KRBL Limited

E:KRBL/BIBHU/STK_EX_1718/55
March 17, 2018

The General Manager **Department of Corporate Services** **BSE Limited** **Floor 25, Phiroze Jeejeebhoy Towers** **Dalal Street** **Mumbai – 400 001** Scrip Code: **530813**	**National Stock Exchange of India Limited** **"Exchange Plaza", C-1, Block-G** **Bandra-Kurla Complex** **Bandra (E)** **Mumbai-400051** **Symbol: KRBL** **Series: Eq.**

Dear Sir/Madam,

Sub: Corporate Presentation on Financial Results for the Third Quarter (Q3) and Nine Months ended December 31, 2017

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, 2017.

This is for your information and records.

Thanking you,

Yours Faithfully'
For KRBL Limited

Raman Sapra
Company Secretary
M.No. F9233
267, Street No. 18 Pratap Nagar,
Delhi-110007

INDIA GATE
BASMATI RICE

Outdo. Outlast.
Outshine.
Outperform.

Taste
TOGETHERNESS

Corporate Presentation updated till December 31, 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.

Important Notice

Particulars	Page No.
Industry Analysis	4
Investment Highlights	5
Business Overview	6-7
Awards and Recognition	8-9
Management & Board	10-11
Financial Overview	12-22
Highlights of Export & Domestic Market	23-26

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 75 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 48% 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.14,983.40 Millions in FY 2016 to Rs. 19,073.10 Millions in FY 2017

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, contact 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 5-year Net Sales Growth at CAGR of 14.06% and EBITDA Growth at CAGR of 22.47%.
- Last 5-years average Return on Capital Employed of 18.55%
- Last 5-years average Return on Equity of 23.50%.

Key Brands

Business Overview

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

We export to 75 countries across the World

Paddy Storage Area

Processed Rice Storage Area

Testing lab at the plant

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	27.30
Sub-Total (B)	Wind	114.35
Madhya Pradesh	Solar	15.00
Sub-Total (C)	**Solar**	**15.00**
Total (A+B+C)	**Biomass/Wind/Solar**	**146.90**

Awards and Recognition

KRBL Limited has been awarded the Golden Trophy by APEDA (Agricultural and Processed Food Products Export Development Authority), Ministry of Commerce and Industry, Government of India, for outstanding export performance for the year 2015-16. The award was presented by Smt. Rita Teotia, Commerce Secretary, MoC&I Government of India, at the 22nd Annual APEDA Award Function held on 12th June, 2017, at Vigyan Bhawan, New Delhi.

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:

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 Jublee Award to Sh. Anil Kumar Mittal, Chairman and Managing Director, KRBL Limited, for his contributions to Basmati Rice Trade Developement in India.

3

World's Greatest Brands 2015, ASIA & GCC, awarded by URS and process reviewed by PWC.

Management & Board

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

Key Executive	Back Ground
Anil Kumar Mittal *Chairman and Managing Director*	❖ Visionary of the company, he provide strategic direction to all aspects of the business. ❖ Over 43 years of experience in the Rice industry. ❖ Founder & Former President of All India Rice Exporters Associations. ❖ He is a Art Graduate from Delhi University.
Arun Kumar Gupta *Joint Managing Director*	❖ Expert on Basmati Paddy Supply Chain Management as well as on Paddy Milling Technology. ❖ Over 35 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.
Anoop Kumar Gupta *Joint Managing Director*	❖ Financial Architect & the Chief Strategist of the Company. ❖ Over 34 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.

Management & Board

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

Key Executive	Back Ground
Priyanka Mittal *Whole-time Director*	❖ Overseas Brand Management of KRBL brand ❖ Handles corporate affairs and public engagement at Domestic & International level. ❖ Over 17 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.
Ashok Chand *Whole-time Director*	❖ Over 43 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.
Rakesh Mehrotra *Chief Financial Officer*	❖ Over 32 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 Millions)

OPERATING RESULTS (Consolidated)	IND AS (FY 2017-18) Q3	IND AS (FY 2016-17) Q3
Gross Revenue (Including Other Income)	7,877.09	7,998.07
EBITDA EBITDA Margin (%)	1,846.88 23.45%	1,806.92 22.59%
Profit Before Tax (PBT) PBT Margin (%)	1,718.47 21.82%	1,499.70 18.75%
Profit After Tax (PAT) PAT Margin (%)	1,299.89 15.61%	1,109.13 13.87%
Total Comprehensive Income	1,227.48	1,107.45
EPS (in Rs.)	5.21	4.70

