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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 Tuesday, November 3, 2026 on Unaudited Financial Results of KRBL Limited for the second quarter (Q2) and half year ended September 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 the Transcript of the Earnings Conference Call of KRBL Limited held on Tuesday, November 3, 2026 at 12:00 Noon (IST) onwards on the Unaudited Financial Results for the second quarter (Q2) and half year ended September 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: 2026.11.11 10:53:08 +05'30'

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

“KRBL Limited

Q2 FY27 Earnings Conference Call”

November 03, 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. AKSHAY GUPTA – HEAD-BULK EXPORTS – KRBL LIMITED
MR. ASHISH JAIN – CHIEF FINANCIAL OFFICER – KRBL LIMITED

Moderator: Ladies and gentlemen, good day and welcome to KRBL Limited Q2 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 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 thank you for joining us. Welcome to the Q2 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, Mr. Ayush Gupta, Head of the India Business, and Mr. Akshay Gupta, Head - Bulk Exports, 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, Mr. Ayush Gupta will provide insights into the performance and outlook of our domestic business.

Finally, I will present the financial overview of the company for the second quarter and half year ended September 30, 2026. Once the management has concluded their opening remarks, we will open the floor for an interactive question-and-answer session.

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 websites and our company’s website. Now, I would like to invite Anil ji to share his views.

Anil Mittal: Good afternoon, everyone. Thank you for joining us for KRBL's Q2 FY27 earnings call. I will briefly cover the global and Indian rice outlook, the new basmati crop and paddy prices, the export environment, and the company's performance. Let me begin with global picture, which is broadly unchanged since our last call. As per USDA's October estimate, the world rice production in 2026-27 is expected to fall to 537 million tons from 546 million tons last year, with India accounting for most of the decline.

Consumption, meanwhile, is expected to rise to a record of about 539 million tons. Global stocks are therefore expected to draw down. India continues to hold close to 30% of world rice trade, and USDA expects Indian exports of about 24 million tons in 2026-27, higher than the previous year. For India, USDA now estimates for 26-27 production at about 147 million metric tons against a record of 154 million tons last year, reflecting a weaker monsoon.

India will remain alongside China, one of the two largest rice producers in the world, and domestic consumption is expected to rise by about 4 million tons. The 2026 monsoon ended about 13% below normal nationally, the weakest since 2015 under a strong El Nino. Last quarter, I flagged the risk this posed to the basmati belt. I am glad to say that risk largely did not materialize. Northwest India finished about 6% below normal.

Irrigation carried the crop through, and trade estimates currently put the year's basmati crop modestly above last year's. The unseasonal rain in part of Punjab in the mid-October wet some harvested paddy in the mandis and flattened standing crop in places. The damage appears localized and will have a clear picture as arrivals progress.

Despite a larger crop, basmati paddy prices have risen sharply. Major varieties are trading at around INR4,500-INR5,200 per quintal, well above last year's paddy price. There are three reasons.

First, the industry has entered this season with almost no carryover stock. Second, the export realization have stayed high. And third, buyers across the Middle East need to rebuild depleted inventories, and the trade is pricing that demand in. Our procurement approach reflects this. We will not chase the market.

We are buying in a staggered manner across the season with a firm focus on quality, low moisture, high recovery paddy. And our inventory position gives us the flexibility to be patient whenever prices run ahead of fundamentals. On exports, between April and August, India shipped about 2.5 million tons of basmati against 2.7 million tons in the same period last year. The entire decline was in the Middle East. Shipments to the rest of the world were unchanged.

Realizations were about 21% higher in rupee terms. So, the rupee value of India's basmati export actually rose by around 12%. In August, volumes were back over last year's level. As I said last quarter, this remains a logistics problem and not a demand problem.

The situation in the Gulf remains unsettled. Transit through the Strait of Hormuz has been intermittent, and freight and war risk premiums remain elevated and sensitive to every development. Marine cover continues to be available, priced shipment by shipment, and buyers have largely absorbed the higher cost because food security leaves them little alternative.

Trade has adapted around the disruptions. Basmati shipment to Jordan, largely for onward movement to Iraq, are up almost six fold this year, more than offsetting the fall in direct shipments to Iraq.

Iran is the exception. Payment and banking channels have become considerably more difficult since U.S. sanctions were tightened in August, and that market will take longer to normalize. Our view of recovery is unchanged. Inventories in the region are low, and when the route becomes dependable, restocking will be significant but we expect that normalization to be gradual rather than sudden.

Now coming to KRBL's performance. KRBL recorded its highest-ever quarterly revenue of INR1,727 crores, up 14% on the same quarter last year, driven by 33% growth in domestic revenue. Export revenue for the first half was INR541 crores, lower by 41%. The decline was almost entirely in bulk export to the Middle East, where three factors weighted on the business. Payment channel in parts of the region became more difficult, movement through the Strait of Hormuz became more restricted, and weighing risk against reward.

