KRBL Limited

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The General Manager **Department of Corporate Services** **BSE Limited** **Floor 25, Phiroze Jeejeebhoy Towers** **Dalal Street, Mumbai – 400 001** **Scrip Code: 530813**	**National Stock Exchange of India Limited** **“Exchange Plaza”, C-1, Block-G** **Bandra-Kurla Complex** **Bandra (E), Mumbai-400051** **Symbol: KRBL**
ISIN: INE001B01026	

Sub: Transcript of the Earnings Conference Call held on Monday, August 17, 2026 on Unaudited Financial Results of KRBL Limited for the first quarter (Q1) ended June 30, 2026.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 read with Para A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Earnings Conference Call of KRBL Limited held on Monday, August 17, 2026 at 12:00 Noon (IST) onwards on the Unaudited Financial Results for the first quarter (Q1) ended June 30, 2026.

The above information will also be available on the Company's website at www.krblrice.com under the head ‘Investor Relations’.

You are requested to kindly take the same on record.

Thanking you,

Yours Faithfully,
For KRBL Limited

Shubham Kandhway
Digitally signed by Shubham Kandhway
Date: 2026.08.21 15:46:03 +05'30'

Shubham Kandhway
Company Secretary & Compliance Officer
M. No. – F10757

"KRBL Limited

Q1 FY27 Earnings Conference Call"

August 17, 2026

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 Q1 FY27 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 this conference call, please signal an operator by pressing star then zero 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, sir.

Ashish Jain: Good morning, and thank you for joining us. Welcome to the Q1 FY27 earnings Conference Call for analysts and investors of KRBL Limited. Today, we have Mr. Anil Kumar Mittal, Chairman and Managing Director; Mr. Anoop Kumar Gupta, Joint Managing Director; and Mr. Ayush Gupta, Head of the India Business as key speakers on the call.

To begin the call, Mr. Anil Kumar Mittal will share updates on the business industry and our overall strategy. Following that, Ayush will provide insights into the performance and outlook of our domestic business. Finally, I will present the financial overview of the company for the first quarter ended June 30, 26.

Once the management has concluded their opening remarks, we will open the floor for an interactive Q&A session. Please note that some of the statements made during this 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 website and our company's website.

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 KRBL's Q1 FY 2027 earnings call. I sincerely appreciate your continued trust and confidence in the Company. This has been an unusual quarter for our industry, and I want to give you a full picture of it. I will take you through a global rice balance, India's production and export outlook.

The final outcome of the 2025 Basmati crop in India and in Pakistan, how prices have moved over the last quarter and up to date and the effect of the West Asia conflict on trade and logistics. Let me begin with global rice outlook. As per the USDA latest estimates released on 12 August 2026, global rice production in '26, '27 marketing year is expected to decline to approximately 537 million metric ton against about 546 million metric tons in the marketing, year now ending.

At the same time, global consumption is expected to rise to approximately 543 million metric tons from about 539 million metric tons. The bulk of the increased funds from India where domestic consumption alone is projected to grow by around 3.5 million metric tons with production falling and consumption rising, global ending stocks are expected to draw down from record levels.

This is a meaningfully tighter world balance sheet than the market was pricing at the start of the calendar year, and it should keep the rice market firm rather than soft. Against the tighter balance, India's position is unchanged. India continues to command close to 40% of global rice rate and despite lower domestic production USDA forecast India's rice exports to approximately 25 million metric ton in '26, '27, about 1 million tons higher than the previous year. USDA projects, India's rice production in the coming marketing year at approximately 150 million metric tons against about 154 million last year. India will comfortably remain the world's largest rice producer.

Domestic consumption is projected to rise from around 124.5 million metric tons to nearly 128 million metric tons. Government rice stocks remains very substantial as close to 3x the buffer norms as at 1st April 2026. Variable everyone is watching is the monsoon as of 5th August cumulative rainfall was running about 11% below the long period average.

And IMD has revised its seasonal forecast down to approximately 90% of normal with below-normal rainfall expected in both August and September. The Northwest, which is our basmati belt is amongst the deficient region with Punjab, Haryana and Western Uttar Pradesh all running well below normal through June and July.

