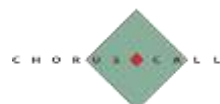




“KRBL Limited
Q2 FY26 Earnings Conference Call”
November 14, 2025



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

Moderator: Ladies and gentlemen, good day, and welcome to the KRBL Limited Q2 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 touchtone 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, Mr. Ashish.

Ashish Jain: Thank you, and thank you to all participants for joining us. Welcome to the Q2 FY '26 Earnings Conference Call for analysts and investors of KRBL Limited. Today, we have Mr. Anil Kumar Mittal, Chairperson and Managing Director; Mr. Anoop Kumar Gupta, Joint Managing Director; Mr. Ayush Gupta, Head of the India Business as key speakers on the call.

To begin the call, Mr. Mittal will share updates on the business, industry and our overall strategy. Following that, Mr. Ayush Gupta will provide insights into the performance and outlook of our domestic business, while I will present the financial overview of the company for the second quarter (Q2) and half year (H1) ended September 30, 2025. Once the management has concluded their opening remarks, we will open the floor for interactive questions.

Please note that some of the statements made during the call may contain forward-looking information, and actual results may differ from these statements. You can refer to KRBL's investor presentation available on the stock exchange(s) websites and our company's website, www.krblice.com.

Now I would like to invite Anil ji to share his views. The floor is yours.

Anil Kumar Mittal: Good afternoon, everyone. Thank you for joining us today for the Q2 FY 2026 earnings call of KRBL Limited. I hope you and your families are doing well. It is my pleasure to share with you our performance for the quarter, provide an update on the global and domestic rice markets and outline the opportunities that lie ahead for the company.

Let me begin with the global rice outlook. According to the USDA's latest Rice Outlook report, global rice production for '2025-'2026 marketing year is forecast at 542 million metric tons, broadly unchanged from last year's record level.

Global consumption is projected to rise to 541 million metric tons, up from 534 million metric tons in the preceding year, primarily driven by stronger domestic demand in India, which alone accounts for nearly a 4.5 million ton increase in consumption. This near balance between supply and demand suggests a stable global market with firm trade volumes. India competitive pricing and consistent quality continue to underpin its leadership in global rice trade.

Turning to India. Our country's rice production for '2025-'2026 is estimated at around 151 million metric tons compared to 149 million metric tons in '2024-'2025 as per USDA. This marked the second consecutive year that India has surpassed China to remain the world's largest rice producer.

The increase is being driven by higher acreage, attractive price realizations for farmers, government support scheme and generally favorable monsoon rainfall. While overall crop conditions remain healthy, regional varieties due to uneven monsoon distribution and localized flooding are visible, especially in parts of Punjab and Haryana.

On basmati, which is the core to KRBL's brand value and margins, the 2025 crop is being harvested now and presents a mixed picture. The overall basmati acreage has held firm in many producing states and the adoption of new pest resistant, better performing varieties continues to support yields and grain quality.

However, the heavy monsoon rains in late August and early September, coupled with flash floods in certain low-lying regions of Punjab and Haryana caused localized water logging and higher moisture content in paddy in those belts.

Reports from regional agriculture departments and trade bodies indicate some reduction in head rice recovery and grading challenges for millers buying paddy from those districts. Fortunately, other growing regions notably Rajasthan, Western Uttar Pradesh and parts of Madhya Pradesh experienced normal rainfall and good sunlight during grain filling and harvest periods, resulting in strong yields and quality.

On balance, India's basmati production for crop 2025 is expected to be slightly higher than last year in volume terms through quality segregation, it will be more critical this season. Overall, the availability of export-grade basmati remains comfortable.

Pakistan basmati picture is also important for global availability and price dynamics. In early reporting after the monsoon floods, there were widely circulated concerns about severe crop damage in Pakistan's Punjab.

Some assessments reported localized significant losses in flood in districts, whereas certain official reports indicate that much of the Pakistan basmati area remained resilient and that damage to basmati specifically may be less severe than initially feared. As a result, from a global trade perspective, we foresee a stable to firm basmati export environment over the coming quarters.

With Pakistan supply largely intact and India's crop quality being mixed, but ample, pricing is expected to remain range bound in the near term with premiums of higher grades and marginal softness for lower grades. In terms of pricing and procurement dynamics, APEDA and market dashboards show that basmati price firm in the immediate aftermath of heavy rains and flood reports, reflecting buyers caution around availability of export grade paddy and rice. That said, the market is bifurcating good quality, low moisture lots and commanding a premium while higher moisture or damaging lots are being discounted.

At KRBL, we have pursued a disciplined procurement strategy, focusing on low moisture, high-quality paddy and utilizing our long-standing supplier network to ensure that we secure the right crop quality at the right time. This positions us well for export fulfilment through the remainder of FY 2026.

