Godrej Agrovet Limited

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CIN : L15410MH1991PLC135359

Date: November 12, 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 Friday, November 6, 2026 at 4.00 p.m. IST

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 **Friday, November 6, 2026** at **4.00 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 Pritamlal Raizada

Digitally signed by Vivek Pritamlal Raizada
DN: c=IN, o=Personal, title=1730, pseudonym=6e6203b1d1ee495dad9a25b42ae842c6, 2.5.4.20=959dfbaf65b7202ee37b88d8b197972b4b0aa739d07629581c665c57ade4e50, postalCode=400064, st=Maharashtra, serialNumber=822cdf946a33a69513674aba2705ab403bbdd9d330435f27472c57bc2553897269, cn=Vivek Pritamlal Raizada
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Vivek Raizada
Head – Legal & Company Secretary & Compliance Officer
(ACS - 11787)

GODREJ AGROVET

Godrej

"Godrej Agrovet Limited

Q2 FY27 Earnings Conference Call"

November 06, 2026

MANAGEMENT: **MR. BURJIS GODREJ – CHAIRPERSON – GODREJ AGROVET LIMITED**
MR. SUNIL KATARIA – CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR – GODREJ AGROVET LIMITED
MR. RAVISHANKAR A. – CHIEF FINANCIAL OFFICER – GODREJ AGROVET LIMITED
MR. ARIJIT MUKHERJEE – CHIEF OPERATING OFFICER – ASTEC LIFESCIENCES

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

Moderator: Ladies and gentlemen, good day and welcome to the Godrej Agrovet Q2 FY27 Earnings Conference Call hosted by ICICI Securities Limited. 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 touch-tone phone. Please note that this conference has been recorded.

I now hand the conference over to Mr. Probal Sen from ICICI Securities Limited. Thank you, and over to you, sir.

Probal Sen: Thank you very much. Good afternoon, everyone. Thank you for making time to attend this post-Q2 earnings call of Godrej Agrovet. With us, we have members of the senior management of the company, including Mr. Burjis Godrej, the Chairperson of the company, Mr. Sunil Kataria, the CEO and Managing Director, Mr. Ravishankar, CFO, and we also have Mr. Arijit Mukherjee, who is the Chief Operating Officer of Astec LifeSciences.

As always, the management will first give their briefing on the results and their strategic outlook, post which we will have an interactive Q&A session.

So, without further ado, I will hand over to the management. Over to you, sir.

Burjis Godrej: Thank you, Probal. Good afternoon, everyone, and welcome to Godrej Agrovet earnings call for the second quarter and first half of FY27. Thank you for joining us today. Before I begin, I would like to extend my warm wishes to you and your family on the occasion of Diwali.

The second quarter was marked by a challenging operating environment. El Niño intensified into a super event, with the monsoon ending about 13% below normal and reservoir levels at a 10-year low, creating uncertainty for the Rabi season. Geopolitical volatility and inflation across milk, feed, and packaging continued to pressure input costs.

Despite these headwinds, our diversified portfolio, disciplined execution, and risk management helped us deliver a strong performance. Strength in animal nutrition offset pressure in crop care, dairy, and Astec, while our transformation agenda continued to progress.

We delivered double-digit revenue growth, with Q2 consolidated revenue growing 17% year-on-year to INR2,995 crores, driven by higher realizations and volume growth, led by animal nutrition, oil palm, and our B2C food segment, while our Bangladesh JV maintained strong momentum.

EBITDA remained stable at INR222 crores, despite significant cost inflation, with margin at 7.4%. Profit before tax grew 5% to INR131 crores, and PAT was up 22% to INR103 crores. This earnings resilience was achieved through focused interventions.

Now, let me briefly touch upon our businesses.

Animal nutrition delivered another strong quarter with revenue growth of 14% and segment profit growth of 32%. Growth was supported by higher realizations and volume gains across key segments, while margins improved through favourable mix and operating efficiencies. We exited the shrimp feed business to sharpen our focus on profitable growth segments.

Oil palm revenue grew 28%, supported by higher realizations and a 14% growth in Fresh Fruit Bunch volumes as our plantations continue to mature. Segment profit increased 4%. During H1, we added 13,000 hectares of plantations and inaugurated India's first integrated oil palm complex in Khammam in Telangana.

The complex brings together every stage of the oil palm value chain under one roof: seed and genetics, nursery, R&D, mill, and upcoming state-of-the-art refinery in the complex. We commissioned a mill at the complex along with a CPKO refinery and biogas plant during the quarter, strengthening our integrated ecosystem.

Crop care was significantly impacted by the El Niño, and El Niño-led demand weakness and an unfavourable product mix. While revenue grew on a lower base, profitability declined, partly mitigated by our diversification into newer crop care segments. We continue to scale differentiated products such as Ashitaka®, though demand conditions remain challenging.

At Astec LifeSciences, weak enterprise demand offset growth in the CDMO business. EBITDA was also impacted due to lower realizations and elevated input costs. However, we remain focused on transformation through new products, capacity utilization, and cost optimization.

Dairy revenue grew 6%, led by calibrated pricing and growth in value-added products, which now account for 49% of the portfolio. Profitability remained affected by elevated milk procurement, packaging, and logistics costs.

Godrej Foods continued to shift towards higher-value products, with B2C growing by 50% and its salience increasing to 38%, supported by consumer demand and successful launches.

