Dodla Dairy

27 July 2026

Operator: Good day and welcome to the Dodla Dairy Limited Q1 FY27 earnings conference call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements do not guarantee the future performance of the company, and they may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Dodla Sunil Reddy, Managing Director, for his opening remarks. Thank you and over to you, sir.

Management: Thank you very much. Good morning to all the participants. On behalf of Dodla Dairy Limited, I extend a very warm welcome to everyone joining us on our call today. On this call, I am joined by our CEO, Mr. BVK Reddy, our CFO, Mr. Murli Mohan Raju, and SGA as our investor relations advisor. I hope everyone had an opportunity to go through the financial results and investor presentation, which has been uploaded on the stock exchanges and our company website.

Q1 FY27 was marked by our highest ever quarterly revenue of 1,198 crores, a year-on-year increase of 19%, along with record milk procurement of around 21.1 lakh liters per day, supported by the revival in the milk supply. The EBITDA for the quarter stood at 65 crores, translating into an EBITDA margin of 5.4%, and PAT stood at 41 crores. While milk availability has improved during the quarter, procurement prices did not come down as the focus was on building up the inventory for future requirements. Our strategy is in line with the overall industry trends. These elevated procurement prices were not fully passed on to the consumers, resulting in continued near-term pressure on our profitability. With this in view, we will be able to pass on the increase in price to our consumers in the forthcoming quarters.

That said, the year-on-year decline in EBITDA and PAT is largely cyclical, driven by the input cost squeeze, and we expect a gradual recovery from Q2 onwards. Our procurement network also continued to strengthen during the quarter. Procurement in Maharashtra and Karnataka improved, and we continue to add more farmers to our network. Coming to our value-added products (VAP) portfolio, we recorded our highest ever sales of 415 crores, registering 17.6% year-on-year growth. This was supported by a prolonged summer season compared to the earlier onset of monsoons in Q1 FY26. We see a strong demand across our summer-oriented products such as curd, buttermilk, flavored milk, ice cream, and other value-added products. Notably, the highest ever number is achieved without any support from bulk sales for Skimmed Milk Powder (SMP) or butter, reflecting our continuous efforts and the dedication of our team towards the VAP product mix aspiration. On a like-for-like basis, excluding the bulk sales proportion, VAP delivered a solid growth of 40.6% year-on-year.

Our Africa business delivered another strong quarter, recording the highest ever revenues of 154 crores, representing a solid growth of 45.6% year-on-year. EBITDA also touched a record of 24 crores, increasing 74% year-on-year. We continue to maintain our market share of approximately 50% in the Uganda long-life milk category and yogurt. In Kenya, our processing capacity continues to ramp up towards full utilization, while our current market share remains modest at around 2-3%. Our Orgafeed segment continued to complement our core dairy operations during the quarter. Beyond its financial contribution, this also plays an important strategic role in strengthening our procurement ecosystem and maintaining good relations with farmers, enabling us to manage industry-wide challenges such as periods of low milk availability.

Coming to our O's Farm business, the integration continues to progress well following the acquisition. Revenues for the quarter stood at 91 crores and we are gradually seeing improvement in our profitability. We continue to focus on improving operational efficiencies across sourcing and costs while strengthening our presence in East Africa and driving long-term growth in this business.

Now speaking on our expansion initiatives, our Maharashtra greenfield project is progressing as per the plan and timelines for commercial operations remain intact. As part of our Eastern India expansion strategy, we continue to evaluate the optimal utilization of our Chandal plant, including the possibility of shifting flavored milk production to this plant to effectively serve the Bihar and Jharkhand markets. Following advanced due diligence on land allotted by BIADA, we are revisiting our strategy for capital allocation, either towards the land or towards more capacity at the Chandal facility. We aim to strengthen our presence in a more capital-effective manner.

I would like to inform you that the Board of Directors has approved a primary investment of 11.65 crores for around 2% stake in Sitfarm Private Limited. Sitfarm is a premium dairy brand with a strong multi-regional direct-to-consumer (D2C) and e-commerce presence. The investment aligns with our core dairy business and provides exposure to the fast-growing premium and D2C dairy segment. It also offers us an opportunity to associate with and support a growing, differentiated, high-quality dairy brand.

