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Date: February 11, 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 Wednesday, February 4, 2026 at 3.30 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 **Wednesday, February 4, 2026 at 3.30 p.m. IST**.

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

Please take the same on your records.

Thanking you,

Yours faithfully,

For Godrej Agrovet Limited

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





**“Godrej Agrovet Limited
Q3 FY '26 Earnings Conference Call”
February 4, 2026**



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

MODERATOR: MR. SHIVANSH – EQUIRUS SECURITIES PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Godrej Agrovet Limited Q3 FY '26 Earnings Conference Call, hosted by Equirus Securities Private Limited. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shivansh from Equirus Securities Private Limited. Thank you, and over to you, sir.

Shivansh: Thank you. Good afternoon, everyone, and thank you for joining us on the Godrej Agrovet Q3 FY '26 Earnings Conference Call. From the company, we have with us Mr. Nadir Godrej, Chairman of the company; Mr. Sunil Kataria, Chief Executive Officer and Managing Director; Mr. S. Varadaraj, Chief Financial Officer; Mr. Burjis Godrej, Managing Director, Astec LifeSciences; and Mr. Arijit Mukherjee, Chief Operating Officer, Astec LifeSciences.

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

I would now like to invite Mr. Nadir Godrej to make the initial remarks. Over to you, sir.

Nadir Godrej: Good afternoon, everyone. I welcome you all to the Godrej Agrovet earnings call. Now I will comment on the business update for quarter 3 fiscal year '26.

Godrej Agrovet delivered a strong performance in quarter 3 fiscal year '26 with consolidated revenues growing by 11% year-on-year and profitability accelerating sharply reflected in a 23% year-on-year increase in profit before tax before exceptional items. This was driven by disciplined margin expansion, operational efficiencies and strong contributions from the Vegetable Oil, Animal Feed, Poultry and Processed Foods businesses alongside a sharp turnaround in Astec.

For the 9 months ended 31st December 2025, the company reported consolidated revenues of INR7,900 crores, an increase of 9% year-on-year. Profit before tax, excluding non-recurring and exceptional items, for the period was INR482 crores marking a healthy 17% year-on-year growth. Coming to the key financial and business highlights of each of our business segments.

The Animal Feed segment delivered another quarter of strong volume-led growth with volumes up 12% year-on-year in quarter 3. Notably, cattle feed volumes grew by 21% contributing meaningfully to the overall expansion. The underlying segment results grew 17% year-on-year and underlying EBIT per metric ton improved to INR2,020 per metric ton in quarter 3 fiscal year '26 from INR1,937 per metric ton in quarter 3 fiscal year '25.

Our Vegetable Oil business continued to deliver stellar performance with segment revenue growing 27% year-on-year and 25% growth in segment results driven by improved Fresh Fruit Bunch arrivals and a better oil extraction ratio. The Crop Protection business delivered a 37% year-on-year revenue growth driven by higher salience of generics and select specialty products. Segment results were flat reflecting the impact of lower volumes in both in-licensing and in-house portfolios due to unseasonal rains and cyclones across key markets.

Astec LifeSciences registered a strong recovery with revenues growing 33% year-on-year driven by robust volume growth across both the enterprise and CDMO segments. The EBITDA for the quarter turned positive at INR5 crores, a sharp improvement compared to a loss in the same period last year, supported by higher volumes and improved gross margins in the enterprise category.

Creamline Dairy recorded a 3% year-on-year revenue growth supported by stable volumes across key product categories. Profitability, however, remained under pressure with EBITDA declining to INR11 crores and margins softening to 3%, primarily due to higher milk procurement cost and a shortfall in revenue growth.

Godrej Foods delivered stable revenues of INR215 crores. Profitability strengthened significantly with EBITDA growing 51% year-on-year to INR17 crores and margins expanding to 8% supported by improved contribution margins in the branded portfolio and better live bird prices. The business continued to advance its strategic shift towards value-added offerings with branded salience rising to 81% in quarter 3 from 77% last year. Thank you.

Moderator: Sir, Can we start with the Q and A?

Nadir Godrej: Yes.

Moderator: Okay Sir.

Moderator: Thank you very much. We will now begin the question-and-answer session. Any one who wishes to ask a question may press * and 1 on their touch tone telephone. If you wish to remove yourself from the question queue you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen we will wait for a moment while the question queue assembles. The first question is from the line of Probal Sen from ICICI Securities. Please go ahead.

Probal Sen: Thank you for the opportunity, I hope I am audible.

Sunil Kataria: Yes Probal. You are audible.

Probal Sen: Hey Goodafternoon. Congratulations, first of all, on a good set of numbers. A couple of questions. One, the realization on the Vegetable Oil front, specifically on the palm oil subsegment, seems to have strengthened fairly sharply. Just wanted your views on what the main reasons are and what kind of outlook do you see in terms of pricing for this segment?

Sunil Kataria:

Hi Probal, this is Sunil Kataria here. So I think there are couple of operational factors and I would also like to talk about a bit about the pricing part. So first, let me talk about the pricing part. Actually if I were to see in Q3 over Q3 last year, year-on-year, actually pricing overall in fact is a negative one, right? Because while the palm kernel oil prices were higher than last year, the CPO prices were lower than last year. So they kind of offset and the price-led impact on growth is a negative one.

So what this is led by primarily is a strong volume growth and the numbers behind the volume growth obviously are led by 3, 4 important operational parameters. One is we have been seeing a very healthy growth in our Fresh Fruit Bunches metric tons so which has happened and that is in the range of 16%.

And then we have seen a steady work by the team on improving our OER, which is the efficiency from oil extractions and that also has reached an all-time high number in this quarter. So I think a very focused approach towards building operational efficiencies across is one of the critical parameters, which has gone through it.

