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DODLA

Date: 26 May 2025

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

Dear Sir/Madam,

Sub: Transcript of Q4 FY25 Results Earnings Conference Call held on Tuesday, 20 May 2025

In Continuation to our letter dated 20 May 2025 the Company had organized a Q4 FY25 Results Earnings Conference Call with the Investors/ Analysts on Tuesday, 20 May 2025 at 10:00 AM IST. A copy of Transcript of Earnings Conference call held with the Investors/ Analysts is enclosed herewith and the same has also been uploaded on the Company's Website at www.dodladairy.com.

This is for your information and records.

Thanking You,
Yours Faithfully,
For Dodla Dairy Limited

Surya Prakash Mungelkar
Digitally signed by Surya Prakash Mungelkar
Date: 2025.05.26 21:58:45 +05'30'

Surya Prakash M
Company Secretary & Compliance Officer

"Dodla Dairy Limited Q4 & FY '2025 Earnings Conference Call"

May 20, 2025

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"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 20, 2025, will prevail."

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

Moderator: Ladies and gentlemen, good day and welcome to the Dodla Dairy Limited Q4 and FY '25 Earnings Conference Call.

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 "*", then "0" on your touchtone phone.

This conference call may contain forward-looking statements about the Company which are based on beliefs, opinions and expectations of the Company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Please note that this conference is being recorded.

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

Sunil Reddy Dodla: Thank you very much. Good morning, on behalf of Dodla Dairy Limited, I extend a warm welcome to everyone joining us on our call today. I hope everyone had the opportunity to go through the Financial Results and Investor Presentation which we have uploaded on the Stock Exchange, and on our Company's website.

We are proud to announce that Dodla Dairy has completed 30 years of its journey since inception in 1995. Over the past decades, we have grown the business multi-fold and evolved ourselves into an integrated dairy Company offering a diverse range of high-quality products under the trusted and well-recognized brand, Dodla. In the last four years alone we have nearly doubled our revenue by achieving a CAGR of 18% and have experienced an even faster growth rate in profitability. Additionally, we were able to maintain a very healthy ROCE profile and improve working capital efficiencies, reflecting our focus on sustainable and value accretive growth.

I would like to take a moment to express my gratitude to our entire team, a strong leadership team including the dedicated general managers heading each business verticals and reporting directly to the CEO of the Company. They have collectively played a crucial role in this growth journey.

Coming up to the current scenario, this year has been a remarkable year for us as we were able to capture multiple achievements. In FY '25, we evolved from a net buyer to a net seller of SMP and butter. This strategic move was backed by enhanced procurement strength and resulting in better efficiency and control over the margin profile. We were able to maintain stability in our margins during each quarter in FY '25, significantly minimizing the seasonal effects that used to impact our margins.

On top of a stable healthy margin profile, we were also able to deliver a healthy year-on-year growth in every quarter. For the full year FY '25 revenue grew by 19% year-over-year and stood at Rs. 3,720 crores and we closed the year with a PAT of Rs. 260 crores. We have started work towards expansion in Maharashtra, it is a greenfield project with a total outlay of Rs. 280 crores on the standalone project itself. Investment in this is through a combination of debt and internal accruals. The plant is expected to be ready by the end of the Financial Year '27, thereby increasing our processing capacity by 10 lakh liters per day. In addition to that, we were able to add more land near the same location resulting in a total of 61 acres of land for the dairy business and another 12 acres for the Orgafeed business.

Now coming to the quarterly performance:

I am happy to announce that Dodla Dairy has delivered a double-digit year-on-year growth for the fourth consecutive quarter in Q4 '25. Our revenues grew by 15.5% year-on-year, reaching Rs. 910 crores. In Q4, due to summer, it marks the beginning of the lean season from the milk procurement perspective and higher VAP offtake. The procurement prices have been rising, and in response to that we have also taken a price hike during the quarter which is in line with industry trends.

We have also started witnessing an increase in VAP demand towards the end of the quarter. Our value-added product sale for the quarter contributed 32% of our total revenues and we expect this demand to continue in Q1 FY '26 to increase our VAP share. We constantly dabble between build-versus-buy thought process and hence the acquisition is an ongoing focus area for us. With a past track record of successful acquisitions, we are well-placed to expand our geographical presence.

Generally, milk business growth is related to the GDP growth of the country, but we at Dodla believe in outperforming the industry and delivering superior growth through strategic initiatives. The greenfield expansion in Maharashtra is set to be a major drive. Additionally, we are focused on expanding our product reach along with some additions in product portfolio in India as well as African territories. Based on these strong fundamentals, we strive towards continuing our growth momentum.

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

B.V. K. Reddy: Thank you, Sunil sir. Overall, we have seen healthy performance in Q4 '25. Our Indian operations, we witnessed a growth of 11% driven by combination of volume as well as value growth. During the quarter, we took price hike of Rs. 1.19 per liter of milk on a consolidated level, this is in line with overall rise in procurement cost during the quarter. The price increase is a seasonal pattern incorporated in the nature of this business, and also in line with the overall industry trend. I would like to assure you that there is no major impact in terms of margin and no concerns from the competitive point of view.