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

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

Our average procurement cost in Q1 FY27 stood at 41.3 per liter against 41 per liter in the previous quarter and 37.4 per liter in Q1 FY26. However, we continued with our approach of gradually passing on the price to the consumers and avoided taking a lump sum price hike. Our average milk sales price for the quarter stood at 59.4 per liter, which was 58.4 per liter in the previous quarter and 57.2 per liter in Q1 FY26. Therefore, our margin continues to remain under pressure for the quarter. To put the squeeze in context, the spread between our milk realization of 59.4 and the procurement cost of 41.3 narrowed to 18.1 per liter from 19.8 a year ago, which largely explains the margin decline from 8.2% to 5.4%.

In addition to that, we witnessed some increase in our operational costs, mainly due to input cost inflation and the shift in product mix from bulk sales to liquid milk and VAP sales. We see an increase in costs like transportation, overheads, fuel, and packaging. The packaging material cost increased by 48% during the quarter, rising to 5.6% of our revenue as against 4.4% in the same period last year. We plan to pass on some part of this cost inflation to the end consumer in a gradual manner. Our pricing strategy remained in line with the overall industry trend and reflects a balanced approach.

Our subsidiary, O's Farm Dairy, is also progressing well. We see a healthy contribution from the company in terms of our curd and VAP sales volume, with consistent and gradual improvement in operational efficiencies. O's Farm is headed towards our targeted scale and margin profile.

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

Regarding Orgafeed, it recorded revenue growth of 25.9% year-on-year. Raw material price growth is still faster than the selling price, leading to continued pressure on profitability. However, as anticipated, we see a sequential recovery in our profitability. Our EBITDA margin for Q1 FY27, with marginal sequential improvement, stood at 10.5%.

Regarding the product mix, our milk sales stood at 13.6 lakh liters per day, an increase of 14.5% year-on-year. During the quarter, we delivered our highest ever VAP sales number of 414.7 crores, as against 352.8 crores in Q1 FY26. This was mainly due to seasonal variation as explained by our MD, as well as improved contribution from our O's Farm business. Curd and curd-based products reported healthy growth of 41.4% year-on-year and stood at 642.6 metric tons per day in terms of volume, and curd sales grew by 44.9% on a year-on-year basis.

Going ahead, we expect some moderation in the procurement cost from Q2 onwards, leading to the start of a gradual recovery in the margin profile for upcoming quarters. We are confident in mitigating this near-term pricing pressure and remain focused on effective execution and achieving our long-term objectives while delivering profitability growth. Now, I request Mr. Murli Mohan Raju, our CFO, to highlight the financial quarters.

Management: Thank you, Mr. BVK Reddy, and a very good morning to all the participants on the call. Talking about consolidated financial performance in Q1 FY27, revenue from operations stood at 1,198 crores, the highest ever quarterly revenue, registering 19% year-on-year growth. Gross profit for the quarter stood at 278 crores with a gross margin of 23.2% as against 25.8% in Q1 FY26.

Employee expenses for Q1 FY27 stood at 56 crores compared to 47 crores in the corresponding quarter last year. The 18% year-on-year increase was primarily due to the O's Farm addition during this quarter and higher employee costs pertaining to the minimum wage criteria as per new labor laws. Other expenses for the quarter were 159 crores compared to 130 crores in the corresponding quarter last year. While other expenses remained broadly in line with revenue as a percentage of sales, the increase in absolute terms was primarily driven by higher transport, overhead, and fuel costs due to the shift in product mix from bulk sales to liquid milk and value-added products.

EBITDA for the quarter stood at 65 crores with an EBITDA margin of 5.4%. Depreciation expense increased to 23 crores in Q1 FY27 from 18 crores in the corresponding quarter last year. Other income for the quarter stood at 14 crores. Unlike the previous few quarters, we do not have any tax credits in Q1 FY27 related to any favorable income tax orders. Net profit for the quarter stood at 41 crores with a net profit margin of 3.4%.

On the balance sheet, we remain net debt-free with approximately 689 crores of cash and investments, which comfortably funds our 590 crore capex growth program along with the O's Farm and Africa expansion without any leverage. Lastly, I would like to mention that profitability includes Purchase Price Allocation effects, brand amortization, and fair value adjustments. Hence, its underlying profitability runs ahead of the reported figures mentioned in our investor presentation. With this, we conclude the presentation and open the floor for further discussion.

