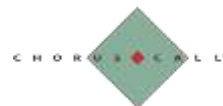




“KRBL Limited
Q1 FY'26 Earnings Conference Call”
August 08, 2025



**MANAGEMENT: MR. ANIL KUMAR MITTAL – CHAIRMAN AND
MANAGING DIRECTOR – KRBL LIMITED
MR. ANOOP KUMAR GUPTA – JOINT MANAGING
DIRECTOR – KRBL LIMITED
MR. AYUSH GUPTA – HEAD, DOMESTIC DIVISION –
KRBL LIMITED
MR. ASHISH JAIN – CHIEF FINANCIAL OFFICER –
KRBL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to KRBL Limited Q1 FY'26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashish Jain, Chief Financial Officer of KRBL Limited. Thank you, and over to you, sir.

Ashish Jain: Thank you, and welcome everyone and thank you for joining us. Today, we have Mr. Anil Kumar Mittal, Chairman and Managing Director; Mr. Anoop Kumar Gupta, Joint Managing Director. He's going to join us in some time; and Mr. Ayush Gupta, Head of the India Business as key speakers on the call.

To kick off the call, Mr. Mittal will provide updates on the business industry and our overall strategy. Following that, Ayush will delve into the domestic business. Finally, I will present the financial overview of the Company for the quarter ended June 30, 2025. Once the management has concluded their opening remarks, we will open up the floor for Q&A.

Please note that some of the statements made during this call may contain forward-looking information, and actual results may vary from these statements. You can refer to KRBL's investor presentation available on Stock Exchange websites and our own website.

Now, I would like to invite Anilji to share his views.

Anil Kumar Mittal: Good afternoon, everyone. Thank you for joining us today for the Q1 FY 2026 earning call of KRBL Limited. I hope you and your families are safe and in good health. It gives me great pleasure to share our performance update for the quarter and speak about key developments in the global rice market, India's positioning, and our roadmap ahead.

Let me begin with the global rice outlook. As per the USDA's latest forecast, global rice production for the marketing year 2025-'26 is estimated at 542 million metric tons, which is broadly flat compared to last year. However, global consumption is expected to increase to 541 million metric tons, up from 534 million metric tons in the preceding year. This increase is largely given by India, where consumption is projected to rise by 4.5 million metric tons.

Even with consumption catching up, the market continues to maintain a comfortable balance. India's competitive pricing and consistent quality remain our key advantage, further solidifying our leadership in global rice trade.

Focusing now on India, our Country is once again expected to achieve a record rice production, with the USDA estimating a total of 151 million metric tons for '25-'26, up from 149 million metric tons in the previous year.

Since last year, India has surpassed China to become the world's largest rice producer. This historic milestone is a result of expanded cultivation, attractive price realization for farmer, and favorable climatic conditions.

On the Basmati front, we expect production in FY '2025-'26 to remain strong, supported by increased sowing of new pest resistant seed varieties. Varieties such as Pusa 1885, a substitute of 1121; Pusa 1847, a substitute of 1509; 1886, a substitute of 1401; and 1637, a substitute of Pusa have performed well in the previous season delivering better yields, improved disease resistance, and superior grain quality. These developments are encouraging as they help improve farmer incomes, while ensuring higher consistency in quality and supply.

As we move into FY 2026, Basmati paddy prices are expected to stay stable, with a slight softening in certain regions due to strong output and balanced inventories. India's export performance in FY 2025 was exceptional. Basmati rice export reached approximately 6 million metric tons, a 16% increase over the previous record of 5.2 million metric tons in FY 2024.

Non-Basmati exports were equally strong, rising by 27% year-over-year to reach 14 million metric tons. These numbers reflect robust demand for Indian rice globally, supported by favorable pricing and strong government backing for trade. This positive momentum has continued into a new financial year.

During the first 2 months of FY 2026, India Basmati export have grown by 27% year-on-year, while non-Basmati exports have increased by 20%. These trends underscore India's pivotal role in the global rice value chain.

Geographical and trade developments continue to shape the operating environment. India's stance on the Indus Waters Treaty is expected to create long-term implication for Pakistan Basmati production, potentially reducing its competitiveness in export markets. This could shift additional demand towards India benefiting Indian exporters like KRBL.

The recent signed India-UK Free Trade Agreement marks a pivotal moment in the economic partnership between the 2 countries. While the agreement does not currently extend different tariff concession or preferential treatment, especially for milled Basmati rice, it opens up several broader avenues that are expected to benefit the Indian ethnic food sector significantly.

One of the key provision of the FTA includes enhanced mobility for Indian professionals along with streamlined business travel and visa frameworks. This is expected to result in a growing Indian diaspora and professional base in the UK, thereby expanding the consumer base of Indian food products, including Basmati rice.

