

**Operator:** Ladies and gentlemen, good day and welcome to KRBL Limited Q3 FY26 earnings conference call. As a reminder, all participant lines will be in 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. Aashish Jain, Chief Financial Officer of KRBL Limited. Thank you, and over to you, sir.

**Management:** Thank you. Thank you to all participants for joining us. Welcome to the Q3 FY26 earnings conference call for analysts and investors of KRBL Limited. Today we have Mr. Anil Kumar Mittal, Chairperson and Managing Director, Mr. Anup Kumar Gupta, Joint Managing Director, and Mr. Ayush Gupta, Head of the India Business, as key speakers on the call.

To begin the call, Mr. Anil Kumar Mittal will share updates on the business industry and our overall strategy. Following that, Ayush will provide insights into the performance and outlook of our domestic business. Finally, I will present the financial overview of the company for the third quarter and nine months ended December 31, 2025. 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 Mr. Anil Kumar Mittal to share his views.

**Management:** Good afternoon. Thank you for joining us today for KRBL's Q3 FY26 investors call. I sincerely appreciate your continued trust and interest in our company. I will take you through the current global rice landscape, the outcome of the 2025 Basmati crop season in India and Pakistan, rice movements over the last quarter, and how these developments shape our outlook.

Let me begin with the global rice outlook. According to the latest USDA rice outlook released in February 2026, global rice production for FY26 remains around the 540 million metric ton level. While global consumption has tightened and is now broadly aligned with production. This tightening consumption-production balance reflects stronger demand in Asia and Africa and a pickup in domestic consumption in India. The global rice market therefore remains stable, but the limited surplus cushions a dynamic that supports continued export opportunities for reliable suppliers.

India continues to consolidate its position as the world's largest rice producer. Production for FY26 is estimated at a record high supported by increased acreage, favorable farm economics, and continued productivity gains. While overall production is strong, regional weather patterns play a significant role in determining crop quality.

On Basmati, the 2025 harvest, which concluded recently, can best be described as adequate in volume but uneven in quality across regions. Acreage remained broadly stable across Punjab, Haryana, Western Uttar Pradesh, Rajasthan, and parts of Madhya Pradesh. Adoption of pest-resistant and high-yield Pusa varieties continued to improve agronomic resilience. However, heavy monsoon spells and localized flooding in parts of Punjab and Haryana during the grain-filling

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stage resulted in a higher moisture content and in some pockets reduced head rice recovery. At the same time, other producing belts experienced normal conditions and delivered strong grain length and aroma characteristics.

Turning to Pakistan, the Basmati crop outcome has been mixed rather than severely damaged. While early flood reports indicated potential losses, subsequent assessments suggest that the impact was localized, with several growing regions delivering good grain quality and aroma. Since October 2025, Pakistan Super Basmati has traded at a premium to Indian 1121 with FOB offering broadly in the \$1,180 to \$1,220 per metric ton range, higher than comparable Indian offers. This reflected tighter premium availability in Pakistan and India's larger overall supply, enabling more competitive pricing.

However, higher prices did not translate into stronger volumes. Pakistan export shipments faced pressure amid India's renewed competitiveness following normalization of its trade policy. From an Indian exporter perspective, the fact that Pakistan Basmati prices have been trading at a premium has reinforced India's competitiveness in several destination markets. This has helped sustain export growth even amidst geopolitical uncertainties.

On the geopolitical front, the recently concluded US-India trade understanding, which set an import duty of 18% on Indian rice exports to the United States, provides greater clarity and stability compared to the earlier reciprocal tariff uncertainty. While the duty remains higher than the historical level and may influence pricing dynamics in that market, it has brought predictability to trade flows and has not materially disturbed India's overall Basmati export trajectory. Shipping disruptions previously seen in the Red Sea corridor have eased compared to last year's peak volatility, although trade markets remain sensitive to broader geopolitical developments in the Middle East.

