November 11, 2026

BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 544595

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Scrip Symbol: ORKLAINDIA

Dear Sir / Madam,

Subject: Transcript of the Earnings Conference Call with Analysts/ Investors on the financial results for the quarter and half year ended September 30, 2026

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed the transcript of the Earnings Conference Call on unaudited financial results for the quarter and half year ended September 30, 2026, conducted after the meeting of the Board of Directors held on Wednesday, November 04, 2026.

The Transcript is made available on the website of the Company at: https://www.orklaindia.com/governance/stock-exchange-intimations/earnings-call-updates/2026-27/

We request you to take this on record and treat the same as compliance with the applicable provisions of the SEBI Listing Regulations.

Thanking you.

For Orkla India Limited
(Formerly known as Orkla India Private Limited)

KAUSHIK SESHADRI

Digitally signed by KAUSHIK SESHADRI
Date: 2026.11.11 17:35:17 +05'30'

Kaushik Seshadri
Company Secretary and Compliance Officer

Encl.: as above

“Orkla India Limited

Q2 FY27 Earnings Conference Call”

November 04, 2026

MANAGEMENT: **MR. SANJAY SHARMA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**
MS. SUNIANA CALAPA – CHIEF FINANCIAL OFFICER
MR. SIDDHARTH BORKAR – AVP-, M&A AND INVESTOR RELATIONS

MODERATOR: **MR. ASHUTOSH JOYTIRADITYA – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Orkla India Limited Q2 FY27 Earnings Conference Call, hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashutosh Joytiraditya from ICICI Securities Limited. Thank you and over to you, sir.

Ashutosh Joytiraditya: Yes, thank you, Rutuja. On behalf of ICICI Securities, I warmly welcome everyone to Orkla India Limited's Q2 FY27 earnings call. I will now turn the session over to Mr. Siddharth Borkar to lead the discussion. Thank you and over to you, Siddharth.

Siddharth Borkar: Thank you, Jyotiraditya, for hosting us. Hello and welcome everyone to the Q2 FY27 results for Orkla India. I am Siddharth Borkar, Head of M&A and Investor Relations. At Orkla India. I am joined by Mr. Sanjay Sharma, Managing Director and CEO at Orkla India, and Ms. Suniana Calapa, CFO at Orkla India.

I hope you have gone through the investor presentation and other materials that we have uploaded. In today's call, we will walk you through some of the key highlights of the quarter, and then we'll open the floor for Q&A. I would want to draw your attention to the disclaimer slide as stated in our earnings presentation. With that, I hand it over to Sanjay.

Sanjay Sharma: Thank you, Siddharth, and a very good evening, everyone, and thank you for joining us. I am Sanjay Sharma, Managing Director and CEO for Orkla India, and I'm also joined by our CFO Suniana Calapa to take you through our results. For those people who have joined us for the first time, we are going to be tracking the presentation that we've uploaded and if you are following the same, I will keep talking about the slide numbers that we are on.

But for those people who are joining us for the first time, I would encourage you to refer to slide 5 of the earnings presentation on our website for a brief overview of Orkla India. I will not be spending time on that today. Let me start with the 3 key messages, that I would like you to take away from today.

First the growth has accelerated and is broad-based. The revenues have grown by about 18.4% in Q2, and volume growth is improving. The second, the profitability remains healthy despite elevated input costs. Brands and strategic growth initiatives. Third, two of our strategic projects that we've been talking about in the past calls also, which is Project Bolt and Kerala distribution restructuring, are translating into tangible results on ground.

Now let me take you through our performance for Q2 FY27. So if you now move to Slide 7, which gives you an executive summary of the results. Overall, we are encouraged by how our business has progressed in Q2. Building on the start in Q1, the revenue growth has actually accelerated further to 18.4%, with volumes growing 2.9% and EBITDA growing at 12.6%.

As mentioned in the last quarter, the growth continues to be broad-based across categories as well as geographies. Spices grew at 25.1% across all geographies, with Kerala driving the overall growth. A large part of this was price-led, and volumes were positive as well. Convenience foods grew at 7.7% against a higher base as last year's Q2 included the festive period.

Our domestic business was particularly strong, growing at 20%, with Eastern leading the growth, driven by a resilient Indian economy, healthy consumer demand, and a strong execution focus that we have had across our portfolio. Our international business continued its upward growth trajectory, growing at 11.7%, with GCC growing 22.7% in a continuing volatile geopolitical environment.

