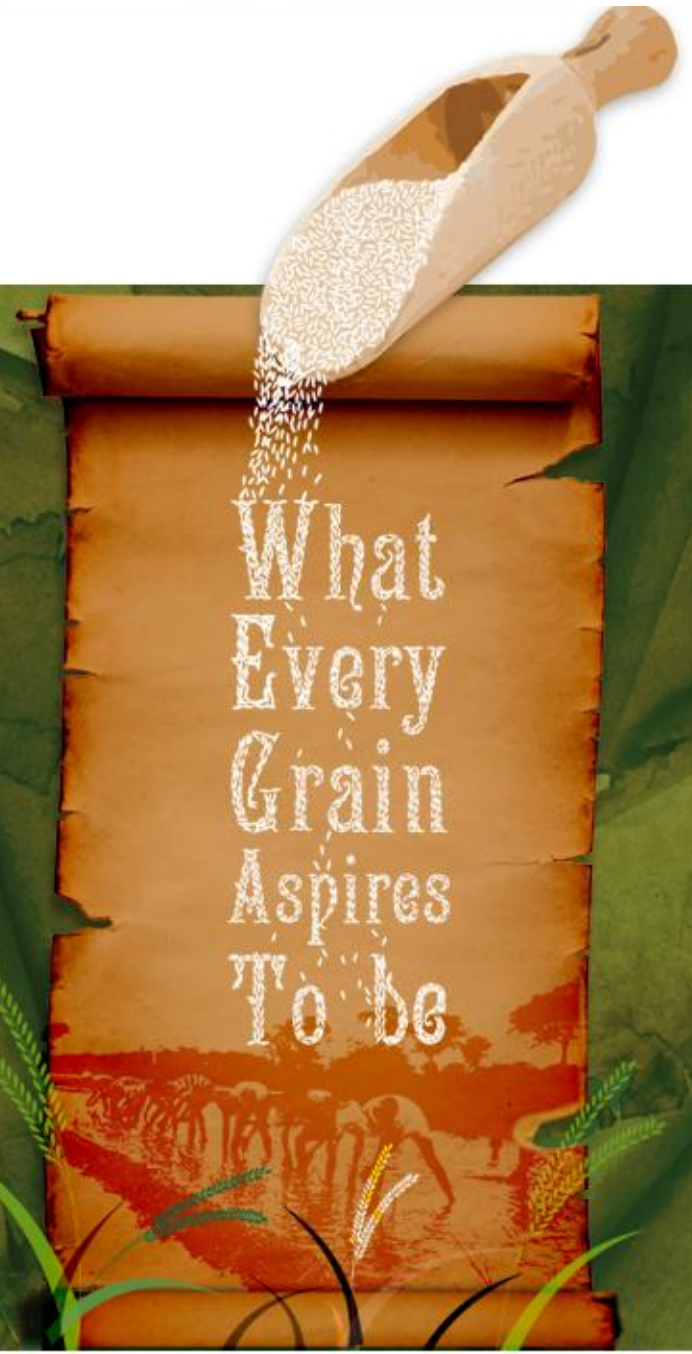




WORLD'S LARGEST RICE MILLERS & BASMATI RICE EXPORTERS

# Investor Presentation

## June 2012

A wooden scoop is shown pouring a stream of white rice grains onto a large, unrolled scroll. The scroll is a warm brown color and has the text "What Every Grain Aspires To be" written on it in a white, serif font. The background of the slide is a collage of green and brown textures, with some green grass and rice stalks at the bottom.

What  
Every  
Grain  
Aspires  
To be



# 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.*



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# 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
- ❖ Largest contract farming basmati rice in the world

## 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
- ❖ Brands include – India Gate, Taj Mahal, Doon, Nur Jahan and many more
- ❖ 25% share in the Branded Basmati exports from India
- ❖ 30% share in the branded Basmati sale in domestic market

## 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 20% over the Industry average
- ❖ Wide marketing network with presence at 5,75,000 retail outlets spread over all towns and cities of the country
- ❖ 35% basmati seeds in India are provided by KRBL

## Strong Financial Performance

- ❖ 4-year net sales growth CAGR of 13.1% and EBITDA growth CAGR of 11.2%
- ❖ 4-year average return on capital employed of 12.7%
- ❖ Strong balance sheet to support organic and inorganic growth plans
- ❖ Short-term loan of the company rated A1+ by ICRA, indicating highest credit quality





# Business Overview

## Company Snapshot

- 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 plants
- Branded Basmati rice company, with manufacturing capacities of 195 MT/per hour
- Has set up a seed farm and a 4 MT per hour seed grading plant for its R&D activities and new products testing
- Has rice warehousing capacity of 5,00,000 tonnes and paddy storage capacity of 1 million tonnes
- Collaboration with Buhler, world's leading rice milling machine manufacturer, for process/machine improvement
- Emerged as Top Green company in ranking of 25 most popular food companies in India by Greenpeace