Now turning to KRBL's performance. Our export revenue for Q3 FY26 stood at 357 crores compared to 563 crores in Q3 FY25, since the volume in the bulk export segment was restricted owing to geopolitical tensions. For the nine-month period, export revenue reached 1,276 crores, reflecting a 21% year-on-year increase. Consolidated revenue for Q3 was 1,476 crores with an EBITDA of 250 crores and PAT of 170 crores for the quarter. These results reflect strong operational momentum and strategic resilience.

We are encouraged by our performance in Q3 and are excited about the opportunities ahead. Our balance sheet strength, disciplined procurement strategy, and deep sourcing network position us well to build on this performance and capture value as global demand continues to evolve. Strategically, our focus remains clear. First, we will continue to prioritize procurement of low-moisture, high-recovery paddy to protect margins and brand quality. Second, we will expand our branded and premium portfolio presence in key international markets as reflected in the third quarter. Third, we will leverage India's pricing competitiveness relative to Pakistan to deepen relationships with large global buyers. And fourth, we remain committed to operational efficiency and disciplined capital allocations, including our long-term consolidation plans at Panipat to enhance scalability and cost optimization.

In summary, the 2025 Basmati season presented regional challenges but not structural shortages. Global rice demand remains firm and India's production strength supports export continuity. Thank

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you once again for your continued trust and support. I now hand it over to Ayush, who is in Colombo at the moment, for the domestic business updates and detailed financial review. Thank you.

**Management:** Thank you. Good afternoon everyone. I will walk you through the performance of our India business for Q3 and nine months for FY26. For nine months FY26, domestic revenue excluding power stood at 3,215 crores, growing 6% year-over-year, driven largely by higher value. Branded Basmati grew by 6%, and branded non-Basmati grew strongly at 35%. This value-led growth validates the strategic direction we have taken in widening our portfolio and improving distribution reach.

In Q3 FY26, our domestic revenue excluding power stood at 1,104 crores, remaining broadly flat year-on-year. Branded Basmati sales remained flat, while branded non-Basmati sales grew by 9%. The quarterly performance reflects stability rather than acceleration. The Basmati category saw increased competitive intensity from loose and regional players, specifically in general trade and modern trade channels. Low raw material prices put downward pressure on demand and margins. However, KRBL delivered robust margin expansion while maintaining volume stability.

Despite competitive intensity, we remain the clear market leaders across channels. Our market share in general trade stands at 37.8%. In modern trade, it is at 39.3%, and in e-commerce, we enjoy a leading market share of 41.2%. A flat top line with strong margins reflects disciplined portfolio management and pricing power.

Our domestic strategy continues to be anchored around four clear pillars. First, democratizing distribution. Our presence across 3.2 lakh retail outlets reaches 1.2 crore urban Indian households. We have focused on strengthening our presence in better quality stores and increasing penetration in urban households. Our distribution expansion is becoming more granular, especially in under-penetrated towns.

Second, remodeling our supply chain. We are building a more robust and healthier general trade network structure. Now with 16 C&F; and 8 super stockist points, we are moving towards a stronger model. We have tighter governance to safeguard against channel infiltration and improve servicing and cost efficiency in modern trade and e-commerce. This transformation is enabling wider and deeper supply, better serviceability, and cost optimization.

Our third pillar is investing in the brand. During the Diwali festival season, we launched a high-impact campaign featuring Amitabh Bachchan for India Gate Classic. We achieved roughly 4,200 GRPs with 60% reach across TV, digital, and out-of-home platforms. The campaign reinforces emotional positioning around "make every moment classic" and strengthens premium brand credentials. Additionally, we executed high-intensity pan-India activations in modern trade outlets, demonstrating category leadership and improving in-store visibility. We continue to invest in our brands as we believe it supports long-term premiumization and market share recovery.

Our fourth pillar is venturing into new product categories. Under the health brands, we are expanding into value-added rice for proactive health goals. We now have brown rice for weight management, Basmati brown rice for gut health, and low-GI everyday rice for active health. Additionally, edible oil sales stood at 29 crores in nine months FY26, and we expect this to scale

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further in this financial year as our distribution deepens.

