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» Key Managerial Persons

• Board of Directors

Chairman & Managing Director

Mr. Anil Kumar Mittal

Joint Managing Directors

Mr. Arun Kumar Gupta

Mr. Anoop Kumar Gupta

Whole Time Directors

Ms. Priyanka Mittal

Mr. Ashok Chand

Independent Non-Executive Directors

Mr. Vinod Ahuja

Mr. Shyam Arora

Mr. Ashwani Dua

Dr. Narpinder Kumar Gupta

Mr. Devendra Kumar Agarwal

• Chief Financial Officer

Mr. Rakesh Mehrotra

• Company Secretary and Compliance Officer

Mr. Raman Sapra

» Board Committees

• Audit Committee

Mr. Devendra Kumar Agarwal - Chairman

Mr. Ashwani Dua - Member

Mr. Vinod Ahuja - Member

Dr. Narpinder Kumar Gupta - Member

• Nomination and Remuneration Committee

Mr. Ashwani Dua - Chairman

Mr. Vinod Ahuja - Member

Dr. Narpinder Kumar Gupta - Member

• Stakeholders Relationship Committee

Mr. Ashwani Dua - Chairman

Mr. Vinod Ahuja - Member

Dr. Narpinder Kumar Gupta - Member

• Corporate Social Responsibility Committee

Mr. Ashwani Dua - Chairman

Mr. Anil Kumar Mittal - Member

Mr. Anoop Kumar Gupta - Member

Ms. Priyanka Mittal - Member

» Statutory Auditors

M/s Vinod Kumar Bindal & Co.

