



“LT Foods Limited
9M & Q3 FY '26 Earnings Conference Call”
January 30, 2026



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**MODERATOR: MR. MEET JAIN – MOTILAL OSWAL FINANCIAL
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Moderator:

Ladies and gentlemen, good day, and welcome to LT Foods Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Meet Jain from Motilal Oswal Financial Services Limited. Thank you, and over to you, sir.

Meet Jain:

Thank you. Good afternoon, everyone, and a warm welcome to LT Foods Limited 3Q FY '26 Post-Results Earnings Call hosted by Motilal Oswal Financial Services Limited. On the call today, we have the management team being represented by Mr. Ashwani Kumar Arora, MD and CEO; Mr. Sachin Gupta, CFO; Ms. Monika Chawla Jaggia, Chief Corporate Development Officer. We will begin the call with the key thoughts from the management team. Thereafter, we will open the floor for Q&A session.

I would now like to request the management to share their perspective on the performance of the company. Thank you, and over to you, ma'am.

Monika Jaggia:

Thank you, Meet, for the introduction. Good afternoon, everyone. I welcome you all to our 9 months, quarter 3 financial year '26 earnings call of LT Foods Limited. Please note that any statements made or discussed during this call, which reflects our outlook for the future or which could be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces.

A detailed disclaimer in this regard has been included in the investor presentation that has been shared on both the Stock Exchanges, that is NSE and BSE. The results documents are available on our company's website as well as Stock Exchanges. A transcript of this call will also be made available on the Investors section of the company's website.

I would like to share the key highlights of this period that is during 9MFY26, LT Foods reported a record 9-month revenue of INR8,085 crores, year-on-year growth of 24%, normalized growth of 12%, excluding U.S. tariff and Golden Star. The company reported an EBITDA of INR936 crores, that is year-on-year growth of 20% as compared to 9MFY25.

During Q3FY26, LT Foods achieved its highest-ever quarterly revenue of INR2,812 crores, that is year-on-year growth of 23%, normalized growth of 8%, excluding U.S. tariff and Golden Star. The company reported EBITDA of INR317 crores, that is year-on-year growth of 20% as compared to Q3FY25.

The positive financial performance reflects the company's strong brand equity developed over time, disciplined brand investments, widening market penetration across segments and geographies, increased consumer preferences for LT brands and ongoing improvements in our distribution efficiency.

On the profitability front, the company reported an EBITDA margin of 11.6% in 9 months, down 30 basis points from 11.9% in 9MFY25, primarily due to increased brand investment, certain strategic initiatives, including digitalization initiatives.

I would like to provide an **update on the CVD duty** concerning Ecopure Specialties Limited, a fellow subsidiary of LT Foods. A public hearing was conducted on September 16, 2025, where both the parties presented their argument before the U.S. Government Department of Commerce. The final determination was earlier expected by November 17, 2025. However, due to U.S. government shutdown, the time lines have been further extended and is now expected by February 17, 2026.

An **update on our Basmati paddy** is that at the beginning of the season, crop 2025 was expected to follow a steady production trajectory with early estimates indicating margin growth over last year. However, based on harvesting progress and field assessments, farm yields have fallen short of earlier projections across several major production states. The impact of yield moderation has translated into overall basmati production being lower than the earlier estimates despite stable acreage. The decline is primarily yield driven rather than area led, reflecting weather-related disruptions during the sensitive crop phases. As a result, the market environment for crop 2025 indicated higher price levels.

With regard to our **acquisition of Hungary-based Global Green Group**, Ministry of National Economy Hungary has not approved the proposed acquisition on grounds of identified national, economical and sectoral risks.

Now let me share **segment-wise updates** with you. The basmati and other specialty rice business delivered a 26% year-on-year growth in 9 months, normalized growth of 12%, excluding the impact of U.S. tariffs and Golden Star. This segment, which contributes around 88% of the consolidated revenues, continues to deliver double-digit growth, supported by strong and deeply entrenched brand presence across geographies and sustained marketing investments driving higher brand penetration among consumers globally.

The organic segment delivered a 15% year-on-year growth in the 9MFY26, reflecting the rising global demand for sustained food prices and our strong presence across key international markets.

The ready-to-heat and ready-to-cook segment delivered a 4% year-on-year degrowth in 9MFY26.

Now let me share with you our **geography-wise update**. North America comprises 46% of LT Foods revenue and remains to be a key growth driver with normalized growth of 12%, excluding the impact of U.S. tariff and Golden Star. Our flagship brand, Royal, holds a dominant position with 60% share in the basmati rice segment. Golden Star has continued to be number one Jasmine rice brand in the region.

