

**ANNUAL REPORT
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ANOTHER YEAR OF SUCCESS





Board of Directors

Chairman & Managing Director
Anil Kumar Mittal

Jt. Managing Director
Arun Kumar Gupta

Jt. Managing Director
Anoop Kumar Gupta

Directors

Dr. N. K. Gupta

Ashok Chand

Priyanka Mittal

Mahesh C. Jain

Vinod Kumar Ahuja

Company Secretary
Ghanshyam Kaushik

Auditors
M/s Vinod Kumar Bindal & Co.
Chartered Accountants
Shiv Sushil Bhawan
D-219, Vivek Vihar, Phase - I,
New Delhi - 110 095

Bankers
State Bank of India
State Bank of Patiala
State Bank of Bikaner & Jaipur
State Bank of Hyderabad
State Bank of Travancore
Canara Bank
The Karnataka Bank Ltd.
ABN Amro Bank N.V.
Corporation Bank
UTI Bank Ltd.
ICICI Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.
Union Bank of India

Registered Office
5190, Lahori Gate, Delhi - 110 006

- Works**
- 9th Milestone, Post Dujana, Bulandshahar Road, Distt. Gautam Budh Nagar, U.P.
 - New Acquisition : Village Bhasaur (Dhuri), Distt. Sangrur, Punjab - 148 241
 - 29/15-29/16, Village Jindpur, G. T. Karnal Road, Alipur, Delhi - 110 036
 - Plot 258-260, Extended Lal Dora, Alipur, Delhi - 110 036
 - Survey No. 49/50, Mithi Road, Adipur, Gandhidham, Gujarat



Regd. Office : 5190, Lahori Gate, Delhi - 110 006

PROXY FORM

I/We of
.....in the district of..... being a member/
members of KRBL Limited hereby appoint.....
of.....in the district of.....or failing him
.....of.....in the district
of..... as my/our proxy to vote for me/us on my/our behalf at the TWELFTH ANNUAL GENERAL MEETING
of the Company to be held on Monday, 26th September, 2005 at 11.00 A.M., and at any adjournment thereof.

Signed this.....day of.....2005.

DP Id*	
Client Id*	
Regd. Folio No.	

.....
Signature of Proxy holder(s)

.....
Signature of the Registered holder(s)

*Applicable if shares are held in electronic form

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

----- CUT HERE -----



Regd. Office : 5190, Lohori Gate, Delhi - 110 006

ATTENDANCE SLIP

DP Id*	
Client Id*	
Regd. Folio NO.	

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

* Applicable if shares are held in electronic form

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company

I hereby record my presence at the TWELFTH ANNUAL GENERAL MEETING of the Company at 4, Bougainvillea Avenue, Village Rajokari, New Delhi - 110037 on Monday, the 26th September, 2005

.....
Member's/Proxy's Signature

Note : Please fill this attendance slip and hand it over at the Entrance of the Hall.



Notice of Annual General Meeting

Notice is hereby given that the Twelfth Annual General Meeting of the members of KRBL Limited, will be held on Monday the 26th September, 2005 at 4, Bougainvillea Avenue, Village Rajokari, New Delhi-110037 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005 and the Profit & Loss Account of the Company for the year ended 31st March, 2005, alongwith Reports of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2005.
3. To appoint a Director in place of Mr. Mahesh C Jain, Director of the Company who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Vinod Kumar Ahuja, Director of the Company who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Ms. Priyanka Mittal, Director of the Company who retires by rotation and being eligible, offers herself for reappointment.
6. To appoint Auditors and fix their remuneration and in this connection to consider and, if thought fit, to pass the following resolution with or without modification as an ordinary resolution:

“RESOLVED THAT M/s. Vinod Kumar Bindal & Co., Chartered Accountants, Delhi be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration as the Board of Directors may fix.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to Section 81, Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or modification(s) or re-enactment(s) thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned and relevant authorities from time to time,

to the extent applicable, and subject to the approvals, consents, permissions and/ or sanctions as may be necessary, of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), the Stock Exchanges and any other authorities, institutions or bodies (hereinafter singly or collectively referred to as the “Appropriate Authority”) and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s) or sanction(s), the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee of the Board exercising the powers conferred by the Board and / or any person(s) / officer(s) or any Committee thereof so authorized by the Board) be and is hereby authorized on behalf of the Company to create, issue, offer and allot in the course of one or more public or private offerings in domestic and/or one or more International markets, Equity Shares/ Preference Shares/ Equity Shares through Global Depositary Receipts / Convertible Notes / Securities, with or without detachable warrants/ any Securities convertible into Equity Shares whether optionally or otherwise / Euro Convertible Bonds (ECBs) / Foreign Currency Convertible Bonds (FCCBs) / Global Depositary Receipts (GDRs) / American Depositary Receipts (ADRs) / Secured Premium Notes (SPNs) (hereinafter referred to as “Securities”) through prospectus and / or offer letter or circular and / or on private preferential basis for an aggregate amount not exceeding USD 50 Million (with permissible green shoe option) or equivalent in Indian and /or in any other currency(ies) (inclusive of such premium, as may be fixed on such Equity Shares) or up to such limit as may be permitted by the Ministry of Finance or such other Authorities, whichever is higher, directly to Indian and Foreign Investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise and whether or not such investors are existing members, promoters, directors or their associates of the Company) through public issue(s), Rights issue(s), Private placement(s), preferential allotment for cash or stock swap or acquisition of distribution rights / source codes/ digital contents/ business/companies, or conversion of outstanding / loan due to creditors/ lenders or a combination thereof at such time or times and in such tranches or tranches, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as



