Date: 01 August 2026

The General Manager Department of Corporate Services **BSE Limited** Phiroze Jeejeebhoy Towers Dalai Street, Fort Mumbai-400 001	The Manager Listing Department **National Stock Exchanges of India Limited** "Exchange Plaza", 5th Floor, Plot No.C/1, G Block Bandra-Kurla Complex Bandra (East), Mumbai 400051.
Scrip Code : 543306	**Scrip Code : DODLA**

Dear Sir/Madam,

Sub: Transcript of Q1 FY27 Results Earnings Call held on Monday, 27 July 2026

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Q1 FY27 Results Earnings Call held on Monday, 27 July 2026 for the quarter ended 30 June 2026.

This is for your information and records.

Thanking You,
Yours Faithfully,
For Dodla Dairy Limited

Surya Prakash Mungelkar
Digitally signed by Surya Prakash Mungelkar
Date: 2026.08.01 09:58:13 +05'30'

Surya Prakash M
Company Secretary & Compliance Officer

Encl: as above

Registered & Corporate Office:
8-2-293/82/A, 270/Q, Road No 10-C, Jubilee Hills, Hyderabad – 500 033, Telangana, India. Tel: +91 40 45467777,
Fax: +91 40 45467788 Website: www.dodladairy.com, Email: mail@dodladairy.com & cs@dodladairy.com, Toll Free No: 1800-103-1477

"Dodla Dairy Limited
Q1 FY27 Earnings Conference Call"
July 27, 2026

"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on July 27, 2026, will prevail."

MANAGEMENT: **MR. DODLA SUNIL REDDY – MANAGING DIRECTOR – DODLA DAIRY LIMITED**
MR. B.V.K. REDDY – CHIEF EXECUTIVE OFFICER – DODLA DAIRY LIMITED
MR. MURALI MOHAN RAJU – CHIEF FINANCIAL OFFICER – DODLA DAIRY LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Dodla Dairy Limited Q1 FY27 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company, as on the date of this call. These statements do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. Please note that this conference is being recorded.

I now hand the conference over to Mr. Dodla Sunil Reddy, Managing Director, for his opening remarks. Thank you, and over to you, sir.

Dodla Sunil Reddy: Thank you very much. Good morning to all the participants. On behalf of Dodla Dairy Limited, I extend a very warm welcome to everyone joining us on our call today. On this call, I'm joined by our CEO, Mr. B.V.K. Reddy; our CFO; Murali Mohan Raju; and SGA, our Investor Relations Advisors. I hope everyone has had an opportunity to go through the financial results and investor presentation, which has been uploaded on the stock exchanges and our company website.

Q1 financial year '27 was marked by the highest-ever quarterly revenue of INR1,198 crores, a year-on-year increase of 19%, along with the record milk procurement of around 21.1 lakh liters per day, supported by the revival in the milk supply. EBITDA for the quarter stood at INR65 crores to an underlying EBITDA margin of 5.4%, and PAT stood at INR41 crores.

While milk availability has improved during the quarter, procurement prices did not come down as the focus was on building up the inventory for future requirements. Our strategy is in line with the overall industry trends. These elevated procurement prices were not fully passed on to the consumer, resulting in continued near-term pressure on our profitability. With this in view, we will be able to pass on the increase in price to our consumers in the forthcoming quarters.

This said, the year-on-year decline in EBITDA and PAT is largely cyclical driven by the input cost sweep, and we expect gradual recovery from Q2 onwards. Our procurement network also continued to strengthen during the quarter. Procurement in Maharashtra and Karnataka improved, and we continue to add more farmers to our network.

Coming to our value-added products portfolio. We recorded our highest ever sales of INR415 crores, registering by 17.6% year-on-year growth, supported by prolonged summer season compared to the earlier onset of monsoons in Q1 FY26. We see a strong demand across our summer-oriented products such as curd, buttermilk, flavored milk, ice cream and other value-added products. Notably, the highest ever number is achieved without any support from bulk sales for SMP or butter, reflecting our continuous efforts and dedication of our team towards a VAP products mix aspiration.

On a like-to-like basis, excluding the bulk sales proportion, VAP delivered a solid growth of 40.6% year-on-year. Africa business delivered another strong quarter, recording the highest ever revenues of INR154 crores, representing a solid growth of 45.6% year-on-year. EBITDA also touched a record of INR24 crores, increasing 74% year-on-year.

We continue to maintain our market share of approximately 50% in the Uganda long-life milk category and yogurt. In Kenya, processing capacity continues to ramp up towards full utilization, while our current market share has remained modest at around 2% to 3%.

Our Orgafeed segment continued to complement our core dairy operations during the quarter. Beyond its financial contribution, this also plays an important strategic role in strengthening our procurement ecosystem and maintaining good relations with farmers, enabling us to manage the industry-wide challenges, such as periods of low milk availability.

Coming to our OSAM business, the integration continues to progress well, following the acquisition. Revenues for the quarter stood at INR91 crores, and we are gradually seeing improvement in our profitability. We continue to focus on improving operational efficiencies across sourcing and costs, while strengthening our presence in Eastern Africa with driving long-term growth in this business.

Now speaking on our expansion initiatives, our Maharashtra Greenfield project is progressing, as per the plan and time lines for commercial operations remain intact. As part of our Eastern India expansion strategy, we continue to able to evaluate the optimal utilization of a Chandel plant, including the possibility of shifting flavoured milk production at this plant to effectively serve the Bihar and Jharkhand markets.

Following our due diligence on land allotted by BIADA, we are revisiting our strategy for capital allocation either towards the land or towards more capacity at the Chandel facility. We aim to strengthen our presence in a more capital-effective manner.

I would like to inform you that the Board of Directors has approved a primary investment of INR11.65 crores or around 2% stake in Sids Farm Private Limited.