We chose to take on few opportunities there. We would rather protect the quality to our business than chase volume. At the same time, there are clear signs of strength. In second quarter, export revenue rose 22% over the first quarter to INR297 crores, although it remains 31% below last year.

Exports to market outside the Middle East grew 14% in the first half. These markets are doing well and showing good growth, which reflects the diversification of our export business and a strong recall our brands enjoy. This is encouraging. Looking ahead, we expect exports to recover progressively through the second half, subject to condition in the Gulf. In Saudi Arabia, our largest export market, demand remains steady, and we continue to serve it through the wholesale route.

Our priorities are unchanged: disciplined procurement, continued premiumization of the India Gate portfolio, deepening our relationship with large global buyers, and prudent capital allocation. I would like to thank our shareholders, customers, partners, and employees for their continued trust and support. I will now hand over to Ayush for the domestic business update. Thank you once again.

Moderator: Thank you.

Ayush Gupta: Good afternoon, everyone. Our India business delivered its highest-ever quarterly revenue in quarter 2. Domestic revenue, excluding power, stood at INR1,390 crores, up 33% year-on-year. This took first half domestic revenue to INR2,612 crores, up 24%. Let me start with what drove the quarter. Domestic branded rice sales grew 23% year-on-year from INR921 crores to INR1,134 crores.

Unbranded rice sales increased from INR53 crores to INR166 crores, owing to a selective additional rice sale of INR102 crores. Within branded rice, consumer pack volume growth accelerated from 7% year-on-year in quarter 1 to 18% in quarter 2. Modern trade and e-commerce together grew consumer pack volumes by 31%. General trade also returned to growth after a decline of around 5% year-on-year in quarter 1. Consumer pack volumes in general trade grew 10% in quarter 2.

That recovery accounted for most of the improvement between the first and the second quarters. In branded bulk packs, we had explained on our last call that some trade buyers had deferred purchases while waiting for prices to settle. Buying picked up in quarter 2, with volumes growing 11% year-on-year. First half volumes were still below last year, but October was another strong month for bulk packs, signalling strong recovery and sustained path to growth.

Regional rice also performed well, with quarter 2 volumes growing 42% year-on-year. The H1 growth in regional rice now stands at 32% from last year. Turning to our market position, India Gate continues to lead the packaged basmati category across our key channels. For the 12 months ended September, our volume share was around 36% in general trade, nearly twice that of the next player. In modern trade, our share over the same period was 39.6%, a lead of more than 6 percentage points.

In e-commerce, our internal estimates put our September exit share at 41.1%, compared with approximately 33% for the next player. On pricing, we held prices through quarter 2, as we had indicated on our last call. Domestic rice realizations averaged around INR80 per kg in both quarter 1 and quarter 2. Compared with quarter 2 last year, realizations were around 12% higher.

With the arrival of the new crop, basmati paddy prices have risen sharply. In late October, millers and exporters reported prices of around 4,500 per quintal for 1509 paddy and 5,200 for 1121 in key Punjab and Haryana mandis. Both were at least 1,000 per quintal higher than a year earlier. We have taken price increases across our portfolio in quarter 3. From here, we will manage pricing by variant and channel, balancing our objective of gaining market share with the need to protect gross margins. Regional rice prices in the south also matter to that assessment.

In parts of Karnataka, weak rainfall and limited water for irrigation reduced paddy sowing. In early October, wholesale Sona Masoori prices were reported at INR75 to INR80 per kg, up from around INR50. In Telangana, retail prices for fine rice rose from INR70 to INR80 to INR82 per kg, while basmati moved from INR113 to INR122. For a household comparing the two in that market, the rupee premium for basmati stayed broadly similar. In our view, firmer prices for regional fine rice provide some support for domestic basmati pricing.

So far, we have seen no noticeable shift from branded basmati to loose rice. Prices have risen across the category. Some households may choose a more affordable variant or a smaller pack to manage how much they spend on each purchase. We would want to see at least 3 months of purchasing data after the price increase before drawing a conclusion on either behaviour.

Let me turn to the investments we are making in distribution and in the India Gate brand. India Gate is present in around 3.3 lakh outlets and reaches approximately 1.2 crores urban households. We are working to improve availability in towns where our distribution is still limited. Through our order-to-cash program, we are also connecting order placement, stock allocation, collections, and claims. For a distributor, the practical benefit should be greater clarity on when an order will be fulfilled and when a claim will be settled.

Beyond making India Gate available in more homes, we are also investing in what the brand means to the families who choose it. Consumers know India Gate for the quality of its rice and the confidence that a meal will turn out well. We want that trust to extend to something families care about more deeply, the nourishment of their children. That is the thinking behind Grains of Hope, now in its third year. This year, through the Nutrition Prayer, we took a familiar moment in a child's school day, the morning prayer, and used it to start a conversation about nutrition.

