

# INDIA PESTICIDES LIMITED

An ISO 9001:2015, 14001:2015, 45001:2018 and 10002:2018 Company

CIN No. L24112 UP1984PLC006894

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Date: 03.06.2025

To The Manager, Listing Department <b>BSE Limited</b> P. J. Towers, Dalal Street, Mumbai-400001 <b>Scrip Code: 543311</b> <b>ISIN: INE0D6701023</b>	To The Manager, Listing & Compliance Department <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra- Kurla Complex, Mumbai-400051 <b>Symbol: IPL</b>
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Dear Sir/ Ma'am,

**Sub: Transcript of the Earnings Call for the quarter & year ended 31<sup>st</sup> March, 2025.**

Pursuant to Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the transcript of the Analyst/Investors Call on the audited Standalone and Consolidated Financial Results of the Company for the quarter & year ended 31<sup>st</sup> March, 2025, held on Wednesday, 28<sup>th</sup> May, 2025.

The transcript of the earnings call is also available on the Company's website at [www.indiapesticideslimited.com](http://www.indiapesticideslimited.com)

Kindly take the above on your record.

Thanking you

Yours faithfully,  
**For India Pesticides Limited**



**(Narendra Ojha)**  
**Company Secretary and Compliance Officer**

**Encl.: As Above**



**“India Pesticides Limited  
Q4 FY '25 Earnings Conference Call”  
May 28, 2025**



**MANAGEMENT: MR. ANAND SWARUP AGARWAL – DIRECTOR – INDIA  
PESTICIDES LIMITED  
MR. D. K. JAIN – CHIEF EXECUTIVE OFFICER – INDIA  
PESTICIDES LIMITED  
MR. S. P. GUPTA – CHIEF FINANCIAL OFFICER – INDIA  
PESTICIDES LIMITED**

**MODERATOR: MR. VIRAL SHAH – DOLAT CAPITAL MARKETS  
PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 FY '25 Earnings Conference Call of India Pesticides hosted by Dolat Capital Markets Private Limited. 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Viral Shah from Dolat Capital Market Private Limited. Thank you, and over to you, sir.

**Viral Shah:** Yes. Thank you, Alarik. Good afternoon, everyone. On behalf of Dolat Capital, I would like to thank the management of India Pesticides Limited for giving us the opportunity to host their Q4 and FY '25 Earnings Conference Call. From the management team, we have with us Mr. Anand Swarup Agarwal, Director; Mr. D. K. Jain, Chief Executive Officer; and Mr. S. P. Gupta, Chief Financial Officer.

Without further ado, I would like to hand over the call to the management for their opening remarks, post which we'll open the forum for the Q&A session. Thank you, and over to you, sir.

**Anand Swarup Agarwal:** Firstly, I would like to extend my heartfelt congratulations to Honorable Prime Minister Modi Ji for his unwavering commitment and successful efforts in safeguarding India's integrity and sovereignty, particularly highlighting the successful execution of Operation Sindoor. We extend our deepest gratitude to our brave soldiers at the borders whose courage and sacrifice continue to protect our nation.

I'm happy to state that for FY '24-'25, IPL has delivered a year of robust growth and resilience amidst a dynamic global environment. Our revenue grew significantly by 21.3% year-over-year, reaching INR 843 crore. This performance underscores our strategic clarity, effective execution and a strong differentiated product portfolio.

The global agrochemical industry continues to evolve, driven by innovation and advancement in product research. Challenges such as climate extreme commodity, volatility and increased regulatory complexities provide unique opportunities for IPL. Our proven ability to handle complex chemicals developed over many years positions us uniquely against these barriers, giving IPL a distinct advantage and USP.

Domestically, our volume growth has been rigorous, supported by early kharif sowing activities, favorably government policy and a positive monsoon forecast. Although temporary pricing pressure were observed, our commitment to continuous innovation positions us well to capitalize effectively on emerging opportunities in India's agrochemical industry outlook remains highly positive.

IPL occupies a distinct position in the agrochemical landscape, specializing as a generic chemical manufacturer. Our expertise lies in producing generic agrochemicals significantly, optimizing manufacturing processes to reduce costs and enhance product availability. Through rigorous R&D, we improved manufacturing efficiency and ensured these essential products reach farmers at grassroot levels, both domestically and internationally.

