



# CORPORATE PRESENTATION

## DECEMBER, 2015

Confidential

# 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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# 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 – just 2 days credit period to 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.
- ❖ Largest contact farming basmati rice in the world.
- ❖ Exports to 73 Countries.
- ❖ Largest manufacturer of Basmati Rice Seed.

## 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.

## 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 18% over the Industry average.
- ❖ Wide marketing network with presence at 6,90,000 retail outlets spread over all towns and cities of the Country.
- ❖ 35% basmati seeds in India are provided by KRBL.

## 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. 1,045 crores in FY 2014 to Rs. 1,325 crores in FY 2015.

# 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 brain 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 24.66% and EBITDA Growth at CAGR of 30.87%.
- ❖ Last 3-years average Return on Capital Employed of 18.08%
- ❖ Last 3-years average Return on Equity of 24.14%.

## Key Brands



## Industry Recognition



# 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 (MT/hr)	Grading & Packing (MT/hr)
Ghaziabad	Rice Processing	45	30
Dhuri	Rice processing	150	60
Delhi	Grading	--	30
<b>Total</b>		<b>195</b>	<b>120</b>

Energy Business		
Plant Location	Function	Capacity (MW)
Dhuri	Biomass	12.30
Ghaziabad	Biomass	5.25
<b>Sub-Total (A)</b>	<b>Biomass</b>	<b>17.55</b>
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
<b>Sub-Total (B)</b>	<b>Wind</b>	<b>87.05</b>
Madhya Pradesh	Solar	15.00
<b>Sub-Total (C)</b>	<b>Solar</b>	<b>15.00</b>
<b>Total (A+B+C)</b>	<b>Biomass/Wind/Solar</b>	<b>119.60</b>

Paddy Storage Area



Processed Rice Storage Area









Testing lab at the plant



# MANAGEMENT & BOARD



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

Key Executive		Back Ground
Anil Kumar Mittal <i>Chairman and Managing Director</i>		<ul style="list-style-type: none"> <li>❖ Visionary of the company, he provide strategic direction to all aspects of the business.</li> <li>❖ Over 41 years of experience in the Rice industry.</li> <li>❖ Founder &amp; Former President of All India Rice Exporters Associations.</li> <li>❖ He is a Art Graduate from Delhi University.</li> </ul>
Arun Kumar Gupta <i>Joint Managing Director</i>		<ul style="list-style-type: none"> <li>❖ Expert on Basmati Paddy Supply Chain Management as well as on Paddy Milling Technology.</li> <li>❖ Over 33 years of experience in the Rice industry.</li> <li>❖ Executive Member of the Basmati Rice Farmers &amp; Exporters Development Forum.</li> <li>❖ He is a Commerce Graduate from Delhi University.</li> </ul>
Anoop Kumar Gupta <i>Joint Managing Director</i>		<ul style="list-style-type: none"> <li>❖ Financial Architect &amp; the Chief Strategist of the Company.</li> <li>❖ Over 32 years of experience in the Rice industry.</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>❖ Overseas Brand Management of KRBL brand</li> <li>❖ Handles corporate affairs and public engagement at Domestic &amp; International level.</li> <li>❖ Over 15 years of experience in the field of International Marketing &amp; sales Management.</li> <li>❖ Owner President Management Programme from Harvard Business School and BS in Business Management from University of Southern California, LA.</li> </ul>
Ashok Chand <i>Whole-time Director</i>		<ul style="list-style-type: none"> <li>❖ Over 42 years of experience in the field of engineering and food processing industry.</li> <li>❖ 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>
Rakesh Mehrotra <i>Chief Financial Officer</i>		<ul style="list-style-type: none"> <li>❖ Over 30 years of experience in the field of finance.</li> <li>❖ Previously worked with some of the leading corporate like Surya Group, Lakhani Group, Sanjay Dalmia Group, Mafatlal Group and Onida Group.</li> <li>❖ He is a Chartered Accountants from ICAI and Commerce Graduate from BHU.</li> </ul>



