



Aelea Commodities Limited

CIN : L51909MH2018PLC316782

Formerly Known as Aelea Commodities Private Limited

09th June, 2025

To,
The Corporate Relations Department
BSE Limited
P. J. Towers, Dalal Street,
Mumbai-40000, Maharashtra

Scrip Code: 544213

Subject: Submission of Transcript of the Earnings Conference call held on Friday, 06th June, 2025 at 02:30 PM.

Dear Sir/Madam,

In continuation of our earlier letter dated 07th June, 2025 informing about the audio link of the Earnings Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call which was held on Friday, 06th June, 2025 at 02:30 P.M. to discussed the Audited (Standalone & Consolidated) Financial Results of the Company for the Half Year and Year ended March 31, 2025.

Kindly acknowledge and take the same on records.

Thanking you,

Yours' Faithfully,

FOR AELEA COMMODITIES LIMITED

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**“Ae Lea Commodities Limited
H2 FY '25 Earnings Conference Call”
June 06, 2025**



**MANAGEMENT: MR. HOZEFA S. JAWADWALA – CHAIRMAN AND
MANAGING DIRECTOR – AELEA COMMODITIES
LIMITED**

**MR. ASHOK PATEL – CHIEF FINANCIAL OFFICER AND
WHOLE-TIME DIRECTOR – AELEA COMMODITIES
LIMITED**

**MR. SATYANARAYAN PATRO – WHOLE-TIME
DIRECTOR – AELEA COMMODITIES LIMITED**

**MS. DEVYANI VANAPARIYA – COMPANY SECRETARY –
AELEA COMMODITIES LIMITED**

MODERATOR: MR. SAHIL PATIL – AKMIL STRATEGIC ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to the Aelean Commodities Limited H2 FY '25 Earnings Conference Call, hosted by AKMIL Strategic Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Sahil Patil from AKMIL Strategic Advisors. Thank you, and over to you, Mr. Sahil.

Sahil Patil: Good afternoon and thank you. On behalf of AKMIL Strategic Advisors, I welcome you all to the conference call of Aelean Commodities Limited. From the management side, we have with us Mr. Hozefa S. Jawadwala, Chairman and Managing Director; Mr. Ashok Patel, CFO and Whole-Time Director; Mr. Satyanarayan Patro, Whole-Time Director; Ms. Devyani Vanapariya, Company Secretary.

Now I hand over the call to Mr. Hozefa. Over to you, sir.

Hozefa S. Jawadwala: Good afternoon and thank you all of you for joining us today. It's a pleasure to share the progress and strategic directions of Aelean Commodities, a company at the forefront of India's agri-value chain transformation, specializing in cashew processing, international agri-trade and allied commodities. Let me start with the industrial landscape and opportunity that we have.

The global cashew market is witnessing sustained growth driven by rising health consciousness, increasing demand for plant-based nutrition and strong consumption trends across the food and snack segments. India remains a leading consumer and processor, yet the country depends heavily on the raw cashew nuts imported primarily from Africa. This creates a robust cross-border trade ecosystem with significant economic importance.

Simultaneously, value-added processing, quality assurance, supply chain control are becoming key differentiators, opening up new opportunities in premium B2B segments, private labels, exports and FMCG tie-ups. Aelean is strategically positioned to capture this opportunity. At Aelean, we are uniquely positioned to capitalize on this shift.

Our strength lies in a fully integrated processing facility at Surat, which is additionally increased with 1,09,000 square feet. We now, as we speak, operate at 140 metric tons a day and it is scalable infrastructure and a modern technology. Strong backward integration through direct RCN sourcing from the African origins, as well as forward integration in value-added products is a key strategy for us.

A premium domestic and international client portfolio, including the likes of premium snack brands like Haldiram, premium ice cream brands like Amul, Bikanervala, Star Bazaar, Jabsons, Farmley, Reliance, all of these contribute to our growth strategy.

Let me come to the financials of FY '25 and performance in the outlook. In FY '25, we achieved a revenue of INR182 crores with an EBITDA of INR8 crores and a PAT of INR1 crore. Despite working capital intensity inherited in the agri-commodity trading, this reflects our operational discipline and growing market traction.

As India's organized food retail and snack segment expands, the global buyer seeks reliable, high-quality supply chains. Aelean stands to benefit immensely. We are focused on enhancing our sourcing networks, entering new export markets, and deepening the relationships with food majors and private label partners.

I would now like to open the floor for questions from answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Prabal Jain from SM Holdings.

Prabal Jain: Sir, first, I have a couple of questions. So, first, I think you recently commissioned your 140 TPD total capacity. So, if you can give us an idea of like how you are planning to scale it up, what type of capacity utilization we can see in FY '26 and going ahead, and when can you reach the peak capacity, and are you sufficiently funded for working capital to reach that optimum capacity?

