Date: 31 January 2026

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

Dear Sir/Madam,

Sub: Transcript of Q3 FY26 Results Earnings Conference Call held on Wednesday, 28 January 2026

In Continuation to our letter dated 28 January 2026 the Company had organized a Q3 FY26 Results Earnings Conference call with the Investors/ Analysts on **28 January 2026 at 09:00 AM (IST)**. A copy of Transcript of Earnings 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: 2026.01.31 17:34:24 +05'30'

Surya Prakash M
Company Secretary & Compliance Officer

"Dodla Dairy Limited

Q3 FY '26 Earnings Conference Call"

January 28, 2026

"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on January 28, 2026, will prevail."

MANAGEMENT: MR. DODLA SUNIL REDDY – MANAGING DIRECTOR – DODLA DAIRY LIMITED
MR. BVK. REDDY – CHIEF EXECUTIVE OFFICER – DODLA DAIRY LIMITED
MR. MURALI MOHAN RAJU – CHIEF FINANCIAL OFFICER – DODLA DAIRY LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Dodla Dairy Limited Q3 FY '26 Earnings Conference Call.

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

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

Dodla Sunil Reddy: Thank you very much. Good morning to all the participants. On behalf of Dodla Dairy Limited, I extend a warm welcome to everyone joining us on our call today. On this call, I'm joined by our CEO, Mr. BVK Reddy; our CFO, Mr. Murali Mohan Raju and SGA, our Investor Relations Advisor.

I hope that everyone had an opportunity to go through the financial results and the investor presentation, which have been uploaded on the stock exchange and our company website.

During the quarter, we continued to maintain our revenue growth momentum and registered a top line of INR 1025 crores with a year-on-year growth of 13.75% backed by strong volumes. This quarter performance reflects steady execution across our core business despite a challenging operating environment marked by weather-related impact on product mix and elevated procurement costs. In this backdrop, we recorded an EBITDA margin of 7.7% and a PAT margin of 6.7%.

On the volume side, we saw an increase in the volumes of milk sales, curd sales as well as VAP products on a year-on-year basis. The increase reflects our volume growth in Dodla products aided by the inclusion of OSAM's full quarter performance and robust growth in the African business. However, bulk sales of SMP and butter dropped to negligible levels in Q3 FY '26 as compared to INR72 crores in the same period last year. This indicates that the entire growth is driven by liquid milk and product sales.

Additional value-added products like ghee, lassi, butter milk and ice cream, etc., which carry higher margins, had a lower sales contribution during the quarter on a sequential basis due to the onset of earlier winters and severe winters. On a year-to-year basis, these products continue to deliver healthy growth.

Typically, our procurement costs come down with the arrival of the flush season. However, the trend was reversed this time around, and we saw about a INR2.5 per liter sequential increase in procurement cost. This was primarily due to an industry-wide shortage of milk supply caused by erratic rainfall last year. This increase in price was even higher in regions where we have stronger presence.

For instance, Maharashtra increased to about 10% and the other four states, it was around 6% to 7%. The increase in cost was not fully passed on to the selling price owing to the subdued demand during the winter season, therefore, focusing on maintaining market share. This created additional pressure on the gross margin. The pricing strategy is in line with industry trends, and we expect the situation to improve in the upcoming quarters.

With the combination of these above factors, we have registered a gross margin of 26% as against 28.2% in Q3 FY '25. We expect some pressure to persist in Q4 FY '26 with a revival anticipated as we move into summer. We also took a onetime provision of approximately INR6 crores during the quarter towards the revised labor code guidelines, which was counterbalanced by a positive impact of tax reversal relating to earlier years of INR22 crores due to a favorable order at ITAT.

In Africa, we delivered strong year-on-year revenue growth of 34.5% during the quarter, driven by a focus on expansion in Kenya markets. We are currently pricing our products competitively to gain market share and scale. In the nine months ended of Africa operations, we have done well in terms of our operations. We have actually increased our EBITDA from INR31 crores to INR39 crores.

Although as a percentage, it might seem slightly on the same percentages. Our profitability has increased in the nine months. We see a strong growth potential in East Africa dairy markets. And towards that, we are planning for a greenfield expansion project in Uganda, where we secured a land parcel of 70 acres. We plan to do an indicative capex of around 50 to 60 crores over a span of two years. With this, we expect to expand our market share in East Africa from low single digits to high single digits. This will help Dodla Dairy in capturing growing marketing opportunities in East African dairy sectors in the long term.

Coming to Orgafeed. This business continues to deliver stable performance with double-digit growth. The revenue for the quarter grew by 16% with an EBITDA margin of 11.6%. In Q3, there was an inflationary pressure on the raw material prices for the feed business, which we did not pass on immediately to the customers to maintain farmer relationship.

This resulted in some additional pressure on the margins. We will be increasing our volumes and growing this business. For the nine months, the Orga business has done well from a 13.4% EBITDA margin to around 14.3% EBITDA margin, which is roughly an increase of EBITDA from INR13 crores to INR17.6 crores as an absolute number.

We continue to focus on product innovation. We have recently launched new offerings such as masala paneer, chocolate soan papdi, milk cake and new flavor ice cream variants. As a people-driven business, our priority remains a strong farmer and customer relationship. We are hopeful that we will reap the benefits of this healthy relationship in the upcoming quarters.

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

BVK Reddy: Thank you, Mr. Sunil Reddy. So I will now walk you through consolidated performance highlights of our business. During the quarter, our milk procurement stood 18.3 lakh liters per day, which is an increase of 7.5% year-on-year basis. The average procurement cost in Q3 FY '26 stood INR39.8 per liter as against INR37.3 per liter in the previous quarter and INR35.6 per liter in Q3 FY '25. However, we did not pass on the entire increase in cost of the customers.