Operator: Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. 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 comes from the line of Praveen Kumar with Accutas Capital Advisers. Please go ahead.

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

The second question was on the capital allocation part regarding Sitfarm. I just want to understand the thought process behind that. Why that 2% stake? Why that very minor step? What is the thought process there? My third question was on procurement growth. If I look at the numbers and adjust for O's Farm...

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

Praveen Kumar – Accutas Capital Advisers: Yes, it is on the handset. Is it better now?

Operator: Yes, please go ahead.

Praveen Kumar – Accutas Capital Advisers: So, the third question was on the procurement growth adjusted for O's Farm. On a year-on-year basis, that seems to have grown around 5.3%. I wanted to understand if most of it has probably come from that Maharashtra scale-up. Does it mean that, excluding Maharashtra, there has not been much procurement growth in the other geographies? Those are my three questions. Thank you.

Management: Thanks, Praveen. I will answer the first two questions, and the third question regarding procurement growth in O's Farm and Maharashtra will be answered by BVK.

Regarding the margin trajectory, we are still confident that we will maintain between 7% and 8% EBITDA margins even in the current year. We were assuming that with the onset of monsoons, the procurement prices would taper down, but now it seems there is not much of a decrease due to the floods we normally expect. We will have to slowly pass on the prices to the consumers, a process we have already started. With that in view, the margins will begin coming back to between 7% and 8%, subject to the time it takes to pass on the prices.

In the 2-3 year scenario, we are confident of maintaining similar profit margins. We are adding Maharashtra, and improvement is expected from O's Farm. These are mostly seasonal corrections and not structural in nature; therefore, we are very confident that this is not a reset of the margins but more of a seasonal correction.

Regarding the capital allocation to Sitfarm, it is basically for us a way to learn and keep a closer watch on how the modern high-value D2C products behave. For example, we believe that for a consumption pattern to become a habit from a fad, it will take a significantly long time. Therefore, we try to learn from these pieces rather than trying to create them on our own. If it shows a good trajectory, we will also know beforehand how it is progressing. That is the intention behind Sitfarm.

Regarding procurement growth, BVK will explain what is happening in Bihar and other areas. It is not only Maharashtra but also growth in Karnataka as well. BVK will explain the procurement growth.

Management: In O's Farm, if you look at last year's procurement, we do not have accurate data because they used to use a lot of powder and butter. Now that we are avoiding powder and butter, in this first quarter, we more or less matched our sales to procurement. There is a slight growth, not much, because we have done many corrections and transitioned to a farmer-direct payment model. That is why things are progressing slowly.

However, in Maharashtra, we have achieved procurement growth. From last year to this year, Maharashtra grew by 10%. Overall, we have grown by 13%. In Africa, we have achieved roughly 28% procurement growth. That is all from the procurement side.

Praveen Kumar - Accutas Capital Advisers: My question on procurement was that if I take out O's Farm, the remaining unit procurement grew 5.3%. When you are saying that Maharashtra grew around 10% and Africa grew more than 20%, does that mean other geographies like Karnataka and Andhra have degrown?

Management: Maharashtra is part of the overall India operations, which grew by 13.5%. Africa and India together grew more than 13%. Standalone India grew only 3%.

Praveen Kumar - Accutas Capital Advisers: I understand that. Last year, Q1 FY26 did not have O's Farm, and your procurement was around 18.7 lakh liters per day. This year, if I take out O's Farm from the 21.1, it is around 19.7. That is a growth of 5.3%, mostly from Africa and Maharashtra. Does it mean that geographies like Karnataka and Andhra have been flat or degrown?

Management: Out of the 18.71 last year, this year we have reached 21.13. Dodla Dairy India increased from 16.75 to 17.23, which is 3% growth. Overseas increased from 1.96 to 2.52, which is 28.5% growth. For O's Farm, we have 1.39 lakh liters per day this year. So, the overall growth is 13%.

The other geographies have not degrown; they have maintained the same levels. The summer months affected growth there.

Praveen Kumar – Accutas Capital Advisers: Do you expect this trend to continue where growth is largely driven by Africa, Maharashtra, and Bihar?

