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Date: May 8, 2026

To,
BSE Limited
P. J. Towers, Dalal Street,
Fort, Mumbai – 400001

Ref.: BSE Scrip Code No. “540743”

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai-400051

Ref.: “GODREJAGRO”

Dear Sir / Madam,

Sub.: Transcript of Conference call with Investors & Analysts held on Monday, May 4, 2026 at 3.00 p.m.

Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulations, 2015

Please find enclosed herewith a transcript of Conference call of Godrej Agrovet Limited with the Investors and Analysts held on **Monday, May 4, 2026 at 3.00 p.m. IST.**

The aforesaid information is also available on the website of the Company viz., www.godrejagrovet.com.

Please take the same on your records.

Thanking you,

Yours faithfully,

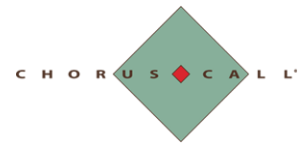
For Godrej Agrovet Limited

Vivek Raizada
Head – Legal & Company Secretary & Compliance Officer
(ACS - 11787)





“Godrej Agrovet Limited
Q4 FY '26 Earnings Conference Call”
May 04, 2026



MANAGEMENT: **MR. NADIR GODREJ – CHAIRMAN – GODREJ AGROVET LIMITED**
MR. SUNIL KATARIA – CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR – GODREJ AGROVET LIMITED
MR. S. VARADARAJ – CHIEF FINANCIAL OFFICER – GODREJ AGROVET LIMITED
MR. BURJIS GODREJ – CHAIRMAN DESIGNATE – ASTEC LIFESCIENCES
MR. ARIJIT MUKHERJEE – EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER – ASTEC LIFESCIENCES

MODERATOR: **MR. PROBAL SEN – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Godrej Agrovet Limited Q4 FY '26 Earnings Call, hosted by ICICI Securities. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Probal Sen from ICICI Securities. Thank you and over to you.

Probal Sen: Thank you. Good afternoon, everyone, thanks for making the time and joining us on this Godrej Agrovet Q4 FY '26 Earnings Conference Call. From the company, we have with us members of the senior management including Mr. Nadir Godrej, the Chairman of the company; Mr. Burjis Godrej, the Chairman Designate; Mr. Sunil Kataria, the Chief Executive Officer and Managing Director; Mr. S. Varadaraj, the Chief Financial Officer; and Mr. Arijit Mukherjee, the Executive Director and Chief Operating Officer of Astec LifeSciences.

We would like to begin the call with brief opening remarks from the management, following which we will have the forum open for an interactive Q&A session. Before we start, I would like to point out that some statements made in today's call may be forward-looking and a disclaimer to this effect has been included in the earnings presentation that the company has shared with you earlier.

Without further ado, I would now like to invite Mr. Nadir Godrej to make the initial remarks. Over to you, sir.

Nadir Godrej: Thank you. Good afternoon, everyone and welcome you all to the Godrej Agrovet Earnings Call. I will begin by briefly commenting on our performance for quarter 4 fiscal year '26 and the full year fiscal year '26. Godrej Agrovet delivered a strong and consistent performance in quarter 4 fiscal year '26, concluding the year on a positive note.

For the quarter, consolidated revenues grew to INR2,333 crores, reflecting a 9% year-on-year growth, while profit before tax excluding non-recurring and exceptional items increased by 16.8% to INR87 crores. This performance was driven by broad-based volume-led growth, disciplined margin management, and a favorable business mix across key segments.

For the full year ended 31st March 2026, the company surpassed an important milestone with consolidated revenues exceeding INR10,000 crores, reaching INR10,233 crores, representing a robust year-on-year growth of 9%. Profit before tax excluding non-recurring and exceptional items increased by 17.2% year-on-year to INR569 crores, reflecting the improved quality of earnings, margin expansion, and strong execution.

In addition to earnings growth, fiscal year '26 also saw a meaningful reduction in working capital, translating into stronger operating cash flows and a tangible improvement in return on capital employed.

Let me now briefly walk you through the performance of our key business segments. Animal Nutrition delivered another strong quarter with quarter 4 volumes growing 15% year-on-year, significantly ahead of industry growth. Cattle feed volumes increased sharply by 24%, supported by strong performance of new products launched, favorable commodity positions, and continued cost optimization. Margins expanded meaningfully across the portfolio.

The oil palm business concluded a landmark year in fiscal year '26, marked by highest ever area expansion, strong volume growth, and all-time high oil extraction ratio. While quarter four is seasonally weak, margins were largely resilient, aided by improved oil extraction ratios and improved realizations.

The Crop Care business remained impacted in quarter 4 fiscal year '26 due to carry forward of inventory in the co-marketing channel, leading to lower volumes of in-house products. This was partially offset by improved sales of selected specialty products. Astec LifeSciences continued its strong turnaround momentum with EBITDA break-even in fiscal year '26.

In quarter 4 fiscal year '26, both revenue and EBITDA recorded robust year-on-year growth, driven by higher volumes led by the CDMO category, improved realizations, and better capacity utilization. Enterprise margins improved further compared to quarter 4 fiscal year '25.

But I would also like to mention that in line with our focus on harnessing group expertise in chemicals, we have recently augmented the Astec Board with Mr. Vishal Sharma as Non-Executive Chairperson, Mr. Mathew Eipe as Independent Director, Mr. Arijit Mukherjee, who has been the COO of the business, has joined the Board as Executive Director and will be leading the business going forward.

These appointments meaningfully strengthen Astec's leadership and we believe will be instrumental in accelerating growth and unlocking its true potential. Creamline Dairy recorded approximately 5% year-on-year growth in revenues, excluding bulk sales during quarter four fiscal year '26. Profitability remained under pressure due to elevated milk procurement costs, though value-added product salience improved to around 40%, up from 38% last year.

Godrej Foods Limited continued its strategic shift towards branded offerings. In quarter four fiscal year '26, EBITDA margins improved significantly, driven by margin expansion in both the Live Bird and Yummiez categories, supported by improved realizations. Branded revenue salience remained above 80% in fiscal year '26.