Our average milk sales price for the quarter stood INR57.7 per liter, which was INR57 per liter in the previous quarter and INR55 per liter in Q3 of FY '25. This was the primary reason for our margin being under pressure during this quarter. We expect to mitigate the situation in the coming quarters. Additionally, since there is no increase in our fixed expenses pertaining to the OSAM business, we expect margin improvement once we start scaling up in terms of revenue.

So now upcoming product sales mix. Our liquid milk sales remained at a healthy level, 13.9 lakh liters per day, delivering a growth of 19.6% on a year-on basis. Total value-added products stood INR258 crores as against INR281 crores in Q3 of FY '25. Excluding bulk sales, VAP delivered a growth of 23% on a year-on-year basis.

Curd sales remained stable at 355 metric tons per day with a growth of 15.5% year-on-year basis. Other products like ghee, butter milk, lassi, ice cream, flavored milk, etc., had a lower contribution compared to Q2 due to early offset of winter. On a year-on-year basis, these products continue to deliver healthy growth.

So speaking to expansion projects, our Maharashtra project is progressing as per the scheduled time lines and is expected to start commercial operation by end of FY '27. The civil work is under process and INR69 crores worth investment has already been done. And we also made an decent progress towards improving OSAM business operational efficiencies. Since after the acquisition, we are continuously working on improving its quality and upgrade the infrastructure.

This will position OSAM to improve its contribution towards overall profitability once we start scaling up the revenues. Lastly, as mentioned by Mr. Sunil Reddy, we are also working towards a greenfield expansion in Uganda. The project will be completed in two phase manner. The Phase 1 will be comprising the diverse dairy portfolio, including flavored yogurt and milk variants like toned milk, skim milk and full cream milk, value-added products also such as paneer, cheese, ghee along with -- along with the mineral water.

Phase 2 will be expanding a long-life milk, ice cream and milk powder. This project is expected to start generating revenue by end of FY '28. All these initiatives will help us to build a strong base for Dodla Dairy to capture the continuously growing opportunities in India as well as Africa and deliver a consistent growth for a longer period of time. We remain committed to disciplined capital allocation and long-term value creation for all the stakeholders.

So with this now, I request Mr. Murali Mohan Raju to share the financial figures.

Murali Mohan Raju: Thank you, Mr. BVK Reddy, and a very good afternoon to all the participants on the call. Talking about consolidated financial performance in Q3 FY '26. Revenue from operations for Q3 stood at INR1,025 crores, registering a healthy 13.7% year-on-year growth, compared to INR901 crores in Q3 FY '25.

Gross profit stood at INR267 crores with a margin of 26%. From this quarter, our fixed expenses include impact of OSAM in fullness. Employee expenses for the quarter increased by 30% to INR52 crores on a year-on-year basis. Other expenses increased broadly in line with the revenue as a percentage of sales and stood at INR135 crores, compared to INR118 crores in Q3 FY '25.

However, in absolute terms, there was increase, which was primarily driven by the volume growth of 15% on total dairy value, infra addition towards rent, employees, travel and conveyance costs as headcount during increased by approximately 250 employees. Higher transport costs due to a product mix shift from bulk sales towards liquid milk and value-added products. EBITDA for the quarter stood at INR79 crores with an EBITDA margin of 7.7%. Depreciation expense increased to INR22 crores compared to INR20 crores in the same quarter last year.

Other income for the quarter grew by 8.3% to INR12 crores on a year-on-year basis. During the quarter, we recorded exceptional items of INR5.7 crores, representing a onetime impact due to an increase in gratuity liabilities arising out of service costs on account of changes in labor laws. Additionally, we received INR21.8 crores of tax reversal relating to earlier year due to favorable order at ITAT. Net profit for the quarter stood at INR69 crores with net profit margin of 6.7%.

Now coming to nine months FY '26 performance. Revenue from operations grew by 8.5% year-on-year and stood at INR3,051 crores as compared to INR2,810 crores in previous year. Gross profit stood at INR808 crores, up 4.4% on a year-on-year basis. EBITDA for the period stood at INR255 crores with EBITDA margin of 8.3%. We reported profit after tax of INR197 crores with a PAT margin of 6.5%. Thank you.

Dodla Sunil Reddy: We are open for questions now.

Moderator: Thank you very much. We will now begin the question and answer session. The first question comes from the line of Kiran from Green Investors.

As there is no response from the current participant, we will move towards the next question. The next question comes from the line of Sanjay Manyal from DAM Capital Advisors.

Sanjay Manyal: Just have a few questions. One, specifically regarding when are you expected to take the price hike to sort of safeguard from this higher procurement prices? And what quantum of price hike would you require in the near term?

Dodla Sunil Reddy: Basically, we will be looking at it more from a point of view of the summer setting in, based on the from a market point of view. So as the sales volumes start to shoot up, we normally take a price increase because we will have to compensate the lack of milk. But in terms the other way around the procurement does come much earlier and there is more milk, there will be a reduction in procurement, then we will anyhow get the benefit of both.

I think the arbitrage that we will be looking at, at the current moment will be anywhere between INR2 to INR3 as a requirement of the price increase that we need to do, across the board. Roughly, we are now at INR60, INR61 as an average realization. And with the product mix, we'll have to make it to INR63 or INR64 is where we'll be looking at from a stand-alone India point of view.

Sanjay Manyal: Okay. Okay, sir. And my second question about the value-added part. So how should we sort of see the entire value-added part over the next say, few years? How it is likely to grow? And what would be the larger composition of value added, I think as of now, curd is the maximum of the value-added part. How this will change?

And will it affect our working capital because our working capital as of now is pretty lean. Will it also -- suppose if the value-added part is sort of higher for paneer and other value-added product? Will it impact the working capital also over the next few years?

Dodla Sunil Reddy: So basically, our value-added product portfolio has, in fact, grown from 23% to 25% compared last year to this year has grown by 2%. It was only the impact of what we had as our bulk sales, which I think was close to INR 312 crores that we had last year, but is not there this year, but is showing the overall decline.