Management: What happens is we also play with pricing. If the pricing in particular states is lower or higher in comparison with other states, we manage the blend of all procurement. For example, if Andhra becomes more competitive and prices go too high, we do not expand capacities there and wait to see if the pricing stabilizes. In areas where the pricing is more conducive due to transport and proximity, we enhance operations there.

Operator: Thank you. Participants, in the interest of time and fairness to others, please restrict yourselves to two questions. The next question comes from the line of Anirudh Joshi with ICICI Securities. Please go ahead.

Anirudh Joshi – ICICI Securities: Yes, thank you for the opportunity. Two questions. Can we assume that the worst in terms of margins is behind us and there should be stability or recovery depending on milk procurement prices? Also, have we largely passed on the increase in procurement and fuel prices via selling price hikes, or do we need further rounds?

Second, regarding the balance sheet, there is an increase in goodwill and intangibles of almost 250 crores, likely related to the O's Farm acquisition. Are there plans to write this off, and if so, is there a tax benefit?

Management: BVK will answer the margin question and Murli will answer the balance sheet question.

Management: In Africa, we compensated for the procurement hike with sales increases. In Orgafeed, we have corrected 70-80% of the raw material price increase through sales corrections. In Dodla Dairy India, we waited until the first week of July because normally procurement goes up then and prices come down. That did not happen, so we have done corrections from July 15 onwards. We are very confident that we will return to the 7-8% margin profile.

Management: Regarding the intangibles, we have 100 crores of goodwill from O's Farm and around 150 crores in branding. We have standard fair value amortization. There are no surprises regarding a reduction in fair value. Therefore, we will not be providing anything for write-offs or impairment. As BVK said, we expect the worst is behind us in terms of procurement prices stabilizing. If marginal corrections happen, we will pass them on to the consumers.

Anirudh Joshi – ICICI Securities: This is very helpful. Last question. Many players, especially in South India, are focusing aggressively on the ice cream segment and setting up large plants. What is Dodla Dairy's stance on participating in the ice cream industry growth? Are there capex or investment plans?

Management: Right now, we do not have plans for a major ice cream capital expansion. We have seen good traction in our ice cream volumes, which have done well due to the summer. We still have some leftover capacity because we can produce ice cream in anticipation of peak summer seasons. Our sales grew from 16 crores to 22 crores in the first quarter. We will wait to see how this year pans out before making plans for major expansion.

Operator: Thank you. The next question comes from the line of Darshita Shah with SK Asset Managers. Please go ahead.

Darshita Shah – SK Asset Managers: Thank you for the opportunity. My first question was regarding the quantum of the price hikes. You mentioned corrections from July 15 onwards. What is the incremental price hike taken now compared to the 2 rupee hike last quarter?

Management: From Q1 to Q1, we have done an average price increase in Dodla of almost 2% consolidated. Dodla standalone was around 1.4% and Africa was around 4%. We anticipate another 2% to 2.5% correction in the ongoing quarters. Effectively, we should look at a 4.5% total for the year.

Darshita Shah – SK Asset Managers: Is that 2.2% in standalone Dodla or consolidated?

Management: The total represents all put together. Standalone Dodla was around 1.4%, but we will take another 2% to 2.5% there. This is on the milk realization price, not the blended price. The blended realization would be higher because we have taken substantially higher price increases for ghee and other products.

Darshita Shah – SK Asset Managers: Regarding volumes, what do you expect for the full year, considering the price hikes?

Management: We maintain our steady target of 8–10% volume growth in India, and price increases will add to the value growth.

Operator: Thank you. The next question comes from the line of Yash Goenka with Orega Capital Advisors LLP. Please go ahead.

Yash Goenka – Orega Capital Advisors LLP: Hi, sir. My question is on pricing. What are the price hikes taken by cooperatives in the region you operate? Have you seen cooperatives taking price hikes in Tamil Nadu?

Management: Aavin has taken a price hike in ghee, Nandini has taken price hikes in ghee, and national cooperatives had taken a price hike earlier in milk. We anticipate that they will also be forced to take price hikes in milk soon. We are continuing with our required price corrections independently. The differential is becoming large, and we are seeing pressure on the ground regarding payments to farmers.

Yash Goenka – Orega Capital Advisors LLP: What is your price gap today with these cooperatives?

Management: It depends on the product. In Tamil Nadu, it is the highest, with almost more than a 10 rupee price gap. In Karnataka, it is around a 6–7 rupee price gap. Those are the two areas with significantly large gaps.