Our Bangladesh joint venture, ACI Godrej Agrovet, delivered another strong quarter with robust volume, revenue, and growth in profit.

For the first half of FY27, consolidated revenue grew 13% to INR5,847 crores. Profitability was impacted by inflation and adverse weather, with EBITDA and PBT declining modestly. The H1 PAT stood at INR231 crores.

Working capital management remains strong, with net working capital improving to 21 days from 32 days last year. Absolute working capital reduced to INR655 crores, strengthening balance sheet and returns on capital.

On sustainability, renewable energy now accounts for 79.3% of our portfolio, while scope one and two emissions reduced by 11.1%. We also retained our CDP A- leadership rating and continued progressing towards the SBTi-approved emission targets. Looking ahead, we remain mindful of weather-related uncertainty, input cost inflation, and geopolitical volatility. However,

our strong market position, diversified portfolio, and healthy balance sheet give us confidence in navigating near-term challenges while continuing to invest for growth. We remain positive on the long-term opportunities across our businesses and India's agricultural and consumption story.

In closing, I would like to thank our employees, farmers, channel partners, customers, and all stakeholders for their continued trust and support. Our focus remains on executing our transformation agenda, driving operational excellence, and creating sustaining long-term value.

Thank you, and we will now be happy to take your questions.

Moderator: Thank you, sir. We'll now begin the question-and-answer session. The first question is from the line of Abhijit Akella from Kotak Securities. Please go ahead.

Abhijit Akella: Good afternoon. Thank you so much for taking my questions. I had a few to start with on the oil palm segment. Could you please help update us on the health of the plantations, especially in Andhra Pradesh, in the context of a large rainfall deficit in that state in the backdrop of El Niño, followed by, I believe, in the past few weeks, twin cyclones that seem to have hit that part of the country? How's the output looking like, fresh fruit bunch arrivals for this year and next year? If you could please share your thoughts on that?

Sunil Kataria: Okay. Hi, Abhijit. Sunil here. Abhijit, on the oil palm business, definitely one thing which happened in the quarter two was that India faced one of the driest June in 100 years, where we had some 40%-odd rain deficit. That's one part. The heat continued into the Andhra Pradesh and Telangana states during July and August.

If you see geographically, Andhra, Telangana, Karnataka, these southern states have had the highest shortfall of rainfall. The impact of that actually showed to us in the drop in the oil extraction ratio in this quarter. If you were to remember the data in the first quarter, we have been doing very well in OER. In the first quarter, we were much ahead of last year's first quarter itself, thanks to our own efficiency drive.

But clearly, this kind of heat wave impacted that oil extraction ratio in this quarter. That is one piece which happened. Now, obviously, Bay of Bengal has these whole phenomena of cyclone which come together towards October, November, and the last few weeks, we have seen two cyclones pan out.

The good news is, these cyclones have dumped a lot of rainwater in big quantities in all the mandals across the coastal region, which, in a way, is good because this refreshes some part of the soil water level, which is very good for the palm trees. I would say these cyclones, while not fully making up for the deficit, but may actually turn out to be pretty much of a boon.

In terms of any uprooting of trees and all, no, there's hardly been any widespread pieces or any trees getting damaged, but it's this sharp jump of rain, which has happened in the last, two to three weeks. It's in a way pretty good for the coming few quarters.

Overall, what we are seeing in OER is that despite taking a hit in June, July, August, three months, from September onwards, with some intervention that we have done, some of these cyclonic phenomena happening, the OER has started coming back. Our September OER was pretty much close back to last year September's OER, and October is marginally ahead of last year's October. This trajectory shift which has happened in what augurs well for the future.

I would say, barring any big changes which were to happen on the weather, I think the two to three months that we saw of extreme heat wave-led impact, as of now, it seems a bit behind us, and our focus is very clearly to keep scaling up OER back for the next five months and see if we can. The target is really that can we make up for the three months hit and end up the year back at the overall OER of the last year level at an annualized basis.

Abhijit Akella: Got it, Sunil. That's helpful. Thank you so much. Just to clarify from a fresh fruit bunch arrival standpoint. We had expectations of double-digit growth both for FY27 and 2028.

Sunil Kataria: Yeah.

Abhijit Akella: Despite whatever is going on in weather, do you still feel confident that that is achievable?

Sunil Kataria: Yeah, that we don't have an issue. If you see actually quarter two, despite this huge challenge of June, July, August, I will say three months was crazy heat, yet we have grown in double-digits on FFB. And the quarter two overall collections that we had, they have been a record high collection for us now. It's all-time high.

So, if you see, on a H1 basis, we are pretty close to a double-digit growth. And this is despite three months of six months being extreme weather conditions. And I think what is coming into play is part of, as I've always talked to in the narrative whenever I talk to you, that this demographic dividend keeps coming up is a bit of a buffer for us, that we have these new plantations which keep coming, moving in from juvenile period to productive period.

Then the ones which are in the early, what do you call, adolescence stage, they get into maturity. So, I think that is something which keeps coming in handy, and they will keep coming in handy for any such adverse conditions. Despite, I would say, three out of six months being hit, we are still very close to a double-digit growth, and it should only get better.