Financial Overview

(Rs.In Millions)

Operating Results (Consolidated)	FY 2014	FY 2015	FY 2016	FY 2017
Operating Revenue from Operation	29,104.60	31,596.90	33,628.14	**31,490.34**
Other Income	145.40	61.10	612.16	**102.80**
Total Income	29,250.00	32,033.00	34,240.31	**31,593.14**
Operating Expenditure	24,699.10	26,714.50	29,159.86	**25,054.97**
EBITDA	4,550.90	5,318.60	5,080.44	**6,538.17**
EBIDTA Margin	15.56%	16.60%	14.84%	**20.69%**
Depreciation	576.60	526.90	497.76	**614.19**
Interest	760.20	808.90	674.75	**548.40**
Exceptional Items -currency Fluctuations (Gain)/Loss	(50.20)	41.90	-	**-**
Profit Before Tax (PBT)	3,264.30	3941.00	3,907.92	**5,375.57**
Taxes	713.10	723.70	976.55	**1,381.61**
Profit After Tax (PAT)	2,551.20	3,217.30	2931.30	**3,993.96**
Net Items that will not be classified subsequently to PL	--	--	6.60	**8.40**
Total Comprehensive Income	2,551.20	3,217.30	2924.77	**3985.57**

Financial Overview

(Rs. In Millions)

Financial Result (Consolidated)	FY 2014	FY 2015	FY 2016	FY 2017
Fixed Assets (Incl. CWIP)	5,770.10	7,533.00	8,692.96	**10,148.93**
Current Assets, Loans & Advance	20,915.90	22,869.70	20,606.71	**23,448.55**
Gross Capital Employed	26,686.00	30,402.70	29,299.60	**33,597.50**
Current Liabilities & Provisions	3,369.50	4,437.90	2,869.82	**3,355.69**
Capital Employed	23,316.50	25,964.80	26,939.90	**30,866.80**
Share Capital	235.80	235.40	235.40	**235.40**
Reserves & Surplus	10,212.70	13,012.30	14,748.02	**18,837.84**
Share Holders Funds	10,448.50	13,247.70	14,983.40	**19,073.20**
Book Value (Rs.)	44.31	56.28	63.65	**81.02**
Long Term Loans	2,043.80	2,362.80	2,032.20	**873.20**
Working Capital Loans	11,111.70	10,451.60	8,913.89	**9,650.51**
ROCE (%)	18.26	19.50	17.99	**20.52**
Return on Equity (%)	27.81	27.64	21.68	**23.39**
No. of Share (in Million)	235.80	235.40	235.40	**235.40**
Earning Per Share (Rs.)	10.82	13.67	12.43	**16.90**
Cash EPS (Rs.)	13.29	15.91	14.55	**19.51**

Financial Overview

Key Performance Indicators (For Nine months period Ended December 2017) **Consolidated**

The Company achieved total revenue of **Rs. 23,828 million** for the period ended December 2017 as compared to **Rs. 22,436 million** for the same period last year.
YoY increased by **6.00%**.

Company achieved highest ever EBIDTA of **Rs. 5,824 million** for the period ended December 2017 as compared to **Rs. 4,764 million** for the same period last year. YoY EBIDTA increased by **22.00%**.

Company earned highest ever Profit Before Tax (PBT) of **Rs. 4,936 million** as compared to **Rs. 3, 788 million** same period last year. YoY PBT margin increased from 15.81% to **30.00%**.

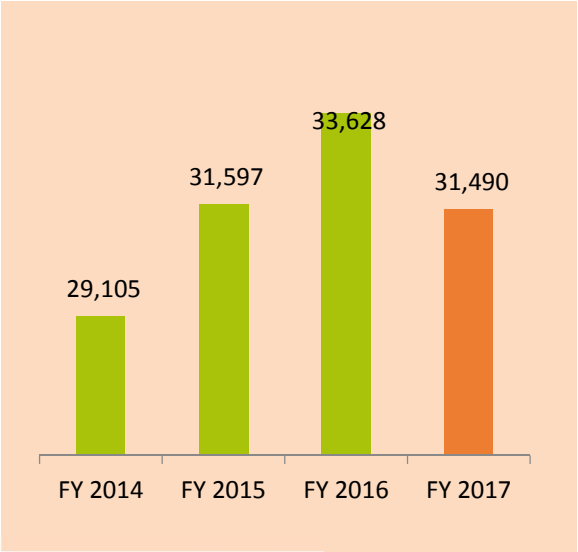
Profit after Tax (PAT) increase by **17.00%** to **Rs. 3,384 million** from **Rs. 2,896 million** same period last year.