Reservoir shortage nationally was about 27% below last year in early August. And all-India paddy acreage as on 7th August was around 4% lower over the last year. What this means, the basmati belt is largely canal and tube well irrigated. So in our growing regions, a rainfall deficit shows a first as high pumping and input costs rather than as lost acreage. Nationally, though paddy areas has fallen more than kharif average and the deficit of the magnitude carries real yield risk for a longer duration varieties harvested in October and November.

What I would say is that the deficient monsoon on top of an already depleted pipeline are used for firm not soft credit prices into the new crop. Let me now turn to Basmati crop. The 2025 crop has fully played out and we have complete visibility. It was in the hand a difficult crop acreage going into the season was healthy across Punjab, Haryana and Western Uttar Pradesh, Rajasthan and parts of Madhya Pradesh and adoption of newer pest-resistant Pusa varieties continued to improve.

But the flood in Punjab in late August and early September 2025 destroyed the crop outright on approximately 2 lakhs hectares of cultivable land, on which around 60,000 acre was basmati. Assessments put the decline in Punjab basmati output at 20% to 25% and mandi arrival in the worst affected district ran about a quarter below the previous year.

Quality was the second issue. Some mild and partially effective floods carried higher moisture, greater discolouration and lower milling recovery, while unaffected belts, Rajasthan, Western Uttar Pradesh and parts of Madhya Pradesh delivered good grain length and aroma. The result was a crop that was not merely smaller but sharply segmented, with a wide spread between genuine export-grade material and everything else.

Quality segregation mattered more this season than in many years, and this is precisely where a company with our sourcing network and our ageing discipline earns its position. The consequences were visible in price right through the year. Basmati paddy opened weak in October 2025. Pusa 1509 in Punjab was trading around INR2,500 to INR3,200 per quintal, well below the previous year, and then climbed steadily as the true size of the crop became apparent.

By February 2026, 1121 paddy in Haryana-Mandis was in the range of INR4,300 to INR4,700 per quintal. By May, old crop paddy availability at the major northern trading centres had effectively run out, with no material replacement until the new crop which arrives in October.

Pakistan's 2025 crop ended in a very different place from where it began. Early flush reports spoke of most of the crop being wiped out. The final assessment put Basmati damage at only 5% to 6%, and Pakistan's own economic survey in June reported rice production actually up 2.8%. Their supply came through intact. Their competitiveness did not.

Through the quarter, Pakistani Basmati traded at a premium of around USD100 per ton to comparable Indian material on APEDA's benchmark with a flat currency, giving them no relief and their government answering with a duty drawback rather than a price cut.

The result was predictable. Pakistan's rice exports for the year ended June 2026 fell about 26% in volume and 32% in value. Higher prices did not buy them volume. India's competitiveness has not been eroded, it has been reinforced. For India as a whole, FY 2026 was a record year by volume, with Basmati exports of 6.52 million metric tons worth INR50,138 crores and non-Basmati exports of 15.01 million metric tons worth INR51,892 crores.

India today accounts for roughly 85% of the world basmati trade. Which brings me to the defining feature of the quarter under review. On 28 February 2026, the conflict involving Iran and the United States and Israel escalated sharply and the Strait of Hormuz has been practically partially open since then.

This mattered to our industry more than almost any other because the Middle East takes close to three quarters of Indian Basmati exports. The immediate effect was physical. Between four and five lakh tons of Indian Basmati was traded, some at Indian ports and some in transit, at the peak of the disruption.

Freight went vertical. Container rates from the west coast of India to the Middle East rose more than tenfold from roughly US$500 to as much as US$5,000 per container. Cargo has continued to move through Khor-Fakhan for UAE-bound volumes, Jeddah and Saudi Arabia and Salalah for onward movement into Qatar, Kuwait and Bahrain, but transshipment added seven to fourteen days of transit and several hundred dollars per container in handling.

India's Basmati export volumes in the first quarter reflected all of this, approximately 1.5 million metric tons against 1.7 million in Q1 FY 2026, with the Middle East down about 11% year-on-year. But the price side moved the other way. Basmati realizations for the quarter were approximately 20% higher year-on-year and 13% higher sequentially.

This was a volume shock caused by logistics, not a demand shock caused by buyers. That brings me to the current geopolitical position which is materially better than what was prevailed till now. The commercial transit through the Strait had begun to resume.

This seems to be the most promising reopening since February. Through the disruption period, importers across the region brought hand-to-mouth and deferred forward commitments. As confidence in transit returns, inquiry levels and order books begin to rebuild.