The campaign reached more than 70 lakh children. For us, the longer-term purpose is to build an association between India Gate, the care that goes into feeding a family, and our responsibility as a food company to help address the child hunger. That is an association we intend to earn through sustained work over time. In our newer categories, we are building on both that trust and our existing retail relationships. On our last call, I spoke about the launch of India Gate light and fluffy poha.

By mid-September, poha had reached approximately 44% of our existing rice outlet base in the launch towns. Of the retailers who had stocked it, around 30% had already placed a repeat order. That is an encouraging early sign. Our focus now is to reach more outlets in those towns and track how consistently retailers reorder. In masalas, first half sales increased to approximately INR4.5 crores from INR3.1 crores a year earlier.

Rice brings India Gate into the households, and masalas give families more occasions to cook with us. Building on our biryani masala, we are developing ready-to-cook blends for regional dishes where consumers want authentic flavor and a simpler way to prepare the recipes at home. Our ambition remains to exit financial year '27 at an annualized masala revenue run rate of approximately INR25 crore.

To get there, our priorities in the second half are to make our biryani masalas available in more outlets and build repeat purchases across the ready-to-cook range. In edible oils, our Uplife Heart Balance Pack addresses another everyday need by giving consumers greater control over how much oil they pour.

Looking ahead, we continue to see approximately 10% growth in overall domestic rice volumes as achievable for financial year '27. Consumer pack growth has accelerated, bulk pack buying has remained strong in October, and regional rice continues to grow. Our focus in the second half is to sustain that volume growth and gain market share while protecting gross margins as higher paddy costs work their way through the business. Thank you. I will now hand it over to Ashish.

Ashish Jain: Thank you, Ayush. I will now take you through the performance for the quarter ended September 30, 2026. All figures mentioned by me would refer to the consolidated financials of KRBL Limited. In terms of the quarter, total income for the quarter stood at INR1,768 crores, higher by 15% over the corresponding quarter last year. Domestic revenue grew by 33%, driven by strong volume and realization growth in the branded business and a selective bulk rice sale of INR102 crore.

Export sales were lower owing to lower bulk rice exports to the Middle East. Branded exports continued to be stable. Gross margin for the quarter stood at 34.5% compared to 29.2% in quarter 2 FY26, increased due to higher realization, better product mix, and higher other income.

EBITDA margin for the quarter was at 21.1% versus 16.6% in the same period last year due to higher gross margin, partially impacted by higher proportionate freight and advertisement costs. PAT for the quarter was at INR159 crores or 14.6% in margin terms as against INR172 crores or 11.2% in the corresponding quarter.

Let me now share a comparative analysis of Q2 versus Q1 of this year. Revenue from operations for quarter 2 FY27 is at INR1,727 crores, higher by 15% quarter-on-quarter, driven by 22% higher export revenue and 14% higher domestic revenue. Other income is lower mainly due to lower gain on sale or revaluation on treasury investments and lower forex gain. Gross profit is lower due to lower other income. EBITDA followed the trend in gross profit, partially impacted by higher proportionate other expenses.

Coming to the first half of this year, total income for the period stood at INR3,329 crores, higher by 6% as against H1 FY26. Domestic revenue grew by 24%, while export revenue declined by 41% due to lower bulk exports to the Middle East. Branded exports in the same period grew by 18%. Other income is higher due to higher yield on treasury investments and higher forex gain. Gross profit of the company stood at 35.3%, while EBITDA and PAT stood at 22.4% and 15.6%. Margin improved mainly due to better realization, better product mix, and higher other income.

Moving to the balance sheet highlights, our total inventory as of September 30, 2026 was at INR2,203 crores. This includes INR146 crores in paddy inventory as against INR123 crores at the same point last year, and INR1,900 crores in rice inventory as against INR1,995 crores in September 2025. On a volume basis, as of September 30, 2026, paddy and rice inventory stood at 31,000 tons and 278,000 tons respectively, compared to 33,000 tons of paddy and 304,000 tons of rice as on September 30, 2025.

Slightly lower inventory is due to lower inventory quantity. Cash and bank balance, including treasury investments, was at INR2,895 crores as of September 30, 2026, higher from INR2,157 crores at the same point last year.

With that, I come to an 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 able to respond to queries on this matter. So over to the moderator now.

Moderator: Thank you very much. We will now begin the question and answer session. First question is from the line of Yash Dantewadia from Dante Equity. Please go ahead.

Yash Dantewadia: Yes. Hi. Congratulations on a great set of numbers. Just wanted to understand what sort of volume growth and export growth are we going to see from here, because I think in the last two months, exports from India have hit a, I think, a year high, right? Rice exports. Domestic business, obviously, your volume growth, want some guidance on that. That's my first question.