Innovations remain an important pillar of our growth strategy, and we have maintained a strong pace of launches, 23 in the last quarter and another 15 in this quarter, bringing it to 38 in the first half. These address emerging consumer needs, particularly amongst younger consumers in the top metro cities.

And finally, on profitability, the input cost environment remains elevated and we continue to invest behind our brands and strategic growth initiatives. So EBITDA grew more slowly than revenues. Even so, the margins remain healthy at 15.9%. We move to Slide 8. Before I hand over to Sunaina for the financials, let me give you a quick update on the 2 key projects, starting with Project Bolt.

Project Bolt is an endeavor to strengthen our play in the emerging quick commerce segment and now enters the final quarter of its implementation and realization. Strategically, our goal is to build our business across the top 28 cities in India by strengthening our capabilities. We are doing this at 2 levels. First, we're building our current portfolio. We've increased our ANSP investments in consumer reach and demand generation as part of the investments behind our brands and growth initiatives that I mentioned earlier. We are already seeing a meaningful expansion in our digital reach. Consumer reach has tripled through scaled social media content. Second, build a Gen Z-focused portfolio through innovations. We are using digital commerce to take differentiated propositions to our target consumer cohorts and to test and scale products beyond their traditional markets. This is an attractive platform to take relevant innovations and our South Indian food propositions to consumers across India. These interventions are translating into business outcomes.

Digital commerce increased its contribution to our domestic business from 8.9% in Q1 FY27 to 10% in Q2 FY27. At the same time, digital commerce revenues from rest of India has grown at 33.6% year-on-year in Q2, encouraging evidence that the channel can help our brands travel beyond their traditional strongholds.

So Project Bolt brings together targeted brand investments, greater consumer engagement, and innovation to build digital commerce into a meaningful growth platform for Orkla India while progressively expanding our addressable market across India. Let me now turn to our second project, the Kerala distribution restructuring, and we can move to Slide 9.

The second part the second project is the Kerala distribution restructuring, which continues to progress as planned. As we discussed last quarter, the objective is to build a more fit-for-purpose route-to-market across our key categories and channels. There are 3 priorities: strengthening convenience foods, improving our position in standalone modern trade, and expanding outlet coverage for spices. Let me take them in turn.

In convenience food, our execution continues to improve. Sales productivity, which reflected the number of bills invoiced, has increased to 1.27 times the Q4 levels, Q4 FY26 levels. Effective coverage, which measures the number of outlets served, has increased by 1.1x. Importantly, both metrics have improved sequentially through Q1 and Q2, giving us confidence that the new model is helping us serve more outlets while also improving sales productivity.

In standalone modern trade, the restructuring commenced in June and has moved into implementation. Here too, early signs are encouraging. Spice volumes grew 16% quarter-on-quarter in Q2 FY27 compared to 4% in Q1. Finally, on spices, the restructuring has commenced in the 2 northernmost districts of Kerala as planned.

This is the broader and more gradual part of the program where our objective is to enhance outlet coverage and strengthen the reach of our spice portfolio across Kerala. The rollout is expected to continue through to March 2027. Overall, the program is progressing as planned and the initiatives already implemented are showing encouraging results. As we have said earlier, this is a multi-quarter transformation and we expect the benefits to build progressively as we scale the efforts in a systematic step-by-step manner. With that, let me hand over to Suniana, who will take you through the financials in more detail.

Suniana Calapa: Thank you, Sanjay, and good evening everyone. Let me now take you through the financial performance for Quarter 2 and for H1 FY27. Quarter 2 was a quarter of strong revenue growth for Orkla India, with revenue from sale of products increasing by 18.4%. Revenue growth was led by pricing actions taken to address significant input cost inflation.

Importantly, volumes grew by 2.9% and was higher than the preceding 2 quarters. This reflects the strength of our brands and our ability to take pricing actions while remaining competitive. There are 2 important factors to consider when looking at the Quarter 2 volume growth. First, the comparative quarter last year benefited from the festive season, while this year Dussehra and Diwali shifted into the next quarter, which is Quarter 3.

Second, significant spice inflation led to price increase of approximately 20% which has led to some impact on volumes. Against this backdrop, we continue to deliver volume growth and remain focused on building further momentum while balancing pricing and competitiveness in the current inflationary environment.

Turning to profitability, despite the steep increase in input costs, EBITDA grew 12.6% to INR124 crores with a healthy EBITDA margin of 15.9%. EBITDA margin moderated by around 100 basis points year-on-year, and I would like to put this movement in perspective. Between Financial Year 2023 and Financial Year 2026, we expanded our EBITDA margins by 250 basis points from 14.4% in FY23 to 16.9% in FY26.