The Gulf markets have now absorbed two-quarters of the constrained supply. Inventories have been drawn down materially and that shock will have to be replaced. Our customer relationships remain intact. Our brands hold their shelf positions and we have both the inventory and the balance sheet to serve the demand as soon as the route is reliable.

Now turning to KRBL's performance. Our exports revenue for Q1 FY 2027 stood at INR244 crores against INR485 crores in Q1 FY26, a decline of approximately 50%. That decline is entirely a Middle East story. Exports to every other region taken together grew 37% in the quarter. I would ask you to hold those two numbers alongside each other because between them they describe exactly what happened.

Where we could ship, we grew. Where the route was closed, we could not. Overall revenue for the quarter was INR1,496 crores lower by about 6%. The Company reported EBITDA of INR372 crores on a profit after tax of INR261 crores, the stronger quarterly profitability in the company's history. For the balance of 2027, our position is this the export shortfall of the first quarter is a timing issue, not a structural one. Our customers are intact. Our order pipeline is intact.

Destination inventories have been drawn down. And our non-Middle East export business grew 37% to the disruption, provided shipping condition in West Asia continued to stabilize. We expect export volumes to recover progressively from the second quarter and we are maintaining our guidance and meaningful export growth for the full year.

On Saudi Arabia demand remains consistent, and we continue to ship through wholesalers under our interim arrangement, our search for a long-term distribution partner is ongoing, and we are being deliberately selective in the market for this important the cost of appointing a wrong partner far exceed the cost of taking more time. Our strategic priorities are unchanged.

First, disciplined procurement, prioritizing low moisture, high recovery paddy to protect both margins and brand quality, which will matter specially in a season where the monsoon has been deficient. Second continued premiumization and expansion of our branded portfolio in India and internationally. Third, deepening our position with large global buyers using India's pricing competitiveness relative to Pakistan. The fourth operational efficiency and disciplined capital allocation.

Operationally, this was a demanding quarter on the export side for reasons entirely outside the business award a close shipping lane and the freight market that at its peak gulf bound rate uneconomic. We delivered our strongest ever quarterly profitability, though it is not an accident.

It reflects a domestic business that absorbed the shocks a procurement strategy that protected margin and the export book diversified enough to grow wherever the routes stayed open and the balance sheet is strong enough that we were never forced to sell into weakness.

I would like to thank all our shareholders, customers, partners and employees for their continued support and confidence in KRBL. We remain committed to delivering sustainable long-term growth while maintaining the quality, trust and leadership associated with the India Gate brand. Now I will hand over to Ayush for the domestic business update, thank you once again.

Ayush Gupta: Thank you, and good afternoon, everyone. I will take you through the performance of our India business for quarter 1 financial year 2027 and provide an update on the structural initiatives underway. Domestic revenue, excluding power stood at INR1,221 crores, growing 14% year-on-year. The composition of the quarter was mixed. Our consumer pack and regional rice businesses performed well, while branded rice volumes saw a modest decline due to lower bulk pack sales.

During the quarter, rice commodity prices moved upwards, allowing us to take appropriate price increases and resulting in higher realizations. The short-term increase in prices led intermediaries to defer back purchases while waiting for greater price stability. We, therefore, see the decline in bulk pack largely as a postponement of volumes rather than any structural weakness in demand.

Demand remains stable, and we expect these purchases to progressively materialize over the coming quarters. For financial year '27, our outlook remains positive, and we are confident of delivering approximately 10% growth in domestic volumes. This will be supported by continued growth in consumer packs, the expansion of regional rice, normalization in bulk packs and stronger execution across channels.

Let me now update you on our 4 strategic priorities. Our first priority is democratizing distribution. India Gate is present is present across approximately 3.3 lakh retail outlets and reaches 1.2 crores urban Indian households. Our focus is not too early on adding outlets. We are improving the quality of our distribution through deeper direct coverage, stronger outlet execution and greater availability in underpenetrated towns.

Our distributor management system has now been successfully rolled out across our top 190 distributors. These distributors contribute approximately 65% of our consumer pack business in general trade. Active adoption of the system is improving visibility, governance and execution discipline across the business. Our second priority is remodeling the supply chain. Fill rates in organized trade are now averaging approximately 90% with average purposing of around five days from the receipt of a purchase order.