Anil Mittal: Export growth is primarily dependent on the situation in the Middle East. The day the situation is settled and there is an agreement between U.S. and Iran. I think so we expect to increase the sale by more than double because in this half yearly results, our bulk sale is almost zero, which we expect it could grow in a very large quantity, maybe up to 30,000-40,000 tons or maybe even higher. It all depends upon the situation and Strait of Hormuz and the entry of vessels in that area.

Yash Dantewadia: Right. Basically, you said that exports will double if there is agreement between Iran and U.S. Is that what I should understand from what you said?

Anil Mittal: Yes, Yes, definitely. Definitely.

Yash Dantewadia: Yes. On domestic volume growth, you didn't…?

Ayush Gupta: Domestic volume growth, we have been saying that we are committed to a 10% volume growth year-over-year.

Yash Dantewadia: Right. My second question is basically regarding our low-cost inventory. According to the numbers that we did, we believe that you have another quarter or one and a half quarter of basically low-cost inventory still left in. So what kind of margins should we expect in this particular quarter? Because in Q3, I think the prices have gone up further than Q2. Can you acknowledge this and also respond to this?

Anoop Gupta: You see, Q3 would be a mixture of some part of new crop as well as old crop. Old crop definitely the margins will be higher, but in the new crops and the paddy is quite high, the margins would be comparatively lower. So I think above EBITDA, anywhere between 16% to 20% can be the EBITDA for the third quarter.

Yash Dantewadia: No, but I think if I saw your inventory in Q3 and I sort of did the numbers based on the sort of inventory that you have, that sort of suggests that you have another quarter of low inventory left, Q3 inventory left of last year.

Anoop Gupta: Our inventory is not for the quarter. Our inventory for another one and a half year. It will go on selling, no? There are certain products, certain SKUs which are two years old, which are one and a half year old. So it is not only the quarter-based inventory. The profit will come, definitely it will come. You see, on a rice branded commodity, 16%-20% EBITDA is a very good EBITDA.

Yash Dantewadia: No, but what I -- no, it's 100%. See, you've performed in terms of margins. I'm not arguing against that. My only question is, 16%-20% is a pretty wide range, right? I was hoping for a narrower range since, you know, we're already halfway through.

Anoop Gupta: It's difficult to comment, but we'll be nearing 20% only, definitely.

Yash Dantewadia: Exactly. Exactly. That's what I wanted to hear because generally I feel like we've tried to be a little conservative in terms of commentary, which I completely understand. But to me, when I look at the inventory and the numbers, it really seems like 20 is possible in Q3. I just wanted to hear that from the horse's mouth in that case. Thank you so much. I'll come back in queue.

Moderator: Thank you. Next question is from the line of Hoshang Hinduja from Elios Financial Services. Please go ahead.

Hoshang Hinduja: Yes, thank you. I had a couple of questions. Mainly, the first question is on the line like you had mentioned, and even in the, like if you look at the macro environment...

Moderator: I'm sorry to interrupt you, Mr. Hinduja, but we are unable to hear you, sir. Your voice is sounding little muffled.

Hoshang Hinduja: Can you hear me now? Hello? Is it better?

Moderator: A little better. Please go ahead.

Hoshang Hinduja: Yes. So my question was with regards to the current macro environment with regards to the exports. There has been, especially in the new developments that are coming with regards to bulk cargo agreements between either various carriers or for countries, like especially I think

there was one for Iran or Iraq, I think Iraq, which was announced where there was like an 80% cut in freight cost.

Just wanted to know, do you expect any such bulk carrier agreements to come or something which could perhaps reduce the freight cost and maybe alleviate the export volumes, or reversal coming back anytime soon? That's my first question.

Anil Mittal: Yes. That, as far as Iraq was concerned, there were two, three consignments which was joined by various exporters to ship a bulk cargo to Iraq. In that case, they definitely saved the freight and the time of the cargo to reach at the destination. But when it comes to Iran or to other Middle East countries like Saudi Arabia, Kuwait, Bahrain, and all other countries, this arrangement is not possible. Therefore, it was only for Iraq because there are two things.

Iraq imports larger quantity of 20,000 tons, 25,000 tons in a single cargo. Whereas Saudi Arabia, which is the second-largest cargo thing, they import 20 containers, 30 containers, 40 containers, which is little difficult to send that cargo in a bulk, through bulk vessels.

Hoshang Hinduja: Understood. My second question is with regards to basically the environment on the basmati rice as a whole, right? I mean, since basmati rice is not, as per my understanding, when it comes to non-basmati rice, the government still has some control with regards to price. They keep strategic reserves, right? Or if the price goes up, they can oversupply the market and perhaps drop the price down to a reasonable level.