Approximately half of this improvement came from operating efficiencies, while the balance was supported by commodity deflation. This year, the commodity cycle has reversed sharply, resulting in significant input cost inflation. Our pricing power has enabled us to substantially mitigate this through calibrated pricing actions.

At the same time, we have consciously balanced pricing with volume growth, consumer affordability, and market competitiveness resulting in some moderation in margins. We continue to deliver double-digit EBITDA growth while maintaining a healthy level of profitability through this inflationary cycle.

Now moving to Slide 12, in Quarter 2 FY27, Orkla India delivered revenue from operations of INR776 crores, growing 19.4% year-on-year. Looking at our categories, spices delivered growth of 25.1%. The category continued to see significant commodity inflation during the quarter, which we addressed through calibrated pricing actions. While the extent of inflation has had some impact on volume growth, we saw encouraging progress in Kerala, which is undergoing a distribution restructuring.

Strong execution during the important Onam season in Kerala supported spices volume growth in Q2. We continue to focus on building volumes and expanding spices penetration through a cluster-based marketing approach, local innovations, and stronger distribution. Let's now take a look at how convenience foods performed.

Convenience foods grew by 7.7% in Q2, with continued sequential growth quarter-on-quarter, supported by accelerating digital commerce and innovation. The year-on-year comparison was moderated by the shift in festive season into Q3 this year. From a geographic perspective, domestic revenues grew by 20%. Despite significant price inflation and the shift in festive season timing, volumes continued to grow, reflecting the continued strength of our consumer franchise.

International business grew by 11.7% in the quarter, with the GCC continuing to be the key growth engine, delivering strong growth of 22.7% despite the prevailing geopolitical environment. Let's move to Slide 13. Orkla India delivered EBITDA growth of 12.6% to INR124 crores with a healthy EBITDA margin of 15.9% despite significant input inflation costs.

There are 2 factors I would like to call out in understanding the underlying EBITDA performance. Excluding production-linked incentives or PLI impact in both periods, EBITDA growth was 6.3%. In addition, as Sanjay already mentioned, we are making time-bound investments in Project Bolt to strengthen our digital commerce capabilities and support future growth.

Excluding both PLI and Project Bolt investments in the quarter, underlying EBITDA growth was 11.6%. During the quarter, EBITDA margin moderated by around 100 basis points year-on-year, reflecting the significant input cost inflation. We have consciously balanced pricing with volume growth and market competitiveness, which has resulted in this moderation.

The margin also reflects a timing effect as some pricing actions were implemented during the quarter and their full benefit will flow through in the subsequent quarter. Moving to profit after

tax, for the quarter PAT grew by 19.2%, driven by our operating performance, further supported by PLI benefits and other income, primarily reflecting returns on surplus cash balances.

Now moving to the H1 performance, revenue from operations grew by 15.1% to INR1,435 crores, led by calibrated pricing actions to offset input cost inflation and supported by volume growth of 2.3%. EBITDA in H1 grew 7.8% with a reported EBITDA margin of 16.6%. As stated earlier, the reported performance includes the impact of PLI as well as our investments in Project Bolt.

Excluding both these effects, underlying EBITDA growth was 12.2% with an adjusted EBITDA margin of 17.2%. This represents a moderation of 40 basis points year-on-year despite the significant input cost inflation we had experienced during the first half. We believe this reflects a healthy and resilient underlying margin performance. PAT before exceptional items for the first half of the year grew 14.4%, ahead of reported EBITDA growth, supported by operating performance, PLI benefits, and higher other income.

Now back to Sanjay for his closing comments.

Sanjay Sharma: Thank you, Sunaina. Let me close by returning to the 3 messages that I opened with. First, growth. Q2 is an improvement on Q1. This is now the second consecutive quarter that we have delivered a double-digit revenue growth of 18.4% in this quarter and a volume growth that has been improving sequentially. Our focus is to deliver even better volume growth in the future.

Second, profitability. We maintained a healthy EBITDA margin of 15.9% despite an elevated inflationary environment while we continue to invest behind our long-term growth platforms. Third, execution. Our strategic initiatives are translating into tangible results on ground. Both Project Bolt, which is now in its final phase, and the Kerala distribution restructuring are progressively improving the way we serve categories and channels.

There is still significant work ahead, and many of these initiatives will take time to mature, but the progress we are seeing reinforces our confidence that we are building a stronger and a more future-ready Orkla India position for sustainable and profitable growth over a long term.

