Management Discussion

Juhi Manwani - Analyst, Arihant Capital Markets Ltd.
Good afternoon, everyone. This is the second day of Bharat Connect Conference 2026 September Edition. I welcome you all to the call of Amir Chand Jagdish Kumar (Exports) Limited. Today from the management, we have Mr. Rahul Suri, the Promoter and Whole-Time Director; and Sumeet from the team of Investor Relations in MUFG.

Without delaying anything further, I would lay out the flow of the event. We'll start with the quick remarks by the -- quick opening remarks by the management and then we'll move to the Q&A round. [Operator Instructions]

So over to you, sir.

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Sure. So I'll take you through a bit of the history of the company and then take you through the management and how that happened. So this company was formed as a partnership company. This company was formed as a partnership company in Amritsar between my grandfather's friend -- after demise of my grandfather, my grandfather's friend and my father -- my father whose name is Jagdish Kumar Suri and Amir Chand, who was my grandfather's friend. And then this partnership company was -- after the riots in Punjab, this partnership company was brought to Delhi in early 80s, actually 1980 itself, and then it started operations here. In late 80s, we lost Mr. Amir Chand and it became a proprietorship company by paying off its share. In 2003, a full public limited company was formed with the independent Board of Directors and everything. And this company took over the proprietorship business of Amir Chand Jagdish Kumar, which was a proprietorship company.

Since then it had been working like a full independent public limited company which was of course we held that time and had many distinguished members, like Mr. Venugopalan, who retired as the Chairman of Bank of India and Federal Bank. Then we had Mr. Bhupinder Nayyar who was the ED for OBC Bank. Today, our Board comprises of Mr. Gauri Shankar, who is the ex-MD of Punjab National Bank. Then we have Mr. Yogendra Singhal, who has had distinguished roles in Amul and Alankit, as what do you call that? The Registrar like in Alankit. And then we also have Mr. Rajni who is a practicing PCS, except this is the independent board members.

So we started -- this company has probably the oldest registered brand, which was done in 1982 as Aeroplane and it was -- we tried to push it all through India. But that time Indian market was not that -- the Indian market was very price-sensitive. To give you an idea, [Foreign Speech]. But Indian market was very sensitive to price. So we started exporting like our peers. Everybody was into the export market because India was not ready to eat the luxury basmati which was available that time.

Then going forward, since 2013 onwards, when Daawat, which is one of our, again, peers which is called LT Foods, had picked up Amitabh Bachchan. And then by 2017-'18, the market picked up for the luxury market within India itself also. And that's about the basmati. About two years ago, we had a vision to make this company into a big -- or maybe at least to start with FMCG company and we also tried to explore like ready-to-cook and ready-to-eat kind of products. But when we went to our sales teams and everything, and we didn't find too much spark there. And when we went to our distributor, they completely denied. They said, sorry, sir, we have never sold even Maggie [Foreign Speech]. So then what we did is we did a small survey with our distributors, a small excel form, which would only tell us that what would they sell. So if my distributor was selling, let's say, Aeroplane for INR39 crores sitting in Surat and then he was selling Aashirvaad for INR32 crores,

then he was selling Madhur Chini [Phonetic] for INR30 crores. So that's how we picked up all these products and that's how we went forward choosing our products.

So, company's vision is to grow and keep bringing in five to six more products every year. And by the end of, let's say, another five or six years, we are looking at 30 to 40 to different products, so that we could capture the market as something which is near to the chula. That's the products that we're looking at. To do that we have recently also onboarded Rashmika Mandanna, which is the star from Pushpa 2 and Animal and all that. And we've also picked up Fatima Sana Shaikh, which was in Dangal. So the idea was to have, one side, increase our sales teams, and on the other side, increase our awareness to the consumers. So recently, we have done -- we have picked up these two Bollywood stars to become a more household consumer name. And also we have shortlisted many people from Pepsi and Procter & Gamble, and we'll be announcing the names as soon as they start joining us from next month.