Hozefa S. Jawadwala: Okay. Let me take your first question later and the later question first. So, for your later question on working capital, yes, we have aligned ourselves for the working capital requirements. We have major multinational and international bankers in our portfolio. Along with that, we have India's premium first-class private lenders that we have associated with.

The second part is on the capacity utilization. As we have already informed in the exchange that we have commissioned in the end of May the entire plant. As of now, we are ramping up, and it takes roughly 15 to 20 days to come to the complete utilization of the capacity. At 140, we are very clear that by July 1st week, we should be working at 140 metric ton capacity. That is basically the rated normal capacity that we will be working at.

Prabal Jain: Wow. So, just trying to understand more here, sir, like since we will be directly going from 40 to 140, so I mean, the output, do you have confirmed orders for such high level of produce that you will be having, or would that be stored as an inventory for now and would be gradually sold off?

Hozefa S. Jawadwala: See, typically, we never had a problem of sales. Let me put it this way. The advantage with Aelean has always been that we have been dealing with the right kind of buyers and across the segment buyers. Let me just put it in a different perspective. Cashew is a very versatile nut compared to any other nut. We eat it as snacks. We have it in ice creams. We do have it in sweets, and we do have it in gravies.

So, if the summers are peak, then you have a lot of ice cream that puts the consumption more, and we do have customers of that class as well. If we have festivities, then the sweet consumption

increases, and we do have customers of that category as well. And snacking is a regular option. It increases during the Diwali season.

The people would look at coming up from July, the middle wholesalers and bulk wholesalers to put in the inventory at their level. So, we do not see a challenge on the sales side. The trajectory is different right now, because the price from a commodity perspective is on a downward trajectory. It will slightly caution the supply chain altogether, but it doesn't affect us purely because we are always into back-to-back trade.

Prabal Jain: Okay, noted. Sir, another part which I wanted to understand is about your entire supply chain because you I think 100% import your raw materials from Africa, and then you process it, then you sell it here. So, I wanted to understand what are the typical ways, like how do we look at your end-to-end supply chain in terms of the variation of cashew prices and what type of contracts do you have with your suppliers from Africa? And what factors is your supply chain dependent to?

Hozefa S. Jawadwala: See, there are three primary models of buying...

Prabal Jain: And also payment terms, if you can help me with end-to-end payment terms right from your suppliers to when you receive from your end customers. Sorry to interrupt.

Hozefa S. Jawadwala: Sure. So, there are three ways of buying raw cashew nuts, except for the fact that you buy the local cashew as well, because around 40% of India's overall raw cashew nut demand is met by the local crop. So, 60% I'm talking about right now. On the 60%, you have three models which you can buy from. One model is that you buy purely when the ship has just sailed from the origin, and you put your working capital in the entire transit as well as clearance and then you come and process it.

Second model is that you buy near to the arrival at the port, and you buy it from an intermediate trader. And the third model is basically after the landing that you buy. Now, it's a very delicate balance that we always follow here. One is that how much you need to process. Second is when do you buy and how much the working capital cycle will increase from? And what is the sales side of it?

Because we do not want to buy unless we covered our sales for the additional quantity. So, we always look at a replacement logic rather than anything beyond. We don't buy ahead and keep it or we don't sell ahead and keep it. It's always back to back. And between the three models, supply is always available. Now, this also covers the payment terms because as soon as you buy and the documents are in your name, the payment needs to be made. And in some other cases, yes, you also enjoy the credit from the suppliers up to 90 days.

Prabal Jain: Okay. And then once you have the kernels, typically you process it and you give. So, what kind of payment cycles you get from your customers? I'm talking about, let's say, top 60%-70% of the revenue.

