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November 7, 2025

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001
Scrip Code: 543458

National Stock Exchange of India Limited

Exchange Plaza
Bandra-Kurla-Complex, Bandra (East)
Mumbai – 400 051
Scrip Code: AWL

Dear Sir,

Sub: Transcript of Earnings Call of Q2 of F.Y. 26 of AWL Agri Business Limited (Formerly known as Adani Wilmar Limited) ("the Company")

This is in continuation to our earlier letter dated November 4, 2025 regarding audio recording of Q2 F.Y.26 Earnings call held on November 4, 2025. Please find attached transcript of the Earnings Call.

You are requested to take the same on your record.

Thanking You,

Yours faithfully,

For AWL Agri Business Limited
(formerly known as Adani Wilmar Limited)

Darshil Lakhia
Company Secretary
M. No: A20217



“AWL Agri Business Limited
Q2 FY '26 Earnings Conference Call”

November 04, 2025



**MANAGEMENT: MR. ANGSU MALICK – EXECUTIVE DEPUTY
CHAIRMAN – AWL AGRI BUSINESS LIMITED
MR. SHRIKANT KANHERE – MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER – AWL AGRI
BUSINESS LIMITED
MR. SAUMIN SHETH – EXECUTIVE DIRECTOR AND
CHIEF OPERATING OFFICER – AWL AGRI BUSINESS
LIMITED
MR. PANKAJ GOYAL – INTERIM CHIEF FINANCIAL
OFFICER – AWL AGRI BUSINESS LIMITED**

MANAGEMENT: MR. DHIRAJ MISTRY – ICICI SECURITIES

Moderator: Ladies and gentlemen, good day, and welcome to AWL Agri Business Q2 FY '26 Earnings Conference Call, hosted by ICICI Securities. 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 the

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. Dhiraj Mistry from ICICI Securities. Thank you, and over to you, Mr. Mistry.

Dhiraj Mistry:

Hi. Good morning, everyone. I would like to thank the management of AWL Agri to give this opportunity to host this call. From the management, we have with us Mr. Angshu Mallick, Executive Deputy Chairman; Mr. Shrikant Kanhere, MD and CEO; Mr. Saumin Sheth, Executive Director and COO; and Mr. Pankaj Goyal, Interim CFO. Over to you, sir.

Shrikant Kanhere:

Yes. Thank you very much, Mr. Mistry. A very warm welcome and very warm good morning to all the participants who are joining the call. I'll take you through a quick deck just to talk about the performance of the company for the quarter 2 as well as H1. For the quarter 2, we delivered a volume of 1.68 million versus Q1 volume of 1.58 million, which gives us a sequential volume growth of 7% and year-on-year volume growth of 2%.

EBITDA, we were able to deliver plus of INR600 crores against INR572 crores of Q1. That is also a sequential growth of 7% in EBITDA. And as far as the year-on-year is concerned, the degrowth of 9%. Last year been exceptional and had some cyclical gains of the commodity cycle we had last year. That's why it is negative on year-on-year.

And on the PAT, INR245 crores consolidated PAT against INR238 crores of last quarter, a sequential growth of 3% and 21% degrowth when we look at the PAT of INR311 crores for the same quarter last year. The strong sequential momentum was, in fact, suggestive of the fact that now the sluggishness in the demand that we saw in the Q1 and to some extent, Q2 is now recovering as the edible oil price is now getting to a normalized level.

When we look at the half year number, more or less similar kind of trend what we had in Q2. On H1, we delivered a total volume of 3.26 million against 3.31 million of last year. That is kind of flattish growth. As far as the EBITDA is concerned, delivered EBITDA close to INR1,200 crores against INR1,300 crores of last year, that is degrowth of 13%.

And on PAT, the consolidated PAT at INR483 crores against INR624 crores of last year, that is a degrowth of 23%. On per tonne, in fact, we were able to deliver what we have been saying in our earlier calls as well as a lot of communication with the investing community. We have been able to deliver a gross margin of plus of

INR11,000 per tonne and also an EBITDA of plus of INR3,500 per tonne on H1 as well as Q2.

