

3rd June, 2025

To,
BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

The National Stock Exchange of
India Listing Department,
Exchange Plaza,
Bandra Kurla Complex
Bandra East,
Mumbai - 400 051

Sub: Written Transcript of Earnings Call held on 28th May, 2025

Dear Sirs,

This has reference to our letter, intimating about the earnings call on 28th May, 2025 with Investors to discuss financial performance of the Company for the quarter and year ended 31st March, 2025, and weblink for the audio-recording of the call submitted to you on 28th May, 2025.

Please find enclosed herewith written transcript of the aforesaid earnings call.

The said transcript will also be available on the Company's website:
<https://sumichem.co.in/investors-relations.php#Announcements>.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Sumitomo Chemical India Limited

Deepika Trivedi
Company Secretary & Compliance

Encl: a/a

“Sumitomo Chemical India Limited Q4 FY '25 Earnings Conference Call”

May 28, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 28th May 2025 will prevail.

MANAGEMENT: MR. CHETAN SHAH — MANAGING DIRECTOR
MR. SUSHIL MARFATIA — EXECUTIVE DIRECTOR
DR. SURESH RAMACHANDRAN — DEPUTY MANAGING DIRECTOR
MR. KUNAL MITTAL — SENIOR VICE PRESIDENT, PLANNING AND COORDINATION OFFICE
MR. ANIL NAWAL — CHIEF FINANCIAL OFFICER
MS. DEEPIKA TRIVEDI — COMPANY SECRETARY AND COMPLIANCE OFFICER

Moderator: Ladies and gentlemen, good day and welcome to the Sumitomo Chemical India Limited Q4 and FY '25 Earnings Conference Call.

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

As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

From the Management today, we have on the call Mr. Chetan Shah – Managing Director; Mr. Sushil Marfatia – Executive Director; Dr. Suresh Ramachandran – Deputy Managing Director; Mr. Kunal Mittal – Senior Vice President (Planning & Coordination Office); Mr. Anil Nawal – Chief Financial Officer; and Ms. Deepika Trivedi – Company Secretary, colleagues from SGA, their Investor Relation advisors.

Now I hand the conference over to Mr. Chetan Shah – Managing Director of Sumitomo Chemical India Limited. Thank you, and over to you, Mr. Shah.

Chetan Shah: Thank you. Ladies and gentlemen, a very good afternoon to all of you, and welcome to the Conference Call to discuss Q4 and Financial Year '25 Financial Performance of our Company.

First of all, let me begin with saying that India's agriculture sector continues to play a foundational role in the national economy, accounting for almost 46% of country's employment in Financial Year '24, up from 44.1% in Financial Year '18.

Improvements in irrigation coverage, input availability, institutional credits have significantly bolstered the sector's resilience against climatic shocks. These strides are now translating into robust output with record production achieved in Financial Year '24-'25 and a targeted 1.5% year-on-year increase in Kharif food grain output for Financial Year '26.

India's farm exports tell a compelling story, more than doubling over the past decade to surpass \$48 billion, outpacing growth in both manufacturing goods and services. Despite intermittent export restrictions, India's agricultural policies have demonstrated their global impact with price shocks reverberating across international markets during export bans and on staple like rice and onions.

India's agriculture sector is at an inflection point. With strategic policy support, enhanced awareness and technological integrations, the industry can not only meet domestic food security targets but also fortify its leadership role in global agri trade.

The domestic environment for agricultural inputs has recently seen a turn for better, underpinned by favorable monsoon and a strong Rabi season, signaling green shoots of recovery.

On the global front, the agro-chemical export landscape continues to grapple with pricing pressure and climate volatility. Nonetheless, with channel de-stocking largely behind us, and ordering patterns normalizing in key export markets, the industry is poised for gradual stabilization. Prices appear to have bottomed out, providing a base for recovery in subsequent quarters.

Before I invite my colleagues to share more information on our Company's performance, I would like to highlight a few important points. In Financial Year '24-'25, our team delivered 20% volume growth in our branded business in Indian domestic market and 30% plus volume growth in exports over last year. In addition to several premium branded products in our existing portfolio, several products newly launched in the last three years or so contributed to this volume growth. We are extremely pleased with our team's performance to deliver such volume growth.

Our team also delivered the highest level of profitability in the Financial Year '24-'25, both in terms of absolute PAT numbers and also in terms of percentage margin across all levels, EBITDA and PAT levels.

Further we are ready to launch several new products in the Financial Year '25-'26. Among such portfolio, one newly launched patented global blockbuster product deserves a special mention. The product INDIFLIN, which is formally a Japanese innovation by our parent Company has demonstrated impactful performance in few markets wherein this was launched in last couple of years.

We are also thankful to Indian regulatory authorities for granting fast-track approval of this product under a special window for new global launch products. Our teams are launching this product in India under the brand name of Excalia Max. And based on various technical evaluation and free trials data of global performance in India, we feel this can be a next blockbuster product from Sumitomo. I request my colleague Suresh to talk more about this very soon.

Before that, I think it is also important to mention that the technical or the active ingredient, as we call it, for this newly launched globally blockbuster product will also be made by us in India within next 12 to 15 months. This will be made in our existing Tarapur plant, and all the trials and technical evaluation have been completed.

While we are finalizing plans to set up new Greenfield plants at Dahej for manufacturing multiple products for our parent Company SCC, we thought making this newly launched global product at Tarapur in interim period would help us accelerate/ ramp-up of this production in Indian market and also provide early experience of manufacturing new patented products to our projects and manufacturing teams. This experience would be very helpful to leverage when we

set up larger level Greenfield backward integrated plant for global requirement over next couple of years.

Our Dahej plant remained intact. We already have secured the environment clearance valid for 10 years. Planned capacity requirements and our overall site layout designs are ready. We plan to soon start work on setting up multiple Greenfield plants at Dahej for multiple SCC-innovated products and intermediates, and technical studies for the same are in a very-very advanced stage.

We plan to invest, as informed earlier, an initial investment of Rs. 300 crore to start with and we are prepared for more investment depending on the number of products we finalize and the time that will be required to put up each and every plant. This Dahej manufacturing capacity expansion Initiative is very strategic, long-term growth strategy for us at SCIL as well as for our parent Company SCC as diversification of existing Japanese manufacturing facilities and also newly launched global products expansion plans. My colleague Kunal will cover more about this little later.