Our sourcing remains essential for global agrochemical images, and IPL is strongly positioned to seize these opportunities due to our global reliability, rigorous regulatory compliances and manufacturing excellence.

Our strategic initiative of backward integration positions us comparatively against global manufacturers, particularly those from China, in several key products. Additionally, we have proactively filed for antidumping measures domestically, which, once approved, will further strengthen our market position. Due to urgent demand, certain international orders are being fulfilled by air transport to ensure timely delivery.

Our formulation production facilities have reached upward of 95% production capacity, prompting plans for expansion to further increase production capabilities. Additionally, our technical segment has experienced substantial growth with capacity utilization increasing by approximately 50% from around 41% to about 62%.

Chinese aggressive destocking has now been tapered down, providing us with a significant opportunity to ramp-up our operations, productions and supply to meet current and future demands. Additionally, under our CRDMO initiative, we are actively exploring and collaborating with international companies assisting them in transit their research products to commercial scale. Many global entities are currently exploring this initiative, making IPL a key partner in their feasibility assessments. We are also diligently exploring contractual opportunities under this new initiative.

Our dedication to research and development continues. We have targeted a capex of over INR 200 crore over 2 years with planned capital expenditures of INR 52 crore at our existing facility and INR 64 crore at Shalvis Specialities Limited.

In FY 2025-'26, while the remaining over next year, importantly, we remain firmly committed to our principle of maintaining a debt free position, funding all expansions and investment from internal accruals.

We are expecting our EBITDA margins to improve from current 16% to between 18% and 20% as we are committed to increasing profitability. Our revenue target for the next fiscal year is INR 1,000 crores with continued emphasis on maintaining or improving EBITDA margins. Continued effort in cost optimization has already contributed to increased EBITDA margin this year. And we remain focused on further optimizing production, enhancing our facilities, increasing volumes and increasing profitability.

Our Hamirpur facility is progressing well, and we anticipate a gradual but consistent increase in both profitability and revenue from this year's site over the coming years.

At IPL, our mission remains to empower farmers by delivering innovative and technically advanced solutions. We are committed to being reliable partners in agrochemicals, reinforcing our reputation as a responsible and forward-thinking industry player. The agrochemical industry growth is driven by expanding global agriculture demand due to rising middle class consumption, decreasing arable land per capita necessitating productivity, innovation and significant growth opportunities in India's domestic and export markets, particularly in Africa.

More importantly, India is being seen as a reliable and essential partner, giving companies like ourselves opportunity to scale geographically. IPL currently is inflection point. We commit to our action plan and long-term vision. With our robust portfolio, expanded manufacturing capability, strategic backward integration and continuous advancement in R&D, we are confident to sustain growth and delivering values to all stakeholders.

Now I'll pass on to Mr. D. K. Jain, CEO of our company.

**D. K. Jain:**

Thank you, sir. Good afternoon, ladies and gentlemen. I hope you and your family are staying safe and healthy. I take the pleasure of welcoming you all for the Q4 FY '25 and full year FY '25 earnings conference call of India Pesticides. I hope you all had the chance to look at the financial statements and earnings presentation uploaded on the exchanges and our website.

This year has been marked by steady progress and strategic execution amid a challenging global environment. The agrochemical industry continues to navigate a dynamic environment with demand recovery displaying mixed trends. Export market continued to face challenges due to oversupply from China, geopolitical factors and abnormal weather conditions. However, recent quarters have shown early signs of recovery with price stabilization and improved demand sentiment.

To mitigate volatility, the company continues to prioritize a balanced approach by selecting products with potential across both domestic and international markets. Despite these external challenges, we have remained committed to executing our strategic roadmap to enhance operational efficiency, optimize asset utilization and strengthen our competitive position.

During the year, we successfully maintained and increased our market share across most of the existing products, notwithstanding some cyclic shifts in product demand. These efforts have contributed to a strong performance driven by sustained momentum across all business segments.

Our capacity expansion initiatives are progressing well as planned with a total capital expenditure of about INR 116 crore budgeted for FY '26. These investments will enhance our infrastructure, particularly at our Sandila and Hamirpur facilities, where we are focused on increasing capacity utilization and advancing production capabilities for specialty products.

During the year FY '25, we have received 4 registrations for technical products and 19 registrations for formulations from Central Insecticides Board of India and have also got our products registered across the world, 4 in European Union and United Kingdom. And then we got 2 registrations in U.S.A. and two formulations registration in Australia.