From our previous perspective, at KRBL, the FTA enhances the long-term growth potential of Indian ethnic products in the UK. It expands our addressable market strengths, distribution opportunities, and position us well to capitalize our rising consumption trend for authentic premium Indian food products, among both diaspora and mainstream consumers. We will continue to monitor the regulatory landscape for future tariff revisions, while leveraging this enhanced market environment to deepen our presence in the UK.

Regarding the United States, it is important to update you on the recent development impacting Indian rice exports. The U.S. government has recently imposed reciprocal tariff with India facing a 25% duty on its exports, including Basmati rice. While this presents a short-term headwind,

we broadly expect that the ongoing dialogue between India and U.S. will lead to a negotiated settlement in the near future.

As both countries have historically worked together resolving such trade frictions in long run, we believe these issues will be stabilized. However, if the 25% tariffs were to remain in place over the extended period, it could impact the overall competitiveness of Indian Basmati rice in the U.S. market.

Notably, Basmati rice from Pakistan currently faces a lower tariff of around 19%, which gives it a 6% pricing advantage, potentially shifting some market share in their favor. That said, KRBL's business exposure to the U.S. remains relatively limited. Therefore, the financial impact on our Company is expected to be minimal.

On the logistics front, while the Israel-Iran conflict has added uncertainty in the region, there has been no material impact on our shipments or freight costs thus far. Our diversified distribution network and strong relationship with logistics providers has helped us maintain reliable delivery timelines even in challenging times.

Now turning to KRBL's performance in Q1 FY 2026. Our export revenue for the quarter stood at INR 489 crores compared to INR 247 crores in Q1 2025, reflecting a growth of 98%. Total revenue came in at INR 1,584 crores led by the strong momentum in our export business.

We reported an EBITDA of INR 225 crores and a profit after tax of INR 151 crores. This number reflects our operational strategy, procurement planning, and product positioning across key international markets. Saudi in this quarter has remained a little slow after Ramadan. Orders are coming, but not with the same pace as it was expected.

KRBL has received all necessary Indian approvals to establish a subsidiary in the Kingdom of Saudi Arabia. This marks a critical step towards deepening our presence in this region, where India Gate is already a household name. We look forward to sharing further updates in the coming quarter as we move ahead with on-ground operations.

Looking forward to rest of the FY 2026, we remain confident of maintaining our growth trajectory in both export and domestic markets. With demand continuing to rise, global supply remaining stable, and strong support from farmers and government policy, we see multiple tailwinds for the rice industry and for KRBL. Our focus remains on premiumization brand led growth, expanding distribution, and maintaining the highest standards in quality and sustainability.

I would like to close by thanking all our shareholders, business partners, and employees for their continued support. Your trust in KRBL drives our commitment to deliver excellence and sustainable value. Thanks to everybody.

And I will now hand over to Ayushji.

Ayush Gupta:

Good afternoon, ladies and gentlemen. It is my privilege to address you today as we open a new chapter in KRBL's journey, the quarter one of Financial year 2026. This quarter's performance

demonstrates not just momentum, but the depth of transformation that is taking root in our India business.

At the outset, I want to reaffirm KRBL's unwavering commitment to becoming a future ready, multi-brand, multi-category FMCG leader. Our strategy remains focused on deepening consumer connections, strengthening our distribution muscle, and expanding into high-potential, high-margin categories.

It's a strong start to the year. Domestic sales, excluding power, for Quarter1 (Q1) Financial year '2026 stood at INR 1,063 crores, up by 15% versus Quarter 1 (Q1) FY '2025. This growth was driven by robust volume gains across both Basmati and non-Basmati portfolio.

Branded Basmati sales grew by 16%. Branded non-Basmati sales surged by 77%, driven by a focused regional rice play and strong attraction in core markets. This performance underscores that our portfolio choices made over the past 2 years are paying off. We are seeing profitable growth across the categories we have chosen to lead.

Our retail reach now stands at 3.6 lakh outlets in Q1, up from 2.9 lakh outlets in Q1 FY2024, reflecting steady expansion in last 2 years. Numeric distribution has improved to 58%, up by a 120 basis points. Weighted distribution is up by 360 basis points. These gains are not just about coverage, they are about depth. Our push into semi urban and rural Bharat continues to pay dividends with higher throughputs per store and a sustained market share leadership in general trade, holding steady at 37.9%.

E-commerce remains a star performer. Market share is at 44% at the June exit of 2025, up by 200 basis points. Volume offtake in e-commerce channels is at 34% year-over-year with nearly 70% growth in quick commerce. The modern trade channel faced category headwinds with packaged Basmati segment, declining 22% in the quarter versus same time last year.

Additionally, we are seeing the rise of private labels in select retailers, which is putting the channel market share under stress. Our new India Gate packaging, which was launched in January of 2025, with the intent of educating and empowering consumers is resonating strongly across with 95% of consumers finding it significantly more appealing, informative and distinct.