Thank you very much. And with that, I will now hand over the call to my colleague Suresh to talk about our performance. Thank you.

Suresh Ramachandran: Thank you, Mr. Chetan Shah. Good afternoon everybody on the call, and thanks for joining us today.

FY '25 was a year of steady recovery and strategic progress for Sumitomo Chemical India Limited. The Company delivered a resilient performance marked by consistent volume growth across key segments despite a challenging pricing environment that persisted throughout the year.

Our revenue growth for the year was primarily volume-led, underscoring the strength of our domestic franchise, robust channel engagement, and timely execution of demand generation initiatives. This was complemented by sustained improvement in operational efficiencies and cost optimization measures, which enabled us to expand margins and deliver strong growth in profitability.

We delivered 11% revenue growth over a year-on-year basis, led by substantial expansion in volumes across both domestic and export markets, despite adverse pricing trends that impacted realization by approximately 10% in both segments. The performance underscores our commercial agility and execution strength further reinforced by improved asset utilization and optimized distribution efficiency.

Profitability saw a significant uptrend during the year. Our EBITDA grew by 33% and PAT by 37%, with both margins reaching their highest levels in our history, a result of superior product mix, strategic sourcing, procurement discipline and early liquidation of high-cost inventory. EBITDA margin improved by 339 basis points year-on-year to 20.1%, while net profit margin expanded by 308 basis points to 16.1%.

Our domestic business remained a key growth engine supported by healthy Kharif season, strong Rabi season and deep engagement through initiatives like our flagship campaign called “Every Day Farmer’s Day” campaign. Through which we reached over a million farmers and many thousands of channel partners across the seasons and across the country which helped us in robust growth.

Exports, though challenged in Quarter 4 due to global market headwinds around select molecules, posted a meaningful year-on-year full-year growth. Our strategy of geographical diversification and product realignment enabled us to maintain resilience in key markets.

We launched several new products in the last financial year, which includes products like Meshi, Portion, Ormie, And also we received the latest registrations for two next generation SCC molecules, namely Excalia Max and Lentigo, which is a rice herbicide. We also commenced commercial production of CTPR, that is Chlorantraniliprole, at our Tarapur facility, advancing our backward integration strategy.

Our subsidiary, Barrix Agro Sciences, also delivered a commendable performance in its first full year under SCIL with revenue growth of 82% and turned around from a negative EBITDA margin to a positive 16%. Together, these efforts have culminated in making SCIL emerge leaner, stronger and more future ready.

Now coming to the outlook for FY '26:

Building on the momentum of FY '25, we enter FY '26 with renewed strategic intent and operational confidence. This year is poised to be a period of growth supported by a favorable agro-climatic outlook, early monsoon onset, and stability in commodity pricing and sowing patterns.

Our focus will remain firmly on driving volume-led growth, scaling up recently launched products, and sustaining margins through tight cost controls and optimized operations. The commercialization of Excalia Max and Lentigo, both high potential patented molecules from SCC, is expected to significantly enhance our competitive position in key crop segments. Apart from SCC molecules, we are also poised to introduce another 3 to 4 products under 9(4) registration in India.

We will continue to reinforce our domestic franchise through deeper channel penetration, customized farmer engagement program and digital-led demand generation. The third season of EDFD to be launched from June 15, which has already been communicated to our teams on the ground, will further scale our outreach and grassroots impact.

While export markets present selective challenges, particularly in Latin America, our agile approach, expanding footprint in Africa and Asia, and robust product pipeline will help balance risks and capitalize on emerging opportunities.

We also remain committed to improving operational metrics. Our efforts around inventory control, receivables discipline and working capital management will continue to be a core priority even as we prepare for the next phase of scale. With this multi-pronged strategy, we are confident of delivering another strong year, making FY '26 a defining year of resurgence for a SCIL anchored in innovation, execution excellence and market agility and discipline.

With that, I will hand over the call to my colleague Mr. Kunal to talk about our CAPEX plans.

Kunal Mittal:

Good afternoon, everyone.

Now coming to our new CAPEX plans:

As part of our long-term strategy to expand our manufacturing capabilities and our manufacturing skill set and also to align with our parent Company SCC Japan's global vision, our Board has approved two strategic CAPEX initiatives aimed at expanding our skill sets, cost efficiency and also supporting the innovation delivered by the technical teams in India.

So, the first such project is Brownfield expansion at our Bhavnagar site for a very important SCC global molecule. We are expanding our production capacity at our Bhavnagar for this strategically important SCC invented and a globally successful molecule.

If you recall, for the similar product, we had set up a capacity about one to two years back. And with the success of this first plant and the initial capacities in last two years, we have consistently delivered the product at a globally acceptable highest quality standards, meeting all quality standards, demonstrating very high utilization of this plant capacities and extremely competitive cost situation, including our ability to react to the global pricing pressure and competitiveness.

So, with this kind of confidence which our technical teams have demonstrated, our Board was very pleased to approve this CAPEX to enhance our capacities. With the further investment of about INR 55 crore, and with this we are targeting to double the capacities. And it will also mean this entire additional capacities can be used to expand our exports to our parent Company. This plant is expected to be completed by Q4 Financial Year 2026-27.

This facility will enhance our ability to support the global requirement of very important SCC molecules and SCIL will be able to meet 40% to 50% of the global requirement. And in the future depending upon the success and the volumes of this product and this project, we can even consider in the future if there is a need to further expand these capacities.

The second project which we want to highlight is again a Brownfield project at Tarapur. This product as earlier was touched upon by our Managing Director Mr. Chetan Shah is a recently launched global molecule which is expected to be a blockbuster product. And in India also this product has recently received regulatory approval for sales in the Indian market. We will be manufacturing this product at our Tarapur facility, and we will be using our existing facility with some modifications in the equipment and the line to be able to manufacture this product.

The estimated CAPEX for this project is less than Rs. 10 crore. And the timelines are very similar to the first Brownfield project of Bhavnagar. So, the Tarapur Brownfield project is also expected to be completed by Financial Year '26-'27, Q4.