# FINANCIAL OVERVIEW



## Financial Summary

(Rs. In Crores)

OPERATING RESULTS	Consolidated ( FY 2015-16) Q3	Consolidated ( FY 2014-15) Q3	Consolidated ( FY 2015-16) 9M	Consolidated ( FY 2014-15) 9M
<b>Gross Revenue</b> (Including Other Income)	705.81	765.83	2,632.04	2,277.10
<b>EBITDA</b> EBITDA Margin (%)	109.82 15.60%	134.54 17.60%	375.34 14.29%	404.94 17.82%
<b>Profit Before Tax (PBT)</b> PBT Margin (%)	86.82 12.34%	103.25 13.51%	293.68 11.18%	292.47 12.87%
<b>Profit After Tax (PAT)</b> PAT Margin (%)	65.78 9.32%	82.52 10.78%	224.22 8.52%	236.05 10.37%
EPS (in Rs.)	2.80	3.52	9.53	10.03

# FINANCIAL OVERVIEW



(Rs. in Crores)

Operating Results (Consolidated)	FY 2012	FY 2013	FY 2014	FY 2015
Revenue from Operation	1,631.00	2,080.39	2,910.46	3,159.69
Other Income	8.64	10.73	14.54	43.62
Total Income	1,639.64	2,091.12	2,925.00	3,203.31
Operating Expenditure	1,402.34	1,787.01	2,469.91	2,671.45
EBITDA	237.30	304.11	455.09	531.86
EBIDTA Margin	14.47%	14.54%	15.56%	16.60%
Depreciation	44.52	50.56	57.66	52.69
Interest	71.89	77.51	76.02	80.89
Exceptional Items -currency Fluctuations (Gain)/Loss	25.64	(8.16)	(5.02)	4.19
Profit Before Tax (PBT)	95.25	184.20	326.43	394.09
Taxes	22.22	54.34	71.31	72.37
Profit After Tax (PAT)	73.03	129.86	255.12	321.72

# FINANCIAL OVERVIEW



(Rs. In Crores)

Financial Result (Consolidated)	FY 2012	FY 2013	FY 2014	FY 2015
Fixed Assets (Incl. CWIP)	426.25	457.75	577.01	753.31
Current Assets, Loans & Advance	1,553.14	1,522.13	2,091.59	2,286.97
Gross Capital Employed	1,979.39	1,979.88	2,668.60	3,040.28
Current Liabilities & Provisions	398.02	326.96	336.95	443.80
Capital Employed	1,581.37	1,652.92	2,331.65	2,596.48
Share Capital	24.35	24.24	23.58	23.54
Reserves & Surplus	693.69	806.11	1,021.27	1,301.23
Share Holders Funds	718.04	830.35	1,044.85	1,324.77
Book Value (Rs)	29.49	34.26	44.31	56.28
Long Term Loans	106.39	77.45	204.38	236.28
Working Capital Loans	768.94	758.12	1,111.17	1,045.16
ROCE (%)	10.82	16.48	18.26	19.50
Return on Equity (%)	10.72	16.97	27.81	27.64
No. of Share (in crore)	24.35	24.24	23.58	23.54
Earning Per Share (₹)	3.00	5.36	10.82	13.64
Cash EPS (₹)	4.83	7.44	13.29	15.91

# FINANCIAL OVERVIEW



## Key Performance Indicators for the Nine months ended December 2015 ( FY 2015-16)

- ❖ The Company achieved highest ever Total Revenue of Rs.2,626 crores during 9 months period ended 31-12-2015 this year as compared to Rs. 2,272 crores same period previous year. An increase of 15%.
- ❖ Company Finance Cost has reduced by 16% from Rs. 15.68 crores to Rs. 13.19 crores during the quarter and 29% from Rs.60.64 crores to Rs. 42.91 crores during 9 months period ended 31-12-2015.
- ❖ Despite decrease in realization by 21% (per MT) we have performed better and EBIDA margin reduced by only 2%.
- ❖ KRBL export realization has been better than 20% as compared to Industry average.
- ❖ Book value stands on 31-12-2015 at Rs. 66.00 per share as compared to Rs. 54.00 per share same period last year.