Sids Farm is a premium dairy brand with a strong multiregional direct-to-consumer and e-commerce presence. The investment aligns our core dairy business and provides exposure to the fast-growing premium and direct-to-consumer dairy segment. It also offers us an opportunity to associate with and support the growing for differentiated high-quality dairy brand.

With this brief, I now hand it over to CEO of our company, Mr. B.V.K Reddy. Thank you very much.

B.V.K. Reddy: Thank you, Mr. Sunil Reddy. So now I will walk through you the quarter's performance highlights of our business. Starting with our Dodla Dairy operation. During the quarter, as anticipated, the overall milk supply situation started improving, and we see some increase in our milk procurement volumes, recorded at 21.1 lakh liters per day, which is 13% year-on-year growth. It reflects the strength of our operational team, direct procurement model and longstanding farmer relationships.

The average procurement cost Q1 FY27 stood INR41.3 per liter, as against INR41 per liter in the previous quarter and INR37.4 per liter in the Q1 of FY26. However, we continued with our approach of gradually passing on the price to the consumers and avoided taking a lump sum price hike. Our average milk sales price for the quarter stood at INR59.4 per liter, which was INR58.4 per liter in the previous quarter, and INR57.2 per liter in Q1 FY26. Therefore, our margin continues to remain under pressure for the quarter.

To put the squeeze in context, the spread between our milk realization of INR59.4 and the procurement cost of INR41.3, narrowed INR18.1 per liter from INR19.8 a year ago, which largely explains the EBITDA margin decline from 8.2% to 5.4%. In addition to that, we witnessed some increase our operational cost mainly due to input cost inflation and shift in product mix from bulk sales to milk and VAPs sales.

We see an increase in cost like transportation, overheads, fuel and packing. The packing material cost increased by 48% during the quarter, rising 5.6% of our revenue, as against 4.4% in the period of last year. We plan to pass on some part of this cost inflation to the end consumer in a gradual manner.

Our pricing strategy remained in line with the overall industry trend and reflects a balanced approach. Our subsidiary, OSAM Dairy is also progressing well. We see a healthy contribution from the company in terms of our curd and VAP sales volume. With consistent and gradual improvement in operational efficiencies, OSAM is headed towards our targeted scale and margin profile.

Coming to Africa business, we delivered a strong revenue growth of 45.6% on year-on-year, largely driven by robust milk sales growth, 52.3% on year-on-year. This is an outcome of our targeted efforts on gaining market share in Kenya, whilst particularly pricing our products. Along with revenue growth, our profitability also improving steadily. We are confident in achieving robust and consistent revenue growth along with the steady margin improvement in this business.

So, coming to feed, Orgafeed recorded revenue growth of 25.9% on year-on-year. Raw material price growth is still faster than the selling price, leading to continued pressure on the profitability. However, as anticipated, we see a sequential recovery in our profitability, our EBITDA margin for Q1 '27 with marginal sequential improvement stood 10.5%.

Coming to product mix. Our milk sales stood 13.6 lakh liters per day, an increase of 14.5% on a year-on-year. During the quarter, we delivered highest ever VAP sales number to INR414.7 crores, as against INR352.8 crores in Q1 FY26. This was mainly due to a seasonal variation, explained by our MD as well as improved contribution from our OSAM business.

Curd and curd-based products reported a healthy growth of 41.4% on year-on-year and stood at 642.6 million metric tons per day in terms of value and curd sales grew by 44.9% on a year-on-year basis. Going ahead, we expect some modernization in the procurement cost from Q2 onwards, leading to start a gradual recovery in the margin profile for upcoming quarters. We are confident to mitigate this near-term pricing pressure and remain focused on effective execution and achieving our long-term objectives, while delivering profitability growth.

Now I request Mr. Murali Mohan Raju, our CFO, to highlight the financial quarters.

Murali Mohan Raju: Thank you, Mr. B.V.K. Reddy, and a very good morning to all the participants on the call. Talking about consolidated financial performance in Q1 FY27. Revenue from operations stood at INR1,198 crores, the highest ever quarterly revenue registering a 19% year-on-year growth.

Gross profit for the quarter stood at INR278 crores with a gross margin of 23.2%, as against 25.8% in Q1 FY26. Employee expenses in Q1 FY27 stood at INR56 crores, compared to INR47 crores in a corresponding quarter last year. The 18% year-on-year increase was primarily due to OSAM addition during this quarter and higher employee costs pertaining to the minimum wages criteria, as per new Labour Laws.

Other expenses for the quarter were INR159 crores (Wrongly said, Please read it as 158 crores) a, compared to INR130 crores in the corresponding quarter last year. While other expenses remained broadly in line with revenue as a percentage of sales. The increase in absolute term was primarily driven by higher transport, overhead and fuel cost due to a shift in product mix from bulk sales to liquid milk and value-added products.

EBITDA for the quarter stood at INR65 crores with an EBITDA margin of 5.4%. Depreciation expense increased to INR23 crores in Q1 FY27 from INR18 crores in the corresponding quarter last year. Other income for the quarter stood at INR14 crores. Unlike previous few quarters, we don't have any tax credits in Q1 FY27 related to any of the favourable income tax order.

Net profit for the quarter stood at INR41 crores with a net profit margin of 3.4%. On the balance sheet, we remain net debt-free with approximately INR689 crores of cash and investment, which comfortably funds our INR590 crores capex program, along with the OSAM and Africa expansion without any leverage.

Lastly, I would like to mention profitability includes purchase price allocation effects, brand amortization and fair value adjustments. Hence, it's the underlying profitability runs ahead of the reported figures mentioned in our investor presentation.

With this, we conclude the presentation and open the floor for further discussion.

Moderator: The first question comes from the line of Praveen Kumar with Equitas Capital Advisors.