In terms of the market context, for this oil year, what we are seeing is the imports actually are flattish. In fact, when we look at overall import, they have reduced by -- they have degrown by 3%. However, one phenomena which is hitting the industry quite for some time is the imports from the Nepal with which the India has got a SAFTA agreement.

And the oil coming from Nepal because Nepal has got a differential duty plus the oil which comes from Nepal has got a differential duty structure and it is cheaper than in general edible oil that companies import. So that is hitting hard as far as the imports are concerned, and that's why the imports have degrown to that extent.

Now Nepal import is close to 12% of overall import that India is going to reduce, particularly for the soya. And most of the import from Nepal is actually coming in the pack form, which is again something very not good for the industry as a whole.

Crude oil prices trend, I think finally, we are seeing the trends which are very normalized kind of trend where the palm is sitting at the low, the cheapest oil today and sun is the costliest oil today. However, the only thing which is still not settling is the spread between the palm and soya, which is quite low at this point of time. And of course, this is also having some kind of impact on, in general, the demand for the soya packed oil.

Just to give a glimpse of how the industry is performing, I mean, the source for this data is, of course, Nielsen. Edible oil grew by 1% in the quarter 2 and similarly, I think, 1% for the Q1 also. So that is -- that's what we have seen for the entire half. The growth in edible oil has not been seen.

And this is -- we can also put some reason to this for a grammage play that has been happening in this industry for -- since last year or so, where the grammage packed -- the pouch, the typical pouch in which edible oil normally gets sold today, and it's one of the highest selling SKU might be for most of the pack players, now getting packed with a content of even 720, 750 grams kind of SKU sizes against the 910 standard size which used to be earlier.

So this is also playing to some extent. I'm not putting everything on the grammage play, but the industry -- what the point I'm trying to play around here is there is a sluggishness in the edible oil industry, which we have seen in the H1. Wheat flour grew by 4% and 7% in Q1 and Q2. Similarly, Basmati has also got a growth of single -- mid-single digit for the H1.

The other data point, which is suggestive of the fact that the growth or the demand is sluggish for pack food product is recently, last week, a data released by Ministry of Statistics, MoSPI, suggests that particularly in the fast-moving consumer goods, the non-durable fast-moving consumer good in which the edible oil and all the packed staple and food comes in is actually contracting.

So the data suggests that FY '23 and FY '24, this industry grew by 3.4% and 1.4%, respectively. However, for FY '25, it contracted by 2.7% and for the H1 of FY '26, it contracted by 0.8%. So this is again suggesting some sluggishness.

But I think -- but having said that, all this data is suggesting only for the H1, I think now India has entered into H2, which is more happening half for India, given the fact that most of the festivities in India falls in this half, starting from Diwali till Holi. And we are quite hopeful that this scenario will change as we go forward.

On the business update, as I said, read out in the first slide, we delivered 1.68 million tonnes of volume, which is 2% growth year-on-year. However, if we normalize this volume with the government to government export business that we had last year, which was a onetime business which we did. It is a one-time opportunity that, in fact, came to us.

If we normalize with that, I think the total volume growth instead of 2% will be 4%. And revenue growth is plus of 20% for us. And of course, the revenue growth is driven by high commodity prices. The other highlight for the performance during the quarter, of course, remains an alternate channel. We remain quite optimistic and excited about this channel.

Now alternate channel is clocking on LTM basis, which is last 12 months, September '25 has clocked more than INR4,400 crores of revenue, and it is growing very fast in which quick commerce is growing more than 80%, 85% for us. Branded export, again, is something which is very exciting for us. Last year, we started some activities around it, and it has been growing this particular basket grew by now 37% on LTM basis for the September '25.

In general, the edible oil highlights, I would only highlight one thing. The volume growth of 2%. However, when we look at a 3-year CAGR for the edible oil, it is at 7%, and that's what we target to achieve, which is mid-single-digit growth in edible oil as we go forward. Revenue of 26% growth is more from the high prices. PBT of INR171 crores, 55% drop as compared to last year, and this has got a couple of reasons.