Thank you for your continued trust and support. We will now be happy to take your questions.

Moderator: Thank you very much, ladies and gentlemen. We will now begin the question and answer session. First question is from the line of Kunal Thanvi from Banyan Tree Advisors. Please go ahead.

Kunal Thanvi: Hi, thanks for the opportunity and congrats on growth returning. So I had like a couple of bookkeeping questions and one question on the overall understanding of the growth. The bookkeeping one were like -- so when you look at the EBITDA that you're showing in the presentation, can you help us understand how we are calculating this?

Because when we're looking at the operating profit which is EBIT, the number looks much higher than this 12.5%. can you take us through the how you are calculating this number? the second question was on, if you can go slightly deeper on the volume growth for spices, also if

you can talk more about the convenience food growth in terms of volume, it will be really helpful. Thanks.

Suniana Calapa: Yes. Thank you, Kunal. I'll address your first question. Yes. So your first question was on how you, how we calculate EBITDA. So we've put in an explanatory note. So basically, what we exclude is the finance costs. There are certain losses on foreign exchange movements and foreign exchange fluctuations which is reported in other expenses.

So we exclude that because it is a financial income or loss. We also remove certain fair value loss on financial instruments, which is again reported under other expenses because the nature is largely that it belongs to the financial income category. But the Ind-AS requirements expect us to report these under other expenses.

So when we exclude these amounts, then we get to the EBITDA numbers. And then of course, we exclude exceptional items, depreciation from the EBIT to arrive at the EBITDA numbers.

Kunal Thanvi: Okay. Sure.

Suniana Calapa: Moving on to your question on volumes, we don't give out specific numbers on volume growth by category, but we've seen positive volume growth across both spices, as well as in the case of convenience foods like we explained. In the case of spices, the volume growth is slightly moderated. Because of the very high levels of inflation that we are seeing.

We've taken pricing actions which are over 20%, which has therefore resulted in moderating of the volume growth in spices. And convenience foods too, we've seen some moderation in volume growth in this quarter, mainly because of the festive shift into Q3, whereas last year we had a high base effect in Q2. I hope that answers your questions.

Kunal Thanvi: Sure. Sure. Thank you.

Suniana Calapa: Thank you.

Moderator: Thank you. Next question is from the line of Umang Shah from Banyan Tree Advisors. Please go ahead. Mr. Umang Shah, please go ahead with your question. Your line is unmuted.

Umang Shah: Yes. Am I audible?

Moderator: Yes, you are.

Sanjay Sharma: Yes.

Umang Shah: Okay. Thank you for the opportunity and congrats on a good set of results. I had two questions. First was can you break down the price increases that you would have taken in your blended spices versus pure spices across the portfolio, if that's okay? Second part to this was that we have indexed the growth of almost 30% in spices in last 1 year from in one of the charts, right?

How much would it be contributed by chili and how much would be from other commodities? That would be the second. And the third question is, currently also in the period subsequent to the results, how are the spice prices behaving? Just if you could help me, that would be great.

Suniana Calapa: Thank you, Umang, for your question. So I'll respond to your question. So we've explained our pricing methodology in some of our earlier investor calls. For pure spices, we basically reflect how the commodity market moves, and therefore our pricing actions are linked very directly to commodity price movements in the market.

So if there is a certain trajectory, we follow a similar trajectory for pure spices. In the case of blended spices, we've taken a more calibrated pricing approach because the focus has also been to drive volume growth and also to maintain our price competitiveness. I also explained the during my presentation that our EBITDA growth between FY23 and FY26, there was a significant improvement of nearly 250 basis points.

Approximately half of that improvement came also on the back of deflation, commodity deflation that we saw. So now this year, with the commodity cycles reversing, we are seeing some compression in margins. Though we've taken calibrated price increases for blended spices. So that's the response to your first question. Your second question was on -- yes, on the spices growth.

So in this quarter, and you will see the appendix, we have shown that spices have increased by about 48% year-over-year in the quarter. And of this increase, we've seen basically two commodities that have seen significant inflation. We've seen chilli prices inflate quite significantly over the previous year, and we've seen also coriander inflate quite significantly over the previous year. So these are the two spice commodities that have caused the uptick in overall spice inflation for us in the current quarter.

Sanjay Sharma: And your third question was really about how are the spice prices behaving now. I think more or less, the crop cycles have gotten over, so all the stock which is there is now largely sitting in cold storage warehouses given this. And therefore the price behavior is more or less stable, but we do see some speculative movements once in a while, like what we saw in the end of September.