Abhijit Akella: That's good to hear. The other question I just had was on the PKO derivatives plant. The slides do mention that it has been commissioned now. Did it make any financial contribution in 2Q, or if not, then does it begin from 3Q? Shouldn't we expect that this itself could lead to a substantial improvement in oil palm segment margins in FY28?

Sunil Kataria: Okay. First of all, it got opened only on 1st of September. Then, these plants take their own time to kind of early teething, scaling up, etc. No meaningful number came up in quarter two because we just got 30 days, and then in the 30 days, obviously, there's ramping up issues and all that stuff which happens. It has started; it's now settling down.

Also in this plant, if you see, we have done right now the first phase of rollout. The full-fledged hydrogenation and fractionation piece will come in December. There is also scale-up happening in two parts. The first part just gone into place. The second one will come in December. A meaningful impact will start coming in from, quarter four, and then scale up really in FY28.

Abhijit Akella: Yeah. Just to sort of reiterate, I mean, what sort of margin expansion can we expect because of this in FY28 for the oil palm?

Sunil Kataria: Abhijit, if you see, we have given a guidance that as this business scale up fully, the downstream business scales up fully, that in the midterm, which is over two to three, four-year period, this will add overall roughly around 2% to the overall EBITDA margin of the oil palm business.

Abhijit Akella: 2 percentage points to segment EBITDA. Got it.

Sunil Kataria: Yeah. Overall. When it stabilizes and scales up in terms, you can take it in the midterm of two to three years, that's what it will end up adding to the overall EBITDA margin of the business.

Abhijit Akella: Yes. Perfect. Thank you so much. Just one last thing from my end. On the crop protection side of things, obviously things look very difficult right now, both with Astec and the domestic business. What are our thoughts with regard to how to turn these businesses around?

Sunil Kataria: If you see, to my mind, definitely agchem environment is tough, and that's visible across the industry, and that it's a matter of degrees depending on the portfolio diversification. But yes, everybody has kind of taken a huge hit.

I think a large part of this is primarily, nobody saw this kind of a super El Niño impact panning out. In fact, I remember the conversation we had in the last call, I was hopeful that Indian Ocean Dipole will play out. July had started looking better, but what has panned out, after 15th July again was horrible, impacting our cotton business because we are at the early stage of emergence.

We got impacted on cotton because of very dry heat in June. We were hopeful that this will improve from July onwards, but August, September, October have been extremely tough.

I think the pieces that we have to brace for is that India is going to see a tough Rabi season because the reservoir levels have crashed. So that is something I think overall agchem industry will have to brace for impact. That is one piece which we are very clearly seeing. And the question is now, where do we see the long-term part of the business?

I think two parts in the strategy, I would say, which we stay the course. One thing is, we are on course for crop diversification over the next three, four years. Let me take that first.

The good news in all these dark clouds of agchem is we have successfully rolled out the first diversification of maize herbicide. Ashitaka® is off to a rockstar start. It was by any industry standard, what I understand from experts in this industry, a very rockstar launch.

Obviously, what happened is, the state that where we have the market for or the TAM for Ashitaka®, like Madhya Pradesh, they got fantastic regular monsoon. And we have created a number which, okay, let me maybe give you a directional number. This would be the launch which in its first year would have crossed INR100 crores in revenue.

Now that I can tell you by any standard of imagination would be a very successful launch. And that's what we believe will still happen in a very disastrous agchem industry year.

Now, if this we can keep building further, and this will happen on the back of, I think, a super execution into field activations, field marketing, brand building, and distribution. This, I would say, is our first foray. Second is we have rolled out insecticide Takai® with the multi-crop piece.

That, I believe, will be a little longer haul because it will have to be invested continuously. Third, we are rolling out now, we've just rolled out in this month, a soybean herbicide called Ghassnash®. These couple of products have started coming in.

Some are turning blockbusters from the moment. Some will have to continue to invest. But as I declared earlier, our lot of pipeline products are going to come in every year, maybe one or two. Three are coming this year.

Then every year, one to two will come, and we are targeting that by FY29-2030, we will have seven different crop segments playing in. Once that come into play, our dependence on cotton and chili would sharply reduce, and that is where the intent is. But in the short term, I think there is going to be a bit of pain, which we will have to brace for.

The same thing coming to Astec. Maybe let me take that also. I think Astec also saw a challenging environment, partly domestic, which is not very big. But I think global environment has been tough, whether it is Brazil, whether it is U.S. Some of our core products go to the U.S. kind of market. We have seen toughness there. But I think we are doing the right things.

I will ask Arijit to pitch in here also - I think the pipeline of CDMO, the funnel remains strong, right? We will tell you a few details about how the conversion of funnel is happening. So, I think, again, this one tough year will happen, but where are we headed?

We are very clearly in the midterm; we are looking at CDMO business being 50%-55%. We could have deviations in one year or so because of toughness, but we would also like to tell you what is happening on our funnel pipeline of CDMO. Arijit, you want to pitch in that.

Arijit Mukherjee: Currently, if you see quarter two, almost conversion from inquiries to R&D, means there are different stages of development a product goes through. So, conversion has been almost 90%. So, 90% of the inquiries has converted to an R&D stage. So that proves two points. One, the quality of inquiry now we are getting, which is cracking across agrochemical specialties has improved.