Overall, fiscal year '26 was a year of strong performance for Godrej Agrovet, underpinned by disciplined execution, improving business mix and sustained focus on value-added and branded portfolios. We also made meaningful progress on our sustainability agenda under the Good & Green vision with leadership positions across climate, water and renewable energy initiatives. Thank you.

Moderator: Should we begin the question and answer session?

Sunil Kataria: Yes.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We'll take our first question from the line of Abhijit Akella from Kotak Securities. Please go ahead.

Abhijit Akella: Yes, good afternoon and thank you so much for taking my questions. I'll limit myself to two or three in the first round. First from the standpoint of FY '27, the way you're seeing the outlook for your various segments. Would it be possible to offer us some sort of outlook or guidance regarding what kind of revenue growth, what kind of profitability we -- it might be fair to expect for the year ahead?

Sunil Kataria: Yes, hi Abhijit, Sunil here. So Abhijit, obviously the direction that or let's say broad guidance that we give for FY '27 has one overhang of Iran war which none of us have anticipated. And that's one piece which I would say remains a bit of a variable still, I think, open for everybody as how it pans out currently. But given from the strong work that we've been doing in the last eight, nine months.

Overall, at a GAVL level, would like to look at -- we'd like to focus on getting an early double-digit revenue growth across put together at a consol level. Along with the way our PBT has improved this year, we'd like to again target a let's say a mid-strong double-digit, mid-teens kind of a PBT growth also for the next year. So that's a broad directional overall growth that we would like to gun for.

Between the businesses, I think Animal Nutrition business has done a very strong showing across. And also, before that, I think the entire revenue growth for us, by and large, we are focused on driving through underlying volume growth. So that's another large piece that will play out for us. So, we are focused on getting volume-driven revenue growth. In terms of businesses, I think first of all, Animal Nutrition quickly.

The business has been doing pretty well across led by cattle feed and even some other feed businesses. That's something momentum continues. We'd like to again go for a double-digit growth in revenue led by volume in Animal Nutrition business as we would like to call it now. And similarly for our Crop Care business. Next the -- next year is likely is a year which we'd like to go for a recovery.

And that's what we're calling as a year of recovery for this. However, at the same time, one piece I want to just point out is that the recovery of the Crop Care business would start -- we'd start seeing it coming back fully from quarter two onwards because the last year also there's a co-

marketing-based inventory which is sitting in our Q1 base of last year. And that will play out in this Q1 for CCB business or the Crop Care business.

Otherwise, we'll go for very strong recovery in both bottom line and top line and it will be again a very high double-digit numbers that will happen in the Crop Care business. In CDPL business, the journey continues towards increasing value-added portfolio further. The pressure points will be I think on the milk procurement prices which we expect it to cool down somewhere from quarter two gradually and then the broad direction is that quarter two onwards the milk prices should kind of normalize.

The Godrej Foods part, again in the value-added piece which is primarily the branded piece, again the focus is very clearly to drive double-digit growth. The momentum that we already built for ourselves, that is again going to continue. Live Bird continues to keep coming down for us and that's where we'll keep on investing in both these businesses behind advertising to ensure that there's a strong double-digit volume growth happening.

Oil palm, on a very, very strong footing right now. Again, looking for another year of double-digit volume growth in oil palm, early double-digit. And we have done some exceptional work on oil extraction ratio. We definitely see some more work happening there and we have done a record area expansion this year. Next year we're gunning for even beating that record on area expansion.

We also -- so I think I've covered Animal Nutrition and Astec. And on the Astec business, I think Arijit would come in between on specific questions, but broad direction let me just give you that we have seen a strong comeback led by CDMO. Our pipeline funnels are looking pretty good. We expect that momentum to continue with a clear focus on CDMO-led growth happening.

And we have become EBITDA breakeven this year and we will expect the journey to continue going forward. So overall, all in all, there is a momentum that is there in the business. We expect the momentum to continue across all parts of our business and with some businesses which had taken a beating, getting into a recovery mode.

Abhijit Akella:

No, thank you for that, Sunil. That's really helpful. Just one or two follow-ups, if I may. One is on the palm oil business. So you mentioned that all of the top-line growth is targeted to be driven by volume expansion, but at the same time we're seeing fairly strong palm oil prices at this point in time.

So is that all over and above this guidance that we are kind of looking at? And what is your outlook for palm oil prices? I mean, do you see them remaining firm here for the foreseeable future or how do you see the trajectory?

Sunil Kataria:

Okay, so this is where I'll give my bit point and then I'll ask NBG should also step in. But first of all, I think, you know, the way we there are certain kind of palm oil modeling that had

happened pre-Iran war, where the outlook for the year on palm oil was actually a little bearish this year.

Let me tell you, when I had gone to Malaysia, the conference which really the palm oil conference which happens which gives a kind of outlook, this was looking like a little bearish year. And then this war happened. And obviously now all models have gone a bit haywire on palm oil. So for me to be very honest to say that what is the year-long outlook on palm oil, I think we are right now playing it quarter-to-quarter honestly, you know.

So it's very, very difficult to give you a very long-term point of view, but I would say we'll take it by the quarter. And maybe I'll ask NBG, if NBG wants to also give any sense of what his take on this is right now. Mr. Godrej, would you like to?

Nadir Godrej: Yes, I'll also mention that a lot depends on what happens in the Middle East and palm oil prices are strongly correlated with crude oil prices because of the connection through biodiesel. And therefore, a lot will depend on that. But I would also like to say that if the Middle East war continues, it will probably be bad for the crop protection business, but good for oil palm. So for Agrovet overall, the impact either way may not be very great.

Sunil Kataria: Thank you, NBG.

Abhijit Akella: Got it. Yes, thank you so much. And yes, if I may ask one last one before I return to the queue. Just on the Astec business, obviously with all this management kind of restructuring that has recently happened, or should I say just changes at the at the senior management level, would really appreciate some color from the promoters or senior management regarding the way forward for Astec as well as the overall chemicals business of the Godrej group. We understand...