The company has undertaken sustained brand investments in the U.S., including higher

media and digital spend, in-store activations, expanded shelf visibility, targeted promotions and consumer engagement initiatives aimed at strengthening brand recall and driving conversion across core and emerging consumer cohorts.

Looking ahead, we will see impact on consumer demand due to increased basmati rice prices and input costs. India contributes approximately 29% of the company's revenue and delivered a 10% year-on-year growth, reflecting strong underlying performance in the domestic market. Our brands collectively hold a 23.5% market share. In India, the household reach of Daawat has grown significantly from 45.56 lakh homes in March 2023 to 58.11 lakh homes in September 2025. As per industry research, the Indian consumer demonstrates openness to experimentation while retaining strong habitual purchasing behavior.

Although 57% indicate a willingness to try new brands, nearly 84% ultimately purchase familiar or previously-used brands, underscoring the critical role of brand strength and point of purchase influence in driving final consumer choice.

Europe, comprised of 16% of consolidated revenue, our progress in this region has been robust, achieving 35% year-on-year growth. The Middle East and rest of the world constitute the remaining 9% of our revenue of this INR35 crores is a branded revenue from Saudi Arabia. We are strengthening our presence in the region through investments in infrastructure and by building a dedicated on-ground team, including the hiring of experienced professionals in this space.

With this, I would now like to hand over the call to the moderator to open the floor for question-and-answer. Thank you.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Pradyumna Choudhary from JM Financial Group Investments. Please go ahead.

Pradyumna Choudhary:

Thank you for the opportunity. My first question is on the tariff. Could you explain what really is happening on that front? How much of it we've been able to pass to the end customer until now? And what would be our pricing strategy going forward? And what exactly is the situation in U.S.?

Like with the increased tariffs and rising basmati prices, are you seeing that locals over there are shifting consumption from basmati rice to locally-grown rice due to the price increase? That's the first part of the question.

Ashwani Arora:

So you have asked two questions. One is on any impact on the consumption and the second is on the duty pass on. So as far as consumption is concerned in January, we are seeing a little bit slowdown in the mainstream. But that will be more clear in JFM because sometimes people buy before the price increase. So I think in this quarter, the things will be more clear that how it is impacting the consumption.

On the duty side, as you have seen in the results also, majority part of the duty we have passed on. But having said that, this year, the input cost has increased. So normally, we pass on to the consumer. This year, we have to see how it goes, how the duty, things change in the next six months.

Pradyumna Choudhary: Alright. So most of the tariffs you're saying -- like the current tariffs are 50%. So most of this currently has been passed on is what you're saying?

Ashwani Arora: Yes.

Pradyumna Choudhary: Alright. And in terms of the consumption pattern, what are we really seeing? Are like customers accepting this higher price for our basmati rice? Or are we seeing higher exports going from Pakistan to U.S.? Or are we seeing locals over there consuming more of locally-grown rice and shifting away from basmati rice due to higher prices? What's the consumption pattern?

Ashwani Arora: That's what I tried to answer, that in January month, we have seen a little bit slowdown, but that is not the real picture. So Q4 quarter sales will give us a clear trend.

Moderator: Thank you. Our next question is from the line of Amit Doshi from Care Portfolio Managers Private Limited. Please go ahead.

Amit Doshi: Sir, you mentioned that most of the tariff has been passed on, which is 50%. But if I look at the numbers, which is mentioned in the presentation of where nine months data has been provided and which indicate that there is a 26% revenue growth of basmati and 20% volume growth. So presuming that, I mean, 50% tariff, so the revenue growth should have been far higher? Or am I missing something?

Sachin Gupta: So in the presentation itself, if you see the normalized growth, if you normalize the U.S. tariff and yes, because we had acquired Golden Star, this year, the whole of the revenue is getting consolidated. If we normalize that -- both things, our revenue growth in this nine months is 12%.

And as regarding the tariff, the 50% tariff, this has been from the August that has been imposed. Previously, the tariff was 25% and 10%. It is in the phased manner, the tariff has been increased in this nine months from 10%, then 25%, then to the 50%. Currently, it is 50%. And that is also on the imports, the imported value of the goods, not on the sales value. You're getting me, Amit?

Amit Doshi: Yes, Sachin, I'm just trying to understand, even if I look at your H1 PPT, in that also, the volume growth was 23% and 24% was the revenue growth. And excluding the Golden Star and U.S. tariff, the normalized growth was 11%.

So presuming the H1 and there's not much difference between the volume growth figures of H1 and 9M. So for this quarter, which is a full quarter where 50% tariff has been levied. So

I mean, going by that, I thought if the 50% tariff has been passed on, the number could have been higher. Only thing that I could not get is you said the tariff is on the imports. But ultimately, we, as LT Foods, send it to our U.S. subsidiary, correct?

Sachin Gupta:

Correct.