- Hozefa S. Jawadwala:** Again, the top 60%-70% of our revenue comes from general trade where there is no credit terms with them. It's a cash and carry model that we work with. And when it comes to institutions, the modern trade and what you call as brands, typically, they have a credit period anywhere between three days to 10 days to up to 30 days as well.
- Prabal Jain:** So, 30 days is the maximum as I understand.
- Hozefa S. Jawadwala:** Yes.
- Prabal Jain:** Also, sir, if I look at your financials right now, so typically in this H2, I think the cost of materials, as in your raw materials, I think you must have stocked up a lot owing to the coming huge capacity expansion that you did. So, is it fair to assume that for H1 -- coming H1 FY '26, you are adequately stocked in terms of your raw material?
- Hozefa S. Jawadwala:** So, as of March '25, we were not adequately stocked because we have just started increasing our inventories. The inventory level is right now at 50% of what we desire. This is the time when we really buy inventory to the level that we need as a base inventory. What we call as a base inventory is what we need. So, that will still continue to increase the base inventory. And then anything beyond that, we can keep buying on a replacement logic.
- Prabal Jain:** Okay. But, sir, what I'm trying to understand is if I compare last three half-yearly trends of yours, your ballpark doing INR85 crores to INR90 crores of top line on a raw material of approximately INR30 crores you did for last FY '24, INR33 crores, but now it has jumped to INR77 crores and that has yielded you a top line of INR95 crores.
- Hozefa S. Jawadwala:** No. So, there is a difference between a top line and the balance sheet number. Balance sheet number is always on date and a top line is for the entire year.
- Prabal Jain:** I'm looking at your income statement only. In other words, my question is why did we face the margin pressure this half-yearly? So, if you can throw some light on that, why did you face the margin pressure?
- Hozefa S. Jawadwala:** I'll give you a different way. Okay. If you keep it as a business as usual, then we would have never gone for such kind of an inventory. What has happened between the last few months of the financial year is that we have now started building up inventory for the revised capacity. The revised capacity is more than 3x of the old capacity. Now, if you multiply any number of inventory with the 3x, 3.5x, then you will probably get the answer.
- Prabal Jain:** So, that is what I'm asking, sir. So, let's say you have pre-stocked the raw material. You have pre-stocked the raw material in the hope of a bigger inventory, but what I'm saying is that you have recorded all of it in your P&L in the half-year in the category cost of material consumed. But for that proportionate, the revenue has not been recognized.
- Hozefa S. Jawadwala:** No. Cost of material consumed has nothing to do with the inventory in the balance sheet. Cost of material consumed has gone up. That is because of the reason that the price at which the material is coming right now is on a higher side compared to the last year.

- Prabal Jain:** Okay. I think I'll come back on this front. Another question, sir, I wanted to check was that whatever that biofuels and all those kind of products you're developing, that will be totally produced from the waste of this cashew processing, right?
- Hozefa S. Jawadwala:** Yes.
- Prabal Jain:** Okay. So, that CNSL product, that capacity, is that live or is that something that we'll be looking up in FY '26?
- Hozefa S. Jawadwala:** So, as we last said, we are looking at something -- the phase one is completed, which is basically enhancing the processing capacity of the cashew. The phase two is basically to come up with the oil capacity. The oil capacity, because of the delay that we had in the first phase one, we are now faced with rains and we would be starting it post-rains. And that will -- we are trying to expedite that and complete it before FY '26 closing.
- Prabal Jain:** Great. Sir, final question, because now you are amping up the capacity and all those things. So, what kind of guidance would you like to give for FY '26 and going ahead?
- Hozefa S. Jawadwala:** See, it's a very simple way. Again, from a top-line perspective, it's not under our control because the price of a commodity is never that you can predict with, be very honest about it. But as a processor, we are always about having our margins in the processing capacity. Yes, you have a certain time in a phase where the margins can be negative also, purely because you are doing a significant jump in the business.
- And that's what has happened in the last H2 of the financial year that we closed. So, what we are looking at is in somewhere starting July to ensuring that the capacity is completely utilized. And we continue to enjoy on the standardized rate, roughly 12% to 13% margins. That's what you have seen in FY '24.
- Prabal Jain:** Okay, great. So, in this part -- okay, fine. So, now you are ramping up the capacity and you are at a working capital intensive kind of a setup. And I see you will also be expanding your biofuels kind of a setup. So, are you looking at any fundraise in FY '26 in the near term? If yes, what kind of fundraise are you planning, like equity, debt?
- Hozefa S. Jawadwala:** No, we do not see any fundraise requirements. Honestly, from an equity perspective, the company is well funded. From a debt perspective, again, we have already planned for FY '26 and we have already aligned ourselves from that perspective. See, we are in a very different trajectory. We can, let's say, compare it with a sprinter and a marathon runner. Today, we want to run a marathon. We do not want to do a sprint.
- Now, do we have a completely integrated company that processes cashews, does the oil, does the additional products? Answer is negative in India. And that takes time from a lender's perspective also to really understand and come to the business, let alone the investors or equity shareholders as well. So, we are taking that step.

And as I said, like we need to first complete the phase one, run the phase one, show that performance, go to the phase two, show that performance, and then go to the phase three. So, that is how we are planning it.

Moderator: Our next question comes from the line of Hemang Shah.

Hemang Shah: This is Hemang Shah, sir. Sir, my first question is that for how many days the facility will be operating on a yearly basis?

Hozefa S. Jawadwala: So, on a standard, we take roughly 240 days in our calculations. You have 52 days of Sundays that we do not operate at. And then the rest of the things is taken as annual holidays or rather official holidays and the holidays that typically goes out.

