Aelea Commodities Limited
CIN : L51909MH2018PLC316782
Formerly Known as Aelea Commodities Private Limited

27th October, 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, 24th October, 2025 at 04:00 PM.**

Dear Sir/Madam,

In continuation of our earlier letter dated 24th October, 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, 24th October, 2025 at 04:00 P.M. to discussed the Unaudited (Standalone & Consolidated) Financial Results of the Company for the Half Year ended on 30th September, 2025.

Kindly acknowledge and take the same on records.

Thanking you,

Yours' Faithfully,

**FOR AELEA COMMODITIES LIMITED**

DEVYANI FENIL VANAPARIYA
Digitally signed by DEVYANI FENIL VANAPARIYA
Date: 2025.10.27 11:38:25 +05'30'

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**DEVYANI FENIL VANAPARIYA**

Company Secretary & Compliance Officer

# "Aelea Commodities Limited

# H1 FY '26 Earnings Conference Call"

# October 24, 2025

**MANAGEMENT:** **MR. HOZEFA S. JAWADWALA – CHAIRMAN AND MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – AELEA COMMODITIES LIMITED**
**MR. ASHOK PATEL – CHIEF FINANCIAL OFFICER AND WHOLE-TIME DIRECTOR – AELEA COMMODITIES LIMITED**
**MR. SATYANARAYAN PATRO – CHIEF COMMERCIAL OFFICER AND WHOLE-TIME DIRECTOR – AELEA COMMODITIES LIMITED**
**MS. DEVYANI VANAPARIYA – COMPANY SECRETARY – AELEA COMMODITIES LIMITED**

**HOST:** **MR. RAJDEEP PATIL – AKMIL STRATEGIC ADVISORS**

**Moderator:** Ladies and gentlemen, good day and welcome to the Aelea Commodities Limited H1-FY26 Earnings Conference Call hosted by AKMIL Strategic Advisors Pvt. Ltd. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded. I will now hand the conference over to Mr. Rajdeep Patil from AKMIL Strategic Advisors Pvt. Ltd. for opening remarks. Thank you and over to you, Rajdeep.

**Rajdeep Patil:** Thank you. Thank you, Ryan. Good evening, everyone. I'm Rajdeep Patil, and on behalf of AKMIL Strategic Advisors, I welcome you all for H1-FY26 Earnings Conference Call of Aelea Commodities Limited. Today, we are joined by Mr. Hozefa Jawadwala, Chairman and Managing Director and CEO, Mr. Ashok, Chief Financial Officer and Whole-Time Director, Mr. Satyanarayan, Chief Commercial Officer and Whole-Time Director, and Ms. Devyani, Company Secretary. They will share insights on company's financial performance, key operational highlights, and strategic outlook for coming periods.

So, without further delay, I would like to hand over the call to Ms. Devyani. Over to you, ma'am.

**Devyani Vanapariya:** Good evening, everyone. It gives me great pleasure to welcome all of you to Aelea Commodities Limited Earnings Call for the first half of FY26. The first half of this financial year has been a period of strong execution, operational consolidation, and purposeful growth for Aelea. Our focus remains firmly on optimizing capacity, deepening sourcing network, and achieving our integration across the food, fuel, feed, and fertility verticals, and this has translated into robust financial and operational performance.

H1-FY26 Financial Highlights on a Stand-Alone Basis, Revenue from operations stood at INR17,362.08 lakhs, a 110.64% growth year-on-year compared to INR8,242.70 lakhs in H1-FY25. EBITDA increased by 99.76% year-on-year to INR1,538.30 lakhs compared to INR770.08 lakhs in the previous year. EBITDA margins stood at 8.86% demonstrating improved operating leverage and cost efficiency.

PAT more than doubled to INR883.71 lakhs, an increase of 134.65% year-on-year with a PAT margin of 5.09% as against 376.60 lakhs and 4.57% margin in H1-FY25. Earnings per share rose to INR4.34 marking a 98.17% year-on-year increase. On a consolidated basis, revenue from operations was INR17,369.28 lakhs reflecting a 97.96% growth compared to INR8,774.03 lakhs in H1-FY25.

EBITDA improved to INR1,524.83 lakhs with an EBITDA margin of 8.78% up from INR 953.89 lakhs in the prior period. PAT stood at INR870.21 lakhs, an increase from INR558.05 lakhs in H1-FY25 translating to a PAT margin of 5.01% and EPS of INR4.27. This strong financial performance underscored our ability to scale efficiently and maintaining disciplined cost structure and improving profitability across operations.

Operation and strategic progress. Operationally, the highlight of the year has been successful commissioning and ramp-up of our unit 2 in Surat with a processing capacity of 140 metric tons per day. The unit spread across 238,454 square feet is fully automated and designed for high efficiency and superior quality output.