Sunil Kataria: I'll ask Burjis. Yes, so maybe Burjis, I would ask Burjis to give in a few points on this and then I'll also step in with that. Burjis, over to you.

Burjis Godrej: Yes, hi Abhijit, this is Burjis speaking. I just want to say that we do believe that Astec has very strong underlying potential and this is supported by Godrej Industries Group's very deep chemical experience and manufacturing expertise. So we did make some recent management and Board changes which reflect our intent to leverage this expertise more effectively and accelerate value creation and synergies.

The Board is strengthened with the induction of Mr. Sharma as Chairman and Mr. Mathew Eipe on the Board, whose sectoral experience we believe will materially benefit Astec. And Arijit Mukherjee has been closely involved with Astec's operations as COO for over a decade, will now drive the business forward as an Executive Director. Sunil and I will continue on the Board and this will ensure continuity and we are very confident that leveraging the group expertise will be the starting point for an accelerated scale-up of this business.

Sunil Kataria: Yes, and one more thing which I just want to add here on this Abhijit is that in terms of structure, it is too premature for us to comment on the same, you know. We are in the process of evaluating what is the most optimal structure and how it will go forward. And I think maybe over a period

of next two-three quarters, then once we have bit more clarity in our minds and thought process, we'll come back to all of you on that.

For now, we just want to assure that the interest of all minority shareholders will be protected and our endeavor is actually to make sure that we enhance shareholder value for everyone. So I think give us a bit more time, I think as we are more clear, we'll come back to you over the coming two-three quarters.

Abhijit Akella:

Okay, sure. Yes, and my apologies, but just one last quick two, if I may just squeeze in before I return for more. On the animal feed side of things, the volume growth seems to have accelerated quite sharply in the last few quarters. So, what's behind this and how do you see that going forward also?

Are margins expected to stabilize? And if so, what are the drivers behind that? That was one piece on the animal feed business. The other was just with regard to your outlook for capex, working capital, and free cash flow for the year ahead. What should we pencil in for each of these items and what are the proposed uses of any surplus cash that you might generate? Thank you so much.

Sunil Kataria:

Okay. So I think on the animal nutrition business, I think it's a mix of some very, very strong execution which has been happening and some environmental support. So the one, let me first say the little bit part of the environmental support, I would not say that played the biggest role, is the fact that as when milk procurement prices remain so elevated, it does become a kind of a positive trigger for shift from unbranded to branded compound feed business because the farmers see the benefits of the income which they're generating from a better higher milk yield.

So that obviously is one thing which we've seen in the last 7-8 months which has impacted our Creamline Dairy business pretty negatively, but that's something which plays positively in this part of the business. Having said that, I think there have been two-three some very fundamental execution levers that we have pressed. One, first and foremost, I think there has been a strong work across some key geographies that we have focused on.

We have done very well in West, which has always been our stronghold, but we have done also very focused work towards East and Central India, which have maybe in a bit of a traditionally, a weaker part of our business. And that we are starting seeing some gains in this. Obviously, this business, it's very difficult to get a Nielsen equivalent share gain report, but our hunch is that we have started making some share gains out of these two other geographies that we've started focusing on. That's one thing which has happened.

Secondly, there are some products that we had launched a few quarters back and some in the last quarter, which I think started giving us some gains. And these products are aimed at more, you know, higher end or what we call as the Type 1 products which are targeted at higher yield, you know, animals, which again, while it's I won't call it premiumization in that sense right now, but that is the focus, you know, I would say a little bit more value-added part of the business which we're trying to push to grow.

So that is the second piece which has very clearly happened. I would also want to call out that our R&D has done some very strong work in terms of also, reconfiguring certain cost structures in our, raw material prices -- raw material components here, which also has given us some benefits in the margin expansion. So, I think put together these three-four things are something which are, played out for us pretty well in the animal nutrition business.

Nadir Godrej: May I add something, Sunil?

Sunil Kataria: Yes, yes, yes NBG.

Nadir Godrej: Yes, I would like to add that Sunil has brought a lot of focus on the sales organization and the marketing organization. We always had very strong R&D, but now we are focusing it more directly on the consumer and as a result, we have developed these new products. And I think these initiatives will continue and we have the potential of helping the farmers greatly by making better quality feed which gives more production from the animals at a lower cost. And we will drive our R&D knowledge in with better marketing to satisfy the farmer and grow the business.

Sunil Kataria: Thank you, NBG. And I think Varda also wants to say now take on the question on that cash flow and working capital.

S. Varadaraj: So, Abhijit, in terms of animal nutrition, before I move to the cash flow, in terms of this segment margin improvement which we saw, part of the reason for the improvement in segment margin in Q4 is that includes the pet food business income of around INR9.5crores. Now, this is this is the we sort of take care of the back-end or the manufacturing business of the pet food. The front-end is taken care of by GCPL Godrej Pet Care Food business and the back-end is sort of taken care of by us. So that's a line of business for us in a small way, the manufacturing...

Sunil Kataria: In a way, I would just add in here, in a way it's a new stream of operations for us. You can say it's a bit of a -- it's actually a kind of a new category expansion work for us at the back-end whereas this business area is moving forward, we are also going to get some a strong income coming out of this business.

S. Varadaraj: Right. And consequently, unfortunately, what has happened is the way we have sort of structured this arrangement, it sort of sits in the other income line and that is the reason why you don't see it in the normal space. So that's one reason why the segmental results for the animal feed business has sort of animal nutrition business has gone up.

In terms of the cash flow, we expect that for the full year of FY '27, we will be sort of after taking care of the capex requirements of the year, which is close to INR400 crores, we should be left with around INR100 crores, INR125 crores kind of cash surplus which will be there.

Sunil Kataria: And in terms of capex, I think our capex requirements would be in the coming years we have pretty much first of all out of our overall capex would be in the range of around 350-odd crores. Roughly around 75% to 80% of that capex will be growth capex for us.