Probal Sen:

Just to follow up the oil extraction ratio that you mentioned. If I'm not mistaken, last quarter the number was given as about 19.7% or so. What is the kind of range that we've seen this quarter?

Sunil Kataria:

Okay. So last quarter it was 19.49% -- 19.5% you can take. And I mean this quarter we have touched all-time high of 21%. Obviously, this varies a lot with some of the weather. But even if I were to compare -- because this quarter 3 in any case has a spike. But I think a good way to look at this would be what was it last year quarter 3 versus what is this year quarter 3? So last year quarter 3, this number was 20.7% and this year we have beaten that to 21%.

Probal Sen:

Right. Got it. The other question was, sir, with respect to the salience of branded products, you mentioned that in the Foods business, the salience is at 81%. Correct me if I'm wrong. This has come down a bit on a sequential basis because Q2 I think the number was closer to 85%.

Sunil Kataria:

Okay. I don't think this is any meaningful change. I'll just check the number again. But this in the range of around 80% to 81%, 82%, it is not any meaningful -- if the question really is to look for it, is there any meaningful drop because of any challenges in our business in terms of branded? Yes, you're right, it was 85%. But again, there are seasonalities in this. Now again if I were to compare Q3 last year versus this year Q3, right, that is 77% and it's 81% now this year.

Probal Sen:

Got it, sir. Can we get the similar number for the dairy part also, sir, the value-added product share for this quarter?

Sunil Kataria:

Yes. We'll just get you that also. And also one thing which on this, Probal, is happening is because we have one thing which is very clear direction now strategic shift that is happening and we have all communicated it that this live bird part of the business. While we are reducing it, this plays -- till we obviously meaningfully keep -- we have dropped it obviously very sharply.

Till we keep on dropping, dropping, dropping this to a negligible number finally over the years. This will have a little volatility, which keeps on then changing this percentage. These are minor

2, 3 percentage change differences. So I would say the answer is, is there any shift away from our branded focus? Is there any impact on that? No, not at all.

Probal Sen: Understood. I just wanted to clarify the numbers. Can we get the number for dairy also, sir?

Sunil Kataria: So dairy, our value-added product salience this year total is 35% total business, which in the last year same quarter was 33.8%.

Probal Sen: One last question, sir, if I may. This quarter would have probably still seen at least from the presentation that in the Crop Protection business, there was still some impact at least or at least in 9 months there is still the impact of the weather patterns and the slower application due to the rainfalls. How should we look at the last quarter at this point of time for Crop Protection?

Sunil Kataria: Yes. I think it's important that you asked this question because I mean I would have addressed it otherwise as well. So I would say the way I see the weather pattern, the impact on -- there are 2 things happened. In the quarter 3, first of all, this time again all across the industry, we have been seeing there have been very unseasonal rains, which almost extended into mid-November.

So like for example, one of the biggest products that we have is the product which caters to grape crops. Now obviously we all read that grape crops got really devastated this time. So the weather patterns really obviously played its own role.

Going forward in the quarter 3 -- quarter 4, I think this quarter, there is one last base effect which will come into play for us and I would like to call that out is that the Hitweed normally has a co-marketing sales in our base of quarter 4 last year, which given the fact that the Hitweed season has got impacted this year in the first half itself, that base effect will remain for us and that will impact the quarter 4 of Crop Protection, but that's a base effect.

If I would take out that impact of the Hitweed co-marketing out, we are targeting to grow at a very healthy pace in the ex this co-marketing number on a top line basis. So that's where the focus is and we expect now this base effect will finally be gone after this.

Probal Sen: That's all for me sir. Thank you so much and all the best!

Moderator: Thank you Sir. The next question is from the line of Abhijit Akella from KIE. Please go ahead.

Abhijit Akella: Good afternoon. Thank you so much for taking my question. So maybe just to start. It would be great to get your perspective on any outcome of the possible sort of value unlocking initiatives, the analysis that you've been doing over the last few months. So what are your thoughts at this point in time and what portfolio of businesses do you see it best for Godrej to sort of continue with?

Sunil Kataria: Abhijit, thanks for asking the question. So this obviously, as you know, we have multiple businesses. So right now as we talk, we are in a very deep work right now is ongoing currently. I would say we are almost at the fag end of this entire deep strategy work that we have started around 2 months back where this entire portfolio choice making, portfolio road allocations will

happen. So immediately if you ask me, I might not be able to tell you, but yes, we are at the fag end of this. We are going to make some very clear sharp choices in the businesses which we clearly see as the top end of our investments and top end of our growth choices.

We'll make some choices about businesses. We may say that okay, we want to put them into maybe a little bit of a de-priority. And I guess somewhere towards early April, we should be able to come back to the Street with a proper communication and I would like to do a proper interaction to give a full deep point of view on how do we see as a group the unlock and the journey -- road back journey of GAVL. But to others, I think we have now pretty reasonably well emerging clarity on how we want to play the portfolio. It's just that we have to give it fine-tuned and we'll do some internal alignments.

Abhijit Akella:

Got it. That's helpful. And just one other, if I may, on Astec. We've seen a little bit of a turnaround there, but of course we are still a long way away from our past glory days. So just wanted to seek your perspective on how you're seeing trends in the fourth quarter now coming up? And then any commentary with regard to the upcoming year basis maybe Mr. Godrej's interactions with potential customers at recent trade fairs and that sort of thing.

Sunil Kataria:

Okay. So I'll ask Arijit and Burjis to then pitch in on this.