Taking the brand agenda further, we have identified key elements of value to drive equity and growth for brand India Gate. This is in line with our goal of moving the brand from a functional role to a more evolved, emotional and social role in the lives of our consumers.

This quarter saw this getting translated into brand building. One of the corevalue elements identified was transmitting Indian values through food. With Mr. Amitabh Bachchan, we launched a 360-degree national campaign, Taste of Indian values, with a 5-week national presence in the month of June and July. This campaign has garnered positive response and high engagement, and we expect this to translate into strengthening our brand equity further in the coming times.

The core element is that of social impact, and we embarked on this journey last year with our powerful initiative, Grains of Hope, aimed at building a hunger-less world by empowering

Indians to pledge towards feeding underprivileged children across the nation. This was very well appreciated, and also brought us recognition, winning a prestigious Abby's Gold Award, reinforcing our leadership in purposeful brand communication.

On the media side, brand India Gate kept a healthy 6-week presence on TV and digital platforms in the quarter one, in line with our annual operating plan of 32 weeks on air for the full year. Our brand initiatives have led to our top of mind recall significantly rising by 400 basis points. And this has also helped move the needle on household penetration, which now stands at approximately 10%, up by 480 basis points year-over-year.

One of the most exciting stories this quarter has been the launch of Uplife's healthy Edible Oils, Uplife Weight Watchers for weight management, Uplife Gut Pro for gut health. The journey so far has been immensely rewarding in terms of capability building, strategic learning and organizational maturity. The applied platform taps into real underserved consumer needs and gives us a clear right to win in the health space.

Our right to win is built on 3 factors. First, brand trust, leveraging India Gate credibility; second, differentiated positioning, functional health benefits backed by clear science; and third, execution excellence, rapid distribution in top category outlets.

We have captured 5% market share in launched modern trade platforms in cities. We have executed a general trade launch in core markets, which is Delhi NCR, Mumbai, Madhya Pradesh and Punjab, covering 8,000-plus top category outlets. And we have achieved repeat orders of approx 35% of our launch volumes in just 45 days, proving product acceptance and demand.

With gross margins in the range of 25% to 30% and rising consumer awareness, we are confident of crossing approximately INR 40 crores in revenue in financial year '2026 from this launch alone, in a category which is INR 1,800 crores segment and growing at a 20% year-over-year.

I would like to emphasize that we are looking at Uplife as a comprehensive health and wellness platform, and that we will soon be expanding our portfolio with more innovative products spanning multiple categories.

Our goal is to reach INR 300 crores revenue milestone in this segment over the next 3 to 5 years. Meanwhile, our ready-to-cook Biryani Masala continues to gain traction and scale up profitably with a quarterly growth of 33% in revenue.

Looking ahead, Quarter One, Financial year '2026 has set a strong foundation for the year. We will continue deepening penetration in Bharat, use data-led decision-making to sharpen sales and marketing execution, scale Uplife as our health and wellness pivots with the pipeline of new innovations and drive premiumization and SKU mix optimization to strengthen gross margins.

In closing, I want to reiterate, this is not growth for growth's sake. It is growth with discipline, with focus and with a clear view of long-term value creation. KRBL is not just selling rice. We are building brands, expanding categories and reshaping the way India thinks about packaged foods. With the momentum of Q1, the strength of our brands and the clarity of our strategy, I'm

confident that financial year '2026 will be a landmark year in KRBL's transformation journey. Thank you.

I will now hand it over to Ashish Jain for comments on the financial statements.

Ashish Jain:

Thank you, Ayush. I will now take you through the performance for the quarter ended June 30, 2025. All figures mentioned by me would refer to the consolidated financials of KRBL Limited. For the quarter under question, total income was at INR 1,617 crores, higher by 32% over the corresponding quarter last year. Export revenue, as Anilji mentioned, grew by 98% on account of growth in private label business, while domestic revenue, excluding power, grew by 15%.

Other income in the quarter was higher on account of incremental interest income of around INR 10 crores on account of higher treasury investments during the quarter. Our gross margin for the quarter stood at 25.7% compared to 23.2% in the same quarter last year, higher due to lower average Basmati COGS.

EBITDA margin for the quarter was also higher at 13.9% versus 11.4% due to higher gross margin. Finance cost for the quarter was lower at INR 1.4 crores as against INR 4.8 crores due to lower borrowings during the quarter. Profit after tax for the quarter was at INR 151 crores, or 9.3% in margin terms as against INR 87 crores or 7.1% in the corresponding quarter.

I will now share a comparative analysis of first quarter of current financial year versus the preceding quarter, which is the quarter ended March 31, '2025. We delivered a healthy sequential performance as well with revenue from operations rising 10% quarter-on-quarter, driven by a 6% increase in domestic sales and a 17% increase in export sales.