## Key Brands



## Industry Recognition



# Business Overview

## Brands Strength



India's largest selling branded Basmati Rice

"India Gate", the largest selling branded Basmati rice in the Indian market

Strong foothold in domestic market with a 30% market share

Wider product reach and acceptance with small consumer packs

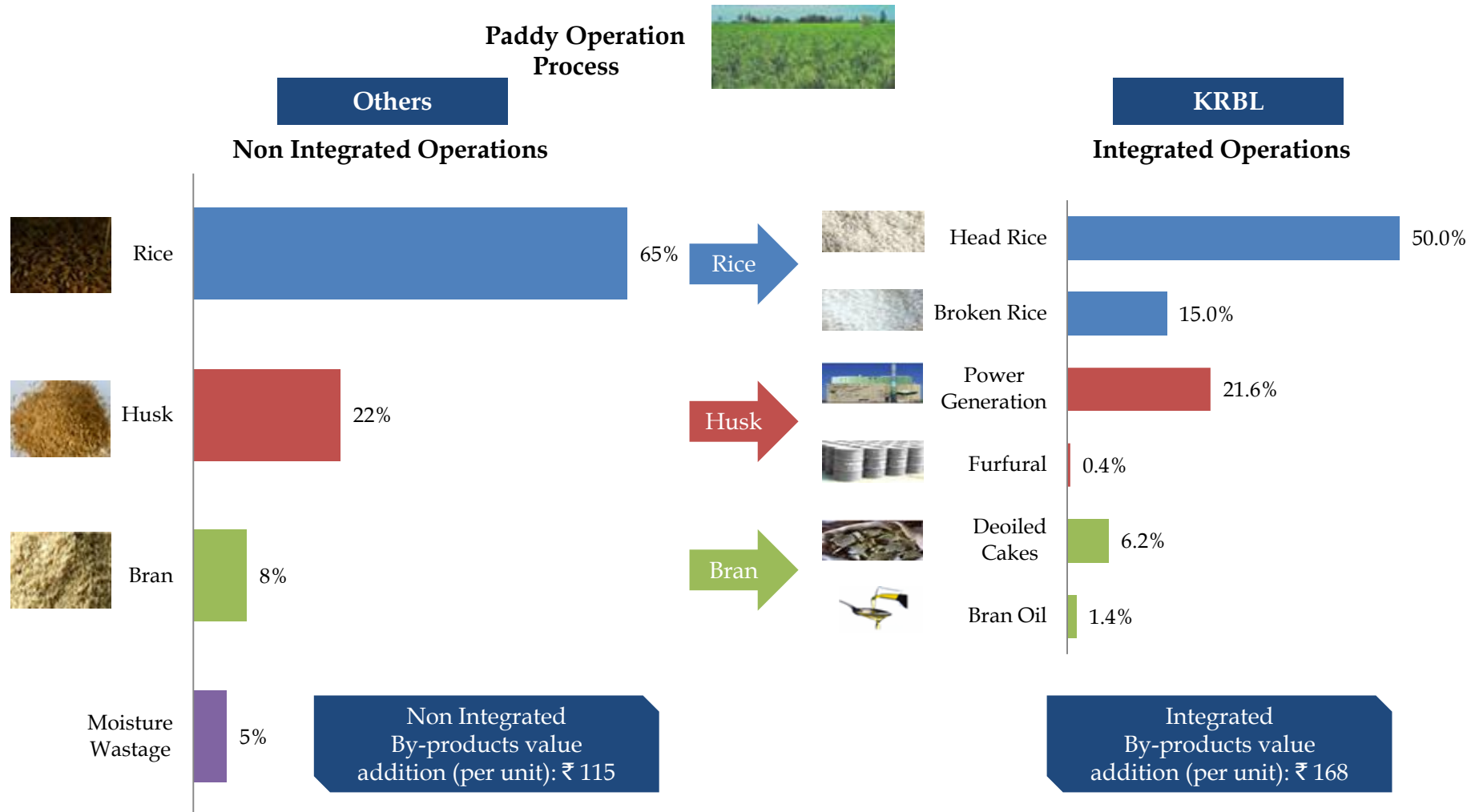
A leading position in Saudi Arabia, the world's largest Basmati Rice market

Awarded with 'MERA' Brand for four consecutive years by AMFG (Leading media & brand rating company)



# Business Overview

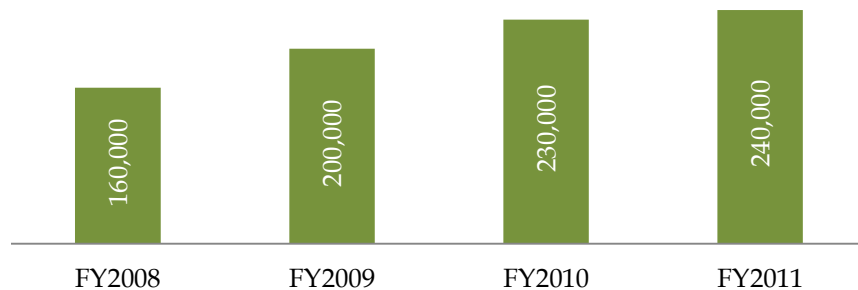
KRBL Has Fully Integrated Operations Leading To Better Margins Due To Scale And Effective Utilization Of By Products



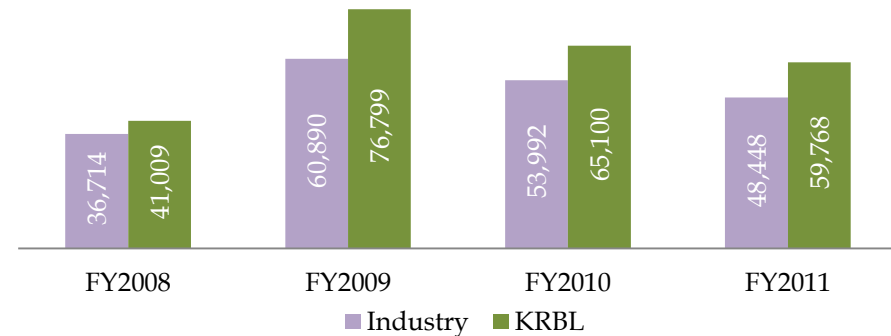
# Business Overview

## Contact Farming Enhanced Realizations

### KRBL's Acreage Under Contact Farming



### Unit Export Value Realization (₹ / MT)



Source: APEDA

#### Benefits to Farmers

- ❖ Access to competitive and modern technologies
- ❖ Significant reduction in risk and uncertainty of markets
- ❖ Enhanced earning potential due to improved crop quality and productivity
- ❖ Crop switching - Leading to enhanced realization
- ❖ Good value of paddy without involving intermediaries