This investment will also allow us to demonstrate SCIL's ability to manufacture newly launched global innovative patented molecules. And this will give us a lot of confidence to both our technical teams in India and our parent Company that SCIL can manufacture new and the recently launched products as well. And it is something which is a kind of a new initiative being done by our Company with the support of our parent Company. And we will also be able to support the global expansion of this product in the future. And with this, the 100% of the domestic demand in India is expected to be met from the production from India in next two years or so.

This will also be a very strategic step towards a state-of-the-art, much, much larger capacity backward integrated Greenfield facility for the same product at Dahej. And as Mr. Chetan Shah also mentioned that the experience of this product in our Tarapur existing facility will give more confidence to our teams in India and Japan that SCIL can set up much larger level backward integrated facilities in the future. We are currently at the advanced level of technical evaluation in discussion with our parent Company. And once this is completed, we will provide update.

In the next one to two years our technical team will work in parallel on both the initiatives. These two Brownfield expansions as we have mentioned one in Bhavnagar, one in Tarapur, and at the same time, in parallel, we are continuing to work towards setting up a new Greenfield facility at Dahej and maybe for this particular product and some more additional product.

So, the Dahej strategy remains for multiple products and multiple plants to be set up in next 3 to 5 years. I think our Managing Director has also mentioned about our Dahej expansion and its importance. And I don't need to emphasize more on this.

So, with this, now I request my colleague Mr. Anil Nawal to please talk about the financial performance of the Company.

Anil Nawal:

Consolidated Q4 FY '24-'25 Financial Performance:

Despite overall pricing headwinds, we recorded revenue of Rs. 679 crore in Q4 FY '24-'25 which is up by 1% as compared to Rs. 674 crore in Q4 FY '23-'24. Sequentially, the revenue was up by 6% from Rs. 642 crore in Q3 FY '24-'25. Gross Margin in Q4 FY '24-'25 are 40% as compared to 41.7% in Q4 FY '23-'24. EBITDA came at Rs. 120 crore in Q4 FY '24-'25 as compared to Rs. 140 crore in the same period last year.

Sequentially, EBITDA was up by 13% from Rs. 106 crore in Q3 FY '24-'25. EBITDA margin in the current quarter stood at 17.6% as compared to 20.8% in Q4 FY '23-'24. Profit after tax stood at Rs. 100 crore in Q4 FY '24-'25 as compared to Rs. 110 crore in the same quarter last

year. Sequentially, PAT was up by 14% from Rs. 87 crore in Q3 FY '24-'25. PAT margin stood at 14.7% vis-a-vis 16.3% in Q4 FY '23-'24.

Now coming to our consolidated performance for Financial Year '24-'25:

Revenue from operation in H1 FY '24-'25 stood at Rs. 3,149 crores. So, there is a correction it's not H1, it's the full financial year, stood at Rs. 3,149 crore, up by 11% as compared to Rs. 2,844 crore in FY '23-'24.

In the Financial Year '24-'25, domestic agro-chemical revenue contributed about 78% of our overall revenue with export contributing the rest. In FY '24-'25, insecticides contributed about 40% of total revenue, while herbicides, plant growth regulator and fungicides contributed about 21%, 11% and 10% of total revenue respectively. From a business mix standpoint, our domestic business continued to exhibit strong momentum growing 8% year-on-year in FY '25, contributing 78% to revenues.

Export revenue surged 22% year-on-year, supported by penetration into newer geographies despite Q4 headwinds. In FY '24-'25, sales to South America and North America increased by 78% and 44% respectively as compared to the same period last year.

Our full year gross margin expanded by 337 basis points year-on-year to 41%, underpinned by favorable product mix, procurement efficiencies, and proactive liquidation of high-cost inventories.

FY '25 also marked the highest profitability in the Company's history. EBITDA stood at Rs. 632 crore in FY '24-'25 witnessing a jump of 33% as compared to Rs. 475 crore in '23-'24. Our EBITDA margin stood at 20.1% in FY '24-'25 as compared to 16.7% the same period last year. The profit after tax for the financial year amounted to Rs. 506 crore, reflecting an increase of 37% compared to the previous year's figure of Rs. 370 crore.

Now, we will take a pause here and request the moderator to open the floor for question one by one.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Bhavya Gandhi from Dalal and Broacha Stock Broking. Please go ahead.

Bhavya Gandhi: Hi, thank you for the opportunity. Just wanted to ask a couple of questions from my end. Sir, what is the revenue expected from the two new molecules that we have received registration for, Excalia Max and Lentigo?

Suresh Ramachandran: See, we are just about to launch this Kharif season. Our first primary objective is to ensure proper launch, acceptance by the farmer through demand generation activities and deliver performance exceeding the expectations of the farming community. That's our first objective. Obviously, once the farmers accept this molecule based on its merits and performance, I think it will go into, our aspiration is big, but we can't commit any number at this point of time. Given the potentiality

that it has done very well, wherever this product was launched, we expect it to be a good number business for India also.

Bhavya Gandhi: So, currently the technical might be imported from Japan, and we might be just formulating it, or the entire formulation is being imported at the moment?

Suresh Ramachandran: No, we are importing technical and formulating it in India.

Bhavya Gandhi: Formulating in India. And with respect to the Bhavnagar molecule expansion that we are saying, is it a patented one, the Brownfield expansion that we are planning Rs. 55 crores, or is it a patented one or is it a generic product?

Kunal Mittal: It is not a patented one, but it is a proprietary which means it was innovated by SCC and still at this point of time we continue to have a very strong global market share in this product. So, it is out of patent now, but it continues to be a proprietary.

Bhavya Gandhi: Proprietary product. Fair enough. And just one more thing. On the specialty basket, largely it has been constant only. So, if you look at this year numbers, specialty has been closer to Rs. 900 crores. Two years back also it was somewhere closer to Rs. 1,000 odd crores, whereas our gross margins have improved drastically in the last two years to 41%. Is it possible to guide at least on the gross margin, what is the long-term sustainable gross margin? And what is the outlook for specialty as a portfolio? I mean, from Rs. 1,000 crores, where do we intend to take it? Maybe double it because we have launched a couple of products in the last 3-4 years. So, yes.