This expansion has enabled India to handle larger volume, strengthen supply reliability and support the growing demand across both domestic and export markets. In addition, we have acquired industrial land for unit 3 at Vasaravi, Surat, Gujarat spanning 412,164 square feet which will be the cornerstone of our next phase of growth. This facility will integrate renewable energy generation and expand our by-product processing and manufacturing capabilities reinforcing India's focus on sustainability and circular value creation.

Strategic roadmap building an integrated value chain. Our multi-phase strategic roadmap continues to progress as planned. Phase 1 expansion of cashew processing capacity to 140 metric tons per day successfully completed and operational.

Phase 2 development of cashew nuts and liquids CNSL means oil processing now in advanced preparatory stages with construction expected to resume post-mortem. Phase 3 conversion of CNSL and real cake into high value products such as cardinal and activated carbon. This will strengthen our position in value-added segment and align with our vision of sustainable waste to wealth manufacturing.

These phases are designed to create a fully integrated and sustainable agri-value ecosystem enhancing both profitability and resilience. Business mix and market momentum. In FY25 cashew processing contributed INR 12,228.17 lakhs representing 73.70 percentage of our total standalone revenue while commodities trading contributed INR4,363 lakhs accounting for 26.30 percentage.

Within cashew our branded and value-added portfolio under tribal and supreme continues to strengthen its presence in both B2B and retail markets supported by consistent quality, strong sourcing and customer trust. We also continue to defend our direct RCN sourcing network across several African countries ensuring secure raw material access and cost stability. Additionally we purchase RCN from Indian MNCs located at various ports in India.

Sustainability and governance. Sustainability remains the cornerstone of India's business philosophy from responsible sourcing and efficient energy utilization to by-product conversion into biofuel and activated carbon. Every initiative is aligned with our commitment to a greener and more efficient operation.

Our BSE SME listing on 22nd July 2024 was defining milestone, it strengthened our governance framework, enhanced transparency and aligned our journey with broader investor base. Post listing our focus remain on scalable growth, capital discipline and internal accrual driver expansion outlook. As we move into the second half of FY26 we expect to maintain the strong growth strategy established in first half.

Our priorities will remain centred on achieving full operation efficiency at unit 2, advancing the construction and commissioning of CNSL-based oil production under phase 2 and expanding our portfolio of high margin value-added products. With solid fundamentals, strong execution capabilities and clear sustainability vision, Aelea Commodities Limited is well positioned to evolve into diversified, green and globally competitive agri-value enterprise. Thank you everyone for your time, continued trust and support.

We are happy to take any questions you may have and open the Q&A session with that. I would now like to hand it over to Mr. Hozefa Jawadwala, the Managing Director and Chairman of the company. Over to you sir and open the floor for the discussion.

**Hozefa Jawadwala:** Thank you, Devyani. I would not waste much time and look forward to questions if any on the H1 results.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question and answer session. The first question comes from the line of Jai Chauhan from Trinetra Asset Managers. Please go ahead.

**Jai Chauhan:** So, my first question is like what was the current capacity utilization for H1 and what are we aiming for the whole year?

**Hozefa Jawadwala:** So, as you may be aware that we actually in the H1 operated at the full capacity only for the 3.5 months. The first two months typically was something that went like the way the last half of the HY FY '25 happened. And so basically, we could not completely utilize the capacity for the entire six months. However, as we say, we are right now utilizing at full capacity. So the next six months will be at full capacity of 140 metric tons.

**Jai Chauhan:** Got it sir. And when you say full capacity, do you mean that we would like, do we have a specific revenue targets -- when you say this or volume targets?

**Hozefa Jawadwala:** Yes, we can always tell you that we are at 140 metric ton per day of working day. Now you need to take into account some kind of holidays, which are basically the weekend, the official government holidays, plus some kind of local holidays. So that exactly will give us exactly the working days and into the capacity.

The top line that you basically are looking forward is a formula-based stuff. Basically, you have to look into the pricing as well, at what price you are able to buy and sell. So, we can tell you that, yes, we will be at full capacity, but it all depends on the commodity prices, the quality that we buy and the way the price behaves.

**Jai Chauhan:** Got it sir. So basically, volume wise you have maxed out, and we could see similar numbers volume wise for H2 as well and the revenue will depend on pricing mainly?

**Hozefa Jawadwala:** Yes. So, as I said to you that we actually were able to run the capacity only for 3.5 months in this first half year.

**Jai Chauhan:** Got it sir, got it. And so my second question is, you mentioned that you procure RCN on order of visibility, and you do it before every order and hence you don't have gross margin risk and so like how does it work sir? Do you contact suppliers or for spot prices and then you put your margins which is faked and pre-decided and quoted to your buyers?

**Hozefa Jawadwala:** No, it's a continuous activity. It's a continuous activity. But what we do have is called a logic replacement of inventory. We run with a significant inventory which is almost 80-90 days of our total requirements and as and when we keep getting orders, typically we keep selling it and on a daily basis we keep buying it. So, you can be basically we are always there in the market buying as well as selling both the sides.