And we are pretty clear in our mind we have done a that the entire capital allocation would be towards high-growth businesses and that is where the entire capex is going through. If I remember correctly, correct me Amit if I'm wrong, roughly around I think 50-odd percent of our capex deployment is going towards oil palm business.

S. Varadaraj: Oil palm business correct.

Amit Pendse: Yes. That's right.

Abhijit Akella: Yep, sorry, just to clarify this pet food business of INR9.5crores, the income there, this is the profit we are talking about, is it? Or the revenue?

Sunil Kataria: This is the profit, yes, this is the profit. Yes. And this is an additional stream of income for us going forward.

Abhijit Akella: Yes, and what would the corresponding revenue pertaining to that be?

Sunil Kataria: Revenue doesn't come to us because revenue doesn't see we are manufacturing this product for them, right? So, we are the manufacturer of this product, the revenue doesn't belong to us. The profit of the it's a payout on the manufacturing piece that happens to us. So, it's kind of a contract manufacturing kind of an arrangement.

S. Varadaraj: So, Abhijit, as you would appreciate, the manufacturing part of the business is taken care of by us, but you'd appreciate that as per our accounting standards, accounting guidelines, we are required to account the entire transaction in a particular manner. And that is the reason why we don't see the revenue stream coming in.

Abhijit Akella: Okay. Thank you so much. I will return for any more on this.

Sunil Kataria: But I would say there is a good adjacency for us which is developing.

Abhijit Akella: Sure, thank you so much. I'll return for any more in the queue.

Moderator: Thank you. Next question is from the line of Arjun Khanna from Kotak Mutual Fund. Please go ahead.

Arjun Khanna: Thank you for taking my question. So, the first question is regarding the impact of monsoons. So, there is a prediction by Skymet and IMD that we'll probably see a below normal monsoons this year. You did talk about the impact of the war on our business. Could you just comment on how you see the outlook for the year while you did give us a brief interplay with the weaker monsoons segment-wise? Thank you.

So, I'll just reframe my question again. We did in the opening remarks talk about the impact of the war on our business and we also given commentary on the outlook for the year. Given that there is a prediction from IMD and Skymet that the monsoons this year would be below normal, below long period average, how do you see that interact with our predictions for the year in

terms of volume growth and which segments do you see positively or negatively impacted due to the same?

Sunil Kataria:

Arjun, honestly, you know, we all have a smile on our face when you ask in this question. To be very honest, when we made this whole guidance and this plan, we were still not very sure how the, Skymet and IMD's predictions would pan out. They have obviously become clear to us in the last 30-odd days, especially with IMD giving a prediction which is worse than Skymet right now.

Honestly, I mean, these numbers don't figure in a real, real El Niño impact. But at the same time, I think it's very difficult for us to right now put in any part of El Niño because three reasons. Two reasons. One, the all the predictions are saying that June will be pretty normal and then there'll be a gradual decline with August and September genuinely becoming pretty bad.

So, the severity would I think hit August and September if these predictions were to come right. Now, what this means is that it is not a that June-July would still fall within the LPA range as the, monsoon -- as the meteorological department, describes it. So, I would say this El Niño will have maybe a two halves to it. That's point one.

Second part is there is always in this El Niño one thing which happens is that how does it play out geographically? Now, our businesses have all different kinds of skews. Like for example, the Crop Care production business for us has a pretty decent skew towards South and West. Now, as of now, if I were to go by this monsoon, it says the only region which is likely to play out normal in the entire El Niño period is South.

Now, if that happens, then this El Niño is not exactly El Niño for us in the Crop Care business while it may have impact on some other businesses. And the third part very clearly is there is always this probability of a Indian Ocean Dipole or something, developing and then maybe the El Niño, effect could get in a much some kind of a moderated.

So honestly, there is clearly an El Niño playing out. Now, how it plays out in geographies, how it plays out in time period is a bit of a variable which is still very difficult to take a hard call on. So the way we would see it, we would like to stay course on this guidance as of now and see how we can play it out across once this El Niño becomes clear by the month. That's where I would say right now.

Arjun Khanna:

Sure. I just wanted...

Nadir Godrej:

Sunil, do you want to say something about oil palm and El Niño?

Sunil Kataria:

Okay, NBG, why don't you pitch in, you know. Yes, I mean you can pitch in then I'll add on to that. Yes, NBG.

Nadir Godrej:

Yes, so we feel that there will not be a very bad impact on oil palm this year even if the monsoon is poor, because oil palm being a tree, it takes a long time to get affected. There could be some

effects next year, but we will do a lot of research to see if there are any solutions to prevent bad effects next year as well.

Sunil Kataria:

Yes, but you know, to add on to that, we have certain kind of -- so in an overall piece on oil palm, we don't expect any impact of El Niño on oil palm plantation business this year. And there are certain kind of intervention we've planned to see how to counter El Niño in this year so that it also does not impact us too badly next year.

Plus one more thing I want to also add on to oil palm plantation business from a long-term point of view. See, there is a very interesting thing of what we are internally calling as demographic dividend, which is playing out for us in this business. That a lot of, like today roughly around 50% of our trees are in the stage which we call as a juvenile stage, which is 0 to 4 when they're completely unproductive.

And as we have been doing a lot of plantations now, over a period of time, starting from this year and next year and then next year, all these juvenile trees will start becoming younger trees which become productive. It's almost like typically what India has seen the benefit and I love this word and that's why I'm introduced this theme to what the team saying that hey, this business is actually going to see a demographic dividend over the next five years.

So, while what NBG was mentioning that there could -- first of all this year no impact, if at some stage some impact comes on a year after, my hunch is that my reading is that it will be more than made up by our demographic dividend playing out because more and more part of our business will start coming into a productive stage and that will more than offset any negative impact which may happen at some year or so.

So, I am pretty bullish about that overall with the intervention that we're playing out, the demographic dividend playing out, overall I guess the oil palm plantation business should be pretty strong going forward for us.