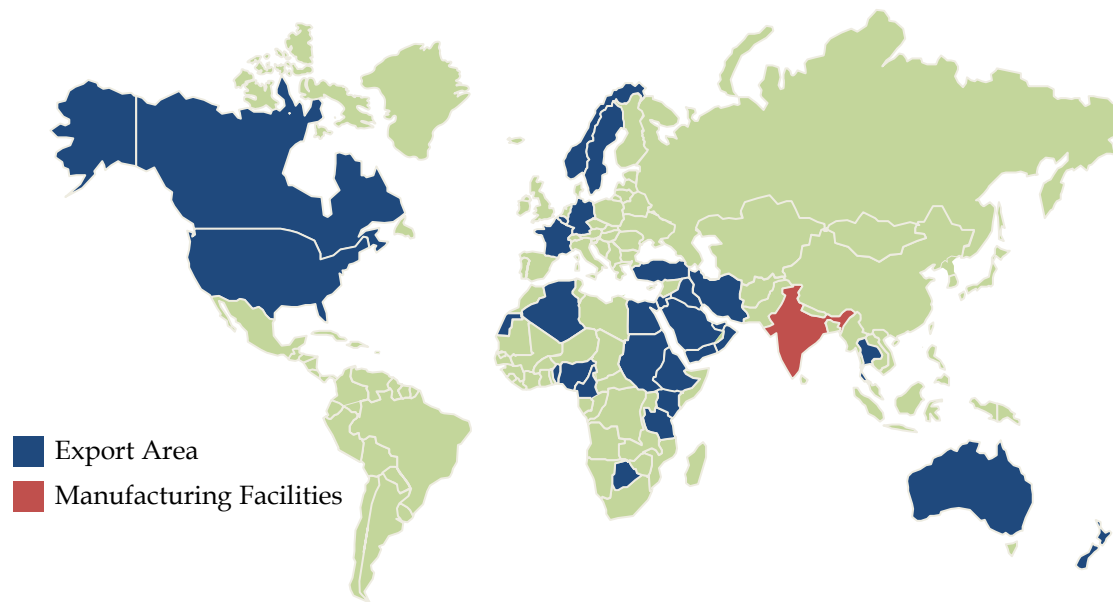
#### Benefits to the Company

- ❖ Adequate availability of paddy
- ❖ Ensures good quality of procured paddy
- ❖ Significant savings in transportation and Mandi tax
- ❖ Building lasting, mutually beneficial relationship with the farmers
- ❖ Insulation from fluctuations in paddy prices
- ❖ Enhanced realizations



# Business Overview

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



Paddy Storage Area



Processed Rice Storage Area



Testing lab at the plant



### Rice Business

Plant Location	Function	Capacity (MT/hr)	Grading & Packing (MT/Hour)
Ghaziabad	Rice Processing	45	50
Dhuri	Rice Processing	150	50
Delhi	Grading		30
<b>Total</b>		<b>195</b>	<b>130</b>

### Energy Business

Plant Location	Function	Capacity (MW)
Dhuri	Biomass	12.3
Ghaziabad	Biomass	3.5
<b>Sub-Total</b>	<b>Biomass</b>	<b>15.8</b>
Maharashtra	Wind	12.5
Rajasthan	Wind	8.1
Tamil Nadu	Wind	8.1
Karnataka	Wind	11.1
<b>Sub-Total</b>	<b>Wind</b>	<b>39.8</b>
<b>Total</b>	<b>Biomass / Wind</b>	<b>55.6</b>