# FINANCIAL OVERVIEW



## Key Performance Indicators ( FY 2014-15)

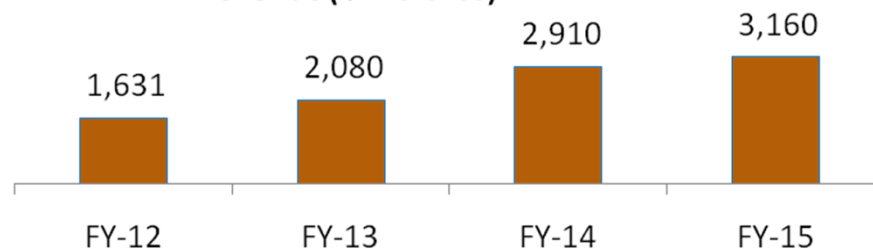
- ❖ The Company achieved highest ever Top Line of Rs. 3,203 Crores for the year ended March 2015 as compared to Rs 2,925 Crores same period last year. An increase of 10% over the same period last Year.
- ❖ Highest ever EBIDA margin of Rs. 532 Crores as compared to Rs. 455 Crores same period last year. An increase of 17%.
- ❖ Profit after Tax (PAT) at Rs. 322 Crores as compared to Rs. 255 Crores same period last year. An increase by 26%.
- ❖ EPS for the period ended March 2015 at Rs. 13.64 per share as compared to Rs. 10.82 per share same period last year.
- ❖ Book value as 31-3-2015 stand at Rs. 56.28 per share vs. Rs. 44.31 per share last year.
- ❖ ROE at 27.64% in FY15

# FINANCIAL OVERVIEW

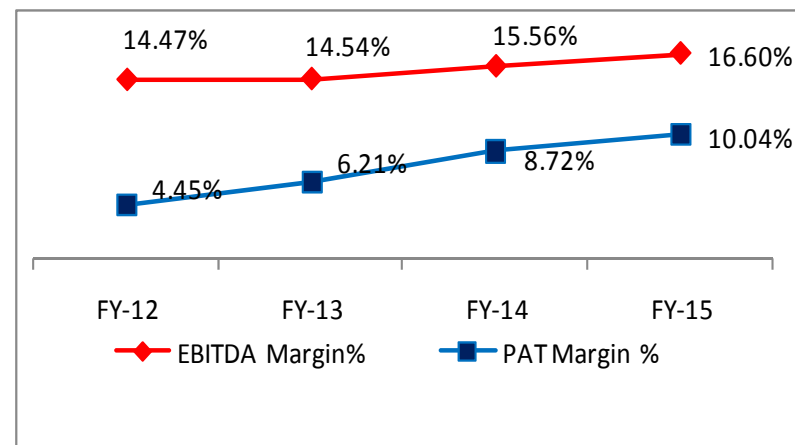
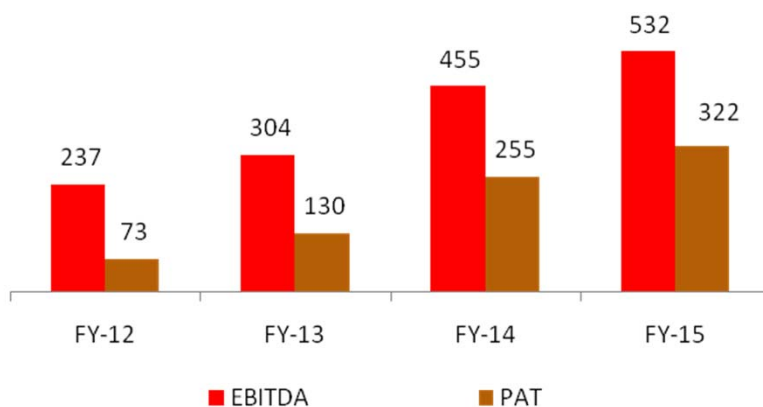