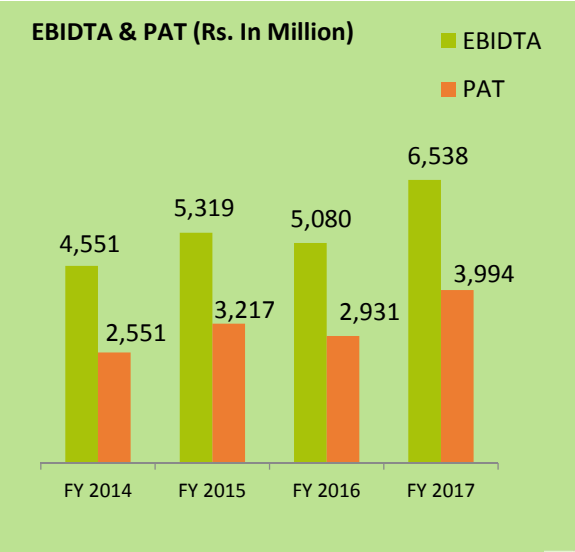
Earning per share (EPS) increased by **11%** from **Rs. 4.70** per share to **Rs. 5.21** per share same period this year.

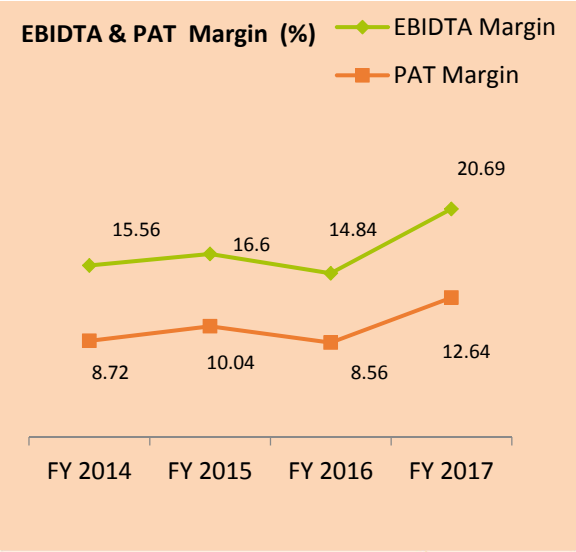
With the strong brand image and better cost controls, KRBL has been able to achieve the highest ever **EBIDTA of 24.44%** as compared to **21.24%** for the same period last year. **EBIDTA margin increased by 335** basis points.