To summarize, Q3 was stable domestically despite competitive pressures. Nine months growth reflects healthy volume expansion. We remain market leaders across channels. Structural initiatives in distribution and supply chain are underway. Brand investments are reinforcing premium positioning and pricing power. Portfolio expansion through adjacencies opens new growth sectors. Our focus remains clear: strengthen the core, premiumize the portfolio, widen distribution, and build adjacency, all while protecting margins and long-term brand equity. Thank you. I will now hand it over to Aashish for his comments.

**Management:** Thank you, Ayush. I will now take you through the performance for the quarter ended December 31, 2025, and also the nine-month period ended the same day. All figures mentioned by me refer to consolidated financials of KRBL Limited.

Coming to the quarter, total income for the quarter stood at 1,502 crores, lower by 11% over the corresponding quarter last year. Export revenue in the quarter is lower due to high private label revenue in the same quarter last year. Export revenue, however, increased by 21% in the nine-month period ended December 2025. Domestic revenue, excluding power, remained flat for the reasons which Ayush just explained.

Gross margin for the quarter stood at 30.2% compared to 24% in Q3 FY25, higher due to lower average Basmati costs and higher other income during the quarter. EBITDA margin for the quarter was at 16.9% versus 12% in the same period last year. This is higher due to the higher gross margin, but was partially offset by higher proportionate employee costs, including a 0.6% additional gratuity cost provision. PAT for the quarter was at 170 crores, or 11.3% in margin terms, as against 133 crores, or 7.8%, in the corresponding quarter.

Let me now share a comparative analysis of Q3 vis-à-vis the preceding quarter. Revenue from operations declined by 2% quarter-on-quarter. Domestic revenue increased by 6%, while export revenue declined by 18% due to lower bulk export revenue during the quarter. Branded exports increased marginally by 2% over the preceding quarter. Other income is lower mainly due to lower forex gains in the current quarter. Gross profit was higher primarily due to an improved sales mix, specifically a higher proportion of branded sales. EBITDA followed the trend in gross profit, partially impacted by higher proportionate employee costs including the additional gratuity provision mentioned earlier.

Coming to the nine-month results, total income for the period was 4,572 crores, higher by 10% against the corresponding period last year. Domestic revenue in the period grew by 6%, mainly driven by branded rice volume growth, while export revenue increased by 21%. Gross profit for the company stood at 28.3% in margin terms, while EBITDA and PAT were at 15.8% and 10.6%, respectively. Margins improved mainly due to lower input costs; average Basmati costs declined by 9% in the nine-month period as prices were lower in the last procurement season, and also due to higher other income.

Moving to the balance sheet, talking about inventory first: our total inventory as of December 31, 2025, stood at 3,941 crores. This includes 1,322 crores in paddy inventory versus 1,239 crores as of December 31, 2024, and 2,450 crores in rice inventory versus 2,877 crores as of the same date last

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year. On a volume basis, as of December 31, 2025, paddy and rice inventory stood at 358,000 tons and 411,000 tons respectively, compared to 341,000 tons of paddy and 458,000 tons of rice as of December 31, 2024. The decline in inventory value is due to both lower per-unit cost and lower inventory carrying costs.

Net bank borrowings, net of treasury investments, were at -388 crores as of December 31, 2025, as against 102 crores last year. Lower inventory coupled with higher cash profit generated in the nine-month period resulted in lower net bank debt.

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.; I would just like to mention that the ATC matter is sub-judice, so we will not be in a position to respond to queries on this matter. Over to the moderator now.

**Operator:** Thank you very much. We will now begin with the question and answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants, you are requested to use handsets while asking your questions. We request you to kindly restrict the number of questions to a maximum of two questions at a time. In case you have any further questions, please rejoin the queue again. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We will take the first question from the line of Anubhav Mukherji from Prism Capital. Please go ahead.