Amit Doshi:

So in the consolidated, ultimately, the numbers would -- I mean, include tariff as well, right? Stand-alone, there is no. But in consol, it would appear to be. I mean, just correct me if I'm going wrong anywhere.

Sachin Gupta:

No, no, you are right, Amit. But my answer to this is the tariff is on the imported value in the U.S., not on the sales value that we are making on the sales to the third party. You are right in that sense, the sales from India to the U.S. that gets eliminated, but the tariff is on the imported. So if you look at that, a 50% tariff comes out to be 25% to 26% on the overall sales value, not the 50% increase.

Amit Doshi:

Okay. Okay. And how much inventory do we keep at our U.S. company level?

Ashwani Arora:

Roughly 2 to 3 months inventory. That is in warehouses. The rest is in the project.

Amit Doshi:

Okay. Any changes that we have done because maybe we might have been anticipating this U.S. trade deal to be concluded?

Ashwani Arora:

So it depends on -- so the most important is to make sure that the customer service level is high. So accordingly, we make sure that inventory is maintained. Service level is top most important.

Amit Doshi:

Okay. And you mentioned that the crop is lower this year. So what would be the paddy prices compared to last year, year-on-year, what have been the price rise in the paddy?

Ashwani Arora:

Sachin will give you exact number but depends on variety to variety. Some varieties are at par.

Amit Doshi:

An average would be fine, just to understand the ballpark, general, what will be our average?

Ashwani Arora:

7% to 8% will be -- I think 8% will be consolidated price.

Sachin Gupta:

Correct. So the average increase in the prices, if I take my stock levels as on December itself, the average increase in the stock levels of the paddy itself is 4.5%, 4% increase that is there. So as Ashwani has told, full-year basis, it will be on the same range of 7% to 8% on the consolidated.

Ashwani Arora:

Buying keeps -- we keep buying till March. So this quarter, the buying is also very heavy.

Moderator:

Our next question is from the line of Meet Jain from Motilal Oswal Financial Services Limited.

Meet Jain: My first question is regarding the organic segment. After a very good quarters of growth, we have seen a decline in this quarter, even after we have set up our capacity in Europe. So can you throw some light regarding what led to the decline in revenue this quarter?

Ashwani Arora: Rohan is on the line, who is the CEO of the Organic Business. So Rohan, can you take this question, please?

Rohan Grover: Yes. I've heard the question. Thank you. So the capacities that we have built in Europe have been built in this year, and they would come into light in the coming years. So we have made the right investments for the future.

The resources have been deployed. But the sale that you are seeing is not -- I think overall, on an annual basis, if you look at -- because there are some seasonalities that are always involved, the sale has been higher than the last year, which is a promising sign. So I'm not too sure where you're seeing the dip.

Meet Jain: 9MFY26, we did a revenue of INR807 crores and for previous 9 months, it's around INR710 crores. I agree for you to see 9-month basis, we have seen a growth. But for 3Q, if we deduct the half yearly numbers, we are seeing a decline in revenue for this quarter.

Rohan Grover: So this is also because of the seasonality in the business. And since we have sometimes stocked the material here and switch from old crop to new crop, and that's the only situation. So there is no decline as such in the -- if you look at it on an overall annual basis. We'll be back on the track when you look at the full year basis.

Meet Jain: Okay. Got it. Other question is on this price output. As you indicated, the yield was pretty lower than the last year expected, which you are expecting price increased. And also the follow-up on the previous question on the stock levels, we have seen an increase in price of 8%. So can we see these prices to move up further for the coming quarters?

Ashwani Arora: Sales price, what is the question?

Meet Jain: So as we have discussed at the stock level, we have seen an 8% increase in the price Y-o-Y basis. And you also indicated that production of this year has been a little short of what we are expecting earlier. So going ahead, as we also mentioned that we will see an increase in price of basmati overall coming quarters.

And our procurement, like we earlier guided that we do majority of the procurement, almost 60%, 70% or more than that in this quarter. So going ahead, any procurement, can we see it at the higher prices?

Ashwani Arora: Yes. So we are covering ourselves roughly 80% -- that's our policy. So this year also, we will cover 80%. And whatever the price and procurement has happened, that we will try to pass on to consumers. Some part of the world, we will be. But some part of the world, we have to evaluate how this duty impact goes away. So by quarter end, we will be more clear on the

margin side.