Looking at exports, India rice shipments have been strong in H1 FY '2026. Basmati export rose around 17% year-on-year in the first half to reach approximately 3.2 million tons and non-basmati export expanded sharply by about 51% to roughly 7 million tons during the same period, according to trade data and industry reports. This robust performance highlights India's continued strength in both premium and mass rice segments.

The removal of previous export cuts combined with strong overseas demand from the Middle East, Europe and Africa has contributed to this growth. Going into the second half of the fiscal year, exporters remain optimistic. However, volumes and realizations will depend on how the new basmati crops quality profile settles during post-harvest sorting and on shifting trade dynamics in key destinations.

On the policy front, reciprocal tariff imposed by the United States earlier this year have added temporary friction to India, U.S. trade. While these duties currently include a 50% levy on Indian rice exports, we expect that ongoing dialogue between the two Governments will lead to a negotiated settlement.

Historically, both sides have worked towards resolving such issues. However, should the 50% tariff remain in place for an extended period, it could impact India's competitiveness in the U.S. basmati market as Pakistan export currently enjoy a 19% tariff, which is a much lower level. Having said that KRBL's direct exposure to the U.S. remains limited, and therefore, the financial impact on our business will be minimal.

Our exports revenue for Q2 FY 2026 stood at INR 438 crores compared to INR 252 crores in Q2 FY2025, registering a 70% year-on-year growth. Overall revenue for the quarter was INR 1,511 crores, led by a strong export performance. The Company reported a strong EBITDA of 16.6% and profit after tax of 11.2%. This robust performance underscores our strong operating foundation, disciplined procurement and continued traction for our branded portfolio in key international markets.

In regard to Saudi Arabia, we would like to update that we have engaged a law firm to fulfill our requirement compliance and formalities from the government such as incorporating a company and filing VAT registration, etc.

Once this process is finalized, then we can start with working on ground for operating our office, getting visas and gives the practical shape to the entire operation. Any specific question related to export market can be answered in the Q&A session.

On the industrial front, I would like to update you on the Panipat land acquisition. KRBL was declared a successful bidder for approximately 125 acres of land spread across 71 parcels in Samalkha District, Panipat Haryana at a total bid value of about INR403 crores.

Built on our strong financial position and healthy internal accruals, KRBL is now set to enter the real estate sector as a strategic step towards long-term value creation. Our core agri-food business continues to generate robust cash flows with minimal future Capex and working capital needs. This gives us the opportunity to deploy surplus funds more effectively moving away from low-yield treasury instruments and leveraging our underutilized bank limits.

We also hold significant land reserves, particularly in Ghaziabad, which offers substantial value unlocking potential. The company plans to monetize this approximately 110-acre parcel currently valued at about INR 2,500 crores while relocating our existing plant over the next 2- 3 years.

Post development, the Ghaziabad property value could rise to approximately INR 4,000 crores. In addition, KRBL will explore new real estate projects with a total outlay of around INR 1,000 crores over the next few years. We will focus on NCLT or court or municipal authority land Auctions for acquiring land at attractive rates and then collaborate with reputed developers to develop the same.

We will evaluate whether to pursue this business within the existing structure or through a separate entity. With our proven experience in land acquisition and management, we are well positioned to identify and execute the right opportunities.

Overall, entering the real estate space represents a natural progression for KRBL, broadening our growth avenues and delivering enhanced long-term value for our shareholders. Looking ahead, we look forward that FY 2026 remains optimistic. India's leadership in rice production, strong export momentum and KRBL's well-diversified product and market base provide us with a solid foundation for growth.

With disciplined procurement, premiumization of our product portfolio, expansion into high potential geographies and operational realization, KRBL is well positioned to strengthen its leadership in the global rice industry.

Before I conclude, I would like to express my appreciation to our shareholders, business partners and employees for their continued trust and commitment. Together, we are building a stronger and more resilient KRBL, one of that continues to deliver excellence and value across its market.

I will now hand over to Ayush for domestic business update. We will be happy to address your questions thereafter. Thank you.

Ayush Gupta:

Good afternoon, everyone. Let me take you through the India business updates. As always, I will keep the narrative balanced and focus on how our actions are shaping long-term strength. Over the last year, we've seen the packaged rice category in India continue on its long-term trajectory, a steady broad-based shift towards trusted hygienic branded and packaged products.

Consumers are clearer today about what they want from a food brand, quality, consistency and transparency. For us, this reinforces a simple belief. Leadership is earned through trust and execution, not by chasing volume at any cost. This belief shapes every decision we make.

