



E:KRBL/BIBHU/STK\_EX\_161777  
March 3, 2017

<b>The General Manager</b> <b>BSE Limited</b> Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001	<b>National Stock Exchange of India Limited</b> “Exchange Plaza”, C-1, Block-G Bandra-Kurla Complex Bandar (E), Mumbai-400051
Scrip Code: <b>530813</b>	Symbol: KRBL Series: Eq.

Dear Sir/Madam,

**Sub: Corporate Presentation on Financial Results for the Third Quarter (Q3) and Nine Months Ended December 31, 2016**

Pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we are pleased to enclose herewith Corporate Presentation of the Company on Financial Results for the Third Quarter (Q3) and Nine Months Ended December 31, 2016.

This is for your information and records.

Thanking you,

Yours Faithfully  
For KRBL Limited

**Raman Sapra**  
**Company Secretary**  
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Delhi-110007

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**WORLD'S LARGEST RICE MILLERS & BASMATI RICE EXPORTERS**

**DIFFICULT  
TIMES.  
DEFINING  
RESULTS.**



**Corporate Presentation**

**February 2017**

# IMPORTANT NOTICE



## ***Safe Harbor***

*This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to KRBL Limited and its affiliated companies (“KRBL”) future business developments and economic performance.*

*While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.*

*These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.*

*KRBL undertakes no obligation to periodically revise any forward looking statements to reflect future / likely events or circumstances.*



# CONTENTS



Particulars	Page No.
Industry Analysis	4
Investment Highlights	5
Business Overview	6-8
Management & Board	9
Financial Overview	10-22
Highlights of Export & Domestic Market	23-27





# INDUSTRY ANALYSIS



## ❖ No Threat of Substitute Products.

- Basmati Rice is just 2% of total Rice Production in the World
- Basmati Rice is GI Product and Grown only in India (70%) and Pakistan (30%).
- Simple product - no hi-tech processing required / no fad / processed food.
- Highest quality and high valued product, not commodity!

## ❖ Threats

- No China competition / other countries threat - Grown only in India and Pakistan.
- Govt. regulations - no government / regulatory interference.
- Economy, war, global crop patterns etc. - No major impact.

## ❖ Hold on distributors

- Largest and established player.
- FMCG nature.
- Trust with distributors

## ❖ Hold on Farmers

- R & D advantage - creator of 1121 variety.
- Seed distribution - only player to distribute seeds.
- Doing organic and contract farming.

## ❖ Competition

- Pricing Premium over competition.
- New entrants - require huge marketing budgets and organizational management to manage entire supply chain.



# INVESTMENT HIGHLIGHTS



## Leading Market Position

- ❖ World's largest Rice Millers and Basmati Rice Exporters.
- ❖ India's largest selling Branded Basmati Rice Company.
- ❖ Strong Brand presence through collaborations with global retail chains.
- ❖ Leading position in Saudi Arabia's market- world's largest Basmati Rice market.
- ❖ Exports to 73 Countries.
- ❖ One of the biggest manufacturer of Basmati Rice Seed.

## Best-in-Class Operations

- ❖ India's first fully integrated and scalable rice company.
- ❖ Rice manufacturing capacities of 195 MT per hour.
- ❖ Good realizations - export price per MT commands a premium of more than 30% over the Industry average.
- ❖ Wide marketing network spread over all towns and cities of the Country.

## Leading Brands

- ❖ "India Gate", the flagship brand of Company, is the topmost selling rice in the Branded Rice segment, both in India and Overseas market.
- ❖ India Gate leads suite of well recognize and leader brands with continuous focus on improving visibility via ATL & BTL activities
- ❖ Brand include - India Gate, Taj Mahal, Doon, Nur Jahan and many more.
- ❖ 25% share in the Branded Basmati Rice sale in exports market.
- ❖ More than 30% share in the Branded Basmati Rice sale in domestic market.

## Strong Financial Performance

- ❖ Short-term loan of the company rated [ICRA]A1+ by ICRA, indicating highest credit quality in the industry
- ❖ Long Term Loan of the Company under (ICRA) AA- by ICRA, indicating high degree of safety.
- ❖ Net Worth of the Company increased from Rs.1,325 crores in FY 2015 to Rs. 1,624 crores in FY 2016.



# BUSINESS OVERVIEW



- ❖ Founded in 1889 in Faisalabad, Pakistan and incorporated in 1993, KRBL is India's first integrated rice company.
- ❖ Engaged in seed development and multiplication, contract farming, production and marketing of Basmati rice.
- ❖ Being an integrated player, the Company generates value-added by-products like bran oil, de-oiled cakes and uses rice husks for captive power plant.
- ❖ Branded Basmati rice Company, with manufacturing capacities of 195 MT / per hour.
- ❖ Last 3-year Net Sales Growth at CAGR of 17.49% and EBITDA Growth at CAGR of 21.14%.
- ❖ Last 3-years average Return on Capital Employed of 19.12%
- ❖ Last 3-years average Return on Equity of 26.21%.

## Key Brands





# AWARDS AND RECOGNITION



During FY 2015-16, KRBL Limited won several awards on account of its contribution to the Industry and its India Gate Basmati Rice as per below:

Sr.	Details
1.	Guinness World Record for display of the heaviest bag of India Gate Basmati Rice (weighing 557 kg) in Gulf Food Exhibition at Dubai World Trade Center, Dubai, UAE.
2.	Silver Jubilee Award to Sh. Anil Kumar Mittal, Chairman and Managing Director, KRBL Limited, for his contributions to Basmati Rice Trade Development in India.
3.	World's Greatest Brands 2015, ASIA & GCC, awarded by URS and process reviewed by PWC.