Praveen Kumar: I had a couple of questions. The first one was on the margin trajectory. Can you walk us through how do you expect the margins to behave from here onwards over the next 6 to 9 months? And then also over the next 2 to 3 years, can you walk us through what are the triggers? What are the near term and the midterm triggers for improving these margins? Or do you -- given what has happened on the procurement side and on the pricing side, do you think that margins are structurally reset downwards to some extent? That is the first question.

The second question was on Sid's farms. Just wanted to understand the thought process behind that, why that 2% is very minor kind of stake, what is the thought process behind that? Third question was -- if I look at the ex...

Moderator: I'm sorry to interrupt, Praveen, you're breaking up every now and then. Could you please change your location? And use your phone on the handset mode in case if it's not on handset?

Praveen Kumar: Yes. It is on handset. Is it better now?

Moderator: Yes, yes. Please go ahead.

Praveen Kumar: Yes. So the third question was on the procurement growth adjusted for OSAM, that seems on a Y-o-Y basis, that seems to have grown around 5.3%. So, I just wanted to understand again that most of it has probably come from that Maharashtra scale up. So does it mean that ex of Maharashtra, the other geographies, there hasn't been much of a procurement growth? Yes. Those are my 3 questions.

Dodla Sunil Reddy: So, thanks Praveen. I'll answer the first 2 questions and the third question regarding procurement growth in OSAM and Maharashtra, B.V.K will answer. Margin trajectory, if you look at it, we are still confident that we will maintain between the 7% and 8% EBITDA margins, even in the current year that we are at, because like we were saying earlier, we were assuming that with the onset of monsoons, the procurement prices will taper down, but now seeming to be that there's not much of an increase in procurement in terms of the price what we normally expect.

We will have to slowly pass on the prices to the consumers, which we have already started in the process. Regarding views on margins, we will start coming back to those between the 7% and 8%, subject to whatever is the one month of time that it consumes to pass on the prices.

In the 2- to 3-year scenario that you asked, we are confident of maintaining similar profit margins as we go forward, predominantly because of a, when we look at it we're adding on Maharashtra, there is improvement expected from OSAM. These are mostly seasonal corrections and not structural in nature. Therefore, we are very confident within the 2 years -- 3 years, therefore, it is not a reset of the margins, but more a seasonal correction, that has been happening, that is a scenario.

Now coming to the capital allocations to Sids Farm on a minor stake. It is basically for us more in terms of learning and keeping a closer watch on how the modern high-value the D2C products behave, because for example we believe that sort of consumption pattern to become a habit from a PAT, it will take significantly long-time and therefore, to test the pieces and such other pieces, that we have, we normally try to go as a learning it with another, rather than trying to create on our own. And if it is showing good trajectory and possibility, we will also know beforehand as to how it is progressing. So that is the intention of the capital in.Sids Farm

Regarding procurement growth, B.V.K, sir will explain why and what is happening in Bihar, and it's not only Maharashtra, but also I think we have grown in Karnataka as well. But B.V.K will explain Bihar and other growth in procurement.

B.V.K. Reddy: Yes. In OSAM -- see, if you see last year -- procurement last year, see, we don't have right data because we used to use a lot of powder and butter. Now we know that we are avoiding that powder and butter. And now first quarter now, more or less, we matched our sales to procurement. So, there is a slight growth, not much growth because we have done a lot of corrections more than the procurement.

We are going for farmer payment model. That's why things are going very slow. But in Maharashtra, we have done a procurement growth. So last year to this year, Maharashtra, we have done a growth of -- overall growth we have done 13%. We have done a growth of 10% in Maharashtra also. And then Africa, we have done roughly about 28% procurement growth, in only procurement growth. That's all from the procurement side.

Praveen Kumar: So actually, my question on procurement was that if I take out OSAM, adjusted for OSAM, the remaining unit procurement grew 5.3%, right? And when you are saying that Maharashtra grew around 10% and Africa grew 20-plus percent...

B.V.K. Reddy: Maharashtra is part of DDL overall, but overall we have grown by 13.5%.

Praveen Kumar: No, no, I understand that.

B.V.K. Reddy: Almost it is flat. But Africa and India together, we have grown more than 13%.

Praveen Kumar: No, no, I understand that.

B.V.K. Reddy: India, we have grown only 3%.

Murali Mohan Raju: Stand-alone only 3%, Praveen.

Praveen Kumar: No, no, I understand that. I'm saying that ex OSAM. I mean, last year, Q1 FY26 did not have OSAM, right? Then your procurement was around 18.7, correct, around? Right? And this year, if I take...

Murali Mohan Raju: I'll tell you the breakup, Praveen. Just give me a minute. So out of 18.7 months, the current year more than 21.13. The breakup of Dodla Dairy India, 16.75, now increased to 17.23, that is 3% of growth. Then oversees from 1.96 to 2.52, that's 28.5% of growth. For HR Foods, last year, we don't have it. Now we have 1.39 totally. So, the overall growth comes to 13%.

Praveen Kumar: I understand that. I'm saying if from the 21.1, if I take out OSAM 1.39. Around 19.7 correct?

Murali Mohan Raju: Exactly.

Praveen Kumar: Right. So that 19.7, I'm comparing it to the last year, 18.7, right? I'm saying that is a growth of 5.3%, which has mostly Maharashtra and Africa looks like, right? So my question was...

Murali Mohan Raju: Mostly from Africa, followed by Maharashtra.

Praveen Kumar: Yes. So, hence my question was that, does it mean that the other geographies like Karnataka, Andhra and others, have they degrown during this time in terms of procurement?

Dodla Sunil Reddy: It's not degrown, it's maintained the same, because it's again the summer months of the growth.

Praveen Kumar: Okay. And do you expect this kind of a trend to continue where you don't expect much of a growth from the existing geographies and largely Africa, Maharashtra and Bihar is what will drive?