When we compare this year's channel performance to last year, the evolution is intentional and supports our long-term strategy. In H1 financial year 2026, our channel saliency has shifted for the consumer pack business. General trade business contributes 63% of our consumer pack revenues versus 67% last year. Modern trade contributes 14% versus 15% last year and e-commerce has shifted to contribute 23% versus 18% last year to our consumer pack revenue.

So what does this really mean? It means 2 things. General trade remains the backbone, but it is led by a strong bulk pack business. Bulk has been a consistent driver of general trade growth. It brings stability, long-term relationships and predictable movements in key markets. It is this bulk pack momentum that keeps general trade steady even as consumer behavior shifts across channels.

E-commerce is becoming a genuine engine of household penetration. The growth in e-commerce, especially quick commerce, is being powered by consumer packs. Younger households, urban families and high-frequency buyers are turning to digital platforms for convenience and trust.

Today, almost 3/4 of our e-commerce business comes from quick commerce, making it a strong contributor to trial and repeat. In simple terms, general trade gives us depth, e-commerce gives us new households. Both are growing for different reasons, and that balance is healthy. This year, we made a deliberate and structural intervention on the brand side, the refreshed communication with Amitabh Bachchan. We chose a tone of authenticity, trust and clarity.

The campaign strengthened 2 things that matter most for a brand like ours, consumer confidence, reflected in significantly higher search for India Gate brand and stronger positivity in conversations around the brand.

And secondly, usage and repeat, both have grown meaningfully in the months following the campaign. When consumers trust a brand more, they buy it more often. They stick with it longer, and they remain price stable. This is a real business outcome this campaign has delivered.

Going forward, I would like to introduce Project Akshat. Project Akshat is a structured 18 to 24 month commercial transformation program we are running internally. It is one of the most important capability investments KRBL is making. The objective is straightforward, build a stronger, sharper and more productive commercial engine for the next decade.

Akshat is focusing on 4 areas: winning more share in general trade and e-commerce with a clear target of improving market share by 500 basis points over the next 18 to 24 months, making every rupee work harder through 2% to 3% efficiency in how we deploy trade and marketing spends.

Thirdly, improving e-commerce economics with a 15% to 20% improve in ROAS, return on advertising spend, driven by better planning and smarter execution; and lastly, strengthening capability and discipline on the ground so that availability, visibility and servicing becomes more predictable and repeatable.

Akshat is not about short-term savings. It is about building capability, the kind that compounds in value. A brief update on Uplife, our health and wellness brand. Uplife continues to make steady progress. Its positioning is sharper, its consumer base is expanding, and it is resonating well in the modern trade channel. We have reached a market share of 5.5% in stores where the product is available. We are taking a slow but deliberate approach, learning consumption patterns, refining the portfolio and scaling responsibly. Uplife is an important part of our long-term diversification story and early signals remain positive.

To summarize, the India business in Q2, the category remains resilient and favorable for branded leaders. General trade is stable, supported by a strong bulk pack growth. E-commerce is growing strongly through consumer pack momentum. Our brand and packaging work is strengthening trust, intent and repeat.

Project Akshat is going to lay the groundwork for consistent profitable execution and Uplife is progressing thoughtfully as a future-facing wellness brand. Our approach remains to protect value, deepen penetration, strengthen repeat purchase and build capability for long-term leadership. We are moving forward with confidence and a clear strategic compass.

Thank you, and I look forward to your questions. I will now hand it over to Ashish for his comments on the financial statements.

Ashish Jain:

Thank you, Ayush. I will now take you through the performance of the quarter ended 30th September '2025 and the Half year ended as on the same date. All figures mentioned by me would refer to the consolidated financials of KRBL Limited. Total income for the quarter stood at INR 1,541 crores, higher by 18% over the corresponding quarter last year. Export revenue grew by 74% on account of growth in both private label business and branded business, while domestic revenue, excluding power, grew by 6%.

Our gross margin for the quarter stood at 29.2% compared to 23.7% in Q2 FY '2025, increased due to lower average basmati COGS. Average basmati COGS is lower by 11% over the corresponding quarter last year.

EBITDA margin for the quarter was 16.6% versus 12.1% in the same period last year due to higher gross margin, partially impacted by higher proportionate employee costs and other expenses.

Finance cost for the quarter was higher at INR 1.1 crore as against INR 0.8 crores due to higher lease liabilities. PAT for the quarter was at INR 172 crores or 11.2% in margin terms as against INR 103 crores or 7.9% in the corresponding quarter last year.

Let me now share a comparative analysis of Q2 FY 2026 versus the preceding quarter, which is Q1 FY 2026. Revenue from operations declined by 5% quarter-on-quarter. Domestic revenue declined by 2%, while export revenue declined by 11% due to lower export bulk revenue. Branded export increased from the previous quarter.

