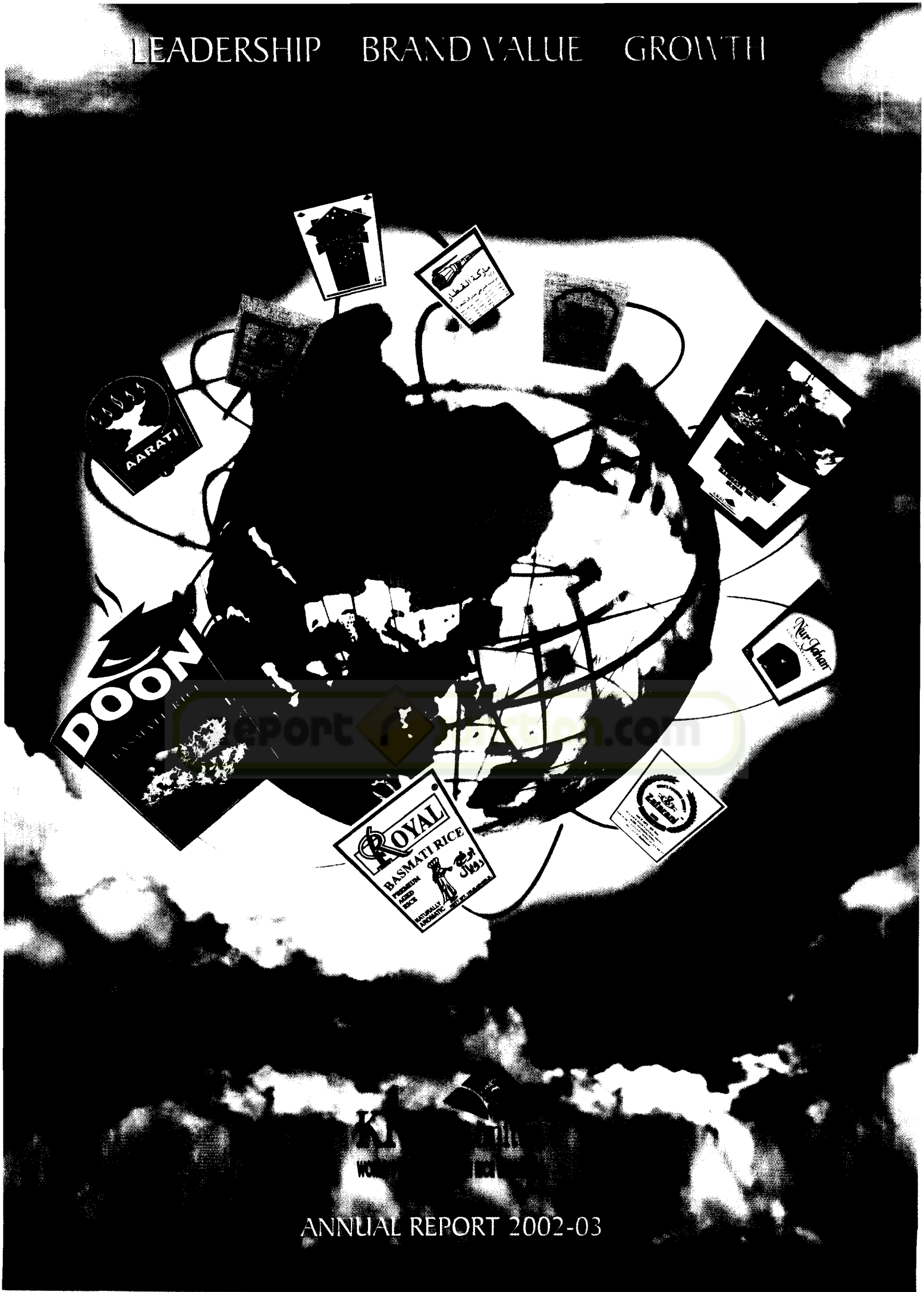


LEADERSHIP BRAND VALUE GROWTH



ANNUAL REPORT 2002-03

KRBL. A CUT ABOVE

World's largest
Basmati rice
exporter

Gross block
Rs. 82.11 Crores.
Net block
Rs. 61.15 Crores

114- years of
rice making
expertise

Rice industry's
most profitable
company

India's largest,
most advanced
rice processing plant

Country's largest
contract Basmati farming
programme

52% share in
USA Basmati
market

Moving towards
full forward and
backward integration

One of the largest
warehouse capacities in the industry.
(Storage/ageing capacity enhanced by one million
bags in last fiscal)

Book value
Rs. 72.54

Net Worth
Rs. 108.58 Crores

REPORTJUNCTION.COM



LEADERSHIP ♦ BRAND VALUE ♦ GROWTH

As the world's largest Basmati rice exporter, KRBL is consistently demonstrating leadership, upscaling the value of its brands, and growing at industry-beating rates.