And the partnership also we are getting. The partners we are getting for the long run is also the quality has improved. So, this is one of the strengths we have built in. And secondly, currently,

we are having almost 15 products in pipeline in the R&D stage. So, these commercialization, small bit have started this year, and next two, three years, we will get a significant number which will be commercialized.

Sunil Kataria: Yeah.

Arijit Mukherjee: In terms of R&D improvement, last two quarters, in fact, Q2 has seen a major improvement.

Sunil Kataria: And we know that once a product reaches R&D stage, after that, conversion into commercialization is high, almost 70%-80% of that would get into commercialization. So, I think good part is, are we building for the future pivots as we put in the strategy? The answer is yes.

Yes, there are these one year which nobody saw coming, which are panning out, which is going to hit the agchem businesses. But I think in both the businesses, there is structural correction underway. We will need to be a little patient, and it may take a couple of years in both the businesses. That is, I think, the way it is right now.

Abhijit Akella: Got it. Thank you so much for the detailed answers. I will come back in the queue for anymore. All the best.

Moderator: Thank you, sir. The next question is from the line of Arun from Unifi Capital. Please go ahead.

Arun Kumar: Sir, thank you for the opportunity. My question is again on the oil palm. So, what is the extraction that we had in this quarter, and should we be back to the usual 19.8% levels in the next two quarters? How do you see that? That is the first question.

The second one is, as Andhra Pradesh government issued the new fruit price order for this year, since last year's order assumed 20.01%, do you expect that the new one to assume a lower rate?

The last one on palm oil prices. We have been seeing palm oil prices are down 5%-8%, 9% from September highs. Import duty been cut, and several food companies in their concalls have been guiding for lower palm oil prices start. Where do you see palm oil prices moving from here?

Sunil Kataria: Okay, let me take the third one first. If you had asked me this question 48 hours before the U.S. election, when the U.S. election result had not come in, my answer was very clearly that palm prices will remain pretty tight and range bound.

That's broadly the indication we've had till this whole U.S. election came, and there's been a bit of a knee-jerk reaction which has happened. I think two new inputs which have come in. One is, I think what has happened post the U.S. election, where the crude oil prices have fallen sharply. I don't know where it will still stabilize.

Yeah, okay. I'll start answering third question here again. There has been a lot of volatility in the last 48 hours in the Brent. I mean, it was at 112, it went down sharply, and then now it's again back to 100. This has a linkage to what it does to the biodiesel mandate parity.

I think this is one thing we'll have to wait and watch. I think this will remain range-bound, that's one. Second, which I think could impact over two months is a very high stock holding which has been declared in the Malaysian inventory. I think they had a higher production than they expected, and they're sitting on a higher inventory right now.

That is also putting a bit of a pressure on exports of palm oil from Malaysia, and hence prices have come down sharply in the last, 48-72 hours. This is one correction we will watch.

I am not a commodity expert, but my sense of what will happen is, it will remain in the range of INR4,300-INR4,400, maybe INR4,250-INR4,350 over the next couple of months.

Then all eyes will be what happens to the El Niño effect in Indonesia and Malaysia over the next three months. If that remains high, the prices could surge back again. To what level, we do not know, but from February, March. It is a bit of an open-ended piece.

In the short term, we believe, yes, it will be range bound. Then I think it will creep up by Feb, March, is the sense on the pricing. The second question on the Andhra Pradesh government, yes, the last year order was 20.01%. The new order pricing has not come out as yet.

We are all waiting for it. The fact is, the way the formula normally should proceed is the fact that it depends on the weighted average of the benchmark that is supposed to be followed on the ground of the mills, and it depends on the OER which has been there in the last one year. We hope that it can come down over 20.01%, and yes, if that happens, that is pretty good for us.

But it is a very open-ended, anybody's guess right now as to what happens. So difficult on me to honestly give any guidance because this is something not in our hands. So, we will wait and watch for what comes out from the government there. The third question was that the first question was on OER. So let me give you some numbers.

We actually in first quarter beat the OER, which was very good even last year first quarter. It was somewhere around 18.4%, 18.67% last year first quarter, and last year had a very good rainfall in the first quarter. With our efforts, our efficiencies, we were able to take it to 18.8 in the first quarter. This quarter, obviously, it has taken a beating over the last year.

We have ended up quarter two at around 18.9, which is lower than last year quarter two. The question is, what is happening? What I explained to Abhijit's question with the cyclones, with recovery happening, in the month of September, we have come back to last year, September.

In the month of October, we have creaked little ahead. So, I think there is a delta which has hit us, which will also show you in the EBIT margin of oil palm in this quarter only. But we are pretty confident that I mean, our attempt is very clearly, can we recover over the next four months and end the year at that 19.7 plus kind of a number?

Arun Kumar: Got it, sir. And the other question is on the cyclone again. With the core oil palm areas for you, West Godavari and Guntur, any damage assessment was done on the plantations, particularly

the plantations where those young trees have not yet started bearing fruit. What is the assessment there? Do you expect this to push back your volume growth planned? How do you see that, sir?

Sunil Kataria: No. Our ground assessment is that there has been no damage to the trees. There are a few trees here that will get a little tainted and all, which we have enough expertise to put them back and help the farmers back to place. But no damage per se has got reported from our ground service.

The only positive part of the cyclone, I would say, is it dumped a crazy amount of rain in two bursts in all mandals of oil palm plantations. This is actually a decent amount of relief to the region which had seen severe heat stress. I think that is the positive side - the ground teams tell us this water will replenish part of the soil water, which really helps the oil palm trees.