- Meet Jain:** Understood. And the last question is on the Europe part. We have seen a very strong quarter, this 35% growth in the Europe segment. So can you attribute -- how much will be attributed to the U.K. capacities and the Netherlands capacities? What can be the breakup of that?
- Sachin Gupta:** So Meet, the major growth that has happened is basically because of the U.K. capacity itself. The U.K. capacity got operational in the later part of the last year. So our growth was majorly because of the U.K. Otherwise, the normalized -- if you normalize the things, it is in the range of 11% to 12%.
- Moderator:** Our next question is from the line of Abhishek Maheshwari from Skyridge Fund Managers LLP.
- Abhishek Maheshwari:** Congratulations on good set of numbers. Sir, I have only two questions. Firstly, I think some time ago, the President of United States, he had posted on X regarding additional 25% tariffs on anyone doing business with Iran. Now as LT Foods, we don't do business with Iran, but our country does do business with Iran. So was this ratified? Or was this more of an impulse to kind of a post from the President? Any clarity on this?
- Ashwani Arora:** Abhishek, there is no action on that, but every day we all hear these things
- Abhishek Maheshwari:** So right now, it's 50% only
- Ashwani Arora:** Now it is 50%, yes.
- Abhishek Maheshwari:** Okay. Got it. Sir, secondly, the Thailand tariffs are about 19%. So is Golden Star still doing pretty okay? And will it be able to compensate for slightly moderating demand for basmati in U.S.?
- Ashwani Arora:** Jasmine rice, the Golden Star is doing very well. That's growing. So no issue on the growth side. this year also, the Jasmine rice has gone up. So maybe a little impact on the margin side. But as far as consumption growth, that is very well placed.
- Abhishek Maheshwari:** Okay. Lastly, do you expect that perhaps the increase in procurement price that you are seeing, the impact of that could be slightly moderated by this dollar appreciation that we are seeing vis-a-vis rupee.
- Ashwani Arora:** Partly, partly.
- Moderator:** Our next question is from the line of Abhishek Mathur from Systematix.
- Abhishek Mathur:** My question was on the regional rice market where you have made some recent launches and which is a significantly bigger market than our basmati rice. So there, just wanted to check what is the update on our progress in terms of our foray in regional rice? And what is our way to win that you see given that there are a number of entrenched regional players who

are strong in their respective pockets?

Ashwani Arora: So regional rice is doing very well, Daawat regional rice and internationally also. As far as LT's strategy on the regional rice is that we will be only on the premium end of the market and not on the mass because margins are very competitive. So on that front, on that strategy, we are doing very well. We are well placed in e-commerce, modern trade and key outlets. So we are optimistic on whatever the business plan we have built on the regional rice.

Abhishek Mathur: So would you be able to quantify what is currently, in terms of tonnage, our sales in regional rice right now? Is it material?

Ashwani Arora: Yes. I think in India, we sell around INR200 crores worth regional rice on annual level basis.

Abhishek Mathur: And in volume terms or tonnage terms?

Sachin Gupta: Roughly 50,000, you can take the data from our IR team, and we will provide you quantitative. Roughly, it is 50,000 tons.

Moderator: Our next question is from the line of Rehan Saiyyed from Trinetra Asset Managers.

Rehan Saiyyed: Most of the questions have been answered, so I'm just left with one. Like I wanted to understand regarding your RTH, RTC business. So we have seen like 2.5x growth from FY '21 to '25, yet EBITDA margins remained negative at minus 9%. So what scale or revenue threshold is required for this segment to breakeven? And does management still feel this is a strategic growth engine? Like what's your vision?

Ashwani Arora: Okay. So on the margin side, where it will get breakeven, Sachin will give you a number. But as far as our RTH business, the bigger business is in U.S.A. And as explained in the last call also, we have built up the next capacity, which is 15 million pouches, and that will be started in the next financial year.

As far as India is concerned, ready-to-eat, ready-to-cook is a small market for us. But our Daawat Biryani Kit is doing very well and growing kind of month-on-month 20%. So on the numbers Sachin will share

Sachin Gupta: As regarding the breakeven, the breakeven from a current level, once it crosses the INR400 crore mark, there will be a breakeven in the EBITDA. So till that time, we will be in the investment phase and there will be the investments that will be required. And we are optimistic to achieve in the next 3 years.

Moderator: Our next question is from the line of Pranav Bhootra from Anand Rathi.

Pranav Bhootra: So I wanted to ask regarding the Indian market share and the Middle East, particularly on Indian market, we have lost around 300 basis points on quarter-on-quarter basis. And last year, we had around 30% market share in basmati. So can you just throw a bit light on that? Have we -- like is this because of the price hike? Or have we discontinued any product or

something?

Ashwani Arora: So as far as the household reach, we have increased our household reach from 45 lakh to 58 lakh. So that has increased. On the market share, we are growing at a premium end of the market, losing on the lower price point, the market share. But overall, on the premium end of the market, we are growing. And our household reach is also growing.

Pranav Bhootra: Okay. And regarding the Middle East market, can you just give like exact market share?