Financial Overview

Revenue Growth and Margin Trends

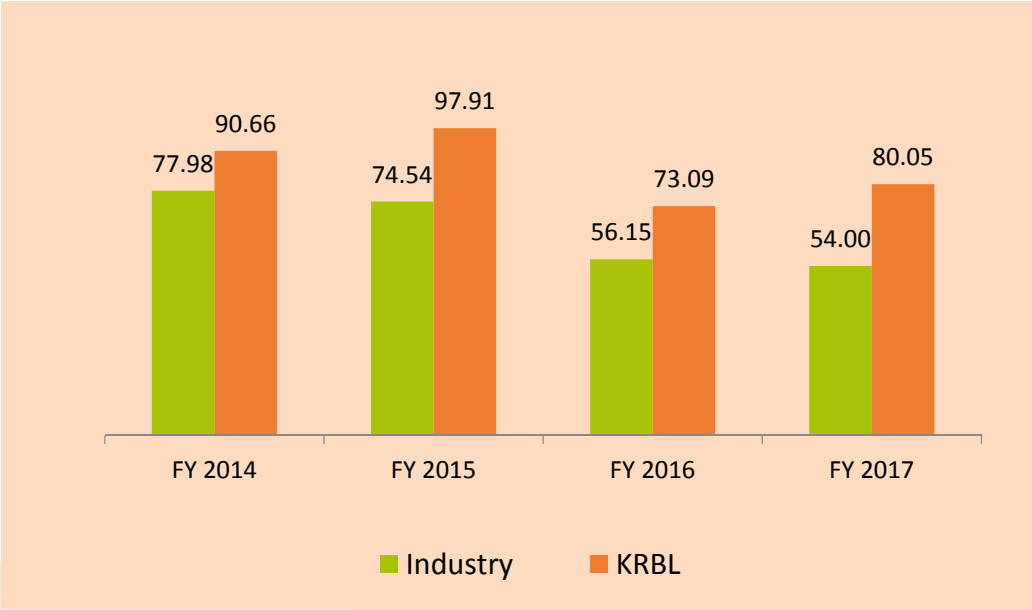






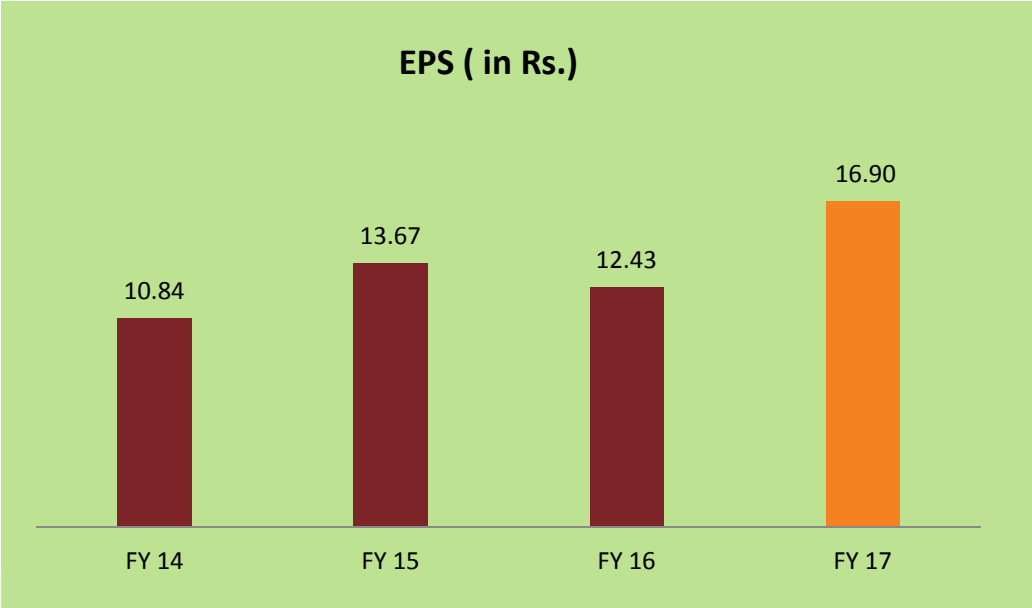
Financial Overview

Basmati Rice Export Value Realization per Unit (Rs./ Kg)