But with regards to basmati rice, that is not the case. There are no strategic reserves. Do you see this further going up in the longer run, and would this be a more longer-term price movement that will happen with regards to rice, or is it just maybe for some time only based on your understanding? With regards to basmati rice production, do you think this year there was the El Niño because of which perhaps basmati rice production fell?

Do you think there are already some reports that are saying maybe next year summer would be even harsher, although it is not yet confirmed, but do you think that could impact the basmati rice production for next year as well?

Anil Mittal: There are three, four questions involved in basmati rice. First, let me tell you about the crop. This year, as per our estimation and the mapping done through the APEDA, we were given to understand that the crop is around 5% higher over last year. But because of late rains in October and up till now also sometimes there is a cloudy weather, we are unable to assess whether that 5% increase which was anticipated about 20 days or a month earlier is still 5% higher or has become 2%, 4% lower. That is question number one.

So the total estimation rose around 5%. It could be 5% higher or it could be 5% lower. Now, commodity is such a thing that it has got a sentimental reaction with each and every commodity. If you look at the world commodity prices, whether it is pulses, whether it is sugar, whether it is oil seeds, all are going quite high. The prices are jumping skyrocket high.

Moreover, non-basmati rice prices itself in India have increased by 30%. In South India, the rice which was sold at INR60 or INR55, INR60 is sold at INR90, INR95, because the crop in South India is totally failed. So the prices of non-basmati are quite high. Looking all the scenario of the worldwide, basmati prices are not going to remain low. They are going to be maintained at a higher price.

Now, there are three reasons also behind it. First, there is no carryover stock. Number 2, the stocks or the inventories abroad are also depleting, and they are waiting for the war to come down or to some settlement to take place so that they start building their inventory into the Middle East. If that is the situation, then the export from India may be higher by half a million tons. Instead of 6.5, it could be 7 million tons, because there is a very big gap.

At present, we don't find the prices going down, but we even feel that it is already too high. It might remain at the same level or may go higher by another 4%, 5%. That is all. Higher side is 5%, less chances of going down, and prices will remain firm.

Hoshang Hinduja: Understood. Just one last question, sir. With regards to now that you mentioned that Middle East, especially exports would be kind of restricted or in terms of may not be feasible. From your perspective, what do you think, are you planning to perhaps export to other countries, or what do you think is the outlook from your perspective on increasing the exports?

Because if I'm not wrong, export yield technically better margins than domestic, correct? Are you planning to export to other countries where maybe travel is not that much of an issue, or how are you going about that?

Anil Mittal: As far as exports and substantial increment is concerned, primarily it is Middle East, and second country is the Europe, where they also buy about 400,000 tons of brown rice. Now, it all depends upon the European nations and European countries that how they react on this price hike, because we have a competition with Pakistan. Pakistan at the moment is little lower than us.

Hoshang Hinduja: Okay.

Anil Mittal: Which is about $50 lower than us. So all the European countries are going to Pakistan to procure certain quantities. But looking to the quality and looking to their internal market in Europe, they have to buy from India also. So it's a matter of another 15, 20 days, because certain crops have started arriving which are required for the European countries, this Pusa Basmati rice.

So we have to wait for 15 days to take that reaction, whether how much quantity Europe will buy from India. These are the two markets, the Middle East, including Persian Gulf, which can really improve the exports, and in quantum-wise, the second is Europe.

Hoshang Hinduja: Thank you. Thank you so much, sir.

Moderator: Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all participants, we request you to please limit your question to two per participant. If you have a follow-up question, you may re-join the queue. Next question is from the line of Amit Agarwal from Leeway Investments. Please go ahead.

Amit Agarwal: Hello. Congratulations for a good set of numbers. Hello? Can you hear me? ...My first question is regarding exports. Sir, we had an export number of INR300 crore. Can you divide the exports region-wise? How much is to China and how much is to Europe and how much is to Middle East?

Ashish Jain: See, I am afraid we cannot give a breakup in terms of countries, but I can confirm.

Amit Agarwal: I am asking region-wise. Just want to know how much is affected by the Middle East in this, how much is Middle East crowd in this INR300 crores export? What about China? China has been pretty slow, otherwise China was supposed to be a very good market for us.

Anil Mittal: See, China, there is no exports for the last more than six months now. As far as KRBL is concerned, our majority of exports is to Middle East.

Amit Agarwal: This number is basically from Middle East or from Europe and America mixed also?

Anil Mittal: No, that is normal. Whatever it has been going, we are still exporting to Europe and America, but our majority of the export, 75%, is to Middle East and Persian Gulf.

Amit Agarwal: Okay. My second question is regarding Uplife. I have noticed for last two, three months, Uplife is very difficult, hardly available on online marketplaces like Blinkit and Swiggy and all. Any particular reason? Are we supply constrained or these e-commerce websites are stocking it less?