So this is -- if you see, this is the history of the company, which has been selling rice. They had a set of distributors pan-India, also outside of India, just trying to make sure that the same team -- we just amplified the same thing with different other products, which they are already selling and which become the low-hanging fruit for us. So if you see the TAM sizes of all these products, basmati, roughly about INR150,000 crores. Then atta is also INR1 lakh crore. Then besan, maida, maybe about INR30,000 crores INR40,000 crores. Sugar is again a INR1 lakh crore. So even if we are able to get smaller share out of this, we are looking at -- to grow the company into bigger numbers and bigger top lines and bottom lines.

So this is about -- roughly a short format in a brief way, this is about the company.

Questions & Answers

Juhi Manwani - Analyst, Arihant Capital Markets Ltd.
Thank you so much, sir. [Operator Instructions] We have a first question from Saurabh Bheriya [Phonetic]. Saurabh you are unmuted

Saurabh Bheriya - Analyst
Am I audible? Hi.

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Yes. Hi, Saurabh, how are you?

Saurabh Bheriya - Analyst
I'm good, how are you?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Very good. Sorry, very good.

Saurabh Bheriya - Analyst
Yes. So my first question was -- so from a demand POV, where is the Indian basmati segment going? What is the rate at which the industry is growing? And what is the change in like consumer preferences, which is bringing in that demand? And even at that, what is the sustainable margin that a basmati business in India is expected to have, not just Amir Chand's perspective, considering the peers out as well. And, yeah, a light on that.

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Sure. So I would like to answer your question by giving an example, which I have already given. So the Indian basmati industry is -- the tailwind is coming from what is shifting from unbranded to branded, but probably from budget to luxury. The story rides on the similar thing, which if you go many years back or probably [Foreign Speech] one, because they had a lot of time; second, they were saving money on it. So the idea is because the Indian people, their income have grown and now they want to have -- first they change probably their clothes, they change their shoes, they change their cars and now they also want to -- so the way they have grown on those segments, similarly they are changing their food habits to get the best. So that is the tailwind which we are coming from. So I believe that about INR30,000 crores of market is already -- basmati has come to the packaged industry, but we believe that it is about INR115,000 crores of market which is there, which will change from non-basmati lower seeds to higher basmati. And every year, I believe about INR4,000 crores of market is changing from unpacked to packed products of basmati.

So this is the same tailwind if you see many years ago, if you see that the scooters were selling in India, there was no Mercedes. So now people are having Mercedes. Similarly, they are trying to shift to better products. And because now they have the -- they are able to spend 200 kg or 300 kg for basmati, they want to also have the best possible which the world is having around the world. And this is not the story for India, this is also a story for all markets. Like this happened in Saudi Arabia many years back. They were buying -- today, Saudi Arabia is India's -- the largest importer of basmati rice, I mean to say, sorry. Let me correct it there. But if you see -- if you go back in '90, they were only buying non-basmati out of USA, which was $600 to $700 product and today they buy something which is $1,200 to $1,500 product.

So once the consumer started having enough money to pay and go to better products, they switched over to basmati. So this is a story with most of the countries. So India has also followed that. The Gulf was the first one to do it. US export was there, but that's much smaller market, US, in size. But then maybe the other countries will also follow that. We also see that trend happening in Africa today.

Saurabh Bheriya - Analyst
And on the margin side, my second half of the question?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Right. So the margins -- absolute bottom lines, the peers are making about 9% to 10%. As of now, Amir Chand is making about 7%, 7.5%, 8%. But I think soon as we go forward and we are able to -- we also become a more aware brand with Rashmika Mandanna and all that, I think we can squeeze our distributors to also get that kind of margins. And if you see going forward because this industry is changing from unbranded to branded and to organized retail, so the margins for the whole industry is improving. It's not that it is not improving. So as of now, we would say Amir Chand would like to go to where LT Food is sitting or where KRBL is sitting. And then going forward, I think they are also increasing their margins because the organized retail they're going to. So their margins are also, if you see, improving over the time. So I would not be...

Saurabh Bheriya - Analyst
Yeah, go on.

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
So I would not be surprised that every year, I think 1% to 2% margin maybe added by the sector itself.