Dodla Sunil Reddy: So basically, what happens is also what we play with pricing, because sometimes with the pricing of the particular state in comparison with other states are lower or higher, we try to manage as a blend of all the sales procurement. For example, Andhra is becoming more competitive and the prices are going higher. There, we are not expanding capacity or improving and waiting to see if it can be -- the pricing is going too high. And in certain areas where the pricing is more conducive to us, because of our transport and being closer to the places where we operate, we enhance there. So, it's a blend of what we do also that plays into the role.

Moderator: The next question comes from the line of Aniruddha Joshi with ICICI Securities.

Aniruddha Joshi: Yes. And sir, two questions. So can we largely assume that the worst in terms of margins is largely behind. And in a way from here on, either there should be stability or there should be recovery depending on the milk procurement prices? Also, have we largely passed on the entire increase in procurement prices as well as fuel prices increase via selling price hikes or still we need to take some round of further price hikes?

And then second question on the balance sheet. We have seen, there is a drastic increase in goodwill and intangibles of almost INR250-odd crores. So, I guess it's related to OSAM acquisition, but any plans for writing it off? And if it is written off, is there any tax benefit available on that?

Dodla Sunil Reddy: So the first question, B.V.K will answer regarding our margin profile, you had asked for. And I think the balance sheet B.V.K -- sorry, Murali will answer it. Yes, sir. Go ahead.

B.V.K. Reddy: Yes. Aniruddha, now see Africa, we have done whatever procurement hike was there be compensated with the sales increase also. That is number one. And Orga also, what we have done slightly already 70%, 80% raw material price increase versus sales price correction, we've already done it.

Only in Dodla, DDL also, we waited till July first week with normally and now from July onwards procurement goes up normally, prices will come down. So this year, it has not happened. That's why now we have already done corrections mostly from 15th onwards, and most of the corrections are done. We are very confident that we'll get back to the same or last year, like 7% to 8% margin, margin profile.

Murali Mohan Raju: With regard to the tangible, basically, like OSAM, we have INR100 crores of goodwill is there, apart from that around INR150 crores of branding is there. So based on that, we have allocation impairment of whatever it is there. But it's a standard fair value of amortization. There is no any surprises of reduction in the fair value.

Dodla Sunil Reddy: So therefore, Anirudh, we will not be providing anything for write-offs in the impairment of assets. And as B.V.K was saying, we expect that the worst is behind us in terms of the procurement prices coming to our stability. I don't think they'll further increase dramatically, marginal corrections might happen, but we will have to take it in the correction to the consumers.

Aniruddha Joshi: Okay. Sure, sir. Sure, sir. This is very helpful. Just last question from my side. We have seen many players, especially in South India, are focusing very aggressive on ice cream segment and are setting up large plants also. So considering the investments and the growth in ice cream segment, there is a possibility that there is a solid growth in the industry.

So, what will be Dodla Dairy stance on in a way, participating in the growth possibility for ice cream, as an industry? And if yes, what will be the capex or the investment plans on that? Yes, that's it from my side.

Dodla Sunil Reddy: Right now, we don't have any plans of a major ice cream expansion as a capital expansion. We have also seen reasonably good traction in our ice cream volumes, which thankfully due to summer has done very well for us. I think we still have some leftover capacities, because we can also produce ice cream previously during the season to stock for selling at the peak summer season.

So, we are waiting to see how it pans out for us in the current year and maybe such the decisions will be made not currently, but hopefully in the future. So our growth has been from INR16 crores to INR22 crores in the first quarter itself. So we think once we see this year panning out and then we'll make plans. Currently, we do not have any plans for major expansion.

Moderator: The next question comes from the line of Darshita Shah with DSP Asset Managers.

Darshita Shah: My first question is regarding the quantum of the price hikes. B.V.K, sir mentioned, we have done some corrections from July 15 onwards, if you could just mention the quantum over the INR2 price hike that we took last quarter, how much incremental price hike we've taken now?

Dodla Sunil Reddy: So, I think from the Q1 to Q1, if you compare the price increases, we have done an average price increase in Dodla for almost 2% increases in the consolidated, Dodla being around 1.4%, and Africa being around 4%. I think currently, we look at another around 2%, 2.5% correction in the prices in the ongoing quarter that we look at. So effectively, I think current year, we should look at 4%, 5%.

Darshita Shah: The 2.2% is in stand-alone Dodla or Africa and Dodla put together?

Dodla Sunil Reddy: The total represents, all put together, Dodla alone was around 1.4% currently, but we think we will take another 2%, 2.5% there.

Murali Mohan Raju: Darshita, this is only milk realization price, we're talking, not the blended.

Darshita Shah: Yes, yes, yes. Okay. And secondly...

Dodla Sunil Reddy: Blended will be higher, because ghee and other products, we have taken a substantially larger price increase. This is only milk.

Darshita Shah: Got it. Clear. And secondly, on the volumes, how do you expect the volume growth to be for the year? First quarter, of course, we have done quite well. But how do you expect it to be for the full year, considering the price hikes that we are taking in?

Dodla Sunil Reddy: Maintain our normal steady, I think the 8% to 10% in India as volume growth and the price hikes will add to the value growth. So, that's what we look at.

Darshita Shah: Okay. So, there is no change on the 8% to 10% volume growth number, despite the price hikes?

Dodla Sunil Reddy: Yes.

Moderator: The next question comes from the line of Yash Goenka with Awriga Capital Advisors LLP.

Yash Goenka: Am I audible?

Moderator: Yes.

Yash Goenka: Sir, my question is on pricing. What are the price hikes taken by competitors in the region, we are operating? And have you seen competitors taking price hike in Tamil Nadu?

Dodla Sunil Reddy: Price hike like in Tamil Nadu cooperative Amul has taken a price hike in the ghee, and Nandini has taken price hikes in ghee and the national cooperative had taken a price hike earlier in milk. We anticipate also they will also be forced to take price hikes, it's not currently in a matter of time.