Quite expectedly, KRBL is setting industry benchmarks across the value chain. It is researching and developing pedigreed seeds. It has pioneered contract farming to boost quality and yield. And, it is nurturing a strong partnership with farmers for upgrading farm management practices.

Its flagship brands - India Gate and Doon are emerging as best sellers not just in the Basmati - eating countries, but also in India.

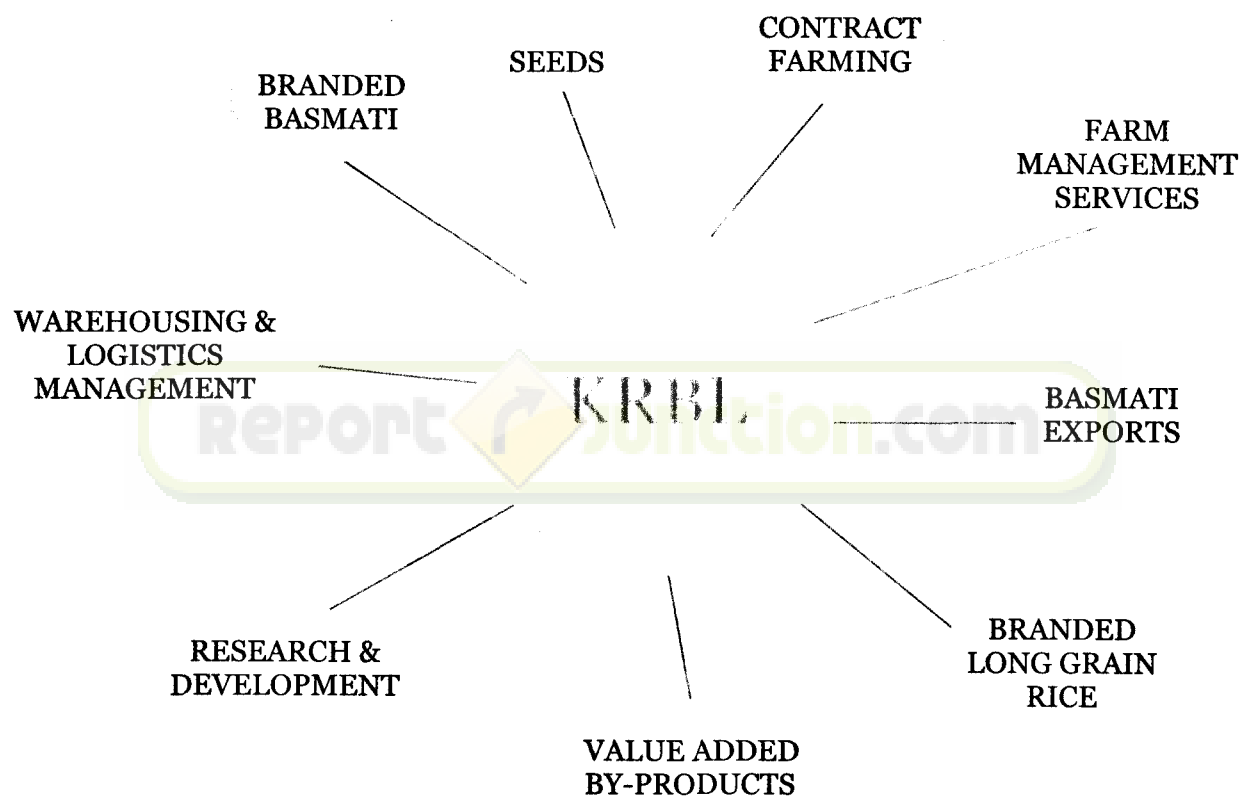
All this is translating into a solid, sustainable top line and bottom line growth. And, as the fundamentals and future prospects show, the sky is the limit for KRBL.