The growth in domestic revenue was due to both volume and realization growth, while export saw expansion in the private label export. Other income for Q1 includes higher interest income as compared to the preceding quarter by INR 6 crores, while it also includes INR 16 crores gain on sale or mark-to-market gain on investments.

Gross profit in Q1 is lower in comparison to that in Q4, primarily due to change in sales mix. In other words, we have a higher proportion of export bulk sales, which tend to give lower margin as compared to the branded export sales. EBITDA in quarter one followed the trend in gross profit, partially benefiting from lower proportionate employee costs as well as optimization in other expenses.

Moving on to inventory. Our total inventory as of June 30, '2025 stood at INR 2,953 crores. This includes INR 354 crores in paddy inventory, which was at INR 596 crores at the same time last year and INR 2,438 crores of rice inventory versus approximately INR 2,936 crores as of June 30, 2024.

On a volume basis, as of June 30, paddy and rice inventory stood at 91,000 tons and 392,000 tons, respectively, compared to 141,000 tons of paddy and 425,000 tons of rice as of June 30, '2024. The decline in inventory is due to both lower per unit cost as well as lower volume. Moving on. Cash and cash balance, which includes treasury investments was at INR 1,281 crores as of June 30, increased from INR 349 crores at the same time last year.

With that, I come to the end of my prepared remarks. I would now like to hand over to the moderator for opening the Q&A. I will just like to mention that as the ED matter is sub-judice, we will not be in a position to respond to queries on that matter. So over to the operator now.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Himanshu Upadhyay from BugleRock PMS.

Himanshu Upadhyay: Congrats on good set of numbers. See, there is on exports, we have stated at one place that good growth is because of private labels and at another place, it has written good growth because of growth in bulk sales, okay? Can you give the bifurcation between how much of our business was to our own brand, private label and bulk sales in this quarter? And what really led to the growth? Because I'm referring one is Slide 8 and the other is Slide 33.

Ashish Jain: Yes. So I'll clarify. See, private label and bulk export are the same thing. It basically same segment where we supply bulk volume on a private label basis to importers overseas. In terms of the breakup between the 2 side, which is branded and bulk that we generally don't share, but bulk business tends to be bulky. So, these are large B2B orders as and when that sale happens, it leads to a bump up in export revenue.

Himanshu Upadhyay: And one thing a follow-up on this. So, when we are selling the bulk sales what we are doing, are we also doing packaging and everything for the other person in their own brand and selling it out, let's say, 1 kg bulk, 5 kg packs for their brand, and then we are selling or it is just a pure volume?

Ashish Jain: So the pack size is usually 10 kilos and above in private label.

Anil Kumar Mittal: 10 kilo into 4, 40 kilos.

Himanshu Upadhyay: But is the customer's brand and everything written on that package?

Ashish Jain: Yes.

Himanshu Upadhyay: We do the packaging and then export it?

Ashish Jain: Yes.

Ashish Jain: So sourcing, processing, packaging, all of it is done by us.

Himanshu Upadhyay: Okay. And secondly, just one observation, okay? The last few years, we have gone into regional rice before that into one other category also, cereal breakfast cereal category and then oil category. But all the time, we have seen that we have been very optimistic and have not gone into that category or grown that category. How confident are we on the oil segment? And what have been our learnings okay? And is regional rice still focused or it is now out of focus for us? So, some thoughts on that.

Ayush Gupta: Yes. Thank you for the question, Himanshu. So, on the breakfast cereal, we primarily entered into quinoa a lot of years ago. And quinoa, while we entered mostly from an export perspective, but domestic, we are still retailing the product.

But the demand for a product like quinoa, which is also an export-oriented, it's a foreign product for India and a very high- priced product, the demand remains a little bit minimal. But we are kind of trying our hands more at Quinoa, trying some more innovative categories to bump up the demand, but that remains on the smaller side.

However, if I talk about regional rice, we've put in an estimate 2 years ago of 1 lakh metric ton by the end of 2028 or '2029, I'm not sure. But we are still determined to deliver on that commitment. Having said that, regional rice has performed exceptionally well in this quarter. We've grown by about 77% in value in this quarter on regional rice.

Regional rice had slowed down a year before because there are many regional rice varieties available in the Country. And choosing the right one, which is margin accretive, choosing the right one which has a branded play, which can give long-term value for the organization was very critical.

So, while we expanded rapidly into many varieties and categories, we found success only in few because the industry dynamics allowed us to do that. But we are now slowly again filtering out the right kind of varieties, which makes sense for KRBL's ways of operation.

And we are adding more and more regional varieties in our portfolio. But we continue to be determined to deliver growth on regional rice. And I think that's a segment which is one of the most positive tailwinds for us going forward.

Lastly, on the oil segment, as I mentioned in my comments, we are committing to INR 40 crores revenue in the first financial year of our launch. We also see this scaling up to INR 300 crores portfolio within the Uplife brand within many categories that we'll be launching within Uplife brand. But again, oil, especially healthy edible oil is a INR 1,800 crores category today and growing at a 20% year-on-year growth trend.