Speaking about value-added products, we have started witnessing a surge in overall demand, particularly in products like curd, ice cream, flavored milk, paneer etc. Our curd sales was Rs. 194 crores, ice cream Rs. 11 crores, flavored milk was Rs. 12 crores and paneer Rs. 7 crores.

Speaking of international business, we have delivered outstanding results in Kenya and Uganda with a revenue growth of 71% year-on-year basis crossing the mark of Rs. 100 crores for the first time since we entered this geography.

We also see some improvement in terms of margin compared to previous quarters. Orgafeed business also exceptional performance with year-on-year growth of 48% along with an improvement in the scale of the business. We also see a decent margin expansion. Currently we cater around 30% of our farmers with a capacity utilization still below 50%. Orgafeed is not only providing a strategic edge while maintaining a relationship with the farmers, but is also strongly positioned to deliver a faster growth in the coming years.

Our overall profitability remained in line with the previous quarters. In FY '25 our margins were pretty much stable, as Mr. Sunil Reddy rightly mentioned that we were able to minimize the fluctuations resulting from seasonality trend in the business. We were able to achieve this stability by improving our procurement strength and eventually becoming the net sellers. We continue to implement this strategic and sell SMP and butter as a commodity whenever required.

During the quarter we were able to procure 16.3 lakh liters milk per day on an average. This is around 16.7 lakh liters per day in the same period of the last year. The average procurement cost Q4 was around Rs. 37.36 per liter which was around Rs. 35.81 per liter in the same period of the last year. The average procurement cost in Q3 FY '25 was Rs. 35.6 per liter. Average milk sales for the quarter was 11.7 lakh liters per day, an increase of 8.2% on year-on-year basis. Curd sales stood 383 metric tonnes with year-on-year basis 6.5% growth. And lastly the VAP sales were Rs. 284 crores with a growth of 28.2% on year-on-year basis.

Overall, our focus remains intact on enhancing our procurement strength, widening our product portfolio and expanding our distribution reach in new as well as existing markets. We aim to maintain healthy profitability by keeping our VAP sales contribution above a certain level while continuously growing our other business.

With this now I request Mr. Murali to share the financial highlights of this quarter and as well as year. Thank you, Murali.

Murali Mohan Raju R: Thank you, Mr. B.V. K. Reddy, and a very good afternoon to all the participants on the call. I am happy to share with you that the Board has approved dividend distribution of Rs. 2 per share, that is 20% of the face value.

Talking about quarterly performance:

In Q4 FY '25, the revenue from operations came in at Rs. 910 crores versus Rs. 787 crores in Q4 FY '24. In the quarter, our gross margin stood at 27.2% which is broadly in line with our full year GP level. Employee expenses and other expenses remained in line with the previous quarter. We reported an EBITDA of Rs. 83.5 crores as against Rs. 75.4 crores during Q4 FY '24. EBITDA margin for the quarter stood at 9.2%.

Our depreciation expense stood at Rs. 18.2 crores. Our finance cost for the quarter remained stable at Rs. 1 crores in Q4 FY '25. Other income stood at Rs. 25.8 crores, this includes the provision reversal amount of Rs. 9.5 crores on the back of securing a favorable Telangana GST Commissioner Appeal, and also a AP High Court order with respect to flavored milk classification. Balance amount primarily consists of return on investments made by the Company. Our tax expense was Rs. 22.3 crores with an effective tax rate of 25%. The net profit stood at Rs. 68 crores with a margin of 7.5%.

Now for the full year performance:

Revenue grew by 19% and stood at Rs. 3,720 crores as against Rs. 3,125 crores last year. EBITDA margin saw an improvement of 100 basis points and stood at Rs. 381 crores. Net profit was at Rs. 260 crores as against Rs. 167 crores of last year, a growth of 55.9% year-on-year, mainly as a result of higher other income and other efficiency.

We see healthy cash flow from our operations which stood at Rs. 520 crores. Speaking of cash, our total cash and cash equivalents position as on 31 March, 2025, stands at Rs. 746 crores. This includes cash and bank plus our current as well as non-current investments as all of those are liquid in nature.

With this we conclude the presentation and open the floor for further discussions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ashish Parekh from Emkay Investment Managers Limited. Please go ahead.

Ashish Parekh: Hello, yes, thank you sir. Sir, two questions. Firstly, the capacity utilization you mentioned was below 50%, so can you please tell me in next two years how much of utilization will be reached? And this is before including Maharashtra greenfield new project. And secondly, Africa business utilization also.

Sunil Reddy Dodla: So, basically the 50% capacity utilization was on the Orgafeed front, because we have just built out a new plant, which compared to our earlier plant which was around 2,000 tonnes per month, we had built out a plant of 10,000 tonnes per month. This was keeping in view of this growth that we project to have. And that is the reason why although this almost little more than a year of operation, we have already reached the 50% mark of capacity utilization. So we are assuming that by the time our Maharashtra plant comes into play, we will be able to utilize the older plant, and then we will need a new plant to get a capacity utilization. So that was regarding the capacity utilization of Orgafeed.