Gross profit is higher primarily due to higher basmati realization in export and improved sales mix, which includes higher proportion of export branded sales. EBITDA followed the trend in gross profit, partially impacted by higher proportionate employee cost and other expenses.

Coming to H1. Total income for the period stood at INR 3,155 crores, marking a growth of 25% against the corresponding period last year. In H1'2026, domestic revenue increased by 10% as branded basmati volume increased by 9%, while export revenue increased by 86% due to higher bulk sales.

Branded rice export volume also grew by 6%. Gross profit of the company stood at 27.3%, while EBITDA and PAT stood at 15.3% and 10.2%, respectively. Margin improved mainly due to lower input costs, as I mentioned earlier.

Coming to the balance sheet. Our total inventory as of September 30, 2025, stood at INR 2,279 crores. This includes INR 123 crores in paddy inventory, which was at INR 215 crores at the same period last year and INR 1,995 crores in rice inventory as against INR 2,647 crores in September 30, '2024.

On a volume basis, as of September 30, '2025, paddy and rice inventory stood at 33,000 MT and 304,000 MT, respectively, compared to 60,000 MT and 376,000 MT in the corresponding period. Lower inventory is due to both lower per unit cost and lower quantity.

Cash and bank balances, including treasury investments were at INR 2,157 crores as of September 30, '2025, increased from INR 1,272 crores at the same period 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 session. 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 this matter. So over to the operator now.

- Moderator:** Our first question comes from the line of Amit Aggarwal from Leeway Investments.
- Amit Aggarwal:** My question is regarding Saudi Arabia market. Sir, we had INR1,000 crore export to that market 5 years back. Where do you stand right now? And how much have we covered this year? And what are the future growth prospects there?
- Anil Kumar Mittal:** Saudi market has started showing good results. As you can observe from the export data and the export earnings, there is improvement on a month-to-month basis. Though it will take some time, we have started doing quite well in Saudi. We have already initiated the process of opening our office as well. You will hear the good news in quarters to come.
- Amit Aggarwal:** Can you throw some numbers how much turnover this year we are expected to do in Saudi Arabia because that was a huge market and that gives us some idea that the future prospects of the market, how much are we covered from there?
- Anil Kumar Mittal:** It will not be proper to mention any numbers at this point since the predictions should be accurate. It will not be appropriate to guess & quote some arbitrary numbers. In my opinion, things would start clearing up from 3rd/4th quarter and we will get a better picture of our Saudi business.
- Amit Aggarwal:** Have we picked any distributor orders right now or we are supposed to market other products ourselves?
- Anil Kumar Mittal:** We have shortlisted 2-3 people and are booking orders directly. No distributor has been appointed as such.

- Amit Aggarwal:** And my second question and last question is regarding 2-3 years back, we were planning to open 3 factories in South and Gujarat, Madhya Pradesh and Karnataka. So Gujarat has been already there. So, how much production is going in Gujarat? And what is the situation in Madhya Pradesh and Karnataka?
- Anoop Kumar Gupta:** Gujarat, we have already started. It's more than 1.5 years. We are doing a good job. It's practically a plant of 20 tons per hour, and we are doing exports as well as domestic from Kandla plant. Gangavathi plant got delayed because of the rains and I think it will be completed now by December this year. It is also a processing plant and we'll be doing about 30,000 to 40,000 tons per annum of branded non-basmati rice from there.
- And we are also setting up one plant in Mariyalghoda which is in Andhra Pradesh, which will also be a branded non-basmati, which will give us around 10,000 to 15,000 tons of branded non-basmati rice. Madhya Pradesh, it is in the pipeline. Still we have not started.
- Amit Aggarwal:** So how much turnover should we expect from each and every plant of the coming in South?
- Anoop Kumar Gupta:** You see non-basmati, at present, we are doing around INR200 crores, and we expect to do about INR500 crores within next 2 to 3 years.
- Moderator:** Our next question comes from the line of Naitik from NV Alpha Fund.
- Naitik:** Congratulations on a very good set of numbers. Sir, my first question is we have seen a very significant amount of liquidation in terms of inventory during the first half. So just wanted to understand what is the reason for the same? And two, have we started building in inventory again for the upcoming season?
- Anoop Kumar Gupta:** Yes. This year, the paddy prices are quite comfortable, and we hope that we will build up the inventory this year. Last year, we purchased about 0.5 million ton of paddy. This year, I expect to purchase about 700,000 tons of paddy. And you will see quarter-on-quarter. Mr. Ashish Jain has said that our inventory level were lesser by INR700 crores. So I think this year, we'll build up the inventory to that level.
- Naitik:** Got it, sir. And sir, my second question is, if I heard you right, you are allocating close to INR1,000 crores for getting into real estate. So just wanted to understand what is the reason for getting into real estate where our DNA has been basmati rice since generations. So what is the thought process, sir, I just wanted to understand? And I wanted to confirm this INR1,000 crores is what we mentioned we are going to earmark for real estate.
- Anoop Kumar Gupta:** The basic reason is we are investing this INR1,000 - INR2,000 crores. You see as on today, 30th September, INR 2,100 crores has been deposited in the mutual funds at a rate of 6% to 7%. We are getting just 6% return on the surplus funds. So it is important to get an ROI.
- So we thought of investing INR 1,000 crores in real estate. And as Mr. Mittal has said, to go in NCLT and the courts where the return on the investment is very good. This INR400 crores property parcels what we got from Samalkha, already, the market is up by 10% to 15%. So we see a very upside, and we see investor will definitely appreciate this move.