So, I think potential is there and the category size is there. And we have just stepped into it in the quarter one. It's a new category for us with a new brand as well. We are learning every day, and we are moving forward. I think so far, what we have done is really, really positive for us. And I think it looks like that we will be committed and we will deliver on our commitments.

Moderator:

Our next question comes from the line of Amit Aggarwal from Leeway Investments.

Amit Aggarwal:

My question is regarding Saudi Arabia exports. This is good news that we are opening our own office there soon. But the idea of hiring our distributor or wholesaler, is that a drop down forever? And you also mentioned that you are already facing a slowdown in Saudi Arabia export market. So to what extent do we think that we will be able to achieve that turnover in Saudi Arabia this year?

Anil Kumar Mittal:

See, as far as Saudi is concerned, we will be very new as far as our direct distribution will be concerned by opening the office. And I do not know it will take a year or 2 years to remove the current distributors to whom we are working. It is too difficult to answer that question at this moment.

If we get a momentum and we just start doing at early times very well, then definitely one-by-one, we will remove the distributors, because definitely, our profits will also increase and our revenue will also increase. So that is the prime thing as far as Saudi is concerned.

Amit Aggarwal: But you also mentioned that, you are already facing a slowdown after the Ramadan. So to what extent we will be able to achieve this year in Saudi? What turnover we are expecting to achieve?

Anil Kumar Mittal: After this quarter, we'll let you know what would be the turnover. But let me tell you, it is not me only the whole India after the Ramadan, the next preceding month is always very slow. And after Ramadan and the preceding month, most of the people, they leave the country and go for holidays and vacation. So therefore, the quantity has come low, but now the orders have started coming. And I think so August, September should prove to be good in Saudi.

Amit Aggarwal: But because we are already facing a distributor issue, so will that be a challenge? Or I think for this year, that issue has been sorted out for this particular year?

Anil Kumar Mittal: No, we are still looking out for the distributor for the retail outlet. But as far as our wholesale business is concerned, what we are going to start doing initially when we open an office, we will only supply to the wholesalers.

Amit Aggarwal: Okay. And my second question is regarding oil business. Sir, as far as my information goes that basically, we have been outsourcing the product to some third-party. So, will it be a low-margin business? and how much investment has already been given to the oil product?

Ayush Gupta: Okay. Yes. So yes, we are outsourcing it to a third party only for processing. Since we already have a backward integration in terms of crude oil manufacturing for rice bran oil, the raw material still remains ours, but refining processes and packaging processes is currently outsourced. Coming to your second part that is this is a low-margin business. We are actually getting into the healthy edible oil space, which connotes more of the functional benefits and talks about a lot of consumer inciting.

So this particular segment, while relatively smaller in the overall category, remains a higher-margin business compared to the larger category. And as I mentioned, we are looking at a 25% to 30% gross margin from this category in the financial year. In terms of investments, there are not many investments at the back end, which is the production part. We continue to invest in brand building and distribution as we scale up our launch.

Moderator: Our next question comes from the line of Jatin Chawla from RTL Investments.

Jatin Chawla: My first question is, I think in the results release, you also talked about your foray into real estate. So, if you could just kindly tell us what are the plans there?

Anil Kumar Mittal: As far as real estate is concerned, let me tell you, we have around 150 acre land in our Ghaziabad plant, which is valued today around INR4,000 crores, and we intend to shift this plant about 50 or 80 kilometers away from Ghaziabad, somewhere near Meerut. And that land by the time we shift to Meerut, by that time, it will become about INR7,500 crores. We want to monetize on that land and shift our plant to Meerut side. That is all.

- Jatin Chawla:** Got it. So, what are the time lines here?
- Anil Kumar Mittal:** It might take 2 -2.5 years.
- Jatin Chawla:** Got it. My second question is on the decline in gross margins on a quarter-on-quarter basis. So partly, I understand this is driven by much higher bulk sales, which are at a lower gross margin. Any other factor because the gross margin decline on a quarter- on-quarter basis is quite sharp?
- Ashish Jain:** There are no other significant factors. It's really driven by the sales mix during the quarter. So, no other factors.
- Jatin Chawla:** And when I look at year-on-year, your inventory even in tonnage is lower. One would have thought that given that the Basmati prices are significantly lower this year, you would probably be stocking up more. So are you expecting prices to remain low going forward as well?
- Anil Kumar Mittal:** We think ourselves to be fortunate because till the time March, the prices were quite high. It was not lower as was expected. But from March to June, the prices came tremendously down and the whole industry was under panic.
- From June onward in July, August, it has started going upward trend and markets have shown a reasonable rise in the market. Because of this roller coaster behavior in Basmati pricing, it is not too advised to have big stocks rather than we should have a limited stock and look at the market and then create stocks.
- Jatin Chawla:** Got it. So our benefit on lower Basmati prices on gross margins, is that largely come through? Or do you expect some more benefit in the next 3 quarters?
- Ashish Jain:** No, I think overall, if you look at the inventory, we would expect the overall average cost to come down over the next, I would say, 2 quarters.
- Jatin Chawla:** So there should be some more benefit in the next 2 quarters?
- Ashish Jain:** Correct.
- Moderator:** Our next question comes from the line of Soumen Choudhury from Mansarovar Financials.
- Soumen Choudhury:** My first question was on the U.S. tariff issue. Our competitor exports a very large quantity to the U.S. Now post this 50% tariff, which has been done, if they were to pose any problems in exports, is it likely that part of this gets shifted to India or the Middle East, which are our large markets, creating problems in terms of lower realizations and margins?
- Anil Kumar Mittal:** See, let me tell you, creating a new market is not so easy. India Gate brand being so strong for us, it is also challenging many times because our prices are very high compared to the competitors. So let us keep one thing in focus that at the moment, definitely, exports to America are under worry, because 50% is too high a tariff.