Of course -- One is, of course, the low volume itself. And second, of course, is we had some interest -- additional interest charges or finance charges, which we have to bear

in the P&L because the kind of demand which we had planned -- basis which the procurement was happened, we couldn't see that demand, and therefore, there was some bump up in the working capital leading to higher interest costs, which was absorbed in this particular quarter.

However, the working capital levels will get normalized in next quarter, and we will see the benefit of the inventory, which is procured earlier finally delivering in the next quarter. The other thing, of course, is in our scheme of the things, you will always have some kind of cyclical plus and minus, gains and losses, which gets translated to the next quarter or which gets preponed to this quarter. So that's -- putting that impact, I think the edible oil, we have been able to deliver the reasonably good number in terms of volume as well as the bottom.

When we talk about the food and FMCG, the degrowth of 10% on the volume, we did close to 320,000 tonnes of volume. However, if we normalize this again by the government-to-government business of rice export last year we had, I think this 10% will go off and it will look like a flattish growth in the food segment. So that's how it looks like.

The flattish growth is also coming from a fact that we -- in this particular quarter, we saw a lot of competition, particularly in the wheat flour coming in from the small regional players. But I think that is only a short-term phenomenon. The companies like us, I think it is only a quarter phenomenon. And as we go forward, we should be able to recover from this and should give a better growth on the food basket.

The earnings or a PBT is a good story again. We delivered a profit of INR56 crores on entire food basket, which earlier used to be an EBITDA neutral kind of thing. And of course, on a full year basis, we -- on a H1 basis, we delivered INR132 crores.

When we look at the market share, we have been able to recover our market share in the basmati rice. When we look at the quarter number Jan-September '24 to Jan-September '25, similar period, market share has gone up from 7.3% to 7.7% in the basmati. Wheat flour, we were able to maintain our market share at 5.5%.

As we go forward, we should be able to consolidate this market share from here. Our other food products are doing good. The sugar recorded 20% percent plus kind of growth. Poha recorded 30% plus kind of growth. Soya nuggets, which is one of the hero product in our food basket in terms of the margin profile, actually marginally declined. I mean the reason for that is, in fact, we were growing till August.

The entire impact came only in September because this is the product in our overall category, which has got an impact of the GST 2.0, where the GST was reduced from

18% to 5%. So immediately after the announcement by the Finance Minister, the offtake from the market was slowed down and everyone -- the trade in general was waiting for the GST to come in play before start ordering. And that was the reason why the soya nuggets was -- declined marginally. I think as we go forward in the next quarter, it should be recovered fully.

Industry Essential, again, good story for us. We grew by 20% on volumes, 3-year CAGR of 8% and we delivered one of the best margins for this particular segment, more driven coming from the Oleo business. We had some positive commodity cycle playing in this particular segment, particularly for the glycerine and the soap noodles. So this is a good story for us. I think normalized profits are also should continue as we look at to the next quarter. On subsidiaries, I talk a little bit on GD Foods, which we acquired in April.

I think it is too short a time to call out the numbers. But I think we have been able to deliver a reasonably good number. We have grown by 8% on volumes and 4% on revenue. GD also has got a significant impact because of the GST 2.0 because most of -- in fact, all the products of the GD Foods actually moved from 18% to 5%. So we -- in the H2, in fact, we should see a lot of demand coming in and this company growing in double digit on volume as well as revenue. We have done a lot of work around distribution, leveraging AWL's distribution to see that this company grows.

In fact, in the month of August and September, we did a lot of combo offers along with our Atta for Tops product, including sauces and jams, which was -- which received a very good response from the market. Bangladesh, finally, things are looking good. We had a very bad last 2 years, '23 and '24.

Now this year, it is improving. The business environment in the country has improved. We have been able to get some traction now, although the volumes declined only because we are now strictly committing ourselves to only branded volumes rather than selling the loose also. And that's the reason why the volumes declined.

However, on the profitability, we have been able to show the positive number in this country. On channels, general trade, I will not talk too much. I think most exciting channel for us remains alternate channel. Alternate channel grew by 35% for us in Q2, in which quick comm actually grew by 86%. And when we look at market share of AWL in Qcomm in most of the products, our market share is significantly high.