Ashwani Arora: That's a big market, and we have not in terms of market share. But I can tell you in UAE, we have around 10% market share in the premium end of the market. Saudi, we have started, we are getting very good response. The market is growing. So overall, Middle East, we are bullish. We are investing on that. And we wanted to grow 20% year-on-year from the base we have. And –there the plan is well placed, yes.

Moderator: Our next question is from the line of Damodaran from Acuitas Capital.

Damodaran: Just had two bookkeeping questions. One was on -- your interest costs seem to have gone up by 46% year-on-year. What explains that? That is one. And the second one is, can you give the 9-month numbers for -- growth numbers for Golden Star business for revenue and PBT?

Sachin Gupta: So Damodaran, as regarding the interest cost going up, so this has been basically because of the two factors. Firstly, the average working capital utilization. Secondly, it is on the basis of the lease accounting, which takes place. So last year itself, majorly in this part of this year, as the U.K. operations have started, the lease accounting because the warehouse is on lease. So that has affected our overall interest cost and depreciation, the warehouse costing. And as regarding the Golden Star goes -- the revenue growth in this 9 months is almost 2% growth in the rupee terms that I'm talking about.

Damodaran: Okay. And in PBT terms, if you can say?

Sachin Gupta: So, the PBT, we have made a PBT margin of almost 7%.

Damodaran: Okay. And you said there was some margin decline. So I mean, can you give that same number for last year?

Sachin Gupta: So almost in this -- last year, it was almost 8.5% last year, it declined to almost 6%. So 2.5% decline, yes.

Damodaran: This is attributable primarily to Jasmine rice prices increasing.

Sachin Gupta: Correct. The input costs going up. So that resulted as Ashwani in the initial talked about the Jasmine input cost being increased.

Moderator: Our next question is from the line of Vipulkumar Shah from Sumangal Investments.

- Vipulkumar Shah:** So, what is our gross and net debt right now?
- Sachin Gupta:** So our net debt excluding the FDR that we have kept for the insurance claim is almost INR1,180 Crores
- Vipulkumar Shah:** And has there been an improvement year-on-year or it is same?
- Sachin Gupta:** Slight bit it has decreased from the last year. So our debt positions have decreased.
- Vipulkumar Shah:** And regarding the notes to your accounts, it is a little confusing. So we have received this INR26,000 crores from the insurance company, right? But the pace is still going on?
- Sachin Gupta:** No, no, no...
- Vipulkumar Shah:** Sorry, INR260 crores, sorry.
- Sachin Gupta:** Correct. So that is INR260 crores, yes, we have received that amount. But against that, we had to give a bank guarantee. So still it is -- it cannot be utilized. So we have given a margin against that -- the amount received. So it is in the form of FDR.
- Ashwani Arora:** Vipul, we have won the case in the first court. Then they have gone to High Court. And High Court said we will only hear you when you will give them the money. And then they went to Supreme Court. Supreme Court said give the bank guarantee and take the money. So we have taken the money, but we have given the bank guarantee against the FD, the same amount. Hopefully, we will get verdicts in the coming 2-3 months from the High Court, which is pending there.
- Vipul kumar Shah:** So right now, we are earning interest on it, but we cannot use that money?
- Sachin Gupta:** That's right. So still, the interest hasn't been recognized. We are not recognizing that interest in our income. So we are accruing the amount is being accrued, but we are not recognizing it in our income.
- Vipul kumar Shah:** Okay. And regarding the tariffs at U.S., so if I have understood you correctly, whatever you bill to your U.S. subsidiary, 50% on that value is charged, not at the price at which you sell to your customer. Is that understanding correct?
- Sachin Gupta:** Correct.
- Vipulkumar Shah:** Okay, sir. Thank you and all the best.
- Moderator:** Thank you. Our next question is from the line of Rajesh Agarwal from Moneyore. Please go ahead.
- Rajesh Agarwal:** Sir, my question is, was the tariff passed on smoothly or there was resistance from the customer or you see a slowdown?