Kunal Mittal: So, in the specialty portfolio also, we have a range of products, like even some of the segments like animal nutrition, EHD even, they qualify for specialty portfolio. So, while you are right that the overall specialty portfolio has remained same, but within the specialty portfolio, we are upgrading our portfolio with a newer and higher margin product.

So, fundamentally and strategically, whatever we need to do, that is being done. And that is what has caused and resulted into increase in our gross margins. And all the new products launched by the Company in the last three years which are mainly towards the Agro division of the Company and as Dr. Suresh also touched upon, these products are seeing good traction in the market.

And as a Company, we don't push that in the initial one or two years itself, the product volume should ramp up to a very high level. And historically also, always we have delivered consistent growth over three to five years in terms of volumes ramp up. So, with the volume ramp up of this newer product, the share of specialty should enhance in the future.

And from the margin point of view, as you can see, at the Company level, because of these strategic initiatives of new products and high margin product, the overall margin profile has gone up by about 3%-3.5%, from 37.6% to almost 41%. And our endeavor will continue that we want to maintain this kind of margins going forward. And we don't believe that there is anything one time or kind of exceptional items in these margins which gives us some sort of indication that

these margins are not sustainable. So, we are very confident to be able to maintain and sustain these margins.

Suresh Ramachandran: Just to add one comment over what Kunal said, as I mentioned during my initial comments, we launched a campaign called Every Day Farmer Day Meeting, right across the country where the teams have been given a mandate of selected products which we shortlisted based on the margin and potential of future including the new products. The focus of the team has been channelized into those kind of products which gives higher returns to the Company. So, that is also helping us in terms of product mix.

Bhavya Gandhi: And just one more thing on the exports to Japan. So, that number has dipped again for this year. I think we had guided that at least we will be doing Rs. 125 odd crores this year and Rs. 250 odd crores next year by supplying to the parent. That has again missed. So, if you can just help us understand what is not working or what we are trying to improvise by supplying it to our parent in Japanese exports as well as on the Nufarm.

Kunal Mittal: So, this exports to our parent Company Japan, it consists of several product, and one or two products we were already making earlier, and recently we expanded capacities to add five or six products. So, some segments and some products out of this due to, say, delays in registrations globally or due to the global volume slowdown situation in last one or two years what has caused, so, we are saying that there is a little bit of a delay in some of the products ramp up.

But at the same time, while at the same facilities, we have upgraded to be able to make other products. So, overall, in the terms of capacity utilization, we are in satisfactory level. And instead of exports to Japan, we have been able to make some products in India itself.

If you see our Investor Presentation on Slide No. 5, we have also mentioned that we have started the commercial production of a very important product called CTPR, which recently got off patent, and we have started manufacturing that product also in the same Tarapur facility, and we have started sales of this product in Indian domestic market.

So, in terms of utilization of these facilities, we are enhancing the utilization level every year. In terms of exports to Japan, yes, there is a little bit of a slowdown and some delays, but we are on track to grow it consistently and with these two new projects, which we have announced, we will be able to further enhance both the volumes and also the product portfolio, including one newly launched product also.

Bhavya Gandhi: Just last thing, on the Nufarm, because the INDIFLIN product is already launched in the LATAM market, so how are we seeing the response and are we still supplying Tebuconazole to the LATAM market and outlook for LATAM market?

Kunal Mittal: Yes, so we are supplying Tebuconazole. How much this volume, I mean, how much I think Nufarm has performed. It is a kind of a third party in terms of that way, it is a private Company. So, their numbers are not in public domain. But whatever you can see in the public domain, this

product seems to be working well and has made a lot of impact in the Brazilian market. But the specific numbers we don't have access to and it is not in public domain.

Bhavya Gandhi: Our outlook for exports to LATAM market?

Kunal Mittal: You are talking about this particular Tebuconazole for INDIFLIN combination, right?

Bhavya Gandhi: Yes, and overall outlook as well for LATAM.

Suresh Ramachandran: Overall, you know, LATAM picked up early last year. First three quarters did well. In the Quarter 4, it did went a little bit sluggish. But based on our market information and all, it seems to be coming back on track. We need to wait for one or two more quarters to really see it to come back to normalcy. We are optimistic.

Bhavya Gandhi: Fair enough. I will get back in the queue. Thank you so much for the answer.

Moderator: The next question is from the line of Himanshu Binani from Anand Rathi Financial Services Limited. Please go ahead.

Himanshu Binani: Hi, sir, thank you for taking my question. So, my first question was largely on the CAPEX side, the two new incremental CAPEX which we have announced. So, maybe if you can like give a better sense in terms of the revenue and the margin expectation from those. And second on the Tarapur side, this Rs. 10 crore CAPEX, so this is largely catering to the domestic branded business, or this would be for the exports?

Kunal Mittal: So, first, I will take the second question. You are right, as we have mentioned in the presentation also, in the Tarapur, we are just modifying the lines to be able to manufacture this new product, which is globally also recently launched product and primarily for few months production will be utilized only for the Indian domestic market.

And for the global requirement we have to still study more and set up a new Greenfield site at Dahej with a backward integration. So, this site primarily purpose is for Indian domestic market because in Indian domestic market itself, we are expecting, as Dr. Suresh mentioned, very good ramp up of the volumes and impactful performance in the Indian market.

And on your other question, the first part, which is about the CAPEX which we are undertaking, so, the margin profile of this is expected to be similar to the projects which we have delivered earlier.

Himanshu Binani: And the revenue targets?

Kunal Mittal: That is something which is an evolving situation because sometimes some of these products, the pricing goes up and down as per the global situation. So, at this point of time, it is very difficult because we are still like, say, 18 months away from commercial production. So, whatever is the

sales price, based on that the top line goes a little bit up and down, but from margin point of view, we are confident that this product should be able to give us a good return on investments.

And even at the Company level, as you can see, like, from the peak revenues of Rs. 3,500 crore, even if the revenues are lower, but as you can see, the profitability-wise we have delivered the expectation. So, the same kind of philosophies are also coming up with all of these CAPEX projects. We will not be able to very confidently give you how much revenues, but profitability wise, they will be in line with expectations.

Himanshu Binani: And sir, the second question is largely on the margin side. So, if you can like help us understand the margin differential between the domestic and the export business for 4Q as well as for FY '25. And how one should actually look into the overall gross margins basically for '26?