As far as we are concerned, we have a very limited exposure in America compared to the competitors, but it will not be too good for me to talk about competitors. It is not advisable to talk about competitors.

Soumen Choudhury: No. What I meant was that excess rice gets sold in the domestic market and the demand comes off a little bit, creating problems for realizations here?

Anil Kumar Mittal: No. I feel -- see, if all of that rice which has to go to America or to other places, and if it is sold in domestic market, definitely, the market will crash, it will come down. But nobody, see, let me tell you, people will keep the rice in stock. The prices are not going to fall to the extent what we are thinking. Yes, definitely, there would be an impact on the pricing, no doubt about it.

Soumen Choudhury: Okay. And I had a couple of questions on the financial side. Mr. Jain, **is it possible to share the quarter-on-quarter volume growth for the current quarter?**

Ashish Jain: Yes, I can.

Soumen Choudhury: Overall or exports and domestic separately, whatever.

Ashish Jain: **I'm sharing the overall rice sale growth in terms of volume.**

Ashish Jain: **So year-on-year growth in quarter one is 38%.**

Soumen Choudhury: Okay. Quarter-on-quarter?

Ashish Jain: And quarter-on-quarter is 19%.

Soumen Choudhury: Okay. Okay, fine. And just one last thing on other expenses. Other expenses went up quite a bit in the last couple of quarters. This quarter, we see a big drop despite turnover increasing so much. So just if you could throw some color on this?

Ashish Jain: Yes. So I think if you look at the preceding quarter, there were some one-offs and also, like Ayush had mentioned, there was a packaging relaunch. So advertisement expenses were also higher. If you look at the current quarter, those 2 factors are not there, so which is why you see a fall.

Soumen Choudhury: Okay. So should we assume this to be a more reasonable rate going forward?

Ashish Jain: Yes. Subject to any freight rate changes driven by geopolitical events, otherwise, you can look at this at the run rate.

Moderator: The next question comes from the line of Hitesh Goel from Aurigin Capital.

Hitesh Goel: Congratulations on a good set of results. So basically, I just wanted to understand there's a lot of volatility in the gross margin, right, because of the bulk exports. So basically, can you give us some sense on how this gross margins will pan out in this particular year?

- Ashish Jain:** Yes. So you are right. See, like I mentioned, the private label or the bulk sale tends to be lumpy. And because it's a B2B business where we are sourcing and packaging in somebody else's brand, the margins carry a different profile.
- So as and when the sale happens, the gross margin does get impacted. But overall, I think earlier, maybe in the last call, we had mentioned that for financial year '2026, we are expecting an improvement in gross margin, driven largely by higher exports as compared to last year.
- Hitesh Goel:** Yes. So basically, your gross margin on 25%, right? So basically, this year, actually, in FY '2026, you're expecting higher exports versus last year and mostly driven by bulk?
- Ashish Jain:** Also branded.
- Hitesh Goyal:** And domestic basically, the pricing is holding up quite well, right? So domestic from your perspective?
- Ashish Jain:** Yes, that's right. So I mean, if you look at the market, and this is just EBITDA export numbers, if you look at quarter-on-quarter ended June 30, I mean, average Basmati rice price is down by roughly 15%. While if you look at our domestic realization, that's actually up by 1% on a year-on-year basis.
- Hitesh Goyal:** Yes. So domestic margins are going up, right, from that perspective?
- Ashish Jain:** Yes.
- Hitesh Goyal:** So we can assume that it will be higher than 25% in terms of gross margins for next year, right?
- Ashish Jain:** Yes. That's our expectation at this point. Yes.
- Hitesh Goyal:** And other expenses, you said will be maintained at this kind of run rate of around INR 145 crores on a quarterly basis. And any view on freight rates because that is on a spot basis for you guys, right, versus competitors, which are making contracts for 6 months a year. So any color on the freight rates near-term what is happening and what has happened in this quarter?
- Anil Kumar Mittal:** As far as our understanding is concerned, freight rates are not going to increase because of geopolitical changes. And I'm quite confident with our experience that freight rates will not increase. They will remain constant like what they are at present.
- Hitesh Goyal:** Okay. And sir, my final question on this land of Ghaziabad, which you have talked about. We are going to develop in Ghaziabad or what are we going to do with this land, sorry? I didn't get that.
- Anil Kumar Mittal:** No, definitely, we are going to develop it because that size of land from our factory or from Ghaziabad up to 60, 70 kilometers, there is no such land in up to 70 kilometers, and it comes into the township only. So we are going to develop the township only.
- Hitesh Goyal:** So we are going to tie up with the developer or we are going to develop it ourselves?

