on 31/03/2010 Rs.Nil (P.Y. Rs. Nil). Maximum outstanding balance during the year Rs. Nil (P.Y. Rs. Nil) as interest free loan.

SCHEDULE-21: SEGMENT REPORTING

Information about the business segment as under (Rs. in Lacs)

	2009-10			2008-09		
PARTICULARS	Agri	Energy	Total	Agri	Energy	Total
(A) PRIMARY SEGMENT						
1. SEGMENT REVENUE						
Sales	1,55,746	4,733	1,60,479	1,23,805	3,231	1,27,036
Less:-Inter Segment Transfer	-	2,578	2,578	-	2,490	2,490
Net Revenue from Operation	1,55,746	2,155	1,57,901	1,23,805	741	1,24,546
2. SEGMENT RESULT	16,433	1,137	17,570	15,929	35	15,964
Less: Other unallocable expenditure net of unallocable income			141			64
Interest			4,174			8,599
Profit before Tax			13,255			7,301
Provision for current year Tax			2,545			2,634
Deferred Tax			(4)			(15)
Fringe Benefit Tax			-			32
Wealth Tax			2			3
Prov. for tax earlier period			-			14
Profit after Tax			10,712			4,634
3. SEGMENT CAPITAL EMPLOYED	33,697	16,292	49,989	33,639	7,062	40,701

(B) GEOGRAPHICAL SEGMENT (SECONDARY)

(Based on location of customers) (Rs. in lacs)

PARTICULARS	200-10				2008-09			
	Middle East	Other than Middle East	India	Total	Middle East	Other than Middle East	India	Total
Sales	84,250	6,774	66,877	1,57,901	61,634	5,395	57,517	1,24,546
Assets	9,529	969	1,00,772	1,11,270	2,266	344	98,418	1,01,028

(i) The business segment comprise of the following:

(a) Agri - Agri commodities such as rice, pulses, seed, wheat, bran, bran oil, etc.

(b) Energy - Power generation from wind turbine and husk based power plant

(ii) The Geographical segments considered for disclosure are:

- Sales with India
- Sales outside India

(a) Middle East

(b) Other than Middle East

SCHEDULE - 22: SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

A. ACCOUNTING CONVENTION

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

(b) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

B. USE OF ESTIMATES

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of Financial Statements and reported amount of revenue and expenditure during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialise.

C. FIXED ASSETS

(a) VALUATION OF FIXED ASSETS

(i) Fixed Assets are stated at cost of acquisition / installation inclusive of freight, duties, taxes and all incidental expenses are stated 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 is 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 significant additional benefits.

(ii) Intangible assets are stated at their cost of acquisition,

(iii) Land is stated at original cost of acquisition.

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

(b) METHODS OF DEPRECIATION AND AMORTISATION

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

(ii) Computer software Development charges and Patent, Trademark & Design are recognised as intangible assets and amortized on straight line method over a period of 10 years.

(iii) Leasehold land is amortized on straight line method over lease period.

D. INVESTMENTS

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

E. INVENTORIES

(a) Items of inventories are measured at lower of cost or net realizable value. Raw material on floor shop and work-in-process is taken as part of raw material and valued accordingly.

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

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

(d) Inventory of Finished Excisable product is valued inclusive of Excise Duty.

F. REVENUE RECOGNITION

(a) Export sales are accounted for on the basis of date of bill of lading. Domestic sales of goods are recognised on the dispatch of goods to the customers. Sales are net of discounts, Sales Tax, Excise Duty and Returns but include exchange fluctuations on exports realised during the year and also the effect of trade receivable in foreign exchange as at the year end and restated at exchange rate existing as on that date. Dividend income is recognised when the right to receive dividend is established. Revenue and Expenditure are accounted for on a going concern basis. Interest Income / Expenditure is recognised using the time proportion method based on the rates implicit in the transaction.

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

(c) Turnover includes gain / loss on corresponding forward contracts.