Soya oil, we are commanding more than 50% of market share. Mustard oil, we are commanding more than 40% of market share in this particular channel. So it's a good developing story for us. And as we go forward, I think India will be doing more and

more purchasing on these channels, and we are doing a lot of efforts around this and activities around this to see that this channel continues to grow.

On distribution, we continued our efforts to grow the distribution. Now as end of September '25, we are reaching close to 900,000 outlets directly, though our aim is to reach to 1 million outlets. In urban towns, more than 1 lakh plus population, I think we are reaching every town. So it's 100% coverage of more than 1 lakh population town.

Rural town, which is something which we are working on, now we have close to 58,000 in our fold, which is up by close to 8,000 towns from March '25 and significant growth since March '20 when we were reaching only in the 3,000-plus kind of towns.

So this is it from my side as far as the performance update is concerned, I think I took a little more time. But anyway, I'll leave it. Now I'll request moderator to open the floor for question and answer. Myself, Mr. Mallick and Saumin and Pankaj are here to answer your questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Raghav Maheswari with Kamayakya Wealth Management.

Raghav Maheswari: I wanted to ask about the -- my question was about the margins actually. Like in the presentation, it was mentioned a couple of times that it was due to a higher base effect. Apart from that, when we are analyzing, let's say, on a COGS basis on your revenue. So last year's COGS was approximately 87% of your revenue. And this year, it was 88.5%. So where do we see these margins stabilizing? When do you see these margins stabilizing? Are we at the bottom right now? And I would want to know your opinion on that.

Shrikant Kanhere: Yes, so what I'll -- in fact, what I will guide you is better in our scheme of the things, instead of looking at anything as a percentage of revenue, I think my suggestion to you is that you should look at a per tonne basis because in our scheme of the things, revenue goes haywire sometimes because of the commodity prices. So therefore, not necessarily the COGS may set in terms of the percentage or EBITDA may set in terms of the percentage.

What you should be looking at is the gross margins and the EBITDA. So on an overall level, I think what the benchmark that we follow and has been guiding all the investing community is that the gross margin should be in the range of INR11,000 a tonne and EBITDA of INR3,500 a tonne and we are there as far as this quarter is concerned. However, having said that, last year, it was a quite significantly higher number.

And the reason for that we have been explaining is that last year, we had a couple of good commodity cycle gains and inventory gains, which were sitting in last year's number. And last year number is an exceptional number and not a representative number as such. So that's what you should keep in mind when you do the calculation, I think then you should be able to get a better understanding of this.

Raghav Maheswari: Understood, sir. And any future guidance that you can provide us?

Shrikant Kanhere: The future guidance, I think, remains same. I think the run rate at which we are today running, which is close to INR11,000 a tonne of gross margins and INR3,500 tonne of EBITDA per tonne, we should continue to deliver that. I don't see any risk as such in delivering that in H2.

Moderator: Next question comes from the line of Harit Kapoor with Investec.

Harit Kapoor: I just had a couple of questions. One was on the industry essentials piece. So if you could just give a little bit more detail, the H1 has actually been quite good. And I think you mentioned that Oleo has kind of driven this growth. So how much of the share of Industry Essentials now is oleochemicals?

And how different currently are the margins for oleo versus, say, castor and de-oiled cakes in your mix? The idea here is just to understand that what can be a sustainable kind of a per tonne number that we should look at? I know it is volatile, but oleo is relatively lesser volatility. So just if you could explain Q2 1H as well as the outlook.

Shrikant Kanhere: Yes, Harit, I think on Industry Essentials, there are 3 subsegments to it. One is, of course, oleo as mentioned by you. Second is the castor oil and third is your de-oiled cakes and meals with improved rapeseed meal and of course, the soyabean. This quarter number, of course, is driven more from oleo. And as I said in my opening remarks that we had some good calls on -- particularly for the glycerin and the stearic acid.

So those are the things which has actually given us an exceptionally good number. However, having said that, the reasonable number for the industry essential overall rather, I would put because many a time what happens is you also have a good run in the de-oiled cake also.

But overall, what we look at is similar to what is our overall number, which is close to 11,000 tonnes of gross margin and close to 3,000 tonnes of EBITDA. So in this EBITDA is a little less, so you can configure that way if you really want to build a model on Industry Essentials per se.