- Ashwani Arora:** No, there is always resistance from the customer. And that's what I said, we have majority passed on. So there is a big resistance. But fortunately, being basmati mainly only from India.
- Rajesh Agarwal:** But still, if we are able to pass on these, our product is good or we have an advantage?
- Ashwani Arora:** Yes. Royal is a very strong brand, very high-quality brand.
- Rajesh Agarwal:** Okay. So if there's a reduction in tariff, it's a hypothetical question, 25% or whatever, then we can easily pass on the input cost also which has increased?
- Ashwani Arora:** That's what our expectation is, yes.
- Rajesh Agarwal:** Okay. But you don't see any demand destruction, no?
- Ashwani Arora:** In January, there is a little bit slowdown as compared to last year, but this till March the things will be more clear, yes.
- Rajesh Agarwal:** But we are billing to them now. We are sending still the goods at a higher tariff to them?
- Ashwani Arora:** The business is touchwood doing very regular business.
- Rajesh Agarwal:** Okay. And any comments on the growth outlook for the next year?
- Ashwani Arora:** So the guidance we have given is the double-digit growth on the revenue side, that looks intact. On the margin side, as I said we will come to know in the next quarter.
- Rajesh Agarwal:** Okay but the crop availability wouldn't be a problem going forward, if we can do a double-digit growth, availability of crop wouldn't be a problem?
- Ashwani Arora:** It doesn't look like.
- Rajesh Agarwal:** The input prices have gone up, availability wouldn't be a problem?
- Ashwani Arora:** We have identified our risk and we keep evaluating. And we have a big -- our farmer extension team, which work with the farmer that how they can improve their productivity, how they can overall increase their income. So we are very well connected on the farm side also. So we don't see at least in the next 10-15 years, any -- so farmer is making better money with lesser water and all these things. And the state government is also promoting because India is sitting in very heavy non-basmati stock. So state and center is promoting the farmer to grow basmati.
- Rajesh Agarwal:** And sir, are we supplying to Iran?
- Ashwani Arora:** No, we are not working with Iran.
- Rajesh Agarwal:** So we won't be facing that another 25% tariff because if we are not supplying

- Ashwani Arora:** We have not got any intimation
- Rajesh Agarwal:** Understood. Thank you, sir.
- Moderator:** Thank you. Our next question is from the line of Harsh Shah from Bandhan AMC. Please go ahead.
- Harsh Shah:** Sir, firstly, in terms of your guidance for Europe, you have mentioned that the 5-year target is GBP100 million. In that regard, I mean, I wanted to understand that we are already -- our revenue is above that number, right? So does this statement mean that the incremental revenue will be held in 5 years?
- Monika Jaggia:** What is the number that you have mentioned, Harsh, for the revenue?
- Harsh Shah:** Slide number 16, when you give a 9MFY26 segmental breakup of India, North America, Europe and Middle East, right, revenue mix and Y-o-Y growth. So in Europe, you've commented that a 5-year target for revenue is GBP100 million, right? But our current business itself is...
- Ashwani Arora:** No, that is the U.K. No, the U.K. is at the moment is 45 million. That is the projection for the U.K., not the complete Europe. So we have separated U.K and the EU, the Continental Europe separate.
- Harsh Shah:** So U.K., sir, only GBP45 million going to GBP100 million, doubling in 5 years?
- Sachin Gupta:** Correct, Harsh. That is what's we have been telling.
- Harsh Shah:** And second thing, sir, on the tariff thing, right? Now you said that you already have 2-3 months of stock in U.S., right, because service levels have to be very high. And for the stock which we send there -- to U.S., we pay 50% tariffs already, which we have. Now in an event, let's say, if the tariffs are reversed, right, so for the existing inventory which we have there, will it be a onetime lock for us?
- Ashwani Arora:** It depends, Harsh, the time will tell. But as I said, the consumer is most important. At that time, we will take a call.
- Harsh Shah:** Sir, my question is not on the demand part. My question is basically we have paid 50% tariff, right already?
- Ashwani Arora:** So that's the risk. That depends on the competitive landscape. That is the risk we are living with.
- Harsh Shah:** Okay. And sir, thirdly, interesting one thing in one of the slides in your -- where you kind of give all your brands, there is a new brand called Hadeel. Is it brand specific for Saudi Arabia market?

- Ashwani Arora:** Yes. This is a brand for Saudi. That's mainly to the food service.
- Harsh Shah:** Food services. Okay. So it's basically for HoReCa.
- Ashwani Arora:** That's called Daawat Hadeel, yes.
- Harsh Shah:** Correct. Yes. Okay. So it's mainly for HoReCa segment, right?
- Ashwani Arora:** That's right.
- Moderator:** The next question is from the line of Chirag Singhal from First Water Fund.
- Chirag Singhal:** My question is on your domestic sales. So there are some news article which mentions about basmati consignments, which are stuck at Indian ports and some rice millers have noted that the price drops have happened in India.
- And Iran is a key export market. So have you seen any price declines in your basmati sales during the quarter? And do you see a slowdown in Iran exports leading to any sort of oversupply in domestic markets?
- Ashwani Arora:** On the price side, it is other way around. The hike in the commodity price. And as far as Iran is concerned, the data we are seeing is growing 11% from India to Iran. Historically, we have seen these kind of disruption in Iran, but we have not seen any impact on the demand side because what we have seen historically, food is the last one to get impacted on this geopolitical disruption side.
- Chirag Singhal:** So which period are you referring to for this 11% growth in Iran?
- Ashwani Arora:** It's a 9-months data.
- Moderator:** Our next question is from the line of Ankur Arora from Magma Ventures.
- Ankur Arora:** Congrats on a good set of numbers in a difficult environment. A couple of questions. Just a follow-up to -- one of the participant has already asked this question. How much is the gross margin on the U.S. number, right? Your overall gross margin of 35%. But in U.S., it will be more like 40%, 45% or it's roughly a similar range as the rest of the business?
- Ashwani Arora:** Similar range.
- Ankur Arora:** Okay. So just to understand it right, say, you have INR100 inventory going from India to U.S.A. and you sell it, say, INR150. That's how the 33% gross margin comes in. At INR100, you've got a INR50 duty, right, because that's the input.
- So your cost basically goes to INR150, right? And you're selling it -- INR200 now because you're passing on that INR50 out there. So that means your margin has gone down to 25%. Am I understanding it right? Or what is the gap in that?