Regarding Dodla Dairy utilization, we are doing a reasonable job. I think we will be around 70% to 75%. And that is also mostly because we have a couple of plants which are meant to be for seasonal fluctuations, which is when we have powder, which excess milk in the system and we have to convert, we will have the excess. So that is the reason why we have that. I think we will maintain these healthy capacity utilizations on the milk front also. I hope I answered your questions, Ashish.

Ashish Parekh: Yes, sir. Thank you. And second, what was the bulk sale in this quarter? And yearly number on a consol basis?

Sunil Reddy Dodla: Basically, the bulk is predominantly only what we look at SMP that we look at our sale of SMP, because that is the balancing that we do. I think SMP number will be --

Murali Mohan Raju R: SMP we have done around Rs. 110 crores sale.

Sunil Reddy Dodla: In the Q4?

Murali Mohan Raju R: No, no, total, entire year.

Sunil Reddy Dodla: And Q4 was around?

Murali Mohan Raju R: Rs. 29 crores.

Sunil Reddy Dodla: Rs. 29 crores.

Ashish Parekh: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi: Yes. Sir, thanks for the opportunity. And congrats for a good set of numbers considering the inflationary pressures. So just the question on milk prices, how do you see the milk prices panning out in next, let's say, one year? Because we have seen monsoon hitting early the South India Peninsula, so with the reduction in temperature level is there any increase in milk production leading to better procurement prices also? Question number one.

And then secondly, what is the prices currently for SMP? And what would be the indicative inventory that we would be carrying as of now? Yes, thanks.

B.V. K. Reddy: You see, first question, what you have said, early monsoon started in South India in a couple of areas, showers already we have experienced it, especially in Karnataka, Tamil Nadu, even to certain extent in Maharashtra also. Price is already softening and we have already taken one round of price reduction. And maybe we are expecting it will go for one more round also very soon.

Sunil Reddy Dodla: And regarding inventory Aniruddha, we are currently, I think, as end of March we were holding around Rs. 160 crores of inventory of overall. I think out of which only Rs. 100 crores would be finished goods, the rest would be regular inventory, and it's a consolidated inventory of all locations put together. And SMP price, I think B.V.K will answer on the SMP price.

B.V. K. Reddy: Yes. SMP, this 4th Quarter we have sold roughly about Rs. 250. And butter we have sold bulk butter around Rs. 430, Rs. 435. So, now SMP is around Rs. 255- Rs. 260 range.

Aniruddha Joshi: Okay. Sure, sir. Understood. So, with softening of milk procurement prices plus the price hike that we are taking, so --

.V. K. Reddy: Yes, we have taken even milk selling price also in the 3rd Quarter. Selling price also we have taken up across all the locations. So, overall, that is Rs. 1.20 roughly about price hike we have taken in the 3rd Quarter. And the 3rd Quarter slightly procurement price was high, but 4th Quarter only April after May from 10th onwards prices have started already declining. So, one round of procurement price we have already taken up.

Aniruddha Joshi: Okay. Sure, sir. Understood. This is very helpful. Thank you.

Sunil Reddy Dodla: Thank you.

Moderator: Thank you. The next question is from the line of Resha Mehta from GreenEdge Wealth Advisors. Please go ahead.

Resha Mehta: Yes. Thank you. Sir, one, I wanted a clarification that what would be our total fat product sales for the full year FY' 25? Fat means butter, SMP and ghee.

Sunil Reddy Dodla: Butter, SMP and ghee should, basically we classify fat as both butter and ghee. I think Murali will give the specific numbers of butter and ghee would be.

Murali Mohan Raju R: Yes. Butter, for the total year we have sold around Rs. 202 crores, and SMP we have sold Rs. 110 crores. That's what we have sold, totaling to Rs. 312 crores of B2B business. Second is ghee, consumer ghee, we have sold --

Resha Mehta: Sorry, sorry. So, butter and SMP is Rs. 312 crores, right?

Murali Mohan Raju R: Yes, both put together, Rs. 312 crores. And ghee, we have sold around Rs. 80 crores, for the full year.

Resha Mehta: Okay. So, that is roughly around Rs. 400 crores of fat products. And what was the same number for FY '24?

Murali Mohan Raju R: For FY '24, actually we do not have any butter and SMP sales, we have only ghee sales.

B.V. K. Reddy: In FY'24, we have not sold any SMP. And also, butter also we have not sold much actually. But ghee sales were there, ghee sales so 2,500 tonnes per day. And that is roughly about Rs. 42 crores to Rs. 50 crores fat has been sold in '24.

Resha Mehta: Okay. Sir, so that means this jump in fat products, right, from Rs. 50 crores to roughly Rs. 400 crores, right?

B.V. K. Reddy: Resha ji, including SMP.

Resha Mehta: Yes, yes, so including fat products.