While this represents a significant improvement, our benchmark is clear. We are working towards fill rates of at least 95% with servicing within 72 hours. Modern Trade delivered healthy growth during the quarter with rice volumes growing 6.5% and value growing 13% while maintaining strong gross margins. At the same time, competitive intensity remains elevated and our market share performance in parts of modern trade needs improvement. We have identified the gaps and are responding through sharper assortment, pricing, availability and account level execution.

Our focus is on delivering growth while protecting the long-term strength and profitability of the portfolio. E-commerce continued to be one of our strongest performing channels, delivering approximately 50% primary sales growth during the quarter. India Gate exited June with approximately 41% market share in e-commerce, maintaining a lead of around 10 percentage points over the next largest competitor. The e-commerce operating model has also evolved significantly. The team now owns the complete channel P&L, including sales, gross margins, contribution margins and investments.

Pricing, performance marketing, availability and city level execution are being monitored through an integrated dashboard. This is enabling faster decisions, stronger accountability and more productive deployment of investments. Our third priority is investing in the India Gate brand. During quarter 1, we continued to evolve both our communication and the media through which we engage with customers. Our April Fools' campaign, used contemporary humor and popular culture to communicate the aging credential of India Gate Classic.

It has generated more than 45 million engagements. Our Mother's Day and Father's Day campaigns moved beyond conversional greetings and built conversations around the Indian values of beauty and sacrifice. Together, these campaigns generated more than 90 million views. Beyond reach, these campaigns represent an important evolution in our marketing approach. Our communication is becoming more contemporary in its tonality more relevant to today's audiences and better suited to the new age media platforms on which consumers spend their time.

These are long-term brand-building investments. We do not evaluate them based on immediate sales conversion. Their purpose is to strengthen the relevance, salience and enduring equity of the India Gate plan. Our fourth priority is building our portfolio beyond rights. During quarter one, we launched India Gate’s Light and Fluffy Poha across 22 cities in North India. Poha is a natural adjacency for India Gate.

It is a large stable category with relatively low branded penetration, while the branded segment is growing strongly. Our right to win in this category comes from our sourcing capabilities, supply chain strength, distribution reach and most importantly, the trust consumers place in the India Gate brand. The initial response from retailers and consumers has been encouraging. We will scale the category in a disciplined manner based on consumer adoption, repeat purchases and the quality of the economics.

Our Masala portfolio also performed exceptionally well during the quarter, delivering 74% value growth year-on-year. This category plays a distinct role in our portfolio. Rice is primarily a monthly basket purchase, whereas Masala's are consumed across different yields and recipes. They can therefore help us into more households, increase the frequency of consumer interactions with India Gate and build deeper engagement with the brand.

Our proposition is anchored authenticity of taste and flavor. We are focusing on popular regional recipes that are often complicated to prepare at home but where consumers increasingly expect a restaurant-style experience. Building on the success of our biryani masala, our newly launched ready-to-cook masala range have received a strong initial response. At the end of quarter 1, our masala portfolio had reached an annualized revenue run rate of approximately INR9 crores.

We are targeting an annualized revenue run rate of approximately INR25 crores by the end of the financial year '27. Regional drive also continues to be an important growth opportunity. Demand has been established and product quality has been streamlined. Our focus is now on ensuring the regular supply and operating stability. Our new facility at Gangavathi is expected to become operational by the end of quarter 3, supporting the next phase of growth in this portfolio.

Quick commerce is particularly promising for regional rice. The category remains highly fragmented among regional brands, while platforms increasingly require trusted brands that can offer consistent quality and professionally service a complex, fast-moving channels. Underlying all four priorities is a broader organizational transformation. Our objective is not merely to deliver market share gains in a particular quarter.

We are preparing KRBL for its next stage of growth by building a more process-led, technology-enabled and data-driven organization. This includes stronger processes and accountability, end-to-end supply chain excellence, order-to-cash transformation, better use of dashboards and analytics, faster decision-making with robust governance and a strong culture of ownership and performance.

To conclude, domestic revenue grew 14% in quarter 1, supported by higher realizations and healthy performance in consumer pack and regional rice. The softness in bulk pack was largely due to the timing of purchases while underlying demand remains stable. Our outlook for financial year '27 remains positive. We are confident of delivering approximately 10% domestic volume growth while sustaining profitable growth in the India business. Thank you.