- Ashwani Arora:** So I think you can get in touch with our IR, they will explain you on how it works.
- Ankur Arora:** Okay. On the other side, how much is the end price of the customer gone up by in U.S.A. in terms of rice? And you would be probably in touch with the customer. So how much is the end price increase for the customer?
- Ashwani Arora:** Roughly 25%.
- Ankur Arora:** Roughly 25%. Okay. And third question on Golden Star. How much is the revenue in this quarter? Last quarter, I think it was around INR350-odd crores. So is there a similar ballpark this time also?
- Sachin Gupta:** as I've stated, in the 9 months, the sales in the Golden Star is INR486 crores in the rupee terms. So it is more or less, monthly, equal.
- Ankur Arora:** Monthly around INR100 crores -- sorry, not that much. Less than that.
- Sachin Gupta:** Right.
- Ankur Arora:** And the Golden Star price also has gone up by around 20%, right, because it will be 20% tariff from Thailand...
- Ashwani Arora:** That's on the COGS, so maybe lesser a little bit.
- Ankur Arora:** Okay. On the COGS, it will be lesser. Got it. Yes, that's pretty much it.
- Moderator:** Our next question is from the line of Amit Doshi from Care Portfolio Managers Private Limited.
- Amit Doshi:** Sir, you mentioned about the Hadeel brand, which is the HoReCa for Saudi business. And our normal branded business, you mentioned is around INR35 crores of sales, which means that in this quarter, December quarter, the sale is of around INR7 crores only. Is that correct?
- Sachin Gupta:** Hadeel is our HoReCa brand. And from Saudi, we achieved a revenue sales of INR35 crores. So this means sales is INR7 crores from others. So that is not so, Amit. If you look at the overall sales in the Middle East as such, so what Ashwani told, Hadeel is a HoReCa brand in the overall Middle East region. So it is not specific to Saudi itself. So it is for the whole region.
- Amit Doshi:** So if you count only the branded revenue, so H1 was INR28 crores and 9M is INR35 crores for branded revenue from Saudi?
- Sachin Gupta:** So the branded revenue it is INR35 crores in this 9 months, and it was INR17 crores last year.
- Sachin Gupta:** currently, it has doubled as compared to the last year.

- Ashwani Arora:** We are investing time on the strategy and everything for the last 1.5 years, 2 years. But now all the things are working. So we are positive on things.
- Amit Doshi:** I understand. What I wanted to understand, is that INR7 crores in the Saudi market, would it be considered as a small number?
- Ashwani Arora:** I think on Saudi, we started with food service and wholesale. Now on the Daawat brand, the journey has started, the route to market and everything has been finalized. So in the coming time, you will see a change in Daawat sales here.
- Amit Doshi:** Okay. And for regional wise, you have said that we have around INR200 crores of sales. I think the new capacity is coming in the February, a few days from now. What is the likelihood of the total revenue at full potential? Obviously, it will take a couple of years probably
- Ashwani Arora:** That facility is a packing unit. So we are building these all supply chain infrastructure to meet the future demand. But this, I think the capacity is only for -- will be sufficient for the next 2 years.
- Amit Doshi:** Okay. In terms of revenue, what it can contribute?
- Ashwani Arora:** So roughly I will say, INR200 crores more.
- Moderator:** Our next question is from the line of Harsh Shah from Bandhan AMC.
- Harsh Shah:** Ashwaniji, you mentioned that the new RTH capacity in USA, right, that number in terms of volume, we can do 1.5 million or 15 million pieces a year?
- Ashwani Arora:** 15 million Harsh, pouches more.
- Harsh Shah:** And sir, roughly, that would mean how much of, let's say, additional revenue at current realization?
- Ashwani Arora:** I can give you a ballpark number is \$20 million revenue will be more, yes.
- Harsh Shah:** \$20 million?
- Ashwani Arora:** Yes.
- Harsh Shah:** Okay. And Sachin, INR486 crores Golden Star revenue is for 9 months, right?
- Sachin Gupta:** Correct.
- Harsh Shah:** This is for the period of 9 months, or this is for the period of our consolidation?
- Sachin Gupta:** So it is the period -- yes, you are right. It is the period for the consolidation.