## Revenue Growth and Margin Trends

Revenue (₹ in crores)



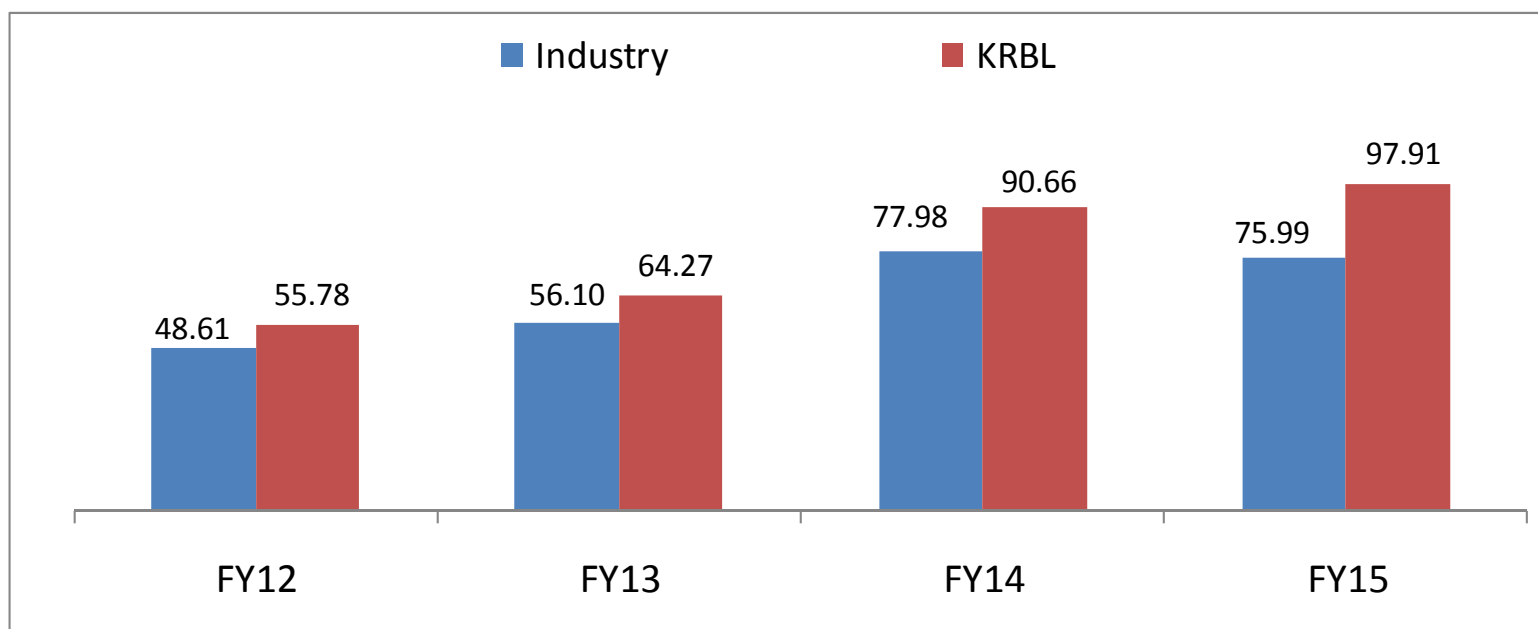
EBIDTA & PAT (Rs. In Crores)