Hemang Shah: Okay, sir. So, seeing that you will be working for 250 days and seeing with your margins at 12% to 30%, so according to my calculation, so on the yearly basis, can we achieve the operating profit of around INR65 crores to INR70 crores? Am I right on this, sir?

Hozefa S. Jawadwala: See, I will not try to give you a number on the profitability. But Yes, your calculations are based on the pricing is more or less in the right direction.

Moderator: The next question comes from Manish Bhatia, an investor.

Manish Bhatia: Sir, I attended one of your presentations with the Tiger Assets, where you explained about your business. So, I mean, the expectation for this year was somewhere around INR20 crores profit. And I know things have changed. So, I would like to know what has changed that from a profit that we were expecting for INR20 crores for the whole year, we have not been able to, you know, even achieve 50% of that. So, can you please explain what went against the wind or what exactly happened during that time?

Hozefa S. Jawadwala: Right. So, see, the number that we are talking about is on the projection side was the fact that we would be able to complete our expansion within the month of December '24. We were significantly delayed due to certain approval required from the government departments. And that delay has delayed the project and we completed in two phases.

The phase one, which is basically after the shell kernels, which was completed in the first week of February, and the phase two, which was completed by the end of May '25. Now, that is the big differentiator, purely because the numbers that we -- the profits that we were supposed to get for the last four months has never come in.

The second part of this is that because there was a gap between these two phases, we had to run the part plant on the intermediate product, which is called the shell kernels, which is typically the skin cashew that we know, and we get it from the market. That at our capacity, you can't find a lot of people that can service you. In fact, with all multiple people that we were able to gather, we still could not compete, rather completely utilize the part facility that was available, even up to 50% capacity.

So, you can imagine that the kind of scale that we have now. It also adds to the fact that the cost of these small players are significantly high compared to what cost at which we operate. And that squeezes the margins at our levels. So, it's about -- you can't have the people sitting idle, you have to utilize it. And that's the reason why this is a big gap. It's an exceptional thing, which has happened, unfortunately.

Manish Bhatia: Okay. So, are we expecting any pressure on the margins in the coming half year as well? Or we are good to go from this half year onwards?

Hozefa S. Jawadwala: We do not expect anything significantly different from what we have been telling you right now.

Moderator: The next question comes from the line of Varun Agarwal from Networthy Financial Services.

Varun Agarwal: So, based on the capacities that we just discussed, if everything goes well, nine months if we operate at 140 metric tons capacity, for the full year, can we do a volume of about 27,000 metric tons?

Hozefa S. Jawadwala: Yes, you have calculated rightly.

Varun Agarwal: Okay. And as of now, post fluctuation in the raw material prices, as of now, approximately how much is the realization per metric ton?

Hozefa S. Jawadwala: Right now, see, we just started with the full capacity. So, it's too early to say, you know, it's just 10 days, less than 10 days that we have started with the full capacity. But we do not see any difference between what we were making before and now. It will be on a positive side, but I don't see adverse stuff.

Varun Agarwal: No, not linked to the capacity utilization. In general, what is the realization per metric ton as of now?

Hozefa S. Jawadwala: So, everybody will have a different realization. For us, if you really see, there are -- let me categorize it in three sections of the market right now. Okay. From March, April and May, the lower section, basically, of the processors, which is less than 10 tons per day capacity, a majority of them have shut down and closed the business for the last three months. They are expected to continue this way for the month of June also. It is purely because the trend of the inventory is on the downward side and the margins are under pressure for them because their cost of production is high.

The second category, which is basically around 10 tons to let's say around 40-50 tons kind of a capacity, for them, they are running around break-even and they are still running. But anybody who is above 50 tons is running profitably. So, this is a time when the inventory -- once in five years kind of a situation where the market do correct steeply and in anticipation of further corrections, the entire value chains shrink as well as people start to defer their purchases.

Varun Agarwal: Understood. So, if I put it in a different way, let's say H2 we have ended. So, in H2, what was our average realization per ton?