Kunal Mittal: So, see, as a strategy, I think, because it's commercially sensitive information, we never disclose the specific margin between domestic and exports or between the segments. But as a trend, I think, Dr. Suresh has already mentioned, and I request him to little bit expand more about the outlook and the margin expectation. But we will not be able to give a specific break-up between export and domestic.

Suresh Ramachandran: Yes, generally, our export business primarily we export technical grade. In technical grade, generally the margin is slightly lower than the formulation. In formulation, which is primarily domestic market, we invest quite a bit of marketing and promotional activities. Naturally the margin would be slightly higher compared to the technical grade pesticides. We have delivered a record margin like when Anil spoke or Mr. Chetan Shah spoke, we delivered the highest ever margin in terms of absolute number and also in terms of percentage. And during my comments also, I mentioned that we would like to further strengthen it with the launch of the new products with more focus on intense demand generation, high margin, gross margin products. Our endeavor is to increase the margin compared to what we delivered in FY '24-'25.

Himanshu Binani: So, sir, maybe differential basically into the exports and the domestic margins. Any ballpark numbers would be like good.

Kunal Mittal: Sorry, we will not be able to give any forward-looking specific numbers.

Moderator: The next question is from the line of Chintan Modi from Haitong Securities. Please go ahead.

Chintan Modi: Hi, thank you for the opportunity. Sir, could you highlight how much was the revenue achieved from those 5-6 molecule in FY '25, which is specifically made for the parent?

Kunal Mittal: So, as you can see, we do not give the specific product wise breakup and all. But you can see that from the numbers in the presentation, the total exports to Japan is at about Rs. 100 crore plus level.

Chintan Modi: Second, with respect to the margins, see, for these products that you are talking about, like the two new plants, which are newly launched products that you will be manufacturing. So, when

you do this for your global requirements, the process and everything is similar to what Japan follows, or there is some process innovation that is being done in India by the Indian team.

Kunal Mittal:

So, I think these two are the different products. One is the newly launched product and one is the product which we are already selling in India for many years and already making in India for now 2-3 years.

So, on that particular product, lot of innovation has been done by SCIL in India. And even before starting the manufacturing two years back a lot of process innovations were done. And those kind of activities in terms of process innovations and some efficiency improvements on a gradual and consistent basis continue by our team on a regular basis without significantly changing the characteristics of the product. So, that kind of activities continues.

For the second product, which is just a newly launched global product which will be starting the manufacturing in the next 18 months or so, so, for that to start with, we are following the global processes. And gradually once we start manufacturing, we will look at the opportunities to optimize the processes. And also when we set up a larger scale, a new plant which is backward integrated at Dahej for the global requirement, that time also we will see that how much process innovations can be done.

Chintan Modi:

And so in a similar context, so the margins that you make on such kind of products that where you would have done some process innovation is generally higher than your domestic margins or similar to the domestic branded business?

Kunal Mittal:

Broadly it is similar, and what I think we have always maintained whenever we announce any kind of CAPEX is that any of these investments will not be negative for our existing Company level margin. So, in these kind of projects also, we are earning at a Company level margin. But I think Dr. Suresh also touched upon, because some of these products we are exporting technical to our parent Company.

So, in terms of margins for formulations or margins for marketing and distribution of the product, that is something which comes in the global affiliates, and that is something where the both efforts and margins are not being coming to SCIL, but at the same time in the domestic market, we get also the margins for the formulations, for distribution, for marketing and all those kind of activities because they accordingly take that much effort and costs also.

Chetan Shah:

Also, you know, the process innovations is not totally important because these are off-patent products. So, it is not always true that you innovate, or you have a process improvement only for making profits. Sometimes you have to be technologically ready to face competition from China or any other part of the world, basically China, but you have to be ready to compete with them. So, the process innovation is also an important part as to how well you can be in the competitive position. You can't afford to lose your volumes.

Chintan Modi: Sir, one last question is with respect to, you know, your parent Company has come out with a business plan '25 to '27, wherein they have mentioned about some foray into semiconductor chemicals in India. So, would like to understand if you have been in talks with the parent Company on these lines?

Kunal Mittal: Yes. So, yes, you are absolutely right. In our parent Company's strategic growth plan, they have announced that our ITCM sector, which deals with this kind of a chemicals and semi-conductor related chemicals, is looking to expand into India. And we are in discussions with them. And we are jointly evaluating the opportunities in India. No decision has been made at this point of time.

But we are studying the Indian market in terms of the overall evaluation of the semiconductors and all those kind of a thing. But we are very much hopeful that whenever our parent Company decides to expand this business in India, we are hopeful that SCIL should be considered suitably by our parent Company.

Chintan Modi: And sir, with respect to...

Moderator: Sorry to interrupt, sir. I would request you to please rejoin the queue for your follow-up question. The next question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Hi, sir. Thanks for the opportunity and congratulations for a good annual performance. First question on our capital allocation as well as the CAPEX plans. If I look at the timeframe over FY '22 to '24, we had seen some sort of ramp up in our CAPEX, annual CAPEX to around Rs. 100-150 odd crores annually but again slowed down in FY '25 while we are sitting at a strong cash balance of Rs. 1,500-1,600 crore plus and generating more. So, just wanted to gather your thoughts, you know, how should one look at this pace given that Dahej is still largely underutilized as an asset?

Kunal Mittal: So, Ankur, see, what has happened is, as you are aware that last two years, the global agro-chemical industry faced significant challenges. If you look at the results, especially volumes of any agro-chemical Company all over the world or in India, everyone has suffered significant volume drops due to several structural problems. And now those things are coming back to normal.

So, in last two years, it was a very, very difficult situation. Some of the projects which we had approved before this kind of challenging situation, we completed. But in the last one or two years, due to the challenging volume situation globally, it was less confidence for us to go ahead and incur CAPEX and add up more and more capacities. But now since the situation is coming back, we have restarted that kind of a process. And we have approved some of the projects.

In addition to that, there will be a normal CAPEX which we anyway incur for some existing products debottlenecking. So, with all of these things, now we feel that we will be back to the normal trend. And you are absolutely right, last one or two years, there was slowdown in CAPEX. But we feel that going forward, that situation should be behind us. And going forward,

we should be having more confidence to be able to add capacities, both for our domestic requirement and also for the global requirement.