I think the two cyclones is actually a positive sign till now. It will have no impact on our volume growth. Our guidance for a double-digit volume growth on FFB stays.

Arun Kumar: Got it, sir. My final question is on the animal feed business. We have seen 3% volume growth and 8% price growth. Is this sustainable for the H2, sir? How do you see this?

Sunil Kataria: Okay. First of all, let's de-layer 3%. I think we should not read too much into this. As told in some of strategy discussions earlier, we are doing a shift towards building more cattle feed business, and de-prioritizing broiler feed business. So, our core segments would be primarily dairy feed or cattle feed, followed by, in poultry, we'll try to focus a little more on layer feed.

If you see the growth, cattle feed has grown at a high single- digit of 8%. Layer feed has gone at a double-digit percent. We are very happy because these are two priorities that we've been chasing. Broiler feed has de-grown very sharply. Could we have picked up some more volume in broiler? Very easily we could have picked up more volume in broiler.

But we have consciously let it go because we don't believe it is strategic enough right now. I could have picked up easily another thousands of tons on broiler given the inflationary environment. We were getting queries, but we don't see that this will be a sustainable number because we know broiler business has been integrated to the extent of 85%-90%. So today, people are coming to us to buy it.

Maybe we have some advantages, but I know that it will immediately get corrected. So, we are happy letting go of the broiler business, which is not strategic. So that leads to a 3%. But what I think we should be reading is eight and 15, which are the two segments, and that's where our focus is. I think that's the structural piece we're driving, and that's what we are happy on. Within cattle feed, if you see, we are driving premiumization. So, the growth of our premium product portfolio has been pretty healthy as well, and that's what we keep chasing.

Arun Kumar: Got it. Thank you, sir. Thank you.

Moderator: Thank you. The next question is from the line of Probal Sen from ICICI Securities Limited. Please go ahead, sir.

Probal Sen: Thank you for the opportunity, sir. I think a lot of the questions about brands and premiumization have been answered. But just wanted to also understand, particularly in dairy, how are you seeing the pricing environment? My apologies if you have already mentioned this, but that has been basically one of the key reasons for a little bit of margin weakness. Going forward in the third quarter and further ahead, with whatever has happened in the elections, if there is any sort of hope of, I mean, any change in the environment, are we seeing any respite on the dairy price front in the next couple of quarters? That was my first.

Sunil Kataria: The answer is no. We are not seeing any respite. I can tell you about our take on dairy pricing, and that is something I think we will all have to start building in for future also. I think there are two parts which are playing on milk prices in India. One is temporary, one I believe is structural.

The temporary part is, I think, the El Niño effect, which is where there has been huge heat stress across. We have talked a lot about the heat stress which has impacted the crop care businesses and all. But one thing which happens in the heat stress is the cattle productivity also drops.

That is a very clear phenomena which is very less talked of, and that leads to demand and supply gap on milk itself, that cattle are producing lesser milk per animal, and demand may be higher.

So, that I think will be a two-quarter phenomenon, maybe more to go. The next monsoon, if it is normal, it will come back. The structural piece, which is here to stay, I think, is the shift all of us are driving together towards value-added products. Now, the milk conversion per liter from milk to, curd or milk to paneer, there is a very significant difference.

That to make a 1 kg paneer or to make a 1 kg curd, the difference is very different. As value-added products get driven more, which India is driving, we will see that there will be a structural reset in milk pricing in India. So, I think what we may be seeing now is a little artificial because of twin combination of El Niño-led productivity impact and structural impact.

I expect this to come back, if monsoon is good, only after two quarters, not before that. So, I think we will have to expect that next two quarters there is no respite. Then structural part, I think, will stay here. So, that is where our take on milk pricing in India is.

Probal Sen: Understood. The second question was with respect to foods. From what we understand, there are obviously initiatives that are being done to expand beyond just nuggets, with frozen chicken and momos and other kinds of products. If you can just throw some colour on how that is progressing and what sort of timelines can we look at for any updates on that part?

Sunil Kataria: Okay. I think one clear direction on foods, and this is something which we like to talk, but thanks for asking this question. We are very clearly focused on building Godrej Foods into a B2C consumer-focused, protein-forward company, and that is where this business is headed. The traction that we are seeing in this journey is actually ahead of what we thought.

We set out to do something in this year. I think the first six, eight months, which are telling us is that acceleration is happening, definitely a little ahead of what we planned, which is a good sign. I think there are two factors playing out in this. One is obviously, clearly, the frozen food

segment is seeing a structural tailwind thanks to the change event of quick commerce in this country. You have a dark stores phenomena happening.

You do not have to go and put coolers in every part of the nook and corner of the country or freezers in every part of the country. So, it becomes a little capex-light model in itself. Secondly, you will ride the channel which is getting built very sharply in this country by quick com players.

On top of this, I think it becomes a game of who is executing well in quick commerce, which I think we are doing pretty a good job. We can clearly see in some of the gains in market share that we are seeing across each of these businesses. The third, and I think a very critical one, is the new product pipeline.

We are investing very heavily into new product pipeline in terms of product innovations, where frozen chicken is one very big bet, I think, where it is a category creation job. India is a huge market. We have not been able to put a number to it right now on what is, you call a fresh chicken or a butcher-chopped chicken, which we know has its own issues of hygiene, which has its own issue of source credibility.