G. PROPOSED DIVIDEND

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

H. RESEARCH & DEVELOPMENT

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

I. EMPLOYEE BENEFITS

Contributions to the provident fund, which is a defined contribution retirement plan, are charged to the profit and loss account in the period in which the contributions are incurred. Present liability for future payment of gratuity and unavailed leave benefits are determined on the basis of actuarial valuation carried out by M/s. K.A. Pandit, Consultant & Actuarial at the balance sheet date and is charged to the profit and loss account. Gratuity fund is managed by the Kotak Life Insurance.

J. FOREIGN EXCHANGE TRANSACTIONS AND FORWARD CONTRACTS

(a) 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.

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

(c) 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. Non monetary foreign currency items are carried at cost.

(d) To recornise the net mark to market loss in the profit and loss accounts on the outstanding portfolio of options as at the balance sheet date, and to ignore the net gain, if any, 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.

K. 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 realised. Grant received from government towards fixed assets acquired by the Company is deducted from gross value of the asset acquired and depreciation is charged accordingly.

L. 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.

M. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the period. 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 substantively enacted by the balance sheet date, to the extent these are capable of reversal in one or more subsequent periods.

N. LEASES

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

O. CONTINGENT LIABILITIES

Contingent liabilities are disclosed by way of notes to the accounts of financial statements. Provision is made in accounts for those liabilities which are likely to materialise after the year end and having effect on the position stated in the Balance Sheet as at the year end.

P. 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 accounted for on the basis of transactions which are primary market led. Revenue and expenses which relate to enterprises as a whole and not attributable to segments are included under "other unallocable expenditure net of unallocable income".

Q. 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 Ac t on one hand, and to 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 Divisions, with each Divisions incorporating into its costing system, the basic tenets and principles of Standard Costing, Budgetary Control and Marginal Costing as appropriate.

R. 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.

Additional Information

as required under Part-IV of Schedule - VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	**Registration Details**	
	Registration No.	52845
	State Code	55
	Balance Sheet Date	31.03.2010
II.	**Capital Raised during the Year**	**(Amount in Rs. Thousand)**
	Public / GDR Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
III.	**Position of Mobilisation and Deployment of Funds**	**(Amount in Rs. Thousand)**
	Total Liabilities	1,11,26,991
	Total Assets	1,11,26,991
	Sources of Funds:	
	Paid-up Capital	2,43,541
	Reserves & Surplus	47,55,386
	Secured Loans	52,94,908
	Unsecured Loans	7,50,000
	Deferred Tax Liability	83,156
	Application of Funds:	
	Net Fixed Assets	35,20,837
	Investment	25,227
	Net Current Assets	75,80,927
	Misc. Expenditure	-
IV.	**Performance of Company**	**(Amount in Rs. Thousand)**
	Turnover	1,58,29,515
	Total Expenditure	1,45,04,037
	Profit / (Loss) Before Tax	13,25,478
	Profit / (Loss) After Tax	10,71,143
	Basic Earning Per Share (Rs.)	4.41
	Diluted Earnings per Share (Rs.)	4.41
	Dividend Rate	30%
V.	**Generic Names of Principal Products of Company**	
	(As per monetary terms)	
	Item Code No. (ITC Code)	100600
	Product Description	Rice

As per our Separate report of even date attached

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

New Delhi
22nd May, 2010

For and on behalf of the Board

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

Statement pursuant to Section 212
of the Companies Act, 1956, relating to Subsidiary Companies