Harit Kapoor:

The other thing was on edible oil. Now you very clearly mentioned how the pricing trend has worked for the different oils. And also that H1 from an industry volume perspective has been quite low. I was just trying to get your sense about how do you foresee H2? Do you see that because of these differences in pricing that palm oil will continue to be -- the palm oil piece will continue to be under pressure. And from your perspective, palm oil is a reasonable mix. So do you expect that there is an improvement in the volume growth for H2 here or because of this palm oil prices still being pretty firm versus soya, there will be an impact. So just wanted to get your thoughts on that.

Angshu Mallick:

Okay. See, on -- in H1, you have seen our rupee value turnover has increased by almost 22% plus. That is mainly driven by the higher edible oil prices. And this has impacted consumption. So going forward, what changes we are seeing is that palm prices, which were higher in the beginning of the year has now come down, and it is at the lower level, which normally it should be. Soyabean is priced very close to palm, soya and palm will always be same level.

Sunflower is a little high now. But after November, it is likely to come down after the harvest season and the new processing starts in Russia and Ukraine from October, November. Now with the GST cut, most of the namkeen, frying, bakery, these -- all these products, the taxes are now at 5%. We expect a jump in consumption of snack foods, particularly fried items, namkeens and bakery products.

When this happens, obviously, edible oil is an integral part of these products. So edible oil consumption is likely to go up through this route. And we being one of the largest institutional suppliers to all the institutions in the country, obviously, we see higher consumption in the out-of-home consumption segment.

Now as far as in-the-home consumption is concerned, marriage season, better agri production expected. Of course, rains has impacted in large part of the country. But still, overall, the agriculture production should be better. But more important is the rabi crop that will come up now, wheat, mustard seed and chana, 3 major crops, which will be harvested in February, March.

If that crop comes up well, obviously, the rural consumption is likely to be more. H2 is always almost 60% of the consumption and H1 is 40%. So that is how we look at consumption. So I think H2 should be much more better.

Moderator:

Next question comes from the line of Pallavi with Sameeksha.

Pallavi:

Yes, thank you for taking my question. I wanted to understand...

- Moderator:** We cannot hear you. Your voice is breaking. Can you come in the range and talk?
- Pallavi:** Yes, Sir, I wanted to understand the difference for the Nepal issue, what's the difference in import duty for the loose and the pack form of oil? And how do we see this getting resolved in the second half for the industry?
- Angshu Mallick:** Okay. As far as Nepal is concerned, they don't export any loose oil. As per the SAFTA agreement, they can export after only value addition. And they are exporting only in pack form, mostly in 600 or 700 gram pouches. And that also 90% is soyabean oil. Now they export at 0% duty. And there is a differential duty because we import and pay 16.5%, whereas Nepal brings at 0. So obviously, Nepal has a pricing advantage over domestic production, one.
- Two, all the bordering areas of Nepal, particularly UP, Bihar, Jharkhand, Bengal are all in the proximity of Nepal in terms of freight because our nearest port is Haldia. From Haldia, if I have to send to UP, our freights are higher than Nepal. So technically speaking, Nepal has a lot of advantage. And that is why almost 15% of Indian soyabean oil imports comes now from Nepal at 0% duty.
- Pallavi:** So sir, has this increased over last year and caused the disruption?
- Angshu Mallick:** See, last year, it started with around 90,000 a month when the duty went up in India in September. But then in month of May, the duty was reduced by 10%. So some impact happened. But still today, 60,000, 65,000 tonnes is coming every month.
- Pallavi:** So this problem will continue into the second half also in terms of impacting our volumes?
- Angshu Mallick:** It looks like it will continue because as per the SAFTA agreement, I don't think there is much the government can do, although we, as a trade body has been asking the government to put some channelizing agencies so that there is some restriction in terms of the quality and value addition, which once it was agreed, but nothing much has moved.
- Pallavi:** Sir, my second question was on the margins in the Q commerce. Are they similar to GT or they are lower given the discounting?
- Angshu Mallick:** See, earlier, e-commerce margins were much higher than general trade. But slowly, what is happening in e-commerce also, there is a lot of pressure to promote and keep your brand on top of mind on the consumers. And as you know, there is a lot of competition in the e-comm also, not within the oil segment, I'm talking, between FMCG products, there is a competition.