ROOTED IN CORE STRENGTHS

KRBL has built a sustainable, profitable business model around its core strengths. Today, we straddle virtually the entire rice value chain. This has made your Company less vulnerable to seasonal fluctuations, market pressures and the vagaries of the international business environment.





LEVERAGING NEW-AGE TECHNOLOGIES

KRBL is researching and applying modern-day technologies for the future of Basmati farming. We have worked out a detailed blue print in collaboration with leading universities, biotechnology experts and agricultural practitioners. A corpus of US \$ 1.8 million has been planned for grass root level research and its commercial applications. The objective is to improve crop quality and productivity, thereby helping farmers realise a better value for their produce.

The key thrust areas will be seed enrichment; nursery transplantation, sowing practices; crop, fertiliser and pest management; harvesting and post-harvesting techniques and storage.

Equally, an effort will be made to revive traditional farming practices, and suitably blend them with the latest industry know-how and technology.



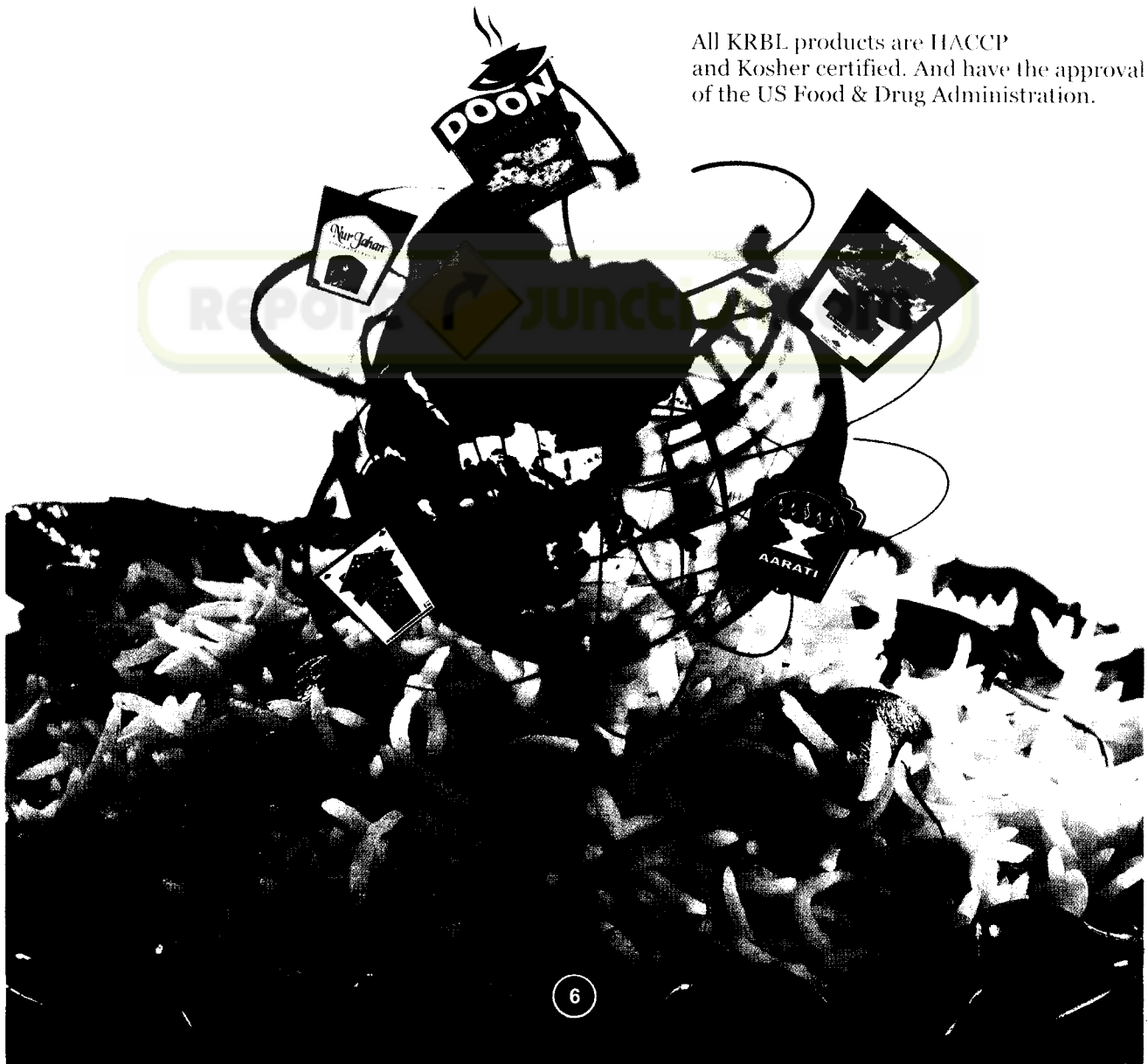


TOWARDS BUILDING INDIAN GLOBAL BASMATI BRANDS

KRBL enjoys a healthy brand equity in world markets. Presently, we export 75 percent of our production and account for 11 percent of India's Basmati exports. We have a major presence in the world's largest Basmati markets in the Middle East - Saudi Arabia and Kuwait; USA and Canada. In USA, our Royal brand dominates the market with a 52 percent share; and our products are retailed at leading stores such as Costco, Kroger, Kmart, Walmart, and Sams Club.