- Sachin Gupta:** So if you talk about the 9 months number, it is INR658 crores.
- Harsh Shah:** INR 658 crores. Okay. I was confusing that. And last year, we closed FY'25 at what revenue, sir, for Golden Star?
- Sachin Gupta:** In the dollar terms, it is around \$130 million.
- Moderator:** Our next question is from the line of Abhishek Jaiswal, an Individual Investor.
- Abhishek Jaiswal:** So I was trying to work out the price that you have been able to sort of pass on to the US consumers as a result of the tariffs. And so it seems like -- basis some information that was shared in the call, it seems that we have been able to pass around 18% increase in the price to the US consumers. And the way I kind of came across that figure is by kind of taking away the 9-month sales of Golden Star from the 9-month total sales. Is that accurate? Or is there a difference?
- Ashwani Arora:** So we will give you the math. But overall, the business is good. Till time, the margins are intact and all these things.
- Abhishek Jaiswal:** Okay. Sure. And my next question is why -- so I've seen that our sales in the Middle East has kind of dropped year-over-year by about 11%, 9-month figures. Any reason for that? Have we taken away any category there? Like what's our strategy to get back to revenue growth?
- Ashwani Arora:** The strategy is very organic. We have roughly in Middle East around 50,000 ton base, and we will build it year-on-year by growing 20%.
- Abhishek Jaiswal:** Okay. But that doesn't explain like why the sales went down by 11%?
- Sachin Gupta:** So our major reduction in the sales that happened because of the private label business, certain private label nonstrategic business, which we did last year that we purposefully didn't did at all this year. Our branded revenue sales have increased during this 9 months.
- Abhishek Jaiswal:** Got it.
- Management:** So our margins overall has become better, and we continue to work on that only.
- Sachin Gupta:** Correct.
- Moderator:** Our next question is from the line of Aman Goval, an Individual Investor.
- Aman Goval:** First of all, congratulations to whole team for -- on the good set of numbers. My first question is regarding margin management. What is management's strategy to improve the compressed PAT margin, which declined to 5.6% from 6.39% Y-o-Y. Are the pressures transitory or structural?
- Ashwani Arora:** Aman, the pressures are temporary, the pressure is because of all this disruption

geopolitically. The goal we have given but advise that on the ROCE terms, we are in the range of 20%, and we wanted to move 23%. And business is very well placed on a structure level. Our gross margins are very good. We are a very well-diversified kind of global presence.

Business is doing very well in India, growing on the premium end of the market. So structurally, we are very well placed. So it's a kind of geopolitical risk, which is happening for the last 2-3 years. The fundamentals of the business are very strong.

Aman Goval: Right, sir. Okay. My next question, if you allow, potential fluctuation in basmati rice price, say, raw material price rise and rising input cost, will the company focus to hold the price to improve margin or pass the benefit to consumer to gain the market share?

Ashwani Arora: So it depends geography to geography. We take call accordingly where if strategy is helping us to grow better market share, then we don't pass on. And where we are a brand leader, there we pass on. So it depends. It's a very strategic geographically -- so we use both the strategies. It depends on geography.

Aman Goval: All right. Okay, I understand, if you comment, in this year, FII lessen the participation, has increased its mutual fund. In this regard, do you have any comments on the side of firm management to enhance the trust of institutional investors and FII?

Ashwani Arora: So as I just said, LT Food is very well placed. If you see in the consumer space, LT Food is growing better than the overall competitive FMCG space. So that's the fundamental. So all fundamentals are very very strong in terms of brands, in terms of the category growth. So we are very well placed. We are very confident that whatever the guidance has been given to the market, so we will be there.

Aman Goval: I would like to give you advanced thank you for financial year 2026.

Ashwani Arora: Thank you.

Moderator: Ladies and gentlemen, in the interest of time, that was our last question. I would now like to hand the conference over to the management for closing comments.

Monika Jaggia: Thank you, everyone. On behalf of the management of LT Foods Limited, we thank you all for joining us on our post-earnings call today. We hope we have been able to address the majority of your queries. You may reach out to me or our Investor Relations partner, Ernst & Young, for any further queries that you may have, and they would connect with you off-line. Thank you. Thank you all.

Sachin Gupta: Thank you.

Moderator: Thank you. On behalf of Motilal Oswal Financial Services, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.