Chartered Accountants

Shiv Shushil Bhawan

D-219, Vivek Vihar, Phase-I,

New Delhi - 110 095

» Cost Auditors

M/s HMVN & Associates

Cost Accountants

31, Community Centre,

Ashok Vihar, Delhi - 110 052

» Registrar & Share Transfer Agents

Alankit Assignments Limited

Alankit House, 2E/21,

Jhandewalan Extension,

New Delhi - 110 055

Phone: 011 - 4254 1955/59

» Registered Office

5190, Lahori Gate,

Delhi - 110 006

Phone: 011 - 2396 8328

Fax: 011 - 2396 8327

E-mail: investor@krblindia.com

Website: www.krblice.com

CIN No.: L01111DL1993PLC052845

» Corporate Office

9th Milestone,

Post Dujana, Bulandshahr Road,

Distt. Gautambudh Nagar,

Uttar Pradesh - 203 207

» Bankers

State Bank of India

The Hongkong & Shanghai Banking Corporation Limited

ICICI Bank Limited

DBS Bank Limited

HDFC Bank Limited

Kotak Mahindra Bank Limited

Karnataka Bank Limited

Corporation Bank

Societe Generale

UCO Bank

Scotia Bank

» Works

• Ghaziabad Factory

9th Milestone,

Post Dujana,

Bulandshahr Road,

Distt. Gautambudh Nagar,

Uttar Pradesh - 203 207

• Dhuri Factory

Village Bhasaur (Dhuri),

Distt. Sangrur,

Punjab - 148 024

• Alipur Unit 1

29/ 15-29/ 16, Village Jindpur,

G.T. Karnal Road, Alipur,

Delhi - 110 036

• Alipur Unit 2

Plot 258-260,

Extended Lal Dora, Alipur,

Delhi - 110 036

Believe : Become

The journey called life

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

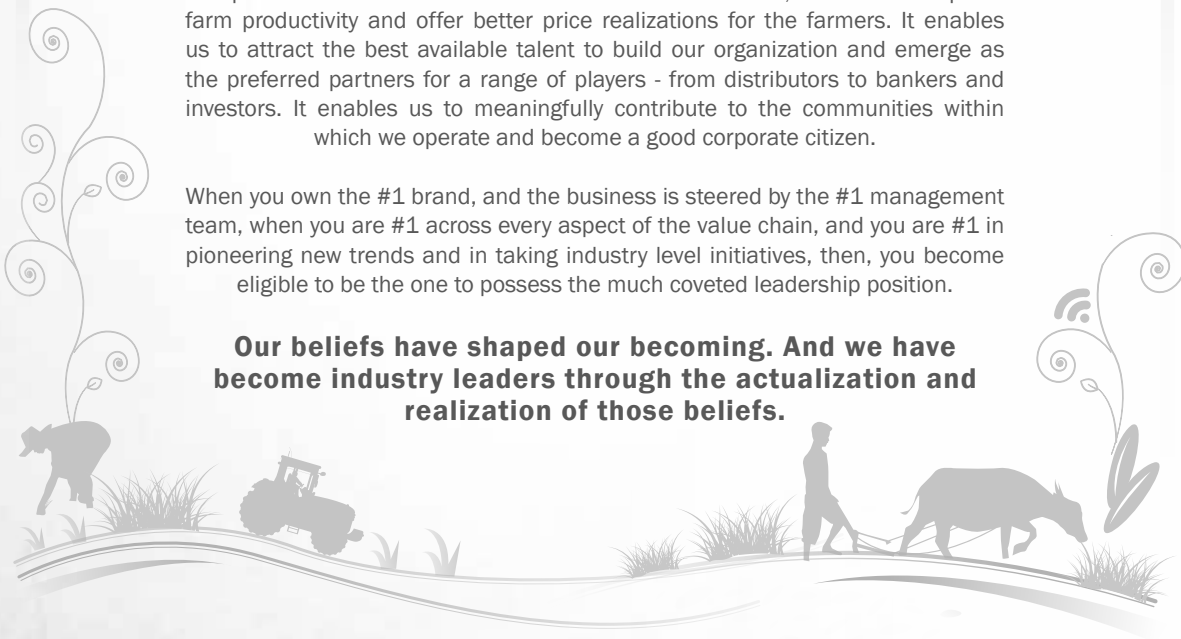
We believed that quality will drive value, that excellence will attract clients, that service will cement relationships, and Win-Win equations will propel growth.

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

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

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

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





Believe : Become



Management Discussion & Analysis

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

ECONOMIC OVERVIEW

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

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

Agriculture, in fact, accounted for much of the economic growth during the year. Foodgrain production for 2013-14 had been estimated at 64.28 Million Tonnes (MnT), compared to 257.13 MnT in 2012-13.

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

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

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

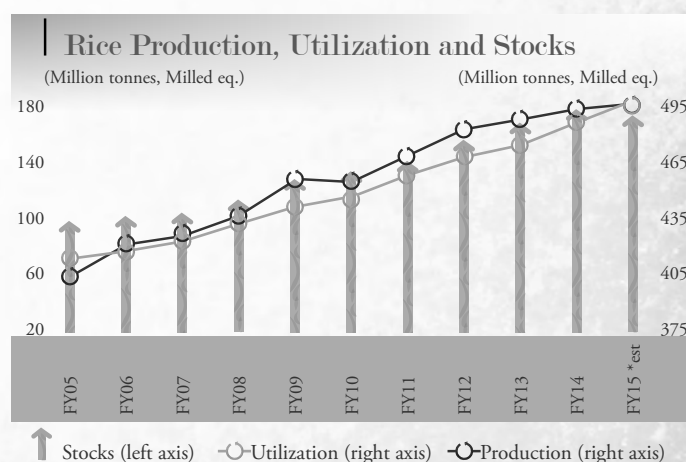
a sharp rise in demand from Iran and devaluation of the rupee against the dollar helping the country’s export earnings. Rice exports touched at record level of 10.4 Million Tonnes last year.

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

GLOBAL RICE OVERVIEW

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

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



(Source: FAO Rice Market Monitor, April 2014)



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



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

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

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

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

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

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

INDIAN RICE OVERVIEW

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

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

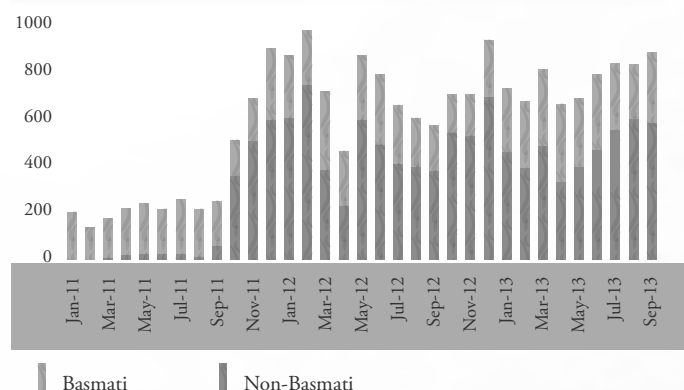
As per USDA Post estimates, MY 2013-14 rice production for India stood at 103 MnT, including 90 MnT from the kharif crop (May-December) and 13 MnT from the rabi crop (January-June). The Post estimates, India's Basmati Rice production at 7.5 MnT in MY 2013-14 from 1.8 million hectares, compared to a record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