Ankur Periwal: Thanks, Kunal. Just to follow up on that, so this CAPEX expansion that we plan to do, this will be largely for the debottlenecking-led or let's say, for the domestic business as a market? Or it is largely dependent upon newer products ramp up from the export market from Sumitomo from our parent perspective and that will be the bigger driving factor here?

Kunal Mittal: Both.

Kunal Mittal: But I would say the second part will be the bigger driving factor. The first part anyway continues, the debottlenecking and those kind of a small thing. But expansion of manufacturing for more products, additional capacities for the global requirement, that is something which is expected to drive the utilization of Dahej and also the CAPEX plan going forward.

Ankur Periwal: Second question on our margin profile as well as the specialty revenue bit. You did allude towards rejig in the portfolio, which has probably kept the revenue flattish, the specialty part of it. Is that rejig lastly over and hence we should see a sharper sort of revenue ramp up starting FY '26?

And the second related question to that is on the gross margin improvement there. Should this trend continue in the coming years as well given that newer product ramp up launches et cetera still accelerates, or there is some cap to that EBITDA or gross margin that you want to make?

Kunal Mittal: So, you are right that this process of maybe slowdown in some of the low margin products in specialty and focusing more on new products and high margin products, I believe this cycle will continue for some more time. So, in our portfolio, there are still some products in our specialty which are not yielding very good margins, and maybe there could be a slowdown of some of these products. So, that kind of exercise may continue for maybe one more year. And this should naturally result in higher margins.

So, as you have seen last year also, since we reduced focus on some of the low margin product and focus more on high margin new products, our margin profile improved. So, while the top line may have some problems because of this, but at the margin level it should be positive for the Company and for the long-term interest of the Company, because we want to less focus on the product which are adding very low margin, requiring a lot of investment in terms of working capital and that kind of a decisions and evaluation is being done for the low margin products.

Ankur Periwal: Just following up on that, earlier we had mentioned that we were good at 20% odd EBITDA margin there. Does that thought remain the same or because of the operating leverage if theoretically the margin goes upwards of 20%, we are okay with that?

Kunal Mittal: I think that ceiling which we had in our mind, that margins more than 20% which we have been mentioning in the past, I think we are behind that. And we have realized that in this year also, if you see, we have delivered EBITDA margins which are higher than 20%. So, we have already

broken that ceiling and from the mindset point of view also, now we understand that since we are not focusing on the top line growth, since we are not focusing on some of the low margin product, naturally the margin profile will go beyond 20% and it may go beyond 20% if the trend continues like this.

Ankur Periwal:

Good to hear that, Kunal.

Moderator:

The next question is from the line of S. Ramesh from Nirmal Bang Equities. Please go ahead.

S. Ramesh:

So, can you give us the volume growth for 4th Quarter and also explain why there was a dip in gross margin in EBITDA and the overall profits were down compared to the last period, especially since the Rabi this year was possibly one of the best we have had in recent years?

Chetan Shah:

Yes, if you look at first, let me talk about full year. If you look at our full year, as we commented at the beginning, our full year volume growth has been almost 20%, both in domestic as well as export market up to Quarter 3.

Even in Quarter 4, the domestic market grew very nicely, almost 15%-16% growth in the domestic market, whereas in the export market, primarily because of LATAM, our volume got hit on account of two. One, the price dropped compared to the previous Quarter 4. And also volume has taken a slight hit in terms of Quarter 4 compared to the previous year in exports.

See, these are the reasons why our Quarter 4 overall margin has also gone down. But overall we look forward to continue to better the performance year-on-year and quarter-on-quarter compared to the previous quarter or previous year. That's our endeavor.

S. Ramesh:

Can I just get some housekeeping confirmation on the export number for the year and the quarter? So, if I know the calculation based on the segment percentage, I get an export revenue of around Rs. 690 crores for FY '25 compared to Rs. 568 crores in FY '24. So, is that number correct?

Kunal Mittal:

It is slightly different. Based on our understanding, it is around Rs. 675 crores to Rs. 680 crores level in current year, and last year it was a little higher than Rs. 550 crores. And because you specifically asked about Latin America, so Latin America revenues, because it is already there in the investor presentation, are I think last year against the revenues of about Rs. 130-135 crores, this year we have delivered revenues of about Rs. 240 crores plus from Latin America.

S. Ramesh:

And for the 4th Quarter also, can you give similar numbers? I have a number of around Rs. 274 crores for exports in 4Q '25. And last year, 4Q '24, I have an export number of Rs. 285 crores.

Kunal Mittal:

I think there seems to be some confusion. I think as per us, the numbers for current year 4th Quarter is much lower than what you mentioned.

S. Ramesh:

Yes, because we are trying to reconcile the year-to-date numbers. So, we don't have the 4th Quarter percentage, right? So, you can clarify that, that will be useful to get the base right.

- Kunal Mittal:** As per us, it is more like whatever numbers we have. In the annual report also, I think these numbers will come. But as per us, the last quarter, current year '24-'25, the exports numbers are more in the range of Rs. 210 crores to Rs. 215 crore versus last year of Rs. 260 crore plus. So, there is a negative delta of about Rs. 50 crore in the current quarter coming from the exports.
- But again, this is again a quarter-to-quarter situation since sometime some shipments selling in December last week versus January last week, first week or so. So, I don't think we should look at so much quarter-to-quarter thing in this kind of a markets and this kind of situation. Full year basis, we have delivered significant growth both in Latin America in the overall exports market.
- S. Ramesh:** So, in terms of the CAPEX for Bhavnagar and Tarapur, are we talking about the two products, the fungicide and herbicide which you are trying to launch or is the CAPEX in Bhavnagar for CTPR?
- Kunal Mittal:** No, Bhavnagar CAPEX is not for CTPR. CTPR is not a Sumitomo molecule. It is a third-party off-patent molecule. Already several players in India, in China, all over the world have launched this product. And we have also started making this product in our Tarapur facility, which was already available. So, we have not incurred much of the CAPEX for this. And we did not even announce any kind of a CAPEX for this.
- And we have just commented in our Investor Presentation that we have completed this project and we have already started making this particular product. So, there is no CAPEX which we have announced for CTPR. And in Bhavnagar we were making one product for our global requirement wherein we are enhancing the capacities to doubling the capacities. And the Tarapur project is for fungicide.
- S. Ramesh:** The Tarapur project is for the Excalia Max.
- Kunal Mittal:** I mean, we don't give any specific product information, but yes, from our commentary you can get some guesses, but from the commercial and strategic point of view, we don't mention any specific product for any CAPEX.
- S. Ramesh:** So, the Bhavnagar CAPEX of Rs. 55 crores, can we conclude it's for the Lentigo herbicide?
- Kunal Mittal:** No, it is not for a new product. It is for a product which we are already selling in India for many years and we are already manufacturing in Bhavnagar. Two years back we had set up a project for that. It is for that product where we are increasing the capacity. But it is not CTPR what you mentioned. It is some different product. It is an insecticide.
- S. Ramesh:** So, just put all this in perspective, you had invested about Rs. 120 crores for the 5 molecules to be exported to Japan, right? So, is one of these expansion an extension of that investment? How do we evaluate that?
- Kunal Mittal:** Yes.