Name of the subsidiary company	**KRBL DMCC**
Financial year of the subsidiary company ended on	31.03.2010
Number of Shares in the subsidiary company held by KRBL Ltd. at the above date	1800
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, 2010	NIL
(b) for previous financial years of the subsidiary since it became subsidiary of KRBL Limited	NIL
(ii) Not dealt with in the accounts of KRBL Limited amounted to:	
(a) for the subsidiary's financial year ended March 31, 2010	17,43,11,097
(b) for previous financial years of the subsidiary since it became subsidiary of KRBL Limited	19,08,37,165
Changes in the interest of KRBL Limited between the end of the subsidiary's financial year and March 31, 2010	NIL
Number of shares acquired	NIL
Material changes between the end of the subsidiary's financial year and March 31, 2010	
(i) Fixed assets (net additions)	NIL
(ii) Investments	NIL
(iii) Moneys lent by the subsidiary	NIL
(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	NIL

Auditors' Report
As per our Separate report of even date attached

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

New Delhi
22nd May, 2010

For and on behalf of the Board

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

CASH FLOW STATEMENT For the year ended 31st March,2010

PARTICULARS	31/03/2010 Amount (Rs.)	31/03/2009 Amount(Rs.)
A. Cash flow from Operating Activities		
Net profit before taxation	132,54,78,122	73,00,90,648
Adjustments for		
Depreciation	27,57,88,508	23,54,95,983
Loss on sale on Fixed Assets	13,82,444	15,60,590
Loss on revaluation of short term investment	(15,40,500)	15,30,500
Interest Expense	40,63,54,827	87,87,87,092
Interest Income	(57,36,615)	(4,52,16,442)
Operating Profit before Working Capital Changes	200,17,26,786	180,22,48,371
Decrease/ (Increase) in Inventory	6,62,19,021	46,93,13,222
Decrease/ (Increase) in Sundry Debtors	(76,72,28,649)	122,45,18,060
Decrease/ (Increase) in Term Deposits	19,88,26,978	(5,11,16,091)
Decrease/(Increase) in Loans & Advances	(4,51,77,824)	24,90,106
Increase/ (Decrease) in Sundry Creditors	40,20,43,518	(113,96,41,993)
Increase/ (Decrease) in Bank overdraft a/c with Banks	(61,00,084)	(21,27,138)
Increase/ (Decrease) in Advances from Customers	22,87,86,266	64,00,12,506
Increase/ (Decrease) in Other Liabilities	(96,68,613)	4,95,09,992
Increase/ (Decrease) in Employee Benefits	54,64,779	(1,04,78,968)
Increase/ (Decrease) in Subsidiary Balance	(9,16,94,223)	9,18,88,554
Increase/ (Decrease) in Security Deposits	14,57,945	14,33,085
Cash from Operating Activities	198,46,55,900	307,80,49,706
Income tax paid (net of refund)	(27,10,45,337)	(25,38,82,946)
Fringe Benefits paid	-	(36,42,420)
Net Cash from Operating Activities	171,36,10,563	282,05,24,340
B. Cash flow from Investing Activities		
Purchase of fixed Assets	(126,07,50,744)	(9,85,96,682)
Decrease/(Increase) in Capital Work-in progress	(4,35,02,927)	(28,81,18,646)
Sale of Fixed Assets	2,387,158	29,36,438
Decrease/(Increase) in Investments	-	-
Net Cash from Investing Activities	(130,18,66,513)	(38,37,78,890)
C. Cash Flow from Financing Activities		
Increase / (Decrease) in Secured loans	(21,12,59,309)	(72,18,74,643)
Increase / (Decrease) in Unsecured loans	25,00,00,000	(99,90,00,000)
Interest Paid (Net)	(40,06,18,212)	(83,35,70,650)
Wealth Tax Paid	(2,27,235)	(2,25,175)
Dividend Paid	(8,50,89,179)	(4,86,22,388)
Dividend tax paid	(1,44,6(8,2063,375)	

PARTICULARS	31/03/2010 Amount (Rs.)	31/03/2009 Amount(Rs.)
Net Cash from financing Activities	(46,16,54,841)	(261,15,56,231)
Net Change in Cash & Cash Equivalents (A+B+C)	(4,99,10,791)	(17,48,10,781)
Cash & Cash Equivalents- Opening Balance	11,10,72,077	28,58,82,858
Cash & Cash Equivalents- Closing Balance	6,11,61,286	11,10,72,077
Cash & Cash Equivalents		
Cash in hand	1,45,64,892	61,85,532
Balance with scheduled banks in current accounts	4,65,96,394	10,48,86,545
	6,11,61,286	11,10,72,077

Notes: 1. Statement has been prepared under the Indirect Method ' as set out in the Accounting Standard-3 on Cash Flow Statement.