Arijit Mukherjee:

So if you have seen in Q3 also, we have seen a revenue growth of around year-on-year is at 33% growth and also EBITDA positive. And from historically, Q4 has been a better quarter for us because this is the time where both our enterprise and CDMO and export and domestic market also goes. So I think we should follow this trend which we have achieved in Q3.

So overall, I think this year we should see -- overall, we should see a growth of around 20% in terms of the revenue. Bottom line because some of the negotiations are still continuing so we are not in position right now to see the bottom line, but we see that it will be the -- and EBITDA year-on will be the positive. We'll be closing in terms of the positive EBITDA for this year.

Burjis Godrej:

And for next year, we're targeting revenue growth of about 15% and we are very pleased to see that our equity funnel has doubled from 22 to 45.

Sunil Kataria:

So one thing which is very clear, I think in the last call which had happened that we had asked for what is the -- how do we see this year? We had said we are targeting ourselves to be EBITDA breakeven this year. I think that guidance stays for us. I think we're pretty confident that we should be able to pull that off. So I think the turnaround is well and truly in play now is what I would say.

Abhijit Akella:

Got it. Thank you for that. So just maybe one level deeper. So this 15% growth target for next year, is that entirely driven by the CDMO business or...?

Sunil Kataria:

No, it will be a mix of -- see, okay. This is a broad direction. To be very honest, we are in the middle of our annual operating cycle, but this is something we definitely would aspire to. I think there will be a play of both CDMO and enterprise, but we clearly see CDMO leading the growth and it will grow faster than enterprise for us.

- Burjis Godrej:** But we're very pleased to see that the enterprise business has turned around this year and we're expecting it to be strong in the future.
- Abhijit Akella:** And is it fair to assume that the margin profile on the incremental growth that we achieve in this business is going to be maybe I mean substantially superior to what the overall enterprise business does. Is that a fair assumption?
- Burjis Godrej:** Fair to assume.
- Sunil Kataria:** Yes. The CDMO business margin profile is indexed at around 1.5x at least of the enterprise business.
- Abhijit Akella:** Got it sir. Thank you so much. I will come back in the que if anymore.
- Moderator:** Thank you sir. The next question is from the line of Aejas Lakhani from Unifi AMC. Please go ahead.
- Aejas Lakhani:** Hi Team. Two questions. First one is that if you could call out in palm oil, there's a significant divergence between PKO and CPO pricing and that spreads have been expanding. So could you call out what is driving the PKO dynamics and where are we in our backward and forward integration from a standpoint of capex and where the incremental plants are coming? So that's my first question.
- Sunil Kataria:** Yes. Okay. So this divergence between PKO and CPO, see PKO is actually very -- it's part of a Lauric segment of the oil and it is also very connected in a way with -- play with coconut as well, right? So that has a very different kind of usage, which is into a lot of what you call B2B usage in the industry. So that plays a very different kind of a demand and supply situation and hence that divergence does happen.
- CPO prices are pretty much linked to what is the overall dynamics of the multiple soft oil, which play out. So I think these 2 have different trends and they do tend to play out a little differently. That's why if you see one trend that we are clearly seeing right now in the quarter 3 is that the CPO prices actually have marginally lowered over the CPO of last year quarter 3, but the PKO is not following that trend.
- Aejas Lakhani:** Mr. Kataria, actually a follow-up is that this is -- I mean this construct that you've just presented was always the case, right? But the divergence in prices if you see over the last 2 to 3 years has expanded materially. So I'm trying to understand that because there are different dynamics that are working. Is it -- could you give some color about...
- Nadir Godrej:** Sunil, Can I add something on that?
- Sunil Kataria:** I will ask Mr. Godrej to also pitch in here because I think he has better perspective of the history.
- Nadir Godrej:** I think the supply of coconut oil has been impacted and the demand for both of these is higher than before. So coconut oil is shot up considerably and it is at a significant premium to PKO.

And I don't -- it's not very clear whether this will change over time, but it's very likely. It's not easy to increase coconut oil production and there seems to be a lot of demand. So it looks like this premium is going to last, but we can't be sure.

Aejas Lakhani: Understood. That was very helpful, sir. And sir, could you just call out that some of the initiatives on plantations that we have taken are appearing to bear fruit? And what's the callout for FFB bunches in '27?

Sunil Kataria: Okay. So I'll take that. So I think first of all, I would like to point out -- hello?

Moderator: Ladies and gentlemen, the line for the management seems to have disconnected. Please hold while we reconnect them. Ladies and gentlemen, the line for the management has been reconnected. Thank you, and over to you, sir.

Sunil Kataria: Okay. I'll continue here. So one big play -- so as I said that, there are multiple levers at play right now. See, one piece which I've talked of last time also as part of our strategic overall shift is that we want to start driving multiple pillars of growth in the chosen businesses. And while we overall talked the strategy at a later time, this is one business where multiple pillars of growth are already in play. So first and foremost is as of we talk today that we have already done a record high expansion of acreage -- hectares. Today, we have done 15,000 hectare expansion in the 9-month period and we are slated to be roughly around 17,000 to 18,000 hectare by the end of the year.

Just to give you a perspective, this number was almost half last year. So that's the kind of pace that we have kind of set up towards expansion. Secondly, I think there's a lot of work that we do through our Samadhan centers that we have set up, which are very, very strong capability centers which work very regularly with farmers in all the multiple parts of as of now Andhra, Telangana and later on Northeast; where they work with farmers in helping the farm plantations in improving their yields, improving their harvesting practices, improving their output; and that also I think starting to yield better results.

Going back on the future outlook, I think we expect while obviously there can be seasonalities and some very off years, which can always play. But on a regular basis, I think the business is slated for FFB tonnage growth of I think a good healthy teens in terms of anywhere between 12% to 15%.