- S. Ramesh:** So, the investments for Excalia Max and Lentigo are yet to be made, right? That is supposed to be come in the future.
- Kunal Mittal:** No, no. See, Lentigo, there is no plan right now. Lentigo is a product which is a patented product, manufactured globally. And in India, we are just launching this product as a formulated product.
- The Excalia Max or other products as we have mentioned, this is a globally patented product. The starting point is we will be importing this product, technical, we will be formulating in India and selling in India. And we are looking to manufacture that product in India starting maybe in next 18 months or 2 years with a smaller capacity for Indian domestic requirement. And in the long term, we are technically evaluating if we can set up a global scale backward-integrated plant at our Dahej site.
- Moderator:** The next question is from the line of Naushad Chaudhary from Aditya Birla AMC. Please go ahead.
- Naushad Chaudhary:** Two clarifications. First on the margin side, I just wanted to reconfirm on the margin profile of export business because in the past, in our multiple interactions, what we could have understood, there is a few percentage difference between export and domestic margins. Has that gap narrowed or is there a case or that in future this gap can narrow or if you can comment qualitatively on this, please?
- Kunal Mittal:** So, I think what I understood your question, you are asking about the difference between exports versus domestic margins?
- Naushad Chaudhary:** Yes, and if there is a gap, can...
- Kunal Mittal:** See, as we explained earlier in the exports...
- Chetan Shah:** Can I?
- Kunal Mittal:** Yes, sir.
- Chetan Shah:** No, see, the point is that when you compare export business and domestic business, there is a very big difference. The difference in domestic market is that we are talking about selling our formulated brands. We may be manufacturing technical as well, but when you convert those technical and you convert them into brands and you market those products or domestic markets, the margins are different.
- Now, we are also selling our technicals in B2B market, right? And exports, we are also selling technical more than the formulation, the reverse of domestic market. So, in the domestic market, we are selling more of our brands, less of technical. And in the export market, we are selling more of technical and less of brands. But if you compare the margin between B2B domestic and export margins and technicals, they would be similar. They would be actually similar. But you

cannot compare, brand business margins will be definitely higher than selling a technical either domestic or export.

Naushad Chaudhary: I understood, sir. Thank you for this. And second, on our newly launched 9(3) and the pipeline which we have, if you can highlight which all key crops are we targeting or focusing or how do we decide which products we have to get in? Do we decide by the crops we want to focus on or is it purely based on the availability and the performance of the product? How do we decide the product?

Suresh Ramachandran: Yes, see, in India to register and launch any product, it takes somewhere between four to five years. Obviously, this product was fast-tracked. I am talking about Excalia Max because there is a special registration system for the newly launched products around the globe. Within five years, if it gets introduced in India, there is a special queue in which it gets fast-tracked. So, this project was almost started four years back.

So, first we evaluate the global discovery molecules in India. Obviously, there would be guidance from our global teams also. This product we are launching in paddy against a particular fungal disease, which is prevalent in Indian markets in certain geographies or many geographies it is present. So, it had a very good fit in India market. So, the first label we are getting in label, we got in label and we would be launching it in the next few days.

And we also know that it is fitting in crops like cumin, groundnuts, soybeans, few vegetables and fruits. Our teams have done extensive work to find it fits in other crops as well, for which label claim dossiers have been submitted. We should be getting it probably in the next 18 months, 24 months, 18 to 24 months. So, the first crop launch would be in paddy, followed by in other crops it will all be launched.

With regard to the other product, Lentigo, which is again a rice herbicide, which is a big market, because of there is an intense labor requirement, generally farmers look for chemical solutions to control the weed problem in rice. And this is again our global discovered molecules, which we tested few years back and it had a nice fit in Indian market. There is an already existing market in India for this herbicide. So, we decided to develop and launch this product. Again, this project was initiated four or five years ago. And we got the registration recently. And just first invoicing is happening as we speak. So, this product has got to fit only in rice. It will not fit in any other crop.

Moderator: The next question is from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.

Dhruv Muchhal: Sir, a question in some sense on the growth outlook for the domestic market for FY '26, because I was a bit surprised by the negative pricing drag even in 4Q. You mentioned the domestic market grew by about 14%-15% in volumes, but there was probably some pricing drag. So, I thought the pricing drag is largely behind given the base is also weak. So, just some comments there and some guidance on the outlook for FY '26 for the domestic market.

Kunal Mittal: I think just to clarify, I think maybe there is some misunderstanding. We did not mention too much about the pricing, specifically quarter wise. What we have mentioned in our Investor Presentation and opening commentary, overall there is a 10% price drop, whether it is in domestic business or export business in this current year, over last year. And quarter-to-quarter actually we don't analyze so much, and we don't mention so much. And against that, there is a significant volume.

I think in the domestic market, the volumes are 20% approximately as Dr. Suresh mentioned. So, the net growth is 10%. And in the exports market, there is 30% volume growth, which is causing about 20% total top-line growth in the exports market. So, this is the numbers for the past and maybe some quarterly numbers and all, there might be some confusion. And I request Dr. Suresh to give a little outlook on the volumes.