Yash Goenka – Orega Capital Advisors LLP: What kind of price hikes have you taken in regions where your market share is stronger compared to weaker regions?

Management: In absolute numbers, it will be around the 2 rupee price increases we have taken as a correction across regions.

Operator: Thank you. The next question comes from the line of Abhishek Mathur with Systematic Groups. Please go ahead.

Abhishek Mathur – Systematic Groups: You mentioned that you expect Q2 milk procurement costs to normalize. Is this due to supply in Maharashtra or other drivers? Also, what were the average procurement costs in June and July?

Management: By normalization, we mean we expect prices to stabilize at current levels rather than decline. The average procurement prices in June and July were almost the same, around 41 rupees. Currently, it is running around 41 to 41.20. We have done sales corrections of 2 rupees per liter for milk and 3–4 rupees for VAP.

Abhishek Mathur – Systematic Groups: If you can help with the realization numbers for Q1: consolidated, VAP consolidated, and Africa?

Management: Consolidated realization for milk was 61.78 per liter this year, compared to 52.78 last year (which included more bulk sales). Excluding bulk, last year was 59.82. VAP consolidated realization, excluding bulk fat, is 64.11 for the current year compared to 61.32 last year.

In Africa, the average realization is 65 rupees. In Uganda, it was 65.31 this quarter compared to 59.36 last year. In Kenya, it is also around 65 compared to 58 last year. For India standalone, overall realization excluding bulk was 61.36 compared to 59.99 last year.

Operator: Thank you. The next question comes from the line of Darshit Vora with Asset Management Institutional Equities. Please go ahead.

Darshit Vora – Asset Management Institutional Equities: If you look at VAP sales excluding bulk and curd, the growth has been somewhat lower historically. Any particular reason?

Management: For us, other VAPs are smaller as the major contribution comes from curd. However, ice cream and paneer have performed well, growing from 14 crores last quarter to 22 crores this quarter.

Ghee grew 13.47%, curd and curd products grew 31.43%, and other VAP products grew 35.62%. We have exited bulk sales completely, which was 57 crores in the quarter last year. When we say curd products, we include buttermilk, lassi, and other fermented products.

Darshit Vora – Asset Management Institutional Equities: Do you see bulk sales coming back, and if so, in what quantum?

Management: This year, we might have to be net buyers of commodities. We are not seeing a surge of 20-25% in procurement volumes, so we do not have much bulk sales available.

Darshit Vora - Asset Management Institutional Equities: What were the curd sales in rupee terms for the quarter?

Management: Curd sales in India, including all curd products, were 333.96 crores for current quarter.

Operator: The next question comes from the line of Resham Mehta with Green Edge Wealth. Please go ahead.

Resham Mehta - Green Edge Wealth: Would you like to provide revenue guidance for the full financial year?

Management: We target 10% volume growth and 15% revenue growth. We might have minor corrections, but that remains our guidance.

Resham Mehta - Green Edge Wealth: Can you discuss standalone VAP growth for FY26 versus FY25, and Q1 FY27 versus Q1 FY26?

Management: For the current quarter in India, standalone VAP revenue grew from 245 crores to 332 crores, excluding bulk. That is a 36% growth. For FY26 versus FY25, fermented products excluding ghee and butter grew from 759 crores last year to 842 crores. Consumer ghee grew from 81 crores to 106 crores.

Operator: Thank you. The next question comes from the line of Aditya with Securities Investment Management. Please go ahead.

Aditya - Analyst: Milk sales volumes, excluding UHT, grew only around 5% compared to 8-9% recently. Why the drop, and what is the split between India and Africa?

Management: Milk sales do not increase much in the summer because consumers use more products like curd than liquid milk. As price differences increase, we focus more on our higher-realization milk and do not push lower-realization SKUs as much.

In India, we sold 10.4 lakh liters per day this quarter compared to 10.25 lakh last year. In Africa, we sold 2.14 lakh liters per day compared to 1.61 lakh last year, representing 33% growth.

Operator: Thank you. The next question comes from the line of Ankit Shah with White Equity Investment Advisers. Please go ahead.

Ankit Shah - White Equity Investment Advisers: Can you give the procurement volume split between Kenya and Uganda for Q1 and the utilization levels?