So, we are -- in spite of that, we are continuing with our required the price hikes that we'll have to take. However, we do not know when, but I'm sure they will have to take because the differential is becoming large. And we are seeing pressure coming on the ground in terms of their payments to be made to their back-end farmers is getting delayed.

Yash Goenka: Okay. And sir, what is your price gap today with these cooperatives?

Dodla Sunil Reddy: Almost averaging, because depending on product or whatever, I think between Tamil Nadu will be the highest with almost more than INR10 price gap. And in Karnataka, it might be INR6, INR7 price gap. So those are the only 2 areas, where we have a significantly large price gap to the cooperatives.

Yash Goenka: Okay. And the second question would be what kind of price hikes have you taken in the region where your market share is stronger compared to the ones, where your market share is weaker?

Dodla Sunil Reddy: Basically, in terms of absolute number, it will be around INR2 price increases that we have taken, as a correction across.

Moderator: The next question comes from the line of Abhishek Mathur at with Systematix Group.

Abhishek Mathur: Sir, you have mentioned in the presentation that you expect the 2Q milk procurement cost to normalize in the second quarter. What is leading you to sort of expect this? Is it only the improvement in the milk supply in Maharashtra? Or are there other drivers due to which you are seeing a normalization milk procurement cost?

Also, if you can help with what was the average procurement cost that you saw in the June month? And what is the procurement cost that you saw in the July month also? That's my first question.

Dodla Sunil Reddy: So basically, what we mean the normalization is whatever the price hikes that I have will maintain the same. We won't see a decline in the procurement prices, what the normalization means. I think the specific number in terms of what the price of milk will almost the same, in terms of June and July, I think if you want a specific number of prices that we are...

Murali Mohan Raju: Basically, average is around INR41, now also it is rounded around INR41.20, more or less.

B.V.K. Reddy: See, last 2 months in the month of May, June, July, overall procurement cost is stand still. So it is in the same level. Only we have done a sales correction average INR2 per liter milk and VAP, we have done INR3 to INR4 correction.

Abhishek Mathur: Got it, sir. That's helpful. Secondly, just a bookkeeping question. If you can help with the numbers for the consol overall realization for 1Q, the VAP consol realization and the stand-alone and Africa realizations, all for 1Q, please?

Dodla Sunil Reddy: One minute. Murali will give you those numbers of 1Q for realization that we have.

Murali Mohan Raju: So our overall realization of the milk is per liter?

Abhishek Mathur: No sir, overall consol, including milk, VAP and everything?

Murali Mohan Raju: Yes, overall consol is INR62.78 last year. Current year is INR61.78, because the bulk was there in the last year. So if you exclude the bulk, last year is INR59.82, current year it is INR61.78.

Abhishek Mathur: And for VAP sir, VAP consol?

Murali Mohan Raju: VAP consol. It is basically excluding the fat, it is INR64.11 for the current year, last year INR61.32, fat product this current year quarter INR 604, last quarter it was only INR4498.

Abhishek Mathur: Right. And finally...

Dodla Sunil Reddy: Fat products?

Murali Mohan Raju: Yes. Only butter and ghee.

Abhishek Mathur: And lastly, sir for standalone and for Africa, what are the realizations?

B.V.K. Reddy: I will give you a stand-alone. You see Africa, even Kenya and Uganda, average realization is INR65.

Murali Mohan Raju: So last quarter...

B.V.K. Reddy: Yes, last quarter to this quarter, no, I'll give you comparison. So last year, if you see Uganda, we were at INR59.36. And this quarter, INR65.31. And similarly, even in Kenya also, we were at INR58, now we at INR65.

Abhishek Mathur: Got it, sir. And finally, for stand-alone?

Murali Mohan Raju: Standalone, overall excluding the bulk products and fat product it is INR59.99 to INR61.36, India standalone and overall including VAP products it is INR59.02 to INR60.88. And including the bulk, it is INR63.24 of last April, INR60.88 of current year.

Moderator: The next question comes from the line of Darshit Vora with Asit Mehta Institutional Equities.

Darshit Vora: Yes. And congrats on the strong growth in revenues. My first question actually is that if you look VAP sales, ex of milk and curd, the growth has been somewhat lower when compared to historical growth rate that we've seen. So any particular reason for that?

Dodla Sunil Reddy: Basically, for the other VAPs considered to be as much smaller, right? The major contribution thus come from curd. So even if you can see curd slightly increasing, it will be better. But I think I'll just check the numbers, but like ice cream and paneer, we have done much better in terms of growth like INR14 crores last quarter to INR22 crores this quarter. I think remaining expenses specific number in VAP minus curd is what we achieved.

Murali Mohan Raju: So, in milk, we have grown 14.47%. In the curd and curd products, we have grown by 41.43% and the VAP, other VAP products is 35.62%. In the fat and fat products, which we reduced it, there is a degrowth of 46%, okay? In the consumer. And apart from that, we have exited completely from the bulk sale, which was the negative, that is around INR57 crores, which was there in the last quarter, we don't have done this.

Dodla Sunil Reddy: Curd, we look at curd and curd product, it's not only curd that we talk about, but we talk about buttermilk, lassis and other permitted products, which also do well for us.

Darshit Vora: All right. Got it. Okay. And secondly, if you look at the increased procurement and you have mentioned that the procurement is not going to slow down from here onwards. So do we see bulk sales coming back? And if yes, what kind of quantum are we looking at?

Dodla Sunil Reddy: I think this year, there won't be enough quantity of bulk sales, we will have to be net buyers of commodity required, because this is oppositely of the flush season, where we should have seen a surge in the volume growth of 20%, 25% which is not happening and maintaining more of an even key. with that we don't have much of bulk sales available for this year.

Darshit Vora: All right. All right. Great. Just final question. I just wanted the curd sales in INR terms for the quarter.