I will now hand it over to Ashish for his comments on the financial side of this.

Ashish Jain: Thank you, Ayush. I will now take you through the performance for the quarter and financial year ended 30th June '26. All figures mentioned by me would refer to the consolidated financials of KRBL Limited.

Total income for the quarter stood at INR1,560 crores, lower by 3% over the corresponding quarter last year. Domestic revenue witnessed growth of 14%, driven mainly by an 11% increase in rice realization.

Export revenue declined by 50% due to lower exports to the Middle East region, partially offset by higher exports to the other regions, which grew by 37%.

Other income was higher at a total of INR64 crores in the quarter as against INR32 crores in the corresponding quarter due to INR18 crores higher gain on sale or realization of investments INR9.5 crores forex gain and INR4.4 crores higher interest income.

Gross margin for the quarter stood at 36.3% compared to 25.7% in quarter 1 FY26. The reasons for this movement are the price increase, as mentioned earlier, lower private label exports in the current quarter and higher other income, partially offset by higher COGS. Excluding other income, gross margin in Q1 FY27 was at 33.51% as against 24.15% in the corresponding quarter last year.

EBITDA margin for the quarter was at 23.8% versus 13.9% in the same period last year, broadly following the gross margin trend, but partially offset by higher proportionate employee costs in the quarter. PAT for the quarter was at INR261 crores or 16.7% in margin terms as against INR151 crores or 9.3% in the corresponding quarter.

Let me now share a comparative analysis of Q1 versus the preceding quarter. Revenue for operations was INR1,496 crores, like I mentioned, lower by 2% on a quarter-on-quarter basis, mainly due to lower exports to Middle East region, while domestic revenue remained flat. Other income was higher in the current quarter as there were MTM gain and interest income and investments along with forex gain.

Gross profit was higher primarily due to higher other income higher power revenue and better basmati realization, slightly impacted by higher basmati COGS. EBITDA following the trend in gross profit and further improved as there was MTM loss of investments and forex revaluation loss shown under other expenses in the preceding quarter.

Moving to the balance sheet. The highlights are as follows: our total inventory as of June 30 was INR2,944 crores. This includes INR286 crores in paddy inventory versus INR354 crores as of June 30, '25 and INR2,481 crores in rice inventory versus INR2,438 crores as of June 30, '25.

On a volume basis, as of June 30, '26, paddy and rice inventory stood at 71,000 tons and 389,000 tons, respectively, compared to 91,000 tons of paddy and 392,000 tons of rice as of the same date last year.

Total cash plus investments was at INR1,841 crores as of June 30, '26 as against INR1,281 crores on the same date last year. The increase is driven by lower net working capital requirement and higher internal accruals in the period.

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

Moderator: The first question comes from the line of Shivam Gupta with Trinetra Asset Managers. Please go ahead.

Shivam Gupta: Hi, sir thank you for the opportunity. I want to know like can you please give us first on the update on Saudi Arabia entity as the incorporation and VAT transition process has completed. I want the update on this Saudi Arabia entity as the incorporation and VAT transition process has completed?

Anil Mittal: As far as Saudi is concerned, we are searching for a good distributor because we feel that the past problems whichever has arisen due to selection of a wrong partner, which has led us about 1.5 years behind than going ahead with the process. So we are very cautious in determining a good distributor. And as soon as there is a peace in that region, we are sure we have located 3 and 4 distributors and we have to finalize one of them, but we are waiting for the peace to arrive in that region.

Shivam Gupta: Means you are still doing direct bookings?

Anil Mittal: As far as the entity is concerned, we have deferred that program. And we feel that a distributor will be a much better choice than going forward. Our own office over there.

Shivam Gupta: Okay. And second, with the 18% U.S. import duty now settled, are you seeing any pickup in U.S. basmati volumes or is still not focused market for KRBL?

Anil Mittal: The U.S. market is stable for us, and we have done a pretty good business over there in last 3, 4 & this quarter. But let us see the impact is if we are going to discuss within ourselves and with our distributors and different channels. That what would be the reaction of their buying pattern after the duty increase.

Shivam Gupta: Okay sir. I will join back the queue.

Moderator: The next question comes from the line of Balaji Vaidyanath with NAFA Asset Managers.