2. Figures in brackets represent outflows.

3. Previous year figures have been recast / rearranged wherever considered necessary.

As per our Separate report of even date attached

For Vinod Kumar Bindal & Co.
Chartered Accountants

Sd/-
Vinod Kumar Bindal
Proprietor
Membership No. 80668

New Delhi
22nd May, 2010

For and on behalf of the Board

Sd/-
Anil Kumar Mittal
Chairman & Managing Director

Sd/-
Anoop Kumar Gupta
Joint Managing Director

Sd/-
Rakesh Mehrotra
C.F.O.

Sd/-
Dhiraj Kumar Jaiswal
Company Secretary

KRBL DMCC

Company License No. 30637

COMPANY INFORMATION

DIRECTORS	:	**ANIL KUMAR MITTAL** **ARUN KUMAR GUPTA** **ANOOP KUMAR GUPTA**
MANAGER	:	**ANOOP KUMAR GUPTA**
COMPANY LICENSE NO.	:	**30637**
ADDRESS	:	**AG TOWER 14 K,** **JUMERIAH LAKE TOWERS** **DUBAI, UAE**
AUDITORS	:	**AL KTTBI & ASSOCIATES** **CHARTERED ACCOUNTANTS** **P.O. BOX : 114429** **DUBAI, U.A.E.**

CONTENTS

DIRECTORS' REPORT

THE DIRECTORS have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2010.

PRINCIPAL ACTIVITIES:

The main activities of the Company are unchanged since the previous year and consist of trading in commodities.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS:

The Company's turnover was Nil for the year ended March 31, 2010{previous year: Rs. 66,27,15,225 (AED 5,37,24,215)}. The Company's gross margin was –Nil-(2009:21.67%) and a net profit of Rs. 17,43,11,097 (AED: 1,38,15,357) {previous year Rs.19,08,37,166 (AED 1,48,96,754)} during the year. The Directors are optimistic about the prospects for the ensuing year and expect to improve the performance of the Company.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS:

The Company is committed to the management of risk to achieve sustainability, employment and surpluses. The risk management framework identifies, assesses, manages and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate, foreign exchange) and operational risk.

The management recognises their responsibility for system of internal control and for reviewing its effectiveness. In view of the above, Company continuously monitors risks through means of administrative and information systems. Periodic MIS reports are generated which help to mitigate risks and provide full transparency.

GOING CONCERN:

The attached financial statements has been prepared on the going concern basis as, after making appropriate enquiries with operational department, the Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future.

CREDITORS PAYMENT POLICY:

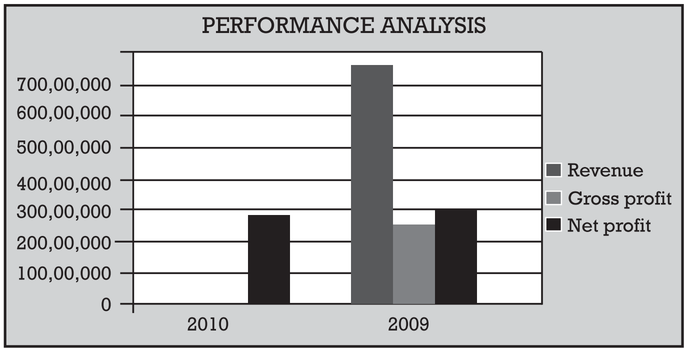
The Company maintain a policy of paying suppliers in accordance with terms and conditions agreed with them.