Indians are moving towards more hygiene-centric, less contaminated products. I think that is where this category creation is a very important piece for us. We will drive that. We will stay committed to that. This could become a very big category. Second one is another street food category in India, which is going to see conversion from unbranded to branded is momos. There are very few players out there. We again see this will require a humongous effort over the next three years or so from all category players to build this category.

Again, what it does is, frozen momos, on small base, we are seeing huge traction. Right now, last six, eight months, we have launched non-veg. I am happy to tell you that while market is 60/40, India consumes roughly around 60% non-veg momos and 40% veg. We are not even in veg momo segment, which is a TAM, which we have not even touched right now.

This month is the first month when we are rolling out a veg momo as well. We believe this is again a job of the incumbents, two, three players who are there, to create a category and convert large unbranded momo market into a branded momos market. The third is nuggets, where we have been the market leaders. We are the strongest player. We have launched products like crispy nugget bites, which have done very well.

There is a large pipeline in both frozen chickens, in momos, or rather even in nuggets. We are investing behind all three. I think the number is, I think from the new product that we launched in the last one year, I think today roughly around 25% of our current business is already, and this is a number I can share, 25% of our current business has started coming from the new product which we have launched in the last one year.

That tells you the strength of work we are doing on new product pipeline and scale-up which is happening. I think right direction. I think we are accelerating the pace, and we hope to, over next three to four years, turn this business into a more focused B2C company. That is where we are.

Probal Sen: Got it. One last question, if I may. Thank you for very detailed answer on the foods business. As far as ACI Godrej is concerned, seeing in terms of political developments in Bangladesh, one assumes, and that is reflected in numbers, not much has really happened on that front.

Are we seeing any, with maybe relatively more stable government or at least more stable political environment, are things picking up on that front? Can that business continue to gain momentum and sort of contribute more meaningfully to earnings on the animal nutrition sales?

Sunil Kataria: Okay, thank you for asking this question, because I think ACI Godrej is one piece of business which we have not been able to maybe communicate as well to all of you, and it actually somewhere gets lost as a byline or a footnote. That is something which we want to communicate more aggressively to all of you.

Very clearly, on the ground, the situation is stabilized. I mean, I go there pretty much every two, three months, and I am seeing it from my own first-hand experience. I mean, we keep on hearing what this noise is between two governments, but I can tell you there is a lot of noise, which is very different from the situation on the ground.

I think on the ground, there is, at least from business point of view, that whole strife that we saw maybe over the last two years, which unrest we saw, that has kind of quietened down, and business environment is pretty good. That is one part. Second, what are we doing about it? I think we had a bit of missteps also, because we sensed in the last couple of years before that the market and the country were so unstable, we also felt that what we should do right now, maybe take a step back. I think we obviously then took eyes off, and I think I would say it was a conscious maybe decision that we took of not investing behind your new product pipelines, about distribution, etc.

Maybe that was right decision because you were not sure what was happening on ground. Now, what we have done is we have had a new CEO change in the last 10 months. A new incumbent has gone in. There is a fresh energy. We have put all our might behind product development.

There is one more shift that we are doing strategically in ACI Godrej is, we are giving ACI business a lot of support from India. We have huge expertise of R&D in India animal nutrition business, which I would say till now, we were not giving access to ACI Bangladesh, which we have now started giving. So, there is a lot of product development which has started taking place.

There is a very big streamlining of distribution work happening on ground, and there is a lot of aggression which has started coming into place. It is clearly showing in our first half results. We have grown across every single segment of that country, whether it is aqua, or poultry, or dairy. In every single business, we are growing at very high double-digit volumes.

So, I am very bullish about the volume growth of that business. Obviously, one headwind they are also facing, like anybody else right now, is commodity inflation. But I guess that also shall pass over a period of time. So, the fundamentals are going strong. This is a hyperinflation era which will not last. It is there for everybody, not only us.

Moderator: Thank you, sir. The next question is from the line of Abhijit Akella from Kotak Securities. Please go ahead, sir.

Abhijit Akella: Yeah, thank you so much for taking my follow-ups. I had a few ones, if I may. First of all, on the FY27 guidance, last quarter we had spoken about a double-digit kind of PBT growth expectation for the year. Any update you would like to hold out to that? I know it's a very complex and uncertain environment.

Sunil Kataria: Abhijit, you always put me in a spot. I told you that I'm hoping that the El Niño will not pan out, and I would still like to chase a double- digit. Let me tell you from last time, the environment's a little tougher. I'll be very honest, like always, it's a bit of an understatement.

Yes, I think the biggest thing which we have got more surprisingly hit than we expected is the impact of El Niño on agchem businesses. I think that's the piece, as I said, we'll have to brace for in this year. Whether we'll hit double-digit PBT, I think more clarity come every month. I never expected, for example, palm oil prices suddenly shift so much in last 48 hours.

I wouldn't be surprised if the palm oil prices also come back maybe after two months, because as Malaysian stocks reduce, I'll expect balance to come back. So, it's a bit of open-ended question, but intent, I am not giving up on a double-digit growth even right now. Let's see how it happens. Are we giving up on it? We think it's become tougher, but we will try to chase it.