**Anubhav Mukherji – Prism Capital:** Hello, am I audible? My first question is regarding the current realizations in both the export and domestic markets compared to the last quarter.

**Management:** Regarding the domestic branded business, the quarterly realization was around 77,500 per MT, and on the export branded side, it was about 142,000 per MT.

**Anubhav Mukherji – Prism Capital:** Just a follow-up, how are the realizations currently moving in the market? Have we witnessed any specific upward or downward trend?

**Management:** In the last 15 days, prices have gone up by practically 7-8%. In the domestic market, the effect will manifest in the first quarter of the next financial year. We will definitely increase our prices in the first quarter of next year.

**Anubhav Mukherji – Prism Capital:** Given the lower cost of rice inventory and these price hikes, will we witness further gross margin improvement for the coming financial year?

**Management:** Definitely. Even in our fourth quarter, EBITDA will definitely grow by a minimum of 200 to 250 basis points. For the next financial year, since we are holding stocks for 1 to 1.5 years, our EBITDA is going to remain intact.

**Anubhav Mukherji – Prism Capital:** We were trying to set up our own distribution setup in the Saudi market. What is the current status of that?

**Management:** The Saudi business is progressing well and we are seeing consistent volume demand with regular shipments taking place. Our current approach of working directly with wholesalers is working effectively in the interim and helping us maintain strong market visibility. We are still evaluating the right long-term distributor structure and have not finalized a distributor yet. Given the strategic nature of this market, we would prefer to share further specifics through direct investor interactions.

**Operator:** Thank you. We will take the next question from the line of Amit Agarwal from Value Investment. Please go ahead.

**Amit Agarwal – Value Investment:** Good afternoon. My question is regarding Saudi Arabia and Iran. You mentioned shipments to Saudi Arabia are doing well. Can you quantify the volume of exports to Saudi Arabia for the year? Also, regarding Iran in the last two months, how do you think current tensions will affect the company's Iran exports?

**Management:** We typically do not provide country-level revenue details, so I will not be able to share specific numbers.

**Management:** On Saudi Arabia, as mentioned, the business is progressing well through wholesalers. Regarding Iran, if you look at our revenue, the bulk revenue has shown significant growth over last year. Both Saudi and Iran are working well for us.

**Amit Agarwal – Value Investment:** My question is specifically regarding any tensions between Iran and the US. How do you see that impacting future business?

**Management:** There is still tension, and that is why we are being very restrictive in concluding new business in Iran. It will take time until some conclusion takes place. At the moment, we are being very cautious about new orders from Iran. Future business depends on how the geopolitical situation evolves, which we are watching closely.

**Operator:** Thank you. We will take the next question from the line of Chirag Single from First Water Funds. Please go ahead.

**Chirag Single – First Water Funds:** A few questions from my side. First, on regional rice: can you provide the total market size for the packaged or branded regional rice varieties that we are selling?

**Management:** We entered multiple regional rice varieties in the past, but we have now settled on three large varieties: Govindabhog from West Bengal, Wada Kolam from Gujarat, and Sona Masuri from Karnataka. We primarily operate in the aged rice segments for these varieties. These segments independently are very large, and I estimate the market size for these could be in the range of 3,000–4,000 crores.

**Chirag Single – First Water Funds:** And this would be expanding as the shift happens from loose rice to packaged rice?

**Management:** In the regional rice business, most of the transactions happen in bulk 30 kg bags, so there isn't a significant loose-to-package conversion. The market is very fragmented with many brands available, but it is primarily a bulk pack business.

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**Chirag Single – First Water Funds:** The second question is on the Ghaziabad land. Any updates on the monetization plan?

**Management:** At the moment, we have postponed it because we calculated that the cost of transferring the unit to another location is quite high. We have delayed that decision for at least 2 to 3 years.

**Operator:** Thank you. We will take the next question from the line of Khushi Parik from Building PMS. Please go ahead.