B.V. K. Reddy: Earlier we used to be a net buyer to SMP.

Resha Mehta: Right sir. We had a change in inventory policy. So sir basically, see, while the headline numbers look great in terms of revenue growth, but if I were to just kind of look at your revenue growth, after excluding these fat products, your feed business and your Africa operations, right, if I look at the core India dairy operations, I think your revenue growth is somewhere in low to mid-single digits, right? So, would you say that you would be particularly concerned about this because, the peers have kind of grown at a much faster rate? And has this been below your expectations also? And if yes, then what are the reasons for low revenue growth in the core India dairy operations, when we exclude all of this?

Sunil Reddy Dodla: So, Resha ma'am, what we say when we say core India dairy operations, we are also looking at it from a point of view of procurement to liquid milk sales, curd sales and product sales. When we look at fat, fat is adding to a part of the product sale that we have. I think we have grown on an average of the higher single digit numbers of 6% - 7% in volume even in the liquid milk and liquid curd sales that we have done. And we continue to be with that that we will maintain that growth rates of note volume of 10% and value addition growth that we normally do.

I think a small aberration here or there of 1% or 2% will be more than compensated in the years that come forward. So, we are not very much concerned about that, but we are very much more worried and focused about our profitability margins. We will not just push volume for the sake of volume, we will try to balance both. And in that balance now we are coming to the net seller of commodity rather than becoming a buyer. That's why you will see that our fluctuations are also, we are trying to keep our most stable operations.

Moderator: Thank you. The next question is from the line of Resham Jain from DSP Asset Management. Please go ahead.

Resham Jain: Yes. Hi, good morning. Congratulations sir for consistent performance. So, first is on the overall procurement growth, this year we have seen procurement growing at close to single-digit, mid-single digit. So what is the expectation given that Maharashtra plant will come only in end of '27, for the next two years, organically, what is the kind of procurement volume growth which we can do?

B.V. K. Reddy: Yes. See, this year we have done average procurement roughly about 17.1 lakhs in '24-'25. And even in '23-'24 also more or less the same thing, but see '23-'24 now we were having slightly third-party procurement. That third-party procurement in '24-'25 totally closed that's why you do not see much jump in '24-'25 in procurement growth. But actually whole procurement growth is there already in '24-'25 also. And in '25-'26 we are already targeting 18 lakhs average, so that only is in India, and including Africa it is 20 lakhs. So, 17 lakhs to almost we are forecasting 17.1 lakhs to 20 lakhs, on consolidated basis.

Sunil Reddy Dodla: So Resham, also coming to a point of Maharashtra coming in '27, even before Maharashtra what B.V.K was saying that we are planning on this aggressive growth. We are continuing to be progressing with procurement of our own growing, not looking at outsider or any milk coming in so that we have the advantage of quality and pricing. And that procurement we will keep pushing aggressively even this year because we still have two powder plants of our own and comparing the balancing we can afford to manage even if there is a surplus in the system.

Resham Jain: Okay. Sir, I actually did not get what is the growth you are expecting, is it 10%, 12%, more than that?

B.V. K. Reddy & Sunil Reddy Dodla: Yes, we are adding about 2.5 lakhs procurement. Roughly 2.5 lakhs, we have taken a target for this '25-'26, additional volume, it is 15%. Roughly 15% of volume in procurement is what we are looking at.

Resham Jain: Okay. Understood sir. Sir, the second question is with respect to the overall margins, given that the procurement prices have started coming down now, while you might take one more price hike, an industry also may do so. So should one expect that margin should be slightly better off sequentially now because in Q1 anyways the curd sales and the value-added product sales is slightly better?

Sunil Reddy Dodla: So Resham, we will maintain the same status quo, margin profile as percentages of what we are looking in absolute number growth will continue to be as what we continue to grow. This is predominantly because although on one side we see procurement prices cooling off, again the weather cooling and coming earlier, the value-added component in terms of the product mix will not be the same as it used to be in the previous summers. So profitability and growth numbers will continue to be in the same tandem of the double-digits that we maintain and grow in the same manner.

Resham Jain: Understood. Clear sir. Sir, last question is with respect to Orgafeed. In the opening comments I heard that you supply this feed only to 30% of your overall farmer pool, is that correct?

B.V. K. Reddy: Yes.

Resham Jain: So, how are you planning to scale up? And like why not, because we are operating at 50% utilization, what are the bottlenecks here in terms of getting into or penetrating with more farmers?

B.V. K. Reddy: Yes. See, actually the higher capacity feed plant we build only in '23-'24. So actual production capacity will commence only in '24-'25. So already we have taken around 40% - 45% capacity utilization in the first year itself. So this year we are expecting, see the last '24-'25 we have done Rs. 132 crores, now this year almost we are expecting Rs. 200 crores. So, we have taken a sizable jump in feed sales. So, see that we have taken. The bottleneck is only to, see, supply and collect money, recover from the total from the farmer's bill. That is only the bottleneck.