# FINANCIAL OVERVIEW



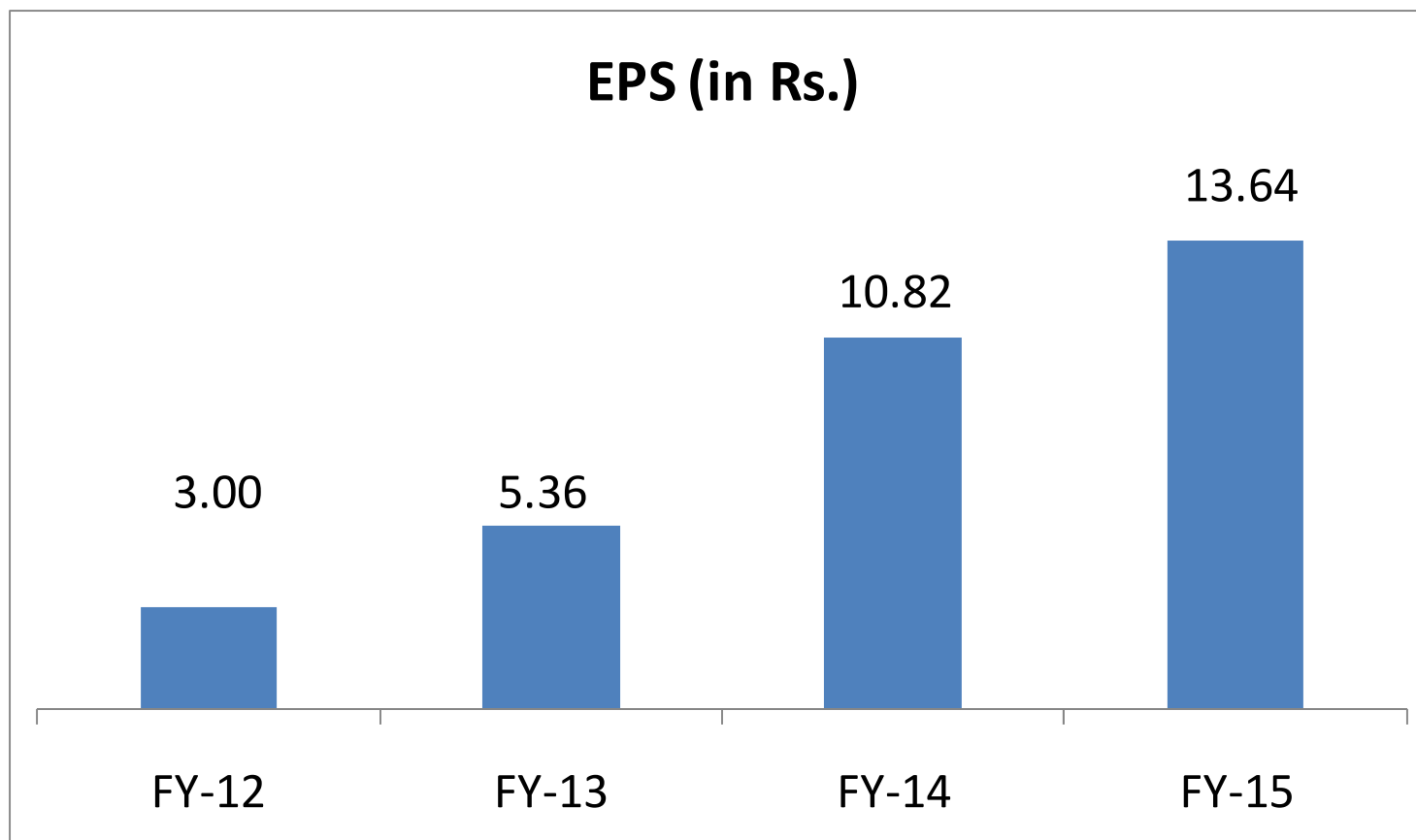
## Unit Export Value Realization (Rs. / Kg)