**Jai Chauhan:** Got it sir. So basically, like your margins are fixed only right and pre-decided and it is cost…

**Hozefa Jawadwala:** More or less, yes.

**Moderator:** Thank you. The next question comes from the line of Jeet Gala from Centra Insights LLP. Please go ahead.

**Jeet Gala:** Yes. Sir, so what we understood I think from the previous con-calls is that the company has almost reduced its trading volumes, right? Or can we continue to expect trading volumes even going into the future? Because what I assume is today we are still doing some 25% is still trading, right? Out of INR173 crores that we did.

**Hozefa Jawadwala:** FY '26 we do not have any trading business. What Devyani reported was comparison between first half of FY '25 and first half of FY '26. In '26, we do not have any trading volumes.

**Jeet Gala:** Understood. So the entire INR173 crores is processing, right?

**Hozefa Jawadwala:** Yes.

**Jeet Gala:** And so, like you said, the revised capacity were there only for three and a half months. So looking at the run rate, we've done INR175 crores. But going into second half, earlier you were guiding for INR400 crores. But looking at this INR100 crores, I think we should be able to well achieve and go beyond INR400 crores. So, what would be your guidance for FY '26 full year on the top line?

**Hozefa Jawadwala:** So typically, we should be more than doubling up what the revenue we have posted. But I would not like to give any kind of fixed number purely because it's a commodity. The prices, if tomorrow doubles up, the top line will double up very easily.

**Jeet Gala:** Understood. Okay. Sir, is it possible to share tonnage data? I mean, what volumes you processed? I mean, in terms of tons, I mean, we know 140, yes…

**Hozefa Jawadwala:** Yes, more or less. See, it's a very complex stuff. Because, for the first two months, we were operating only a part capacity of the business. And the later we came up, we ramped up for the full capacity. So effectively, if you can say, making it much more easy to understand, it's like 3.5 months at full capacity that you can consider.

**Jeet Gala:** No, no. Sir that I understood. But just on an absolute basis, if you can just provide us with the volume, I mean, that you've processed in first half, I mean, whatever that number be?

**Hozefa Jawadwala:** I mean, that we can, that definitely we can give you, you can send an email to Devyani, she can reply back to you.

**Jeet Gala:** Okay, perfect. And so can you explain, like you said, most of the buying is back-to-back hedged, and still, we are seeing some sort of volatility, even in gross margins. So how does that come into play? Because last year, H1, we did some 20% gross margins. Right now, we're doing some 15% gross margins. So, if you're back-to-back fully hedged, I mean, how do we get it to our gross margins?

**Hozefa Jawadwala:** It is not that way that your margins will not have some movement. It will happen in a moment, because let's say you are buying a three-day stock at once, and you're selling a three-day stock probably at once, then you have a risk of plus minus three days, right? So that kind of a risk is still there.

At the same time, not every, it's a natural product, not everything will give you exactly the same output, what you go there. So, there will be a variation of the output as well in the processing. It's a natural product.

So, you can't really put a very specific number. At the same time, in percentage terms, calculation of margins is not a very right number. If tomorrow the price, let's say half, then this same margin may, in a percentage, double up. So that's something which you could see my previous calls also, that you can't just have a percentage fixed.

**Jeet Gala:** So then, is it possible to introduce some other metrics, like something like EBITDA per ton or something of that sort, if we are only talking about absolute, right?

**Hozefa Jawadwala:** At some numbers, be very honest, some numbers we would not like to disclose it very openly, because of the trade confidentiality. It goes to the competitors as well, when it is open, simply. So, price working out mechanism is very easy for them. But yes, what I have explained to you is more or less that you can expect around 12% to 13% on an average EBITDA.

**Jeet Gala:** Understood. And so usually our business is first half heavy, right? I mean, given festivities come around October, November?

**Hozefa Jawadwala:** Last year was an exception. Last year was an exception. It is usually the other way around. It is the second half, which is heavy.

**Jeet Gala:** Okay. So is EBITDA margin of 8.8? Yes, sorry…

**Hozefa Jawadwala:** You have the Diwali season, you have the wedding season, you have summers, which requires a lot of ice creams and everything. So, it's the second half typically, which is heavy.

**Jeet Gala:** Understood. Sir, in the first half, we did some 8.8% EBITDA, right? And annually you are guiding for 12%. So, what kind of numbers can we expect in the second half? I mean, 13%, 14% is possible or we can expect?

**Hozefa Jawadwala:** No, no. So, the H1, basically, when you are looking at H1, it does not give you a breakup of the first two months and the balance four months.

**Jeet Gala:** Understood.

**Hozefa Jawadwala:** Yes. So the first two months would have been a negative numbers on EBITDA level, in line with what we saw in the second half of FY '25.