Aejas Lakhani: Understood. So sir, you're talking of 12% to 15% FFB increases in the next -- in FY '27, right?

Sunil Kataria: Yes. I think over a long-term period because I think sometimes one-off years can happen if the monsoons are pretty bad. In some years, it does tend to impact the plantation maybe a year later. I'm talking really on a steady-state basis on a CAGR, we are pretty confident given the kind of acreage expansion that's saying, given the work that we're doing with farmers that we would be in this teens range of expansion.

Plus one more thing which will happen over the year in this business, one of the things which is going to come in play is there is a demographic dividend, which will start playing out over a period of couple of years. That as more and more plantations are getting into, they will get from

becoming 0 to 4 years age to 4-plus years and that's when the productivity of the plantation starts and they are in the most high productivity stages between 4 to 18 years. And that's like the way almost if you have to compare the India has seen its own demographic dividend paying out. It's a demographic dividend and productivity start playing on the mix of plantations also going forward.

Aejas Lakhani: So point taken and sir, could you just speak about the backward and forward integration here on the value-added side and where are we in the capex journey?

Sunil Kataria: So we have already put in the capex in terms of a downstream refinery for making products which are high value-add products like the cocoa butter substitute, the cocoa butter equivalent, the CPKO refining; all these are right now in the last stage of implementation.

One is, before I go downstream, our new CPO processing plant on the upstream in Khammam will go live in a matter of 2 months and our downstream refinery will also go get commissioned by somewhere in the first quarter of the coming year. And that will see us actually then ramping up the downstream value-added part.

Aejas Lakhani: Understood. Sir, my next question is on the dairy. Sir, if you go to see, right, about 1.5 years back we had the consultants who we hired and you've spoken about multiple structural changes you have done. And while that looked good in 1 year, given how the milk inflation has been last year, it's not started to pan out.

So I'm trying to understand that from your vantage, all the efforts that you have put in, you're seeing better traction, but the material uptick that you had expected from this business is still not shaping out even 1, 1.5 years after the consultants have left us. So could you please throw some light on that?

Sunil Kataria: Yes. So I think I would say the work which was happening on the consultant side, there's a very large piece of work which happened at the gross margin expansion. And if you see that margin expansion, by and large, is still holding on, yes.

In fact if you see, there is an impact of 3-odd percentage points on the overall gross margin play for us despite milk procurement being as high as 10% to 10%-odd for us because we obviously have a larger piece of procurement, which happens from Maharashtra.

And Maharashtra has seen more inflation than rest of the states. So in fact I would say maybe - not maybe, it is actually some of the structural cost work which happened at the back end where we have been able to still absorb this piece to a large extent and not get into a spiral otherwise.

Otherwise, a 10% milk price increase can be pretty devastating. In the past it would have been. So I think that piece stays. Going forward, yes, the question which you're asking is okay, how more meaningful can the overall impact be?

So I think again as part of the strategy work and some operational work that we're doing and this is again maybe I'll talk much more in detail when we meet is that there are some choices we are

doing on the -- and that is actually the critical work which is going to happen in CDPL on the go-to-market strategy. The consultants never did work on that side, okay?

And I think the next phase of work is how do we start doing some very fundamental choice making on which market we'll play strongly in, which route to market we'll play strongly in and we are building capabilities on that.

And that I think will along with then obviously product and marketing investments will play out the game fully for us. That I think is something which will play out over a period of few quarters and I'll be very candid because that's the kind of work which we are going to do in some kind of restructuring of our go-to-market strategy.

Aejas Lakhani: Understood. And sir, just finally, what is -- in the Foods business, the branded 81% that you talk about, what's the cut between RGC and Yummiez?

Sunil Kataria: Just give me a second. The number is -- so overall the trade the number is split for us. In this 81%, it's around 28% is Yummiez and around 52%-odd is RGC.

Aejas Lakhani: Got it. And sir, just because RGC is tagged with lower margins and Yummiez is the higher margin, could you call about how are you looking at the branded segment? I would have presumed -- I mean the thought I had that this number of this Yummiez used to be in that 15%, 20% range. So you of course sort of moved it from that range to probably closer to 30%. But can you give some more color on how you are seeing the scale up of these 2 of the Foods business?

Sunil Kataria: Yes. Again, I'm telling you while we'll give you a very detailed color later on, but let me tell you directionally what it is. I think we are very clear that in the Foods businesses, there are 2 themes that we would like to chase. One is as we have already, let's say, also in this Godrej foods business, the poultry business, we've already taken a call that live bird is not where we want to play. We are not going to be in a trading business. It is just a back end right now, which is supporting our Real Good Chicken piece as of now and we are meaningfully sharply bringing it down.

Our entire double down is going to be on the branded retail business going forward, which is where the Yummiez piece plays in and even the RGC retail piece is something which we'll play in forward. So the whole game would be that we want to make it as a branded retail play. What you're seeing from 15% has moved to 30% is where this number will keep on increasing over the next 5 years. And in the end state game for us is that we want to be a pure-play branded retail organization in our Foods businesses and have as less a play of trading/B2B businesses.

Aejas Lakhani: Understood Sir. Thank you and all the best!

Moderator: Thank you, sir. Ladies and gentlemen to ask a question please press * and 1 now. Participants who wish to ask a question may please press * and 1 this time. The next question is from the line of Ahmed Madha from Unifi Capital. Please go ahead.