may be decided and deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors, wherever necessary, in consultation with the Lead Managers and Underwriters or through the subsidiaries, with authority to retain over subscription upto such percentage as may be permitted by the "Appropriate Authorities" and so as to also enable the Company to get listed at Indian Stock Exchanges and Overseas Stock Exchanges such as Singapore, Luxembourg, London, Nasdaq and / or New York Stock Exchange and/ or any of the other Overseas Stock Exchanges."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to accept any modifications in the proposals as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board."

"FURTHER RESOLVED THAT without prejudice to the generality of the above, the issue of Securities in international markets may have all or any term or combination of terms in accordance with the prevailing international practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payment whatever and all such terms as are provided in international offerings of this nature including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities."

"FURTHER RESOLVED THAT the Board is also entitled on behalf of the company to enter into and execute all such arrangement / agreement with any Lead Managers/ Underwriters /Guarantors/ Depositors/ Custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment or commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the like."

"FURTHER RESOLVED THAT the Board be and is hereby also authorized subject to approval of the Reserve Bank of India and the concerned authorities to secure the entire or any part of the issue by creation of the mortgage/ charge on the company's immovable and movable properties, present and future, such charge to rank either pari passu with or second, subsequent, subservient and subordinate to all the mortgages/ charges created/ to be created by the

Company for all existing and future borrowings and facilities, whatsoever."

"FURTHER RESOLVED THAT the Company and / or any agency or body authorized by the Company may issue Global Depositary Receipts and/ or other forms of securities mentioned herein above representing the underlying Equity Shares issued by the Company, in registered or bearer form, with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof, as per the prevailing practices and regulations in the Capital markets."

"FURTHER RESOLVED THAT the Securities issued in International offerings shall be deemed to have been made abroad in the markets and/or at the place of issue of the Securities in International markets and shall be governed by the English or American law, as the case may be."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph(s) above as may be necessary in accordance with the terms of the offering and all such shares to rank pari passu with the existing Equity Shares of the Company in all respects, excepting such right as to dividend and voting as may be provided under the terms of issue and in the Offer Document."

"FURTHER RESOLVED THAT for the purpose of giving effect to any issue or allotment of Securities, the Board, be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its discretion deem necessary, proper or desirable for such purpose, including without limitation, the entering into of underwriting, marketing and depositary arrangements, agreements and contracts with power on behalf of the company to settle any questions, difficulties or doubts that may arise in regard to such offering, issue and allotment and the utilization of the issue proceeds as it may, in its absolute discretion, deem fit or proper."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Senior Executive(s)/ Officer(s) of the Company to give effect to the resolution."

"FURTHER RESOLVED THAT total foreign holding including that of Foreign Institutional Investors (FIIs), Foreign Financial Institutions (FFIs), Foreign Nationals



or any other Foreign Investors shall not to exceed 49% of the total paid up capital of the Company."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Sections 94 and 16 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.30,00,00,000/- (Rupees Thirty Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupee Ten) each, with the power to issue new shares upon such terms and conditions and with such rights and privileges attached thereto as the Board may determine."

"RESOLVED FURTHER THAT existing Clause V of the Memorandum of Association of the Company be and is hereby altered to read as follows:

"The Authorised Shares Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten) each."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT subject to the provisions of Sections 198, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956, and clause 49 of the 'Listing Agreement' with the stock exchanges, the Non-Executive Directors of the Company be paid, in addition to the sitting fees for attending the meetings of the Board or Committees thereof, commission not exceeding Rs.50 Lacs per annum in the aggregate for a period of five years from the financial year 2005-2006.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary or desirable to give effect to this resolution and to fix/decide the amount of the commission to be paid to a non executive director within the ceiling fixed by the members."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT that in supersession of earlier resolution passed by the members at its Annual General meeting held on 26th September, 1998 and in pursuant to the provisions of section 293(1) (a) of the Companies Act, 1956 or any amendment or modification thereof, and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or charge all or any part of immovable properties of the Company wheresoever situated both present and future and whole or part of the undertakings of the Company of every nature and kind whatsoever and/or creating a floating charge on all or any immovable properties of the Company and the whole of the undertaking of the Company together with power to take over the management of the business and concern of the company in certain events, to or in favour of banks, financial institutions, any other lenders or debenture trustee to secure the amount borrowed/to be borrowed by the Company from time to time for the due payment of the principal together with interest costs, charges, expenses and all other moneys payable by the Company in respect of such borrowings upto a maximum of Rs.700 Crores (Rupees Seven Hundred Crores only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters, and things as may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT that in supersession of earlier resolution passed by the members at its Annual General meeting held on 26th September, 1998 and in pursuant to the provisions of section 293(1) (d) of the Companies Act, 1956 or any amendment or modification thereof, and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the



ordinary course of business) may exceed the aggregate of the paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors and outstanding shall not exceed the sum of Rs.300 Crores (Rupees Three Hundred Crores Only) at any point of time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters, and things as may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the Article No. 25 of the Articles of Association of the Company and subject to clause 23 of the Listing Agreement of Stock Exchange(s) where the securities of the are listed and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company to re-issue the forfeited 85,500 Equity Shares to any person whether he/she is a existing shareholder or not at a price not less than the average of the weekly high and low of the closing price of shares during the two weeks preceding the date of re-issue of shares or market price on the date of re-issue of shares whichever is higher.”