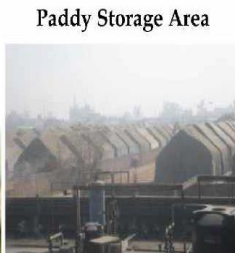


# BUSINESS OVERVIEW



## State Of The Manufacturing Facilities With Distribution Network In India And Across the World

We export to 73 countries across the World



### Rice Business

Plant Location	Function	Capacity (MTn/hr)	Grading & Packing (MTn/hr)
Gautam budh Nagar, UP	Rice Processing	45	30
Dhuri, Punjab	Rice processing	150	60
Alipur, Delhi	Grading, Sorting and Packaging	--	30
Sonipat, Haryana	Grading, Sorting and Packaging	--	20
Total		195	140

### Energy Business

Plant Location	Function	Capacity (MW)
Punjab	Biomass	12.30
Uttar Pradesh	Biomass	5.25
Sub-Total (A)	Biomass	17.55
Maharashtra	Wind	33.50
Rajasthan	Wind	11.85
Tamil Nadu	Wind	8.10
Karnataka	Wind	11.10
Andhra Pradesh	Wind	10.50
Madhya Pradesh	Wind	12.00
Gujrat	Wind	14.70
Sub-Total (B)	Wind	101.75
Madhya Pradesh	Solar	15.00
Sub-Total (C)	Solar	15.00
<b>Total (A+B+C)</b>	<b>Biomass/Wind/Solar</b>	<b>134.30</b>

# MANAGEMENT & BOARD



## Extensive Management Expertise in Rice Industry and Operation Across the Value Chain

### Key Executive

Anil Kumar Mittal  
*Chairman and  
Managing Director*



Arun Kumar Gupta  
*Joint Managing  
Director*



Anoop Kumar  
Gupta  
*Joint Managing  
Director*



Priyanka Mittal  
*Whole-time  
Director*



Ashok Chand  
*Whole-time  
Director*



Rakesh Mehrotra  
*Chief Financial  
Officer*



### Back Ground

- ❖ Visionary of the company, he provide strategic direction to all aspects of the business.
- ❖ Over 42 years of experience in the Rice industry.
- ❖ Founder & Former President of All India Rice Exporters Associations.
- ❖ He is a Art Graduate from Delhi University.

- ❖ Expert on Basmati Paddy Supply Chain Management as well as on Paddy Milling Technology.
- ❖ Over 34 years of experience in the Rice industry.
- ❖ Executive Member of the Basmati Rice Farmers & Exporters Development Forum.
- ❖ He is a Commerce Graduate from Delhi University.

- ❖ Financial Architect & the Chief Strategist of the Company.
- ❖ Over 33 years of experience in the Rice industry.
- ❖ Former Executive Committee Member of All India Rice Exporters Associations.
- ❖ He is a Science Graduate from Delhi University.

- ❖ Overseas Brand Management of KRBL brand
- ❖ Handles corporate affairs and public engagement at Domestic & International level.
- ❖ Over 16 years of experience in the field of International Marketing & sales Management.
- ❖ Owner President Management Programme from Harvard Business School and BS in Business Management from University of Southern California, LA.

- ❖ Over 42 years of experience in the field of engineering and food processing industry.
- ❖ Previously worked with some of the leading FMCG and consumer companies in the world.
- ❖ He has also obtained Certificate of Entrepreneurship from IIM, Ahmedabad.

- ❖ Over 31 years of experience in the field of finance.
- ❖ Previously worked with some of the leading corporate like Surya Group, Lakhani Group, Sanjay Dalmia Group, Mafatlal Group and Onida Group.
- ❖ He is a Chartered Accountants from ICAI and Commerce Graduate from BHU.

# FINANCIAL OVERVIEW



## Financial Summary

(Rs. In Crores)

OPERATING RESULTS (Consolidated)	IND AS ( FY 2016-17) Q3	IND AS ( FY 2015-16) Q3	9 Month ( FY 2016-17)	9 Month ( FY 2015-16)
Gross Revenue (Including Other Income)	820.27	735.25	2358.15	2653.50
EBITDA EBITDA Margin (%)	181.74 22.72%	73.20 9.98%	475.65 21.27%	355.84 13.44%
Profit Before Tax (PBT) PBT Margin (%)	149.72 18.67%	50.74 6.92%	378.01 16.90%	271.70 10.26%
Profit After Tax (PAT) PAT Margin (%)	110.75 13.81%	40.25 5.49%	289.56 12.95%	199.78 7.54%
EPS (in Rs.)	4.70	1.71	12.30	8.49



# FINANCIAL OVERVIEW



(Rs. in Crores)

Operating Results (Consolidated)	FY 2013	FY 2014	FY 2015	FY 2016
Operating Revenue from Operation	2,080.39	2,910.46	3,197.19	3,428.13
Other Income	10.73	14.54	6.11	7.51
Total Income	2,091.12	2,925.00	3,203.30	3,435.64
Operating Expenditure	1,787.01	2,469.91	2,671.45	2,895.03
EBITDA	304.11	455.09	531.86	540.61
EBIDTA Margin	14.54%	15.56%	16.60%	15.74%
Depreciation	50.56	57.66	52.69	50.06
Interest	77.51	76.02	80.89	63.42
Exceptional Items -currency Fluctuations (Gain)/Loss	(8.16)	(5.02)	4.19	(2.55)
Profit Before Tax (PBT)	184.20	326.43	394.08	429.69
Taxes	54.34	71.31	72.37	92.61
Profit After Tax (PAT)	129.86	255.12	321.71	337.07