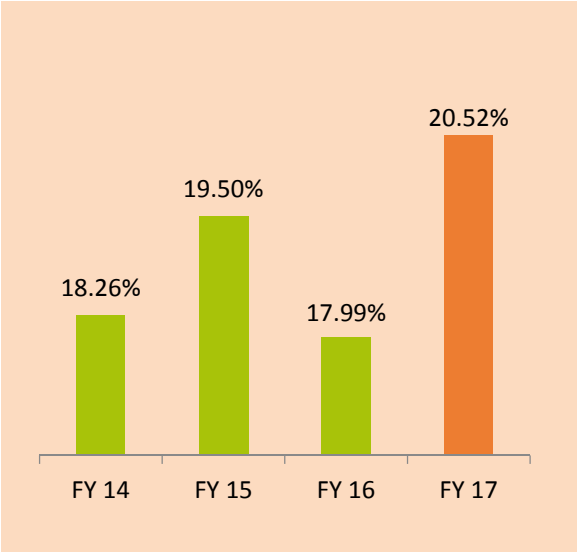
Financial Overview

Achieved Strong EPS Growth

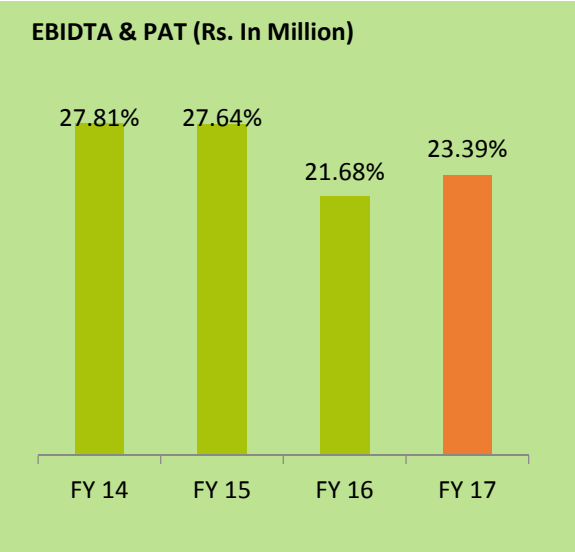


Financial Overview

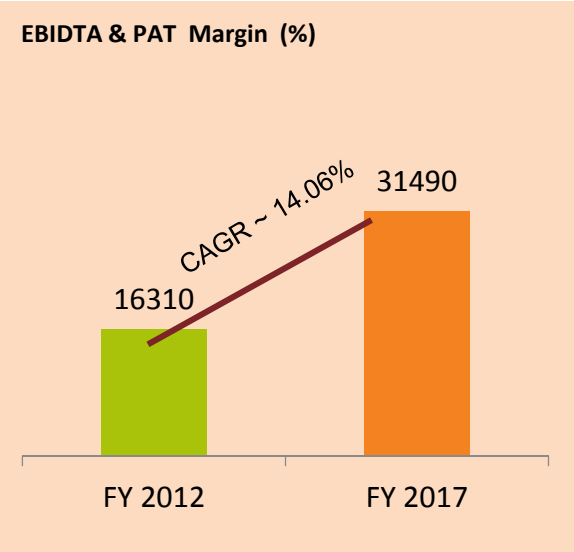
Return on Capital Employed



Return on Equity

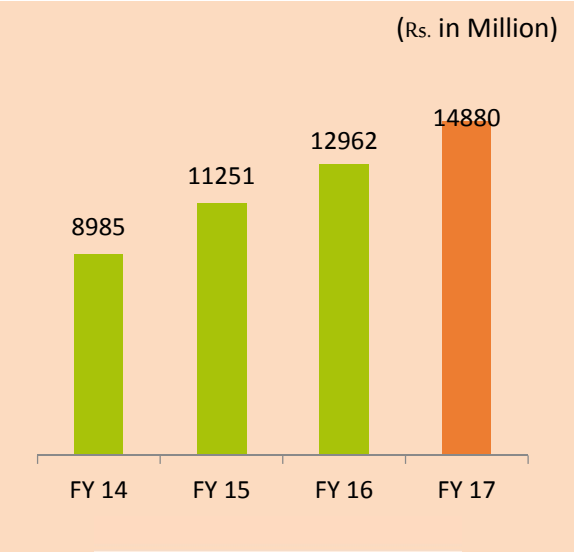


Growth of the Company



Financial Overview

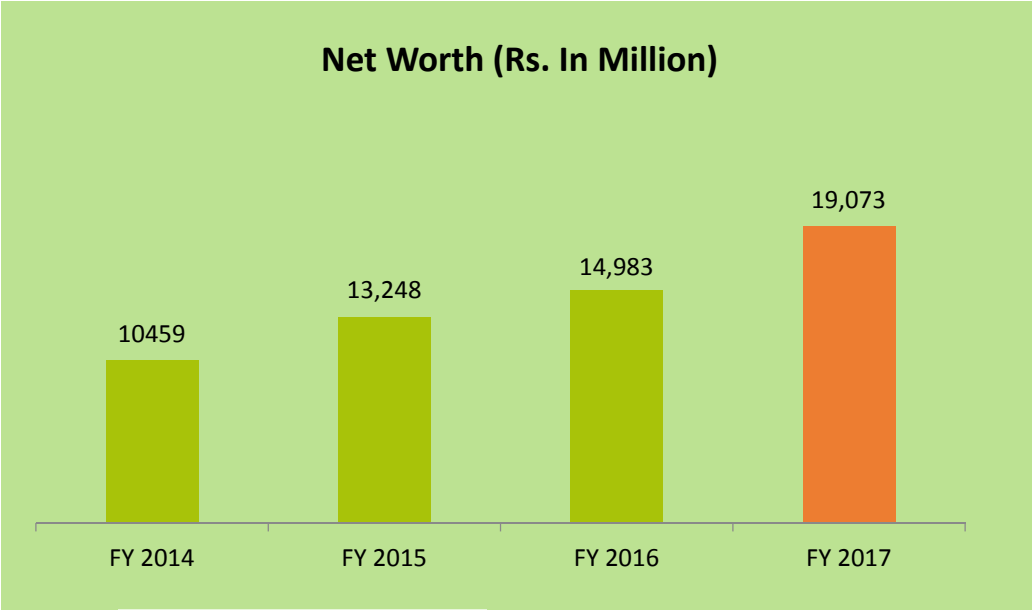
Gross Fixed Assets Growth



- Asset utilization to improve with higher capacity utilization
  - Dhuri Plant expected to be at 70% utilization level by FY20, leading to improved EBIDTA margin
  - UP plant at 100% utilization level
- 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.20,199.60 Million in FY 2017

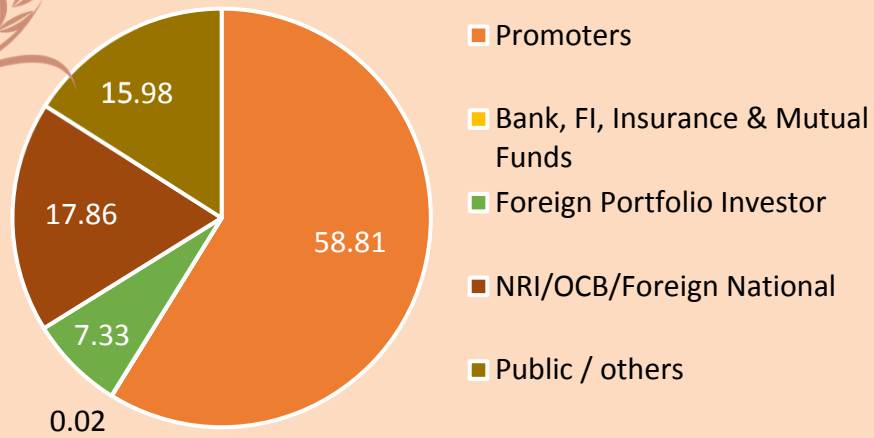
Financial Overview

Balance Sheet Strength



Financial Overview

Shareholding Pattern



Shareholding Pattern on 31-12-2017

Market Data (as on 5-2-2018)

Market Cap (Rs. in Million)	1,38,968
Share Price (Rs.)	590.35
Book Value Per Share (Rs) (31.12.2017)	92.71
