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

**Sub: Transcript of the Earnings Conference Call held on Thursday, 09 November 2023 on Unaudited Financial Results of KRBL Limited for the Second Quarter (Q2) and Half Year ended 30 September 2023**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 read with Para A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, Please find enclosed herewith the Transcript of the Earnings Conference Call of KRBL Limited held on Thursday, 09 November 2023, at 04:30 P.M onwards on the Unaudited Financial Results for the Second Quarter (Q2) and Half Year ended 30 September 2023.

The same is also available on the Website of the Company at <https://krblrice.com/schedule-of-investor-meet/>.

You are requested to kindly take the same on record.

Thanking you,

Yours Faithfully,  
**For KRBL Limited**

**Jyoti Verma**  
Company Secretary  
FCS-7210

**Encl: As Above**



“KRBL Limited  
Q2 FY’24 Earnings Conference Call”  
November 09, 2023



**MANAGEMENT: MR. ANOOP KUMAR GUPTA – JOINT MANAGING  
DIRECTOR – KRBL LIMITED  
MR. AYUSH GUPTA – HEAD OF DOMESTIC DIVISION –  
KRBL LIMITED  
MR. ASHISH JAIN – CHIEF FINANCIAL OFFICER –  
KRBL LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to KRBL Limited Q2 FY '24 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your 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:** Hello, everyone. Thank you for joining us. Welcome to the Q2 FY '24 Earnings Conference Call for Analysts and Investors of KRBL Limited. Today, we have Mr. Anoop Kumar Gupta, Joint Managing Director; and Mr. Ayush Gupta, Head of Domestic Division, as key speakers on the call. To kick off the call, Mr. Anoop Kumar Gupta will provide updates on the business, industry and an overall strategy on behalf of Chairman and Managing Director, Anil Kumar Mittal. Following that, Ayush will delve into the perspectives of our domestic business. Finally, I will present the financial overview of the company for the second quarter Q2 and H1 of FY '23-24.

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. For more details, you can refer to KRBL's investor presentation, which is available on the stock exchange website and our company website. Now I would like to invite Anoopji to share his views.

**Anoop Kumar Gupta:** Thank you, Ashish. Dear investors, good afternoon. The world rice production in marketing year FY'23-'24, despite El Nino condition is estimated at 518.14 million tons, which is higher by 0.87% against previous year. In spite of higher production, global rice prices continue to be high on account of El Nino threat. The situation is further escalated by geopolitical conditions around the world, which have raised food security concern for many rice importing countries.

Furthermore, the policy responses by many of the exporting countries, especially India, have not been favorable to the global scenario, which has led to further panic and uncertainty into the global trade. According to the latest FAO Rice Price Update report, the FAO rice price index averaged 138.9 points in October '23, which is higher by 24% than its level a year ago.

Just to give perspective, Thailand's 5% local rice is today quoted at above \$560 per ton, which is up by about \$149 per ton from year ago. The Government of India has extended its restriction on rice exports as part of its effort to prevent an increase in inflation. India banned the export of non-basmati white rice in July this year amid concerns of a decline in production as well as to lower domestic prices.

It is not known as to when the restriction will be eased out. According to some report, for the first time in 8 years, India's rice production is expected to fall this year. That is July '23 to June '24 by about 8% despite an increase in the area planted mainly due to uneven monsoon. India's rice production in the crop year '2022-'23 is at around 135.75 million tons. The 20'23-'24 rice production is estimated to drop by 7% to 8% from the previous year.

The Government of India estimated that '2023 kharif rice production -- declined by about 4% to 106.3 million tons. The total production estimate will be released in February '2024. Basmati production for the year '2023-'24 is expected to be around 14.5 million tons of paddy as per the final satellite mapping report, which is about 8% to 9% higher than over to last year.

Despite the overall increase in rice production in the basmati segment, we have seen a general price increase of about 10% this year, which indicates growing demand of basmati globally, including in India. The government has imposed MEP on basmati rice at USD1200 pmt on 25th August, '2023 and later revised it down to the USD 950 PMT FOB effective 26th October '2023 before the start of the new crop sales.