KRBL is committed to transforming, what historically have been commodities into brands. KRBL, in collaboration with Omar Ali Balsharaf Trading Establishment is marketing its brands all over the Middle East including the Persian Gulf.

All KRBL products are HACCP and Kosher certified. And have the approval of the US Food & Drug Administration.





THE TASTE THAT'S ENCOURAGING GLUTTONY AROUND THE WORLD!

Popular world brands processed and packed by KRBL under licence:

USA

- ◆ Royal
- ◆ Zaffrani

Saudi Arabia

- ◆ Train
- ◆ Al Wissam
- ◆ Qilada
- ◆ Al Bustan
- ◆ Al Mithali
- ◆ Indian Farm
- ◆ Sun Flower
- ◆ India Gate

Kuwait

- ◆ Country
- ◆ Sonale
- ◆ Sostha

Africa

- ◆ Doon
- ◆ India Gate
- ◆ Unity
- ◆ People's Princess
- ◆ Sarina
- ◆ Queen of Hearts
- ◆ Sun Flower
- ◆ Rice King
- ◆ Joy
- ◆ Football
- ◆ Taj Mahal

Iran

- ◆ India Gate

Mauritius

- ◆ India Gate

Norway

- ◆ India Gate
- ◆ Lion

Canada

- ◆ Doon
- ◆ India Gate

Singapore

- ◆ India Gate

Indonesia

- ◆ India Gate

Egypt

- ◆ Qilada
- ◆ Al Bustan

Yemen

- ◆ Al Bustan

Jordan

- ◆ India Gate



KRBL has been conferred the prestigious APEDA award (instituted by the Ministry of Commerce, Government of India continuously for the last six years for registering the country's largest export of Basmati rice.