Dodla Sunil Reddy: Curd sales in INR terms for India, including all the curd products will be at ...

Murali Mohan Raju: Yes, INR333.96 crores for the current quarter.

Darshit Vora: All right.

Moderator: Does that answer your question, Darshit?

Darshit Vora: Yes.

Moderator: The next question comes from the line of Resha Mehta with GreenEdge Wealth.

Resha Mehta: Yes. Sir, would you like to -- I mean the first quarter consolidated growth has been very good, right? So would you like to give some revenue guidance for the full financial year, consol revenue growth?

Dodla Sunil Reddy: We will again target the 10% of volume growth and 15% of revenue growth that we keep targeting. We might have a minor corrections here and there, but consolidated we will give the same guidance of 10% of volume and 15% by revenue.

Resha Mehta: Right. And can you talk about your stand-alone VAP growth in terms of revenues for the last financial year FY26 versus FY25 and also for the current quarter, which is Q1 of FY27 versus Q1 of FY26?

Dodla Sunil Reddy: So you want FY25 whole year comparison and the current quarter comparison, ma'am?

Resha Mehta: Yes, yes. Correct.

Dodla Sunil Reddy: I think Murali will give you that in terms of the whole year and the current year, he will start with the current quarter...

Murali Mohan Raju: Current quarter, India, I'll talk about first. So current quarter growth with regard to the value, it is around 4.9% in the milk and 34% in the curd and curd products.

Resha Mehta: And VAP revenues, revenues, stand-alone VAP revenues, yes, for the said timing. Yes.

Murali Mohan Raju: From INR245 crores to INR332 crores, excluding bulk.

Resha Mehta: Sorry, 300?

Murali Mohan Raju: INR332 crores.

Resha Mehta: INR332 crores. INR245 crores versus INR332 crores? Okay. So that's a 36% VAP growth in the standalone, right? Okay. Okay. Got it. And for FY26 versus FY25, broadly you have the growth numbers?

Murali Mohan Raju: Yes, yes. So INR769 crores of last year to current year, INR842 crores. These are excluding the ghee and butter of the either consumer or the bulk, I'm talking about pure VAP. Fermented products. Consumer ghee, last year, we had INR81 crores, it is INR106 crores.

Moderator: The next question comes from the line of Aditya with Securities Investment Management.

Aditya: Sir, if I look at your milk sales volumes, you are excluding OSAM. So they have dropped to now around 5%, which we were growing at around 8%, 9% for the last 2, 3 quarters. So this quarter, even after Africa has grown strongly, why is there a drop in milk sales volume? And if you could just split the milk sales volume between India and Africa, how much have been?

Dodla Sunil Reddy: Normally, milk sales does not increase much in summer, because people use more of the products than milk itself. And I think in the coming quarters, the milk sales will now grow a bit more and keep it as come back to normal trends. And also the price differences increased in terms of the milk prices.

We normally try to sell more of a higher realization, milk cannot go down push much of a lower realization milk products. I think giving a comparison of what milk was in terms of -- in absolute terms in Africa and India, Murali will give you the specifics in terms of the milk quantity of Africa and India.

Murali Mohan Raju: Yes. Milk volume we done around 10.4 lakh current quarter. Last quarter, it was 10.25, there is a minor increase in milk like sir said, it is fiscal year this summer. And with regard to the milk of overseas Africa last year, we've done 161,000, as against we've done current quarter 214,000, that is around 33% of growth was there in the milk itself.

Aditya: Understood. And now sir, you had mentioned that cooperatives have taken price hikes in the ghee and butter, but what about liquid milk? So, what kind of price hikes have they taken versus against us?

Dodla Sunil Reddy: So basically, I think the certain cooperatives have not taken a price hike. The national cooperatives like Amul and Mother Dairy have taken the price hike. We are anticipating that even in the Southern cooperative should take a price hike, like I said earlier in other question for example, I was facing pressure of not taking the price hikes, therefore, not being able to pay on the suppliers on time.

And therefore, they will be bound to increase the pressure, which is showing in terms of when I think there was a newspaper article, I cannot confirm it, but certain higher loss-making milk SKUs they were not able -- they were not supplying and they withdrawn certain higher loss-making SKUs from the market. So, I think with those indicators, we should think that there will also be forced to take the price increasing.

Aditya: But do you think that would constraint...

Moderator: I'm sorry to interrupt, Aditya. I would request you to rejoin the queue. The next question comes from the line of Ankit Shah with White Equity Investment Advisors.

Ankit Shah: Sir, for Africa, can you give the procurement volumes split between Kenya and Uganda for Q1?

Dodla Sunil Reddy: So, only probably procurement volume, sir, B.V.K will give you the procurement volumes of Uganda and Kenya.

B.V.K. Reddy: Procurement volume in Uganda, Q1 was 154,000 liters, as against 129,000 of previous year. And if you take Kenya, and Kenya also last year we have done procurement only Q1 now 96,000, 97,000 we have done. And last year, we have done 66,000, a jump of 46% in Kenyan procurement growth. And Uganda, we have done only procurement growth is 19%. Majorly, we have done good growth in Kenya.

Ankit Shah: And sir, what are the utilization levels here?

Dodla Sunil Reddy: Kenya, now we are almost utilizing now 80% utilization in Kenya, because we have installed capacity is only 1.5 lakhs. Now we're already doing 1.1 lakhs. So hardly we have the another 20%, 30% gap. But in Uganda, see, since because we are targeting over there, we have grown yogurt also good quantity there. And that's why now we are planning for Greenfield projects. Uganda also is a full capacity actually.

Ankit Shah: Right. Sir, you mentioned realization increase from 61 to 65. So this realization is the blended realization 65 for Q1. And from this, should we see further margin improvement in Q2, as a fallout of this?