# FINANCIAL OVERVIEW



(Rs. In Crores)

Financial Result (Consolidated)	FY 2013	FY 2014	FY 2015	FY 2016
Fixed Assets (Incl. CWIP)	457.75	577.01	753.30	875.30
Current Assets, Loans & Advance	1,522.13	2,091.59	2,286.97	2,098.55
Gross Capital Employed	1,979.88	2,668.60	3,040.27	2,973.85
Current Liabilities & Provisions	326.96	336.95	443.79	287.51
Capital Employed	1,652.92	2,331.65	2,596.48	2,686.34
Share Capital	24.24	23.58	23.54	23.54
Reserves & Surplus	806.11	1,021.27	1,301.23	1,600.18
Share Holders Funds	830.35	1,044.85	1,324.77	1,623.72
Book Value (Rs.)	34.26	44.31	56.28	68.98
Long Term Loans	77.45	204.38	236.28	200.63
Working Capital Loans	758.12	1,111.17	1,045.16	891.39
ROCE (%)	16.48	18.26	19.50	19.58
Return on Equity (%)	16.97	27.81	27.64	23.16
No. of Share (in crore)	24.24	23.58	23.54	23.54
Earning Per Share (Rs.)	5.36	10.84	13.67	14.33
Cash EPS (Rs.)	7.44	13.29	15.91	16.45

# FINANCIAL OVERVIEW



## Key Performance Indicators (For Quarter Ended December 2016)

### Consolidated:-

- ❖ The Company achieved total revenue of Rs.800.03 crores in this quarter as compared to Rs. 733.17 crores same quarter last year. YoY - increased by 9%
- ❖ Company achieved EBIDTA of Rs.181.74 crores in this quarter as compared to Rs.73.20 crores same quarter last year. An increased of 148% EBIDTA margin increased by 1,274 basis points from 9.98% to 22.72%.
- ❖ Company earned Profit Before Tax (PBT) of Rs.149.72 crores as compared to Rs.50.74 crores same period last year. PBT increased by 1238 basis points from 6.92% to 18.67%.
- ❖ Company earned Profit After Tax (PAT) of Rs. 110.75 crores as compared to Rs. 40.25 crores same period last year. Yoy - Increased by 175%
- ❖ In spite of depressed market conditions KRBL has been able to increase the EBIDTA margin by 1274 basis points due to strong brand image and better price realization of the Premium Brands



# FINANCIAL OVERVIEW



## Key Performance Indicators (For Nine Months Ended December 2016)

### Consolidated:-

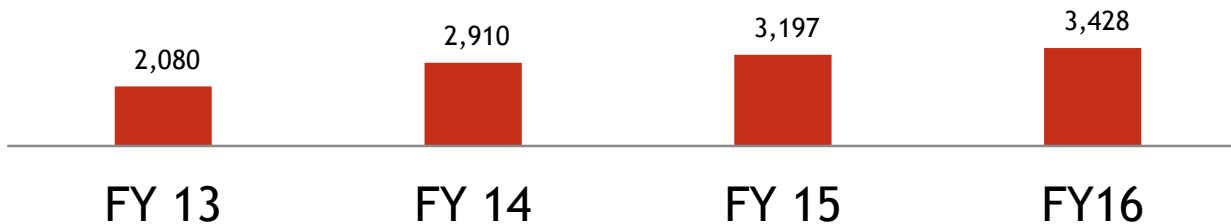
- ❖ The Company achieved total Revenue of Rs. 2236.76 crore in this period as compared to Rs. 2647.91 crore same period last year. YoY – Down by 15%.
- ❖ Company achieved EBIDTA of Rs. 475.65 crore in this period as compared to Rs.355.84 crores in the same period last year. An increased of 33.67%. EBIDTA margin increased by 783 basis points from 13.44% to 21.27%
- ❖ Company Earned Profit Before Tax (PBT) of Rs. 378.01 crores as compared to Rs. 271.70 crores same period last year. PBT increased by 664 basis points from 10.26% to 16.90%.
- ❖ Profit After Tax (PAT) of Rs.289.56 crore as compared to Rs. 199.78 crore same period last year. There is an increase of 44.94%.
- ❖ Earning Per Share (EPS) for the Nine Months ended December 2016 at Rs. 12.30 per share as compared to Rs. 8.49 per share same period last year.
- ❖ Book value stands on 31-12-2016 at Rs. 76.46 per share as compared to Rs. 61.42 per share same period last year.