Management: In Uganda, procurement was 1.54 lakh liters per day against 1.29 lakh last year, a 19% growth. In Kenya, it was 97,000 liters per day against 66,000 last year, a 46% jump.

In Kenya, we are utilizing almost 80%, with a capacity of 1.5 lakh liters. In Uganda, we are also at full capacity as we are targeting yogurt growth. We are planning a greenfield project in Uganda.

Operator: Thank you. The next question comes from the line of Sukrit Patil with Ice Side Fin Trade. Please go ahead.

Sukrit Patil – Ice Side Fin Trade: What are your top execution priorities for the next few quarters, and what are the biggest risks you manage regarding demand shifts or competitive pressures?

Management: For Africa, we typically see better results in the first and fourth quarters. In the second and third quarters, margins are slightly different, but we are confident in achieving our budget for volume and EBITDA. For Orgafeed, we have seen more than 25% growth, and we are confident in achieving our targets. In Dodla India, we have done price corrections for milk and VAP (3-4 rupees). The weather impact from El Niño has affected procurement levels, but we have adjusted our prices accordingly.

Sukrit Patil – Ice Side Fin Trade: What measures are taken to manage margins and cash flow, especially regarding raw milk costs and receivables?

Management: It depends on passing cost inflation to consumers and managing inventory based on competitors. We are a net debt-free company with 650 crores in cash. We fund our expansions in Maharashtra and Africa through internal accruals. We do not foresee issues with receivables as it is a cash-and-carry business with a one-day DSO. We pay farmers every 15 days.

Operator: Thank you. The next question comes from the line of Hitendra Pradhan with Maximal Capital. Please go ahead.

Hitendra Pradhan – Maximal Capital: What happens to the pricing and working capital for the VAP portfolio in an environment where procurement is stretched?

Management: We have already passed on milk procurement price increases to the VAP portfolio realizations. VAP has higher uptake during the summer season. Regarding inventory, we may end up being a net buyer this year, but it will not affect our working capital. We can use our own reserves (600 crores) for working capital if required. We have built out infrastructure for larger requirements for our new expansion.

Operator: The next question comes from the line of Abhishek Kanti with Nivaka Ventures Private Limited. Please go ahead.

Abhishek Kanti – Nivaka Ventures Private Limited: How would the portfolio look 3 years down the line regarding the revenue contribution from Africa and the VAP mix?

Management: Africa will likely contribute around 10% of revenue. It must grow significantly to maintain that share as the Indian operations are much larger. We are expanding capacity in both regions in tandem. Currently, we expect the mix to remain similar unless we see new acquisition opportunities. In India, we target 10% volume growth. The product mix will remain around 70-80% milk and 20% VAP by volume, though VAP will be higher by value.

Operator: The next question comes from the line of Bhavesh Jain with DD Investment Advisers. Please go ahead.

Bhavesh Jain – DD Investment Advisers: India standalone growth has been mid-single digits for some quarters. What is your outlook for core versus newer markets like Bihar and Maharashtra?

Management: In core markets like Karnataka and Tamil Nadu, the price differential with cooperatives is significant, so we focus on maintaining market share rather than aggressive pushing unless cooperatives correct their prices. Maharashtra will primarily be a procurement and balancing operation, with local sales of about 2 lakh liters per day. We expect core territories to grow at 5-6% while new territories drive the overall India volume growth to 10%.

Operator: The next question comes from the line of Manish Jain with Gomil One LLP. Please go ahead.

Manish Jain – {? Gomil One ?} LLP: Congratulations on the direct procurement work. What is the share of direct farmer payment, and how are you creating such a powerful procurement network?

Management: It is almost 100% direct farmer payment. The strength lies in our human talent and a team-driven approach to creating an operational brand in the back end. We were early leaders in direct procurement. Internally, we drive improvements in quality and NBRT.

Regarding productivity, we do not have animal-level data, but farmer averages have increased. Farmers using Dodla Dairy cattle feed average 14 liters compared to 11 liters for non-users. These initiatives help improve productivity.

Operator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing remarks.

Management: Thank you everyone for joining us today on this earnings call. We appreciate your interest in Dodla Dairy Limited. If you have any further queries, please contact SGA, our investor relations advisors. Thank you very much.

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