# FINANCIAL OVERVIEW



## Achieved Strong EPS Growth

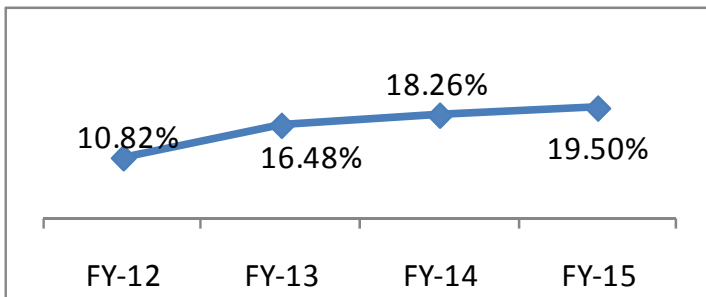




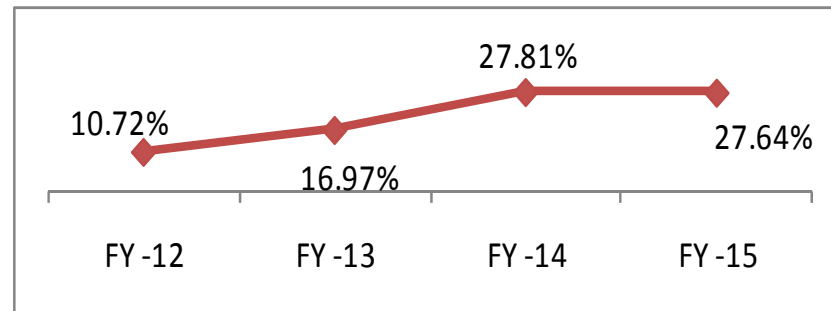
# FINANCIAL OVERVIEW



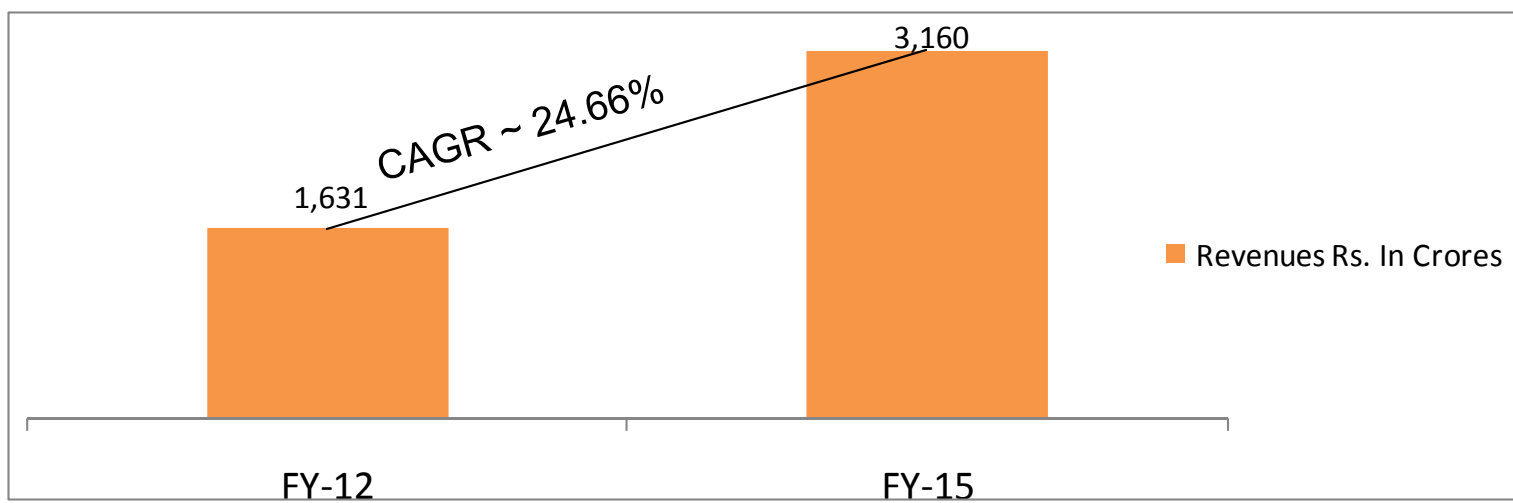
## Return on Capital Employed



## Return on Equity



## Growth of the Company

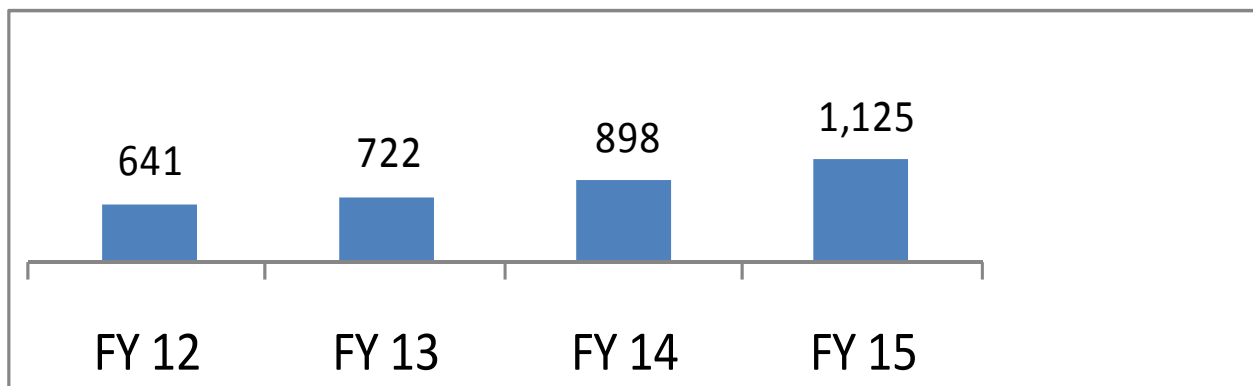


# FINANCIAL OVERVIEW



## Gross Fixed Assets Growth

(Rs. in Crores)