Balaji Vaidyanath: Good morning. Thank you so much for the opportunity. If you could give us some color on the export market in the sense that if there were to be a scenario where the inventory depletion happens, as you had mentioned in your opening remarks, but the freight cost doesn't come down as much as what we anticipate. Do you see a situation where there is restocking, which is being done by the importers at such a high level in terms of price hikes. Will they be able to do that? That is question number one.

Question number two is we have already seen almost 1.5 months in the July, August, September quarter. While I'm not asking for specific numbers, directionally, how is the export number looking for us in the September quarter?

Ayush Gupta: Yes. So regarding Middle East, what I would say is that see the benchmark price that was earlier set by all the governments in the Middle East region was that even after the world, the local government was not allowing us to increase prices on the shelves. But now after the local rate increases, the benchmark prices have increased -- so now we are able to pass on the extra freight cost and also the rice pipe increases. So if this freight rate continues like this for another couple of months, so we will be able to pass on those prices already. And what was the second question?

Ashish Jain: Quarter 2 outlook.

Ayush Gupta: So quarter 2 outlook, again, as we said in our remarks, the route is now partially opened and shipments are going. Although we are seeing a lot of container problems like space availability and equipment availability, so the movement is still a little slow, but we see that the demand is picking up.

Balaji Vaidyanath: So sequentially, there is a chance that the numbers could be higher?

Ayush Gupta: Yes, yes, we'll see better numbers because I think bulk business will also resume in the second quarter to some extent. So yes, export numbers will be much better.

Balaji Vaidyanath: But it could get offset due to this little bit of Saudi business that we started doing last year on our own. So to that extent, it might get offset because we have changed once again our strategy from going direct to trying to look for a distributor again?

Ayush Gupta: So that direct distribution is still on. So we are just doing it parallelly. By the time we find another distributor, we are still going parallelly with the wholesale distribution. So that model is still continuing. So we don't see any change in that model until we find the new distributor.

Balaji Vaidyanath: My last question on domestic is if you could mention 2, 3 states where you have had a significant win in terms of market share and not specific numbers, but directionally significant win in market share and 2, 3 states where you would have probably seen a drop in market share overall?

Management: Yes. frankly, as a brand, India Gate, we enjoy market leadership position, I would say, across 75% of the states that are available in India. Off the top of my mind, I wouldn't know exactly in quarter 1, which markets have increased market share and where we have declined. But overall, our market share in traditional trade market have declined by about 2 percentage points over quarter 1 last year.

Moderator: Thank you. The next question comes from the line of Chirag Singhal with First Water Fund.

Chirag Singhal: Thanks for the opportunity and congrats on great set of numbers. First question is on the margin outlook for this year. So we have done almost 21% EBITDA margin during the quarter. So what is your outlook for the rest of the year?

Ashish Jain: Yes. Chirag, this is Ashish. In our view, the margin of quarter 1, while they are at a high level, but these are clearly not sustainable. These have arisen because of 2 main reasons. One is very high prices during the quarter. And also we had some MTM gains on our investment portfolio. The way we see the rest of the year is that I think a lot will depend on 2 factors.

One is how quickly exports scale up. Like Anil-ji had mentioned, we have an order book, but we are simply not able to supply it to many parts of the world. As and when that sale materializes, that will be -- that will help in improving the margin. And the second also is the upcoming paddy season, right? So I would -- we would watch these factors very closely. In general, the margin should be slightly better than that of last year is our view right now.

Chirag Singhal: Could you quantify the gains? And also on the MTM investment gains, that is part of other income, right? I'm looking at operating EBITDA.

Ashish Jain: Yes. So I think in terms of quantify, I would say about 1% to 2% better at an overall real level at an EBITDA level.

Chirag Singhal: So last year, we have done 15%. So you are saying 16% to 17%.

Ashish Jain: Yes, I would say between 17% to 18% is what we are looking at right now.

Chirag Singhal: Okay. And second question is on India business. Ayush, if you can please answer this. So 2-part question. First is in the quarter, there was -- the volume growth was only 3%. NSR growth was 11%. So what's the volume-led growth outlook for the full year? And if you can also give some guidance on next 1, 2 years, just to understand what kind of volume growth you are targeting for the India business?

And second question on the India business is on the new product launches. So when I look at India Gate on Blinkit and similar apps, the non-basmati range that we have is very limited with the kind of cash flows and the brand strength, et cetera. Why not go more aggressive and build a broader basket instead of evaluating products one by one?