We saw a sudden surge in speculative pricing which resulted in us taking another price increase. So -- but post that, we have seen mostly relatively stable prices. I hope that answers all your questions now.

Moderator: Mr. Yatin, does that answers your question? As there is no response, we'll move to the next question, which is from the line of Vishal Shah from Pravin Ratilal Wealth. Please go ahead.

Vishal Shah: Hi. Thanks for giving me an opportunity. Congratulations on the good set of numbers. So I have couple of questions. First on the industry, like Everest, MDH. Like, passing inflation at our face or is anyone using price to gain the share in the south? And the second one will be on the spices. So if you can share the volume ex Kerala at the group level and the domestic level and how much slowdown in volume

Vishal Shah: Is due to the price elasticity in the pure spices?

Sanjay Sharma: Hello. Your questions are a little difficult to answer in a very clear way, but we will still try. Overall, I think most players tend to pass on the prices because at the end of the day, you don't want -- because just 40% of the market is branded and 60% of the market is unbranded, we also benchmark our prices relative to the wholesale price of the whole chili or coriander and so on and so forth.

And therefore, at no point of time do you want to sell your products, processed chili products, under the wholesale price. So typically, the market -- all players tend to keep themselves around the wholesale prices of the commodity. And therefore, if there is a sharp inflation in the category, all players tend to move their numbers upwards because there are costs with regard to transportation and processing which is there.

Otherwise, you will not make money in this market. Given that Of course, the pricing is often led by market-leading brands. So in every market, every regional market, the leader decides when to take up the price and then the followers will follow that trend. This often results in, let's say, the leader taking its price on day 0, the followers will take the price up in anything from 21 days to 30 days.

And that tends to give a marginal shift in shares that may happen. But over a long period of time, the market leading brands often tend to come back and regain the shares. And I think we've seen that trend over a period of time. Volumes, ex Kerala, Sunaina.

Suniana Calapa: Yes. So Vishal, we don't put out numbers by geography. But what I can say is that this quarter has been very encouraging. We've seen the return of positive volume growth in Kerala from the very strong execution that we've had in a very important quarter, which is the quarter of Onam in Kerala. But besides Kerala, we've also seen positive volume growth in the other states as well.

Sanjay Sharma: Yes. So this is broadly what we can comment as far as your question is concerned, Vishal.

Moderator: Thank you. Next question is from the line of Yatin Mohane from ICICI Securities. Please go ahead. Yatin, please go ahead with your question. Your line is unmuted.

Yatin Mohane: Hi. Can you hear me? Hello?

Moderator: Yes. We can.

Sanjay Sharma: Hello. We can.

Yatin Mohane: Yes. Hi. Could you just give us an update about the distribution overall in Kerala in terms of, how is the network transition? Have you seen any impact on volume and market share so far because of this? And are there any key milestones that you're tracking for H2 of this year? And I have another question, maybe I'll take it after you answer this one.

Sanjay Sharma: So could you just repeat that question of yours on Kerala?

Yatin Mohane: Yes. So just wanted to understand what is the status of the distribution overhaul, how much of the network has already transitioned, and is there any impact on volume or market share so far? And then, like, how are you tracking the progress here?

Sanjay Sharma: Yes. So I think we are sharing you the key KPIs for the project in the slide that we have presented to you. The status is that we have completed the convenience food distribution separation that we were to do. The idea was to focus on convenience food and therefore we needed to build a dedicated distribution network for convenience food. Earlier the network was blended along with the masala. So we've done that. That was implemented -- that was completed in June of 2026. And we are starting, as the KPIs in the slides are showing you, in terms of, both in terms of effective coverage, which is number of people who are buying from us every month. As well as in terms of sales productivity, we are seeing an improvement. Effective coverage has improved by almost 10%, and sales productivity has improved by almost 1.27x out there.

On the modern trade, the second piece that we were carving out is the standalone modern trade outlets and the OFO outlets, which required us to do that. We have completed about 50% of that program. remaining part of the program will be completed by December of 2026. Again, out there you can see that we have grown our volumes in Q2 by 16% in the standalone modern trade, which has been very good. And finally, the main part, which is the largest chunk of the distribution, is largely around spices distribution, where our objective is to enhance the coverage and enhance the distribution. This part of the program we have just started. We have taken the northernmost districts of Kerala, Kasaragod and Kannur, and we've just started that program at this point of time.