# Business Overview

## Strong Brand Presence Through Collaborations With Global Retail Chains

### Collaborations with Retail Chains: India

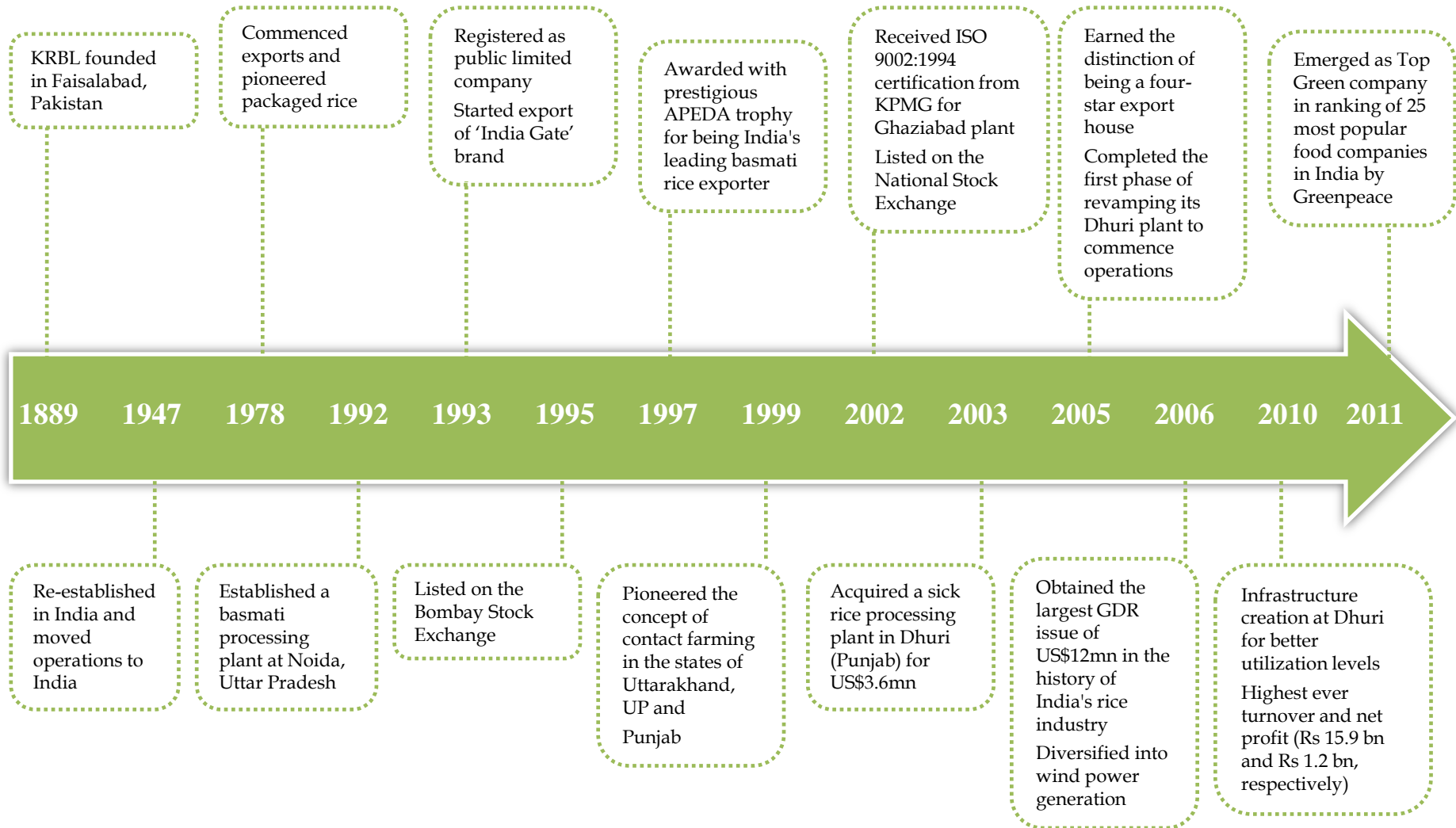


### Collaborations with Retail Chains: Overseas



# Business Overview

## Over 120 Years Of Experience In The Rice Industry





# Management and Board

## Extensive Management Expertise In Rice Industry And Operation Across The Value Chain

Key Executives		Background
Anil Kumar Mittal <i>Executive Chairman and Managing Director</i>		<ul style="list-style-type: none"> <li>• Visionary behind the success of KRBL Ltd</li> <li>• Having more than 36 years of experience in Rice business</li> <li>• Formulates marketing strategy of the company and supervises the marketing functions</li> <li>• Founder &amp; Former President of All India Rice Exporters Associations</li> </ul>
Arun Gupta <i>Executive Joint Managing Director</i>		<ul style="list-style-type: none"> <li>• Expert on Basmati Paddy Supply Chain Management. Expert on Paddy Milling Technology</li> <li>• Having more than 27 years of experience in the Rice business.</li> <li>• Executive Member, Basmati Rice Farmers &amp; Exporters Development Forum</li> <li>• He is a Commerce Graduate from Delhi University</li> </ul>
Anoop Gupta <i>Executive Joint Managing Director</i>		<ul style="list-style-type: none"> <li>• Financial Architect &amp; Chief Strategist of the Company</li> <li>• Having more than 26 years of experience in Rice business</li> <li>• Former Executive Committee Member of All India Rice Exporters Associations</li> <li>• He is a Science Graduate from Delhi University</li> </ul>
Priyanka Mittal <i>Whole-time Director</i>		<ul style="list-style-type: none"> <li>• Young Turk bringing Management Innovation into the Company</li> <li>• Specialist on International Marketing of Agri and Food Products</li> <li>• She is a Business Management Graduate from University of Southern California, USA</li> </ul>
Rakesh Mehrotra <i>Chief Financial Officer</i>		<ul style="list-style-type: none"> <li>• Has over 27 years of experience in the field of finance</li> <li>• Has previously worked with some of the leading corporates like Surya Group, Lakhani Group, Sanjay Dalmia Group, Mafatlal Group and Onida Group</li> <li>• He is a Chartered Accountant from ICAI and Commerce Graduate from BHU</li> </ul>
Ashok Chand <i>Whole-time Director</i>		<ul style="list-style-type: none"> <li>• Has over 36 years of experience in the field of engineering and food processing industry</li> <li>• Has previously worked with some of the leading FMCG and consumer companies in the world</li> <li>• He has also obtained Certificate of Entrepreneurship from IIM, Ahmedabad</li> </ul>