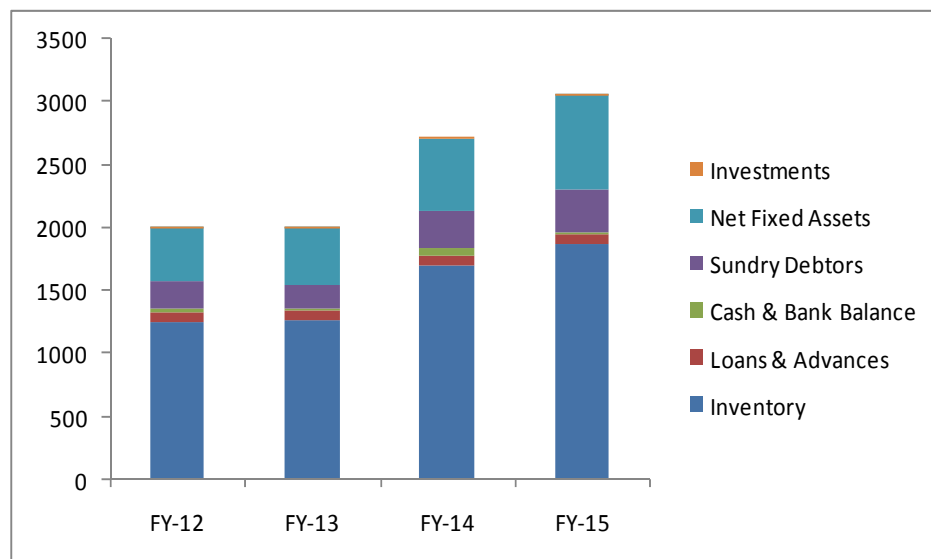
- ❖ Asset utilization to improve with higher capacity utilization
  - ❖ Dhuri Plant expected to be at 70% utilization level by FY17, leading to improved EBIDTA margin
  - ❖ UP plant at 100% utilization level
- ❖ Low debt gearing at 1.07x in FY 2015
- ❖ ROE at 27.64% in FY15
- ❖ Strong Inventory build-up 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. 1,860 crores in FY 2015