# FINANCIAL OVERVIEW

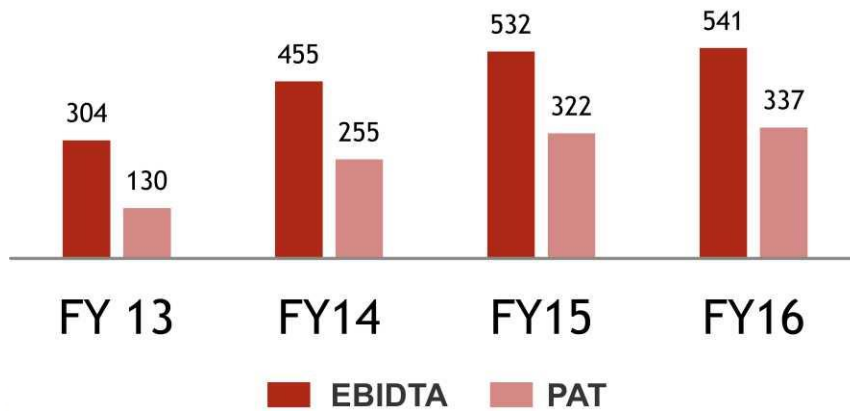


## Revenue Growth and Margin Trends

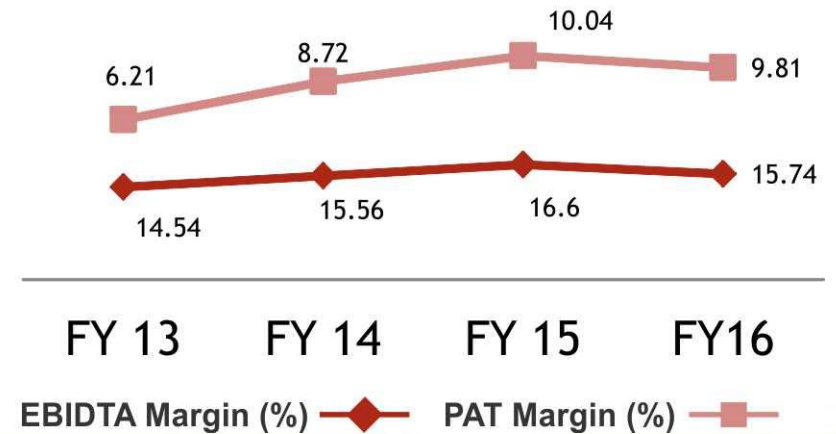
Operating Revenue (Rs. In Crores)



EBIDTA & PAT (₹ In Crores)



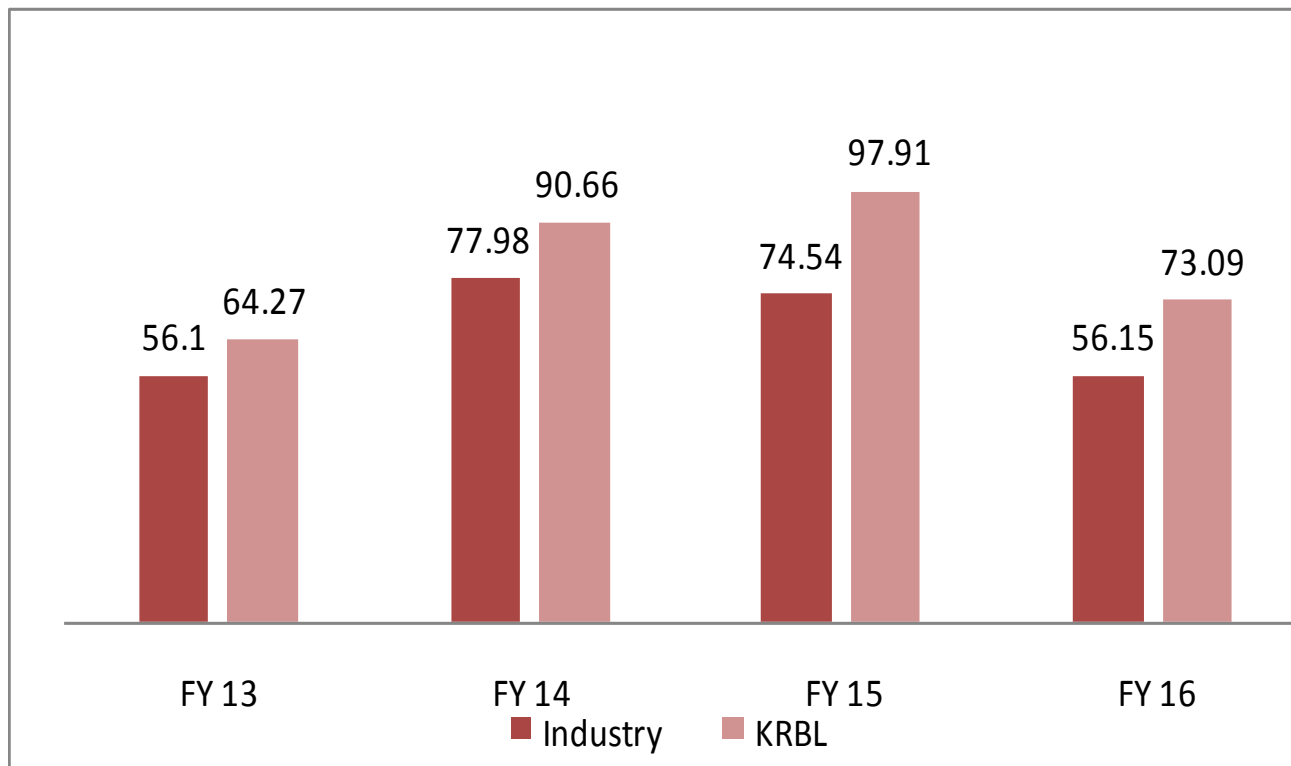
EBIDTA & PAT Margin (%)