The current level of USD 950 is appropriate for export of basmati rice. KRBL continues to be unaffected by these developments as we are working with our own brands and our price realizations are much higher than the MEP levels discussed. Before the arrival of the new crop, we were of the firm belief that the prices will remain almost the same as that of last year due to higher production and lower exports to Iran due to payment issues.

The new crop prices were 10% higher and there was a buying demand from the millers, including exporters. The reason behind it was the sentiments that there is a global shortage of cereals due to El Nino and prices of all commodities will remain soft. It is still too difficult to predict the pricing behavior of the balance 60% crop, which is still to come, whether the price will go down or they will further firm up. KRBL has taken a position to divide this total purchase into 90 days and accordingly, our purchase department procures paddy on a day-to-day basis to avoid any shock of price increase or decrease.

To update you on Saudi Arabia, we are in the process of normalizing the distribution in Saudi. As I had mentioned in earlier calls, Saudi market is a INR1,000 crores opportunity, of which we hope to attain up to INR700 crores in the first year once both the retail and HoReCa distribution is stabilized. Our Iran business was impacted by the restriction on that country. We are trying to find solution and we are confident that we will be able to resolve this issue.

Iran is a big market and we cannot neglect this country. In the last 3 months, we were working quite hard to finalize a distributor in Iraq as well. But in the coming year, we should see some positive developments in export to that country. Regarding our new expansion program, we have already acquired land in Karnataka and civil work has already started. We have already purchased land in Madhya Pradesh and other formalities are underway for us to start the civil construction.

As we have shared earlier, Kandla project has already been commissioned and started. For any other clarification or information, we will be happy to discuss and elaborate during the Q&A session. Thank you. Ayush, over to you now.

**Ayush Gupta:**

Good afternoon, ladies and gentlemen. It is with great pleasure that I present to you the results of our India business for the second quarter of the fiscal year 2024. Our unwavering commitment to excellence and our strategic acumen have borne fruit, propelling us to new heights in the market.

Let us commence with the highlights of our Q2 FY '24 performance, where our revenue, excluding power increased to INR940 crores. This represents a growth of 35% compared to the same period last year, underscoring the strength of our financial performance.

In the core facets of our operations, the basmati business registered a strong 26% growth in volume, under which the consumer pack business and bulk pack business experienced noteworthy growth rates of 13% and 52%, respectively. These double-digit growth figures affirm the robust expansion of our brand's retail presence across geographies.

Our market share in the traditional trade sector increased to 34.5%, a significant increase of 310 basis points compared to the previous year. Particularly noteworthy is our achievement of highest ever monthly market share of 35.9% in the month of September, giving us the confidence to aim higher and soon breach the 40% mark.

Modern trade continues to demonstrate robust performance, maintaining a strong position with a 33.5% market share in September 2023. Our moving annual total for September 2023 stands at a dominant 41.7%, reflecting a remarkable growth of 190 basis points. Our success can be attributed to the synergy of our 3 strategic pillars, each contributing significantly to our performance.

Household penetration levels of the India Gate brand are experiencing unprecedented growth with an 11% increase over MAT September '23, now reaching 11 million households. Our media outreach program operating at a dominant 57% share of voice, coupled with a strategic brand communication are key drivers behind this enhanced penetration.

Numeric distribution, a crucial element of our strategy, has reached an industry-leading 54.4%, marking a substantial growth of 650 basis points compared to the same period last year. Our carefully planned distribution expansion measures continue to strengthen our brand's foundation.

Simultaneously, as we expand our retail footprint and household penetration, we are diversifying our product portfolio. Our venture into regional rice products has been enthusiastically received by both retailers and consumers alike, resulting in a remarkable 105% increase in sales, reaching revenues of INR55 crores in the quarter. While year-on-year growth appears high because of our small base in non-basmati, we believe we are merely scratching the surface with significant growth potential in this segment.

In conclusion, our India business demonstrates outstanding performance quarter after quarter, underscoring the effectiveness of our well-executed strategy. Our strategic pillars are guiding us towards a promising future and we eagerly anticipate the journey ahead. We thank you for your continued trust in our company and we look forward to yet another quarter of sustained growth.

I will now hand over to our CFO, Ashish Jain for further updates.