EVENTS AFTER YEAR END:

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect, substantially the result of the operations of the Company for the financial year then ended.

PERFORMANCE ANALYSIS:

	2010 Rs.	2009 Rs.
Revenue	Nil	66,27,15,225 (AED 5,37,24,215)
Gross profit	Nil	14,44,57,593 (AED 1,16,43,872)
Net profit	17,43,11,097 (AED 1,38,15,357)	19,08,37,166 (AED 1,48,96,754)



RESULTS:

The Company has earned a net profit Rs. 17,43,11,097 (AED 1,38,15,357) for the year.

AUDITORS:

The Auditors, M/s. Al Kttbi & Associates Chartered Accountants, United Arab Emirates are willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting (AGM).

DIRECTORS' RESPONSIBILITIES:

The Company law required the Directors to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the net profit or loss for that year.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the relevant governing Laws.

Director
KRBL DMCC
Date: April 26,2010

Independent Auditors' Report

To
The Shareholders,
KRBL DMCC,
P.O. Box 53688,
Dubai – United Arab Emirates.

We have audited the accompanying financial statements of **KRBL DMCC,Dubai-United Arab Emirate**s which comprise the balance sheet as at March 31, 2010 and the statements of income, statement of changes in shareholders' equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT 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. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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 principles used and 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 **KRBL DMCC, Dubai – United Arab Emirates** as of March 31, 2010 and of its financial performance and its cash flows for the year then ended Subject to note 9 in accordance with International Financial Reporting Standards (IFRS).

Also, in our opinion there were no contraventions during the year of the U.A.E. Federal Commercial Companies Law No. 8 of 1984, as amended or the Company's Articles of Association which might have materially affected the financial position of the Company or the result of its operations for the year.

Sd/-
K. Ramu
Managing Partner

AL KTTBI & ASSOCIATES
CHARTERED ACCOUNTANTS
DUBAI – UNITED ARAB EMIRATES 2006
Date: April 26,2010

KRBL DMCC

Balance Sheet As at 31st March, 2010

PARTICULARS	SCHEDULE	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	A	2,17,27,433	2,17,27,433
Reserve & Surplus			
Profit & Loss Account		36,66,07,690	19,22,96,593
Foreign Exchange Translation Reserve		(1,24,46,809)	1,88,80,203
TOTAL		37,58,88,314	23,29,04,229
APPLICATION OF FUNDS			
Fixed Assets	B		
(a) Gross Block		1,28,67,868	1,43,71,727
Current Assets Loans and Liabilities			
Current Assets	C		
Cash,Bank & Debtors		36,01,42,35,746,269	
Loans & Advances	D		
Other Receivables and repayment		29,14,662	9,46,17,734
Less: Current Liabilities & Provisions	E	36,790	41,501
Net Current Assets		36,30,20,446	21,85,32,502
TOTAL		23,29,04,37,58,88,314	

Notes to Accounts: As Per schedule"H"attached

Auditors' Report
As per our Separate report of even date attached

For and on behalf of the Board

For Al Kttbi & Associates
Chartered Accountants

Sd/-
Arun Kumar Gupta
Director

Sd/-
Anoop Kumar Gupta
Director

Sd/-
K Ramu
Managing Partner

Place: Dubai
26th April, 2010

KRBL DMCC

Profit and Loss Account For the year ended 31st March, 2010

PARTICULARS	SCHEDULE	For the Year Ended 31/03/2010 Amount (Rs.)	For the Year Ended 31/03/2009 Amount(Rs.)
INCOME			
Sales		-	66,27,15,225
Other Income	F	17,70,34,404	7,40,09,345
		17,70,34,404	73,67,24,570
OPERATING EXPENDITURE			
Purchases		-	51,82,57,632
Operating Expenses	G	27,23,307	2,76,29,772
TOTAL		27,23,307	54,58,87,404
Net Profit		17,43,11,097	19,08,37,166
Add:Profit/(Loss) as per last year Profit & Loss A/c		19,22,96,593	14,59,427
Balance transferred to Balance Sheet		36,66,07,690	19,22,96,593