52 Week High / Low (Rs.)	673.00/365
Outstanding Shares (Million)	235.40
BSE Ticker	530813
NSE Ticker	KRBL

Highlights of Export Market

India Gate #1
Premium Indian Basmati brand in Kuwait

32% Market share in Saudi Arabia in Indian white rice segment, the largest market for Basmati in the world. India Gate Classic is the most aspirational brand in **Saudi Arabia**

India Gate #1
Indian Basmati brand in UAE.
34% 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

Highlights of Export Market

India Gate #1
Indian basmati brand in Lebanon. Has **37%** 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 dominate North **African** Markets with **15%** total share of import in the region.

India Gate is the most aspirational brand in Singapore and Hong Kong with a total import share of over **10%**.

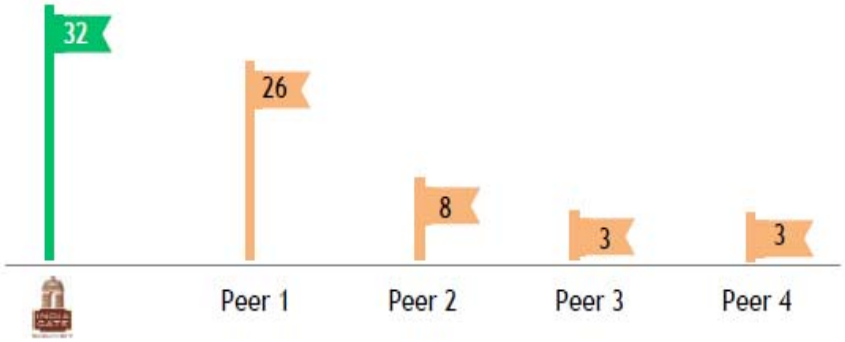
India Gate is the most preferred brand in Scandinavia region with a total import share of **8%** in the region.