- Hozefa S. Jawadwala:** In terms of top line?
- Varun Agarwal:** Yes, the sales price per ton or realization per ton?
- Hozefa S. Jawadwala:** Sales price per ton, again, we calculate basis on the RCN level, raw cashew nut input level. So, realization would be in range of INR125 to INR126 per kilo.
- Varun Agarwal:** Okay. And we had some impact of the bad debts which were written off. Going forward, do we also have some write-offs which can happen in FY '26?
- Hozefa S. Jawadwala:** So, if you would have read our prospectus, there was a company called Satpuda Sakhar sugar factory. We had INR7.55 crores in total that was receivable from them. We, during the year close by, we had received INR1.05 crores from them. But since it took that year and we moved forward, till the closure, we could not recover the money. As a prudent norm, we took ourselves saying that, okay, let's take a provision on that amount.
- Varun Agarwal:** No, I'm asking whether we plan to create any further provision this year also?
- Hozefa S. Jawadwala:** We do not expect any provision. From a case perspective, we are very strongly to recover this money back. So, this provision may get reversed as well.
- Varun Agarwal:** Okay. And is there any way where we can do some hedging to protect against this raw material volatility?
- Hozefa S. Jawadwala:** No, there is no electronic hedging available. The way we do it basically is that once we have reached to our base inventory, then we basically continue buying based on how much we sell. So, it's a replacement logic. So, that's the way we work.
- Varun Agarwal:** So, what I understand is whatever inventory loss has happened, that has happened for the base inventory, because above that you are doing back-to-back models.
- Hozefa S. Jawadwala:** Yes, it's an exceptional thing because we have increased -- we are trying to increase 3.5 times.
- Varun Agarwal:** Yes, your base has gone bigger now. And I've understood the debtors part. Going forward, how much is that base inventory which you want to maintain? Any ballpark number?
- Hozefa S. Jawadwala:** Ideally, it will be around 75 to 80 days of production. That will be in between the raw material, the intermediate product and the finished goods. Finished goods, hardly we keep it, but 7 to 10 days. But intermediate is a big inventory, which is WIP kind of a situation.
- Varun Agarwal:** And how much would be our capex spend for this year, FY '26?
- Hozefa S. Jawadwala:** This will be phase two that we have already given, INR12 crores is the estimate.
- Varun Agarwal:** Okay. And how do you see the raw material trend in this year? What is your thinking?
- Hozefa S. Jawadwala:** It is in a corrective trajectory right now. That is the reason why a lot of people have kept their, small timers have kept their factories as closed as well.

- Varun Agarwal:** Do you see that already bottomed out or there can be further downsides?
- Hozefa S. Jawadwala:** Oh no, there can be further downsides. But it may not be very significant now because you are sitting in the month of June and from July, people start buying for festivities.
- Varun Agarwal:** So it is near to bottom, if not bottom.
- Hozefa S. Jawadwala:** Yes.
- Varun Agarwal:** Okay. Just one last question. This drop, which we have seen this year, looking at the last history of 5-10 years, is this level of raw material one of the least or how is it? I mean, I don't -- just an overall perspective.
- Hozefa S. Jawadwala:** I did not get your question.
- Varun Agarwal:** Suppose we leave aside this year, last 5-10 years trend as you've been into this industry, this drop in raw material is one of the steepest drops or this is pretty common every year.
- Hozefa S. Jawadwala:** No, it happens. See, every 5 years you will have something and it is very common for a lot of commodities, be it any food commodity or rather than, forget about any food commodity, but be it any metal or any stuff. It has its trend of uprise and downside thing and this is basically a nature of this commodity as well. So the year when you have -- but you have to understand this is a very different commodity.
- This is a tree nut. A tree is planted and then it gives fruits for next 40 years. So one year, if the tree has not given enough fruits, the next year the situation will not be the same. So it does happen every 4-5 years that a year will come when the tree has not performed to give the same amount of fruits and that's the reason why the demand is more and the supply is less.
- And the year when it normalizes, okay, it corrects to the normal level. And the year when it has a bumper, it will further correct as well. So you will have 3 angles to manage. And as I said previously that we do not try to gaze ourselves as to what is the situation, but we try to remain as near to our selling and the buying to the selling.
- Moderator:** The next question comes from Siddharth Gandhi, an investor. Please go ahead.
- Siddharth Gandhi:** Firstly, congratulations on the commissioning of the plant. My question was regarding again the H2 that we had, right? So the capacity expansion happened -- completed now in May, isn't it? So how were the gross margins impacted because I believe we would do like either the hedging or we would have like pass through mechanisms in place. So aren't we, let's say, hedged because of the commodity prices, a fall or increase? Is that not...?
- Hozefa S. Jawadwala:** So I'll tell you what -- there are two ways of expansion. One is that basically we have extension units. So basically saying that you had a 40 metric ton one line and you now have an entire 100 metric ton new line. There's one way of doing that. The other way of doing that is basically having an amalgamated expansion, which basically says you have changes done in the entire unit and they synchronize each shells.

So you have completely 140 metric ton one line, which is doing an action up to a certain level. And then you have another section which is doing the activities from the next level. We went for an amalgamated approach purely from a longer term perspective because we wanted to get into value-added products and etcetera. And in that situation we were delayed.

Now the delay happened in two stages. The later part of the processing got completed in the month of February and the initial part of the processing, which is the cooking and etcetera, got completed very recently because the earlier part is the first part of the processing, which is the cooking and shelling was not completed.