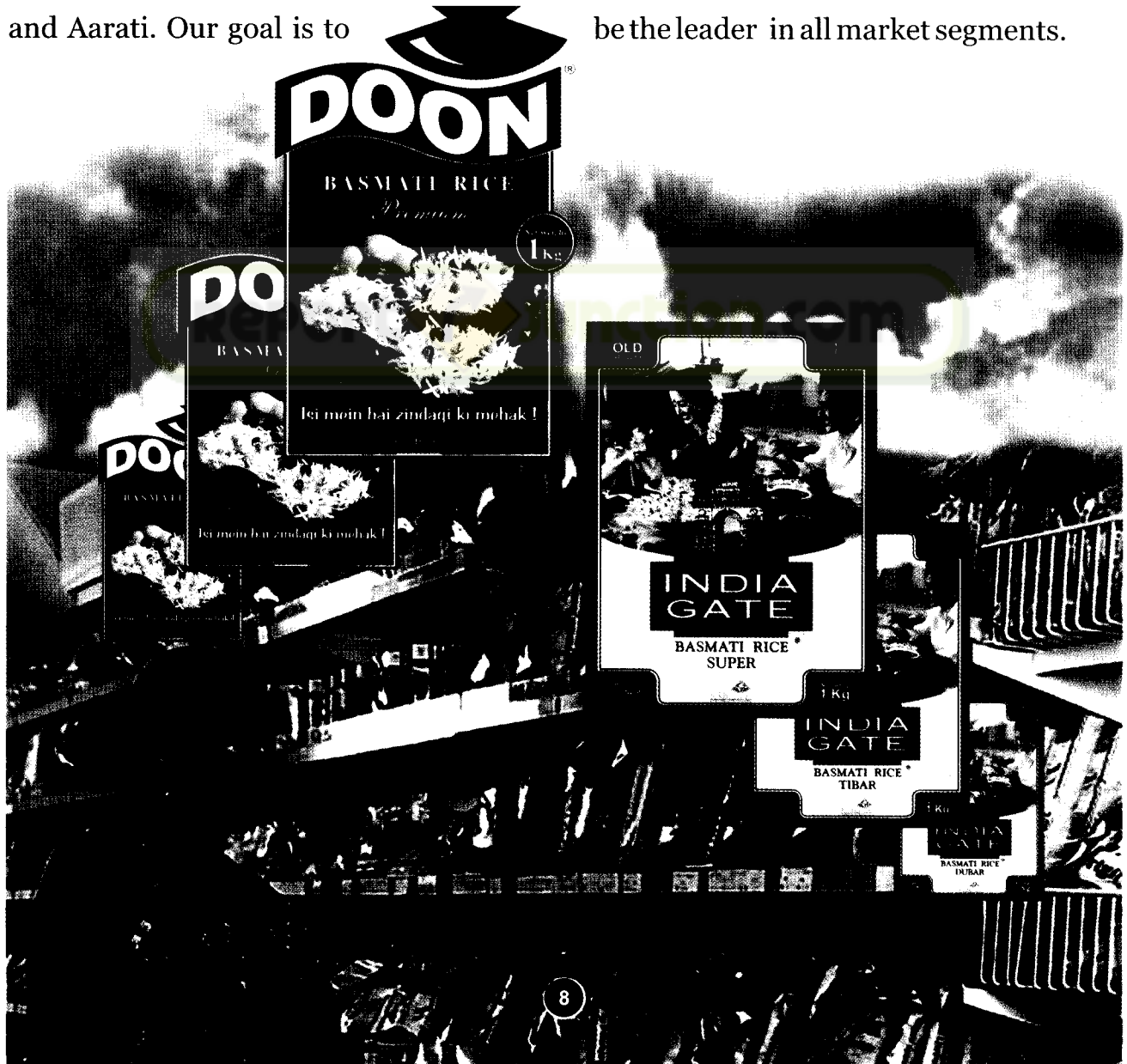


SETTING WORLD STANDARDS IN THE DOMESTIC BRANDED MARKET

We are committed to deliver in India the same standard of quality we deliver in world markets.

A fully automatic, state-of-the-art processing and packaging plant has been established exclusively for domestic brands. A network of 200,000 retailers across the length and breadth of the country is already in place.

Although a late entrant to the packaged Basmati market in India, KRBL has made a flying start with around 7 percent market share. In the bulk packaging segment, our market share is a steady 10 percent. Leading the campaign is a portfolio of brands such as India Gate, Doon, Nur Jahan, Bemisal, Lotus and Aarati. Our goal is to be the leader in all market segments.





ADDING VALUE TO BY-PRODUCTS

KRBL is securing future revenues by building diverse competencies around the by-products of Basmati. These sunrise businesses have a high growth potential.

Husk, will be used to generate power. A 5-MW husk power plant exclusively for internal consumption is on the anvil, and is expected to be ready by March 2005. This will slash our power costs by more than 50%.

Then , KRBL is planning to add value to bran - another rice by-product - by converting it in to one of the healthiest, edible oils. Suffused with vital nutrients, rice bran oil will cater to a premium, health conscious market. KRBL's Research & Development Cell has started work in this connection.





SOWING THE SEEDS OF SUSTAINABLE

KRBL is actively engaged in related businesses such as seeds, contract farming and farm management services. We have forged strategic partnerships with leading players like Cargill, Mahindra & Mahindra, DSCL, Rallis and Direct. This will not only result in enhancing incomes of farmers, it will also boost crop quality and yield.

Seeds: Since the Indian seed industry is poised for take off, we have chalked out an ambitious plan to scale up our seeds

business. We are committed to culture, grow and market seeds of cereals, pulses, oilseeds and fibre crops. In the first phase, we plan to produce high quality seeds of cereals such as paddy, wheat, and barley. These will be jointly marketed with reputed agro companies in India.

Contract farming: KRBL was among the first to introduce 'commercialized corporate farming' in India in 1999. Presently, we have earmarked 75,000 acres of land for contract