Sunil Reddy Dodla: And also, Resham, as we have been looking at it, we have built it with a view of at least three years, I think it is coming down quicker than that for what we are using the feed plant that we built out. And second thing is also when we are saying Maharashtra, for example, sometimes distances also play a role in terms of pricing of cattle feed movement. So as volumes grow in the areas where we are operating, we will utilize this facility for our existing operating in and around our cattle feed facility. So by the time Maharashtra grows, we will be able to build up further capacities and utilize there.

Resham Jain: Understood, sir. Very clear. Thank you and all the best.

B.V. K. Reddy: Thank you.

Moderator: Thank you. The next question is from the line of Nihal Shah from Prudent Corporate Advisory. Please go ahead.

Nihal Shah: Yes. Thank you for the opportunity. And congratulations on a great set of numbers. So, here we can see the curd volume going up only by 6% odd, which is the biggest component in our value-added product. So, why was that so in this quarter? And our procurement has reduced in second half of this financial year against the second half of last year, so was that because we are sitting on good level of inventory that we had piled up last year? Or was there the high procurement cost the reason?

Sunil Reddy Dodla: To the question of, yes, curd did grow by 6% and what we have also milk which grew up. That's why we were saying that normally we look at it as growing at, like I kept saying earlier, that our value-add overall in the bucket normally grows by 1%-2%. This time it moved up because of fat and the same trend will continue. It would not grow substantially overnight in terms of the consumption.

Coming to the procurement, yes, we did have higher inventory. And prices when they were not suitable for being higher we were able to contain. And third, like we said, we totally cut out all the high cost of procurement which was coming from any other third party or whichever, and improved only our procurement and which is the way we will be going forward. And so that was the reason. But our procurement was, it was mostly I think controlled by us rather than a non-controllable factor, which now we are again going to be accelerating.

Nihal Shah: Okay. Thank you. Thank you very much.

Moderator: Thank you. The next question is on the line of Abhishek Mathur from Systematix Group. Please go ahead.

Abhishek Mathur: Yes, hi sir. Thank you for the opportunity. So I just wanted to check, after a strong FY '25 what is our outlook in terms of the volume/value growth for the overall business and also for the key segments of VAP, milk and Africa if you can sort of elaborate? And what will be our plan for geographic or distribution expansion that will support this outlook? That's my first question.

Sunil Reddy Dodla: Basically what we are looking at is, I think we will continue to maintain the CAGRs of what volume that we continue to grow as a double-digit in terms of the value and the revenue growth that we have there. We will maintain those growth targets. Africa will not show this significant a move as we have seen this year of the growth rates being almost 60%, 70%, because I think the Kenya acquisition that came in, we played out well and it has taken a significant year. But this should also maintain in line with our 15%, 16% growth rates is what we are considering even for the Africa business.

And also, when we look at the Orgafeed, is also we will continue to look at the same 15% growth rates that we look at. So, I think we maintain those growth rates. The reason why we are saying that is that we do not want to accelerate rapidly or decelerate rapidly keeping in mind that we have to balance both our procurement and sales in terms of profitability and how do we take it forward.

So, the same standard statement that we always make that we will maintain our growth rates more in view with our CAGR that we have built. But last year was significantly larger. We did not expect that kind of a significant jump. But it will continue to be in the high double digits, yes.

Abhishek Mathur: Right, sir. And just a follow-up on that, what is the plan for our geographic expansion or distribution expansion that will kind of support this? Because if you are saying that Africa will probably not continue to grow at the rate that it has grown, which means the India business has to step-up significantly. So what will be the kind of expansion that will kind of support this growth?

Sunil Reddy Dodla: So, India, we are looking at it as we will look at certain other areas of expansion which we are looking actively in terms of more states to be added for our growth, which can also give us our growth and we will also see how our depth works. But I think we are also doing well on the other end of our products like ghee, paneer, which we have almost doubled from last year and we are hoping to do better.

We have also been penetrating into modern trade, we have been trying to get more into online trade, regular existing markets. So with all the initiatives and also we are doing a significant spend on brand, we are hoping that with all that our existing market growth rates also will continue to maintain, and additional growth we get from new territories will make our going forward. Our additional territories will be more in terms of deeper penetration into Tamil Nadu, Maharashtra where we are already operating, and maybe a few new states if they come across for us.

Abhishek Mathur: Sir, would you like to sort of elaborate on which new states or which new territories we are looking at right now?

Sunil Reddy Dodla: We will keep looking going forward towards the northern part of the country. I think we will be more specific in the coming couple of months as to where it will be, we will disclose that a couple of months later. But we are actively looking towards the more north of the country.

Abhishek Mathur: Sure, sir. And finally just a bookkeeping question, sir. If you can provide the consol realizations for the overall VAP and milk sales for the quarter, please.

Sunil Reddy Dodla: Come again, Abhishek. Overall for the VAP and milk as to segregated items, is it?

Abhishek Mathur: Yes sir, yes, consol realization for overall VAP and milk.

Murali Mohan Raju R: Yes. Consol realization in Q4 is Rs. 60.87, for the full year it is Rs. 62.24.