- Anil Kumar Mittal:** No. We will tie up with the developer definitely. We will not take that risk of starting ourselves, but majority will be us and the developer will have a small share out of it.
- Moderator:** Our next question comes from the line of Ishant Lalwani from Ashika Institutional Equities.
- Ishant Lalwani:** Congratulations on a good set of numbers. So what is our total installed capacity in our rice business? And what is our current capacity utilization level?
- Ashish Jain:** Yes, total installed milling capacity is 207 metric tons per hour. Now see, rice industry, because it's a seasonal industry, so you can't look at it in terms of capacity utilization. But given that factor, we operate at an optimum level.
- Ishant Lalwani:** Okay. And any capex going forward?
- Ashish Jain:** No significant capex. We have adequate capacity.
- Ishant Lalwani:** Okay. And also, how did our A&P spend in Q1 compared with the Y-o-Y basis?
- Ashish Jain:** I mean, it's comparable to the corresponding quarter last year. It's just that in the preceding quarter, it was higher, like I explained earlier. But otherwise, on a year-on-year basis, it's comparable.
- Ishant Lalwani:** In percentage terms?
- Ashish Jain:** I don't have that number right now. I can share it with you later.
- Ishant Lalwani:** Sure. Also, how do you see your EBITDA margins in our Uplife brand in Edible Oil business going forward? How do you see in 2 to 3 years?
- Ayush Gupta:** As I mentioned, see, we are looking at a 25% to 30% gross margin. Obviously, because it's a launch and there will be heavy investments, both in terms of expanding distribution, branding, marketing because it's also health proposition, there are going to be significant advertising and promotional expenses. So we don't see it coming as a positive EBITDA for at least the first 3 years. Post 3 years, we have planned a positive EBITDA from the launch of oil in the category.
- Moderator:** Our next question comes from the line of Pawandeep Bhatia from NV Alpha.
- Pawandeep Bhatia:** I also had questions around the land in Ghaziabad. Everything is answered.
- Moderator:** Our next question comes from the line of Gursidak Sen from Prudent Equity.
- Gursidak Sen:** So my question is regarding the land in Ghaziabad. What is the timeline for the monetization for the same?
- Anil Kumar Mittal:** It's around 2.5 years.
- Gursidak Sen:** And by what time do you plan to shift your production.

- Anil Kumar Mittal:** It is too early to comment. It's too early to comment anything, but we have a plan of 2.5 years to maximum 3 years.
- Gursidak Sen:** Okay. And my second question was regarding the expansion towards new markets. Is there a plan for FY 20'26 towards new markets like Australia and maybe other places?
- Anil Kumar Mittal:** We are already doing. We are market leaders in Australia. Australia, we are doing very fine. Other places, we are doing fine. Only we are weak in Saudi Arabia, which we intend that after opening the office, the things should streamline.
- Moderator:** Our next question comes from the line of Krushi Parekh from BugleRock PMS.
- Krushii Parekh:** So my question is again related to inventory, which was answered earlier, but just trying to get some sense what led to the volatility in the raw material prices. And based on our experience, how are we looking to build up inventory during this year now in terms of volumes?
- Anil Kumar Mittal:** Yes. As far as inventory is concerned, it will depend upon what prices the new crop opens up. If the new crop -- let us say, we look at last 4 years, the pricing pattern and we find that the prices have opened up 15% to 20% lower than the previous 3 years, definitely, then for us to build up an inventory is not problematic because rather putting money into bonds and here and there, we can put into inventory.
- We don't have any problem of the funds. The inventory creation is not a problem. The problem is to evaluate whether it is the right pricing or not. That is the main concern. And looking to the present crop, which has been sown, and which is going to come from 1st of October 2025, I believe if the prices open 5% or 10% lower than this year, we are going to have a huge inventory.
- Krushii Parekh:** Right. So, the question was again, because even last year, we saw the acreage for Basmati increasing and -- but we were hoping that the prices would decline and in some ways based on the data even in -- based on your presentation as well, the prices of Basmati have declined to an extent. So, I was just trying to understand volatility is one thing that you mentioned, but what are the factors for that volatility? And I get your point, 2026 may be the year where we may want to build up some inventory.
- Anil Kumar Mittal:** That's a very good question. Let me tell you. We never anticipated that ending '2025, we'll have an export volume of about 6 million ton plus. First of all, we were expecting 5.25 million ton instead of 5.25 million ton, it stood at 6 million ton. That is number one.
- Secondly, even domestic market has increased by 10% to 12% this year, there has been a very good demand in the domestic market. So there was these 2 failures on the part of KRBL to evaluate the total quantum in export market and the total quantity in domestic market.
- Moderator:** Our next question comes from the line of Raman KV from Sequent Investments.
- Raman KV:** Sir, sorry if this question is repetitive as I joined a little late. So, can you just explain during the quarter how -- like the reason for 32% sales growth as well as 200 basis point margin improvement?