- Naitik:** Got it. So for building inventory and maintaining our inventory, we won't require the INR 2,300 crores that we have. Only INR 1,000 crores -1,500 crores would be good enough to support our business? Is that what you mean, out of the INR 2,300 crores?
- Anoop Kumar Gupta:** No, Please repeat your question.
- Naitik:** So what I'm trying to understand is we currently have roughly INR 2,300 crores of cash, give or take, in our balance sheet. And you're saying out of this INR 1,000 crores, you are earmarking for real estate over the next 2-3 years. So INR 1,000 crores, INR1,500 crores would be good enough for building inventory and continuing our business. Is that what you mean?
- Anoop Kumar Gupta:** We have got a bank limits of approx. INR 2,200 crores, which is unutilized, and the bank limit, we can get at 7%. So to get a better ROI, it's always good to have a bank utilization.
- Naitik:** Got it. Got it, sir. That's helpful. And sir, my next question is what's our outlook for exports for the coming quarters and next 2 years? How do we expect our exports to do?
- Anil Kumar Mittal:** Exports are picking up. There are two big markets, i.e. Saudi Arabia & Iran. Both are picking up. We have started doing quite well in Saudi Arabia. We have already started concentrating on Iran business for which we have located an official route via Dubai. Hence, we are confident that our exports will gather momentum in both these markets.
- Moderator:** Our next question comes from the line of Hitesh Goel from Aurigin Capital.
- Hitesh Goel:** Congrats to the management for a good set of results. Sir, our business is doing very well. So, I just wanted to have a follow-up question on this real estate move. There are many real estate companies which investors can invest in, right?
- So if you think that our funds are not being utilized and the yield is low, it is better to give dividends to investors and they can actually invest in real estate companies because after we don't know incrementally if you keep investing these funds into real estate, 30%, 40% of capital employed will go into real estate. It will become a real estate company. Don't you think so?
- Anil Kumar Mittal:** It will not become a real estate company. We have observed in last couple of years that there are many opportunities in auctions in NCLT or through Supreme Court or through banks for real estate where the value concluded in the auctions were just 40% as compared to the prevailing market prices.
- We are concentrating on these types of properties where there are huge opportunities to make a sizeable profit. We have created a good reserve. It is hard earned money, and we are going to be very cautious and vigilant about how and where we are going to invest each and every rupee of the investors.
- Hitesh Goel:** And sir, you also in the opening statement said that you may explore putting it in a different company, you want to pursue real estate as well. That would be a much better move, don't you think so, keeping this KRBL as a premium basmati rice company and using a different vehicle to pursue the real estate interest?