Saurabh Bheriya - Analyst
Correct. And what is the like sustainable number you are seeing to achieve, like beyond that you don't see further expansion?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
So if you see, our RHP which was filed, we will be moving almost about 50% of our production capacities. So up to about -- a revenue of about 6,000 -- top line of about INR6,000 crores, we don't think we need to spend any major amount on expansion. And from INR6,000 crores to INR8,000 crores, we've been needing some packing lines, some production lines maybe, but not a very big investment, like we have a very big unit in Amritsar, which is called the mega unit given the Mega status by the Government of India. So we would not need to do that kind of investment up to about a revenue of about INR7,000 crores to INR8,000 crores. But then beyond that, we may need Amritsar unit, which may have a replacement value of today about INR500 crore, INR600 crores, maybe goes up a little bit beyond that. But still as of now, we are sitting -- this year we closed almost about INR2,300 crores of revenue, which is the last year I must say. So we believe that we still have -- going up to INR7,000 crores, INR8,000 crores, we still have some two, three years of -- by the time, we are able to achieve that kind of revenues.

Saurabh Bheriya - Analyst
Okay. So one can say that 14%, 15% is the sustainable margin which one can achieve, right?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Yes, it can be achieved.

Saurabh Bheriya - Analyst
Yes. And secondly, what are your current geographic exposures? Like, mostly, I believe it's the Middle East apart from India, right, from the export?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Apart from India, yes, we are concentrated in the Middle East, but we are also available in almost about 37 countries, if I'm not -- 38 countries, which includes Australia, parts of Africa. We have a very low penetration to USA as of now. But otherwise, we are available 38 geographic countries directly. And maybe out of these 38 countries, re-exports like from Dubai or Hong Kong would -- we would be available somewhere around 50 countries.

Saurabh Bheriya - Analyst
So just a follow up on that, if we look at LT, so they are quite widely present in Europe and the USA -- USA to be very specific. So from a realization standpoint, are realizations better in the US as compared to the Middle East and what are our strategies to gain shelf space in the US? Even in India, like, I believe if I talk about KRBL's brand or LT Foods Daawat, they have a quite strong brand presence. So amidst this -- because as you also said, so there is a shift from the loose to the branded products. So amidst that, how do we bring in the brand presence amidst this competitive market?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Right. To answer your question -- the first question, whether the margin in USA or Europe is better than India, the answer, if you would have asked me 10 years ago, yes, I would have said the volume in India is not that much. But today, the volume because we are a big population, I think the largest population now and with disposable income, which can afford basmati now, so the quantity has come in and the margins are similar if you go to USA, if you go to Europe or anywhere else. Of course, your risk factors do reduce when you're talking -- when you're selling your products in India because then you don't -- have run risks like Gulf of Hormuz or some logistic disruption, freight going up or not going up. So these are much lesser, because you are dealing with lesser parties here, because you're selling it within India. So of course the risk factors are lower than dealing with exports.

But yes, margins are very much similar. I would not say that USA would make any extra money today than India. And that's why you see also Daawat and India Gate focusing a lot on India. Though Daawat's biggest market is USA, as you rightly said. But if you see their brand ambassador is Shah Rukh Khan, which relates directly that they also want to expand, as per my belief, I may not be the right person to say, but that probably shows me a way that is the focus area.

Saurabh Bheriya - Analyst
So, overall -- this would be my last question. So overall, I would say, sell it in any country, the realizations -- end realizations, including all freight and all, would be similar to that one is having in India, right? Is that right?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
You're absolutely right. The idea is how known brand are you? So your realization can be better in India if you are a known brand in India and consumers prefer you than USA if you're not known there. So in case it is Daawat, it is well known in USA with a brand called Royal, yes, Royal. So maybe that realization is better there. But as the geographies -- I would not say that geography decides where the margin is better. It depends on your brand pull, where the margin is better.

Saurabh Bheriya - Analyst
Correct. Agree. Thanks. That helps.

Juhi Manwani - Analyst, Arihant Capital Markets Ltd.
Thank you, Saurabh. We'll take our next question from Nachiket Kale [Phonetic]. Nachiket, you are unmuted.