Abhijit Akella: Thank you. That is helpful colour. Just for oil palm itself, we have done INR426 crores of EBITDA or so last year, FY26. Any numbers you would like to hold out, say, for this year or for the next two to three years? Any EBITDA number you could possibly guide to?

Sunil Kataria: I will give you CAGR. I think a healthy double-digit CAGR is what we chase, and we think we should be able to deliver over this year itself, and over the midterm also.

Abhijit Akella: Okay, great. The debt number seems to have gone up by about INR200 -300 crores compared to March levels. So, what are the reasons behind that, and do we see it coming down in second half?

Sunil Kataria: I am pulling in Ravi, our new CFO. Ravi, over to you.

Ravishankar: Yeah, Abhijit, if you look at it from a working capital and from a days' perspective, we have remained very healthy. In fact, we have brought it down from 31 to 22 days. One of the things that Sunil mentioned earlier, what we have done during this quarter has been, we have proactively increased our inventory holding levels to take the benefit of better prices, given the inflation levels that we are seeing.

Some of that inventory will sort of get consumed as we go through H2. Therefore, as we get into the second half, which should overall free up some cash, and accordingly, we will see what are the kind of debt levels. Our debt-to-equity is at about 0.8, and we expect it to be pretty much in and around that level as we go through the second half as well.

Abhijit Akella: Got it. Thank you. On the other income, couple of questions there. Number one is, it is a bit on the higher side, so any one-off items within that? The cash flow statement seems to show about INR50 crores of dividend received. So, what is that? Who is that from, and which line is that shown under within the P&L? Finally, one more thing, the pet food business, how much is that number within other income?

Ravishankar: Yeah. Abhijit, there is no one-off within the other income. The reason why you are seeing it slightly higher is, the pet food one. It is roughly about INR5 crores in the quarter. But all the other things, including pet food, is a continuing item. There is no one-off sitting there. The dividend of INR50 crores is from our Bangladesh JV, which has come in this quarter.

Abhijit Akella: Perfect. The last ones from my side, if I may, are, you have spoken about the dairy GTM revamp. If Sunil could please elaborate on what that might mean. The other one was on poultry. The branded business salience is going up markedly, but still the margins have not really been keeping up pace with that. So, what do we need to see to move the margins higher in poultry?

Sunil Kataria: Well, I am very happy. Our Godrej Foods CEO is listening to this, I hope, on the call. I do not know whether he is in the call or not, but it is good that you are asking this question to me. The first question which you are asking is on the GTM revamp.

Okay, dairy piece for us. We have a correction, as I have been telling that. We have at least an 18-month-odd correction which we will have to do on the GTM revamp of the thing. We have over the past created multiple kinds of parallel go-to-market channels, which I think were, A, not sustainable, B, they were clashing with each other, and maybe strategically they were also not well thought through. We are simplifying some of those GTM channels.

We are doing some pilots to test our hypothesis right now. As we talk, we have found out what we want to do in our model. We have rolled out first pilot in Chennai just a month back. We would like to see this pilot, how it ramps up over the next six months, the two quarters.

Once we are confident that this is a piece which ramps up, then we will start taking it out gradually to other cities and the core states of Andhra and Telangana for us. So that is where it is. It is a simplification model, where we are trying to work out a distributor model which we would call as the AM/PM model. That is the pilot that we are trying out, where the same distributor, instead of multiple channels conflicting with each other. While we understand the agent channel will always remain, we had created 3-4 different channels. What we are trying to create is if there is a distributor model we can stabilize, which will do partly AM delivery and then behave like a regular PM distributor who will also help us sell value-added products.

So that is the thought that we are piloting, and we will obviously get learnings. Having done GTM all our lives, we have seen that obviously these pilots have to get refined on the ground. So that is probably the thought which is going right now on the pilot part. The second question which you had is on what is happening to our margins on the value foods.

I think if you see, this is a phase definitely for us, I mean, the first year for us. We are shifting the needle very sharply to B2C. Our B2C salience has moved from 25% to 35% in a matter of three quarters or four quarters. That is what the phase that we are setting for ourselves. We know that we will have to do like any other I mean, this is an FMCG business.

Like any FMCG business, I would look at this EBITDA plus working media at this stage currently. With the business, if you see our growth rate on EBITDA, I mean, our EBITDA plus working media has grown at 12%, while B2C business has grown at something like 50%. So that is the ratio you should compare, that B2C business has grown 50%. The EBITDA plus working media, which goes only behind B2C, has grown at 12%. The part which optically does not come through is, and which will never come through is, that till this shift is complete to maybe a 70% for us, our overall revenue numbers will always remain optically muted because we are giving up live bird, we are giving up B2B.

The figures to track is the growth rates of B2C volume and how it is growing, and the EBITDA plus working media investments. Yes, this will obviously start getting tempered at certain stage, but I think this is the first year of that.

Like any other business, it will start getting tempered and we would like to then, obviously, you want to make money in this business in line with any other foods business. Having said that, if I see the EBITDA plus working media margin put together, last year we were 5.6%. We have moved to 5.8% this year, which is 20 basis points higher still.

This is despite having a crazy inflation impact on this business. This business is like any other animal nutrition business, it faces the brunt of the maize, rapeseed, etc. because the feed goes there and that gets the impact. So, it has seen a huge hyperinflation.