So the Atta brand may push Atta, oil may do oil, chocolates may do chocolates, but then the e-commerce generally promotes it through whoever gives them more money. So e-commerce is still better in margin, but it used to give us even better margin than general trade, which is now, I would say, at par or a little more than general trade.

Pallavi: And sir, my last question is what would be the share of institutional sales for our oil business percentage?

Angshu Mallick: Today, overall oil, we sell to institutions almost 20% of our total volume, mainly to big institutions like Parle, Britannia, Nestlé, Mondelez, KFC, then you have Haldiram, Bikaji, Balaji, all these types of institutions for frying oil, for bakery products, for value-added sunflower oil and soyabean oil.

Pallavi: Right, sir. Sir, then it's difficult to understand the 2% decline, I mean, for volumes given institutional, I thought that would be larger and that's why the consumers are not.

Angshu Mallick: No, institutions also were not doing so well in the first half of the year, and they had got impacted in September also because after the announcement of cut, their sales also were -- their productions were actually stopped for some time because they wanted to clear their old stocks. So the first half institutions were under pressure, particularly Q1. But going forward, with the GST rationalization and coming down to 5%, a lot of unbranded products will now get into the official fold, and we expect brands, good brands to do even better.

Pallavi: Last question is on the market share loss that you've seen around 100 bps, 17% in the oil. Is that -- will that reverse? And what would be the reason?

Angshu Mallick: See, we are very strong in North India, particularly Delhi, Haryana, Punjab, UP, Bihar, Bengal, Jharkhand. These are our strength areas, and these are the areas where the Nepal low-cost soyabean oil has impacted. And we being the largest player. And let me tell you, we have over 50% market share in Bihar, over 55%, 60% in Delhi, 60% in Haryana, Punjab. So obviously, we being the largest shareholder, there, we got impacted because of the cheaper Nepalese brands.

Pallavi: Right. And Nepal share would be how much in the market share the Nepal oil.

Angshu Mallick: I think Nepal oil put together is in the range of around 2%, 3% overall market.

Moderator: Next question comes from the line of Kunal Shah with Jefferies.

Kunal Shah: So my first question was on this data point which you have provided, which is your stand-alone sales -- branded sales in foods grew 7%. So, I just wanted to understand, does this include regional rice as well? Because I presume there will be some

branded component in that. And if yes, what would be the growth if you take out that factor as well? So just like-for-like growth.

Angshu Mallick: These are all branded packed food that we are talking of, and the growth has mainly come from basmati rice, sugar and wheat flour in the Q2.

Kunal Shah: But would this number also have some impact due to regional rice consolidation, or this wouldn't be.

Angshu Mallick: But regional rice, if you look at the packed regional rice, branded is always less. Mostly it is all exported or G2G, what was happening last year. This year, we have exported regional rice, but the volumes are not as high as last year.

Shrikant Kanhere: So Kunal, to answer your question straight, yes, regional rice rationalization does have an impact on the food growth, including the G2G one-time business, which we had.

Kunal Shah: Understood. So for this number to improve, the key drivers will be, let's say, improvement in wheat flour and soya chunk, right, on a, let's say, on the next few quarters.

Angshu Mallick: Yes, of course. Wheat flour, sugar, rice, all have to grow. I mean wheat flour and rice has got a significantly 60%, 65% weightage in our food basket. So these 2 has to grow. There is no doubt about it. Sugar has also has become quite a significant player in our overall scheme because we are selling 5,000 tonnes a month of sugar. So of course, all these 3 has to grow to deliver better numbers in H2.

Kunal Shah: Understood. And if you can give some guidance on -- do you think the H2 food growth should be back to your long-term guidance of that mid-teens sort of a number. Or that would be a bit aspirational?

Angshu Mallick: I think so, yes, because second half, we did not have any G2G business. It was normal business and H2 should be as good or even better than last year's second half.