Arjun Khanna:

Perfect. That's good to know. And just the last bit on the animal feed piece because historically a poorer monsoon as we saw in '23, calendar year '23 or August '23, if I look at FY '24, that's the highest ever revenues you have done as a company. So, if you could just talk about the correlation between our animal feed piece and the monsoons?

Sunil Kataria:

Yes, okay. I mean, normally I think our correlation is pretty well to what happens to the milk yield, I would say. So I think that I would say is the larger variable than anything else in this business.

Arjun Khanna:

Sure, fair enough. Sir, the second query I had was more bookkeeping. If we look at the other equity line in our balance sheet for FY '26, it's substantially lower than FY '25. Given that we have had good profits, yes, we have paid out dividends, could you explain the difference of the INR300-plus crores reduction in other equity?

Sunil Kataria:

Just give us a second, yes.

- S. Varadaraj:** Okay, yes, Arjun, the reason why that is happening is because in the current year FY '25-'26, we acquired the remainder stake in our dairy business, that is Creamline Dairy.
- Arjun Khanna:** So, the loss is fair. Understood. Well, understood.
- S. Varadaraj:** Yes. Okay, Arjun.
- Arjun Khanna:** Sure, thanks. That's it from my side. Wishing you all the best.
- Sunil Kataria:** Thank you, Arjun. **Moderator:** Thank you. Before we take the next question we would like to remind participants to ask a question please press * and 1 on your phone. Next question is from the line of Maneesh Bhadane from 360One Capital. Please go ahead.
- Maneesh Bhadane:** Thank you sir for an opportunity. Sir, my first question is on the Astec LifeSciences part. Like we earlier used to procure a lot of raw material from China. So how much currently we are sourcing from the China in percentage terms for the Astec LifeSciences?
- Sunil Kataria:** Okay, so I would ask Arijit to pitch in here. Arijit, over to you.
- Arijit Mukherjee:** So for last year, the purchase has been in the -- around 47% of the total imports have come from China.
- Maneesh Bhadane:** Okay, and like we are also progressing some sort of on the backward integration. So how is it going on?
- Arijit Mukherjee:** Yes, so backward integration is in two aspects. One, it is done continuously because all -- not only for our own molecules, for other molecules also we generally go on reviewing what to do with the backward integration. But always a backward integration is not only based on the price, right? Backward also has to generate some long-term value creation. It has to match our assets, it has to match our chemistries also.
- So as of now, what we have done for most of our enterprise molecules, we are fully backward integrated in the sense if there is a supply constraint or the prices goes up or supplies are not there, we can immediately start the backward integration process so that the supplies are not affected. Similarly, for major of the CDMOs, we talk with the partners and we are going for a backward integration. So, it is a continuous, but it all depends on the valuation -- on the value creation and also the cost competitiveness.
- Maneesh Bhadane:** Okay, got it. And like as we all know that the Indian currency is depreciating. So given a substantial part that we are importing from China, so how we are managing this import cost and like what sort of the margin impact we are seeing on this?
- Arijit Mukherjee:** Look, in our sort of businesses, currency management or currency volatility is a part of a structurally we approach to it, right? But you have to remember that we are a net exporter. So once ever the depreciation happens and the export realization actually offers a natural hedge to the imports. So that is one aspect.

Secondly, we manage our imports properly in terms of proper time of say importing the lot so that the production -- there is no too much of inventory build-up. There is also some actions is taken in terms of with the currencies, currencies also is there. So that in the short term, we generally take care of the currency volatility. And being a net exporter, it has almost neutral to neutral impact in terms of the overall business' margin. It does not impact too much in the overall business.

Sunil Kataria: In fact, maybe if I -- maybe I would say maybe a little bit that again, this currency volatility is something very difficult to predict. But yes, I mean, maybe in the short term if this remains too high, there could be a mild positive benefit for Astec which happen given that we are a net exporter overall. But again, these are things, which as we know they are pretty much changing by the month.

Maneesh Bhadane: Got it, got it. And sir, it will be valuable if you share the outlook on the product mix like enterprise product versus contract manufacturing going forward, like if you have any target set in your mind and also onto the domestic and exports market, like what will be the contribution going forward?

Sunil Kataria: Arijit, over to you.

Arijit Mukherjee: So, in '26, enterprise constitute almost 48% of the entire revenue and CDMOs were CDMO as a new products constitute around 52%. I think next 2 years also it will the ratio-wise it will be the same. A little bit reduction in enterprise will happen only after financial year '28. So and in terms of the exports, this year we clocked around 53% of the total revenue through exports. Next year if we see the enterprise molecules moving up, we should be somewhere between 60% of the revenue coming from exports.

Maneesh Bhadane: Okay, okay, got it. And sir, in I think 2022 or 2023, we also launched the Samruddhi brand. So how is the traction for that brand and in the coming future or like we are like we have any idea to launch any new brand like the Samruddhi brand we launched in '22-'23, something like that?

Sunil Kataria: Yes, okay. So obviously Samruddhi brand is one brand which led to a complete, disruption in the market of Maharashtra for us in post '23. And as I mentioned in the earlier, answer to Abhijit, that there are couple more products which have started coming in for us in the last year.

And one such product which had come in and which is scaling up now pretty well for us is a brand called Dhanlaxmi. And that is one piece which is started happening in markets of Maharashtra and Karnataka. Again, it is targeted at the higher yield, milk yield giving animals. So that is again which is showing us a good traction and we hope to take that brand further to, across these three states of Maharashtra, Karnataka and one more state. And we expect that to become a pretty strong, product for us going forward.

In southern markets, we have also upgraded done a renovation of a product, which is a product from which we earlier used to have called Bypro, which we have upgraded to a new richer

product called Bypro Plus. And that again is giving us pretty decent incremental gains which are happening in parts of South.