Notes to Accounts: As Per schedule"H"attached

Auditors' Report
As per our Separate report of even date attached

For and on behalf of the Board

For Al Kttbi & Associates
Chartered Accountants

Sd/-
Arun Kumar Gupta
Director

Sd/-
Anoop Kumar Gupta
Director

Sd/-
K Ramu
Managing Partner

Place: Dubai
26th April, 2010

KRBL DMCC

Schedules Attached to and Forming Part of the Balance Sheet

As at 31st March,2010

PARTICULARS	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
SCHEDULE - A: SHARE CAPITAL		
AUTHORISED		
1,800 Shares of 1000 AED each	2,17,27,433	2,17,27,433
ISSUED ,SUBSCRIBED & PAID UP CAPITAL		
1,800 Shares of 1000 AED each	21,727,433	2,17,27,433
TOTAL	2,17,27,433	2,17,27,433
SCHEDULE - B: FIXED ASSETS		
Office premises:- Opening Balance	1,27,40,342	1,43,71,727
Addition during the year	1,27,526	
TOTAL	1,28,67,868	1,43,71,727
SCHEDULE - C: CURRENT ASSETS		
Cash In Hand	2,45,610	28
Cash at Bank	35,98,96,964	7,65,170
Sundry Debtor	-	12,31,91,071
TOTAL	36,01,42,574	12,39,56,269
SCHEDULE - D: LOAN & ADVANCES		
Unsecured and Considered Good		
Advances recoverable in cash or kind or for value to be received		
Advance paid for office premises	61,316	
Margin against bank guarantee	2,08,476	6,93,036
Other Advances	1,467,593	9,39,24,698
Other receivables	11,77,277	
TOTAL	29,14,662	9,46,17,734
SCHEDULE - E: CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
For Expenses	36,790	41,501
TOTAL	36,790	41,501
SCHEDULE - F: OTHER INCOME		
Miscellenous Income	15,16,93,252	7,40,09,345
Interest	2,53,41,152	-
	17,70,34,404	7,40,09,345
SCHEDULE - G: OPERATING EXPENSES		
Finance Charges	8,61,638	2,65,92,572
Legal & Visa	1,22,325	3,29,544
Rent	1,49,444	2,06,329
Insurance Expenses	-	14,684
Exhibition Expenses	5,91,753	4,86,643
Other Expenses	9,98,147	-
	27,23,307	2,76,29,772

INDIA GATE
BASMATI RICE

KRBL DMCC

Cash Flow Statement For the year ended 31st March, 2010

PARTICULARS	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit/(loss) for the period	17,43,11,097	19,08,37,165
	17,43,11,097	19,08,37,165
Operating Profit/(loss) before changes in operating assets and liabilities		
(Increase)/Decrease in trade & other receivables	12,31,99,920	(10,78,63,770)
Increase/(Decreased) in trade and other payable	(4,711)	8,801
Net cash from/(used) in operating activities	29,75,06,306	8,29,82,196
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Office Apartment	15,03,859	(1,43,71,727)
Net cash flow/ (used in) investing activities	15,03,859	(1,43,71,727)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in shareholders' current account	9,16,94,223	(9,18,88,554)
Net cash/ (used in) Financing activities	9,16,94,223	(9,18,88,554)
Net increase/ (Decreased) in cash and cash equivalents (A+B+C)	39,07,04,388	(2,32,78,085)
cash and cash equivalents, beginning of the year	765,198	31,15,363
Adjustment due to foreign currency translation	(3,13,27,012)	2,09,27,920
cash and cash equivalents, end of the year	36,01,42,574	765,198
Represented by:		
Cash in Hand	245,610	28
Cash at Bank	35,98,96,964	765,170
	36,01,42,574	7,65,198

The accompanying notes form an integral part of these financial statements.
The Report of the Auditor is set out on Schedule-H

SCHEDULE - H: NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2010

1. **Legal status and business activity:**

1.1 M/s KRBL DMCC., Dubai – United Arab Emirates ("the Company") was incorporated on February 14, 2007 as a Limited Liability Company (L.L.C.) and operates in the United Arab Emirates under a trade license issued by Dubai Multi Commodities Centre, Dubai – United Arab Emirates.