Abhishek Mathur: And sir for VAP and milk also for the 4th Quarter?

Murali Mohan Raju R: VAP for the 4th Quarter it will be Rs. 76.9 VAP, milk is Rs. 56.46.

Abhishek Mathur: Yes. Thank you, sir. That's all from me. Thanks.

B.V. K. Reddy: Thank you.

Moderator: Thank you. The next question is from the line of Disha Giria from Ashika Institutional Equity. Please go ahead.

Disha Giria: Hi, good morning. Congratulations on a great set of results. I just had a bookkeeping question. You have mentioned in your presentation that the Africa business had contributed around 10.2% in FY '25, what would that number be for FY '24?

B.V. K. Reddy: We have done in '24, around 1,06,000 liters average sales. Sales, we have done 1,27,000 liters. And 1,11,000 liters for the entire year '23-'24. And '24-'25 we have done 1,80,000 liters average.

Sunil Reddy Dodla: I think the same percentage also, as a percentage it would have been the same, Ashika.

Disha Giria: All right. Okay. Yes.

B.V. K. Reddy: So that means we added 60,000 liters last financial year because we acquired a Kenyan plant. With that Kenyan plant we added almost, Kenya we got to put together 60,000 liters we added.

Disha Giria: Okay. Great. That is it from my end.

Moderator: Thank you. The next question is from the line of Nikhil from SIMPL. Please go ahead.

Nikhil Upadhyay: Hi, congrats on a good set of numbers. Three questions. One is, when we had met you, your point was that we will launch ghee in market because we had a good presence earlier and because product consistency was not there we were not able to launch and supply the market. Can you talk about, because on the numbers you mentioned it has seen a significant growth, how is the profitability in that business? And how is our market share in markets where we have launched?

Sunil Reddy Dodla: Market share in terms of ghee will be very small because after milk, ghee is significantly large thing in the dairy pie that is there. So what we are looking at volume wise, the percentages will be significantly small. But I think we have almost doubled our consumer sales in the presence of markets that we were from almost saying that let's say it was 2 tonnes a day to 4.5 tonnes a day of sales in the markets. So the markets are now, we have not yet penetrated as deeply as we were earlier in the northern states. We are now again relaunching so it will take some time to get there.

But in the states where we are present, our presence has started to improve significantly and I think this year you will see even more volume. I think we are expecting this volume to also become double from where we are in the past year. So that is where we will take ghee. So we have to also, like we said and you had pointed out rightly, now we want to make sure that we do not pull out of the ghee market in the long run. So that is when we will also start enhancing prices for profitability improvement as we go forward once we create our presence felt over all the places that we want to be.

Nikhil Upadhyay: Sir eventually, would the profitability at ghee be better than at consol profitability of 9%, 10%?

Sunil Reddy Dodla: It should be around the same percentage or slightly less by 1% or 2%, because of freight or distances or travel. But it can be preimmunized over a period of time. But otherwise, it will maintain the same levels of profitability.

Nikhil Upadhyay: Okay. Secondly in Africa, so this year we had seen some impact on margins. How do you see the scenario evolving and where do you see the margins to stabilize? Like would it come back to the 20% level or should we consider a 14%, 15% as sustainable margins over longer term?

Sunil Reddy Dodla: See, I think our margins were normally in the range of about 15%, 16% and 20% will be an aberration once in a while. I think B.V.K will answer the rest regarding why the margins over the last year were and where they will be as we go forward.

B.V. K. Reddy: Last year we had taken up a Kenyanplant. So, see, we were expanding our market in Kenyan market because since that is a new plant. So, that is why you see some margin decline in the last financial year, but this year it is going to come back 13%, 14% average EBITDA levels there, on a significant base increase.

Nikhil Upadhyay: Yes. And last question, and maybe I missed it and I could not understand it properly. You said procurement prices may go down or may remain stable while companies may increase prices. Is that right what you mentioned?

Sunil Reddy Dodla: No, no. Companies have not increased. Selling prices were already increased I think in the 3rd Quarter, 4th Quarter, last year itself we have taken price increases. Those increased prices will continue to stay. Procurement prices will come down.

Nikhil Upadhyay: But sir, one point, see, the procurement prices had also gone up because there were lot of issues at the cooperative level and cooperatives had increased the prices for the farmers. I understand now with rains and probably things, and maybe things are better, but will the cooperatives also roll back those prices on procurement?

Sunil Reddy Dodla: See, basically it is a supply-demand issue for whoever it matters. And I think even cooperatives will be forced to reduce prices because if we have too much of milk in the system it normally reduces the prices and portion of it gets converted into the other products and then it will be stored and used. So, based on that, so we are anticipating already early monsoons are showing signs of higher milk procurement coming in, and normally the private sector reacts a little earlier, cooperatives do follow.

Nikhil Upadhyay: Okay. Sure. I will come back.

Sunil Reddy Dodla: Thank you, sir.