- Ahmed Madha:** Thanks for the opportunity. I have a few questions. But to start with your comments on PKO prices. We have seen recently the copra prices and coconut oil price come off from peak about 20%, 25%. Have we seen similar trends for PKO in last few months?
- Sunil Kataria:** Okay. I would first ask Mr. Godrej to comment on this and then if required, I'll comment. Mr. Godrej?
- Nadir Godrej:** No, I haven't watched the most recent situation, but I would like to comment that coconut oil is still significantly above PK oil.
- Sunil Kataria:** And I would maybe take one more comment on this. The answer is since we have been tracking this number, have we seen any drop happening in PKO prices? As of now, it's holding.
- Ahmed Madha:** Okay. Sure. And your comments on the domestic crop protection business this season being weak and ex of one product will be doing fine. Can you give some comment overall as a blended what kind of growth we are seeing for the balance part of the season? That's the first question. And second question is in terms of building on the in-licensing portfolio, how is that shaping up? Have we added any new products in last quarter?
- Moderator:** Ladies and gentlemen, the line for the management seems to have disconnected. Please hold while we reconnect them.
- Ladies and gentlemen, the line for the management have been reconnected. Thank you, and over to you, sir.
- Sunil Kataria:** Can you hear me?
- Moderator:** Yes sir.
- Sunil Kataria:** So I think 2 questions there. So the first part is I think how does the whole quarter 4 look like? As I again said that that onetime impact of our co-marketing is going to stay. This is maybe the last bump of the year that we hope which is coming our way and the new year will start pretty fresh and I'll talk about how we will be gearing up for the new year.
- I also said that the ex-co-marketing piece, I think we are looking at a pretty healthy growth. Obviously, I think there will be pretty healthy growth. I don't want to disclose the exact number of what we are gunning for as a number internally. But I think that part will be healthy. But yes, there will be an impact of this one co-marketing piece, which will play in.
- In terms of the way we are working out in the CPB business, I think I would like to give you a bit of color. Again maybe an insight into the way our strategic discussions meeting will play out later on. One of the biggest pieces, as I again said, is that we want to move away from single points of dependence to multiple pillars of growth. And in the journey on CPB business of our domestic, that journey has started playing out where we have started diversifying ourselves beyond 2 products of, let's say, cotton herbicide segment and, let's say, another product of Gracia.

We actually have identified multiple critical and meaningful crop segments in the country and we have identified and started building a pipeline of that, in which both in-house products and in-licensing products, both will play a role. Now to give you a hindsight of what has happened in this in the last quarter? We have launched Ashitaka, which is our first foray into maize herbicide.

And I'm pretty happy to share that even though I think we could have connected the season a little bit earlier, the response in the market we have launched that has been very, very positive. In fact I think -- I mean we have sold off whatever we placed in the market and the offtake itself have been pretty good. So that gives us a hell of a lot of confidence of how we will keep on ramping up this product Ashitaka going forward in the coming years. That's one.

Secondly, I can also share right now that in coming month, this month itself, we'll make a second foray of diversification that we are going to launch a new product, which again is the in-licensing product called Takai. And that is a multi-crop insecticide segment, which again will be our first foray into a multi-crop insecticide product. And we again are very confident that is another diversification step that that will give us a play into not only 1 crop, but many crops in which paddy is one of the big crops and we actually have been pretty missing in paddy per se.

So if you see these 2 itself are the 2 big forays which have happened in terms of diversification out. Apart from that, in the coming year we have -- you can expect from us 2 in-house products, which would roll out in FY '27, okay? And then these 2 in-licensing products will play in fruitful scale up. So that's here and now. But apart from that, there's a full-fledged strategic crop product matrix, which is ready and we'll share with you how the pipeline will pan in the balance 3, 4 years of the LRP period. But this is here and now what will happen in the next 12 months. I hope I've given you a sense of what we're doing.

Ahmed Madha:

Yes, sure, sure. And on the Astec business, you made comments about how the Q4 and FY '26 looks like. I have 2 questions. One is in terms of pricing pressure in the enterprise segment molecules, has that eased off? Are we seeing any price improvement or stability as of now? And secondly, for FY '27, how should we foresee the margins profile changing with the business achieving some scale?

Sunil Kataria:

Okay. So that's a question on Astec, so Arijit and Burjis will pitch in on this.

Arijit Mukherjee:

So 2 part of the answer. First, as agrochemical, the first portion will be to go back to the normal demand of the production. So what we are currently seeing is that the production of the demand of agrochemical has come back to 2019-'20. So that is the normal consumption norm. So most of the pipeline stock inventories have moved out of the major geographies.

Some geographies will be there where there might be some 1 season stock, but that would not impact the overall consumption pattern. Price pressure is there because the competition is there because of the overcapacity in China. But that is also a little bit coming down. It is not -- it is more or less flattened out.

So now we are playing evenly and within 1 or 2 years, we have also invested in terms of the process improvement and those things. So that's why if you see in this quarter, you will find movement in terms of the volume as well as the margin also we are improving. I think next season, as of now, the indication says the demand should be normal. That's why we are optimistic for the next coming season also.

And secondly, the same applies for the CDMO businesses also. So most of the demands are coming back, which were in the earlier last 2 years were little bit fluctuating. So overall, it seems we are stabilizing out. Price pressures will be there for some season, but it is stabilizing. It has almost bottomed out. So now we will see a little bit of improvement there.

Burjis Godrej:

And we are doing the best on our side to improve margins despite the price outlook through raw material price reduction, sourcing advantages, process improvement, yield improvement, all the R&D steps we can take. But we are monitoring the situation in China carefully. There are expected to be some announcements on change in the export tax benefits. So we'll see how that plays out and what impact that has on our business.

Ahmed Madha:

Sure. Lastly, on the poultry business, I understand you have made a significant transition towards the branded business. But in terms of the pricing, the live bird prices, is the improvement across geographies or is it specific to few states? And in terms of overall supply dynamics in the poultry business at the country level, would you like to give some comment? How are you seeing overall poultry business supply dynamics?