Uplife, I am talking about.

Ayush Gupta: Are you talking about Uplife oil specifically or you are talking about ...

Amit Agarwal: Yes, Yes. Oil. No, I am talking about oil only.

Ayush Gupta: No, actually our Uplife oil primarily goes to modern retail platforms and e-commerce platforms. Some of the e-commerce platforms, rate of sale has been a little slow and investment requirements have been high. We are still negotiating with our e-commerce players on how to run this business sustainably. On modern trade, we continue to perform well in edible oils.

Amit Agarwal: How much turnover achieved from oil in this particular quarter?

Ayush Gupta: I think close to about 6 crores is what we did in this quarter.

Moderator: I am sorry to interrupt you, Mr. Agarwal. May we request you to please re-join the queue, sir?

Amit Agarwal: Okay. Thank you.

Moderator: We have participants waiting for their turn. Thank you. Participants are requested to please limit their question to two per participant. Next question is from the line of Bhavi Chauhan from Care PMS. Please go ahead.

Bhavi Chauhan: Thank you and congratulations on a good set of numbers. My first question is related to that, what is the volume growth and realization growth on a Q-on-Q basis? There is a bit of a decline in our gross margins. Could you just tell us why there is a decline and what kind of gross margins we are expecting in Q3 and Q4?

Ashish Jain: Your first question is on Q-on-Q volume growth, right?

Bhavi Chauhan: Yes.

Ashish Jain: If we look at rice as a whole, the volume growth between Q2 and Q1 of this year was at 18%. What was the second question? Sorry.

Bhavi Chauhan: Second question, there is a bit of dip in our gross margin on a Q-on-Q basis. It has been decreased from 33.5% to 32.9%. Why is there a decrease and what is the sustainable gross profit margin for Q3 and Q4, if you can guide a bit?

Ashish Jain: Yes. The decline is primarily because of other income. Quarter one included MTM gains as well as a higher gain from forex, while those numbers are lower in Q2. That is primarily the reason for the dip in gross margins. I think in terms of what margins we expect, that question was answered earlier. I think in terms of EBITDA for the year as a whole, we are looking at somewhere between 17%-19%.

Bhavi Chauhan: Okay. But I was calculating gross margins excluding the other income only, so that, I guess, reason for that.

Ashish Jain: Yes. That slight drop is because of higher other expenses, which I, like I said in my speech, there are two costs that have gone up within that. One is higher freight cost. That has gone up because of higher volumes, primarily in the domestic business.

On the export side, freight rates have gone up, so that is the other reason freight cost has gone up. Second, in quarter 2, there were higher investments in advertising. These, primarily freight cost and advertising.

Bhavi Chauhan: Okay. What is your Q-on-Q domestic volume growth? Just if you can give me the number.

Ashish Jain: Yes. Domestic volume growth is at 18% Q-on-Q.

Bhavi Chauhan: 18% domestic volume growth is, okay. The second question is related to that we have a cash-rich balance sheet. Does it help us in the procurement? We can do the bulk procurement as if we can see that supply is uncertain and the prices are also elevated. Does it help us in our procurement? Can we expect much higher dividend payout this year as we have a surplus cash on our balance sheet?

Anoop Gupta: Definitely, we are famous. We pay to the farmer within 24 hours. Definitely we have a hedge on buying. There is no doubt about it. As far as dividend is concerned, we have a policy of 15% profit, but we will look beyond that also. We will look above 15% also. We will discuss that. Yes, we will be giving good dividend.

Bhavi Chauhan: Okay. Thank you. That is, it from my side.

Moderator: Thank you. Next question is from the line of Premal Shah from PH Investments. Please go ahead.

Bhavi Chauhan: Yes. Good afternoon, gentlemen. My first question is, what was your realization for the domestic sales for this Q2? Average realization for total rice, whichever basmati or regional rice, everything together.

Ayush Gupta: Combined realization for domestic business was INR80 per kg.

Bhavi Chauhan: Okay. For exports?

Ashish Jain: For exports? Yes, exports was around INR1.32 lakhs per ton, so INR132 per kg.

Bhavi Chauhan: Okay. What were the volumes in absolute numbers, not in growth? For instance, for domestic market, what were the kind of volumes? Like, how many tons?

Ashish Jain: That is something that we have not disclosed. I think in the earlier question, we had answered the growth in volumes, but absolute volumes we are not disclosing right now.

Bhavi Chauhan: Okay. All right. Fine. What are your current domestic Q3 current going on market rates realizations as now in the domestic market?

Ayush Gupta: Current realizations of Q3 we do not have, but as I mentioned that we have taken significant increases in our pricing. So, by close to 15%-18%.