Moderator: Thank you. The next question is on the line of Bhavesh Jal from DV Investment Advisory. Please go ahead.

Bhavesh Jal: Hello, sir. Thank you for the opportunity. Sir, just wanted to ask that in the past we have done CapEx in Africa business and as compared to our major competitor who has invested amount to build value-added products ecosystem in India. So just wanted to know your outlook, how do you see these both the markets, Africa and domestic market in terms of growth prospects? And also, how are you planning to deploy cash to build Dodla a much more stronger brand going ahead?

Sunil Reddy Dodla: So, basically, when we look at it as the value-add component versus the milk component that we look at it, I think the ratios of what we are at will be maintained, because it is the general consumption pie as I keep repeating in terms of the whole overall dairy consumption pie is in such a manner. Milk will take the lead, followed by ghee, followed by paneer and then followed by the host of other products that come into play. So that is where the pie will be and we will also be investing accordingly. Like for example, if we are investing let's say in milk, we also simultaneously do a proportionate investment in the curd lines that are required and improving our product mix also in terms of ghee and other products.

Coming to Africa, Africa is great in terms of the return on capital deployed. For example, if you look at our current rates of what we are doing in terms of we have deployed around Rs. 60 crores of capital roughly and our returns are also close to that Rs. 40 crores - Rs. 45 crores in terms of EBITDA. It's a very highly profitable market but a difficult market to crack which we took the time to crack it. There also we have a little more opportunity in our existing areas for growth. For example, in Uganda where we are almost a significant share of the country's market, we are now looking at penetrating into pasteurized milk which we were not there earlier. We were only doing long life milk and curd, and now we are also looking at penetrating into other segments there to grow.

So Africa will continue to grow after Kenya stabilizes and with Uganda a little bit of expansion of what we have as facilities. We will not look at other countries at the moment in the short term. In the short term, between Uganda and Kenya itself we are confident of maintaining the present growth trajectory. And in India, by adding Maharashtra which will give us a significant move towards our milk movement, and also give us new areas for market of Maharashtra for products, we will maintain the same profile approximately as the consumption patterns.

Bhavesh Jal: Okay sir. Got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Sameer Gupta from India Infoline. Please go ahead.

Sameer Gupta: Hi, sir. And thanks for taking my question. Sir, firstly on the call you mentioned that almost around Rs. 350 crores of excess fat and SMP has been sold in FY '25. But I do not see any impact on margins and my understanding is that these are almost sold at spot prices with negligible margins. So, unless we have benefited in terms of rising prices on this or gains on inventory, margin being stable or actually standalone gross margin has seen an increase. Just wanted you to give a clarification on this aspect.

Sunil Reddy Dodla: So, like I always keep saying, the excess stock or inventory always acts as a buffer. So when we have a surplus in terms of milk, maybe the commodity price of powder and milk might be lower but the impact is that we get better benefit from lower milk procurement prices and therefore we get a better margin. And the other way around, if there is less milk in the system, I mean, commodity has a price increase and they will help in buffering the margin to make it stable.

I think in the current year to your point of why there has not been a substantial difference or whatever, I think we were able to manage the to sell it at the right time and keep the inventory position going at the right sale. So we did not have a significant increase in margin, neither did we lose money. We maintained our margin profile by keeping our required margin and disposing it as and when it was required. So that's the reason why we were able to maintain. If we do it early or late, sometimes we can get a benefit or loss, but we will try to maintain it at that level where when we get our required numbers of profitability, we try to dispose our inventories.

Sameer Gupta: Right. Again, a follow-up here sir, so you are saying there is no inventory gain on this Rs. 350 crores of excess fat and SMP, is that correct?

Sunil Reddy Dodla: No, no inventory gain, neither did we have a loss also. It was almost a little breakeven and a little operational.

Sameer Gupta: So that would imply sir that your base business has actually delivered very good margin expansion if you exclude this SMP and fat and what would be the --

Sunil Reddy Dodla: Yes, maybe 0.5% of margin expansion will occur, because it's overall 3,700 crores, it's only been around Rs. 300 crores or if we remove the fat sales of it, it would be only Rs. 150 crores. So it is a smaller volume.

Sameer Gupta: Got it, sir. Got it. Second question sir, you mentioned price reduction. Now I got confused. So, we have not taken any price decreases at a consumer level, is that understanding correct?

Sunil Reddy Dodla: No, it's only the procurement price reduction, not the sales price.

Sameer Gupta: And how much is the procurement price reduced by, can you give a number?

Sunil Reddy Dodla: I think it would be around a Rs. 1 per liter.

Sameer Gupta: So this Rs. 36.5 is now Rs. 35.5, your average procurement price?

Sunil Reddy Dodla: Yes, that's what it is, yes.

Sameer Gupta: Cool sir. That's all from me. Thank you.

Sunil Reddy Dodla: Thank you.

Moderator: Thank you. The next question is from the line of Kiran Kumar from Green Investors. Please go ahead.