**Jeet Gala:** Okay. So what we are trying to say is second half will cover up for operating leverage also, right? I mean, the bigger facility with higher utilization and seasonally second half being a stronger half?

**Hozefa Jawadwala:** Yes.

**Jeet Gala:** Okay. But still on an annual basis, can we still continue to expect 11%-12% EBITDA for the entire year or that will be too stretched?

**Hozefa Jawadwala:** Yes, we can.

**Jeet Gala:** Okay. And so what is the capex, planned capex for, I mean, what kind of capex you have done in first half and what is the planned capex for the balance year?

**Hozefa Jawadwala:** So we completed the capex that was intended for the Phase 1 in the month of May. Soon after that, you had a rain coming in. We have now embarked upon the Phase 2, which is the CNSL stuff. As I have already mentioned previously that we may complete that before end of the year, FY '26 or maximum in a month in FY '27.

We have also placed orders for the solar plants, which is around 4 megawatt capacity. And that should also see a similar completion timelines. So that will also come up at the same time. You know, overall processing cost, roughly 25% of that, 25% to 27% of that is power. So solar really strategically also from a cost perspective suits us. At the same time, it aligns ourselves with the sustainability targets that we have benchmarked internally for ourselves.

**Jeet Gala:** Understood. Okay. So that's it from my side. Thank you. And I'll just connect with Devyani for a few data points.

**Hozefa Jawadwala:** Sure.

**Moderator:** Thank you. The next question comes from the line of Kaushal Sharma from Equinox Capital Ventures Private Limited. Please go ahead.

**Kaushal Sharma:** Hi, sir. Actually, my question has been answered. So thank you very much.

**Hozefa Jawadwala:** Thank you, Kaushal.

**Moderator:** Thank you. We take the next question from the line of Shiv Mattoo, who is an Individual Investor. Please go ahead.

**Shiv Mattoo:** See, based on the discussion in this call, I would think that, you know, within H1, there is a Q1 and Q2. Obviously, you announce altogether H1, but Q1 would be to the region of, because it was running at a 40 MTPD capacity at that time in Q1. So it would be about INR50 crores. And the second quarter would be more like INR120 crores. Would that be aligned with how, the revenues would have shown up in your numbers?

**Hozefa Jawadwala:** See, the top line, from a top line perspective, more or less, yes, from a top line perspective. But from a bottom line perspective, there is a big…

**Shiv Mattoo:** I know you suggested that I think Q1 was maybe negative and aligned with H2 of last year. And so all the EBITDA and slightly higher than that would be the EBITDA of the Q2 within the H1?

**Hozefa Jawadwala:** Yes.

**Shiv Mattoo:** Yes. So I think that is something. And what would be the next, obviously, you would be doing maybe INR40 crores of revenues every month, that top line, I mean, top line. And so going forward, I would imagine, I think H2 would be maybe slightly better as you're suggesting that, H2 is better than H1 and more demand. And therefore, H2, maybe I think you would be -- and you earlier suggested that as you expand capacity and operationalize it, the utilization will be very quick because there is latent demand?

**Hozefa Jawadwala:** Yes.

**Shiv Mattoo:** So you would be coming close to optimal capacity utilization as well?

**Hozefa Jawadwala:** We have already achieved the optimal capacity. We have been operating that for now almost 3 months, 3.5 months. And…

**Shiv Mattoo:** So there is always latent demand, as you suggested. And so therefore, what you make, you can sell quickly?

**Hozefa Jawadwala:** Yes. The demand increases. So there is a slightly a premium to the lower grades that starts coming in. And that reflects in your bottom line.

**Shiv Mattoo:** Yes. I think you earlier indicated that value-added products will be a higher percentage of your output? And so that being the case, what would be the next trigger for you in the sense that I think you are looking at the next phase of expansion possibly, I think, the further…

**Hozefa Jawadwala:** What is already known to -- Shiv, what is already known to people is the fact that, we are already looking at Phase 2, which is the oil segment. The other unit 3, which is purely the solar part of it. And Phase 3 is immediately after Phase 2 for the processing of the oil and biochar.

Now, that is the planned stuff. What is the key difference that we have done is, which was already known to public is that we have formed a subsidiary, 100% subsidiary named as Aelea Green Energy.

That company would be taking care of the entire ecosystem in a different way. The sustainability certification part of it really adds to a premium to this oil and biochar, especially from the export market perspective where the certification helps us extract a better price from the European market where carbon credits are traded and everything.

Further, it allows us to slightly dealing the more capex-oriented growth that we are looking from the cashew side of it and also tap in the sustainability energy side of it with Aelea Green Energy entering into this independently in the different market sites.