Dodla Sunil Reddy: So, I think the first quarter, price that we have seen will be there. But as the seasonality comes in procurement prices in Africa also increase in the second quarter. So, it will not be a continuous amount of the same, but we will not use profitability, depending on monsoon we will taper down and then again bounce back.

Moderator: The next question comes from the line of Sucrit Patil with EyeSight Fintrade.

Sucrit Patil: My first question to Mr. B.V.K Reddy is beyond the regular outlook, what are the top 2, 3 execution priorities you are focusing on in the next few quarters? And alongside that, what do you see as a biggest risk in consumer demand shift or competitive pressure and how are you preparing to manage them while still strengthening Dodla's position in the dairy products and value-added offerings? That's the first question. And then second question after this.

B.V.K. Reddy: See, if you see overall Dodla Africa, now we don't have, we are towards edge only. So maybe normally, we do the better results in the first quarter and fourth quarter, slightly, second and third quarters slightly margins. But whatever target, what we have taken a target budget that we will 100% we'll achieve as far as Africa is concerned, volume as well as EBITDA.

And feed also now we are almost we have done first quarter also more than 25% growth. And EBITDA levels also now slightly there is purchase price of raw material pressure is there. But even then feed also, we are very confident, but just the numbers, both EBITDA as well as volume both we will achieve.

And the DDL in India also we have done lot of corrections. And milk we have done earlier in the month of April, May itself we have done INR1, more than INR1 correction we have done. And then we have already taken INR2 correction, and VAP, we have done INR3 to INR4 correction.

So, I don't see, there will be always a pressure because I don't say there won't be any pressure. But clearly, it is indicating that the El-Nino was the impact, weather pattern, because of that only is the issue or otherwise no things would have been better. See there's not much of inventory, that's why there's a pressure. That's all.

Dodla Sunil Reddy: Otherwise, price correction...

Sucrit Patil: Sorry, sorry. Please go ahead.

B.V.K. Reddy: Yes, that's what I said because of the El-Nino, because of weather pattern, the procurement the anticipated level, it is not there, that's why there is a pressure, but we have already done corrections.

Sucrit Patil: My second question to Mr. Murali is from a financial point of view, what key risks or challenges do you anticipate in the coming quarters? And what specific measures are being taken to manage margins, cash flow and balance sheet strength, especially in areas like raw milk procurement cost, receivables and regulatory compliance?

Murali Mohan Raju: Yes. So basically, its depends on how much you could be able to pass it on the cost inflation to the consumers. It also depends on the planning of the inventory, the procurement and the sales and also how the other competitors are playing in the field. These are things, which we need to capture, okay? Based on that, we will plan overall an absolute amount, we also grow in the EBITDA percentage. That is one thing.

And with regard to the cash flows, we are a debt-free company. We have around INR650 crores in the balance. And we also see where we've been able to optimize the return on capital employed, that's where we are working towards. And as of now, we are funding internal accruals for the OSAM, for the Africa and as well as for the Maharashtra.

And we don't have any major issues in accounts receivable. Basically, the cash and carry business, okay, our average DSO is around 1.5 days to 2 days, what we are doing. And payables, every 15 days, we will pay to the farmers and all the transport and other payments we'll do it on a monthly basis. So, we don't foresee any issues in the payables or the receivables.

And the inventory, based on the movement of the prices increase or decrease in global situation, we play the inventory game. Hope, I covered all the things.

Moderator: The next question comes from the line of Hitaindra Pradhan with Maximal Capital.

Hitaindra Pradhan: Just had one question and wanted to get your perspective on the VAP portfolio, especially for curd and paneer. So sir, what happens to the price...

Dodla Sunil Reddy: You're breaking up, sir.

Hitaindra Pradhan: Sir, is it better now?

Dodla Sunil Reddy: Go ahead, sir.

Hitaindra Pradhan: Yes. So just had one question on the VAP portfolio. So sir, what happens to the pricing and the working capital situation on the VAP portfolio in this environment and the procurement is somewhat stretched. I mean in terms of pricing, in terms of margin and the working capital, if you can give us some color what happens to the VAP portfolio?

Dodla Sunil Reddy: You're breaking up a little bit. So I'll repeat the question before I give the answer. So, one thing is you wanted to see what the VAP portfolio's impact based on the pricing of milk is going to be? And the second is regarding the inventory buildup that will happen in terms of milk pricing. If that is the true for the questions, I'll answer accordingly, sir.

Hitaindra Pradhan: Yes, yes.

Dodla Sunil Reddy: Basically, the VAP does not going to be procurement prices and VAP transmission has already happened and it has been done. So whatever was the milk procurement price to VAP realizations we had passed on the pricing to the consumer and that will continue to be there. But majority, as you know, VAP will have a higher offtake during season and will come down during the off-season. So, I think during the off season, as we grow in the procurement prices remain the same and VAP remains in the profitability and VAP will continue.

Regarding inventory, we still have to wait and watch. I don't think we have insufficient inventory buildup happening for us on our own come for the next year. We might have to end up being a net buyer. It will not affect our working capital as such because we are -- we don't have any -- we have limits, but we don't drawn our limits, because we have internal accruals to the INR600 crores also post our capital expansion. If required, we dig into our own reserves for our working capital requirement.

And I don't think we'll need much working capital requirement, because the same scenario of milk actually even out and not surging high or low. I think in the coming days, we might see that our own milk procurement, because we built out our infrastructure also for a larger requirement for our new expansion, that we are doing. I think we will not be having that much of an inventory buildup.

Moderator: The next question comes from the line of Abhishek Kanithi with Nivaka Ventures Private Limited.

Abhishek Kanithi: Can you hear me?

Dodla Sunil Reddy: Yes, Abhishek, sir.

Abhishek Kanithi: Actually, I just wanted -- I'm new to this company. So like I'm just trying to understand. So like if we take like 3 years down the line, how would our portfolio look like in terms of like how would you see Africa percentage of the revenue contribute to the revenue versus like how would you think the VAP would change over the next 3 years? So these both. And also Agro growth, yes, these both. And also like agro.