# FINANCIAL OVERVIEW



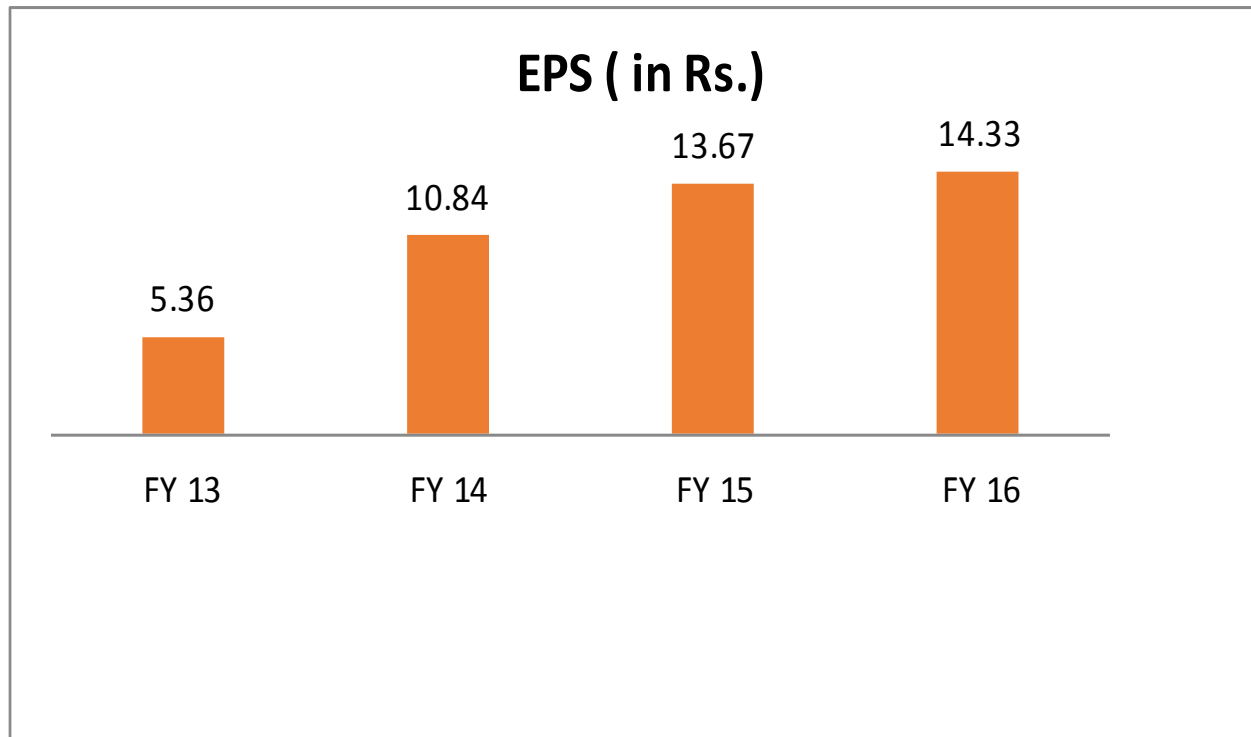
## Unit Export Value Realization (Rs./Kg)