- Anil Kumar Mittal:** We are articulating within the management to form another company as a 100% subsidiary of KRBL. If agreed, the whole real estate business will be shifted into that subsidiary company.
- Hitesh Goel:** But sir, subsidiary also the funds will flow from KRBL only, right? I mean can't we do a proper demerger?
- Anoop Kumar Gupta:** Yes, funds will flow from KRBL, from the principal company only. Yes.
- Ashish Jain:** I'll just add to that. See, I think the rationale for real estate has been explained. Right now in terms of which entity, subsidiary, etc, I think that is something that we'll evaluate, I mean it's a very early stage. I think that's a question for a little later right now, but your point is noted.
- Moderator:** Our next question comes from the line of Anubhav Mukherjee from Prescient Capital.
- Anubhav Mukherjee:** Sir, will it be possible to break up both the export revenue growth and domestic growth into volume and realization?
- Ashish Jain:** See, we generally don't share that data separately. But I have given a trend in terms of what's happened between on a year-on-year and quarter-on-quarter basis.
- Anubhav Mukherjee:** Okay. And sir, what is the current trend of basmati realization in both domestic and export market? Because some of your competitors were mentioning that in export market, there was pressure on realization. But going forward, like what's your view on that?
- Anil Kumar Mittal:** There are two ways of doing basmati business, i.e. with our own brand or under private label. We sell aged rice which is 1 or 2 years old at a decent premium with better export realisation. Normally private label business fetches low prices. Brand owners abroad exploit the situation and rice millers/exporters offer quite cheaper prices based on current paddy prices. Whereas we are into our own branded business and the realisation is quite high as compared to private label.
- I would like to add that 90% business these days are pertaining to steamed rice, whereas we might be the only company in India exporting Raw White Aged Basmati at a premium of US\$ 300 – 400 PMT as compared to Steamed Rice New Crop. That's difference between us and the other exporters.
- Anubhav Mukherjee:** Get that. So, but given that, like you were also mentioning, paddy prices are low and you will be like building inventory. So can you give a perspective on like the next year or next 1 or 2 years? Will we see a further improvement in gross margin? Some view on that would be helpful.
- Ashish Jain:** No, I think, see, difficult to predict for the next 2 years, but what we had mentioned at the beginning of this year is that in FY '2026, we were expecting an improvement in gross margin for the last year.
- I mean if you look at H1 performance that is evident. And overall, for the year also, we should definitely see an improvement in margins. Now next year, probably, let's wait for a quarter once the season settles down, then we'll have a view.

- Anubhav Mukherjee:** Okay. And sir, last question is, can you share like the export revenue split between branded and bulk or white label in this quarter?
- Ashish Jain:** I just mentioned that, I had given the trend overall, but we will not be able to share the split.
- Moderator:** Our next question comes from the line of Viraj from SIMPL.
- Viraj:** Just two questions. First is on the export for basmati for Saudi Arabia. Compared to the peak, where would we be, I mean, indicatively? And if I have to understand next 1 year, you think we will be able to reach similar kind of volumes or there is much more longer time period in terms of one should expect for the business to normalize?
- Anil Kumar Mittal:** Saudi is the second largest market for Basmati rice in the world importing 95% of its requirements from India. It imports about 1 million metric tonnes a year. Our prices are highest in Saudi Arabia and India Gate is mainly consumed by highly quality conscious elite populace there. A time was there when we used to hold a market share of about 15% from 2001 to 2012. But that was a mixed basket of premium and low qualities.
- We are confident that it will take 3-4 years to reach around 1.5 lakh tonnes. However, since India Gate is consumed by only the elite section of the market, it will be difficult to achieve a big volume out of India Gate alone. We are trying to penetrate the market like earlier times, i.e. a mixed pack of high & low qualities.
- Viraj:** I mean, what will drive that? I mean, we appointed distributors in HoReCa. We kind of set up our own office now. But just generally, if you can dwell deeper, how are we looking to ramp up volumes on a sustainable basis?
- Anil Kumar Mittal:** We have already created a team over there, since finding a loyal & good distributor is becoming difficult. There are about 15 – 20 big distributors but we don't fully trust their loyalty. We don't want to get stuck up in a situation like how we were two years ago. We are quite satisfied with our team and are going to further improvise till such time we are able to locate a distributor as the one with whom we were working for 25 years.
- Viraj:** Okay. Second question is, see, apart from rice, a few years back, we had shared an aspiration that we want to also move to adjacent categories in FMCG branded space. We did try some initiatives, but we were not that successful.
- Now with this kind of cash, which we are realizing from the real estate, would it not be right to kind of deploy more in the business or the adjacencies which we have a knowledge on, where we have a core strength rather than get into something which may have given you an optically slightly higher ROI, but it's not a space where we have strength. So why not just double down on the spaces or adjacencies where we always had an aspiration kind of?
- Anil Kumar Mittal:** We have already entered into three, four new products. Presently we are into Quinoa, Chia Seeds, Flax Seeds and recently entered the edible health oil segment under the name Uplife.

We have also got into Spices such as Biryani Masala in three variants, i.e. Hyderabadi Biryani, Kolkata Biryani and Lucknowi Biryani. Other than these, we have also come out with various masalas for daily consumption in Mughlai cooking style.

Our domestic team is working on development of various masala pastes and as we succeed we are going to add more items into the spice category. We have not done any exports of spices so far. We will start exporting spices after we are successful in the domestic market.

Viraj:

No, I understand that. Where I was coming from is, if you look the initiatives on new products adjacencies we are taking, sustainably, we're not able to have a sizably tangible impact yet.

I understand it takes its own journey, but with the kind of cash you now have at your disposal, one would logically think that you can back it up with a much more sizable maybe acquisitions, a couple of acquisitions in the similar adjacencies where we want to make a tangible impact.