# Management and Board

## Board Of Directors

**Anil Kumar Mittal**

*Chairman & Managing Director*

**Arun Kumar Gupta**

*Joint Managing Director*

**Anoop Kumar Gupta**

*Joint Managing Director*

**Priyanka Mittal**

*Whole-time  
Director*

**Ashok Chand**

*Whole Time  
Director*

**Narpinder Kumar  
Gupta**

*Consultant  
Food Processing  
Industry*

**Vinod Ahuja**

*Chairman  
Manglam Ventures*

**Ashwani Dua**


*Director  
GN Commercial*


**Shyam Arora**

*Managing Director  
Premier  
Electronics*

**Gautam Khaitan**

*Corporate  
Lawyer*

 *Non Independent Director*

 *Independent Director*

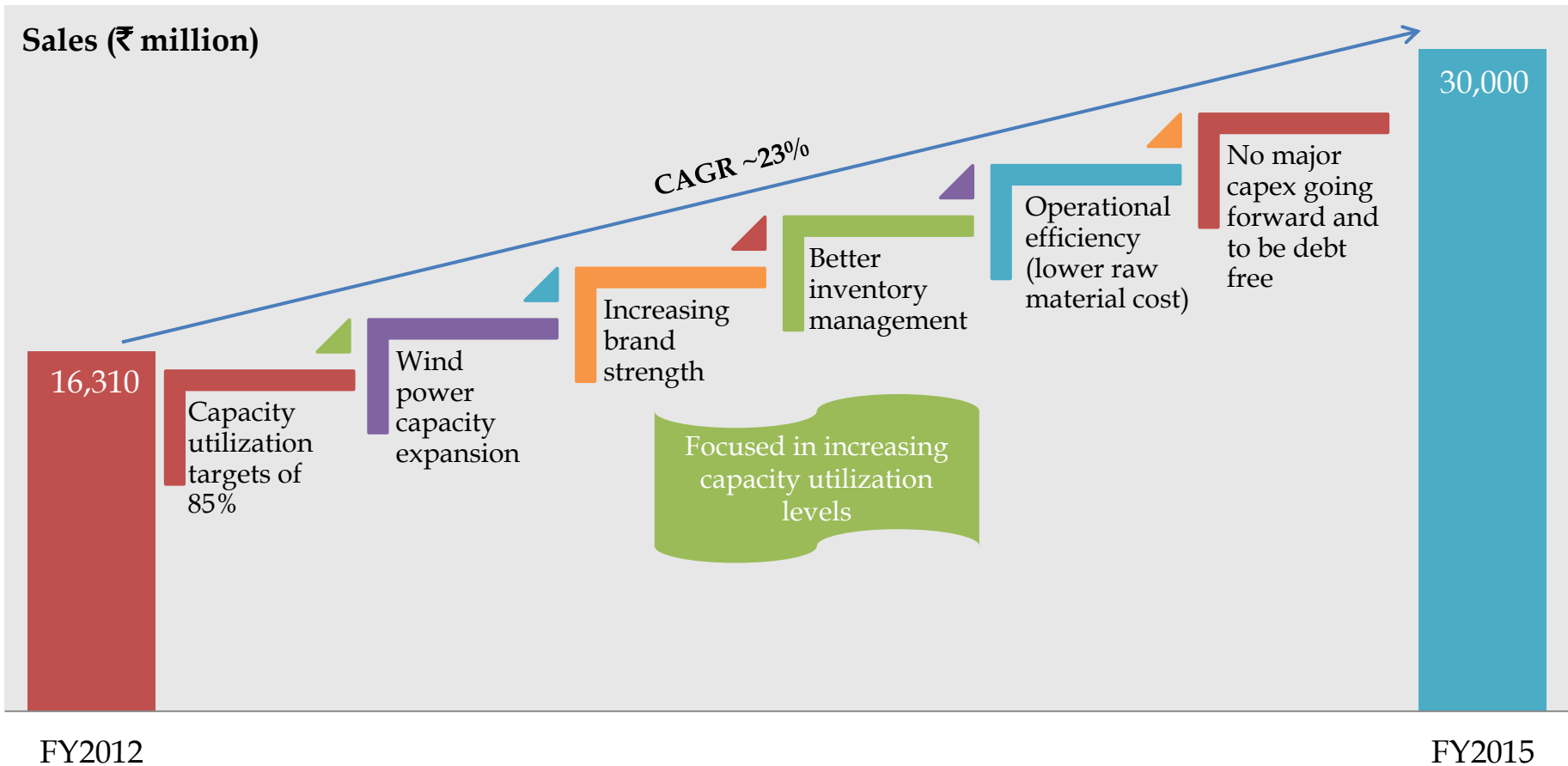
## Audit Committee

Name	Status	Independent
Ashwani Dua	Chairman	✓
Vinod Ahuja	Member	✓
Narpinder Kumar Gupta	Member	✓
Anoop Kumar Gupta	Member	

## Remuneration Committee

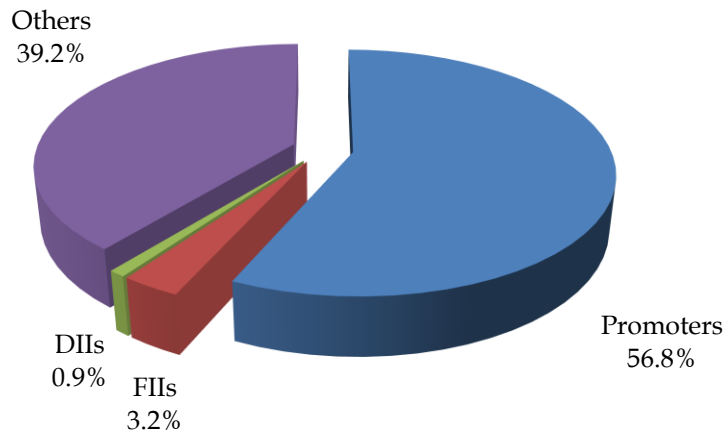
Name	Status	Independent
Ashwani Dua	Chairman	✓
Vinod Ahuja	Member	✓
Gautam Khaitan	Member	✓

## Clearly Defined Group Strategy



# Financial Overview

## Shareholding Pattern



## Market Data

❖ Market Cap (₹ million)	4,668
❖ Share Price (₹)	19.20
❖ Book Value Per Share (₹) (31-12-12)	29.50
❖ 52 Week High / Low (₹)	33.90 / 12.75
❖ Outstanding Shares (million)	243
❖ Free Float	35%
❖ BSE Ticker	530813
❖ NSE Ticker	KRBL