Otherwise, we've been having good growth in our value-added products from 23% to 25%. Our milk growth has also been growing steadily. Because of the lack of the bulk volume that we have, it is showing a significant drop.

Yes, they also -- despite having a bad summer, where there was no summer and we didn't sell our high value products, we're still being able to move our value-added portfolio. So in my view, I think paneer is also beginning to move inch up from our point of view of sales, which I think has moved from around 1 ton to 3- 4 tons. Ice cream is also moving. And curd will continue to move.

Paneer will be a new entrant coming in with the volume-based game that we'll be playing with. So that will be the drivers for our value-added component as a domestic part of India. And I think over a longer period, like I've always been repeating that it will have around 30%- 32% can be the targeted value-added component in the overall composition.

Sanjay Manyal: And on working capital front, sir, how it would in fact work?

Dodla Sunil Reddy: For now, it will remain the same, sir, because whatever we do, we either move it through distributors. We have only a very small exposure that we directly sell to the modern retail where it might be a 30-day payment, but that number is very, very small. It won't -- it will not move the needle at all. It is only the bulk commodity that the working capital will be applied for.

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

Aditya: I just wanted to check how the procurement price is standing in Q4. So generally, we see Q4 has higher procurement prices in Q3. So is it the case this year as well?

Dodla Sunil Reddy: See, I think Q3 itself, our prices have gone up. So Q4 is only a marginal difference of prices. This is what we anticipate are summer prices to be, that is after the March season that we see. And unless there's going to be a significant drop in milk, we don't see any more further price increases happening in Q4.

Aditya: Understood. Understood, sir. And sir, secondly, now this Africa expansion. So just wanted to understand how big capacity we are putting in Uganda. And from what I understand, we already have a good market share in Uganda. So this capacity is for any other country or for Uganda only?

Dodla Sunil Reddy: It's basically for Uganda only. What was earlier that we had as our capacity is for the variations that we have at earlier capacity, and that was predominantly designed for a long-life milk. The newer expansion is for entering into a whole new category of pasteurized and day-to-day milk, Mr. BVK will explain it more in detail to you.

BVK Reddy: Yes, sir, see in Uganda, especially now, we are planning only for Ugandan market only. In Uganda, the fresh milk sales is very dominant actually. Loose milk sales is more and especially in Kampala city. So our existing plant is more than 300 kilometers away from the Kampala city.

Now what we acquired land is closer to the Kampala city, capital city, 100 kilometers closer to the city. So there, we are planning a fresh milk in the Kampala city because we have a lot of scope because the local dairies also fresh milk selling.

And one more, yogurt capacity is already full the existing plant and yogurt plant also now we are planning a bigger yogurt plant in the new capacity. And apart from that also, we are planning see maybe in future Phase 2 ice cream, mineral water and some Indian products like paneer, some ghee, because a lot of Indian population also is there. So we take it up this seasonal Phase 1 and Phase 2.

Aditya: Understood, sir. And sir, what is the capacity for this expansion? And what kind of revenue potential would be possible on full utilization?

BVK Reddy: So this now a new plant, what we are planning now, we are planning to set up 3 lakh liters capacity.

Dodla Sunil Reddy: So the capex -- doubling the existing capacity and revenue, you can roughly look at it as being around at INR60-liter kind of a scenario. So even if we do around INR1 lakh, we can go to INR100 crores, INR150 crores to start with.

Aditya: Understood. And if I have to understand what is the current market share in Uganda?

Dodla Sunil Reddy: That is a very difficult question because what happens is, is the unorganized loose milk that is extremely large to get specific data. But I think we can still look at it as a reasonably large in terms of 3 to 5 lakh liters as the market that we are targeting as in this fresh and pasteurized milk segment along with the yogurt.

In yogurt, we are significant, number 1 actually. See the yogurt market, if you see in our overall Uganda yogurt market is only roughly about 1 lakh liters. And then 50%, almost 42%, 50% we are doing, yogurt market. See this fresh milk, fresh milk, it is totally still, it is unorganized.

Aditya: Understood. Sir, next was on Orgafeed. So if I look at your revenues, they have stagnated around INR40 crores for the last three quarters. So just wanted to get a sense how is Orgafeed doing now? Because I think we were guiding for INR180 crores to INR200 crores this year, but I think we fall short on that. So just wanted to get some sense, how are you doing on that front?

Dodla Sunil Reddy: So basically, Orgafeed like you have always been saying that this year has been a weather anomaly of the summer, not existing, which is also a peak sale for Orga when there is no cattle feed available, shortage will be there and concentrate feed also increases. In spite of that, we have been continuing to do.

So the differential will only be off by a kind of a one month of a difference in terms of revenue. I think already we are seeing uptake or increase coming in, in Jan itself. We are moving from our 5,000 tons to 6,000 tons of consumption. Do you want me to give specifics.

Murali Mohan Raju: Last year, if you see Orgafeed quarter wise revenue, which was very like INR31 crores, INR32 crores, INR34 crores and INR33 crores, average around INR33 crores. But if you the current quarter, we are at INR 41, 41 and 40 Crore on quarter basis respectively, there is 16% of growth in the revenue. And on a nine-month period also, there is almost a 24% of growth in the revenue.

Even if you see bottom line also, even for the quarter, a little lower side. But if you see nine months to date, we are at 13.4% of EBITDA, increased to 14.3% in absolute terms from INR13 crores to INR17 crores. So that is almost a 33% of growth in the EBITDA itself in Orgafeed. We are going in the right direction as of now, but we agree that there is INR1 crore of shortfall in the current quarter.

Aditya: Sure, sir. Understood. And sir, what was the revenue and EBITDA for OSAM this quarter?

Dodla Sunil Reddy: OSAM, I think this is a full quarter, and I guess Murali will just be giving you the specifics, sir.