So -- but I think that you will have probably a better ROI than getting into real estate where there's no core DNA of the company. That's my only feedback or suggestion to probably think over.

Anil Kumar Mittal:

It has taken almost 40 years for KRBL to create impressive reserves which shows the strength of your company. We are always open for acquisitions or any good opportunities that will further strengthen our company.

We have to be wise on making investments keeping in mind the interest of the investors. In the last 10 – 12 years, many rice companies doomed due to wrong investments into NCLT and other areas. We do not want to replicate them. So, we are being cautious about when & where to invest the money. I assure you that whatever investments we make, it will be in the interest of the company & our investors.

Anoop Kumar Gupta:

And plus all, you don't require cash for entering into a new product.

Moderator:

Our next question is from the line of Chirag Singhal from First Water Fund.

Chirag Singhal:

Yes. First, on the real estate front, you spoke about opportunities through NCLT. So you mentioned that you want to invest INR 1,000-odd crores in the next few years. So are you planning to acquire land parcels via NCLT and then partner with developers under JDA or we are also evaluating to become a full-scale developer?

Anoop Kumar Gupta:

So it depends upon the situation, we can partner with the developers, we can develop our own also. It depends upon the situation. It's not decided. It's a question if the land parcel is cheap, you can do anything you like. It is the question if you get the land at 40%, you can do whatever you like..

Chirag Singhal:

I'm specifically asking about the INR1,000 crore utilization, the INR1,000 crores that you mentioned, is that primarily going to go in acquiring land parcels via NCLT? Is that the primary goal?

I mean, since you've come up with a number, you would have come up with some tentative plan as to what will be the key investments. Is it going to be like full-fledged projects? Like you are going to become a full scale developer? Or it's more going to be like a participation only via -- in JDA via land parcel?

Anil Kumar Mittal:

We lost many good opportunities in the past where the land parcels were sold at 30% value of the market rates, because we didn't have a mandate. If we are able to get the land at a cheap price, the real estate business is a sure success since the main cost is the land value.

There can be two probabilities. One is to buy a land and sell it if you get a hefty profit of 100%. The second option is to go to RERA for developing the land and then make a profit. It is still too premature. Neither we have taken the land nor have gone to RERA as well.

When we plan to buy the land, it will be presented to the Board to evaluate various possibilities. Moreover, in next 4-5 years, looking at our current PAT of Rs. 500-600 crores. We are going to invest in the real estate out of such accruals. The management has decided to go up to Rs. 1000 crores only. It all depends upon the opportunity & price.

Chirag Singhal:

Got it. Right. So I think we'll wait for further clarity. Now coming to the revenue growth. So in domestic segment, I think we have grown close to 10% in H1. So what is your full year growth outlook?

And also on the export side, you mentioned that healthy growth from Iran via the Dubai route and even from Saudi markets, we're expecting good growth in these two markets. So currently, we are doing INR400 crores per quarter roughly on the export side. So what level are you targeting over the next 1, 2 years?

Ayush Gupta:

So on the domestic front, our run rate of H1, our plan is to continue that run rate. And we'd like to close the year at a 10% average growth rate. On the export front, Ashish?

Ashish Jain:

So Chirag, on the export side, as you know, the revenue comprises both branded as well as bulk. Now on bulk, the visibility on both these businesses, the visibility that we have right now is around, let's say, INR 400 crores for quarter 3. Q4, we'll have to see depending upon the bulk pipeline.

Chirag Singhal:

Okay. Got it. And just one last question on Uplife. So I understand that you have guided for INR 200 crores-300 crores in the edible oil segment over the next couple of years. But what I'm more interested in is how we are positioning this brand. And in the broader health-focused segment, which all product categories are you planning to house under Uplife? What is the kind of opportunity size that we are looking at?

Ayush Gupta:

Yes. So the INR200 crores-300 crores that we mentioned on Uplife was for the brand portfolio Uplife, not just oil. Edible oil happened to be the first such category that we entered because of sheer household penetration that it had.

So healthy edible oil seems to be a great opportunity for us to gain household penetration in the health and wellness space. So, we are looking at functional nutrition as our core differentiator when it comes to Uplife and we are evaluating both staples as well as lifestyle products.

So if you can do some value-added staples products, which is like a low-sodium spice masalas or even value-added rice for that matter, and even in the atta category, if we can, through research, come out with claims which give functional nutrition as an advantage to the consumer, those are some categories that we are looking at.

We are also looking at some other lifestyle products, which are away from the staples, but core in the food category itself. So, that pipeline is still under the works in terms of what kind of categories and products we are looking at. But, our space remains health and wellness with a focus on functional nutrition.

Chirag Singhal:

Yes, that was quite helpful. But, if you could please expand on the lifestyle category. So, in staples, you give some examples. If you can give similar examples for lifestyle, which products or something that gives better clarity.