Nachiket Kale - Analyst
Yeah, good afternoon, sir. Thanks for the early presentation, very articulate. Really appreciate the way you have presented. My question is a little two-pronged. So I notice that you have a FMCG product portfolio. So where are we selling these and how is the margin on that front? And how long have you been in that business?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Great. So the idea of becoming something bigger than just the right business was what company's vision was. So we wanted to -- let's say -- I cannot say I want to be a Hindustan Lever today, but we wanted to be a small Patanjali, small Hindustan Lever, just going forward short term. and maybe long term, I dream to become -- if God helps us, we would also love to become an Hindustan Lever at

least in this -- I would call it the Kirana category in this sector. And I think a lot of brands are trying to do -- even Tata is trying to do that, if you see, because that space is changing. So everything is coming [Foreign Speech] they are all coming to this pack product. [Foreign Speech] As in a INR4 product, selling at INR28, that is the brand pull. And [Foreign Speech] he makes -- he sells not 1 kilo, he sells 5 kilo maybe, but I think his margin is about INR25 a kilo on an average. And [Foreign Speech] So he is selling [Foreign Speech] only for INR1, which he can sell maximum 1 kg. Nobody will buy 5 kg of namak, but he is selling a [Foreign Speech] and making INR100 on it and the volume is more there and everything is also more there, but that is what we call the brand pull.

Nachiket Kale - Analyst
Correct. Sir, my question was in which geography of India are we selling it and how is the margin profile on that business so far? And how long have we -- how long has it been since we introduced this FMCG portfolio?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Right. So our FMCG portfolio, I'll come how we selected it first. As I said, we wanted to do ready-to-eat, ready-to-cook, many more value-added products, but when we went into and discussed it with our sales team and they said, yes, we can sell it. We didn't see a spark there. We went and did a survey for all our distributors. So what we did is we found out after the survey that most of our distributors are selling Aashirvaad ka Atta. They are selling Aashirvaad ka oil. They are selling Madur ki chini [Phonetic] or maybe Mawana ki chini. And that is why we decided to do this. And we started with these products about two years ago and we wanted to take advantage of our already-existing logistics channels and our partners. Because they were already selling their product, it was easier for us to sell the product, rather than bring something which our distribution channel or our logistics partners were not handling.

And going forward is also the same way. We'll be going in the same direction, which our channels are already selling and try to get a holdover distributor who is selling Madhur ki chini as much as Aruvatham [Phonetic] rice and -- because then it becomes more easier for us when we have three products we can use and -- not use them, we can bring them to our advantage because now this 40% of his top line is -- 50% of the top line is coming from Aeroplane FMCG, whereas today, it may be only 20% to 30%.

So this is the idea why we have choosen this product. We started this product two years ago. Of course, it takes time and we did not have a brand ambassador that time because we were also waiting for IPO to happen to be able to digest all this if -- I'm going to say, if this brand ambassador goes well and all our marketing guys, which we are hiring does good and we start getting sales which are like INR1,000 crores, INR2,000 crores, whatever, I don't know, I'm not saying any value here, so at least we could be able to service them with the capital that we already have.

Nachiket Kale - Analyst
Okay. Sir, in our rice portfolio, like, of course, I appreciate that's a great variety and -- could you rank like how is your segmental split across HORECA, premium and value segment?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Yes. So for rice last year was roughly about -- so we would say about -- directly from the company, we would say we would be able to identify that about 20% of the rice goes to HORECA. But I believe a lot of distributors also sell a lot of rice to HORECA. It's just not the company directly. So we sell to

TajSATS, we sell to probably this GMK Airports and all these hotel chains, maybe a lot of biryani chains and all that, but there's a lot of this sector which is also being serviced by our distributors. So if you look at this from the company side, I think 20% of the business is HORECA, whereas I believe another 15% would be also added by our distributors. So about 30%, 35% would be HORECA.

Nachiket Kale - Analyst
Okay. And how about premium and value?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
So premium is roughly about 25% as of now. And as I said that that's what we are trying to change within the brand and all these themes that we're getting in. Of course, brand ambassador and the advertising play a big role in it. So that's what we want because this -- to increase the premium segment.