“FURTHER RESOLVED THAT the Board be and is hereby authorized to accept any modifications in the pricing of re-issue of forfeited shares as may be required/imposed by Stock Exchange(s) where the securities are listed and as agreed to by the Board.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution , the Board be and is hereby authorized to do all such acts, deeds, matters, and things as may in its absolute discretion consider necessary, proper in this regard.”

By Order of the Board
For KRBL Limited

Delhi
16th August, 2005

Anoop K Gupta
Joint Managing Director

Notes for Members' Attention:

1. The information required to be provided under the Listing Agreement entered into with various Stock

Exchanges, regarding the Directors are proposed to be appointed/re-appointed is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the Company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business set out above is annexed hereto.
4. The Company's shares have been notified for compulsory dematerialisation w.e.f. 28th August, 2000. Accordingly trading in shares of the Company will be allowed only in electronic form. Members in possession of share certificates in physical form are advised to consider opening of Demat Account with a Depository Participant and arrange for dematerialisation of their shareholding in the Company.
5. Members are requested to notify immediately any change of address to their Depository Participant (DP) in respect of their electronic share accounts and to the Company at its Registered Office at 5190, Lahori Gate, Delhi-110006 or to its Registrar and Share Transfer Agent M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055 in respect of their physical share folios. Members holding shares in the same name(s) but under different folios are requested to apply for consolidation of share folios and send the relative share certificates to the Company's Registered Office or its Registrar and Shares Transfer Agent as mentioned above for making necessary entries.
6. Members holding shares in electronic form may please note that:
 - i. all instructions regarding bank details which they wish to be incorporated in their dividend warrants will have to be submitted to their Depository Participants (DPs). As per the Regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company;
 - ii. instruction already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held on electronic form and the Company will not entertain any request for deletion/change of bank details already printed on dividend warrants as per information received from the concerned Depositories; and



- iii. all instructions regarding change of address, nomination, power of attorney etc., should be given directly to their Depository Participants and the Company will not entertain any such requests directly from shareholders.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 21st September 2005 to Monday the 26th September 2005 (both days inclusive).
8. The Dividend on Equity Shares of the Company as recommended by the Board of Directors of the Company, if approved at the Annual General Meeting of the Company will be made payable on or after 3rd day, the October, 2005 the Company's Equity Shareholders, who are entitled for the Dividend as on 21st day, the September, 2005 whose names stand registered on the Company's Register of Members:
 - i. as beneficial owners at the end of business on 20th day of September, 2005 as per the list provided by

National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

- ii. as members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before 20th day of September, 2005.

However, no dividend shall be paid to those shareholders whose shares have been forfeited by the Board of Directors.

9. Members are hereby informed that Dividend which remains unclaimed/un-encashed over a period of 7 years, has to be transferred as per the provisions of Section 205A(5) of the Companies Act, 1956, by the Company to "The Investor's Education & Protection Fund" constituted by the Central Government under Section 205C of the Companies Act, 1956.

Hereunder are the details of Dividends paid by the Company and their respective due dates of transfer of un-encashed dividends to the designated fund of the Central Government:

Date of Declaration of Dividend	Dividend for the year	Due date of transfer to the IEPF *
26.09.1998	1997-1998	14.11.2005
25.09.1999	1998-1999	13.11.2006
11.02.2000	1999-2000 (Interim)	30.03.2007
28.09.2001	2000-2001	03.12.2008
30.09.2002	2001-2002	05.12.2009
29.09.2003	2002-2003	04.12.2010
29.07.2003	2003-2004 (Interim)	04.12.2010
29.09.2004	2003.2004 (Final)	04.12.2011

* Indicative dates and actual dates may vary.

10. Members desirous of having any information regarding accounts and documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Sunday, between 11.00 A.M. to 1.00 P.M., upto the date of the Annual General Meeting.
11. Members desirous of getting any information about the accounts under reference and operation of the company are advised to address their queries to the Company Secretary of the Company well in advance, so that same may reach at least seven days before the date of the meeting to enable the management to keep the information readily available at the meeting.
12. Members are requested to bring their copies of the Annual Report to the Meeting.
13. Members/Proxies are requested to bring with them the attendance slip and hand over at the entrance duly signed by them.
14. Company's Equity Shares are listed on the Following Stock Exchanges:
 - I. National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai-400051
 - II. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai-400001

The Company has paid the annual listing fees for the financial year 2005-06 to the stock exchanges.