So, I think as NBG also mentioned somewhere in the middle, that one clear focus for us going forward in our all our businesses and while animal nutrition obviously it comes in that, is that we are and as part of our long-term strategic shift, we are becoming more consumer-centric, we're becoming more market-facing, and R&D innovation pipeline across all our businesses will become stronger and stronger.

Maneesh Bhadane: Okay, sir. Thank you so much for answering all the questions. Best of luck.

Moderator: Thank you. Next question is from the line of Sumant Kumar from Motilal Oswal. Please go ahead.

Sumant Kumar: Yes, hi. So my question in Crop Protection...

Moderator: Sumant, sorry to interrupt. Can you use your handset mode, please?

Sumant Kumar: Yes, can you hear me now?

Moderator: Yes, please go ahead.

Sumant Kumar: Yes, so can you talk on new product launches in the coming year in the key segment across and also crop-wise in the Crop Protection segment?

Sunil Kataria: Okay, so your question is with respect specifically to Crop Protection business.

Sumant Kumar: Yes, yes.

Sunil Kataria: Okay, maybe for the benefit of everybody, I'll say there are two pieces that are changing in terms of nomenclature of businesses internally. One is we are moving our animal feed business to a we're naming it now animal nutrition business. And it's not a name change really because we are shifting the mind-set itself of the business as part of our strategic direction to a more benefit-led, innovation-led, and market-centric model. So we believe we would like to shift our mind-set to more from a feed to a nutrition. That's one.

Similarly, in our crop protection business, we believe that there is a segment of products that we are looking which we are reasonably strong, which is plant growth regulators, which are about plant nutrition. So hence, we would like to not only be a thinking ourselves as crop protection business, but also as a overall crop care business. So that's a second nomenclature change that we're doing.

But more than just name change, it's also actually a strategic mind-set and a strategic direction shift, direction value add that we're doing in these names. So that's one thing I just wanted to add in the beginning.

Now, in the Crop Care business, there is one very large strategic shift that we have done. That as I had mentioned somewhere earlier that we are in the middle of this whole strategy piece, is that we have been very much stuck onto a what we call as a single point of failure. That we in majority of our businesses.

So if you see in our Crop Care business, we were pretty much very, very centric on being a cotton herbicide led vertical. And then there was obviously another product of our Gracia, which was focused on chilies. So if these two seasons go bad, we see what happens was what happened last year for us, which was a kind of a perfect storm for us.

Now, one thing which is going to shift drastically over the next 5 years is that we are diversifying our portfolio very sharply. Obviously, products take time to come out of this, but we are going to move away from two crop segment product to a multi-crop segment product company.

So that we'll have more crops coming our way, we'll have more segments from herbicide to maybe insecticide and fungicide also coming into our play. So this business should in 5 years be a very different business from what it's today. In the immediate, what you're going to see a change, that in the year of FY '27, there are two new products that are coming in, which are completely new products altogether into new crop segments.

One is something which got launched in the month of December last year, which is Ashitaka, which is our first maize entry, which is a maize herbicide. That will see a major scale-up this year. So that's one product which is going to be one of our star products. The second is we are entering into a rice plus insecticide segment through a product which is called TAKAI, which is actually a multi-crop insecticide, although its lead application is paddy.

So this will be a second new entry which will happen for us. Between these two products itself, we expect next year's -- just to give maybe a number, a directional I'll give you how, we are moving onto this diversification. Last year, since this got launched only towards the latter part of the year, this contributed roughly around 3%-odd of our revenues.

Between these two products itself, if everything goes right in terms of weather, season, etcetera, don't play truant. We expect these two products itself to contribute roughly around anywhere between 16% to 18% of our business. So that's the kind of shift that we'll see roughly around a four times salience shifting for us that this thing that would happen for us next year.

Sumant Kumar: Thank you so much.

Moderator: Thank you. Next question is from the line of Aejas Lakhani from Unifi AMC. Please go ahead.

Aejas Lakhani: Yes, hi. Team, my question is for Mr. Godrej. Mr. Godrej as a institutional shareholder who has been observing your business for five-plus years. We appreciate the breadth of strategic changes that have been underway to try and improve the quality of the business across lines. From what you've done in share gains in feed to improving margin profiles in palm by doing forward and backward.

The restructuring in dairy, the buyout of poultry to speeden up the changes that you've made to clean up the Crop Protection portfolio, now the sharper focus towards in-licensing. So we appreciate all of those things that you've been engaging in. But if I were to ask you just a next two-year view, just a two-year view, sir. So what should we as investors be looking to understand?

Should we be looking at a a GAVL which is trying to be more strategic from a portfolio restructuring perspective where business units are being clustered together to unlock probably value through that and improve accountability? Or is it that given the composite nature of the business and the capex requirements which could feed into multiple.

It'll continue to be one cohesive unit, but it'll be more accelerated, more consistent revenue growth, better profiles, better ROCE improvement, the same capital allocation discipline? Which one of this is the path that GAVL is likely to take? Thank you.

Sunil Kataria:

Hi Aejas, Sunil here. So maybe let me take a little bit of a shot at this and then I can ask, you know, NBG and Burjis to also pitch in if required on that. But I hear your question loud and clear that, what is it that you're seeing? And first of all, thank you for noting down some of the shifts that we're making. So one fundamental piece over the next two years what you can expect is that the one, see any transformation takes four-five years to happen fully.

And specially in a business like us which is a multi-segmental business. But the shift that you'll start seeing in the from -- already started panning out in the next two years is that, we will move from fundamentally from a commodity-centric thinking to a market-customer facing approach, whatever the nature of the entity itself is right now. Because that's a fundamental mindset and a capability shift that we're doing.

If I were to read out a few points, I'll put down on the headers for you what you can expect is that our Animal Nutrition business will move from a feed business to a nutrition mindset business which is led by innovation, technical services, marketing and sourcing as moats. Our Crop Care business would move from a product chemistry and patent-focused business to a product innovation, distribution and branding as moats.