Anoop Gupta: No, I think we will close around 7%-8% higher in quarter three.

Bhavi Chauhan: Okay. All right, sir. Thank you.

Moderator: Thank you. Next question is from the line of Chirag Singhal from First Water Fund. Please go ahead.

Chirag Singhal: Congrats on a very good quarter. Second strong quarter in a row. First question is on exports. So you mentioned to one of the earlier participants that if the war ends, you are expecting the exports to double. So, is that on actual basis or last year basis?

Anil Mittal: This is our anticipation. Let me tell you, there are certain countries which have, in last six months, not a single grain has gone, that is the Persian Gulf, Iran. Other than Iran, what is happening, the goods going to Kuwait, goods going to Saudi Arabia. There, we send them to Salalah Port. From Salalah Port, they go via truck to Kuwait and all these countries.

The freight to the customer is costing them around $11,000 per container. What we feel that once there is a settlement and the disruption in that area is normalized, we are going to do definitely double-digit figure in Iran. Iran, we used to do 100,000 tons a year, which we should do now 50,000 tons in next six months. Other than that also, there could be a rise of 15,000-20,000 ton in the whole year for the other Middle East countries. These are the two places where we expect we can do much better volumes.

Chirag Singhal: Okay. I mean, in absolute terms, last year we did close to INR1,500 odd crores of exports. The first half, we have done almost INR540-550 crores of exports. With the higher prices versus last year and whatever volume pickup that you are seeing in the current scenario, I mean, not when the war ends, do you still see the matching last year's exports of INR1,500 odd crores for the full year, or it will be lower?

Anil Mittal: No, it will not be lower. It will be either the same or it will be better by about 5%-10%.

Chirag Singhal: Okay. Got it. Coming to the India business, what was the volume growth on a year-on-year basis in quarter 2?

Ayush Gupta: 18% year…

Chirag Singhal: Sequentially also 18% and year-on-year also 18%. Is that correct?

Ayush Gupta: Oh, sorry. Year-on-year in quarter 2 is 19%.

Chirag Singhal: Okay. Do you see this kind of volume growth sustaining in the second half as well, or what's your outlook on the India business? I am not asking about the realization. I am just asking you on the volume trend. What's your outlook for H2 volume growth versus last year?

Ayush Gupta: See, as I mentioned that consumer pack business has shown good trajectory in the last two quarters, and we are hopeful that the consumer pack business continues to grow in quarter 3 and quarter 4, because there have been some structural changes in the way we conduct consumer pack. Bulk pack has shown good recovery in quarter 2, and October also we did good bulk pack volume compared to last year.

So, bulk pack again has been promising, and we are hopeful that business will also continue. Regional, as I told you, we did 42% growth on a quarter-on-quarter basis -- year-on-year basis in the quarter. Even at H1 level, we are at 32% growth.

So, all these numbers, they give us a promising number to deliver 10% growth for the year. We also mentioned that there was an unbranded sale that hampered in domestic, which might not happen in the H2. Hence, the 19% number is not what we are promising. We are saying that 10% growth is something that we will be able to deliver.

Chirag Singhal: That is for H2, 10% volume growth for H2 in the India business -- is that correct?

Ashish Jain: Yes.

Chirag Singhal: Okay. Just one last question on the overall guidance for the full year. Given whatever commentary you gave on exports and the India business, the revenues should, and obviously the prices which are higher versus last year, the revenues can be in the range of INR7,500 crores with a 16%-17% PAT margin. Is that a number that we can work with for the full year?

Ashish Jain: Chirag, I'll break this up in two parts, right? See, if you look at half year, we've done around INR3,200 crores. Like has been mentioned on the call, we expect the prices to sustain at the current level. I think the big thing to watch out for is the export performance in H2.

Like Anil Ji has mentioned, we are hopeful that it will pick up and get to at least the previous year's level, which was about INR1,550 odd crores of export. I think if the export performance fall in place, the number you mentioned looks feasible.

Chirag Singhal: 7,500 odd crores of top line with a 16%-17% PAT margin.

Ashish Jain: That's right, yes.

Chirag Singhal: If we are able to do last year exports.

Ashish Jain: Correct. Yes.

Chirag Singhal: Okay. That would be it from my end. Congrats again, and wishes with us. Thanks.

Moderator: Next question is from the line of Anuj Sharma from SteadFort Investment Managers. Please go ahead.

Anuj Sharma: Yes. Thank you. Thank you for this opportunity, and many congratulations for the strong performance in the domestic market. One question on domestic. What is the contribution of quick commerce in our revenues, and what is our market share in quick commerce?

Ayush Gupta: Quick commerce to our overall India business contributes about 8%-9%.

Anuj Sharma: Okay.

Ayush Gupta: Our market share is 41.1% in quick commerce, which is the leading market share in the category.