Murali Mohan Raju: Yes. The revenue for the last -- last time, we had only two months, that is INR52 crores. For the current quarter, it is INR80 crores is the revenue. And EBITDA last time, it was INR1.3 crores, but this time, it is only INR85 lakh because so much of streamline was there and SAP implemented and infrastructure has also increased. We are hoping some uptick in the margin.

Aditya: Got it. And lastly, sir, what was the [indiscernible] amount?

Moderator: Mr. Aditya, we request that you return to the question for the follow-up question. The next question comes from the line of Aniruddha Joshi from ICICI Securities.

Aniruddha Joshi: Sir, congrats for a good set of numbers considering the macro environment. Two questions. There is an expectation of El Nino in this year. So how do you see the milk prices? Because mostly, it may result in higher summer days or maybe weaker rainfall also.

So if that happens, how are we protected? And then second question, how are the cooperatives reacting to the milk inflationary situation means have they been proactive in terms of taking price hikes or there has not been much price hike. So how do we see the situation from a competitive perspective also?

Dodla Sunil Reddy: Thank you very much, Aniruddha. Basically, for in preparation of our Maharashtra itself, we have added a lot more capacity in terms of procurement, chilling centers. BVK will also give you the specifics as we go forward.

It is as an ongoing scenario. But your question is there's an El Nino, there is a severe summer that comes in and if the gap between the sales and the procurement does keep on increasing, there will be no other option but to pass on the impact of cost to the customers, and it will happen as a regular process that goes on if the severe El Nino does come in.

If not, and if it is a regular year, and I think if it is my personal opinion that if the farmers have become more organized, and if we don't see that much of an impact, it will maintain status quo, and we would be able to take a price increase in the summer as the regular other value-added products will start to increase the El Nino summer days which we missed in the current year financial year, which what we missed in the current financial year.

Coming to the cooperatives, it is becoming a little more -- I mean I think everybody is sort of maintaining the status quo, not much of difference. Maybe Amul might have done the little corrections here and there. But otherwise, I think everybody is maintaining the status quo and more or less waiting to watch and see how the mid-February or of the beginning of March is will start to turn around in terms of temperature, climate and weather.

BVK explain a bit more in terms of the procurement and how we are trying to see to improve our procurement.

BVK Reddy: Aniruddha, if you've seen last year, the entire year from January to December, we added roughly about 51 locations in the procurement. So majority CMCs and some chilling centers. All that infra, whatever we added in this last financial year that is going to reflect in these coming years.

So we -- I think the kind of infra what we added -- so any kind of situation, we'll be self-sufficient in our procurement. Maybe any cost depends upon the overall market scenario. But as far as the volume is concerned, now that we have done enough infra. So we will not run short of any procurement.

Aniruddha Joshi: Yes. Sure, sir. This is extremely comforting. Just one point. This year has been a bit softer for value-added products considering the rainy season started early, and in fact, it ended also pretty late. So for next year, do we see higher potential in the value-added products, especially ice cream and curd?

Dodla Sunil Reddy: More than ice cream, we are confident that our paneer and curd will move up the sale and OSAM also, which we have acquired has a little lower in terms of value-added products there as consolidated. But I think from a stand-alone of India minus OSAM, we will increase our paneer, curd and because of the summer comes as we are saying El Nino, what we missed out on the first quarter of this year will again come back and we'll be showing stronger growth. And I think it will do well for us this year.

Moderator: The next question comes from the line of Resham Jain from VVD Asset Managers.

Resham Jain: So I have two questions. The first one is specifically with respect to paneer, which is very small right now, but growing at a very healthy clip. And as a byproduct, we are also getting whey. So -- and India as a country, anyways, we have lowered protein consumption per capita. So overall, how are you thinking about growing both paneer as well as whey going forward?

Dodla Sunil Reddy: For us, see paneer will not be -- compared to -- in terms of whey, paneer, we will not be adding that much of paneer in the next one year that it will come to the extent of looking at whey. In the summer months, we anyhow use the whey into our other fermented products as a regular operational process that we do.

We have now moved from let's say, a 1-ton scenario to 3.5, 4-tons kind of daily sales of paneer which we are trying to see if we can push it more in terms of growth. I think the whey game will come in once we move significantly larger to 10, 15 tons of paneer per day when we will start adding the whey requirement. That is as far as the operation comes on in terms of paneer and protein requirements coming from the operations of what we are looking currently as a stand-alone.

But also the other opportunity that we have with OSAM, where currently is only 13% of OSAM sale is value-added products, which we think we can also see a significant uptake there. Even if you move it back to the 20% or so on the overall size, that will also significantly add to terms of the overall value-added portfolio as we go forward in the days to come. So paneer and whey that is to your question.

And I think from a protein point of view, we are all waiting to see significantly if it is going to move from a niche product to a little bit more of a mass product. And if it does even show some traction, I think most of us are ready to immediately be able to get into the higher protein market because it's not a very complicated part of the manufacturing side. It's more on the placement and the demand uptake side.

Resham Jain: Understood, sir. Sir, the second question is with respect to Maharashtra. Given that next year, we will start the commissioning or will commission our factory. So given that you can keep increasing procurement in that geography to begin with, what could be the ramp up plans in Maharashtra because you're already doing a lot of procurement in that state.

BVK Reddy: No. Right now, we are doing around 200,000- 210,000 procurement from Maharashtra. We have planned so this financial end of this financial, our own procurement will be around 5 lakhs. So the infra, we're already creating, we have taken enough manpower. The people are in the field, and we keep on expanding.

We're adding new chilling centers. So before commencing our plant, we will have in Maharashtra about 5 lakh liters. Addition will be another 3 lakhs. Existing is 2 lakhs. So addition will be 3 lakhs procurement in this financial year, that is from Maharashtra point alone, sir.