**Ashish Jain:**

Thank you, Ayush. I will now take you through the performance of the quarter and H1 ended 30th September '23. All figures mentioned by me will refer consolidated financials of KRBL Limited. Total income for the quarter stood at INR1,246 crores, lower by 7% over the

corresponding quarter last year. Other income in the quarter increased by 61% on account of mark-to-market investment gains and higher yield on investments.

Domestic revenue, excluding power, increased by 35% over the corresponding quarter last year to INR940 crores. Year-on-year basmati sales increased by 35% in the domestic segment, driven by 26% growth in volume, which was at 117,000 MT and 7% growth in basmati realization which was at INR71,400 per ton. On the export side, Q2 revenue of INR235 crores which includes some one-offs declined by 60% over the corresponding quarter. Outlook for this segment has already been covered in comments of Anoop ji.

Gross margin in the quarter was 29% and was affected by higher basmati unit costs and changes in product mix, primarily lower exports. EBITDA margin for the quarter was at 18.3% as against 22.8% in the corresponding quarter. EBITDA margin was marginally lower, primarily on account of trend in gross margin but partially benefited from lower freight on sales. Finance cost for the quarter was at INR0.83 crores as against INR1.5 crores on account of lower notional interest on lease liabilities.

PAT (Profit after tax) for the quarter was at INR153 crores or 12.3% as against INR213 crores or 15.9% in the corresponding quarter for the reasons that I have just explained. I will now share an analysis of Q2 versus Q1 of this year. Revenue from operations in Q2, as I mentioned, are at INR1,213 crores as against INR1,414 crores in the preceding quarter with domestic sales higher by around 11%, while export sales declined by 56%.

Domestic basmati volume is higher, vis-a-vis, the preceding quarter by around 10,000 MT due to higher bulk pack sales as well as consumer pack sales, while export basmati volume was lower by around 39,000 tons, largely because of no bulk basmati export in Q2. Q2 gross margin is steady at 29%. EBITDA margin declined by 107 basis points due to higher proportionate fixed costs.

Now I will discuss H1 'FY24 performance. Total income for the period stood at INR2,687 crores, marking a growth of 4% against H1 FY22. Gross profit of the company stood at 28.9%, while EBITDA and PAT margins stood at 18.8% and 12.9%, respectively. Margin dropped mainly due to higher input costs. Revenue from operations grew by 3%, led by domestic sales with year-on-year growth of 26%.

Moving onto balance sheet highlights. Total inventory as of September 30, 2023 was INR 2,703 crores, comprising INR 439 crores of paddy as against INR 160 crores in September 2022 and INR 2,110 crores of rice as against approximately INR 1,751 crores in September '2022. In volume tons, paddy stocks were at approximately 114,000 tons and rice at approximately 332,000 tons.

Inventory is higher primarily to meet higher expected demand. Total cash and bank balance, including all investments but excluding equity shares as of 30<sup>th</sup> September '2023 was at INR 1,268 crores as against INR 1,596 crores as of the same period last year, lower primarily due to buyback of INR 325 crores concluded in Q 2 FY24.

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 would just like to mention that as the ED matter which is sub-judice, we will not be in a position 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. The first question is from the line of Karan Premchand Gupta from CAVI Capital.

**Karan Gupta:** The domestic performance has been very impressive and congratulations to your team on that. I just wanted to focus a little bit on the export side. I know there were some remarks initially but if you could just delve a little bit deeper. Specifically in the last quarter's call, we discussed that a new distributor has been appointed in Saudi Arabia. So if you could just shed some light on how that relationship is going. Particularly, I noticed that there's a recent announcement on the stock exchange regarding some litigation from the distributor who had been appointed prior to that.

And then secondly, if you could just talk about the brand strength in Saudi Arabia, we've been out of the market or not as prevalent in the market as we had been earlier. So what are the expectations and once the distributor has been streamlined, whether we'll be able to regain our market share and how you think about that.

**Ashish Jain:** Yes, sure. So just to clarify, I think we had mentioned on the last call that we are in the process of identifying the new distributor. So having said that, as we mentioned in earlier calls, so from our point of view, Saudi on the branded side is roughly INR1,000 crores opportunity. And we currently have a distributor there. However, we are in touch with the existing distributor. There were performance issues with the existing distributor, we were also prospecting for a new distributor. So that process is currently on. And like you mentioned, the existing distributor has filed some litigation, so I will not be able to go into more details considering the matter is sub judice. But we are hoping that we will conclude this swiftly.