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

Highlights of domestic

Domestic market

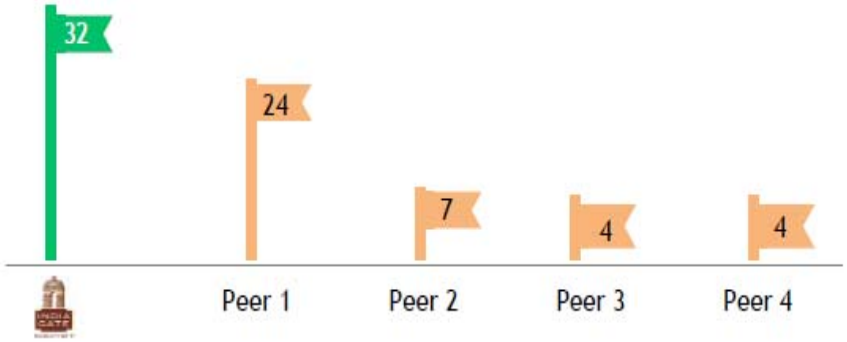
Market share (%) by geography in India–Top 5 brands (by value)



Highest all-India (urban and rural combined) market share of India Gate

In value terms, India Gate Basmati rice brand enjoys a leading position in the India's urban and rural areas combined with a 32% market share compared to 29% in the previous year

Market share (%) in metro market–Top 5 brands (by value)



Highest all-India metro market share of India Gate

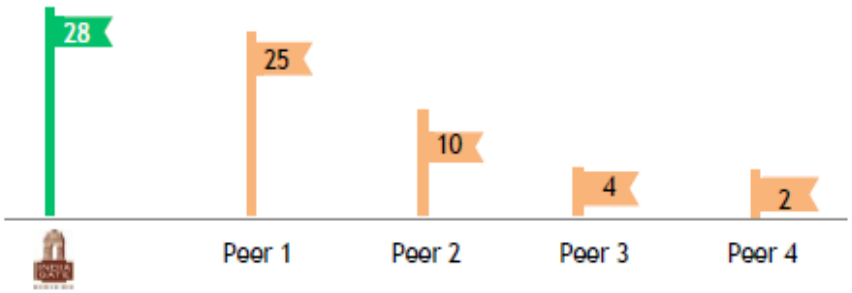
In value terms, India Gate Basmati rice is a dominant brand in India's metropolitan areas with a 32% market share compared to 28% in the previous year

(Source: AC Nielsen MAT March 2017 data)

Highlights of domestic

Distribution channel

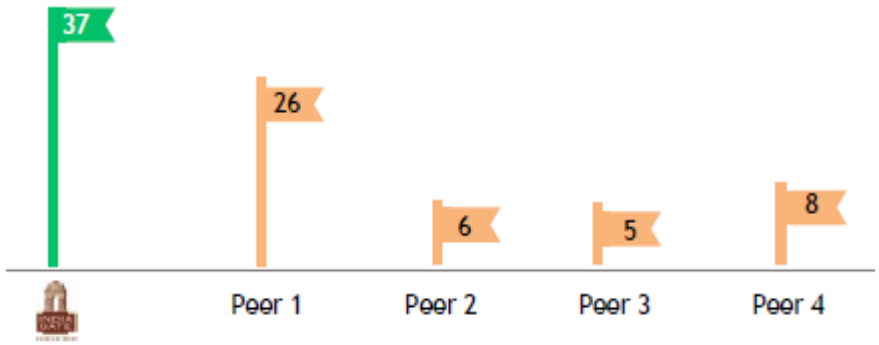
Market share (%) in traditional market–Top 5 brands (by value)



Highest all-India traditional trade market share of India Gate

In value terms, India Gate Basmati rice is a leading brand dominating the all-India traditional trade with a 28% market share

Market share (%) in modern trade–Top 5 brands (by value)



Highest all-India modern trade market share of India Gate

In value terms, India Gate Basmati rice is a leading brand dominating the all-India modern trade with a 37% market share

(Source: AC Nielsen MAT March 2017 data)

Contact Details

KRBL Limited

C-32, 5th 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