In parallel with capacity expansion, we are broadening our market reach, establishing a stronger presence in regulated markets. This expanded global footprint in more than 25 countries enables us to access new growth opportunities and reinforce our positioning in key international markets.

Your company remains dedicated to a forward-looking strategy that emphasizes on Make in India initiative to make India self-reliant by diversification of R&D efforts to backward integration and manufacturing of key intermediates, which are largely imported, especially from China.

India Pesticides Limited entered FY '25-'26 with a stronger foundation reinforced by operational efficiencies, expanded capacity and a diversified product portfolio. With continued focus on innovation, customer alignment and strategic investments, the company is well-positioned to capitalize on emerging opportunities and drive sustained growth in the coming years.

With this, I would like to pass on to Mr. S. P. Gupta to walk us through our Q4 FY '25 financial highlights. Thank you.

**S. P. Gupta:**

Thank you, sir. Good afternoon, ladies and gentlemen, and thank you for joining the India Pesticides conference call to discuss Q4 and FY '25 results. Taking you through the financial highlights for the Q4 and FY '25, On quarterly performance, total revenue was INR211 crore in Q4 FY '25 as compared to INR 130 crore in Q4 FY '24, an increase of 62% Y-o-Y.

We registered an EBITDA of INR 35 crore, an increase of 373% as compared with same quarter last year. EBITDA margin stood at 16% in Q4 FY '25. Margin expansion is due to stability in prices and higher operating leverage. Net profit for the quarter stood at INR 22 crores with PAT margin of 10% expanded by 950 bps Y-o-Y.

Moving on to our full year performance. Total revenue for FY '25 stood at INR 844 crore, an increase of 21%. EBITDA increased by 32% to INR 134 crores with EBITDA margin at 16%. Net profit for the year stood at INR 82 crore, an increase of 37% Y-o-Y with net PAT margin of 9.7%. On geographical split, in FY '25, our revenue from export stood at INR 315 crore as compared to INR 269 crores in FY '24 and Domestic revenue stood at INR513 crores as compared to INR 410 crores in FY '24. During Q4, export has seen sharp recovery with turnover increasing to INR 88 crore versus INR 38 crore in same period last year.

Revenue from technicals and formulations stood at INR 549 crore and INR 280 crore, respectively, for the year. Capex of INR 116 crore has been planned for FY '26 for both India Pesticide and 100% subsidiary Shalvis Specialities Limited.

India Pesticide Limited has strong balance sheet with ability to generate good free cash flow to fund its capex with internal accrual. Company's total debt increased from INR 18 crore in FY '24 to INR 52 crore in FY '25, primarily due to increase in short-term borrowings, which will be normalized soon.

With this, we would be happy to take your questions. Thank you.

**Moderator:**

The first question comes from the line of Shreya Jain from Niveshaay Investment Advisory.

**Shreya Jain:**

Congratulation's sir, on a great set of numbers this quarter. I actually wanted to know how do you see the demand domestic side as well as export side for this monsoon season? And as we know that there has been early monsoon this year, so will there be any impact on the sowing according to you? I wanted to know your opinion on that. And my second question is, sir, how is the pricing on the raw material side? Are we seeing any pressure this quarter as well?

**D. K. Jain:**

Thank you, madam. With the early monsoon, we feel that the pick-up of the agrochemicals would be little earlier. So there has to be a good demand for agrochemicals, especially during sowing, the

herbicide requirement will certainly increase. And we are positively placed in this section as rice is one of the major crop which we get sowed now, and we are very strong in a rice herbicide.

And on the prices, on the raw material side, now raw material prices are getting stabilized and they are more or less stable now. There is no severe difference in the raw materials over the small period this time.

**Shreya Jain:** And sir, on the export side demand, could you share something about that?

**D. K. Jain:** Export side demand is also picking up madam now. There has been -- in the last years, the oversupply was there from Chinese manufacturer, but now slowly it is getting reduced and the demand is increasing. And with this American tariff situation, we are slightly positively poised for U.S. markets.

**Moderator:** The next question comes from the line of Ankit Gupta from Bamboo Capital.

**Ankit Gupta:** Congratulations for a good set of numbers. So, sir, out of this INR 843 crore, can you give us the split between technical and formulation sales?