# FINANCIAL OVERVIEW



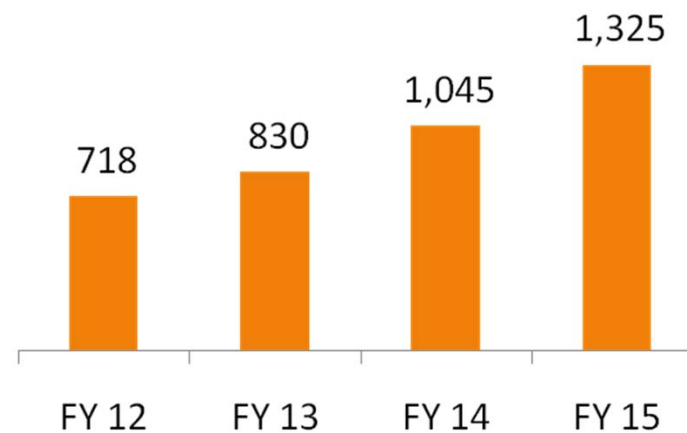
## Balance Sheet Strength

### Asset buildup



(Rs. In Crores)

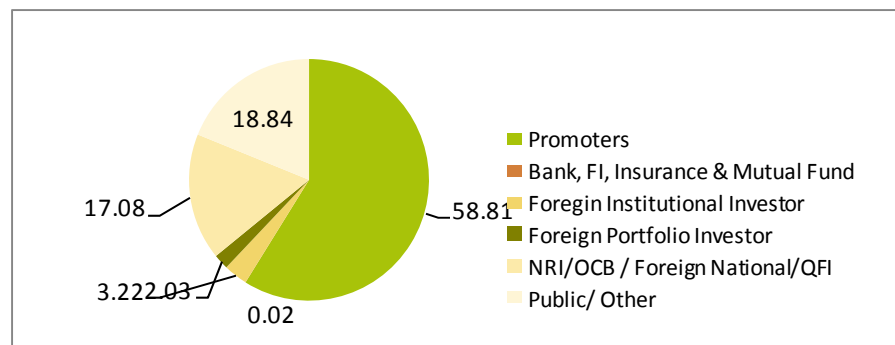
### Net Worth



# FINANCIAL OVERVIEW



## Shareholding Pattern



Shareholding Pattern on 31-12-2015

## Market Data

Market Cap (Rs. in Crores)	5401
Share Price (Rs. )	229.45
Book Value Per Share (Rs. ) (31.12.2015)	64.58
52 Week High / Low (Rs. )	249.65/125
Outstanding Shares (Crores)	23.54
BSE Ticker	530813
NSE Ticker	KRBL

Market Data as on 2-2-2016

Shareholding Information as on 31-12-2015

Institutional/Bodies Shareholders Holding	%
Reliance Commodities DMCC	9.73
Kotak Mahindra (International) Ltd	0.82
Premier Investment Fund Limited	0.53
Dimensional Emerging Markets Value Fund	0.28
The Emerging Markets Small Cap Series of The DFA Investment Trust	0.21



# FINANCIAL OVERVIEW



## Company Analysis

(Rs. in Million)

	2015	2014	2013	2012	2011	2010	CAGR 5y
Total Income	31,597	29,105	20,804	16,310	15,513	15,790	15%
PBIDT	5,318	4,551	3,041	2,373	2,416	2,193	20%
PAT	3,217	2,551	1,298	730	1,203	1,245	21%
Cash Profit	3,744	3,120	1,804	1,175	1,562	1,521	20%
RoE %	27	27	17	11	20	26	

- ❖ Robust growth over 5 year periods
- ❖ PAT CAGR of 21% - 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

## Contact Details

# KRBL Limited

C-32, 5<sup>th</sup> Floor, Sector – 62, Noida  
Uttar Pradesh (U.P.) - 201 301

## Contact Person

# Rakesh Mehrotra

Chief Financial Officer

Tel: +91-120- 4060 371, Mob. +91 98736 87721

E-mail: [mehrotra@krblindia.com](mailto:mehrotra@krblindia.com)