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

Abhishek Mathur: First question is on the Uganda capacity expansion. So what is the current utilization for Kenya and Uganda if you can give and also for India? What will -- how will this INR50 crores to INR60 crores be funded through, whether it be through internal accruals? And when is the plant commencing for Uganda? That's my first question.

Dodla Sunil Reddy: So thank you very much Abhishek. So basically, what is happening is our Kenya plant is also reaching almost full capacity utilization. Uganda, although, we have a capacity that we keep declaring as 3 lakh. Effectively, from a curd point of view, that plant has reached its own fulfillment. And the UHT lines and the other lines that we have still have the growth of capacity.

But like Mr. BVK had explained earlier, now this we are looking at getting more of the opportunity of the fresh side of milk and considering both the distance that is required and the Pasteurized Milk segment, which is larger than the UHT segment in Uganda, we want to be in the whole milk cycle of the Ugandan country. And I think by going into the fresh milk, we'll do well.

And also, as BVK was saying earlier, this gives us opportunities because now we have got a well-entrenched sales, distribution and collection scenario. But given the addition of the other things, although it might be small like mineral water or the ice creams in the days to come, we will be a significantly large player there.

So that is the reason why we are looking at it as an expansion to make sure that even for the next five, six years, we will be able to be very comfortable without looking and also diversify our portfolio into other Indian products like paneer, which can cater to the local population as well as the Indian based product.

Now bringing me to the point of capital requirement. We generate healthy profits in Uganda, and we will redeploy only those profits. We don't need any additional money unless we see some opportunity of interest arbitrage or any other such things. Otherwise, we have enough of internal accruals to take care of our own requirement of capital growth.

Abhishek Mathur: And sir, when is the plant commencing?

Dodla Sunil Reddy: Two years from now, so we think it will be in the end of the financial year '28.

Abhishek Mathur: And just one last bookkeeping question for me. If you can give the consol overall realization and the VAP realization for the third quarter.

Dodla Sunil Reddy: The consol for the third quarter realization VAP realization consol, right, sir?

Murali Mohan Raju: Consol realization is INR59 consol, okay Stand-alone for the quarter is INR60.3 And when you talk about only milk realization is INR58.15 for the stand-alone. Consol INR57.68.

Abhishek Mathur: And so for the VAP? For the VAP consol.

Dodla Sunil Reddy: Murali will give you the details for the VAP realization and...

Murali Mohan Raju: VAP realization in India per liter is basically the mix of INR251 for the value-added products. Fat, it is around INR486.

Abhishek Mathur: And the consol level, sir, for the VAP?

Murali Mohan Raju: VAP is a mix only.

Dodla Sunil Reddy: The consol level, that will be the consol level at consol level.

Murali Mohan Raju: Consol level only. But DDL India is only -- if you talk about only DDL VAP, it is INR65 because it's more dependent on the product mix. LDL, is only INR82 and Fat products, it is a 486 for DDL India.

Abhishek Mathur: Understood. Sir, maybe I'll take it offline. Just a final one. In response to an earlier question, you said that in Maharashtra, you will have 5 lakh liters per day by the end of the current financial year. Before commencement of the plant, where is the 5 LLPD -- where is the 3 extra LLPD coming from? Just wanted to clarify that.

BVK Reddy: The surrounding districts only. We are targeting only from our main plant 150 kilometers radius. Where we will see -- we are setting up a plant in so closer to the Solapur, 30-kilometers before Solapur, and we are concentrating only a couple of districts closer to the plant, so radius is roughly to 150175 kilometers radius, we are concentrating.

Dodla Sunil Reddy: And to add to it, there is plenty of availability there. And that's the reason we've also started that infrastructure, like we explained earlier, of the CMCs and chilling centers that we are creating. So that I think we will have -- it's a balancing act of when the plant comes closer to production, when do you push your procurement. So that is the way it will go forward.

Moderator: The next question comes from the line of Praveen Kumar from Acuitas Capital Advisors.

Praveen Kumar: I had a couple of questions. The first one was on the procurement in terms of ex-OSAM kind of a procurement growth. So there, that growth seems to have been only about 1%, 1.2% year-on-year. So just wanted to understand, despite the contribution of Maharashtra to the procurement, if this ex OSAM procurement has only grown 1.2%, does that indicate that procurement in the non-Maharashtra kind of geographies and have kind of taken a dip during the year? And if you could throw some light on that?

Dodla Sunil Reddy: No, last year also, it was inclusive of Maharashtra, which Maharashtra also had, I think, 1.5 lakh or 1.6 lakh liters of procurement was already there. It was not just that came in the current year. Current year maybe it increased by -- it was only that OSAM that came in as additional. Yes, like we were saying the whole reason of the shortage of milk in terms of the flush season, there has been absolutely no flush.

So it's been continuing to maintain only a flattish kind of growth in terms of no growth or being very flat in terms of volume of milk. And that is the reason why the whole reason of the price is increasing, sir.

Murali Mohan Raju: Excluding OSAM, DDL India, the growth of the procurement is 3.74%.

Dodla Sunil Reddy: Q3 -- that is for the nine months.

Praveen Kumar: Right, right. No, I was looking at more from a Q3 to Q3 perspective. That growth seems to have been 0.2%.

Murali Mohan Raju: Yes, it is almost flat, 1% down. It's has been flat.

Dodla Sunil Reddy: That's the whole reason. So like last year, there was -- what we call as flush available. This year, there has been absolutely no flush.

Praveen Kumar: Understood. Understood. And the other quick question was on the margins, right? So I think for a nine month basis, EBITDA margin is somewhere around 8.3%. So just wanted to understand, previously, you had talked about margin ranges being between 8% to 9% to 11%. So do you still think, given the current challenges, that is a range that can be maintained over the next two to three years? Or you would look at it...