We were to buy from intermediaries, which is basically processors also and then process it further. And that actually impacts significantly to your margins further that the scale, that size at which we operate, we could not get even processors to provide us with the intermediate product because you are a very significant scale that we operate at.

And add to this that the market, as I said previously, from the March, April, May, even up till June for now, up till 14th of June, some areas have kept the factories shut down because for these small processors, it is not viable in the downward trajectory of the commodity prices.

Siddharth Gandhi: Right. So, even in the H2, we expect like at least half the H2, we will have that same impact that we had in the -- sorry, in the half of the H1, we will have the same impact that we had in the last year H2.

Hozefa S. Jawadwala: So, we would have the impact till May. Yes, we would have some impact till May. But now that we have complete processing available to us, we are in our own trajectory. We don't need to really depend on the intermediaries for now.

Siddharth Gandhi: Got it. Just to sum up, so basically because we had to rely on someone else, we had to incur this additional cost and now the problem seems to have solved.

Hozefa S. Jawadwala: Yes.

Siddharth Gandhi: Okay. One more question. What was the sales price per ton for the first half of 2024? Because you mentioned 125 for the second half, I think.

Hozefa S. Jawadwala: Yes.

Siddharth Gandhi: What was it for the first half, if you can recall?

Hozefa S. Jawadwala: It was around INR98 to INR99.

Siddharth Gandhi: Okay. That is a good jump.

Hozefa S. Jawadwala: Yes.

Siddharth Gandhi: Got it, sir. And I think you mentioned this 12% to 13% margin, that is on the RCN processing.

Hemang Shah: Yes.

- Siddharth Gandhi:** And we also have this trading business. How big do you expect that going forward? So, one is the cashew processing, one is the agro commodity trading, right? What would be the share of that?
- Hozefa S. Jawadwala:** See, trading side of it, we are not into trading per se. The way we do this is purely to keep ourselves aware and to engage in the products that we look at from a future perspective. The future pipeline of the products, food products that we want to go into processing for, they may be on a stand-alone being taken care of or it may have some value of integration with the existing cashew business as well. So, we do not really have a guidance per se on this because we really don't aspire to do too much of trading.
- Moderator:** Your next follow-up question comes from Prabal Jain from SM Holdings.
- Prabal Jain:** I wanted to understand your plans regarding the non-cashew vertical of your site. Cashew, it is fine. You have a good capacity to start doing the work. What about the other vertical you plan on introducing some innovative biofuels, right?
- Hozefa S. Jawadwala:** Yes. As I already said before in the call that we intend to post this range, we intend to start the construction of phase two. We want to expedite this and try to close it in the financial year FY '26 itself. Post the phase two is completed, then we will go for the phase three.
- Prabal Jain:** So, phase three is the phase for which you recently purchased the land I think one month back or so.
- Hozefa S. Jawadwala:** Yes. That's right.
- Prabal Jain:** Okay. And if you can throw some light on the kind of revenue potential we have from this biofuel based on the kind of capacity you are putting in FY '26, how much contribution can we see?
- Hozefa S. Jawadwala:** See, the value-added products will not be a very significant increase in the top line, but what it actually does is it adds a bottom line in a big way. As I said previously, you have to basically look at it as a sprint and a marathon. The same thing that I am trying to tell you right now is something which we need to make our lenders as well understand that when you integrate things is that your working capital cycle goes for a toss.
- Basically, your working capital cycle will increase because you are doing a job of otherwise three or four companies altogether to make it more efficient for you. And that's the opportunity that we are looking at from a scale perspective. Yes, I want to reiterate the fact that the four principles on which we work is that we should be capital efficient, we should be logistically efficient, we should be deeper in the value chain, and we should have preferential access.
- And that's the reason why, three key reasons why these all are so strongly correlated in the strategy for the cashew business that we have, that we need to do this integratively. So, the bottom line is a big number in this case rather than the top line. Again, I would not like to give you a future looking statement, so I can just guide you.