I think it is bit of a testimony that we are moving to B2C, that despite in these stages, we have still seen EBITDA plus working media expanding margin by 20 basis points. Having said that, Abhijit, I think the point we also have this back of our mind, we are very conscious that as we wrap it up over a period of time, we will start calibrating investments, but too early right now.

Abhijit Akella: Understood. Thank you so much for the elaborate answers and wish you all the best.

Sunil Kataria: Thank you.

Moderator: Thank you, sir. The next question is from the line of Arun from Unifi. Please go ahead.

Arun: Thanks for the opportunity again, sir. We have been talking about revamping various segments, crop care, foods business, dairy business. Do we have required personnel for it, or do we have to hire it? Do we have to hire people in near term which could increase employee cost? How do you see this, sir?

Sunil Kataria: Okay, Arun. This journey of, again, I think a very fair question to ask. Yes, we have identified new capabilities that we need. Our investor deck has all the transitions, but I think the question which you are putting is, do we need the new people? The answer is yes; we need two things.

One, we will have to train some of our current people itself into new skills. I think that is the first part which will happen, which is the piece where we have in our central skill and where a new manpower team has come into place and extra cost is going. We have created a center of excellence of sales transformation, where we have hired a head of sales transformation who is coming from Britannia and Marico.

The brief to him is very clearly to help us build new sales transformation models for Godrej Foods, which is a poultry business. In fact, we call it Godrej Foods now. The dairy business is the second one. We will also, maybe a year down the line, we will take it bite by bite, we would also like to create some quasi GTM model which have never been experimented in both animal nutrition and crop care business also.

So, this new skill set has come into place, which is a sales transformation. The head is in place. By December, we will have two more members in that team which will join in below him, who will then drive the sales transformation agenda from next year onwards. Similarly, there are changes which have happened in some businesses.

We have got Gaurav, who has come in as the new CEO for the dairy business. We have had new teams which have come over the last 12 months into sales positions across crop care, Godrej Foods, dairy. The question is it going to take some extra cost? The answer is yes. There will be some extra cost which is going to come in manpower budget, which we have already started.

Some of it, I would say, partly is coming into this year, but there will be some impact of it, I think annualized, will come into next year. But that's the cost we will bear as an investment for the future. I think through a list of five projects that we talked about earlier, which we are doing, which are going successful, we will have to balance it out.

If you are driving such high growth, I think we will expect the teams to then take us into the larger premiumization agenda, and hopefully we will balance it out over a period of time. But yeah, this is the investment for the future.

Arun Kumar: Got it, sir. My next question is on the PKO price. We have been saying, we clearly understand the volatility in the CPO price, but how volatile is the PKO price based on your assessment? We are doing more refining in PKO. So, how do you see this price volatility in the PKO part? We have been talking about refined PKO that could improve EBITDA margins. What is the risk and volatility involved in this, sir?

Sunil Kataria: Okay, the PKO prices have not seen as much of volatility as CPO. That is one thing. Now the question is, why? The answers are very difficult right now on this. Actually, honestly, I wish NBG were here. With his expertise, he would have given you a much deeper layer on this. I am genuinely missing his expert point of view here right now.

Having said that, laurics have not behaved the same way as we are seeing CPO. In fact, one question which we were asking our Singapore buying team only yesterday was that why even PKO is behaving very differently from coconut oil? We do not have easy answers on that. But

the fact is, the volatility in PKO is much lower than the one we are seeing in CPO. We expect PKO to still remain elevated. Now, how much?

Very difficult to predict. This is where any commodity expert also is struggling. But yes, we do not expect PKO to come down so sharply. On the PKO derivatives, as I think I had answered earlier, yes, the products will start moving in full pace from quarter four and then will really scale up towards FY28.

We have done some very good foundational work with many of the India food FMCG companies who have reached out to us. Samples are being created with them, and we are hoping those orders will start flowing in from quarter four, the way pipeline is built. That, over a period of mid-term, as I said, will translate to a 2% extra EBITDA margin at the business level.

Arun Kumar: Got it, sir. On the PKO extraction, I believe right now it is around 1.92%. What is the scope for improvement in the PKO extraction?

Sunil Kataria: Just let me just check this data. Yeah, how much is it? No, that is okay. I think, okay. I think we have been doing a pretty good job on PKO extraction. Now for the answer to this question is, we don't differentiate between effort on a CPO OER or a PKO OER. In fact, I would say one of the things which worked out well for us that while the CPO OER took a beating, our PKO OER actually held on pretty strongly.

I think whether there's scope to improve further, I think there's continuous effort to keep on improving further on both ends. I would not differentiate between that this or that is more. But yeah, one information since you asked me, it was not on my mind, that PKO OER actually end up pretty strongly in quarter two as well.

Arun Kumar: Got it, sir. That's it from my side, sir. Thank you.

Burjis Godrej: Thank you.

Moderator: Thank you. Thank you, sir. Due to time constraint, we take this as the last question. I now hand the conference to the management for the closing comments.

Burjis Godrej: Thank you. I hope we have been able to answer your questions. If you have any further queries or would like to know more about the company, please reach out to Anurag. Looking forward to catching up with you again in the next earnings call. Thank you once again for taking the time to join us today. Wishing you all again a happy and prosperous Diwali.

Sunil Kataria: Thank you.

Ravishankar: Thank you.

Moderator: Thank you, sir. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.