Sunil Kataria:

To be very honest, the second one I would not take a shot at it. I'll be honest because let me give you an overall poultry business point of view. Because strategically it's a business which does not play out for us in the future and it's a pretty large play with lot of dynamics on the poultry side and we are focused on reducing that part of the business. Our focus is clearly on being a branded retail player going forward and that's where the margins lie, that is where the growth lies. In fact the whole play to my mind in the poultry business is that India is a country which has a huge amount of demand right now and there's a huge amount of chunk of protein-led product requirement, which is panning out.

There's a huge awareness which is playing out across pop strata where people are coming to a realization that hey, we need to maybe add a little bit more protein or definitely significant more protein to our diets. And the way we see our role being played if we want to play the branded retailer, it is a clear category creation game that what better source of protein than chicken in this country which is reasonably priced and in a country which theoretically also kind of 70% of India eat non-veg obviously, it varies from state to state. They are not 100% non-vegetarians, a mix of veg and non-veg, but there are 70%-odd Indians who do have non-veg in their diet.

So I think our play is to keep making sure that we become -- over a 5- year period, this 30% keeps on increasing and we become a full-fledged branded retail player. So I would not even hazard a guess on the overall piece of poultry play overall. The question which you asked, was this live bird price increase uniform across regions? Yes, it was. That I can tell you.

Ahmed Madha: Okay. Sure. Lastly, you spoke about the value creation exercise, so can you give some context of what are we talking here about in terms of value creation? What is the core objective we are trying to achieve? Is it sort of demerging the business into multiple segments or is it sort of making sure of capital allocation into different businesses? Can you give some sense on that?

Sunil Kataria: So I think again, as I said, we will have a very detailed conversation definitely. Just it's a matter of maybe a month or so away. We will meet and we definitely want to share with all of you as to how we're thinking. But clearly in this portfolio process, what are we doing? What do we want to make sure? We want to focus on -- we look at certain criteria. The criteria is very clearly we want to play in markets which have attractiveness to it in each of the segments. So we have gone and put together market attractiveness criteria on each and every business and within that, even some segments we have gone and checked.

Then we are putting together on that actually a filter is what really is our right to win or play even in sub segments. And that is one piece, which is going to lead us to say okay, where do we want to really go after and that will be a choice. The businesses that we prioritize will obviously get us significantly larger and very, very, I would say, focused share of capital allocation. There's no debate and that's what we want to put together. So the criteria for us would be we would like to see how the growth are, whether it's the volume growth in some businesses, in some businesses it's revenue growth because some of our businesses have more volume-led focus.

And the second piece will be we obviously while we invest behind the growth, we'd like to keep filters of midterm profitability and return on capital employed also in mind as filters. So I think that is the way we'll come back to you, but those are the pieces we are keeping in mind. Regarding whether there will be a demerger or whether value unlock, I think those are pieces which are right now maybe premature to call. I think the first piece for us is that how we're going to choose portfolios and what we'll do with them. And obviously some places -- at some place, some structural calls would happen. But when and where, it is may be premature to talk about it.

Ahmed Madha: Sure, Thank you so much.

Moderator: Thanks. The next question is from the line of Abhijit Akella from KIE. Please go ahead.

Abhijit Akella: Hi. Thank you for taking my follow up. Just on the Animal Feed segment. So just on the Animal Feed segment, just the reason for the very strong growth in cattle feed volumes this quarter, 21%. Also, if you could please share the volume growth for the 9 months? And how much of the Animal Feed volumes are actually coming from cattle feed at this point in time? I guess it's north of 50%, but if you could please just quantify that. And one last thing, also the presentation speaks to a change in product mix, which has dragged on the margin. So is that referring to basically a swing in favor of cattle feed or something else? Thank you.

Sunil Kataria: Okay. So overall cattle feed for 9 months, volume growth is ~16.5%. So it's been a steady state growth. It's a very strong growth in these 9 months. So obviously it peaked into a 20% growth. But if you see the 9-month number is still a very, very strong 6.5%. Second is what is driving

this? I would classify this into 2 factors. Some part obviously in our industry there are always some external factors, but some very internal controllable. So I think external, what -- one factor which is, I would say, maybe an environmental factor playing out is that when the milk procurement prices are very good, the farmers tend to take advantage of it by upgrading from unbranded to branded compound feed.

And that you would have seen across in every -- in fact I almost see some parts of this business like any other consumer B2C business. That's the lens I'm looking in putting it on this and I want to treat this business a little differently. That same is true which we have seen happening in coconut oil, that what we have seen in staples, the same thing we've seen happening in even soaps. So I think the same phenomena pans out. When the milk prices are going up, the pharmacy yields going up, they are willing to get more conversion into branded compound feed. That's one.

Second, the internal pieces which have played out is that we have actually launched 3, 4 very differentiated products across state specifics. So there is a product called Doodh Vriddhi, which has come in, which is focused towards the eastern part of the country. There's a product called Dhanalaxmi, which is doing pretty well in the western parts of India. We have a product called Bypro Plus, which has gone into south, which is actually very conditioned and suited for the southern market requirement.

So there is a little -- definitely more focus coming to state-wise, breed-wise focused products. And I think those products have started doing -- have done pretty well for us in the middle of this sale bit which is happening. So I think I would say there's definitely both external but also an internal thing at play. And the salience of the cattle feed business for us is now in this quarter is around 54% and 9 months is almost similar. It's around 54%-odd on volume.

Abhijit Akella:

Got it. And the last thing was just the shift in product mix. Does that refer to the swing in favor of cattle feed or is it something else we are alluding to?