**Khushi Parik – Building PMS:** It appears that December 2025 inventory is lower than in December 2024. How are we positioning ourselves for Q4 procurement? Given that Basmati prices have declined over the last couple of years, will we see more procurement in terms of volume or maintain a steady pace?

**Management:** Regarding our sales numbers, we are comfortable and our stock levels are at an appropriate level. In December 2023, we may have been overstocked, but now we are at the right level. We are not looking to buy additional stock beyond current needs, but our levels are fine.

**Khushi Parik – Building PMS:** So broadly flat volumes versus last year?

**Management:** We expect to be 10–12% above last year's volumes.

**Khushi Parik – Building PMS:** You mentioned in your opening remarks that we have 3.2 lakh retail outlets, but in the June call, it was mentioned at 3.6 lakhs. Is this a strategic decision?

**Management:** Our retail outlet count has diminished in the past 4 to 5 months for two reasons. First, there is a shift of branded Basmati business from general trade to quick commerce, especially in metro and Tier 1 cities. Second, we engaged in certain co-branding activities with other FMCG companies that gave us an uplift in expansion; those activities have now concluded. There is usually 10–15% volatility in retail outlet counts, and we tend to gain them back as market conditions evolve.

**Khushi Parik – Building PMS:** How are we looking at general trade versus modern trade in the overall scheme of things?

**Management:** General trade in metro and Tier 1 markets is seeing saturation and a shift toward e-commerce and modern trade. Consequently, our focus continues to be on expanding distribution in Tier 2 and Tier 3 cities. As purchasing power in those regions increases, Basmati presence increases. As the leading brand, our reach there gives us a first-mover advantage.

**Operator:** Thank you. We will take the next question from the line of Kushal Sharma from Equinox Capital. Please go ahead.

**Kushal Sharma – Equinox Capital:** You are focusing on your Panipat property. In addition to that, do we have plans to develop a real estate project by acquiring land there?

**Management:** Regarding the Panipat land parcel of approximately 125 acres, the registry process is currently underway. We are evaluating opportunities to monetize a portion of that land at attractive valuations based on strong market interest, while retaining roughly 50 to 60 acres for future

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expansion of our Barota operations. This approach allows us to balance capital efficiency with long-term capacity planning.

**Kushal Sharma – Equinox Capital:** What kind of investment and revenue potential are you expecting from this?

**Management:** The planning is underway. We estimate the investment will be around 100 crores. It will increase our packaging capacity and processing capabilities.

**Kushal Sharma – Equinox Capital:** Regarding the real estate project, in the last call you mentioned developing the Ghaziabad property.

**Management:** We have invested 425 crores. Entering real estate depends on the opportunity. If we find land at 50–60% of the market price, we will invest. We will not enter a project unless the right opportunity comes where we can make a minimum of 40–50% profit.

**Operator:** Thank you. We will take the next question from the line of Varaj from Center. Please go ahead.

**Varaj – Center:** Regarding the Ghaziabad plant relocation, could you explain in detail why you postponed the monetization for 2 to 3 years?

**Management:** We initially thought it would take 200–250 crores to shift the plant. When we examined the details, we realized the investment would be much higher, potentially over 500–600 crores. For now, we are postponing the move as we don't want to make that large an investment. Additionally, we believe property prices in Ghaziabad will rise by 20–25% over the next two years.

**Varaj – Center:** What is the current cash on the balance sheet?

**Management:** As of December 31, around 400 crores.

**Varaj – Center:** Since buybacks are less attractive due to tax announcements, are there thoughts on increasing payouts through other routes?

**Management:** We are thinking about it and will evaluate our options.

**Operator:** Thank you. We will take the next question from the line of Yashti from Da Equity. Please go ahead.

**Yashti – Da Equity:** Just to clarify, did you say Q4 EBITDA is expected to go up by 200 to 250 basis points?

**Management:** Yes, because realizations will be better due to current market conditions.

**Yashti – Da Equity:** Regarding the Ghaziabad land, you mentioned you would sell some and retain a portion. If shifting the plant costs 500–600 crores, what is your current plan for monetization?