**D. K. Jain:** 65% technical sir and 35% formulations.

**Ankit Gupta:** Okay. And how has formulation grown compared to last year?

**D. K. Jain:** Formulations have grown comparatively more than last year; however, this also includes some bulk formulation what we have supplied to our customers.

**Ankit Gupta:** Okay. And sir, on this Pretilachlor Technical, I think there is some antidumping duty also that is being imposed here. So, if you can talk about how much -- how do you see the growth for this technical? And how will -- like, how is the growth expected in the segment going forward?

**S. P. Gupta:** The antidumping has not been notified yet. It has been recommended by Ministry of Commerce, but it has not been notified yet. It is one of the largest selling rice herbicides in India, and we have put up a good capacity to capitalize this growth of this rice herbicide.

**Ankit Gupta:** And like how much did it contribute to our sales in FY '25?

**S. P. Gupta:** This year, I think its sales will be far more significant for a portion of our revenue growth this year, almost 8% to 10%.

**Ankit Gupta:** Okay. So almost INR 80 to 85 crore sales are contributed by it?

**S. P. Gupta:** It will be in excess of INR 100 crore of sales this molecule. But last year also, say, its contribution was INR 70 crore.

**Ankit Gupta:** So, with this increase in capacity of the intermediate of Pretilachlor, how do you see this product scaling up for us in FY '26 and FY '27?

- S. P. Gupta:** We have increased capacity of this product significantly and in the process of further increasing this capacity. So, we see significant jumps at 20% compounded in next 2 to 3 years from this molecule.
- Ankit Gupta:** If the antidumping duty gets notified, can we see significant jump in this product?
- S. P. Gupta:** Volume wise, there will not be much different, but prices will be slightly higher. So, the revenue will be increased proportionately.
- Ankit Gupta:** Okay. And sir, you -- did I hear it correctly that Swarup sir guided INR 1,000 crores revenues in FY '26 and EBITDA margin of 18% to 20% in this financial year in FY '26?
- D.K. Jain:** This is what we are projecting, revenue of around INR 1,000 crores and EBITDA margin between 18% to 20%, what we are projecting.
- Ankit Gupta:** And just for FY '27, we'll also have Shalvis contributing towards revenue. So how should FY '27 look like for the company?
- D. K. Jain:** It is too early to project some growth for '27, but it will be definitely what we are seeing is good growth for agrochemical and especially from India. So we are projecting 15% to 20% revenue growth in near next 2 to 3 years.
- Ankit Gupta:** Okay. And Shalvis is expected to start commercial operations from which quarter of FY '27?
- S. P. Gupta:** It will start contributing from next quarter only. We will be building the Shalvis in small blocks and it starts with contributing step by step.
- Ankit Gupta:** And sir, if you can also talk about how is the demand and realization for some of our key products like Captan, Prosulfocarb? So how is the demand there? And how do you see the pricing pressure there? So, if you can talk about that.
- S. P. Gupta:** Now pricing, price declined as now -- there is no price decline in this quarter. Price are very stable right now. And demand, we feel 10% to 15% demand growth in these molecules.
- Ankit Gupta:** So, this is for Folpet also, the 3, 4 major molecules of ours, Folpet, Captan, Prosulfocarb?
- S. P. Gupta:** These molecules prices are stable and demand is showing good growth.
- Moderator:** The next question comes from the line of Dhwanil Desai from Turtle Capital.
- Dhwanil Desai:** First of all, congratulations for a very strong year and quarter. And so my first question, sir, is whatever estimate that we are making for FY '26 that means 20% kind of a growth with increase in margin. While we all are hearing from various agrochemical players that pricing pressure continues even though the volume growth is back.
- So what are the driving forces for this kind of a growth that we're expecting next year? One, you mentioned Pretilachlor for sure. But other than that, what kind of -- what is going to lead to this kind of a growth next year?

**D. K. Jain:** We are expecting growth on two aspects. Number one is that the capacity utilization of our existing products will increase. And number two, we are adding new products also in our product portfolio. One product what we have added this year will also contribute in the coming year, as well as we will be adding one more intermediate and one more new product to our portfolio, which will also add to our overall revenues.

And the margin increase, what we are expecting that we are continuously working on the process innovations. We are trying to optimize the overall production cost as well as manufacturing cost and conversion. So we feel that the overall margins should slightly improve. That is how we are projecting 2% more EBITDA margins than the present year.