**Anoop Kumar Gupta:** I'll tell you, as far as the brand is concerned, India Gate brand and Bab Al Hind in Saudi Arabia is a very great brand. Even after 3-6 months we go into the market, to achieve INR700 -800 crores will be a cakewalk for us. It is only a question of time. I mean the brand is in the consumer mind is at the top level.

**Karan Gupta:** Right, sir. I appreciate that. Just a little bit more granular as to what is the current status exactly. Like with this litigation, are sales still happening in Saudi Arabia, is that at a standstill till this matter solved, whether it's the existing distributor or a new one or however you may proceed.

**Ashish Jain:** Yes. So we currently have a live agreement with the existing distributor. However, there has not been any offtake by the distributor in recent times. Subsequently, there has been a litigation that has been filed very recently. So that is the current status. As and when there is an update, we will get back to you.

**Karan Gupta:** Okay. And just one last thing. Was there a presentation that was uploaded for this quarter? I didn't see anything on the stock exchange. So just wanted to clarify.

**Ashish Jain:** Yes, I think it should have happened. Let me just check or must be in the process. But I think it's in the process of upload.

**Moderator:** The next question is from the line of Himanshu Upadhyay from O3 PMS.

**Himanshu Upadhyay:** The 60% fall in exports, is it only because of Saudi Arabia or other geographies also did not do pretty well for us?

**Ashish Jain:** Yes. I think 2 points. One is, it's not just because of Saudi. There were some exports in the same quarter last year. There were bulk exports to China of non-basmati rice. So as you know, that non-basmati export is not possible currently. So there are dual impacts. One is of the Saudi market and the second major impact is of non-basmati bulk exports, which happened last year.

**Himanshu Upadhyay:** Okay. And I think the time government first export ban was at USD 1250 and then they reduced it. It led to some price volatility, so earlier the price of basmati for procurement was low and then it increased. Did you benefit out of it? Or did we buy more inventory at that point of time or did not do anything?

**Anoop Kumar Gupta:** Yes. When government announced USD 1,250 exporters boycotted the mandis and farmers and exporters were on the strike. And for 8-10 days, the prices were down. And when government announced USD 950, the prices shoot up. And today, they are 12%-13% higher to the last year. And prices are higher and it is expected that it will go further 2%-3% higher. I think market will close around 20% higher to last year. If you talk to December end, we are anticipating that market should close around 20% higher to last year.

**Himanshu Upadhyay:** Okay. But when the prices were down, we did not buy much quantities?

**Anoop Kumar Gupta:** No, at that time, we all exporters said we should not buy. We have to say to the government, we will not buy if you don't reduce the MEP. So no one has bought in the market.

**Himanshu Upadhyay:** Okay. And one more thing. We had bought inventory and when we are seeing the price increase so significantly further, why our margins have gone down? And last year, what we exported to China was not basmati, that was the non-basmati where the margins are generally lower. So our expectation was that in gross profit terms, at least the margins should have improved in Q2 FY'24 because whatever we are selling is all basmati and the price of basmati has increased quite significantly. So I could not understand that even when the proportion of basmati is higher, the gross profits are reduced by nearly 5% in the quarter. Can you explain that?

**Ashish Jain:** Yes, I'll just explain. So I think 2 things have happened. One is, you are right, in the same quarter last year, there was bulk exports of non-basmati. However, I think the key difference this time is that lower export branded sales, which tend to be the higher margin. So with overall export revenue lower than last year, that is one major impact on the margins and the second aspect also especially to Saudi Arabia. And the second aspect also is that post last season, which is the purchases that were made in October to December '2022, the average basmati input cost is also higher. So both these factors have affected the margin in the current quarter.