# FINANCIAL OVERVIEW

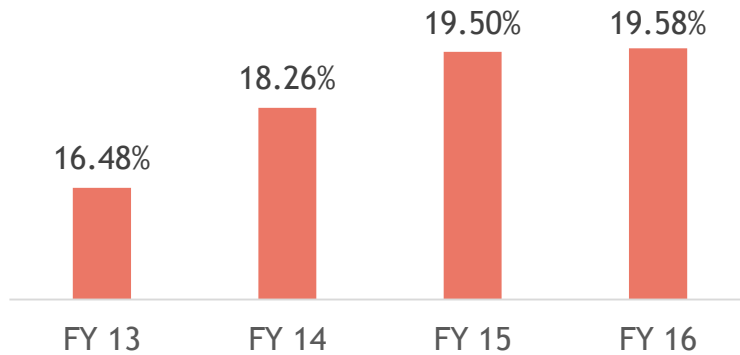
## Achieved Strong EPS Growth



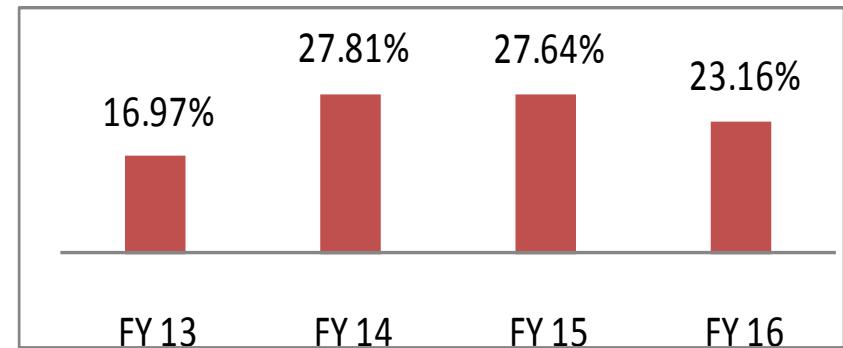
# FINANCIAL OVERVIEW



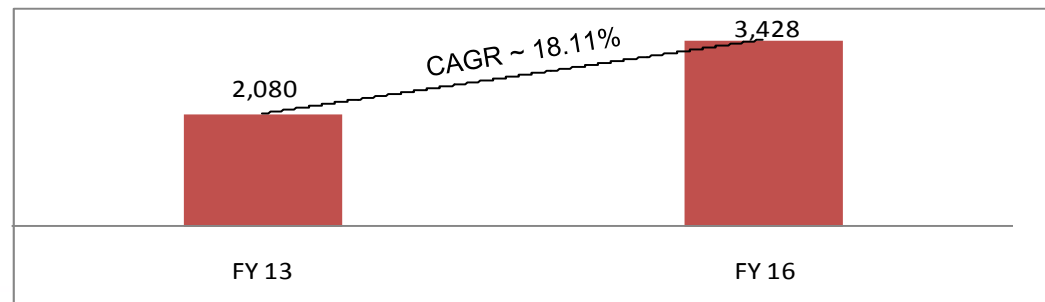
## Return on Capital Employed



## Return on Equity



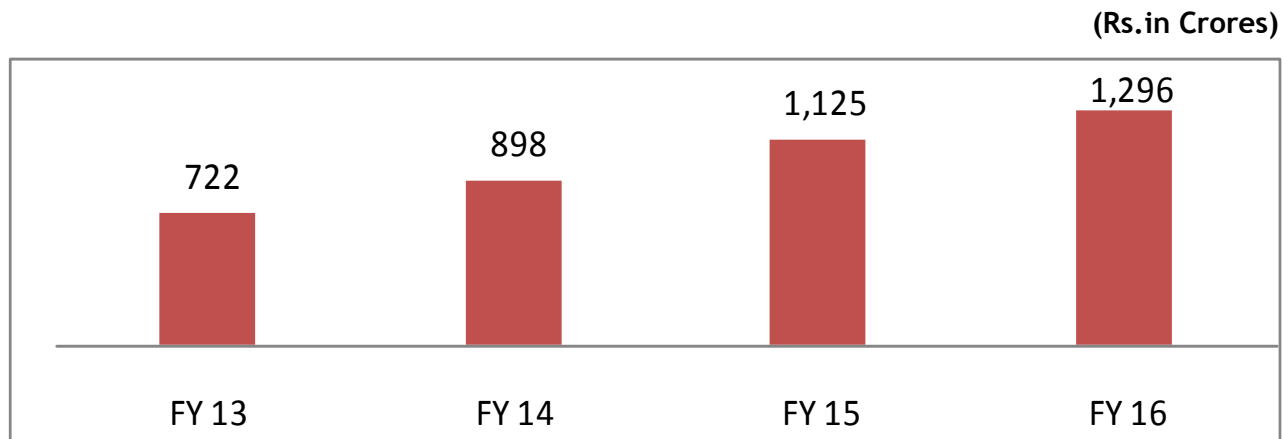
## Growth of the Company



# FINANCIAL OVERVIEW



## Gross Fixed Assets Growth



- ❖ Asset utilization to improve with higher capacity utilization
  - ❖ Dhuri Plant expected to be at 70% utilization level by FY18, leading to improved EBIDTA margin
  - ❖ UP plant at 100% utilization level
- ❖ Low debt gearing at 0.71x in FY 2016
- ❖ ROE at 23.16% in FY16
- ❖ Strong Inventory build-up enabling extended storage period and hence enhanced margins. Very good inventory gains as company is carrying low-cost inventory in books
- ❖ Inventory stood at Rs.1,744 crores in FY 2016