**Shiv Mattoo:** So, the export constitution of the revenues will increase going forward is what you expect?

**Hozefa Jawadwala:** Yes. The revenue more than -- see, we are not never a company that looks towards top line as a…

**Shiv Mattoo:** I know.

**Hozefa Jawadwala:** But we are very focused on our balance sheet as well as our bottom lines. So, that is our most -- our story is more in the balance sheet rather than in the bottom lines in the P&L.

**Shiv Mattoo:** Got it. So, and how does the solar stack up for you in terms of how much do you -- have you put that out in the public domain as well in terms of how much you invest in solar and what are the cost savings that will come to you as a result of that?

**Hozefa Jawadwala:** So, around processing, 27% I could say. 27% is the power bill that we pay…

**Shiv Mattoo:** 27% of what amount?

**Hozefa Jawadwala:** Of the processing cost is the power bill.

**Shiv Mattoo:** Okay.

**Hozefa Jawadwala:** And as a thumb rule, typically the power that you have from a captive solar is almost at 30%-35% of the grid power. So, that significantly makes economics for us. Further, it also helps us in getting the sustainability certifications that we need on this whole cash flow as well as energy side of it. And internally, more importantly that internally we are focused on keeping that as one of the core principles in which we work.

**Shiv Mattoo:** Okay. Got it. So, I think it -- so, the payback goes beyond just the numbers. I think it also expands the business for you.

**Hozefa Jawadwala:** Yes.

**Shiv Mattoo:** Okay. And what are the financial payback in terms of number of years that you can indicate? I think do you get some subsidies from the government also for…

**Hozefa Jawadwala:** For the commercial side of it, there is no subsidies from the government side. But it has its payback which is typically around an IRR of 27%, 28%.

**Shiv Mattoo:** Okay plus positive implications for the business is what you are saying?

**Hozefa Jawadwala:** Absolutely. That is something which you have to measure ourselves.

**Shiv Mattoo:** Yes. Thanks. Okay, I am done with this. Thanks.

**Moderator:** Thank you. We take the next question from the line of Meet Mehta who is an Individual Investor. Please go ahead.

**Meet Mehta:** Good evening. So, the INR5 crores differential in the previous H1 is mainly because of the trading numbers or how should we look into it?

**Hozefa Jawadwala:** INR5 crores basically PBT.

**Meet Mehta:** No in the top line because in this H1, we have similar numbers for consolidated and standalone numbers?

**Hozefa Jawadwala:** Yes. So, because the trading activity was there in H1 FY25 and consolidated. So, that is the reason. Yes, absolutely right.

**Meet Mehta:** Thank you so much.

**Moderator:** Thank you. We take the next question from the line of Suresh Kumar who is an Individual Investor. Please go ahead.

**Suresh Kumar:** Sir, good evening. First, I want to congratulate the company for having achieved good financial numbers. Especially, you have come out of negative EBITDA compared to the last financial year end. Sir, now having achieved this full capacity utilization that 140 cents per annum.

As per my understanding, I think company can do a minimum sale of INR40 crores per month. So, it is expected that for the next 6 months, you can achieve minimum INR250 crores of turnover and with an operating profit margin of around 12, I think I can expect an operating profit of around INR30 crores for the next half year. Is it correct sir approximately?

**Hozefa Jawadwala:** Yes. So, your workings are absolutely right. But as I said you have to take into account commodity. We cannot tell you the prices of commodity will remain same today or tomorrow. That is not in our hands. So, otherwise, your workings are pretty much on the line target.

**Suresh Kumar:** What is the commodity, this cashew price trend for the last 2 years and what it is expected for the next year, as per your view? Can you give a brief understanding?

**Hozefa Jawadwala:** So, from a cashew perspective these prices since last 12 months has been getting -- is in a downward trajectory. The pace has significantly reduced in the trajectory. It was at a significant pace in the last quarter of the previous year and the impact has now slowed down. But that is how this commodity is. We do not try to speculate on that.

And we tend to remain on a back-to-back basis because food and everything is very critical for a lot of countries, and we have to be sensitive about that pricing as well. Now, if you purely see from a demand supply perspective, for the next 12 months I can say that there is a significant crop that has been added in the last 1.5 years, 2 years into the market.

And that would keep the pressure on the prices to rise from here. Now, that is in a way good from a consumption perspective because whatever replacement can happen of cashew will never happen. For example, I will give you this. If sweets are supposed to be made, then the amount of milk-based sweets would not be so much compared to cashew-based sweets.

The usage of cashew in ice creams will also will not get replaced and the usage of cashew as a snack compared to any other dry food, which is almonds or walnuts or pistachios will also not get replaced because it is in a more or less tight price trajectory. And that is beneficial from a consumption perspective and especially from a country like us, where we are price sensitive. So, from a growth perspective, from a consumption perspective, this is a good time to be there.

**Suresh Kumar:** Okay. Sir, compared to March 2025, your borrowings also have come down by INR12 crores. So, that also gives the benefit of some INR3 crores -- of around INR3 crores to INR5 crores of interest benefit to operating profit?