Dodla Sunil Reddy: See that will be the range. Like I said, it's always a 1 quarter issue like we had. In fact, it's a summer quarter not having the rain as well as the winter not having flush, it's a very unique kind of a scenario. And even in that scenario, we've been able to maintain our average 8% margin. So it is only optimism that it can only go up and not come down. So in a good year like last year, it will go up to the 10%, 11%. If it is a bad year, it will move up to the 8%, 9% kind of a margin, which we have been saying all the time.

Moderator: The next question comes from the line of Deepak from Unifi Capital.

Deepak Lalwani: So first question, how much was the India volume growth ex of OSAM in liquid milk and in VAP separately?

Murali Mohan Raju: Yes. India, total overall growth, including the bulk business, milk is 4%, excluding milk, that is VAP minus 3% because these are -last year, we had around INR 312 crores of the bulk business. If you exclude the bulk, with regard to the milk business, we have grown by 3% and non-milk 3.5%.

So overall, average is also 4%. But if you see the excluding the bulk, the revenue when you talk about, so 9% was the growth in the milk and 11% was the growth in the non-milk without bulk. So overall, the revenue was increased by 10%.

Deepak Lalwani: Sir, the follow-up question to this is what's the company doing to increase the growth rate in terms of distribution touch points or sacrificing on pricing because the growth rate for the company has fallen quite a bit. So if you can give some sense on this.

And second question is the margin trajectory that you spoke about that this quarter would be the lowest. How should we look at it from a margin standpoint from Q4 and next year, given that you have variable moving parts, procurement prices, your own price hikes, competition. So how should we view growth and margins growth?

Dodla Sunil Reddy: So I think we are doing this lower volume growth for us, I think is actually we're taking it as even a tough year where we have lost one entire summer and also having a price pressure in the winter time, we are able to maintain at least a 4%, 5% growth, I think, is more from a point of view of what the work has been done in terms of brand, brand recognition and deeper penetration that is happening.

And I think it depends again, right, if there's a slight improvement in seasonality, and this should have been a little -- it will come up to the 7%, 8% very easily. Entire summer quarter that was lost is the reason why the overall is dropping and also a good reasonably better winter that has been existing now, and we expect that to come back to the 8%, 10% of volume, which we always keep saying that is in the little longer term.

Short term for this quarter, we will know by end February or March, we can see what the uptakes and volumes are going to be like. Now the other question coming to the margins that we are looking at, I think we'll be able to maintain this 8%, 8.5% margins for the coming quarter also with the consol level of all Africa and all that.

And there might be a slight dip from the India side because if you look at HR Foods, it will be a little larger in terms of two quarters, and there will be a lower margin there since we set it right. So that might bring it down a bit in terms of the overall, but it will be very small. Overall, we will be able to maintain these 8% to 9% margins for the fourth quarter and for the year.

Deepak Lalwani: Sure, sir. Got it. And sir, you mentioned about the Maharashtra procurement plan. So if you can talk about the revenue plan from Maharashtra from starting the first year, how much revenues do you expect to come? And is it entirely B2C milk, B2B milk? And what kind of margins would you make in the first year, considering the product mix and also the manufacturing cost that you have to intake?

Dodla Sunil Reddy: So roughly, we can look at a INR500 crores to INR600 crores of revenue in the first year coming in because I look at it very simply as BVK said, even INR3 lakh increase with INR200 crores per lakh liter, even if I consider it to be base commodity kind of a business also, that will give that kind of INR500 kind of crores of revenue. That -- again, I'm giving you two sides. One side saying it is only a pure commodity and we are stuck with a 3% to 5% kind of an EBITDA margin.

That can add INR500 crores, INR600 crores into 3% would be the INR18 crores, INR20 crores EBITDA. If the volume of other products and sales comparatively in the matching size go up even a little more because even local sales of Solapur will start and we will be in the initial period in time, that can also move up to 6%, 7% as just that piece of the operation itself because we will also be pushing more of the consumer key and other such things.

So the variation can be it is pure only bulk and nothing we do also can be between 3%, 4% or 5%, and it can move to 7%, 8% as a regular operation. So that is the range that it will be at and considering the INR500 crores to INR600 crores kind of top line, purely Maharashtra additional.

Deepak Lalwani: Understood. And sir, from Uganda, what should be the similar financial trajectory looking like for the new plant that we're putting up, the top line that we should build in and the margins are supposed are higher in Africa.

Dodla Sunil Reddy: Yes, sir. So Uganda because still two years away, we'll have to wait and see exactly what we timeout by that time. But we are going at it now, at least to start within a year of operations commencement, adding at least INR100 crores of revenue. And normally, when Uganda is also a little higher in terms of EBITDA margins, we can think of 15% kind of EBITDA margins on what we are going to be adding in the year 1 of operation itself.

So in a couple of years, as soon as the plant turns on, that is the kind of operation size we're looking at. And in the longer term, it has also got that much larger potential of growing. If we can cross that 1.5 lakh liters kind of milk and product portfolio, it will be significantly larger.

Deepak Lalwani: Got it. Last question, sir, what's the balance amount of capex spending for the Maharashtra plant? How are we looking to fund it? And Uganda, apart from the land, how much -- how much capex will be needed?

Dodla Sunil Reddy: So basically, Murali will give the specifics. I think Uganda, as you said, it's a two year long process. We're taking an additional INR50 crores, INR60 crores for and regarding Maharashtra, Murali will give you that.

Murali Mohan Raju: We have planned for INR280 crores of capex. Out of that INR69 crores, we already spent, INR212 crores is yet to be spent.

Dodla Sunil Reddy: But all the orders have been placed. It's only the timing of everything coming into place and going.

Deepak Lalwani: And the funding of this would be internal accruals, right?

Murali Mohan Raju: As of now, we are planning for subvention scheme, but the application is in process. If that happens before March, we'll do that. We'll utilize that. Otherwise, we'll go for the internal accruals. As of date, we have around INR630 crores in the bank. So we'll utilize that.

Moderator: The next question comes from the line of Sidharth from Chanakya Wealth Creation.