- Prabal Jain:** No issues, sir. I just wanted to understand more on the kind of products you are planning to produce. So, from the cashew kernel waste, you are planning to produce a series of products. So, I mean, are there any incumbent players in India like previously what you were doing? Were you selling off these wastes which you will now be utilizing to some other players? Are there such players?
- Hozefa S. Jawadwala:** Yes, there are. So, a lot of people have a different way of working. Some people do buy the cashew shell, process the oil, that oil is processed further by someone else into their products. But there are some unique that we have. The unique that we have is basically that conversion of that oil into biodiesel and conversion of that deoiled cake into a high-calorific value charcoal. That's our uniqueness.
- From a process perspective, what is unique for us is basically that entire process is done in a single pass. You put input and the output comes out at one straight. You do not have to go through multiple processes or other multiple activities. That's the uniqueness that we have.
- Prabal Jain:** Okay. And so, just along the same lines, if I try to understand, since you will be producing these, previously if you used to waste, you will be producing this now and it's going to be bottom line. We are going to see not immediate -- in the immediate future, but maybe one, two, three years down the line, you are going to see your profit margins expand from here, right?
- Hozefa S. Jawadwala:** Right.
- Prabal Jain:** And this INR12 crores provision which you did last year, you said that we are trying to get it back. How confident you are of recovering this amount in H1?
- Hozefa S. Jawadwala:** It is not INR12 crores. It was INR6.5 crores which is as of March outstanding. See, we are confident purely because we are -- the debtors here have significant assets available in case we have to go for liquidations of the assets. And secondly, that we do not have any ambiguity in our debt.
- It is well acknowledged by the high court as well and by the debtor as well that it needs to be paid. So, there is no ambiguity in our debt outstanding and there is significant assets available with the debtor. It is all about how much the pressure that it gets created on the debtor.
- Prabal Jain:** Okay, noted. One last question. Have you explored any -- since you are going into a waste to fuel recycling and sustainability kind of thing, any EPR credits or any EPR sort of a revenue potential? Do you have potential going down the road?
- Hozefa S. Jawadwala:** Brother, you have hit the low point for me. Honestly, it is unfortunate for us right now that we do not have an active carbon credit market in India. Our entire strategy is about being sustainable. That is basically at the core of us. And if we really evaluate what we are doing and there is availability of carbon credit, it is a very big opportunity for us, honestly. But again, as of now, it doesn't exist.

The government is doing its part in reviving this carbon credit market. We are hopeful that someday we will have this carbon credit market available to us in India. And then, Yes, that is where we will be able to encash the advantage there.

Prabal Jain: Okay, great. And just on the con-call, I heard someone mention about value-added products. So, is there anything like, what kind of VAP products are you looking at, like maybe packaging of cashews only or something else?

Hozefa S. Jawadwala: See, I will tell you. The way we see cashew is not only as the cashew that we know, that we eat. We cover the entire value chain into the four segments that we have, which is the feed, food, fuel, and fertility. Now, each part of the seed has to be covered under different, different aspects. Now, let's say we talk only about cashew on a food side of it. So, we are already processing cashews right now.

We are looking at -- you already probably have seen flavored cashews in the market. That is also available. But we are going for value-added products like a choco spread, like a kind of a milkmaid, which is, all these products are basically vegan. And the vegan is increasingly the way people are consuming it and making it more healthier as well. So, for people like lactose intolerance guys, allowing them to really have that in a healthy form. So, these are products which are under pipeline.

It should be soon launched. What kind of market we will be able to capture right now, it is too early for us to give you any kind of an understanding on that. Because it is basically the initial steps, because we are the ones which basically are the first movers.

Moderator: The next question comes from Dinesh Kulkarni from Finsight.

Dinesh Kulkarni: Actually, I joined a few minutes late, so I missed it because you might have already discussed this. I know currently a lot of things are happening in the company and projects and stuff like that. Will it be possible for you to give like three years from now, where do you see in terms of revenue, margins and capex for the company, like with the current projection pipeline?

Hozefa S. Jawadwala: See, honestly, again, guidance is something which right now or rather number is something which right now I would not like to give. But for the next three years, our focus is not going to be beyond adding value-added activities. The phase one, which we have already informed about is commissioned. We are going to continue to process that phase one.

The year of FY '26 will be about completion of phase two of the project, which is about the first level of extraction of oil. And then the phase three, which is about value-added biofuel and charcoal. So it will be like three years. Our focus is not about making it too much of top line, but to be a very healthy margin player. That is the key focus.

Dinesh Kulkarni: Yes, because I see the reason for asking this question is, if you compare it with last year and the current year, there is no revenue I can see from rice and other commodities, agro-commodities. It is literally zero. So definitely you have taken a diversion into the growth, which you believe

coming up in the next few years. So how do we see as an investor where the company will be? What's your expectation from these new projects? Maybe you can give some...?

Hozefa S. Jawadwala: So I told you that the trading is about a future pipeline and we see that from a continuous growth perspective. You know, it is something beyond three years, for sure, that we look at all these commodities, food commodities again, that we would be entering into after we complete the cashew value chain.

And as I have already mentioned, for the next three years, we do not see again any kind of capital raising activities and all this stuff, purely because we are confident enough of the internal accruals able to meet all the capex requirements. So to answer your question and again in a repetitive form is that the trading activities only after the three years that we could say, okay, this is a product which the next value chain will be from.

Dinesh Kulkarni: Okay, sounds good. So are you seeing any competition coming up in the cashew segment?