Kiran Kumar: Yes. Hello, thank you for the opportunity. This is a follow-up question with respect to your answer regarding the bulk sales in an earlier question. Just to repeat the numbers, the SMP sale was Rs. 29 crores in Q4 '25 and full year number was Rs. 110 crores, and there was no SMP sale in the previous financial year. What would be the whole bulk sales, like including the bulk butter and ghee and SMP all taken together, in this quarter, Q4 '25 and whole year? And the comparable for the previous year as well to understand the revenue growth excluding the impact of bulk sales?

Sunil Reddy Dodla: So, I think Murali will answer the question for you. He will break it up into total full year of what it was as a difference between bulk sales, right? So Murali, go ahead and answer.

Murali Mohan Raju R: So full year, current year butter is Rs. 202 crores, SMP is Rs. 110 crores which totals Rs. 312 crores. This was not there in the last year. So, for Rs. 312 crores if I add Rs. 80 crores of ghee sale, total sale is Rs. 392 crores, whereas last year we had only Rs. 42 crores of ghee.

Kiran Kumar: Okay, sir. And what would be the figures for the quarter?

Murali Mohan Raju R: Figures for the quarter, current year butter is Rs. 9 crores, SMP is Rs. 29 crores, overall put together Rs. 38 crores.

Kiran Kumar: Okay. And ghee?

Murali Mohan Raju R: Ghee is basically Rs. 19 crores.

Kiran Kumar: Okay. And the similar figures for Q4 '24?

Murali Mohan Raju R: Q4 '24 of ghee is Rs. 9 crores, Rs. 9.8 crores to around Rs. 10 crores, ghee.

Kiran Kumar: Rs. 10 crores of ghee, right? And no SMP and butter?

Murali Mohan Raju R: No butter and no SMP.

Kiran Kumar: Okay sir. Thank you.

Moderator: Thank you. The next question is from the line of Aditya from Securities Investment Management. Please go ahead.

Aditya: Hi sir, thanks for the opportunity. Sir, first question is, after the recent round of price hikes taken by most of the peers, so what is the current price differential between us and the cooperatives? So has that reduced or has that remained stable?

Sunil Reddy Dodla: So the price difference between cooperatives and us is still there, but the significant 15%, 20% higher will be the private sector. Although they have taken a price increase, it's only been maybe they have taken a price increase of 5%, 6%, and we are still maintaining our higher prices and the gap still maintains.

B.V. K. Reddy: Especially in Tamil Nadu, Karnataka, the gap is high.

Aditya: The gap between us and the cooperatives is high?

Sunil Reddy Dodla: Yes, it will be around Rs. 7, Rs. 8 at least.

Aditya: Okay. And last year also the price differential was at similar levels?

Sunil Reddy Dodla: Yes, similar levels. It's not much. There might have been a repeat this way, that way, because of price standing of when they increased their prices to when we increased our prices, but almost similar levels were maintained.

Aditya: Understood. The second was, now this year we have had around Rs. 300 crores, Rs. 350 crores of bulk fat sales, and one of the reasons was last year we had built up a significant amount of inventory. But when I look at your inventory this year that has reduced sharply.

Sunil Reddy Dodla: No, we maintained similar levels of inventory because the season of production happened and then we store this inventory. Current year also, we will go like we said earlier, we are moving away from being a net buyer to a net seller of powder and butter. This is done more with the view of having our own milk supplies throughout the year. And in the days to come to improve our base quality of milk, we will be able to use fresh milk more and more in terms of throughout the year and maintain product stability also without using powder or other things required for making up of fat or SNF, which will be there. So I think we will maintain similar levels of inventory again coming in the season of this year.

B.V. K. Reddy: Yes. Add to that, see, now we have taken more than 2 lakhs aggressive procurement target this year also, that 2 lakhs you know it is going to go for only for conversion of butter and SMP. That 2 lakhs procured milk will give you roughly about Rs. 350 crores, Rs. 400 crores top-line, so indirectly selling in the form of butter and SMP.

Aditya: Perfect. Got it, understood. And sir just last question, what was the curd sales amount in rupee terms this quarter?

Sunil Reddy Dodla: For the quarter is it?

Murali Mohan Raju R: Curd sales is Rs. 193 crores for the quarter.

Aditya: Got it. Got it, sir. Sure sir, those were my questions. I will come back in the queue. Thank you.

Sunil Reddy Dodla: Thank you.

Moderator: Thank you. The next question is on the line of Riya from EN Capital. Please go ahead.

Riya: Yes. First of all, thanks for this opportunity. Just wanted to understand on the employee cost, like do we expect to see any further increase in our employee expense in FY '26?

Sunil Reddy Dodla: It will almost maintain our growth rate, so what we maintain I think for the overall 5%, 6% increase in the cost, that will always go on a year-on-year basis for what we give as increments. But I think on an absolute number, but we are confident with the overall volume growth, as a percentage of the expense this time it will maintain the same levels as last year.

Riya: Okay, sir. That answers my question. Thank you.

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

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

B.V. K. Reddy: Thank you.

Moderator: Thank you. On behalf of Dodla Dairy Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.