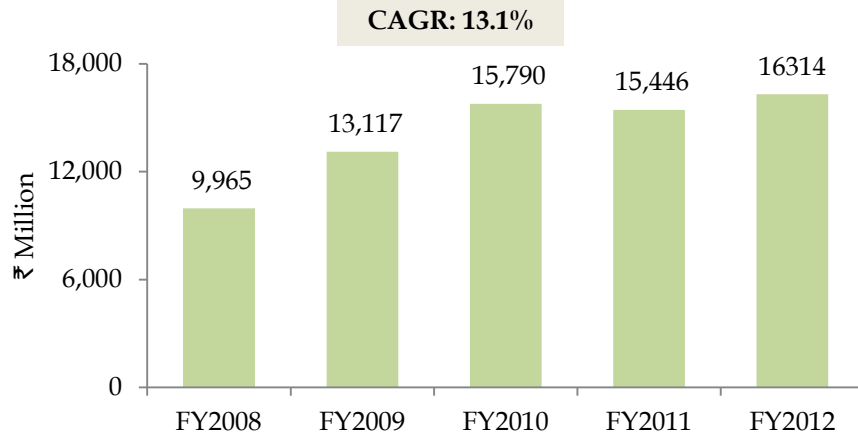
Note: Information as on June 4, 2012

Institutional/ Bodies Shareholders Holding	%
Reliance Commodities DMCC	9.42%
CLSA (Mauritius) Limited	1.53%
Vocation Investment & Finance Co.	1.28%
HSBC Asset Management (India)	0.76%
Copthall Mauritius Investment	0.69%