Our oil palm business as we already talked about, from a volume-led upstream player only to a full-fledged differentiated upstream-downstream value-added player which happens. In terms of Astec, from an enterprise business to a very clearly CDMO-focused business. Everything may not play out in the two years because the CDMO funnels take a little longer. So that some part of that play out will happen over from FY '28 onwards.

But you will see that shift already started happening. In Godrej Foods, very clearly we are dialing down Live Birds completely and over the next three-four years it should just remain maybe a back-end of ours. And that becomes a protein-forward, a company which will have many new segments coming in. In fact, I would like to call out what you'd see in the next two years.

In terms of new -- in starting this year itself is, we are making entry into two new segments in the Food business. One is we have entered into momos, which we believe there's a potential to upgrade the street's food business into a branded business. And the second one is, there is a very piece which I personally think can have a very strong ramp-up over the next three-four years in India could be our entry into frozen chicken now.

And that's another piece which is playing out for us. And in CDPL, clearly the value-added journey goes forward, we have to make it more and more profitable. I think this is a larger shift which is in a way I've given a headline of our strategic document for you. It is going to be followed by a cost culture with a mindset shift.

Coming back to whether there will be a restructuring of these businesses, as I said, the models are still taking shape in our mind. We cannot say at what time it will pan out. We talked about the question to Astec is that maybe in a couple of quarters we'll come back and to say how does these whole chemicals piece plays out for us. But this in a nutshell is my take on that there's a larger transformation at play.

We have already made portfolio choices also, maybe for everybody's benefit I'll say, on what we don't want to do, which also you'll see in this next two years. So for example, the businesses that we're putting up as a for strategic review right now are our Shrimp business, our Seeds business, our Cattle Genetics business. Our Live Bird business, obviously, is coming down.

We are going to take some strategic reviews of this business going forward. So this in a nutshell is the journey which is started taking shape. You'll see them accelerating over two years and then maybe the structural pieces will, if any, will play out at that stage. We don't know right now. Anything which Burjis you want to add on at this stage?

Burjis Godrej:

Yes, thank you Sunil. Hi, this is Burjis Godrej speaking. I appreciate your question and I think the deeper subject, if I'm correct, is possibly hinting at unlocking shareholder value. So I think Sunil has answered the question very well. I'm confident that this approach will lead to good performance and unlocking of shareholder value across GAVL as a whole.

But we remain open to suggestions, alternative pathways if you have any for how to improve performance and how to unlock shareholder value. So I welcome your thoughts and suggestions on this topic and you reaching out to us separately to discuss it in more detail. I'll request Mr. Nadir Godrej if he has any comments.

Nadir Godrej:

Yes, this is Nadir Godrej. I would urge you to focus on a longer horizon. In oil palm, there's likely to be rapid growth because, A is the demographic dividend that Sunil talked about, B is the rapid expansion in acreage that we did both in the fiscal year '26 and we are likely to do even better in fiscal year '27, plus we are producing more and more value-added products and we have very good technologies for wealth from waste, which will also gain traction.

And all these will get magnified by the rapid growth of acreage. So, I see a very bright future for this. And even for animal nutrition, we should look further out than just two years. We will have good growth in two years, but just imagine what kind of growth we can have over 10 years.

Sunil Kataria:

And thank you NBG. It is one more point which I think you'd asked for us was a comment from your end on the return on capital employed. So, I think again if you see in the last two-three quarters, there's an exceptional work which was done through a focus on working capital and our return on capital employed has also moved along with our results from 16% to now 20%, which is a very sharp jump of 4% which has never happened in our history of our business.

Now, as we invest further on growth capex, one thing we'll be very sure of in the next two or four or five years in fact for that sense, that we will be very, very stringent and we'll keep the discipline very strong on managing working capital and return on capital employed. We've reached 20%, while I wouldn't hazard a guess right now on saying how ambitious we can be on it, but we will definitely not let this slip away and if as we find more and more opportunities, we'll only try to improve it further.

Ajit Lakani:

Noted team, thank you and all the best.

Moderator:

Thank you. We'll take our next question from the line of Probal Sen from ICICI Securities. Please go ahead.

Probal Sen:

Thank you for the opportunity, sir. Just a couple of housekeeping questions first. In terms of the foods business, I think you've obviously mentioned the strategy and the branded salience going up consistently and maintaining at above 80%. But just as a thought, in terms of the live birds business, is there a thought to sort of exiting the live bird business altogether or does this still provide supply chain benefits and pricing boosts from time to time depending on the seasonal factors? Just your thoughts on that.

Sunil Kataria:

Yes, Probal, thanks for the question. So, one thing is live trading per se is coming down sharply for us and over this next four-five-year period and I think more accelerated manner, we would not be in the business of selling live birds. That is very clear. That trading we don't want to do. So that's out of question for us.

What may happen for us and which I think is could be a very strong moat as we build a business, I mentioned that, you know, we'd like to maybe try to build certain categories like a new emerging category of frozen chicken in India, right?

Now, what is happening in this business is that there is a potential of doing a category creation altogether in this business. That one of the reasons why fresh chicken never sold was because there's a shelf life of four days. Now, with frozen chicken, the shelf life changes. The work that we've done on product innovation is this chicken is as good as anything on the fresh side.

And we have now got a structural tailwind which is happening in this industry in the shape of quick commerce, whereby the cold chain also is getting taken care of. We believe that if we go ahead and build this category forward, then one of the biggest moats actually is a control on the

raw material supply of this category, which is where the having some the presence of live bird as a sourcing is a damn good -- very good what you call differentiator.

So clearly, no play on live bird as a trading stroke sales business. We could have this pure play as a back-end supply chain for our future businesses, whether it is Yummiez nugget which you want to take it forward or whether it is, some of these new categories that we're looking forward.

Probal Sen: Understood, sir. A couple of more small questions. One was what was the amount of FFB that was processed this quarter and what was the extraction ratio just for this quarter?

Sunil Kataria: Okay, the extraction ratio for this quarter if I remember was 20.4, let me just check it again, just give me a minute.