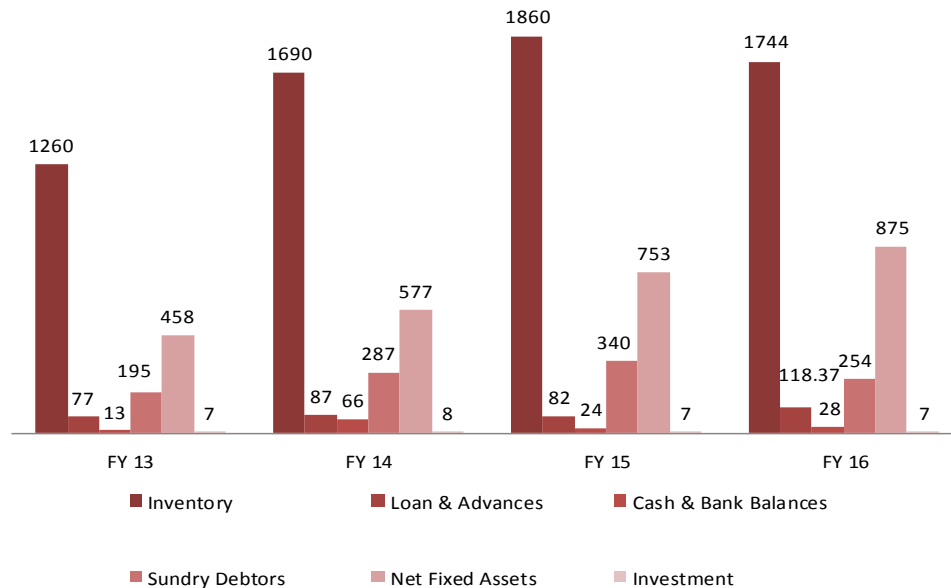
# FINANCIAL OVERVIEW



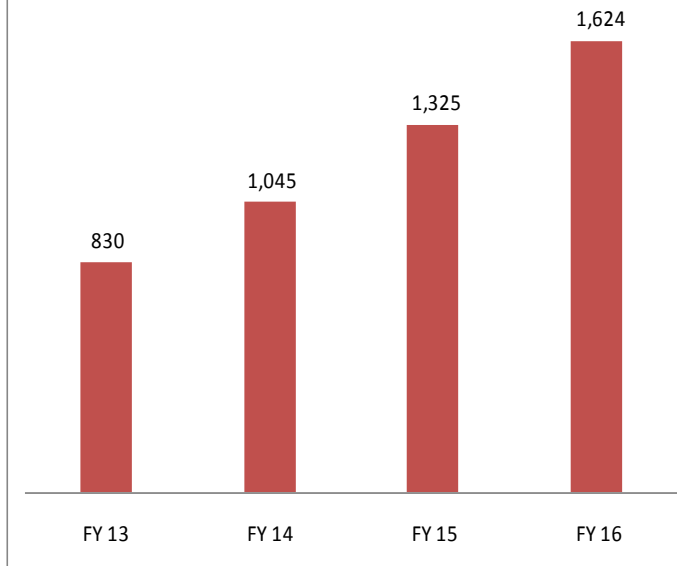
## Balance Sheet Strength

(Rs. In Crores)

### Asset Buildup



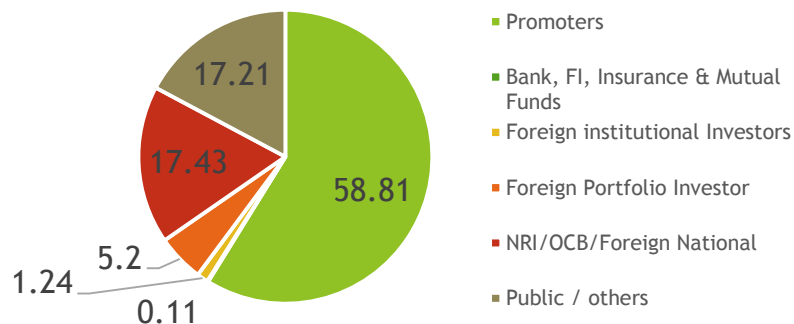
### Net Worth



# FINANCIAL OVERVIEW



## Shareholding Pattern



Shareholding Pattern on 31-12-2016

Shareholding Information as on 31-12-2016

## Market Data (as on 16-1-2017)

Market Cap (Rs. in Million)	88447.74
Share Price (Rs.)	375.75
Book Value Per Share (Rs) (31.12.2016)	76/46
52 Week High / Low (Rs.)	394.90/174.50
Outstanding Shares (Million)	235.40
BSE Ticker	530813
NSE Ticker	KRBL Market

Institutional/Bodies Shareholders Holding	%
Reliance Commodities DMCC	9.73
Kotak Mahindra (International) Ltd	2.63
Premier Investment Fund Limited	0.60
Vanguard Emerging Markets Stocks Index Fund A series of Vanguard International Equity Index Fund	0.52
Vanguard Total International Stock Index Fund	0.47

# FINANCIAL OVERVIEW



## Company Analysis

(Rs. In Million)

	2016	2015	2014	2013	2012	2011	CAGR 5y
Total Income	34,281	31,597	29,105	20,804	16,310	15,513	17%
PBIDT	5,406	5,318	4,551	3,041	2,373	2,416	17%
PAT	3,370	3,217	2,551	1,298	730	1,203	23%
Cash Profit	3,871	3,744	3,120	1,804	1,175	1,562	20%
RoE %	23	27	27	17	11	20	

- ❖ Robust growth over 5 year periods
- ❖ PAT CAGR of 23% - consistent across long periods
  - ❖ Higher growth expected in future due to consolidation in industry
  - ❖ Branding and pricing power
  - ❖ Consumerization
  - ❖ New launches and product segmentation strategy
- ❖ Long term AVERAGE RoE of 22%
- ❖ Current year RoE increasing > 27%– due to branding and consumerization.



# HIGHLIGHTS OF EXPORT MARKET



**India Gate #1** Indian Basmati brand in Kuwait. **21%** market share

**12%** export share of the largest market of Basmati in the world – Saudi Arabia. India Gate Classic is the most **aspirational brand** in Saudi Arabia

**India Gate #1** Indian Basmati brand in UAE. **30%** market share

**India Gate #1** Indian Basmati brand in Qatar

**India Gate is #1** Indian Basmati brand in Oman

**India Gate #1** Indian Basmati brand in Bahrain

*(Source: Retail Data, Distributors Data, APEDA Data & KRBL Export Data)*



# HIGHLIGHTS OF EXPORT MARKET



**India Gate #1** Indian basmati brand in Lebanon. Has **30%** market share of Modern Trade.

Dominance in the Australasia region. **India Gate # 1 brand** in Australia and New Zealand