Nachiket Kale - Analyst
Okay. And would it be possible to share average selling price for these segments?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Yes, I can do that. I can ask -- the CFO was in a flight and inspite I've gotten it, I can have it sent separately to you.

Nachiket Kale - Analyst
Okay, no worries, sir. And I just wanted to understand -- of course, you've built a great business over the years and there's changing consumer dynamics, which are also playing a part and you are also taking advantage of that. Apart from this, are we planning to enter any new geography or deepen into existing geography where competition may be a little less?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
So we are doing both. We are doing -- like last week, we added another geography. So we are in both directions. Of course, to be more persistent in the geographies that we are present, get a more bigger market share from the unbranded to branded rather than focusing on getting something out of India Gate or something out of Daawat. Of course, that will also happen. But the idea is [Foreign Speech] to get the maximum share out of it, as of now, because Daawat and India Gate are much popular brands and maybe the consumer preference is there because they only know this brand. Maybe a lot of consumers except which are a consumer which know us, they don't switch to India Gate or Daawat. But then, of course, the newer consumers, the nuclear families, the new families living in Bombay or Delhi may not recall this brand from last 40 years. So there is a recall, but then the recall ends where the family is large and you are sitting in Ahmedabad and probably -- for example, my mother is there and I got married. Of course I cannot get married now, I'm already 52 years-old. But let's say I was 25 years-old, I got married and my wife came in or my partner came in with me and she cooked Daawat and my mother would say [Foreign Speech] So this is when a consumer comes back to us. But this doesn't happen in Bombay or it doesn't happen in Delhi. I do not tell my son -- I may discuss with him [Foreign Speech] this is something new going on in Delhi, but we don't discuss up to till this detail [Foreign Speech]. So I think that is where they have taken an advantage. If you go back to about almost like 2013, we were similar size of companies, all three of us, but then I think Daawat became the most popular one because they took a right decision of Amitabh Bachchan and then now Shah Rukh Khan. And I think, within the rice space, going beyond that [Foreign Speech] we want to become a full-fledged FMCG, but within the rice space, let's first

-- low-hanging fruit is this and then going forward, trying to become a smaller Hindustan Lever and all that with a basket of products.

Nachiket Kale - Analyst
Right. Okay. And if I can ask just one more question -- am I audible?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Yes, yes. Nachiket, yes you are?

Nachiket Kale - Analyst
Sorry, I think there was some issue. Yeah, so are we selling to third-party brand manufacturers -- sorry, not manufacturers, third-party brands, I mean?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
We do sell lower products -- very lower products that we don't want to use or maybe like broken and all that which are basically sold because they cannot come into the branded state as of now.

Nachiket Kale - Analyst
Correct. Got it. Yeah, that's all. I'll get back in the queue.

Operator
[Operator Instructions] As currently no participants have raised their hand I'll take up questions from the Q&A section. Before that we have a question from Vatsal [Phonetic]. Vatsal, you are allowed to talk.

Vatsal - Analyst
Hello? Am I audible

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Yes, Vatsal, you are.

Vatsal - Analyst
Yeah, hi, sir. Sir, my question was regarding the sales. So if you can give me a bifurcation with regards to our sales which are sold domestically and your export sales, the metric tons?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
I would not have the metric tons right now, but I can have the revenue in crores. And I will have you send the metric tons also via the same channel that you've responded. So our export sales roughly last year -- well, last year we did about INR2,300 crores of business, out of which INR850 crores were export.

Vatsal - Analyst
Okay. And, sir, with regards to your domestic sales, so which states comprise your highest sales? Can you give me your top-five states?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Okay. So we are more popular when we talk about -- within the three peers that we have like India Gate, Daawat and Aeroplane, we are like number one in Gujarat. We are also number one in Kerala by our brand name called Ali Baba. And we also score quite high between these two brands -- higher than these two brands in UP. And then it is pan -- UP.

Vatsal - Analyst
Okay. Also what percentage of revenue would come from all these three states?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
So I believe about 35%, 40% would come out of these three states and the balance comes out of pan-India.