**Management:** There are two parts. At Ghaziabad, we have 115 acres valued today at around 2,500 crores. We believe this may reach 3,500 crores in next few years. Because shifting the plant is more

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expensive than originally planned, we have postponed that for now. Regarding the Panipat project, we have 125 acres of land. We want to sell about half of that because it is in separate parcels. We will retain about 50–60 acres to develop and extend our Barota plant to solve space constraints.

**Yashti – Da Equity:** What is the trajectory for exports? Realizations are much higher in exports compared to domestic. Where do you see the trajectory for the next financial year?

**Management:** Our export business is doing well. We expect export volumes to rise by at least 15% in the next financial year. We do not compromise on pricing, even if our realizations are significantly higher than competitors.

**Operator:** Thank you. We will take the next question from the line of Somen Chowdhury from Mansarovar Finances. Please go ahead.

**Somen Chowdhury – Mansarovar Finances:** Domestic volumes were flat this quarter and you spoke about increased competition. Can we maintain mid–single–digit growth next year?

**Management:** Quarter 3 tends to be the highest–grossing quarter. Last year, bulk pack business was preponed to Q3. This year, it shifted to Q4, so January and February have seen strong activity. On the consumer pack side, there is inter–channel competition as business moves from general trade to e–commerce. Due to low prices this quarter, regional brands entered aggressively. We chose not to reduce our prices for short–term volume gains at the expense of long–term margins. We decided to keep volumes stable and protect our brand equity.

**Somen Chowdhury – Mansarovar Finances:** Since paddy prices have increased, will this competition be lower now?

**Management:** In Q4, we have taken calibrated price increases. We remain optimistic about maintaining mid–single–digit or even low double–digit growth. E–commerce and quick commerce are gaining salience, contributing 30–35% of our consumer pack business. We have a very strong competitive advantage in these channels.

**Operator:** Thank you. We will take the next question from the line of Netik from NB Alpha Fund. Please go ahead.

**Netik – NB Alpha Fund:** We have been stuck in a 1,050 to 1,100 crore quarterly domestic revenue run rate. Given we are losing market share in modern trade and general trade, what are we doing to stop this?

**Management:** In December, January, and February, we have seen market share regain in modern trade. The loss was primarily due to a private label push by a major retailer. That strategy has shifted, and we are seeing our market share return.

**Netik – NB Alpha Fund:** Employee costs have risen sharply. Excluding the gratuity provision, what is the trajectory?

**Management:** Other than the 9.5 crore gratuity provision in Q3, the increase is due to a headcount rise. Our headcount is up by about 160 people compared to last year, mostly linked to higher

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production capacity at the Ghaziabad and Barota plants. This run rate should remain stable now, only increasing with annual increments rather than being disproportionate.

**Operator:** Thank you. We will take the next follow-up question from the line of Analyst from Bogl Rock PMS. Please go ahead.

**Analyst – Bogl Rock PMS:** Regarding the development of the Panipat land, who from the team is involved and have we onboarded experts for this segment?

**Management:** There is no development project for a third party. We are developing 50 acres for our own warehouses, packaging, and processing units. We will sell the remaining portion as is.

**Analyst – Bogl Rock PMS:** On the distribution side, how do we manage bargaining power with organized players, especially with private labels in the mix?

**Management:** Organized trade gives private labels space, but it also highlights branded play. In an organized environment, the consumer makes the decision, and brand equity often trumps price. Leading branded players like India Gate win in these environments. While general trade is contracting in metros, it is expanding in Tier 2 and Tier 3 cities for Basmati rice, and we are building our distribution there to lead that growth.

**Operator:** Thank you very much. That was our last question. On behalf of KRBL Limited, that concludes this conference call. Thank you all for joining us today and you may now disconnect.

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