**Himanshu Upadhyay:** Okay. But generally, the prices are now higher. So would not the margins increase.



- Ashish Jain:** You're right. See the prices as compared to last year are higher but the key thing is that for volume sales to happen, especially on the branded export side, that's been muted this quarter.
- Himanshu Upadhyay:** Okay. And see, one more thing you stated in the starting commentary that this year the production for basmati maybe 10% to 12% higher than last year, okay? The prices are also higher but can it happen that after 3 months, 6 months, the paddy prices may fall. And in that scenario, what will be our strategy if that happens? You said that you'd like to buy complete in the next 3 months. Beyond 3 months, if farmers start hoarding because this is what we saw in cotton. The farmers were hoarding and post season, the price of cotton fell.
- Anoop Kumar Gupta:** No. See we have directed our purchase department to divide the purchase into 90 days. Generally, 90% -, 95% of the crop comes in 90 days. So we have divided into 90 days and we will cover the stocks in 90 days, whatever our requirement is. So we'll average out everything. And what your question is the crop is more. So overall, the consumption overall in India and globally is increasing.
- And due to the El Nino factor and other security factor, every importing country wants to import more rice for their security reasons, especially Middle East region, they want to import more of basmati rice. So our estimated rice export figures will go up by 7% to 8% and even domestic consumption will go up by minimum 10% to 12%. the most important thing is carry forward stock of basmati rice was practically zero this year. So going forward, if the carry forward stock is also there, 7% - 9%, there is no problem. So I don't see any fall in the prices.
- Himanshu Upadhyay:** Okay. And you are not seeing farmers hoarding the rice because you yourself are saying the price may increase for paddy?
- Anoop Kumar Gupta:** At these levels, farmer partner will never hold the paddy. You see the speed, the way the farmers are getting paddy in the mandis. They are getting a very good price. They are getting about INR1 lakh per acre. They will never hold as they are getting a good price. .
- Himanshu Upadhyay:** Okay. I'll join back in queue for further queries.
- Moderator:** The next question is from the line of Subhankar Ojha from SKS Capital and Research Private Limited.
- Subhankar Ojha:** Sir, so I wanted to understand for exports for the second half of the financial year, I mean, first half, we had a sharp fall in the overall sales. What is the outlook for exports for the H2?
- Ashish Jain:** Yes. So I think what Anoop ji had mentioned in his speech is that, the key factor that has affected the export side is the Saudi distribution. So I think once that is normalized, we are looking at gradually building up to a INR700 crores revenue line. Now in terms of timing, we are hoping that we are able to conclude all the existing discussions by the end of this quarter. And therefore, see a ramp-up back in Q4. we'll able to give you more updates on this as the discussion progresses.
- Subhankar Ojha:** Okay. And secondly, with respect to this non-basmati piece of the revenue, we had a INR55 crores for the domestic market. Do you have an internal target for some sales figure?

- Ayush Gupta:** Yes. So we've taken up a target of 5% of the overall domestic revenue for the first financial year, which is this FY '24. And we are quite on track to achieve that. So till H1, we achieved about 4.8% of the overall domestic revenue, with our regional rice revenue. And we are seeing very good response from the market of certain varieties, especially India Gate wada kolam, India Gate jeera rice and gobindo bhog. So we continue to promote that, open new distribution networks and expand our retail footprint with these products in the market.
- As I said in my speech also that we are at a very small base compared to the overall size of the market. So we see a huge headroom for growth. So maybe INR200 crores this year is our targeted top line. I would say in the near short term, which is 3 to 5 years, midterm, I would say we are targeting at least INR1,000 crores with regional rice as a revenue stream.
- Subhankar Ojha:** Okay. Great. And finally, I missed out the inventory breakup in terms of the value, paddy you said 140,000 tons and rice 330,000 tons. And what is the value of this?
- Ashish Jain:** Yes. The value of paddy inventory is INR439 crores and the value of rice inventory is INR2,110 crores.
- Moderator:** The next question is from the line of Koushik Sekhar from Vermilion Value Advisors.
- Koushik Sekhar:** My question is regarding your export sales. Actually, if you see in the last quarter of this year, you had mentioned that there was INR441 crores of sales, it moved out to the first quarter of this year. So if you remove that, then the export drop seems to be further. Now you have explained as far as the Chinese the bulk sales and the Saudi go. But if you remove this on the other markets, how are we doing? Removing these one-off factors on the other markets where there is no discontinuity, what has been the trend in volume as far as exports is concerned?
- Ashish Jain:** Yes. So I think the other markets continue to perform well. We are not seeing any challenges there. In fact, the demand continues to be strong even in some of the other Middle East markets. So not seeing any challenges on other countries.
- Koushik Sekhar:** And any indication what the growth in those markets would be in the first half of the year versus last year?
- Ashish Jain:** So it's difficult to give market-wise numbers. We generally don't share.
- Moderator:** The next question is from the line of Abhishek Maheshwari from SkyRidge Wealth Management.
- Abhishek Maheshwari** I have only one question with respect to risk mitigation. I went through the BSE announcement for intimation of the initiation of a case against the company. So I just wanted to know, does it help us to have exclusive distributors? For particular geographies, market is big enough. Why not have multiple distributors to capture the market, just wanted an understanding on that.
- Anoop Kumar Gupta:** Any good and a big distributor wants exclusivity. That's a prime thing, if you want to have a very big distributor who is already doing \$1 - \$2 billion business, he wants to be a exclusive dealing with with KRBL.