Sidharth: Just wanted to understand, you spoke about the milk shortage. A, are you seeing a mix shortage being more accentuated in cow milk or in buffalo milk? And in that context...

BVK Reddy: Sir, if you see the milk procurement in the first quarter, second quarter, third quarter, slightly overall procurement is coming down in India. Even in the buffalo milk also see not much of growth. See, first quarter, we have done stand-alone in DDL 16.75 lakhs. But second quarter, it became 16.7 lakh and third quarter has become 15 lakhs. So we are now -- fourth quarter, we are expecting, is now averaging at only INR14.5 lakhs. So again, the first quarter of the next year, so May, it may go up.

Dodla Sunil Reddy: So basically, our buffalo is a very, very small portion, sir. We are majority only in cow. And it's -- I think it's an overall -- all the areas, the impact is there. It's not only been one area here and there at India.

Sidharth: Got it. And therefore, in that context, the reason I was asking that is the bulk pack sales that were there this year, how should one think about those in context of the coming financial year? Based on this procurement strategy, do you see those bulk pack sales sort of coming down because they are both margin and working capital intention margin dilutive and working capital intent.

Dodla Sunil Reddy: Yes. So that's what we didn't have any bulk this year itself. Like if you take the quarter last year, the same quarter, we had around INR70 crores. This year, it was 0, almost negligible.

Murali Mohan Raju: It was only INR 0.1 crore.

Dodla Sunil Reddy: We might become net buyers rather than net sellers, if there is a remaining shortage in the quarter coming up. So in fact, whatever we have been gearing up for Maharashtra will only work out positive for us in terms of getting more milk into the system, even if the drought sort of tends to continue. Failing which, we will then be moving back to our ability of moving into the commodity. But as of now, we don't see any commodity happening in the near term.

Sidharth: Got it. The second question was in terms milk procurement prices being different across states, with Maharashtra having added, are you seeing the weighted average price move up for your procurement? And therefore, in context of that plan of 5 lakh liters per day, how should one think of your own prices on a weighted average basis?

Dodla Sunil Reddy: So Maharashtra because it's got a lot more of the commodity players, the yoyo effect is significantly higher in Maharashtra. Like I said, if we compare it this year, Maharashtra gone up 10% compared to the rest of the states growing by 6%. But when the drop happens, Maharashtra also dropped significantly. So I think as an average, we normally see Maharashtra to be a lower price player than high-priced cost player.

It is only that it goes through a little bit of the high and low seasonality that comes into play. So that is what it will be. And the overall basket will always sort of not being significantly larger. It will be in the averages, they'll all be the same.

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

Resha Mehta: So clearly, this has been a challenging quarter. And if I were to look at the India stand-alone numbers, and exclude PAT revenues, right? So there's been a challenge here in terms of growth for the last 1.5 years, almost two years now, right? So in FY '25, if I were to exclude the PAT revenue, we grew at 7% versus FY '24. And even if I look at the first 9 months and if I were to exclude the PAT revenues from the India stand-alone numbers, we seem to have grown in low single digits.

Sir, so what is the challenge here in India stand-alone numbers, excluding PAT? Are there certain gaps specific challenges, gaps in terms of execution, which we are trying to fix or if you would like to talk about? And also in that context, what -- is there some market share loss that has happened in the India business?

Because if I look at our peer, the two southern listed peers, right, they have still grown in their India business, right, over the last almost two years. So -- and also your market share estimates, if any, are they based on internal estimates? Or do we subscribe to any syndicated data like Nielsen? Yes. So that...

Dodla Sunil Reddy: It's not syndicated data. Our market share estimates are only our own. But compared to the things that we are saying is that the volume growth that we look at it as a 4%, I think given with the listed peers, it will not be significantly different in terms of it.

It is only the value add or the bulk sales that keep adding the differential of moving it around. The major issue that we think is that the cooperators which are normally as comparatively sell it at less and we are more of a -- I mean the private sector being more at a premium sale. The B2B business is not something that we normally get to.

And I think from the overall consumption pattern, most of the states we are there at the conversion from unorganized to organized this sort of over and it's only the organized consumption growth that we are trying to cater to and keep getting more of the market share that grows.

There are no more white spaces that are available. That is why we are doing our acquisitions and growing into Northern India and certain territories, where there is more of white space availability.

Existing markets, that is the reason why we look at them as the lower -- that's the reason that we see lower trends that unorganized to organized is declining, a and the B2B going to more of the cooperators on a pricing round and we taking up more of the premium consumer market share is where it will be there.

Resha Mehta: So from the southern markets, would it be fair to say that we have fairly become like a mature player there? Is that what you're trying to suggest? And hence, the route to grow in Indian market would largely be inorganic?

Dodla Sunil Reddy: Inorganic yes, from the liquid milk side. But I think, again, we'll have a little more opportunity coming from the product side where the consumption patterns in the southern states of the GDPs are growing up. More than liquid milk, it will start adding into the paneer the curd and the lassi and butter milk, those will start moving in more. The value add will start moving in a little more, and the liquid milk will also move, but not in that significant volumes.

Resha Mehta: And the second question is on the price hikes. So I think you did allude to the price hikes, which will be taken when the summer sets in. So would it be fair to say that we won't be able to take price hikes before March end or early April, which means any uptick that we see in terms of margin will largely happen in the Q1 of the next financial year?

Dodla Sunil Reddy: Now, I think the definition of summer is going to be where we'll have to wait and watch if the temperatures start moving up in, say, mid-February, early March, then the uptake will start happening from March, failing which, it will be from April onwards, definitely because I'm sure this cold weather waves are not going to continue from last year to the current year also. And El Nino is what the prediction is that it will be the other extreme now of severe summer.

Resha Mehta: Sir, the last question is basically on the Africa business. So for 9 months, what's been the broad revenue split between Uganda and Kenya?