Vatsal - Analyst
Okay, got it. And what would be your bifurcation with regards to basmati rice and non-basmati rice?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
So what we do exactly today is, as I said, the idea is to sell the premium brands itself. So we do basmati and we also do premium non-basmati. So when we talk about premium non-basmati, something -- some seeds which are even more expensive than basmati. For example, let's talk about Lachkari or So this is even more expensive than basmati, but we run into a space which is premium non-basmati, something like -- which you must have heard of is Sona Masoori. So, Sona Masoori is also a product which is loved by South Indians, all around India or outside of India also. So that is a consumer which sticks to Sona Masoori. And similarly, you have Jeera rice, Gobindobhog, which that consumer is there. And then this is also a segment that we deal in. And the segment will not be very large. I think it will be less than 3% to 4% of our total sales as of now, but growing because consumers again like basmati, Sona Masoori customers are also switching to packed rice, similarly is -- Lachkari, similarly in Gobindobhog.

Vatsal - Analyst
Got it. Sir, so my next question is regarding the things which have happened in the Middle East Asia and so how does that impact your company and how has it impacted your company till today and what steps you are taking to mitigate the risk over there.

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
I think there was a -- I didn't get the question correctly. Can you kindly repeat? I think there was a small glitch where I was talking and you were talking, so it overlapped.

Vatsal - Analyst
Okay. So my question was regarding the things which have happened in the Middle East. So how much of an impact has it caused on your company and what measures you are taking to mitigate the risk?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Okay. So since our dear friend Mr. Trump announced the war on the Middle East and the Middle East also reacted, and they continued to still go on war, of course, there was an issue of logistics, though the demand has increased. But actually to get the produce delivered there is an issue still today. The demand is quite persistent, quite -- I think is more stronger than before. To give you an example [Foreign Speech] So the freight used to be almost -- let's say, for Oman, for example, giving you a country, was about $400, which may have gone to about at one point of time, $4,000. It has reduced a little bit now, so 10 times increase, but that also was taken care of. They were able to digest that also. So the only difficulty, there is a very strong demand, there is no pressure on the margin, rather the margin you can probably charge a little bit higher margin also today and he is also ready to bear all the freight costs, but the problem is not logistics. So you are not able to get so

many containers, so that you can actually deliver what he wants. So that may have impacted on the sales of export side, but we have basically mitigated that because we were increasing it within India. So I think the company's total top line is definitely increasing. You have seen that increasing even in quarter -- we have already reported the Q1 and maybe soon reporting the Q2 also. But yes, this growth could have been higher in case the Hormuz issue was not there. But it has definitely not affected the bottom line.

Vatsal - Analyst
Got it. And sir, one last question from my side. I just wanted to know the effects of El Nino on the company. And what I have been hearing is the water level was decreased in some parts of the country. How will it affect our rice production?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Okay. So when you talk about rice, rice is very big. We were talking only about basmati, which is only grown in the areas of Punjab, Harana, UP, Uttaranchal and all that, whereas rice is grown even in the South almost every year, Gujarat and all that. So I'll concentrate on the basmati part because that is our forte area. So as of now, yes, there have been many concerns which we have heard of, sometimes we hear of El Nino or sometimes we heard of floods, if you go last year in Punjab. But I think the farmer and our system has been -- like we had a lot of floods, if you remember last year, Punjab [Foreign Speech] and all that. But what we found out after the satellite survey that only 3% to 4% of the crop was lesser than last year.

So as of now, I don't foresee any constraints on the supply segment of it. For last -- I've been in the industry for more than 30 years now, maybe more than that. I've never seen that there was a sale happening and there was an issue with the procurement. It could be higher price, it could be lower price, but the goods were always available. So short term, I don't see anything of this changing majorly. Long term, I do not know, 10 years down the line something is very difficult to say, but short term, I completely don't see any reason of having any constraint on supply, except the price may go up and down because of -- that is also because of -- more because of the media. If media talks there too many floods and all that, so most of the people don't understand that only 3% of the crop is damaged and not too much is damaged and goes -- so then people start going into hypermode and trying to buy more and that hikes the price. But it's majorly media driven. I haven't seen a year where I would say that there was the supply constraint was anything which was of concern. I don't see it of a concern practically.

Vatsal - Analyst
Okay. Thank you, sir. I'll get back in sir.