Amit Pendse It was 20.77

Sunil Kataria: Sorry, it was 20.77 was the extraction ratio because this quarter the overall the number is very small per se for the oil palm business, the FFB becomes very small.

Just to give an example that out of our, you know, 6,37,000 FFB processed annually, this is just 60-odd thousand tons. So this is a very small part which comes in this. So it's a very marginal quarter for OPB business per se, but the good part is we were at a 19.76% last year on OER in the same quarter.

Moderator: Probal?

Probal Sen: Yes, sir. Apologies, we got cut off in the middle. I think you were mentioning a number of somewhere around 20% plus extraction, but on a smaller base for this quarter.

Sunil Kataria: Yes, the number was -- to be precise, the number was 20.7 on a smaller base. I said the base is so small for us that it just becomes -- the base, for example, is 60,000 on a base of 6.3 lakhs. So this is seasonally a very, very marginal quarter. But a good part is that even on such a small base where the leverage really doesn't come in also into play in operating leverage, our OER was pretty much stronger over last year same quarter. And that direction for which tells you about how the processes and the productivity parameters have got established by the teams. I think that's a very good sign going forward.

Probal Sen: One last question, if I may. In terms of dividend policy, the dividend payout obviously has been at fairly healthy levels of around 45% to 47% in the last couple of years. Any thoughts in terms of how it will proceed given that we are definitely expecting mid-teens profitability and EBITDA growth? Is it fair to assume that with capex remaining at somewhere around, let's say, INR300 crores to INR350-odd crores, that this number has the potential to go up as well from here?

Sunil Kataria: Probal, honestly, this is something which is very difficult to comment because this is a larger decision which gets taken as the year's results come in. So I would say that we have had a very strong policy of giving consistently good dividend as you yourself mentioned the range of 48-odd percent.

And I think that's a call which we'll take along with promoters every year as the results come by. And one thing is very clear that if obviously the results are good, I mean it's always good to make sure that all the shareholders benefit. But I think a call which will take more as the results come in.

- Probal Sen:** Understood, sir. Congrats on a good set of numbers. I'll hand back -- go back to the operator.
- Sunil Kataria:** Thank you, Probal.
- Moderator:** Thank you. We'll take our next question from the line of Abhijit Akella from Kotak Securities. Please go ahead.
- Abhijit Akella:** Yes, thank you so much for the follow-up. Just on Astec, would it be possible to get your thoughts for the year ahead in terms of the growth expectations across both CDMO as well as enterprise and yes on the profitability as well, EBITDA side?
- Sunil Kataria:** Arijit, you would like to pitch in here?
- Arijit Mukherjee:** So the way the entire industry is behaving is a positive sense because Q4 also if you have seen the numbers, Q4 the improvement has been both in terms of the volumes as also the price realizations. This is primarily because more or less the prices have bottomed out. They have bottomed out in the sense that the market prices and the competitiveness from China has more or less stabilized. That is primarily because most of the geographies are showing local demand. So be it China, be it India, the local demands have improved.
- So international supplies should be normal right now. So price realization I think has stabilized. Raw material supplies, if you remove, we don't know what will be the impact long-term impact in terms of Iran war or some other problems coming into. But more or less, it is stabilized. So I think we should aim around 15% of growth in terms of the top line.
- And CDMO should be growing further, a little bit higher than the CDMO. Margins are intact. Both in CDMO and for enterprises, margins are intact. That is much I can say as of now. Directionally, it is a positive growth both for CDMO and for enterprise business.
- Sunil Kataria:** And maybe Abhijit may pitch in, I think one thing which is very clearly looking positive for us on the Astec front is that I think the work that the team had been doing on the business development side over the last year, I think there are some good early leads emerging for us in the CDMO space, although they're still to come to fruition.
- But I think going forward, this is a business which where we'll keep the CDMO percentage going well in the range of around, you know, 52% to 53% plus kind of salience. And while Arijit is obviously, you know, talking about a number of around 15, but I believe we have a pretty good shot at something in the range of 20% kind of a number going forward on this.
- Abhijit Akella:** Got it, thank you. And just on oil palm, how much of the earnings now come from the value-added side of things and how do you expect that category to sort of continue to increase its

contribution? Just asking from the context that suppose palm oil prices were to correct a year down the line, then how do we cushion the impact on our earnings in that business?

Sunil Kataria:

Yes, I think that's a fair question. So one question, one part first I'll give you a bit of a context that the last year, you know, sharp jump of oil palm profitability that we have seen, if I were to purely discount the pricing part of that, 65% odd part of that profit which was 70% has come because of our internal efforts. So that's I think the good context to have that the pricing play which was abnormal played out last year is still not more than 30-odd percent of our this thing. So that tells you the structural strength of the work which is happening. That is one part.

Second is, yes, as part of our strategic exercise that we have done, one clear direction is how do we get into more and more differentiated value-added play to further insulate ourselves from any of these pricing, you know, volatility or bearishness that may happen. So what is happening is that this year in May itself, we are rolling out our specialty fat refinery also, which will come into full flow from I would say maybe let's say second half of the year in full fashion. And that will start giving us a very meaningful play in second half onwards into value-added products, which will then go from strength to strength over a period of next long-range plan of four to five years.

Our Broad direction is that we would like this business to have roughly around 50% to 55% of its portfolio over a period of maybe FY31 in that direction, if I had to put, coming out of value-added products. And that should give us a very, very significant insulation from any kind of price volatility years which could go down into bearish sense. So I think that's a very clear direction when I said from being an upstream player to a complete value-added upstream-downstream player, that's the aspiration that we're having for ourselves.

Abhijit Akella:

Thank you very much. That's very helpful. All the best.

Sunil Kataria:

Thank you.

Moderator:

Thank you. Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to management for closing comments. Over to you, sir.

Nadir Godrej:

Thank you. I hope we have been able to answer all your questions. If you have any further questions or would like to know more about the company, we would be happy to be of assistance. Thank you once again for taking the time to join us on this call.

Moderator:

Thank you members of the management team. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.