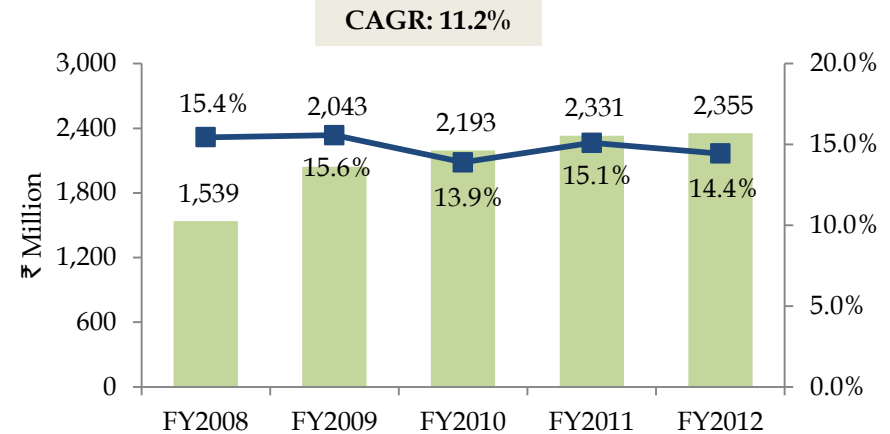
Note: Shareholders as of March 31, 2012

# Financial Overview

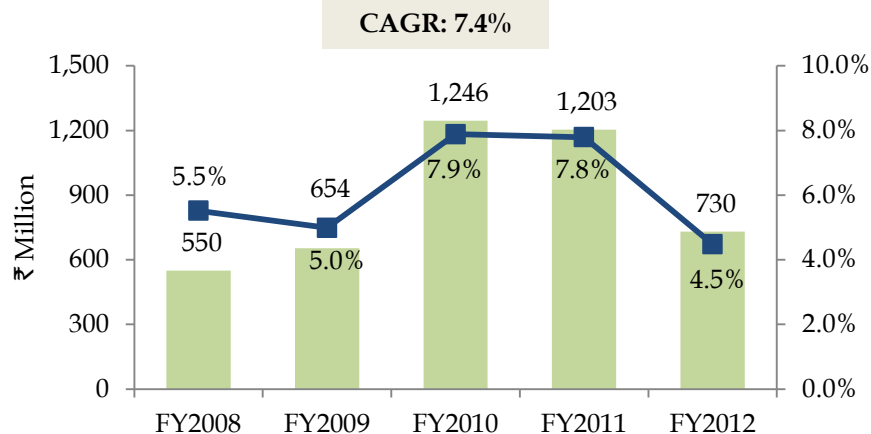
## Net Revenue



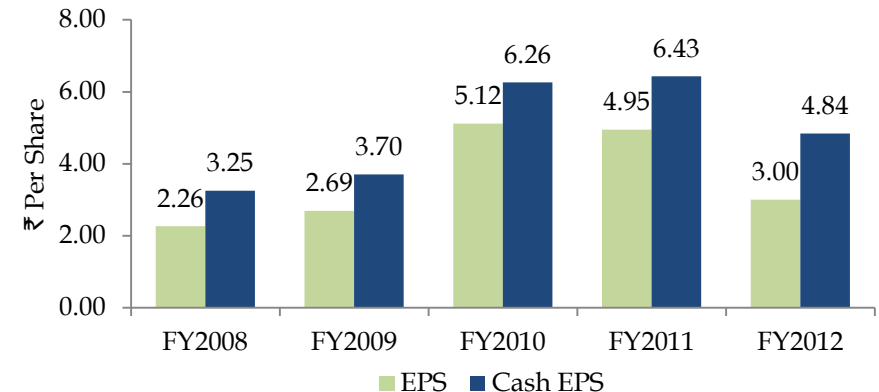
## EBITDA and Margin



## Net Profit and Margin



## EPS and Cash EPS

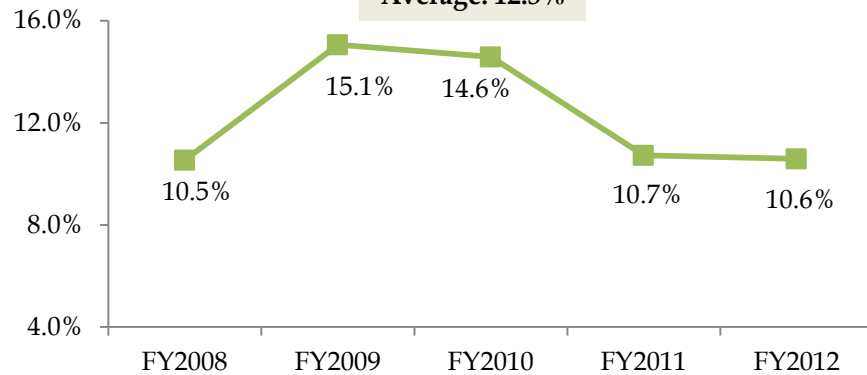




# Financial Overview

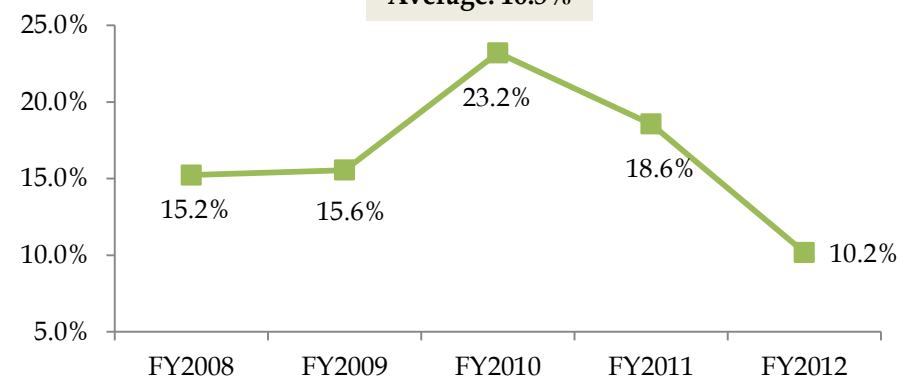
## Return on Capital Employed

Average: 12.3%

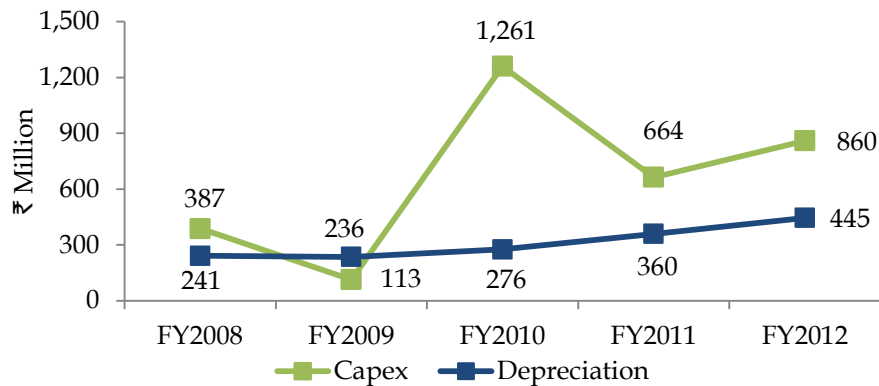


## Return on Equity

Average: 16.5%

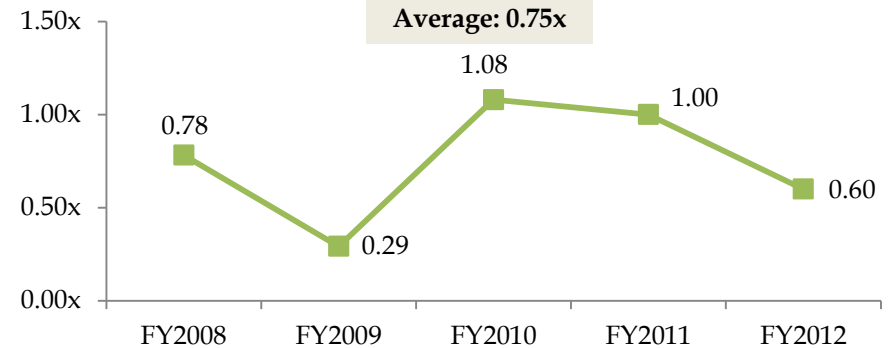


## Capex and Depreciation Trend



## Price to Book Value

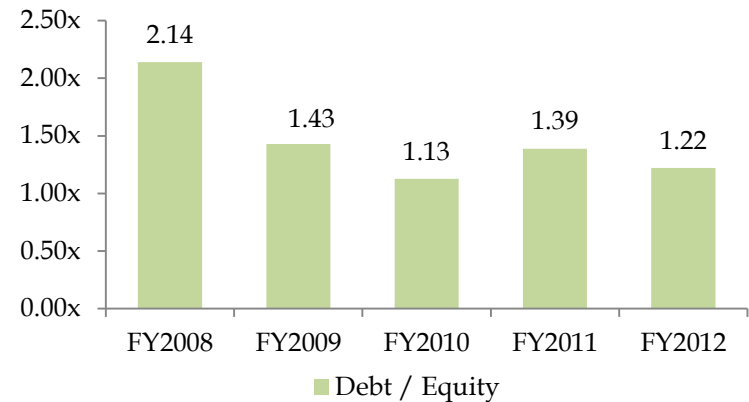
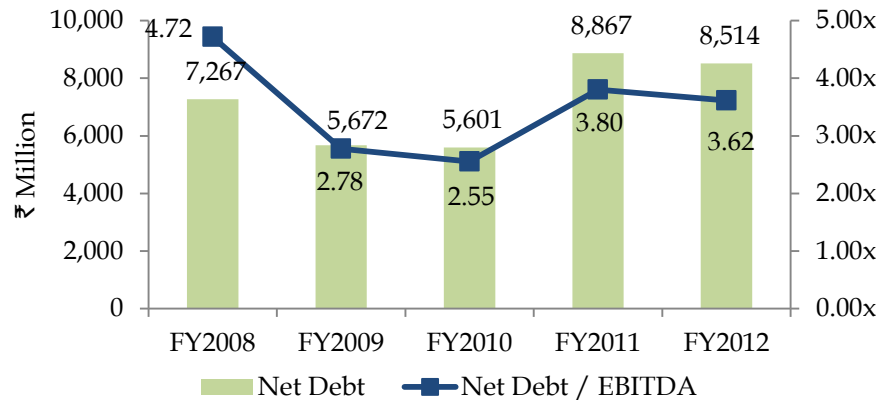
Average: 0.75x