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

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

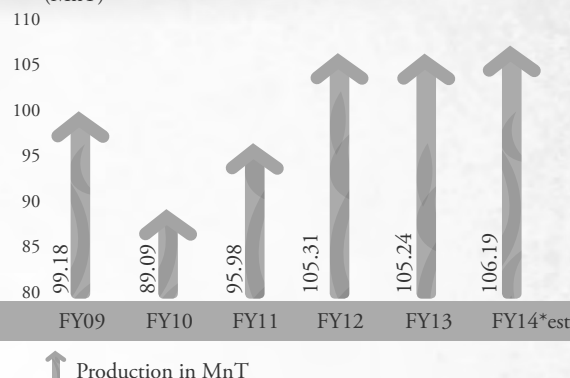
India: Monthly Rice Exports 2011-2013

(Thousand tonnes, milled eq.)



(Source: FAO Rice Market Monitor, November 2013)

India Government Projects 2013-14 Rice Production at Record 106.19 Million Tons (MnT)



(Source: Ministry of Agriculture)

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

INDIAN RICE TRADE

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

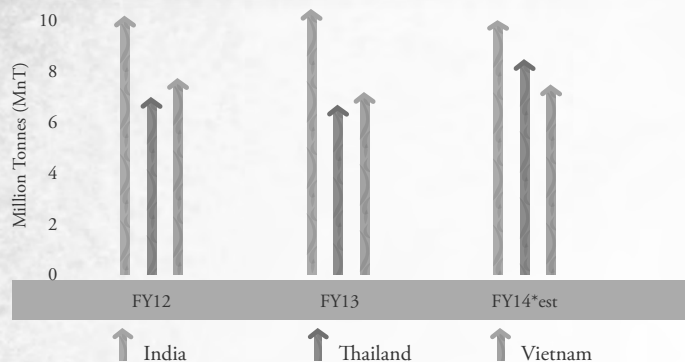
After last year's surge in the price of Basmati Rice, the sowing of basmati by farmers this year in the north of India is expected to be higher. The price of basmati increased from ₹2,200-3,300 a quintal in 2012-13 to ₹3,300-3,400 a quintal in 2013-14, due to high demand in the international market.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

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

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

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

Major Rice Exporters (2012-14)

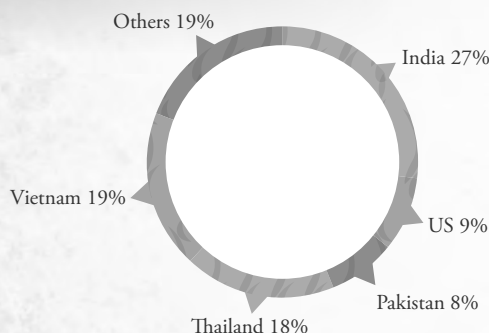


(Source: USDA, <http://oryza.com>, Jan 2014)

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

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

India has 27% share in global rice exports



(Source: Company, CRISIL Research)

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

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

INDIAN BASMATI RICE OVERVIEW

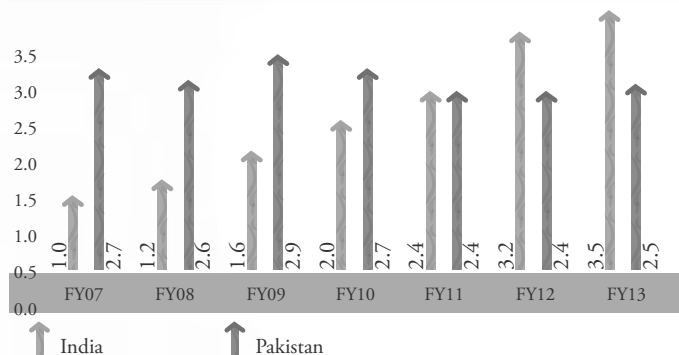
Driven by a strong growth in demand and an expected increase in prices, the Indian Basmati Rice industry is on an uptrend, with demand for basmati growing at a robust CAGR of 20% in over the past five years.

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

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

India's export of Basmati Rice exceeds Pakistan's

(mm MT)



(Source: Company, CRISIL Research)

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

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

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