Ayush Gupta:

Okay, okay. So, on the Uplife front, as I mentioned, edible oil happens to be only the first category that we enter into this brand. It's a health and wellness portfolio overall. And our vision is to enter with multi-category within this brand with focus on health and wellness.

And even with edible oil, as you've seen, that we've come up with us a very differentiated positioning compared to the overall industry dynamics. And that's our primary view that how can we add value addition into regular food products, both in staples and lifestyle products.

And functional nutrition henceforth becomes our core differentiator for the consumers. So even in, I would say, products like atta, value-added rice, those are some categories that you are looking at in terms of value addition in the staples space. But besides staples, we're also evaluating other food products where functional nutrition can be delivered.

But at the same time, the channel and the GTM remains a very important decision maker for us when we are deciding on these categories and products. And as e-commerce is scaling up so rapidly, it gives us more positivity that we can focus and grow this segment into INR200 crore to INR300 crore category in the next few years.

Chirag Singhal:

Got it. Sir, actually, I heard that part. My follow-up question was on the lifestyle products that if you can give some examples which products align with your Uplife brand in the lifestyle category.

Ayush Gupta:

So I think it's very early in terms of our thought process, but India is kind of obsessed with protein right now. So sattu, which is an Indian product, is a great space that we are evaluating. Makhana is a category, again, full of nutrition, but again very lifestyle in terms of the way it is getting consumed in the urban households.

So these are a few categories that we are looking at. And there are many more. Evaluation with teams and consultants are on, on which ones are going to be feasible for the organization.

- Moderator:** Our next question comes from the line of Balaji Vaidyanath from NAFA Asset Managers.
- Balaji Vaidyanath:** So between the last conference call and this conference call, I feel that there is a change in stance as far as the real estate is concerned, because the last conference call, we had mentioned that the only intention was to move from the Ghaziabad plant to the Meerut plant and unlock value for the Ghaziabad land. And we had also mentioned that there's just going to be a developer involved and KRBL is not going to invest. So has this stance changed in the last quarter?
- Anil Kumar Mittal:** There is no change in our stand as of now. Shifting of Ghaziabad unit will take 3-4 years. It is a difficult task since we have more than 1.5 million sq. ft of godowns and 5 milling plants having a capacity of 60-70 MT per hour.
- We are studying the cost of shifting the unit vis-à-vis putting up a new plant and scraping off the Ghaziabad plant or even shifting part of the machinery. Moreover, the land prices are increasing at our Ghaziabad plant area. In next 3 years, the price may increase from Rs.2500 crores to Rs.4000 crores and that will be the right time to monetise on the land parcel.
- Our ROI is weak because of our healthy reserves. So, we feel that our reserves should be invested in a proper manner for acquisition or for putting up new plants and utilise bank limits which are available to us at 7.2% per annum.
- For example, we have recently purchased a land parcel of 125 acres in Samalkha at a price of INR 402 crores. It costed us around Rs. 3.25 crores per acre. Today nearby lands are being offered/sold @ Rs. 5.5 – 6 crores per acre. Therefore, we got the land cheaper by about 40%.
- We need a land for expansion of our Barota (Sonapat) unit which can also be used to part shifting of Ghaziabad unit. Since the Samalkha land which we purchased @ Rs.3.25 crores per acre can fetch us a huge profit now, we intend to sell 50% of that land to make the other 50% free of cost. Likewise, we are watching the prices and if we get a cheap land parcel, we are going to invest Rs.1000 crores. We will invest only if we get a good opportunity, otherwise we will continue doing our business as we are doing now.
- Balaji Vaidyanath:** Sir, how much of management bandwidth will now move towards this real estate? Because as it is, as shareholders, we have to put up with the risky ups and downs of the rice business. So how much of management bandwidth will now move towards real estate? I mean, how much of your time will now get allocated to real estate business rather than the rice business?
- Anoop Kumar Gupta:** No. Actually, our new generation has come into the business. So it's not that we'll spend some time. There's not much -- I mean, spending 2, 3 hours in a day is sufficient. I don't think it is much. It is not disturbing to our rice business at all.
- Balaji Vaidyanath:** Sir, frankly, it's a little unfortunate because just when the core business was looking up and shaping up nicely, this foray has been a bit of a kill joy to be very honest, sir.
- Anoop Kumar Gupta:** No, this is just an investment thing. we are into core business only. We are looking at our core business only. And it is only a question of spending INR1,000 crores only, nothing else. Our whole family is into rice business only.

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

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We do hereby confirm that no Unpublished Price Sensitive Information was shared or discussed during the Q2 FY26 Earning Conference Call