**Dhwanil Desai:** Second question, sir, you mentioned about 4 European approvals and 2 U.S. registrations. So if you can name the product for which you have got this approval for? And have we started commercial supply for U.S. market or any tie up for any kind of indication on that, that would be it?

**D. K. Jain:** Yes. There are two products, what we got registration in the U.S. For one, we have already started getting orders and we have already started supplying part of it as we already supplied this month and remaining supplies we would be doing next month. And the other product, we are expecting maybe in another month or so, we will be getting some more orders on the second product. And the technical, what we have registered in Europe, there also we are in advanced stage of finalizing some of the orders now. And we feel that this year, we should get the orders starting. We should get good response from our customers.

**Dhwanil Desai:** Can you give the name of the products which are registered in U. S. and Europe?

**D. K. Jain:** These are all herbicides and fungicides, sir. We have 1 insecticide, 2 herbicides and 1 fungicide.

**Dhwanil Desai:** Okay. And one more question on the grant side of it. I think we were in discussions with Japanese guys and the discussions were going on. So sir, any update on that? Have we started commercial supplies? How do you see the scale up of those products, number of products? Whatever information that you can give, which is -- which you can share in public domain, I'm not asking for names or quantity, but some kinds of a qualitative overview, how do you see that business growing in next 2, 3 years that would be useful?

**D. K. Jain:** Yes. Our collaboration with our Japanese friends, it is going on well. We have already started commercial supplies to them. Last year, we supplied small quantity, this year relatively bigger quantity we have supplied. And next year also we expect much higher volume than what we are supplying today. And apart from these products, we are also in discussion with them for new products also. So that discussion also is going on. So we feel there will be a good collaboration with this company in the coming future.

**Dhwanil Desai:** So, sir, can this reach INR 100 crore kind of a number, let's say over next couple of years?

**D. K. Jain:** INR 100 crores with this Japanese company?

**Dhwanil Desai:** Yes.

- D. K. Jain:** No, INR 100 crores -- presently we are not envisaging INR 100 crores. But when we add few more molecules, it will be definitely more than that.
- Moderator:** The next question comes from the line of Deepak Poddar from Sapphire Capital.
- Deepak Poddar** So just first up, I just wanted to understand, I mean, in terms of oversupply situation that you were seeing in China, I mean, what sort of inventories as against the normalized level of inventory currently we would be having at the global channel level? I mean, do we have that kind of data?
- D. K. Jain:** Sir, what we understand from the overall supply situation now, Chinese destocking is now tapering off. There is not much of the material now available with Chinese manufacturer. And even with the multinationals also who have bought -- overbought during the COVID period, now their inventory is also getting completely relatively over. So now the demand requirement is now coming to be little more steadier than what it was earlier.
- Deepak Poddar** Is this started moving up also, I mean, or the reduction in prices have stalled?
- D. K. Jain:** The prices reduction has already happened, sir. Last year, the prices have come down very drastically, and now they are getting stabilized.
- Deepak Poddar** Started increasing, but it's not falling also. I mean that's what the scenario is?
- D. K. Jain:** No, it is not falling. They're increasing not much of increase, but they are getting stabilized at those levels. They are not falling further.
- Deepak Poddar** Okay, understood. And just a second question. Next 2, 3 years, we are talking about 15%, 20% revenue growth CAGR, that's what we are looking at?
- D. K. Jain:** Yes, yes, certainly, sir.
- Moderator:** The next question comes from the line of Yogansh from Mittal Analytics.
- Yogansh:** Sir, in the presentation, we have mentioned about the formulations number around INR 280 crores. And this was around INR 170 crore, INR 180 crore for last 3 years. So, this is a significant jump that we have seen. And then in your opening remarks, you also mentioned about couple of registrations that have come through our way. So, can you help us understand what is the way forward for the Formulations business?
- S. P. Gupta:** Our Formulations business is growing, say, more than 20% compounded. In this current year, we have also exported bulk formulation, which was very small earlier. So, say, earlier, say, it was around INR 10 crore to INR 12 crore by '24, but it has increased to around INR 50 crore. Bulk formulation has increased to INR 50 crore. So main growth has come from bulk formulation side. Of course, our B2C business is also growing.
- Yogansh:** Okay. And you expect this 20% growth maintained in this year?
- S. P. Gupta:** Yes.