Yatin Mohane: Got it. This is super helpful, really appreciate it. And my second question is on the MTR Minute Fresh food. What is the current strategy to scale the wet batter business across other markets? And how do you see this like your aspirations for this segment over the next couple of years?

Sanjay Sharma: Yes. I think this is an important part of our overall business. We sell two kinds of batters, we are, we sell a dry batter and we sell a wet batter. In dry batter the business is well scaled, it sells across over 100-odd cities across India. Even in rest of India we sell, but we are optimizing that business now through the digital commerce channel where we are investing much more and we are starting to build the overall business out there. And we are getting very encouraging results, and you've seen that the digital commerce rest of India sales are starting to build up much better.

The wet batter business, we had kept it only in Bangalore till the time the model stabilized. We have now taken the business, well, 3 months ago into Hyderabad. We had spoken about it in the last quarter that the business is scaling very well, ahead of the business plan that we had made and ahead of the market share trends. So, we had already picked up 5% to 7% market share in Hyderabad market, and we will continue. The objective will be to take a step-by-step plan in terms of scaling that business up. Our focus now is to stabilize Hyderabad before we take to the next, large cities in India.

Yatin Mohane: Okay, thank you so much.

Moderator: Thank you. Next question is from the line of Saurabh Beria from B&K Securities. Please unmute yourself and speak.

Saurabh Beria: Thank you. So, my question was broadly on the competition part. So, what is our current strategy to penetrate into markets other than South India? And even on that part, I see a lot of competition would bud in from the other markets. So how do we tackle on that?

And secondly, not reporting on the volume growth of either the spices or convenience food segment separately, because what I see in the reported numbers is majorly is the pricing growth which has come in. If I look even at the Spices segment, hardly I believe 2% to 3% volume growth is there. So just on that, how do we see us going forward? How do we tap in the volumes and penetrate into other markets?

Sanjay Sharma: Yes, okay. Thank you for your question. I think you're talking about rest of India growth. As we said that this is starting to become an important lever for us. We are through Project Bolt we are already present in rest of India in almost 240 towns. But what we have realized after the emergence of quick commerce is that quick commerce is a far more efficient medium to drive that growth, right?

So therefore, we have done the Project Bold to upskill ourselves in terms of our capability and our route to market and our ability to reach to consumers much, much more effectively. And we are starting to do many, many experiments on the quick commerce channel under the Project Bolt umbrella to see how effectively can we build this entire business. And we're starting to see some very good results. As you saw that the revenues from digital commerce in rest of India has grown by about 33.6%, much faster than the average revenues that the channel has delivered to us. So, we do believe that we are cutting our play in a very good manner. There are 3 key categories that we are focusing on as far as our build-out in terms of rest of India is concerned.

The first is the breakfast channel where I talked about the dry batter and the wet batter piece in the previous question. The second build-out that we are doing is as far as the sweets play is concerned and as you know, this is the festival season and we have done close to 15 new launches this festival season and we have spread, we have taken our sweets through digital commerce, and we have placed it across all the major top 28 metro towns and we're getting a very good response on that. We are yet to see the full results to come out as the festival season is going to play out in Q3 fully and the third platform that we are building is going to be the meals platform.

Now the competition that we face in this, in these 3 segments is different. In the breakfast segment, in the dry batters, there is literally very little competition. We are the dominant player in the market. In the wet batter segment, there is established competition and we are trailing as the number two brand in this market, and we will continue to systematically and steadily build ourselves out as far as this market is concerned.

In the Sweets segment, again, it's a segment that is exploding in terms of number of entrants in this market. There is, there is obviously the, the— that there are regional brands from all parts of India, whether it is Haldiram which is coming from the north or other brands which are coming from the west, and we are representing the southern play and there are brands out here.

I think it's only time that will tell us in terms of how we have performed relative to some of the other brands that have come into the market. We have put in some very interesting products and very interesting. We are investing behind some of these propositions in a good way and a strong way into this market. So, there is substantial competition in the sweets segment.

And finally in the Meal segment, again here there is a lot of experimentation that is happening and we have not yet fully optimized our meal portfolio. This is something that we're working on. Today we have two plays in this which is the ready-to-eat play by MTR, and we have the Rasoi Magic Play, which is there.

We are looking at doing innovations in this space also, and you will get to hear more about this. Most of the competition in this space is small brands, so we will need to look at how we develop our business on these three platforms as we go ahead.