I mean all these products are anyways small in terms of overall contribution. But don't you think focusing on like a broader basket will give you more options to decide which one to scale and which is higher margin, which is lower margin? Like looking at margins and all the other metrics that you consider at a broader basket level than looking at individually because the switching cost is very low.

So as a consumer, if I'm looking for India Gate products, there are very limited options in non-basmati. And I'll simply switch to other brand as I run out of options in this brand. So I'm just not able to understand like what's stopping you to go more aggressive to build a broader basket of products?

Ayush Gupta: Thank you, Chirag. I think I touched on both these points in my comments as well, and I'm happy to discuss it in more detail right now. On the India market, our outlook remains positive with a 10% domestic volume growth year-on-year. And that's the number we kind of commit to for the upcoming 2 to 3 years as well. Yes, quarter 1, we've seen a bit of a degrowth in volume.

But as I told you, that's because of bulk pack business, which couldn't conclude in quarter 1, which actually got factored in quarter 2. But over the subsequent quarters, quarter 2 and 3, we will see resumption in the bulk pack volumes. Once that happens, we'll be back on track with our commitment of 10% for the year.

Consumer pack business, which is more structural in the way we operate, I think we are doing great work in terms of opening up the demand, getting our GTMs right, getting the governance models right. So I think we see a very positive trend in the consumer pack business. On the bulk part, as I explained you.

Regional rice, you rightly pointed, and I also mentioned the little on the comment, the regional rice in quick commerce is increasingly becoming a very, very positive opportunity for us. for even the products where we find that in general trade, the economics doesn't make sense. The economics on e-commerce is much more feasible for us to enter a lot many regional rice varieties that we were not thinking about in general trade.

I think over the subsequent months, within this year, you will see us entering a lot more regional rice varieties in the quick commerce space. Frankly, even quick platforms have come up to us and suggested us that we should enter a lot of these regional rice varieties because local brands kind of dominate right now in the generative space.

And those brands are not attuned to operate on quick commerce. The way quick commerce operates in terms of diligence and supply chain, pricing models, the way it requires performance marketing, etcetera, these local brands don't have teams and the ability to operate. So platforms like Blinkit, Zepto have been repeatedly calling us and requesting us to enter these platforms, and we have started working on it. So later this year, you will see us entering a lot more of these categories.

Moderator: Thank you. The next question comes from the line of Amit Aggarwal with Leeway Investments. Please go ahead.

Amit Aggarwal: Good afternoon and Congratulations on good set of numbers. My question is regarding inventory volumes. As we understand that Hormuz is opening up and our exports are going to go up and you have been saying that our domestic sales will also pick up. But if you see the inventory for last 2 years for the correspond period the volume has gone down. Can you throw some color on that? And how do you expect to increase our exports and domestic sales inventory? And we have enough cash on the books. So why not spend more money on buying inventory? That's my only question.

Ashish Jain: Yes. Amit, your voice is not very clear. So let me just confirm the question you asked. You are asking in light of increase in exports and domestic sales is the inventory adequate especially considering the last 2-year trend. That's your question?

Amit Aggarwal: Yes, yes, yes. And we have enough cash on the books. So why not buy more inventory and increase the market share in exports as well as domestic market?

Anoop Gupta: Yes. This year, we'll be buying inventory. Definitely, we'll be buying inventory. As Mr. Jain said, we have about 389,000 tons of rice and about 70,000 tons of paddy as on 30th of June 2026. But this season, naturally, we'll be buying more, no doubt about.

Amit Aggarwal: So we have been -- if you say two years, our inventory is less than two years back. So we have enough cash. So why didn't we buy more inventory earlier?

Ashish Jain: So Amit, again, reconfirming. I think what he's asking is that for the last 2 seasons, we've been buying lower quantities. So if we were expecting why didn't we buy more. I think that's his question.

Anoop Gupta: But we were expecting a price hike, what you are asking? No one knows about the price. What you are asking?

Amit Aggarwal: No, but sir we have cash in the book.

Management: Cash in the book doesn't mean you buy paddy and why. You have to see the market, you have to see everything while buying paddy. It is not that if you have cash in the paddy, so we can buy anything whatever we like. We bought and our stock levels are very comfortable. 389,000 rice at the end of the season is quite a comfortable stock we are having.