- Yogansh:** Sir, secondly, on the inventory side, I think we had built up some inventory for a product. What is the trend now? And on this Pretilachlor only, given that the antidumping duty is yet notified and not -- is not yet notified, what is our expectation by when can we see this through?
- S. P. Gupta:** This notification is pending with the Ministry of Finance, so we cannot comment in what time line. As far as inventory days, they are concerned, we are building up as earlier also informed that our MNC or big customer, which used to give order for 6 to 9 months in advance, now giving orders only in 15 days to 1 month. So, we have decided to keep inventory at a slightly higher level so that we do not lose the seasonal demand of our big customers. Our inventory of Pretilachlor has been reduced in this quarter and will be reduced by June significantly.
- Yogansh:** Okay. And sir, with this demand that we have, the INR 32 crore Sandila, that CapEx that we are doing, major of it is for Pretilachlor only, the 8,500-ton expansion that we have planned?
- D. K. Jain:** No, no, no. That is not at our Shalvis Specialities at Hamirpur, these are our Sandila site.
- Yogansh:** Yes, sir. I was asking for Sandila only. The amount that we have kept aside, is this majorly for Pretilachlor or are there any other lines also that we are putting up?
- D. K. Jain:** No, we will be putting other line also. It includes the INR 52 crore includes the expansion of this site, number one. Number two, we require a boiler primarily, so boiler also would be there. And then we would be putting up one more complex for an intermediate and one technical product. So it includes all these 4 items.
- Yogansh:** So, sir, once all of these things are put in, what do you expect can be the full utilization peak revenue from Sandila unit?
- S. P. Gupta:** Peak revenue, it will be around, I think, INR 1,100 crore we can easily move from Sandila only.
- Moderator:** The next question comes from the line of Bharat Gulati from Dalal & Broacha Stock Broking.
- Bharat Gulati:** I just had a couple of questions. My first one is regarding our cash flow, which has been significantly low in this financial year. We've only got an operating Cash Flow from Operations of INR 2 crore. So, can you throw some light on that?
- S. P. Gupta:** The major reason for reduced cash flow is increase in our debtor's level. So, our receivables days has gone up because some of our big buyers who were supposed to remit payment in March, they remitted in April. So subsequently, debtor days has come down.
- Secondly, our domestic sales had increased and domestic focused technical sales has also increased. Credit period in domestic sales is slightly higher as compared to export sales. So, our number of days in debtor's days have gone up significantly. This has reduced cash flow from operations.
- Secondly, now we have to keep higher inventory at our end since our MNC customers, they do not want to keep higher inventory with them. Since we do not want to lose seasonal sales with our big customers, we have strategically decided to keep higher inventory because of these two reasons,

as well as we are continuously investing in our capex. Our cash flow from operations has declined this year.

**Bharat Gulati:** So, sir would it be fair to understand that our working capital days will be in this range? Or will they come down to historical levels?

**S. P. Gupta:** They will come down, but they will be slightly higher than historical level. They will come down definitely by 10 to 15 days in the coming quarters.

**Moderator:** The next question comes from the line of Ankur Kumar from Alpha Capital.

**Ankur Kumar:** Sir, I wanted to understand regarding the margin side, and you said 18% to 20% next year, which is a significant jump from this year. So given better monsoon, should we expect that like lower raw material is helping us? Or is it like operating leverage to help us in this post this margin?

**S. P. Gupta:** Mainly, this is operating leverage as well as introduction of new product and backward integration. We are doing backward integration of few products also. They will help in achieving higher margins.

**Ankur Kumar:** And sir, given our business is seasonally in nature with first half, it seems to be better than the second half. So, can we expect like out of INR 1,000 odd crore projection, out of that around INR 550 crore to INR 600 crore happening in first half only?

**S. P. Gupta:** Yes, yes. 55% should happen -- around 55% should happen in first half.

**Ankur Kumar:** And this higher margin you talked about, are we expecting equally higher margins in all the 4 quarters? Or how should we think about it, sir?

**S. P. Gupta:** We are expecting higher margin every quarter between the range of, say, 18% to 20%. In some quarter, it may be on lower band. In some quarter, it may be on higher band.