**India Gate #1** Indian Basmati brand in Canada both in Modern and Ethnic market

**KRBL brands** have market share ranging **45%-15%** in African markets

**India Gate** is the most aspirational brand in Singapore and Hong Kong

**India Gate Classic** most aspirational brand in Scandinavia

*(Source: Retail Data, Distributors Data, APEDA Data & KRBL Export Data)*

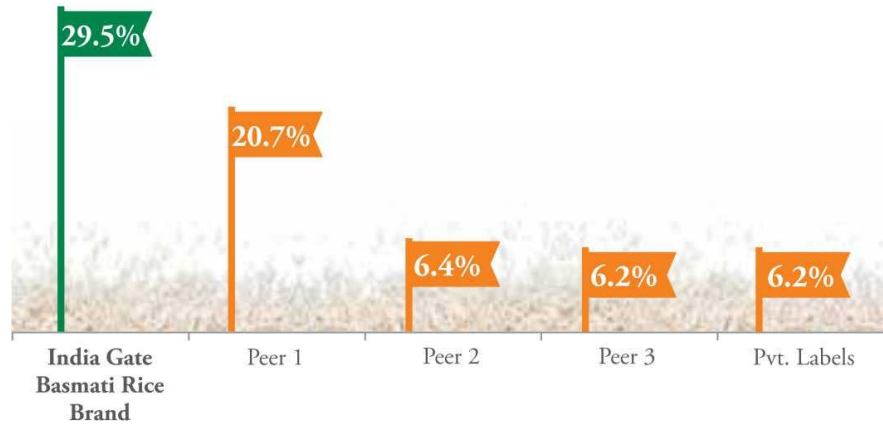
# HIGHLIGHTS OF DOMESTIC MARKET



## Geography-Wise Market Share:

### Top 5 Brands (Value Wise): (In %)

Highest All India Urban Plus Rural Market Share of KRBL Limited



In value terms, India Gate Basmati Rice brand enjoys a leading position in the Indian urban and rural areas combined with a 29.5% market share.

### Top 5 Brands (% Share in Metro Market) (Value Wise): (In %)

Highest All India Metros Market Share of KRBL Limited



In value terms, India Gate Basmati Rice is a dominant brand in Indian Metropolitan area with a 27.8% market share.

*(Source: AC Nielsen MAT March 2016 data)*





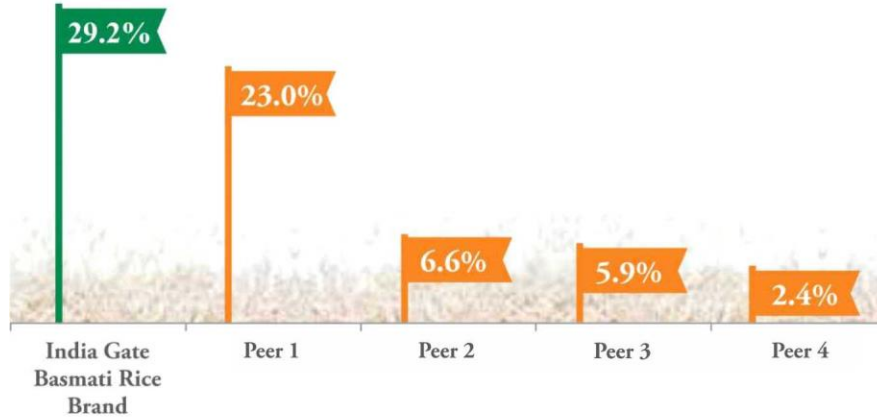
# HIGHLIGHTS OF DOMESTIC MARKET



## Market Channel-Wise:

### Top 5 Brands (% Share in Traditional Trade) (Value Wise): (In %)

Highest All India Traditional Trade Market Share of KRBL Limited



In value terms, India Gate Basmati Rice is a leading brand dominating the all India traditional trade with a 29.2% market share.

### Top 5 Brands (% Share in Modern Trade) (Value Wise): (In %)

Highest All India Modern Trade Market Share of KRBL Limited



In value terms, India Gate Basmati Rice is a leading brand dominating the all India modern trade with a 29.9% market share.

*(Source: AC Nielsen MAT March 2016 data)*

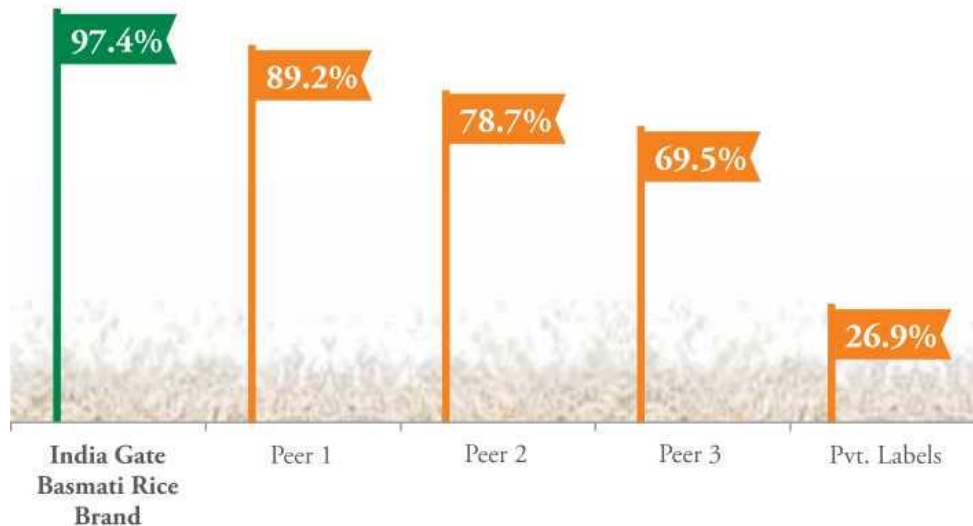


# HIGHLIGHTS OF DOMESTIC MARKET



## Top 5 Brands Weighted Value Distribution in packaged Basmati Rice category in modern trade (%)

Highest All India Weighted Value Distribution in Packaged Basmati Rice Category in Modern Trade (%)



In terms of Weighted Value Distribution (percentage of stores that sell our products based on their weighted importance), 97.4% of the modern trade stores sell our packaged Basmati Rice products.

*(Source: AC Nielsen MAT March 2016 data)*



## Contact Details

# KRBL Limited

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## Contact Person

# Rakesh Mehrotra

## Chief Financial Officer

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