

**Transcript of the Interview given by Mr. R G Chandramogan, Chairman of the Company to NDTV Profit on August 21, 2025**

<b>Duration</b>	<b>NDTV Profit</b>	<b>Mr. R G Chandramogan</b>
Slot 1	<p>Host 1:</p> <p>Right now GST on dairy has been slashed from 12% to 5% or at least that is the proposal before we speak to the management of Hatsun Agro about the implications let's go across to Mahima to set things up for us and talk about the context a little bit Mahima right</p> <p>Host 2:</p> <p>Alex so as you rightly mentioned you know dairy products where GST was earlier charged at 12% will now you know the proposed GST rate will go down to around 5% and this will overall boost demand for GST products as well in terms of you know how quarters have panned out for Hatsun Agro specifically in Q1, it was a weak set of numbers versus what was guided because revenue was guided at 15% which came at around 9%. Plus in terms of the overall volume growth as well which was expected to be around 14 to 15% not the volumes in fact margins which were expected to be around 14 to 15% came in at 13.9% even in terms of where the debt position stands as of FY25 is more than what the management guided even the capex that they guided for they've done more in FY25 so we'll have to see as to how this overall boost demands because of that their capacity utilizations will also go up and that will probably help them</p>	

	<p>ease their overall operating leverage as well in terms of you know the cash flow position as well you know excluding the dividend factor, Once the dividend factor is accounted for that is a concerning factor right now. So all this taken into consideration we have to see as to how this entire new GST reform will help the dairy sector and hats grow as a whole. So these are the few questions that you know I would want to know as to how GST will you know help solve these problems for the company as well.</p> <p>Host 1:</p> <p>Thank you so much Mahima for getting us this setup in terms of the expectation from the GST perspective and the outlook for the company.</p>	
Slot 2	<p>Host 3:</p> <p>In fact, let's get in Mr. R G Chandramogan, Chairman at Hatsun Agro to talk to us on NDTV Profit. Mr. Chandramogan, good morning and welcome to the show and always a pleasure to speak to you!</p> <p>The first question coming to you is the anticipation is from the GST reforms that the rate would be cut from 12% to 5% for dairy and this is something that you have been absolutely vocal about that GST reduction on dairy as an industry is an absolute necessity. Your initial comments and how do you think will this really aid the industry from here on?</p>	<p>See GST reduction will help in a big way to the industry for growth for two reasons. India is a country with 240 million tons of production but still our exports are hardly 1 million versus 20 million tons of New Zealand. New Zealand accounts for 35%. World trade is only 60 million tons and this is only 25% of India's production. The biggest problem what we have been facing is we are heavily taxed. For example, 12% gain. It has been almost it is finally ultimately preventing better payment to the farmer. It is almost 108 rupees for a liter of sorry 108 rupees tax versus 888 the farmer gets if you are converting it to ghee and also SNP. If you take ice cream, for example, if we are paying about 888 almost 73% is paid as GST to the government. If we are reducing it, we can be a world power in exports and farmer will also be benefited and the urban rural gap will be bridged in a big way and</p>

		farmer ultimately will start spending on other commodities once when the cash flow improves. That is my working and in my opinion all dairy products have to be considered at 5% instead of the slab of 5 12 18 and all that including ice cream. That's my opinion.
Slot 3	So Mr. Chandramogan net net would you expect this to spur demand meaningfully?	100% meaningfully. It will just increase because today as I said if 100 rupees a farmer is getting 73 rupees taxation goes for ice cream and this is hurting the payment to the farmer. A better payment can be definitely given to the farmer. This will initiate him to do better production and we can be a power house on exports. We were importing French fries. We are now exporters. We have been exporting Basmati rice. We can also do it in dairy in a big way. And the country has got all the scope.
Slot 4	Sir, in effect what you're saying that there's a at least a three-pronged effect in that it is better for the consumer, it is better for the farmer and probability of having exports as well going higher.	100%.
Slot 5	Okay. Would you believe for Hatsun Agro sir that if this is how it turns out then the export opportunity starts in the second half itself or could it be or is it difficult to call that right now?	No. Second half itself the export will start happening because we are already exporting our own ice cream to about eight countries and we are gaining momentum and you are talking about the growth of 9%. We are already we'll end up at 15% for the half year without any difficulty. Next Half will be better.
Slot 6	Mr. Chandramogan, itself next half can be better.	Yeah.
Slot 7	Okay. So you're saying next half will be better. But you know one question I have is when the government is considering a GST rate reduction in terms of dairy. Do	Definitely it will be a positive in that direction. Actually in India we have a sizable vegetarian population. We require animal fat in anyway. This consumption

	<p>you think this is coming in wake of the negotiations that India is having with the US on the tariffs because dairy as a sector is something that India does not want to really look at if anything opens up from an export perspective for India. do you think this could be a positive and in that direction?</p>	<p>locally will also stimulate better production with let GST cuts. This will give more money to the farmer's hand and farmer will be benefited to produce more. Ultimately we can be cost effective in the world and we can keep on exporting in a big way and we can be a powerhouse in the near future. The second half can be better and the next year can be glorious I can say.</p>
Slot 8	<p>No. So would you say that if you know India opens up the dairy sector for the US markets you know for us to come in and take imports from there would this GST cut actually negate that impact of the dairy sector being opened up to the US markets?</p>	<p>I am doubtful about the US entry of dairy products into India. The type of feeding what they do is different and consumer here is vegetarian and they have their own reservation for any US product. It is not the case of New Zealand. New Zealand will be a bigger threat if imports are going to take place. I don't expect US to be that. But even US they are into dairy products and probably definitely this will be hurting the local farmer in a big way. And we are having farmers who are sizable in numbers and we have to protect the interest of the farmers.</p>
Slot 9	<p>Okay, Mr. Chandramogan, we'll leave it at that. Thank you so much. We hope that we start seeing a lot of positive commentary around exports when we talk to you post October, sir. But thank you so much for joining us today. Sir, thank you. That's Hatsun Agro and one of the most entrenched players in the dairy sector. So when he's talking about things, you want to hear up and stand up and listen about the impact that they believe could come in onto this sector because of the GST. So keep that in mind. Okay.</p>	