**Moderator:** The next question comes from the line of Dhwanil Desai from Turtle Capital.

**Dhwanil Desai:** So, two questions. One is, since we have 4 now new registration under Europe and two in U.S. If you can spend some time on what is the scale of operations in these two markets currently? And going forward, based on these registrations and whatever registrations there in the pipeline, how do we see scale up in this regulated market over next, let's say, next 2, 3 years?

**D. K. Jain:** This -- our effort for registration of our molecules is a continuous activity. And as we develop new molecules, we start registration process also in the regulated markets. So, we will be continuously doing this. And this year, we look at four products. Another two products are already in the line. So probably this year, we will get for another two products. And some more products, data generation is also going on. So, once we get the data generated, then we will start applying for registration in EU as well as in the U.S. So, it is a continuous process, sir.

**Dhwanil Desai:** No, I understand. What is the current revenue from this market? And how do we see that, let's say, next 2, 3 years? Will it significantly change from where we are today or it will be an incremental change every year?

- D. K. Jain:** It will be incremental change every year because every year we are adding one or two products. So, it will increase the revenue every year from there. And we have substantial revenue from these regulated markets.
- Dhwanil Desai:** Okay. And second question, sir, in the earlier time when things were okay on the agrochemical side, we were doing margin in excess of 25%. And I understand things have been very challenging in this sector, and we have done very decent margin performance despite that. But over a period of next 2, 3 years, do we see potential to go back to that 22%, 23% kind of EBITDA margin with product mix and backward integration and the regulated market scale up as we are saying? So, do we see a potential to go to that number?
- D. K. Jain:** Sir, we -- it will be our effort and continuous effort what we are making to increase the total overall market margin levels to the earlier one about 25%. And we feel that we should be able to do that in few years of time by backward integrating the products, by optimizing the operating conditions, then by selecting products with slightly higher margin levels.
- So that effort is going on, and we wish that we should achieve it as soon as possible. But that depends again on the market conditions. So, it is very difficult for us to say that definitely that we will go over that, but our efforts are continuously in that direction.
- Moderator:** The next question comes from the line of Manish Jain from WealthCare Advisors.
- Manish Jain:** Yes. Congratulations for great set of numbers, sir. Sir, my question was regarding the revenue projection, which you have given for the current year that is INR 1,000 crores. Sir, do we have the capacity to do INR 1,100 crores for this current year or we don't have the capacity?
- D. K. Jain:** No, we have the capacity because even our present capacity utilization is about 61%. So obviously, we have got some scope in that. So, we are trying to utilize this capacity. Plus, we are trying to add 1 or 2 more production blocks because we want to make some new another product. So that cannot be made in these blocks, so we are adding new blocks also. So that way, we should be able to get this revenue what we have projected. We are quite optimistic about this.
- Manish Jain:** So, we can even scale up to INR 1,100 crores if there is a demand, right?
- D. K. Jain:** Yes, yes, certainly.
- Manish Jain:** And sir, in this INR 1,000 crores of revenue, last year out of INR 844 crores, 38% was exports. So, in this INR 1,000 crores, what kind of contribution would be from exports?
- D. K. Jain:** It will be approximately around that level only because now we are selecting products with a proper blend of domestic as well as export market. So, we don't want to depend entirely on domestic or entirely on export market. So, we are trying to have projects which have a good potential for both, one product more on domestic, one product more on international. That way we are selecting, sir.
- Manish Jain:** So, sir, suppose if we are targeting INR 400 crores of exports in this current year, so which continents would be the major contribution?