And even between these two nations, do we see any differential in the margin? And also if you could explain what is -- so we've seen milk inflation in the African business as well. So typically, what is the seasonality or cyclicality in terms of the inflation there.

Dodla Sunil Reddy: So Africa also does go through seasonality of the winter rains, monsoon, and summer coming in. Uganda is a low-volume, high margin country of operation. Kenya is a significantly larger volume and also comparatively to Uganda maybe 2%, 3% in terms of margin being a lower margin.

And we also have the interplay between Uganda and Kenya. As these 2 countries, sometimes when there is a shortage, if Kenya allows, we move more cheaper milk from Uganda into Kenya and if the country does not allow it. So as a combined margin is what we maintain as both -- that's the reason why we call it as Africa because it's sort of interlinked as both the countries.

Kenya, I think -- I mean, my market numbers are just my estimates or our company's estimates. We think of it as a 40 lakh to 50 lakh liter kind of a market that is there in Kenya in comparison to Uganda maybe being a 10 lakh to 12 lakh liter kind of a market. So that is where we operate as an overall. And Murali will give you the specifics of the Kenyan revenue, Uganda revenue.

Murali Mohan Raju: Yes. Overall revenue, we had around INR350 crores. Out of that, the major revenue LDL is INR 229 crores and CDL INR142 crores.

Dodla Sunil Reddy: LDL being Uganda and CDL being Kenya.

Murali Mohan Raju: CDL being Kenya . There will be some intercompany transaction, which is around INR229 crores Uganda. Kenya is around INR142 crores.

Dodla Sunil Reddy: And like Murali was saying, but we will have intracompany, like I said earlier, sometimes we do sell products from Uganda into Kenya also.

Murali Mohan Raju: The overall turnover as a consolidated after the intercompany is INR 354 crores.

Resha Mehta: This is nine months, right?

Murali Mohan Raju: Nine months.

Resha Mehta: And sir, just one follow-up to the first question. Why don't we subscribe to some syndicated data like Nielsen or something of that sort? Any species?

Dodla Sunil Reddy: So the data that we have already subscribed vastly varying from what they give to what we see on the ground, the compatibility is becoming different because the company-to-company definition of the area itself is becoming very difficult.

Like for me, what Hyderabad city definition is, whether it's the pin code of Hyderabad or some people will say that the geographical area in terms of ring road being verified. And when we compare that to the on-ground reality, the variations are being significant. So that is the reason we do get some data, but they're not correlating to what our ground reality says. But we will try to see it. And maybe offline, if you can help us in recommending anything, we'll also try to see how best they can work for us.

Resha Mehta: Sure, sure. And sir lastly, just a clarification. Uganda is 200 to 300 bps higher margins versus Kenya, right?

Dodla Sunil Reddy: Yes.

Moderator: The next question comes from the Ankit Shah from White Equity.

Ankit Shah: Sir, just wanted revenue and EBITDA for Africa business for current quarter and same quarter last year, if you can share that?

Murali Mohan Raju: Current quarter revenue, Africa is INR133 crores. Last year, same quarter, it is INR98 crores. So there is a INR34 crores of increase was there. That is almost 35%.

Second, EBITDA current quarter is INR17 crores. Last year, it is INR8 crores. There is an increase of INR8.7 crores. So overall region 5% of increase for the quarter. Nine months period, if you see, INR31 crores increased to INR39 crores. There is a 77% increase in the EBITDA. Revenue is INR276 crores to INR354 crores. That is INR77 crores increase, that is 28% of revenue increase.

Ankit Shah: Right. So asset, our margins have actually improved in Africa, whether we look at this quarter or nine months, that's right, right?

Dodla Sunil Reddy: Yes, sir, our revenues have improved -- sorry, our margins have improved in Africa. As a percentage, it might be lower because they had a significant growth in volume. But as an absolute number, it is improved.

Moderator: The next question comes from the line of Vandana from Korman Capital.

Vandana: So my question is, so Dodla has always been basically the first mover in taking price hikes. But this time, you say that you have not taken price hike to maintain market share. So I just wanted to ask what have other players done in the market in terms of price hikes?

Dodla Sunil Reddy: Nobody has taken a price hike per se because like we said, it's normally -- we have a surplus in the winter months and then there is more of a procurement game. There's a peculiar time when we didn't have anything in the winter months itself.

And in the winter months itself, the markets are subdued. I think it will be in another couple of months once we see how the summers pan out, that there will be the price increases that will have to be passed on to the customer.

So I think like we always say that the impact normally which used to be a quarter, which used to take time to decide where they stabilize and pass on. This year, it has extended not for quarter, but maybe for a little more than a quarter that it is there. So we'll have to make that call, I think, as the following months come into play and we see how the weather patterns play out.

Vandana: Sir, next question, sir, I just wanted to know, most of your peers are increasing their VAP shares. And so how do you see that as a competition currently?

Dodla Sunil Reddy: So VAP even our shares have increased. If you look at it minus the bulk sales that we have done, we have grown from 23% to 25%, which is 2%. And we keep saying that because the overall pie larger but not it's difficult to say that more than the 2% growth that we look at.

And also when we look at OSAM, that we have added as an acquisition on the consolidated basis, but we bring it down a little more because there Africa has been only sorry -- OSAM and Bihar has only been 13%.

I think once we improve that in the overall, we'll show, but I think stand-alone, we have grown from 23% to 25% in the VAP, compared to last year. In spite of having a bad summer, where we didn't sell any of the higher value-added, VAP, products like lassi, butter milk and ice cream, which also came down. In spite of that, we have grown 2%.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Thank you, and over to you, sir.

Dodla Sunil Reddy: Thank you very much, everyone, for joining us today on our earnings call. We appreciate your interest in Dodla Dairy. If you have any further queries, please contact SGA, our Investor Relations Advisor. Thank you very much, once again. Have a great day.

Murali Mohan Raju: Thank you all.

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. Thank you.