Amit Aggarwal: Okay. Any plans for putting this cash into some good use?

Ashish Jain: Okay, Amit, you're not very clear, but anyway, thank you.

Moderator: Thank you. The next question comes from the line of Yash Dantewadia with Dante Equity. Please go ahead.

Yash Dantewadia: Just give us some regional rice revenue targets and overall revenue targets for this financial?

Ayush Gupta: So regional rice, we've grown at 25% in Quarter 1, and that is the kind of target we had projected for the start of the financial year. So our objective is to maintain that throughout the subsequent quarters for the rest of the financial year.

Yash Dantewadia: Yes. Could you give me a number?

Ashish Jain: Yes. So Yash, we had done about INR270 crores in branded regional rice last year. I think what Ayush saying is we are looking at 25% growth on that number in the current year. And if you look at Quarter 1, we are on track.

Yash Dantewadia: And overall numbers also I ask revenue, what are you looking at this year?

Management: Yes. So I think in terms of -- we can answer that in terms of volume, where Ayush had mentioned, overall, we are looking at a 10% volume growth. Price like Anil Ji also explained, a little difficult to answer that right now considering the overall West Asian situation and also the upcoming season for piping.

Yash Dantewadia: All right. My second question is, if you looked at the Saudi market, right, and the entire West Asia crisis, I'm assuming a lot of rice hasn't moved, right? It's not just you. In general, a lot of rice hasn't moved to these areas. So technically, when this supply gap opens up, right, don't you see the prices of basmati going on North overall in general because the supply gap obviously must be huge now, right?

Anil Mittal: There is no doubt if the peace process completes and the markets have opened up -- will open up, definitely, there will be an impact on the price. The prices are definitely going to shoot further. But in every market, because it's a staple food, too much of rice also doesn't work because freights have increased, rice price will also increase.

So there is always a limitation of everything. Number two, the new crop is already on the head from first week of September, the new crop will come. And what is the size of the crop is still a question mark because the rains came quite late. I think so within week, 10 days' time by 25th of August, we will know a picture that what would be the size of the crop.

And as I mentioned in my initial address that because it is wherever the basmati is grown, it is all through canal water and underground water. So therefore, the crop size -- the crop should not go weak. But natural grain definitely, they help in the production of crop and the quality of the crop. So these are the 2 things.

Definitely, prices will increase, number one. Number two, it all depends upon that what is the quantum of -- what is the quality and quantum of crop.

Moderator: The next question comes from the line of Soumen Choudhury with Mansarovar Financials.

Soumen Choudhury: My question was on the domestic market. How have realizations behaved in this quarter vis-a-vis Q4? And what was the price hike taken in Q1?

Ashish Jain: Soumen, this is Ashish. In terms of the branded business realizations vis-a-vis Q4 are higher by around 9% in Q1. And what was the second question?

Soumen Choudhury: The price hike taken in Q1?

Ayush Gupta: It's around the same mark. It's around the same mark, about 9%, right? That's why the realizations have increased.

Soumen Choudhury: Okay. And another thing is given that the paddy prices continue to be very strong. Did we take any more price hike in this quarter? Or can we expect some more price hikes in the near future?

Ayush Gupta: We are -- frankly, the prices of basmati are already on the higher extent of the bandwidth that is possible. And we are not going to be taking any more price hikes within quarter 2. As Ashish also mentioned earlier, we are going to be waiting and watching for the paddy crop season to unfold. And then we will see calibrated which segments can continue price hikes where we have to take some margin , etcetera. I think that is something that we have to see while quarter 3 unfolds.

Moderator: The next question comes from the line of Raghav Bhutoria with Lindsay Securities.

Raghav Bhutoria: So in the last 10, 12 quarters, this has been the best gross margin performance that KRBL has given. So is this just because we had some inventory at lower cost and now because of the price hikes, the margins are looking better? Or is it structurally going to improve?

Ashish Jain: So we explained earlier, I think you are right, there were -- one is that in the quarter, there were price increases that happened and also there were some MTM gains. I think longer term, this level of gross margin in the business is not sustainable. Our view right now is that for the current year, we look at about 30% gross margin and at about 17% to 18% EBITDA margin.

Raghav Bhutoria: Okay. Thank you so much

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. Thank you, members of the management. On behalf of KRBL Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.