- Ashish Jain:** Yes. And just to add to that, it's not that we have a policy of having exclusive distributors. In fact, there are markets in which there are multiple distributors in the HoReCa side, right? So it really depends upon the distribution landscape of that country.
- Abhishek Maheshwari** Okay. So there clearly is not much of a choice when it comes to Saudi, you have to go with a big exclusive relationship.
- Anoop Kumar Gupta:** And it was only a retail distributor. We always diversify retail in HoReCa. It's always through different distribution channels. .
- Abhishek Maheshwari** Any chances of settlement with the existing distributor or too soon to comment?
- Anoop Kumar Gupta:** No, there is no question of settlement. He has put a very bogus claim. There is no question, we will have to appoint a new distributor. There's no question of any settlement. Now he has gone to the court. There is no question of going to the same party. We have to appoint a new distributor.
- Moderator:** The next question is from the line of Sahej Grewal from Dabar India.
- Sahej Grewal:** Just had a question regarding the litigation that the company is undergoing from AQM which the party which we had appointed. So is AQM the party which we have appointed last year ? And what is our current existing relationship with the distributor that we have appointed this year? And are we selling to them right now or those things are also not happening right now?
- Ashish Jain:** Yes. AQM was appointed in January 2022. So we continue to have a live agreement with them. However, there is no offtake by them for the last several months. So that's really the update.
- Sahej Grewal:** Okay. AQM was the retail distributor, right? Have we appointed a separate HoReCa distributor then?
- Ashish Jain:** No, not yet. So that, I think search process is currently on.
- Sahej Grewal:** Right. Any expected time lines on that?
- Ashish Jain:** Yes. So I think that we are in close discussions with several parties. and I think pretty close to finalization for the HoReCa side.
- Moderator:** The next question is from the line of Jaspreet Singh from VE Capital.
- Jaspreet Singh:** Sir, as far as I recall, in last call, you had mentioned that by 15th of August, this HoReCa distributor would be appointed and it seems that still the HoReCa distributor is not there. Any particular reason for that?
- Ashish Jain:** Yes. Jaspreet, I think what we are looking for is to identify a long-term partner. So we met with several parties but I think we don't want to rush on this decision. So that's really the status of that particular side. Like I had mentioned, some parties have been shortlisted. We are hoping to conclude this quickly.

**Jaspreet Singh:** Ashish, it seems that your Saudi is totally decimated right now. Nothing is being sold there. And Do you think you should have made a disclosure on the exchange regarding on appointment of HoReCa or litigation with the retail guy?

**Ashish Jain:** No. So I think we have made an announcement on the litigation with the retail distributor. I think that that's been done. On the HoReCa, the status is really the same as what we had explained on the last call. So no significant update.

**Jaspreet Singh:** And can you not bypass this litigation, can you not still send your material through somebody else?

**Ashish Jain:** Yes, as Anoop ji had explained, the AQM, who is the party which has filed a litigation, there was an exclusive relationship, right? So that matter has now become subjudice. So we'll be in breach of conditions if we bypass.

**Moderator:** Ladies and gentlemen, we will take that as the last question for today. Thank you very much, the members of the management team. On behalf of KRBL Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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**Disclaimer:** *This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy*

*We do hereby confirm that no Unpublished Price Sensitive Information was shared or discussed during the Q2FY24 Earning Conference Call.*