**Hozefa Jawadwala:** So, yes, borrowings have reduced that is purely from a -- rather than only borrowing from a financial interest perspective, it is actually a very long commitment and trust that our supplier shows in us. It allows us to increase our capacity without having any working capital constraints and that helps us far more than only the finance cost.

To be very honest, no one gives you anything for free. If the finance cost is borne by them, then they would be looking at a slightly better margin, but the fact that it is available to you allows you to increase your capacities without having to worry about the working capital requirements.

**Suresh Kumar:** Okay, Sir, my final question. Sir, in September 2025, that tax percentage is a little higher side from 30 percentage compared to previous quarters. Why is this?

**Hozefa Jawadwala:** Sir, that is basically calculated on the kind of revenues that we are drawing from and kind of deferred tax liabilities and everything that we have. Finally, the final percentage will depend on the year-end closing. So, this is something that the auditors are tax authorities have been taking into account.

**Suresh Kumar:** Okay, sir. And with the commencement of Unit 3 in the next financial year, with renewable energy and all, I think profitability and operating margin, I think it is expected to increase. Correct, sir?

**Hozefa Jawadwala:** Certainly, our power bill reduces, definitely.

**Suresh Kumar:** Okay. Thank you, sir.

**Moderator:** Thank you. The next question comes from the line of Jeet Gala from Centra Insights LLP. Please go ahead.

**Jeet Gala:** Yes. Sir, can you just, I mean, briefly explain what is the input and output ratio? I mean, so, for example, if you process 1 ton of raw cashew nuts, I mean, what kind of cashew nuts come out, what kind of oil can come out and what kind of cake can come out, just to understand in the next term?

**Hozefa Jawadwala:** I am giving a very general thumb rule. It will vary, but I am just giving a general thumb rule. The general thumb rule is that you will have roughly 100 kgs of raw cashew nuts going in. You will have 70 kgs of cashew shell and 30 kgs of cashew with the skin. Of that skin will be 7 kgs and typically you will get 23 kgs as your edible cashew. From the 70 kgs of the shell that you have got, typically the oil would be around 22%, which is 14.4 kgs from a raw cashew nuts equivalent. And the balance would be de-oiled cake.

**Jeet Gala:** Balance is out of 70 kgs, right?

**Hozefa Jawadwala:** Yes, out of 70 kgs. So, 70 minus 14.4 and the de-oiled cake would then have roughly 7% to 8% oil in it, which can also be extracted. And you can have charcoal, which will be roughly 50% to 55% by weight. It depends on the thermal application, how much time it takes, how much treatment that you put it to.

**Jeet Gala:** Understood. And then right now, what do we do? I mean, so beyond raw cashew nut processing, whatever we are left with, what do we do with that?

**Hozefa Jawadwala:** That is sold out right now.

**Jeet Gala:** Okay. So, the entire shell is sold out?

**Hozefa Jawadwala:** Yes. Okay.

**Jeet Gala:** And probably another 7 kgs of skin that comes out from cashew nut.

**Hozefa Jawadwala:** Yes

**Jeet Gala:** Okay. What are the NSRs over there, sir, broadly?

**Hozefa Jawadwala:** See, those are typically taken into account as a scrap sales. And the margins are calculated basis, the net of that.

**Jeet Gala:** Okay. Alright. And then secondly, are we facing any pricing pressure right now, given the prices are on the downward trajectory, probably demand may not be as strong as it was 12 months back. So, how are we managing our pricing?

**Hozefa Jawadwala:** Pricing pressure, we would not say pricing pressure that is there, purely because consumption still exists. And it is a growing phase of consumption. So, every year you see around 6% to 7% growth in the consumption. What yes, we can always say is that, that you have a significant scale that has increased for us. And that requires additional efforts. Fortunately for us, these additional efforts were well planned.

The delay also allowed us to further strengthen our efforts in that direction. So, we have not seen that issue as of now. We cannot say that we will not have this issue if everybody starts doing a cutthroat competition. But even at the cutthroat competition, we have significant margins compared to industry average. So, we are at the cheapest level of processors. And that allows us to stay afloat irrespective.

**Jeet Gala:** Understood. And sir, if you want to track cashew nut prices, I mean, where do we look at it, sir? Online, if you can, you know, suggest us where to look.

**Hozefa Jawadwala:** See, there is a big challenge with variations because this is a natural product. It does not have a very standard pricing. It is like you have a quality, you have a moisture, you have which origin from, you have nut count. There are multiple factors that get into the pricing. And each variation can change the price of that cargo. So, it is a very dynamicness. It cannot be standardized. That's the reason you cannot…

**Jeet Gala:** Is it possible to share from your side some benchmark cashew nut pricing chart for the last three to five years? We do not want the rates that you do business at, but generally just to understand where the pricing really lies. I mean, just to…

**Hozefa Jawadwala:** I can just share with you one kind of a great quality price. But it will be very difficult for you to give a benchmarking of it. You know, sometimes, for example, let us say I give you the best quality price. And in a year where the best quality is significantly bumper, that time the prices may reflect slightly negative bias. And in a year when it is the average quality is being produced, for the best quality, you may see a better premium being given. So, it is not something which is very easy to benchmark.