Juhi Manwani - Analyst, Arihant Capital Markets Ltd.
Thank you. Thank you Vatsal. We'll take our next question from Premal [Phonetic]. Premal you are unmuted. Hi, Premal, can you hear us. Premal, I think you are not audible. You can join back in the queue or can rejoin the call. Till then we'll take up the questions from the participants who have given their questions in our chat box. The first question is from Shrinath Krishan. Hello, sir, can you please take us through your strategy for the FMCG category in detail, A, infrastructure; B, initial category that we would like to pick. C, the capital that we would like to spend in building the category?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Yes. So basically -- so category, why we have set to the category, I think I have already discussed [Foreign Speech] The category was the most low-hanging fruit., [Foreign Speech] rather than to go into a product something like Maggie or something where my distribution channel was not selling it, or maybe even higher what we were thinking before was ready-to-eat, ready to cook [Foreign Speech] but that was -- we didn't find our distribution network supporting that. And we thought [Foreign Speech] easiest is that switching over our existing distributor who is already selling maybe Madhur ka chini or maybe Mawana ki chini or maybe Aashirvaad ka atta, and trying to switch over because they are already selling also -- they are trying to switch it over from this product to our branded product. So this is how we had selected why we would do this -- why we are into this space.

Going forward, this is -- unlike rice or unlike basmati rice, this is not that what we are manufacturing. We are only branding this. So we have a quality team which takes care of everything, makes sure that the quality product is only delivered. So this is not something where we will need a lot of capital. Of course, there is the capital which is spent when you sell to a distributor, there is a time -- by the time the distributor pays you back. But then it is not that high capital intensive like rice, where you have to gauge it. So this is the space and all these spaces, as I've already said [Foreign Speech] the idea was also to -- so if you see a company which is already INR2,200 crore, INR2,300 crores of revenue by last year and maybe this year much more, so what would you like to add with it? Would you like to add INR50 crore revenue from ready-to-cook? What probably you would like to add [Foreign Speech] because the TAM for atta is [Foreign Speech] So maybe there's a chance that even if you pick up 2% or 3% of that you can gain a revenue of INR2,000 crores or something. So that is the lowest-hanging fruit for us and that's really for us.

Juhi Manwani - Analyst, Arihant Capital Markets Ltd.
Okay sir, thank you. We'll take a question from Premal. Premal, you can unmute yourself and talk. Okay, I think there is no question from his end or there is some network issue. We'll take our next question which I have in the chat box from Anurag Jain. How have basmati rice prices moved in last 18 months? What is the outlook for six to 12 months -- next six to 12 months?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
So last 12 months, the prices have moved up. And since this new crop has come in, it has even gone up further. I think season to season I would think that they must have moved more than 25% on an average than last year. How does it go forward? It's very difficult to say. But yes, as I said, demand from the export is very consistent and they are ready to import at any price, as I just was telling you [Foreign Speech] which is 10 times of this thing and then fill the people and the distributors when the consumers are demanding it. So I think what I see is that they will remain strong. I don't see that coming back to what it was last year now.

Juhi Manwani - Analyst, Arihant Capital Markets Ltd.
Okay. Thank you, sir. Sir, as we are short of time, we will need to end this call. Any closing remark you would like to make?

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
All I would like to say is let's all hope that we become a big FMCG company with all your blessings. And I would also like to say start consuming Aeroplane rice, atta, besan, maida, sooji, namak, whosever it is.

Juhi Manwani - Analyst, Arihant Capital Markets Ltd.
I think Vatsal has raised his hand, he might be having further query. Vatsal, you can stay in touch with the team at Arihant Capital. Actually, we have our next call slot from 4 to 5 PM. So we'll need to end this call. And I would like to thank you from the teams at Arihant Capital to the management, to Sumeet sir, to Omkar, to everyone who has joined this call, in fact, the participants. And I look forward for hosting more such calls and more such events. This is Juhi Manwani. I will sign off. Thank you everyone. Have a nice day. Thank you so much

Rahul Suri - Whole-time Director, Amir Chand Jagdish Kumar (Exports) Limited
Thank you. Bye everybody.