Saurabh Beria: Just a couple of follow-ups on this. So, what are the e-commerce channels like? Do you mean are we present on Zepto, Swiggy, or other such platforms?.

Sanjay Sharma: And yes, that is exactly what I am referring to. I'm referring to quick commerce, which is basically all these platforms -- Amazon, Zepto, Swiggy.

Saurabh Beria: So, just on this, so even like right now I'm using Zepto and I see the prices of say 100 grams of sambar masala averaged at INR80. And the same 50 grams of Orkla sambar masala at INR80. So, the pricing is same and average, or say Badshah or Suhana or all of the competitors are providing twice the volume at almost the same pricing.

So are we superior in terms of product quality, or how do we place? Because even I see like Everest is a good brand, right?

Sanjay Sharma: So yes, of course, Everest is a good brand, but it's not in— I don't want to— what I want to talk to you about is the fact that we know our sambar, we know our recipes, and sambar is a South Indian dish. Again, when you look at the composition of the products, you will see that the composition of the products also varies. We use just 5 key masalas.

Many of the other brands from other regions sometimes use 8 or 10 or 15 different masalas in making sambar. So, there are foods from different regions. I think we bring a lot of credibility in terms of authenticity of these recipes.

And therefore our pricing is based on what we believe is one, the authenticity of our recipe, and the second is the strength of our brand and the credibility of our brand to deliver a strong, good quality product to our consumer.

Saurabh Beria: Makes sense, makes sense. And just a last follow-up on this, can you provide me a number as to like what would be the current mix of organized versus unorganized spice in South India and like Rest of India? And have we seen any trend in the past few years of the shift from unorganized to organized?

Sanjay Sharma: Yes, I think that shift continues to happen as the per capita income of India keeps developing. I think our economy is growing and therefore our per capita income is developing very well. We've also seen very strong growth coming out of rural. Rural markets have developed very well.

If you look at the last 5 years, we have seen a shift from almost 30%-35% organized to almost 40% organized market. So, the shift is happening from unorganized to organized. At the last estimates that we have, the shift -- the organized market in the South, at least we can say, is about 40% of the total market. 60% of the market is still unorganized.

Saurabh Beria: And from a pricing point of view, what would be the premium of our products versus the unorganized space, like the loose spices which are being sold versus properly packaged by an organized player? What is the pricing premium that is currently going on?

Sanjay Sharma: Yes. So, we have a very standard pricing policy on this. On the single spices or the pure spices as we call it, in that space we keep a 10% markup on top of the wholesale prices of the raw commodity. So, if raw chilli is available at INR100, then packaged MTR or Eastern Chilli will be sold at INR110 to the consumer. So, we keep a 10% premium over this thing.

In masalas, they are more specifically recipe-based. It's often a combination of multiple types of spices into it. And that is where the premiums are much higher than the raw combination of the same product.

Saurabh Bheria: Perfect. Thanks. I believe there is more consciousness that has to arise on the part of consumers to actually realize what actually is the content of a particular masala. For say, I'm consuming sambar masala, so I should be knowing what is the mixture of that content for me to willingly give a premium pricing for a particular brand, I guess, is what..

Sanjay Sharma: Yes, I guess so. I guess that is one factor. There could be many other factors as well.

Saurabh Bheria: Perfect. Thanks. That answers.

Moderator: Thank you. Next question is from the line of Manjit Bheriya. Please go ahead.

Manjit Bheriya: Hello, thank you. Am I audible?

Sanjay Sharma: Yes. You are.

Manjit Bheriya: Thank you. My first question was to understand conceptually how to think through long term if we want to deliver a 10% to 12% revenue growth across inflation-deflation cycles in commodities. What would be the contribution from volume versus pricing if we normalize for commodity inflation-deflation over, let's say, a 4, 5 year period?

Sanjay Sharma: Thank you, Manjit, for that question. I think, first I would say that our aspirations are certainly to grow much beyond the 10%, 12% mark. I think we would like to step up the level. I think India has been largely an inflationary economy, and we have seen quite strong variations between both inflationary periods and deflationary periods in the last 3 to 5 years.

So, it's very difficult to give you a kind of benchmark between this. I would say that our aspirations, if prices moderate -- and I'm going out on a limb out here a little bit, if the prices moderate between 5% to 7% inflation, there is a possibility for us to be able to do anything upwards of 8% to 10% in terms of volume growth.

Manjit Bheriya: Got it. So, there was this period, I think a couple of years back, where commodities were in a deflation. And when I look at that period and the volume growth which Orkla India did in those years, on the higher side, it reached about 8% volume growth, between 5% to 8%, right?