\*Capex in FY2010 increased due to balancing expenditure in Dhuri and addition of windmill

# Financial Overview

## Conservative Leverage Profile



Agency	Instrument	Rating	Comment
ICRA	Short-Term Funds	A1+	Very strong degree of safety regarding timely payment of financial obligations
ICRA	Long-Term Funds	A+	Adequate degree of safety regarding timely servicing of financial obligations

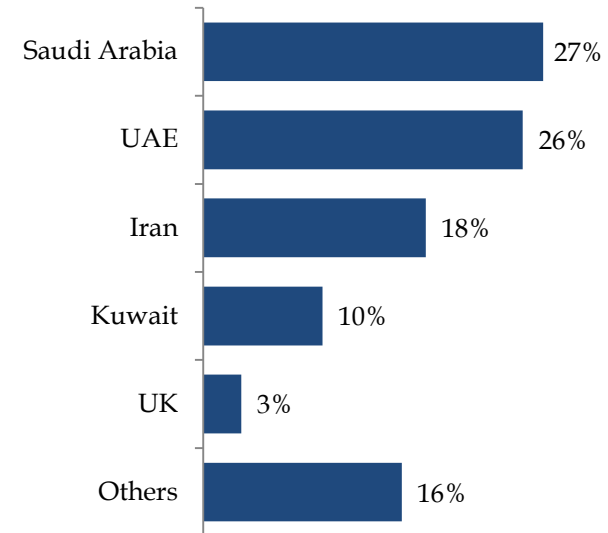
- ❖ Significant deleveraging over the past four years with Net Debt/EBITDA decreasing from 4.72x in 2008 to 3.62x in 2012
- ❖ Debt / Equity ratio declined from 2.14x in 2008 to 1.22x in 2012
- ❖ As on March 31, 2012, has a net debt of ₹8,514 million on a consolidated basis

# Industry Overview

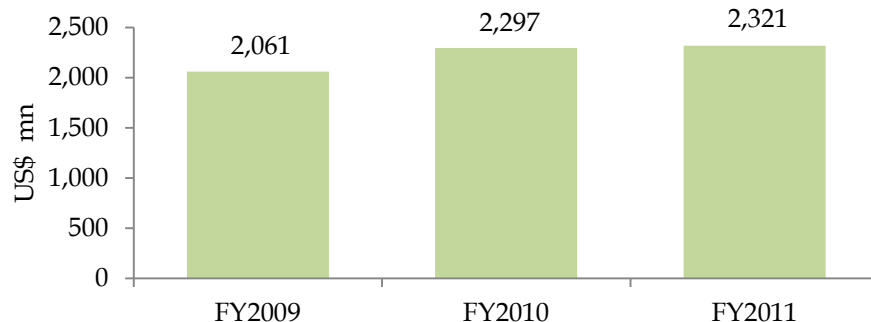
## Overview

- ❖ Indian Agriculture industry contributes ~ 31% of the GDP and ~ 25% of India's exports are agricultural products
- ❖ Basmati rice exports in India are valued at ~US\$ 2,321 million per year. Over 80% of the full length rice grown in India are produced for export
- ❖ The global demand for Basmati rice has risen steadily, with consumption growing at a CAGR of ~ 22% over the period of FY 2008-11
- ❖ The Government recently agreed to lower the minimum export price (MEP) from US\$900 per tonne to US\$700 per tonne for Basmati rice
- ❖ Domestic basmati consumption expected to grow at a healthy rate of 15% over the next three to four years

## FY2011 Basmati Rice Export by Region

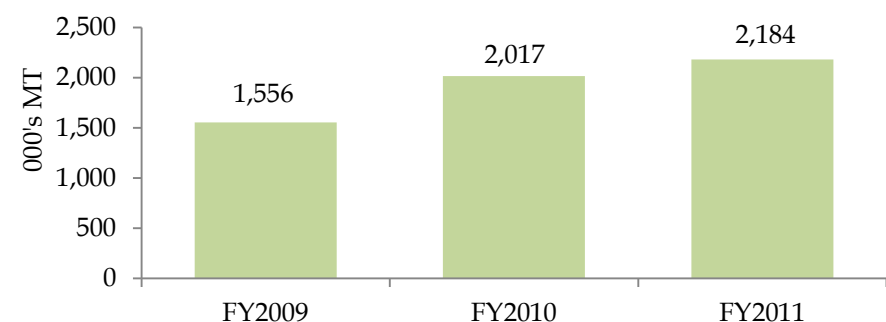


## Basmati Rice Export Value



Source: APEDA

## Basmati Rice Export Volumes





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