Hozefa S. Jawadwala: See, it is a very -- I would say, there are more than 2,500 processors in India who process cashew, okay. Whether you can become a competition or not, we really don't know. But we do have players who are in a range of 50 to even 140 metric tons capacity.

Now, tomorrow, if that person really wants to raise the capacity, will it be in a direct competition? Probably no, because we do not have a significant -- we are not even a big market share player. At our capacity, we would be less than 3% of the market share.

And if we really want to aspire, we basically rather increase our market share than getting into a competition mode. And again, each one will need to look at how really it competes. We look at a deeper value chain with innovative products and well-researched and developed value-added streams.

So as I said, again, if you have a deep margin, then probably you may end up playing the competition games as well. But again, I don't see that really happening, because it has not happened for the last 15-20 years. We never know that it will never happen, okay.

Moderator: Our next question comes from the line of Sahil Raj from Samriddha Capital Ventures.

Sahil Raj: Sir, I wanted to ask whether the company and its officials have any internal discussions to maybe release quarterly updates or one-page summary?

Hozefa S. Jawadwala: We are striving towards engaging with the investors on a much frequent interval, honestly. As of now, the quarterly updates is under consideration. We haven't finalized it.

Sahil Raj: Okay, sir. And the banks that you have mentioned are ready to provide you working capital limits. So at what rates are those limits? Are those favorable to us than earlier times or maybe something in between?

- Hozefa S. Jawadwala:** Yes, it is favorable, definitely, because now, since last one year, we have been listed. We are well capitalized. We have significantly increased our assets. So definitely, the bank appreciates that fact and the rates are also favorable.
- Sahil Raj:** Anything on the current limits, working capital limits that the banks have sanctioned?
- Hozefa S. Jawadwala:** It is sufficient enough for us to look at FY '26 entire working capital requirement. That is already something which I have already communicated. Just to give you again back, we have a pool of multinational banks with us as well as top-class private lenders in India. We are also -- you can see our debt profile from CRISIL as well. We are already rated as BBB stable.
- Moderator:** Next question comes from Nikesh Staria, an investor.
- Nikesh Staria:** The realizations, did you say the realization of 125 to 127 per ton, is that correct?
- Hozefa S. Jawadwala:** Yes, that is for H2.
- Nikesh Staria:** Okay.
- Moderator:** Nikesh, do you have any further questions?
- Nikesh Staria:** Yes, I am speaking.
- Moderator:** I am really sorry to interrupt. We were losing your audio. Could you please repeat your question?
- Nikesh Staria:** Hello. Am I audible now?
- Moderator:** Yes, sir. Please go ahead. Nikesh, we are not able to hear you.
- Nikesh Staria:** Hello?
- Moderator:** Yes, sir.
- Nikesh Staria:** Assuming our margins normalized on an FY '24 base and our capacities are also going up by 3x, 3.5x. So, theoretically, can our bottom line also go up by that much?
- Hozefa S. Jawadwala:** It is, again, on the capacity utilization basis that we make margins. So, I am not sure how are you looking at the bottom line per se. If we are definitely having our additional capacity at 3.5x, yes, we will have an absolute value of profitability that will also be in a similar trajectory.
- Moderator:** Our next question comes from the line of Maitri Shah from Sapphire Capital. Please go ahead.
- Maitri Shah:** So, just one clarification. One of the previous participants asked you if we could have operating profits around INR6.5 crores to INR7 crores. Is that what I heard right?
- Hozefa S. Jawadwala:** No. I don't know exactly your question.

- Maitri Shah:** So, I think a previous participant mentioned that we will have operating profits in the range of INR6.5 crores to INR7 crores. Is that for FY '26? Could we take that assumption?
- Hozefa S. Jawadwala:** See, again, I will not like to comment on that number per se, but the trajectory as is worked out is right because he worked out the top line as well as on the percentage basis, the bottom line. So, the trajectory is on the right levels.
- Maitri Shah:** Okay. And our trading business will have around the same contribution to the revenue or will it go a bit lower from now?
- Hozefa S. Jawadwala:** No. Percentage-wise, it won't be the same. We do not intend to really do trading activity. It is, as I said again, it is only to be engaged in the activities where we are in future looking to enter into the food processing side of it.
- Maitri Shah:** Okay. So, it will go down to maybe like 10% to 15%.
- Hozefa S. Jawadwala:** Yes.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to Mr. Sahil Patil for closing comments.
- Sahil Patil:** Thank you, everyone, for joining the conference call of Aelean Commodities Limited. If you have any queries, please feel free to write to us at info@akmiladvisors.com. Once again, thank you all for joining the call.
- Moderator:** Thank you. On behalf of AKMIL Strategic Advisors, that concludes this conference. Thank you for joining us. You may now disconnect your lines.
- Hozefa S. Jawadwala:** Thank you.