Where I'm coming from is, does this business have an inherent pricing power to take up prices 2% to 3% every year irrespective of inflation? It could be a function of product mix where probably, your pure spices versus mix changes, or convenience increases. But as a blend, does this business have a 2% to 3% pricing power? So that is what I'm trying to understand. Because in a deflationary cycle, I don't see more than 8%, 9% volume growth from at least historical data which I see.

Sanjay Sharma: I think the data view is quite narrow for you. I think if you were to take it wider, you may actually see different numbers. But let me come and answer your question, whether the category has the ability to do a 2% to 3% price increase, most certainly. Very, very quite easily, because this is really the center of the plate. And spices as a whole contain -- contributes only 2.5% to 3% of the total consumption expenditure. So, it's a very minor expenditure in the consumer's wallet.

And this kind of a shift may actually also come on account as a combination of multiple factors including shift towards the more value-added products as well, which is more towards the blended spices.

Manjit Bheriya: Got it. And the last question was, one of the quick commerce channels which you have explained as a growth sort of driver for us, is an important growth driver. Is this category margin dilutive at EBITDA margin level versus the rest of the distribution channels, or is it at the same level? That was my last question. Thank you.

Suniana Calapa: So, Manjit, I'll take that question. So, if we look at the gross margin level, the digital commerce channel is actually margin accretive and delivers much higher compared to the more traditional channels. And that's primarily because of the mix of products that one sells on digital commerce channels. There is a tendency to sell much higher contribution of convenience foods, which comes at significantly better margins when compared to pure spices.

So, the answer is the contribution margins are much better in digital commerce because of the mix of products we sell. We're obviously growing this channel and therefore we're making investments in building the brand, in advertising, etcetera, on this channel.

Manjit Bheriya: Thank you. I'll come back in the queue.

Suniana Calapa: Thank you.

Moderator: Thank you. Next question is from the line of Ravi Purohit from Securities Investment Management. Please go ahead.

Ravi Purohit: Yes. Hi. Thanks for taking my question. There's a couple of things. One is, in the previous calls we have alluded to our long-term targets of hitting higher operating margins, right? And I think MTR brand on its own has a significantly higher margin profile than the reported margins that we have, and that probably comes from the Eastern's lower margin, right? And from the time that we had acquired, the margins are higher today.

So, can you just kind of help us understand the glide path over the next 2 to 3 years as to what kind of margin improvement that we can see on Eastern side, given the context of the restructuring also that we've been undertaking at Eastern, right? And what kind of opportunities does this restructuring also offer us from -- so traditionally Eastern has been predominantly a pure spices company, right? Almost 80%, 90% business would have come from like pure spices, which is low margin products.

So, is there an idea of kind of -- and Eastern brand has very, very strong presence in GCC, for example, right? So, from convenience food point of view, blended spices point of view, so if you could just kind of help us understand and connect these two, the restructuring and the opportunity to kind of improve margins at least over the next 3 to 4 years?

Suniana Calapa: Yes. So thank you, Ravi, for your question. First of all, I think at an Orkla India level, we are quite proud of the EBITDA margins that we deliver, and I think we've been growing our margins quite well year-over-year.

In the case of -- we don't provide a split of our margins by the brands that we have. However, you're right, MTR's margin profile is much better than that of the margin profile of Eastern. And that basically comes on the back of the share of business of MTR where blended spices and convenience foods plays a much more dominant role in MTR and pure spices is lower.

I'd just like to correct your understanding. Eastern's margin profile is not impacted because of pure spices. Pure spices is about roughly 50%, and then we've got about 45% of blended spices, which comes at much better margins. And then we've got the balance, which is convenience foods.

So, the thought process is to clearly make Eastern a complete foods player rather than having such a dominant play in pure spices. And we're currently executing a plan where we will continue to build the convenience foods portfolio in Eastern. And this, we believe, in the long term will help strengthen and improve the margin profile.

In addition, we have over the last few years, ever since we acquired Eastern, run a lot of operating efficiency programs. We've consolidated the manufacturing footprint in Eastern. We are running digitalization programs, etcetera. So we're driving also operating efficiency programs to drive up the profitability in the Eastern brand. I hope that answers your question.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Siddharth Borkar.

Siddharth Borkar: Thank you all for attending this call. Please do get in touch with us in case of any further questions, and we look forward to interacting with you again in the future. Thank you so much.

Moderator: Thank you, ladies and gentlemen. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.