Sunil Kataria:

Yes, it's in favor of cattle feed. So let me give you maybe one more insight of going forward. I mean again maybe a sneak preview into what we will be thinking. Is that we believe that within Animal Feed also, right, there are segments we want to really go after, right? And I would say cattle feed is one subsegment that we believe in India, it has more of an ability to create brand. It has more of an ability to command premiumization if you get the right products. And it is a market where we believe a large chunk of our strength lies and maybe you will see a bit of a work more and more towards accelerating some of the shifts.

Abhijit Akella:

So the EBIT per ton on cattle feed, sir, how much would that be? I mean compared to the annual feed overall level of INR2,000, would cattle feed be where exactly, INR1,500 or lower than that?

Sunil Kataria:

Sorry, what was the question? EBIT per ton?

S Varadaraj:

I think we can take that offline.

- Sunil Kataria:** Yes, because this is a bit of -- I mean this maybe a little bit of a competitive information when we give overall. But yes, it's obviously a pretty healthy one I would say.
- Abhijit Akella:** Okay, sure. No problem. The other one I just had was on the Crop Protection side. Margins obviously have been coming off there. But where do you see sort of sustainable margins in that business over the next year or so? And also, within the domestic crop protection piece, could you please help us with the revenue salience of in-licensed and in-house? How much do these 2 categories comprise?
- Sunil Kataria:** Yes. Okay. So these in-licensing and in-house contribute to roughly around 60%, 61% of our total business. And we expect that given the work that we are doing, it should be in that range of around 60%, 65% odd in that ballpark will play. So that's a pretty healthy close to 2/3 of our business you can say. So that's 1 piece and that's our direction we would like to keep on. The other question on where do we see the margin going forward. I think we had earlier also given a guidance of that we'll play at around anywhere between 28% to 30% margin and we know actually we are on the upper end of the industry on this.
- But one thing to see even in this quarter 3, our margins have been pretty healthy despite the shift of the businesses, which we had done tactically only towards more generic and specialty, which is a conscious tactical here and now product choice that we took and which we may again take a little bit in quarter 4. But I think in the long -- in the midterm, we are pretty confident of holding on to the range of 28%, 30%.
- Abhijit Akella:** Thank you so much. Just one last thing. On the oil palm business, what percentage of segment EBIT comes from value-added products? And where do you see that heading as your new capex projects sort of come online?
- Sunil Kataria:** Where I see that number, I'll have to kind of calculate to be honest. I don't have that ready. So we can share that separately with you. But where it is today, we have moved into around 8% now in quarter 3 for us. But yes, my intent obviously when these refineries come into play is this is a number which will actually start galloping rapidly.
- Abhijit Akella:** Thank you so much sir. Wish you all the best!
- Moderator:** Thank you sir. The next question is from the line of Sidharth Negandhi from Chanakya Wealth Creation. Please go ahead.
- Sunil Kataria:** Hi Sid!
- Sidharth Negandhi:** Hi Sunil! How are you?
- Sunil Kataria:** Good to have you on other side.
- Sidharth Negandhi:** Yes. So Sunil, just wanted to get some sense on the dairy business. One sees that there have been challenges on the milk procurement. Would you attribute this to the competitive intensity increasing in terms of more dairies coming up or is it more a structural deceleration in output at

the industry level? That was the first one. And given the likelihood of El Nino and warm weather sort of playing out in the quarters to come, what is your outlook on milk procurement for the next year?

Sunil Kataria:

Okay. So Sid, I think on the milk procurement piece, let me tell you. I think there are some structural changes which the team had done in the last couple of years that we have moved to almost 85% of our procurement being direct farm procurement. So that is one big shift which has happened. Today, we do almost 85% to almost close to 90% of procurement is directly in our control. And I think there's a very strong network, which has got created in the states of Maharashtra specifically, AP, Telangana and then some part of Tamil Nadu where I think we are very confident that given our growth ambitions and given our aspirations, that should not be a constraint for us. So that is one piece.

The second part is the question is whether this inflation of milk that we saw, whether it has got to do with more number of dairies or something else. Okay? While this is a piece a lot of us have been debating about, what our understanding is largely it is driven more by butter prices across the globe. And what we have seen is that this has been a pretty large export of butter, which is happening for India because of inflation -- high demand in global markets.

It could be linked to some pieces which are playing out towards maybe Australia and New Zealand, some pieces towards Ukraine. We have not -- obviously we're not able to put exact finger. But clearly, India has seen a sharp shift towards a sharp export of butter and that butter prices have led to milk inflation. We are expecting this to maybe continue maybe for this quarter and then hopefully it should start stabilizing.

Sidharth Negandhi:

Got it. And Sunil, your outlook on milk procurement given the likelihood or the probability of El Nino next year?

Sunil Kataria:

As I said, given our network and given our requirement and aspirations, as for us, we don't see any challenge of procurement for ourselves.

Sidharth Negandhi:

Helpful. Thanks so much sunil that was helpful.

Moderator:

The next question is from the line of Sarvan Vora from Premier Cap. Please go ahead.

Sarvan Vora:

Hi. Thanks for the opportunity. First of all, many congratulations to the team at Astec LifeSciences. After about 10 quarters of losses, we've turned around barring 4Q, which is a seasonally strong quarter. So many congratulations. Finally, it seems we are out of the -- just firstly, on Astec. So Sunil, you reiterated the EBITDA breakeven guidance for FY '26 and on top line, our guidance was about INR5 billion in turnover. So broadly around that?

Arijit Mukherjee:

Yes, yes, broadly around that.

Sunil Kataria:

Okay. I would say if we have -- maybe I'll be a little short of maybe that, but in ballpark range. But we'll still hold the guidance on EBITDA breakeven.