Kunal Shah: Understood. Okay. So that's clear. My second question is on oils. So when you say overall profitability will remain in that INR3,500, INR3,600 mark, would it be fair to assume that oils can see better number, which will get reinvested in foods or we can't look at it that way?

Angshu Mallick: Yes. I think you -- that's how it will work because whatever the INR3,500 guidance we give, we give on a blended this thing. And I think in our presentation, we have shared the EBITDAs segment-wise. So yes, oil has to deliver better than INR3,500 because food is not at that level. So that's how the scheme of the things should work in

H2. In case you want anything specific, we will certainly provide you the segment-wise also.

Kunal Shah: Understood. And this question on Nepal. So I just want to understand, is oil a domestic crop in Nepal? Or I mean, do these players import it themselves and then we export it to India?

Angshu Mallick: No, no, they don't have any domestic crop. What they do is that they import degummed soyabean oil from Argentina like the way we all do at Haldia port. And from Haldia port, they take it to the Birganj, where all the plants are located there, and then they refine and bring it back to India. And mostly the border states are impacted heavily because you know it's a very transparent border. And that border is also Raxaul border or any border that you take are part of the domestic consumption market, and that is why it has impacted a lot.

Moderator: Next question comes from the line of Dhiraj Mistry with ICICI Securities.

Dhiraj Mistry: So yes, it's very interesting that you highlighted that there would be backed growth for the FMCG part of the portfolio. But if I remember correctly, a couple of years back, you stated that you would be achieving INR10,000 crores at least in FY '27 or so. So with all this G2G business rationalization and everything, do we still stand with INR10,000 crores in FY '27 or it can be pushed a bit?

Angshu Mallick: If we look at our volume growth, we should grow at 20% food. First half has been a little low because of the G2G. If you remove that, we are still in the growth phase. Second half onwards looks like much better. And going ahead, we have another 18 months to touch INR10,000 crores. So we are working on it. We are aware of it that we had said mentioned INR10,000 crores, but we will be very close to it for sure. We are on it, and we know that we have to deliver.

We are banking on Gohana plant now getting streamlined. Rice has just started in Gohana, both the lines. So we have around 500 tonne paddy processing daily. Our flour mill is not yet ready. It will be ready by end of November. That has a capacity of around 550 tonnes a day. So that flour will be added to the volume. So these 2 plants, plus we have taken a few more Atta plants, which are coming up in Odisha and Bihar, which we will add to our volume. Overall, overall, I think with the increase in capacity of the food, we should be able to reach very close to 10,000.

Dhiraj Mistry: This you are talking about by FY '27?

Angshu Mallick: FY '27. Absolutely.

- Dhiraj Mistry:** Okay. Okay. And it's very heartening to see that you have improved your margin for the food business with all this rationalization. Would you like to give some guidance for your FMCG business margin going ahead? It should -- or is it safe to assume that the current margin what you have been clocking in the foods and FMCG business, it is safe to assume that we can assume that kind of margin going ahead as well.
- Shrikant Kanhere:** No. So if I have to answer you this question very straight, I don't think -- see, as Mr. Mallick said, the aggression to grow top line will remain in the next couple of years. So therefore, not necessarily that we may be able to deliver what we have -- what we have delivered in H1, right?
- Don't assume safely that this will be the margin because in case we want to accelerate that growth, we may end up spending a little more on distribution and schemes and promotion. But I think we are now EBITDA positive. In the food, I think we will remain EBITDA positive. That's the only thing which I can surely comment upon.
- Dhiraj Mistry:** Got it. Got it. And second is on edible oil. Sorry for very near-term outlook and all. But with a high base of palm oil prices have been coming in the base and everything, can we -- what kind of volume value mix we can expect for the oil business in second half?
- Angshu Mallick:** See the oil business in second half will be driven more in the soft oil category because as winter sets in, the soft oil category grows, mainly sunflower oil, soyabean oil, cotton seed oil, rice bran oil and mustard oil. These are the 5 oils, which are soft oil, where the consumption is higher in the winter.
- Palm will grow because, one, flying industry will go to palm as palm will be the cheapest oil, number one. Number two, bakery industry obviously takes palm. And hence, palm oil should do well in institution business. But in-home consumption, soft oil will do well. So overall, I feel the mix will be more or less same, but soft oil should be a little more.
- Dhiraj Mistry:** I was asking from volume and value perspective that the first half value growth was somewhere around 26% and volume was more or less flattish kind of a thing. With that -- how that numbers will pan out for second half?
- Angshu Mallick:** Okay. See, on value front, honestly, not much we can do duty increase or decrease by government or exchange rate. All this happens or commodity prices going up and down. So value, we don't generally track so meticulously as much as we do cost per tonne.