- D. K. Jain:** No. Our country -- what we are presently dealing with these companies in Australia, in Europe, in U.S.A, primarily in these three areas. And we are trying to work on new areas like Africa and Middle East.
- Moderator:** The next question comes from the line of Harsh Baria, an Individual Investor.
- Harsh Baria:** So, in the last couple of years, we have been seeing very good growth in our Formulations business. Can you give some idea about where this growth is coming from? Is it from distribution network expansion in India or also exports?
- D. K. Jain:** We are -- I think our distribution expansion is already there in India, and we are growing in India almost at a rate of around 20%. And apart from this, we are doing now formulations -- bulk formulations for our customers abroad. So, this year, what you have seen the increase in the overall Formulation business, part of it is from the bulk formulations what we have exported.
- Harsh Baria:** Just a follow-up on this, what is the breakup between domestic formulations and abroad?
- D. K. Jain:** This must be around INR 50 crores of formulations exporting and rest is the domestic.
- Harsh Baria:** And my second question is that we wanted to do like set up a global marketing company where we also source technical from other manufacturers and sell formulations abroad. How is that venture doing? Any ideas on that?
- D. K. Jain:** Yes. It is there. It is slowly -- it is still there. It is still taking shape. It will take some time. It will take some time.
- Moderator:** The next question comes from the line of Ajay Desai, an Individual Investor.
- Ajay Desai:** Thanks for good set of number. My question is regarding the valuations like the IPO when it came, it was at a price which was around INR 300, and the current valuation of the company is much less as compared to what the valuation which was existing during IPO. So, is there any thought process in terms of if management think that the valuation is undervalued for the organization, is there any proposal to buyback or create some sort of support for the company's valuation?
- S. P. Gupta:** Desai ji Currently company is not considering, but you have suggested, so we will discuss internally. Our focus is on doing capex and achieve good growth in future years.
- Ajay Desai:** So, sir in terms of debt, we are very comfortable. We don't have any debt. So, we should -- if management feel the valuation is not correct, then we should come and support by at least having some buyback.
- S. P. Gupta:** We will discuss with our top management what you have suggested and we will take it all suitably.
- Moderator:** The next question comes from the line of Ankur Kumar from Alpha Capital.
- Ankur Kumar:** Sir, I wanted to understand regarding the margin difference between domestic and the export side, which is better and how much, please?

- S. P. Gupta:** Our prices for domestic and export, they are at on par only. So, I think it will be within very tight range, will be minor there, say, point 5% here and there. Prices are similar for our products, both in domestic and export market.
- Ankur Kumar:** Okay. So, margin would be kind of similar for both?
- D. K. Jain:** Yes. So, kind of similar margins will be there. Only thing is that for export market, whether we have the -- and if there is some imported raw material, so we don't consider the duty part of the raw material. So that difference would be there in the actual prices.
- Ankur Kumar:** And sir, in this year, you talked about higher working capital. Sir what should be your normalized working capital going forward?
- S. P. Gupta:** Last quarter, it was around 250 days. So, our normalized working capital should be around 220 days going forward.
- Moderator:** The next question comes from the line of Manish Jain from WealthCare Advisors.
- Manish Jain:** Yes. Sir, about this Pretilachlor, which capacity expansion is coming in the second quarter? So, at 8,500 tons, what should be the value of that particular molecule at 8,500 tons?
- D. K. Jain:** 8,500 tons is the Pretilachlor if you take, sir, now that value here should be more than INR 300 crores.
- Manish Jain:** And at present, what we are doing?
- D. K. Jain:** No, but we are not there. That capacity will be there by August. But presently, what we are doing is about 16 tons per day. So that way we can calculate, but we have not really calculated the exact value, but it will there. It is a substantial product for us. It is a very major product for us now.
- Manish Jain:** So, at present, we are doing INR 100 crores from Pretilachlor?
- D. K. Jain:** It will be more than that.
- Manish Jain:** It will be more than that?
- D. K. Jain:** Yes.
- Manish Jain:** And sir, out of this INR 300 crores, maximum should be used domestically, or we should even export it?
- D. K. Jain:** Primarily for domestic sir, because Pretilachlor, the India has very big demand. It is very big product, especially in paddy. So, and the demand of the Pretilachlor overall is more than 10,000 tons -- 10,000 tons to 12,000 tons. And largely it is imported, that is how we have embarked upon Make in India initiative and we have taken up this project.

- Manish Jain:** And sir, one last question about the exports. Sir, are we seeing good demand? Or there is this means like due to some all these slowdowns in the Mexico and other economies, will there be a problem in demand also, sir?
- D. K. Jain:** Sir, demand is -- it is there, it is very difficult to tell because geographical conditions are changing a lot. So, 1 year it will be in demand in that part of the world, second year it can be in the other part of the world. Like that it is fluctuating because the weather conditions nowadays, they are fluctuating a lot.
- Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing comments.
- D. K. Jain:** Thank you. Thank you very much all of you for your participation to have spared your valuable time. For any other further queries and clarifications, please get in touch with our Investor Relations team. We will be happy to reply to your queries. Thank you very much. Have a great day.
- Moderator:** Thank you, sir. Ladies and gentlemen, on behalf of Dolat Capital Markets Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.