Ashish Jain: Yes. Sure. So, you see, the year-on-year sales growth is led by our export business. So, during the quarter, our export business almost doubled in terms of revenue. And the growth in this was led by the private label side of the export business. So that's what drove, while the domestic business also grew by about 15%. Higher revenue along with lower average cost of goods sold has led to the higher margin during the quarter.

Raman KV: And my second question is with respect to the cooking oil segment. Sir, from what I can see from the presentation, it's more like a healthier oil, which has 40% less fat retention and stuff like that. So, I just want to understand how is our oil different from other established healthy oil brands? And basically, what's our right to win in this crowded segment of cooking oil?

Ayush Gupta: Yes. Thank you, Raman, for the question. So, we've launched 2 variants in the segment. And this segment, as we all know, is dominated by Marico's Saffola brand. And it's almost INR 1,800 crores category, which is growing at a 20% year-over-year.

And mainly in the healthy Edible Oil segment, everyone is just talking about one thing, which is heart health. So, when we launched Uplife, we wanted to create a differentiated positioning for ourselves. And hence, Uplife was launched with a value proposition to a younger India, the 25 to 35 India, which is now the mass population in the urban countries and have more spending power.

And the 2 variants that we launched were Uplife Weight Watchers and Uplife Gut Pro. Weight Watchers being for weight management and Gut Pro for your healthy gut. Both these variants are backed by science and clinical studies in the aspects that they provide as benefits. And we feel our brand India Gate credibility will be a great leverage for us to enter the consumer households.

As I said, in the last 4 months of our launch, we've been able to get a very clear view from consumers that our positioning has been well accepted. So, we feel that's a great win in a category which is owned by legacy players for so long that we were able to create a white space, identify a white space and launch a product.

Lastly, our execution excellence in terms of distribution in top category outlets and lastly, the marketing efforts that we are putting behind the brand. I think this gives us the right to win in this category.

Raman KV: Sir, a follow-up on this segment itself. Sir, one, I just want to understand what's the difference between your 2 oil which you launched. One is with respect to Gut Pro and another with respect to Weight Watchers. One is that.

And second part of that is, you said you will do roughly about INR 40 crores this year from your cooking oil segment. How much growth are you expecting from this segment in next year, like FY '2027? And will it be EBITDA positive?

Ayush Gupta: Yes. So, the 2 variants, Weight Watchers and Gut Pro have different blends. Gut Pro is a blend of rice bran oil and soybean oil, and Weight Watchers is a blend of rice bran oil and sunflower oil. In terms of revenue growth, as I mentioned, it will be INR 40 crores is what we have planned

this year. In the next year, it's about close to INR 150 crores. And EBITDA positive, we plan to be EBITDA positive by the mid of third year or by the end of third year.

Raman KV: Sir, can you give any growth guidance with respect to the entire Company for FY 20'26 and '2025?

Ashish Jain: Yes. Ashish here, our expectation at this point is that revenue of more than INR 6,000 crores for current financial year.

Moderator: The next question comes from the line of Chetan Doshi from TM Financial.

Chetan Doshi: Congratulations for good set of numbers. After a long time, we are seeing quarter-on-quarter jump as far as the top line is concerned and even bottom line is much better. Now my first question is that this real estate thing, will it be a separate entity or it gets added to the top line of our company because in next 2 years, we'll be a INR 10,000 crores company if that gets added to it?

Ashish Jain: Yes. So see, all what we've done is that we've put in place an enabling resolution, which is also subject to shareholder approval. In fact, in terms of structuring, we are looking at all options in terms of whether to do in the main entity or a subsidiary. And we'll update you, I think, as and when that's concluded.

Moderator: Thank you. We take this as the last question. Thank you very much, members of the management team. Ladies and gentlemen, on behalf of KRBL Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

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We do hereby confirm that no Unpublished Price Sensitive Information was shared or discussed during the Q1 FY26 Earning Conference Call