Second is as volume is concerned, H2 volume is normally higher than H1, and we expect H2 volume to be better. Low single digit of 5%, 6% should be a good growth that we should get because the country is not consuming even more than 1%. Imports are down by 3%, but H2 should be still better.

Dhiraj Mistry: Okay. And value would be more or less kind of a flattish kind of a thing with the high base of last year?

Angshu Mallick: Yes, yes, yes. Unless anything drastic happens or any supply chain disruptions or government intervenes and increases the duty tomorrow by 10% or 15%, obviously, prices will go up.

Dhiraj Mistry: Okay. Okay. Got it. And any outlook on margin for second half in oil business? Is it safe to assume? Or you would like to highlight something different?

Shrikant Kanhere: No, I think our normal run rate of 3,500, we should continue on EBITDA. And similarly, the blended gross margins of 11,000 tonnes -- INR11,000 a tonne.

Moderator: Next question comes from the line of Raghav Maheswari with Kamayakya Wealth Management.

Raghav Maheswari: So just to understand the thing which you highlighted earlier regarding the Nepal imports of edible oil. So like you mentioned, overall 12% of soya imports of India is getting accounted for by Nepal imports. So as far as the company is concerned, like what percentage of market share decline has AWL Agri Business seen due to this particular thing? If you can quantify that, if it's possible or a range?

Angshu Mallick: Okay. See, Nepal, everything comes in pouch, 85%, 90% in pouch, and 10% in 15 kilo tins. So they directly compete with the Indian brands in mainly the states of UP, Bihar, Bengal, Jharkhand. Now we have over 50% market share in all these states. So what happens is that our 2 brands, King's and Fortune, both has to compete with these cheaper brands and cheaper means they are 0% duty. So obviously, they are much cheaper.

Today, if you -- on cost to cost, it is around INR15 per liter cheaper than Indian brands. So obviously, the roadside stalls, hotels, dhabas, all these people have started consuming Nepalese oil. We are largest shareholders, obviously, we have got a hit and our soyabean market share has dropped by almost 2.5%, 3%. That is why at all India level in refined oil consumer pack, we have lost share of around 50 basis points.

Moderator: Next question comes from the line of Niharika Karnani with CapGrow Capital.

- Niharika Karnani:** Just one question from my end. So in the food and FMCG segment, we spoke about margin thing. So top line expansion would be there aggressively by spending more on distribution. So I wanted to understand when do we see this segment contributing meaningfully towards margin? And overall for the company, what steps are being taken to drive margin expansion?
- Shrikant Kanhere:** See, I think what we have been saying for quite some time is that this segment will remain an EBITDA neutral for some time, though if you look at our past couple of quarters, we have been actually EBITDA positive on this segment. But having said that, we will remain aggressive on spending to grow.
- And therefore, our sense is that not before FY '28, we should start contributing really meaningful to the bottom line because by only by that time, FY '28 means what I'm saying is practically 3 years from now because right now, we are into FY '26, then you have a '27 and then '28. That's where it will start contributing meaningfully to the bottom line, and I think better than oil rather, I would say.
- Moderator:** Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.
- Shrikant Kanhere:** Yes. From AWL team, we thank you, everyone, for attending the call, hearing us. Please do reach out to our Investor Relations team for anything specific you want to understand on the company and company model. Thank you.
- Angshu Mallick:** Thank you, everyone, who have joined this call.
- Moderator:** Thank you. On behalf of AWL Agri Business and ICICI Securities, that concludes this conference. Thank you for joining us. You may now disconnect your lines.