**Jeet Gala:** Understood. So, just on a ballpark, I mean, how much has the prices corrected in the last 12 months on percentage term?

**Hozefa Jawadwala:** On a ballpark basis, it has corrected by roughly 17% to 18%.

**Jeet Gala:** Understood. And so, can you tell us more about competition? Because what we have understood is that most of the processors, they are based out of south of India, right? So, I mean, is 140 tons per day the kind of unit that we have is one of the largest? I mean, if you can just throw some light on the kind of facility we have versus what the peers are doing.

**Hozefa Jawadwala:** See, we have roughly around 2,000 processors in India. They are spread across now in India. Predominantly, yes, those people who have started processing 20-25 years back will all be in south because that is where our crop used to be. We have a lot of processors in Maharashtra as well. And then we have the new crop regions like Odisha and West Bengal. We have crops there.

But since it became an imported, we predominantly have an imported crop, which accounts to more than 60%, 60%-65% of our consumption. The last 10 years, I have seen a lot of facilities coming in the western Indian side. And there are facilities up till Haryana as well. You know, you have a cashew processor even in Haryana.

Now, but because, there are 2,000 cashew processors and they are typically ones which are less than 10 tons, 95% of them would be less than 10 tons per day capacity. Their mechanization levels are not up to the levels that we have. Their ability to buy and scale, get the economies of scale is not up to the levels that we have.

And they cannot employ people with significant expertise in one segment. That's the key issue for them. Because it is more or less an individual driven, individual knowledge driven up to that level. Now, that is the biggest differentiator for us. So if you can compare it with what has happened in Vietnam over the last 30 years in the cashew industry, you can see that, you know, they have consolidated because the scale could only make you survive.

And if you go back to our previous calls, you would have noted me saying this as well that, you know, some of these cashew processors were not processing until the festive seasons kicked in. And most likely, post the festive seasons, may again stop processing because they are not viable. Their costs are super high vis-a-vis our scale kind of a thing.

Now, we do not have a comparison of our scale because we are the only one with the unique advantages of being in Western India at the same time being at such a larger scale. And that is the…

**Jeet Gala:** Hello

**Moderator:** Ladies and gentlemen, we have lost the line of the management. Please stay connected while I reconnect the management. Ladies and gentlemen, thank you for your patience. We have the management line reconnected. Jeet, if you could please repeat your question for management. Thank you.

**Jeet Gala:** Yes. I think, sir, you were talking more about the size of our unit compared to probably the other units in South of India.

**Hozefa Jawadwala:** Yes. So, as I said, probably we have a lot of, 95% of the units are less than 10 metric tons per day capacity. And that is a scale where you can't do mechanization as well as at the same time have people with higher skills employed. That makes a big difference. At the same time, for us, in India, we do not have a comparison because we are based in the – geographically in Western India, which is the hub place. And with this kind of mechanization and automation that we have, we do not have a comparison right now.

But if you compare it from a global perspective, let's say Vietnam or any unit that has come in Africa in the last two to three years, we have an advantage because of the latest technologies and the kind of proprietary inputs that we have incorporated in our factory. And that, along with the home market, is a significant advantage that we have in our way.

The other part is that, being an integrated value chain player, this is one of the case. You do not have someone who has a vision to scale up till the biofuel and biochar kind of value chain. That is something which is missing across the globe for multi-regions. For Africa, you do not have the buyers for that.

From a Vietnam perspective, you do not have a buyer for that. You do not have ready markets where you can do it, or you do not have certification sanctity over there. All these things really make it a very different game for people. So, yes, but the differential is the mechanisation and automisation that we have here.

**Jeet Gala:** Understood. And so, my last question is, sir, so we do our imports. So, like you said, almost 50% to 60% of the cashew is imported, right, and then processed. Then, during what times are we as importers at a disadvantage as compared to other processors who have their own captive cashew crop?

**Hozefa Jawadwala:** See, no crop is captive here in India because, you know, as a corporate, you cannot farm. Now, what we are saying is, basically, people who are near to the local crop in India vis-a-vis the imported crop, then there is a very, very small disadvantage that we would be. But again, that disadvantage cannot be exploited by anybody who has more than two tons in capacity.

**Jeet Gala:** Okay.

**Hozefa Jawadwala:** A larger crop here in India is always sold in a wet basis, which requires any factory to have a significantly large drying area. Now, that drying area in a factory premises is difficult to have and it can take it up a lot of your capex as well. So, people would not trade-off between buying a land and machinery. They would definitely go for a machinery.