1.2 The Principal activities of the Company as per trade license are trading in commodities.

1.3 The registered office of the Company is P.O.Box 54513, Dubai, United Arab Emirates.

1.4 The management and control are vested with Manager Mr. Anoop Kumar Gupta (Indian National).

1.5 These financial statements incorporate the operating results of the trade license No 30637.

2. **Share capital:**

Authorised, and issued share capital of the Company was AED 1,800,000/- divided into 1,800 shares of AED 1,000 held by the shareholders, M/s KRBL Limited, India.

3. **Summary of significant accounting policies:**

Basis of preparation:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law. Summary of the significant accounting policies, which have been applied consistently, are set out below:

(a) Accounting convention

These financial statements have been prepared under historical cost convention basis.

(b) Inventories

Inventories are stated at the lower of cost and net realisable value using FIFO method .Costs comprise direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The costs comprise of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant and equipment is depreciated using the straight-line method over their estimated useful economic lives.

(d) Revenue recognition

Revenue from sale of goods shall be recognised when all the following conditions have been satisfied:

i. The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii. The amount of revenue can be measured reliably;

iv. It is probable that the economic benefit associated with the transaction will flow to the entity; and

v. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

(e) Financial expenses

Financial expenses are accounted in the statement of income in the period in which they are incurred.

(f) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

(g) Investment property

Investment property is a property held to earn rentals and/or for capital appreciation, is stated at cost less depreciation at the balance sheet date. The Company continues to account investment property on 'Cost less depreciation model.

h) **Financial instruments**

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's balance sheet when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

Trade receivables

Sales made on credit are included in trade receivables at the balance sheet date, and reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

i) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, balances with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.

	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
4. Cash and banks		
Cash in hand	245,610	28
Bank balances	35,98,96,964	765,170
	36,01,42,574	765,198
5. Trade & other receivables		
Trade receivables	-	12,39,53,953
Advance paid for office premises	61,317	-
Other Advances	11,77,277	
Margin against bank gurantee	2,08,476	6,93,036
	14,47,069	12,46,46,989
6. Accrued expenses		
Accrued expenses	36,790	41,501
	36,790	41,501
7. Retained earnings		
Opening balance	19,22,96,593	14,59,427
Net profit for the year	17,43,11,097	19,08,37,166
Closing balance	36,66,07,690	19,22,96,593
8. Shareholder's current account		
Opening balance	(9,31,61,816	(12,73,262)
Movements during the year	9,16,94,223	(9,18,88,554)
Closing balance	(14,67,593)	(9,31,61,816)
9. Revenue		
Sales	-	66,27,15,225
	-	66,27,15,225
10. Cost of sales		
Inventories, beginning of the year	-	-
Cost of sales	-	51,82,57,632

	As at 31/03/2010 Amount (Rs.)	As at 31/03/2009 Amount(Rs.)
11. Administrative & other expenses		
Finance charges	8,37,814	2,65,92,572
Rent	1,49,444	2,06,329
Legal, visa & other fees	3,07,714	3,29,544
Business promotion	5,91,753	48,66,43.00
Miscellaneous	8,12,759	1,46,84.00
	26,99,484	2,76,29,772
12. Other income		
Interest	2,53,17,329	-
Introduction fees	15,16,93,252	
Miscellaneous	-	7,40,09,345
	17,70,10,581	7,40,09,345
13. Staff strength		
Number of employees (at end of the year)	2	1

Financial Highlights