Anuj Sharma: Excellent. Thank you. My second question is on export. Sorry to harp on it, but beyond Iran, Saudi Arabia, and Iraq, how are the other markets evolving? Because what we hear is these smaller markets are also contributing to business and growing. Except this year, what is their share we estimate over the next 3-5 years? The non-three large markets in Middle East.

Anil Mittal: See, as far as UAE is concerned, Doha is concerned, we are the market leaders there. But the only challenge presently we are facing is of shipment and the freight rates. These are the two major challenges. Once these challenges are over, then definitely, as far as our equity Basmati India Gate is concerned, today, if I send 50 containers at a time, they can be sold in a small market like Doha. So, that type of equity and that type of brand reputation we maintain over there.

So, at present, there are two challenges. Challenges is the shipment and the freight rates. If these two are settled in next 1 and 1.5 months, 2 months, definitely we will come -- we will be doing good shipments to all these small countries like Kuwait, Doha, Bahrain, all these countries.

Anuj Sharma: Okay. Now, just a lot of things contingent on things normalizing, and rationally it should. But let's assume this uncertainty continues. Most of these markets will have to restock, right? As you are also alluding that the stockings have also gone down, the shipments have also gone down. Assuming this continues, how do you see the scenario then panning out?

Anil Mittal: See, if it continues, it will economically not only rice, every commodity will be into trouble because crude is directly connected, freights are directly connected. Then buying power is affecting everybody over there, and in India also.

So, let us pray God that it should settle. It cannot continue. You can't say it will never be settled. It has to be settled because rice may be a small part, but there are billions and billions of businesses which are affected due to this war.

Anuj Sharma: Fair point. Last question is, beyond Middle East, I just want to understand what is our strategy, what is our distribution arrangement we are setting up for the next 5-10 years? How are we planning to go beyond Middle East? Some thoughts into regional offices, distribution arrangement, supply chain, that will be helpful.

Anil Mittal: There are definitely two alternative, either you go through a distributor route or you go through your own office. We had planned to open an office initially about one and a half year back in Saudi Arabia. Then we concluded that it is not a very interesting, it not interesting or wise step to open your own office, because then it would be distributing millions and millions of dollars on credit. It is better that we appoint a distributor. That was the difference. Everywhere we are of the opinion that we'll go through the distributors only.

Anuj Sharma: Okay. Okay. Non-Middle East, how are we thinking about expanding our geographies beyond Middle East?

Anil Mittal: Beyond that, we are trying to develop more on Africa. This year we have done a very good business in South Africa, and that is how we are increasing other markets also in African continent. But as far as Europe is concerned, I think so there are already importing around 400,000 tons. It could be 425, 10% higher maximum, but it's a good quantity, 400,000 tons of brown rice in Europe.

Anuj Sharma: Okay. Any targets you have that 5 years out or 10 years out? What proportion you want non-Middle East, which is the rest of world versus Middle East? Any targets you have kept internally of exports beyond Middle East?

Anil Mittal: Beyond Middle East can be a jump of 2%, 3%, 5%, not more than that. If you want a major jump, it will be Middle East, including Persian Gulf. It cannot be other than Middle East, including Persian Gulf. Let me tell you, there are certain market, for example, I give you, and that is, I will not talk beyond that.

Egypt is a market which imports about 20,000 tons of basmati rice. That basmati rice, when you go and look at in the Egyptian countries, Egyptian continent, they fill 80% of non-basmati and 20% of basmati. That type of business we don't want to do.

Moderator: Sorry to interrupt. May we request Mr. Sharma to please re-join the queue? Thank you. Participants are requested to please limit your question to 2 per participant. Next question is from the line of Karan Gupta from CAVI Capital. Please go ahead.

Karan Gupta: Yes, thank you. Appreciate the opportunity, and congratulations on a very strong domestic market. I just wanted to follow up from an earlier question regarding your domestic procurement strategy. Given the cash on our balance sheet and the price trends where they are, how do you see the year panning out? How many tons of paddy do you expect to procure, and how much of this cash will be run down on the book?

Anoop Gupta: This year, paddy prices are up by 20%, and we are planning around 750,000 tons of paddy this year. As far as cash position is concerned, we are very comfortable. There is no problem at all.

Karan Gupta: Right. Basically, I am looking at our return on capital and returns on equity. Earlier, the company used to use debt, and using that leverage, the returns looked better than what they are currently. Is there any thought of returning some of this capital to shareholders in terms of maybe apart from a dividend, do a buyback or something along those lines?

Anoop Gupta: Yes, we can think of that. We will discuss within our self, then we will let you know. It is difficult to tell on the moment what it is.

Karan Gupta: All right. It would be good if you would consider and get back to us. Congratulations again, and happy holidays.

Anil Mittal: Thank you.

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