And that is the reason why, these small units, which is 2 tons or lower, has an advantage there. But then, well, it is not a great advantage when it comes to our scale because our scale would make a big difference.

**Jeet Gala:** Understood, understood. Very helpful, sir. Thank you so much.

**Moderator:** Thank you. We take the next question from the line of Shrihari Totla from Totla Capital. Please go ahead.

**Shrihari Totla:** Yes. My question is, in FY '25, the revenue top line was INR182 crores. I want to know how much is the cashew processing and how much is the commodity trading in that?

**Hozefa Jawadwala:** That breakup, you can get it from the financials. That is already given there.

**Shrihari Totla:** I am seeing there, but breakup was given as only INR165 crore breakup is given, not INR182 crores.

**Hozefa Jawadwala:** No. So, because you are looking at a standalone. The balance -- in a consolidation, the balance is pure trading, which is in the subsidiary.

**Shrihari Totla:** Subsidiary?

**Hozefa Jawadwala:** Yes.

**Shrihari Totla:** Is it in the PPT?

**Hozefa Jawadwala:** Yes, it will be there. You can just have a look at the BSE exchange. You can have the details there.

**Shrihari Totla:** Okay. Okay. Thank you, sir. Thank you. Thank you.

**Moderator:** Thank you. We take the next question from the line of Jai Chauhan from Trinetra Asset Managers. Please go ahead.

**Jai Chauhan:** Thank you for the follow-up. Sir, I just have one more question where, like, I wanted to know if you get higher orders, let's say, for in the higher volumes of orders in the festive season. How do you arrange that? Do you trade or do you like run those…

**Hozefa Jawadwala:** No, we do not have a policy of trading because the advantage why the customers would come to us is that, you know, they can get a standardized quality and quantity. So, a large volume buyer would love to have one single supplier, which can give him a bulk quantity.

And that advantage gives us a preferential access to our customers. If we start doing buying from someone else and start trading the kernels, then that advantage would be lost and some or the other day, the scalability will have a challenge.

**Jai Chauhan:** Understood, sir. So, basically, you will have to control your orders as well in that sense, right?

**Hozefa Jawadwala:** Yes. So, if you remember that we have a standard which we say what is the net rate that we calculate. We always like to have a certain healthy net rate, which is basically to say that, sorry, we do not have the stock. That healthy number, we try to keep it.

As soon as we feel that that number is growing significantly, we may have to look for an expansion as well. Because you do not want your customers to come and feel that they will never get stock here. That is also something which is not healthy for you.

**Jai Chauhan:** Understood, sir. Understood. Makes sense. And sir, like, where do we get our machinery from? Is it co-made locally or is it imported? How is it?

**Hozefa Jawadwala:** It is indigenous as well as imported. A lot of things have to get imported. There are technologies significantly advanced with artificial intelligence built in.

**Jai Chauhan:** Understood, sir. So, these technologies have not reached Vietnam and Africa yet?

**Hozefa Jawadwala:** No, not yet. So, these technologies are not there from Vietnam or Africa. Mainly that technologies are ideally from China or Europe.

**Jai Chauhan:** Got it, sir. Got it. Understood. Thank you. That is it from my side.

**Moderator:** Thank you. We take the next question from the line of Deeya from Sapphire Capital. Please go ahead.

**Deeya:** Hello, sir. I just wanted to clarify. We do not have any trading volumes for H2, right?

**Hozefa Jawadwala:** Yes, Deeya. That is right.

**Deeya:** So, the commodities trading revenue mix that was provided of 26.30%...

**Hozefa Jawadwala:** Yes.

**Deeya:** That is through your…

**Hozefa Jawadwala:** That was H1 FY '25.

**Deeya:** Okay. So, what is the revenue mix for H2?

**Hozefa Jawadwala:** It is 100% cashew.

**Deeya:** All right.

**Hozefa Jawadwala:** FY '26 is 100% cashew, H1 FY '26.

**Deeya:** All right, sir. Thank you.

**Hozefa Jawadwala:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we take that as the last question, and we conclude the question and answer session. I now hand the conference over to Mr. Rajdeep Patil from AKMIL Strategic Advisors Private Limited. Please go ahead.

**Rajdeep Patil:** Thank you, Ryan. Thank you, everyone. Thank you, all the participants for joining us on H1 FY '26 earning conference call of Aelea Commodities Limited. We truly appreciate your time and continued interest in the company. For further queries and clarification, you can mail us at akmil -- info@akmiladvisors.com. Thank you, everyone.

**Moderator:** Thank you.

**Hozefa Jawadwala:** Thank you, Rajdeep.

**Rajdeep Patil:** Thank you, sir. Thank you.

**Moderator:** On behalf of AKMIL Strategic Advisors Private Limited and Aelea Commodities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.