Dodla Sunil Reddy: So, again, you're breaking up, Abhishek, I'm presuming you're saying how is the breakup going to be between the Africa revenue and India revenue in the next 2 to 3 years that you are anticipating?

Abhishek Kanithi: Yes.

Dodla Sunil Reddy: I think our revenue contribute around 10%, and they will continue to be in the same trajectory of 10% in terms of maintaining it, because the larger pie is the Indian operation, even though a little bit of growth in Indian operation. Africa has to grow substantially large to compensate the Indian growth pie to become more than that.

But the 10% in comparison with India growth also means it's a reasonable growth in Africa. That is the reason we are expanding our capacities also in Africa as much as we are doing in India.

I think we're growing in tandem with the capital allocation and we expect the operational return. It will be the same for the next 2 to 3 years, unless we get some brand new opportunities or acquisitions, which are not there on the horizon, but it's something ever happens, it might change. Currently, we will maintain the same scenario. So that is where it will be for us.

Abhishek Kanithi: Sir, and in the Indian dairy business, how do you see the VAP moving.

Dodla Sunil Reddy: We're normally targeting the same, because the base is increasing. We look at it as a 10% of volume and inflation in India has always been around 4% to 5%, that keeps adding. So to maintain this 10% by volume is what we have invested in Maharashtra, and we have taken over OSAM as a larger scale expansion. So maybe in 1 year or 2 year, we might brought to 7%, 8% or some years, we might go to 10%, 12% by volume, but 10% of volume is what we target for.

Murali Mohan Raju: So just to add,Dodla India we are around 70% to 80%, right? And the overseas will be around 15%, OSAM will be around 8% to 10%. That is a dairy mix.

Moderator: The next question comes from the line of Bhavesh Jain with DD Investment Advisors.

Bhavesh Jain: Yes. Am I audible?

Dodla Sunil Reddy: Yes, sir.

Bhavesh Jain: Yes. So just wanted to ask India standalone business for the past 4, 5 quarters has been on mid-single-digit growth. So just wanted to understand and have your outlook on how do you expand growth from the core markets? And how do you -- how much growth you expect from the newer markets of let's say Bihar and Maharashtra?

Dodla Sunil Reddy: So, I think our core markets we will try to be maintaining our market share more consistently, sir, because our core markets like we explained being if you look at it from the Karnataka or Tamil Nadu side, the price differential between the cooperatives and other already significant and we don't want to keep pushing it further and that is why we do more of geographical expansion.

It is also proportionate with the correction measures that will be taken by the cooperatives, if the cooperatives do take a significant large price corrections, that had happened in the previous years, we will also be able to get more market share there and continue with our market share increase.

But currently, it is because of the higher which we will not get block more entry into the HoReCa or the local shops because of the price differences. We will try to maintain our market share. Maharashtra will be predominantly our milk balancing procurement operation for us. We only have a 2 lakh liter kind of local market sale that we'll be looking at the local area.

Similarly, I don't think OSAM will be growing at 100% kind of rate, because there also, there will be competition. So that's the reason of the overall blend that we look at, we look at a 10% growth in India by volume. The local areas being around maintaining market share would be 5% to 6%. Newer territories would add more to that, and therefore, we'll maintain 10%.

Moderator: The next question comes from the line of Manish Jain with GormalOne LLP.

Manish Jain: Wanted to congratulate you on the great work that you all have done on direct procurement, in fact that is getting hidden in the numbers that you have shared. So especially the kind of market share gains that you all have done from leading competing dairy companies in the area you're operating in. So really came to understand how you all are managing to create a very powerful procurement in your areas in India? And what is the share of direct farmer payment that you're doing?

Dodla Sunil Reddy: Of course, 100% that we do, sir. Maybe there is some technical errors, it might be different. But otherwise, it's a very insignificant otherwise, we can consider almost 100% direct farmer payment that we do. Regarding what you said as the strength, I think it is more of the human talent that we have to develop in terms of the number of people involved, because unique in its nature. It's like no marketing in the front end, obviously, it is a brand or an operation, it is similar in the back end. The team makes a lot of -- to keep the team active, to keep the team more involved where it goes.

And I think in the days to come is also being ahead of the curve in terms of the new things that happen, right? For example, if you look at direct procurement payment, we or other companies were one of the earlier leaders who went in early and then were able to convert it to all the farmers.

So, I think every time where there is something new that is being aware and continuing to becoming better and better. I think qualitatively, we've also taken a significant large number of measures MRP to be improved. It's more an internal drive, rather than external pressure and as long as the internal drive continues to be there, and the team is well focused and stay as well, it will continue to grow.

Manish Jain: And second question attached to this one is have you seen decline in per animal productivity, which other dairies have also seen?

Dodla Sunil Reddy: So, I think for us, per animal is a different data, because we're not able to get significant data tracking animal wise, it depends on regions and certain areas the animal productivity increases, certain areas it might not. I think we will in the days to come, it is there. But if you look at the farmer average, the farmer average is being increasing steadily. Over the past decade, it's moved up significantly per farmer production.

Animal data is very difficult to pinpoint and project. But yes, we do where some states where the per productivity of animal has gone up and for certain initiatives we have taken, when we're giving good quality feed, the farmers who are buying feed from, let's say, Dodla dairy cattle feed are doing around 14 liters per farmer, as an average, which a non-Dodla feed consumer is only able to do around 11 liters per farmer average. So, I think these initiatives also helped in terms of improving productivity.

Moderator: Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Dodla Sunil Reddy: So thank you, everyone, for joining us today on this earnings call. We appreciate your interest in Dodla Dairy. If you have any further queries, please contact SGA, our Investor Relation Advisors. Thank you very much.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Dodla Dairy Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.