Dhruv Muchhal: Yes, outlook for FY '26.

Suresh Ramachandran: Yes, outlook for '25-'26, you know, as you all seeing the monsoon has come little early, about a week or so early, the sentiments are positive. It looks to be very, very good season is upon us, and we are all fully geared up. There is definitely going to be a volume growth.

I think, I just saw, I didn't read it. MSP prices have been announced just maybe half an hour back. I didn't read it yet. I am sure it has gone up at least 5% to 10% on key crops. What I understand is cotton acreage is increasing, corn acreage is increasing, chili acreage would increase. All the key pesticide consuming crops acreage is likely to increase.

If the monsoon continues in the same vein what we are seeing for the last couple of days, I think it augurs very well for the upcoming season. If the rainfall is good and if the Kharif is good, obviously it will replenish groundwater, which is going to help us in the Rabi season also. The overall sentiments at this point of time look very good.

Chetan Shah: And also we are not really seeing any further price drop because prices are quite stable. Whatever has happened has happened and I think if at all the price can only inch up from this level, that is what we feel.

Moderator: The next question is from the line of Rajas Joshi from Chrys Capital. Please go ahead.

Rajas Joshi: So, I had a question regarding the CAPEX we had announced in Dahej just two days back, regarding the five molecules that were to be in-license from the Japanese parents and then we were to supply them. So, any outlook / update on that front, on the CRAMS front specifically?

Kunal Mittal: I think we have already clarified this question in some of the earlier questions. So, I think because of the global situation in terms of the industry situation, some delays in registration, and overall, yes, the capacity utilization of one plant is lower. But we are taking efforts to enhance the capacity.

Chetan Shah: But that is in Tarapur.

Kunal Mittal: Yes, Tarapur.

Chetan Shah: You see, the plant you were talking about, that was set up in Tarapur. The Dahej plant is a totally different story. So, the Tarapur plant, which we had set up, got a little bit of hiccups in terms of delays in registration because these are all ESD products and it has to be registered in every country where they wanted to sell this. And there has been some delay over there, so the overall project is delayed. But because of that we are trying to utilize the same plant with minor modification to manufacture other products. And one product we have already started, that is CTPR, and another product we will be starting now, which will help us to ramp up the volume of Excalia Max substantially in the domestic market. And Dahej is the next stage, which I said in my opening remarks, that all the plants, all the designs, all the site plants, everything is ready. We are absolutely ready to go ahead. I think work can start soon. That CAPEX is a separate CAPEX of Rs. 300 crores.

Rajas Joshi: And what would be the timeline for the Dahej plant CAPEX?

Chetan Shah: So, that will be, I think, we want to start manufacturing certain products to deliver between '27, '28, '29 and '30. So, that is the plan. So, the entire range of products we will be doing in phase manner, but it will be definitely some in '27, some in '28, some in '29 and some in '30.

Moderator: The next question is from the line of Dhavan Shah from Alfaccurate Advisors. Please go ahead.

Dhavan Shah: Sir, my question is on the export side. If I look at this FY '25 numbers for Japan, I think the revenue has been declined from Rs. 113 odd crore to Rs. 93 odd crore. So, any thoughts on this? What led to a decline to the Japanese export? And then how much...

Kunal Mittal: The number is very similar to the last year number. I don't know where you got this Rs. 91 crore number. But in our view, I think this number is more, I think. Maybe because of this rounding off, like in the presentation, there is like a percentage, maybe because of that. But this number is very close to last year, almost similar.

Dhavan Shah: And in terms of the export numbers, the contribution right now is roughly 22% odd. How much do you see this mix can go up maybe two, three years down the line once this Dahej plant plus your that five molecule CAPEX that you did, that revenue would also inch up? So, how much mix do you foresee for the exports maybe two, three years down the line or four years?

Kunal Mittal: So, I think in the past we have mentioned, see it is very difficult for us to predict because we are trying to grow both. So, you are right that because of some of this CAPEX and the new upcoming Dahej site in next 3 to 5 years, there will be good expansion in our export portfolio.

But at the same time, in India domestic market also we are trying to launch many new products, patented products and off-patented products also and also expansion of volumes in our existing. So, hopefully we can grow both and maybe one segment can grow slightly higher or lower than other. But we are very hopeful that both should grow.

So, significantly it is not likely to be that exports will become like, say, 50% of the business in 3 years or 5 years. I think majority of our business will continue to be domestic focus with a very strong expansion in our export portfolio also.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we will take that as the last question. I would now like to hand the conference over to Mr. Sushil Marfatia, Executive Director, for closing comments.

Sushil Marfatia: Namaste everyone. Thank you all for your asking some very interesting questions and our colleagues for replying the same. We hope we could address your questions nicely. FY '25 has been a year of consolidation, resilience and strategic recalibration for Sumitomo Chemical India Limited despite global headwinds, rising pressure and market volatility. We have demonstrated robust execution capabilities, delivering strong volume-led growth, expanding margins to historic high, launching multiple differentiated products, and deepening our connect with farmers and channel partners through our initiatives such as EDFD campaign.

We now enter FY '26 with a clear and confident roadmap, a year we are defining as a year of resurgence. We expect a supportive external environment with the IMD forecasting an overall normal monsoon, a crucial catalyst for agriculture output and agriculture input demands. This bodes well for the domestic agro-chemical sector, and we are structurally well positioned to harness this tailwind.

On the strategic front, we are embarking on two important CAPEX initiatives. The first is the Brownfield expansion at our Bhavnagar site for a key SCC-invented molecule, building on the strong operating track record of our existing facility.

The second is the establishment of a new product line at our Tarapur facility for recently launched patented molecule. This investment also set the stage for potential scale-up opportunities including our readiness to support SCC's evaluation of a large-scale Greenfield facility in India.

Moreover, our continued focus on optimizing operational metrics including inventory management, receivable controls and disciplined capital allocation will remain central to our long-term strategy. We see this not merely at efficiency levers but as critical enablers of sustainable growth and value creation. We remain deeply grateful for your continued support and engagement. Thank you for taking the time to join our conference call today. We truly appreciate your participation. Thank you. Good night.

Moderator: Thank you. On behalf of Sumitomo Chemical India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.