- Sarvan Vora:** Got it. Just on FY '27, Mr. Burjis mentioned we're targeting about 15% growth. So that sounded a little underwhelming to me because on a larger base of INR650-odd crores, you used to guide for 25%, 30% top line growth. So are there any concerns that we see for FY '27, which keeps our guidance a little tepid?
- Sunil Kataria:** Okay. Let me tell you one thing. I think honestly, I mean this is the first look guidance which Burjis has given and we have put up on the table for you. We are still in the middle of our annual operating exercises and that normally happens in the period of February and we close it towards March. Our aspirations obviously would be higher. But it's very premature to kind of give it because we're just in the middle of it. But I think that is something which we would put together as a base case for ourselves.
- Burjis Godrej:** We'll be doing detailed planning to understand the price outlook for next year and the volume increases that we can manufacture and sell so then we can give better guidance going forward. This is just a first look.
- Sarvan Vora:** Got it. Got it. Got it. And just finally on Godrej Agrovat, could you just highlight like the drivers for the Foods business for the next 2, 3 years, what kind of growth we see? What would be our focus areas and margin expansion trajectory?
- Sunil Kataria:** This is my entire strategy presentation.
- Sarvan Vora:** Whatever color you can give how you're thinking about this?
- Sunil Kataria:** Yes, yes. So I'll give you little bit color of thinking because finally we'll answer all these questions. We are in the middle of pretty much taking calls on some of these questions and we have made very advanced progress on this so we're not in intense stage, as I said. But let me give you broad color. I think themes are very clear to us that we want to definitely make Foods a meaningful play for our growth. So that's I think, one point of view that we have. Secondly, we clearly want to take our journey towards value-added branded play, which is what you're seeing whether it's in Yummiez or whether it will be in dairy business. That's the second theme that we want to play.
- We also see some of the work that we'll have to do towards to make that happen is that there's a large work that we will do towards go-to-market investments, go-to-market execution focus because that matters a lot in these businesses. And there will be a play of definitely building products, which will be differentiated and then backing them up. And hence, we will look at food innovation and food NPDs in a pretty big way. And the last is we believe that we also need to invest in certain capabilities in these businesses in these areas and that's a piece we have started doing.
- So maybe one thing I can tell you is that we have, for example both our food businesses, new members from very, very strong pedigree who are now holding positions in marketing and sales. Both switches have happened already. We already have a very robust team in place on the back end in both the businesses. So I think these are the themes which are playing out as a color you

are saying. Yes, this will be a journey, which will play out over 3, 4, 5 years I would say, but we will play this journey. And we hope that we will be able to succeed in this, I'm pretty confident.

Sarvan Vora: And just lastly, on the -- any update you can share on the pet food business. And thank you so much for the opportunity and many congratulations to both the teams for a stellar performance.

Sunil Kataria: Thank you so much. The pet food business is that we have put up the plant for the pet food business of the group and that plant is ready to get commissioned in a matter of a month or so from now.

Sarvan Vora: Thank you. Thank you.

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

Sumant Kumar: Hi. Can you talk on Astec CDMO business, how it is growing and how is the outlook for the segment?

Sunil Kataria: Yes, Arijit?

Arijit Mukherjee: So CDMO business, I will like to explain it in 2 ways, right? One is what is our involvement in R&D because if you see from March onwards, we have almost doubled the number of inquiries we are getting. So one hand is the future looks to be a little bit -- again China Plus One is slowly coming into being because the number of inquiries have started coming both from the Western world as well as Japan.

Secondly, the CDMOs, which we are currently doing, so most of the volumes have come back to the original one and few volumes are growing. So overall, it seems CDMO to be back on track in terms of pre-COVID time also in terms of demand and those things and coming back. And it being a price-plus model so margin-wise also it is intact. So that way we see relatively next 2, 3 years will be good for us for CDMO growth.

Sumant Kumar: What about our core business, Triazole chemistry business, where we have losses and higher volatility? How that segment is performing and what are the key changes we have in the molecule side and new product side?

Arijit Mukherjee: So for Triazole businesses, the main worry, if you remember, was the inventory there. So inventories have moved out so more or less the demand is back. And in the process of being more competitive, we have also got involved in terms of the process improvement, better supply chain management. So that has improved our margin. Secondly, strategically we have shifted our registration from being source registered, now we have got our own registrations. So most of the geographies like Europe and Latin America, we have started getting registrations.

So Europe also we have got registration for 3 growing triazoles and in Brazil we have got 2 registrations and there will be another 3 which are in pipeline for next year and I think next 1.5 years, we'll get those registrations. So overall, we seem to be back to normal in terms of the

triazoles both in terms of margin as well as the volume part and we'll be adding a few more chemistries this year. So there will be 2 more new molecules, which will be coming up. At least this quarter, we'll be adding 2 more triazoles. So overall, the portfolio is increasing also. So after a long back, we have added a few molecules in triazole.

Sunil Kataria: So if you see, that whole theme of diversification that we are talking of, in a way that is playing out for even this business in the triazole side as well. So that we also derisk ourselves and in fact in a way, we expand our addressable market.

Sumant Kumar: Still we have a bare minimum profit or loss in the triazole business?

Arijit Mukherjee: So no, now we are back to the normal margin. So 2019-'20, we take it as a base year where the margins were normal. So we are mostly coming back to that normal margins.

Sumant Kumar: This is going to come in Q4 because Q3 has a bare minimum profit?

Arijit Mukherjee: I'm talking of the contribution margin, Q4 will be better off because this is the export market which opens up.

Sumant Kumar: Okay. Thank you!

Moderator: Thank you sir. Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to Mr. Godrej for closing comments.

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

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