**June 03, 2026**

To,

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| BSE Limited<br>Corporate Relationship Department<br>PJ Towers, 25th Floor,<br>Dalal Street, Mumbai- 400 001 | National Stock Exchange of India Limited<br>Exchange Plaza, Plot No.C/1, G-Block<br>Bandra Kurla Complex,<br>Bandra (East), Mumbai- 400 051. |
| **BSE Scrip Code No. 543687** | **NSE Symbol:-DHARMAJ** |

Dear Sir/Madam,

**Subject: - Transcript of Earning Call of Q4 & FY2026 Financial Results [Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

With reference to our previous intimation for the Q4 & FY26 Earnings Conference call of the Company held on **May 29,2026** at 12.00 PM IST and further in accordance with the requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule-III Part-A thereof, we hereby inform you that the **transcript** of the **Earning Conference call of Q4 & FY26** Financial Results is attached as **Annexure –A;**

**The same is also being made available on the Company's website at:**
https://www.dharmajcrop.com/investor/investors-analyst-meet-conference-call/

We request you to kindly take note of the same and consider for official records.

Thanking you,
**For Dharmaj Crop Guard Limited,**

MALVIKA BHADRESHBHAI KAPASI

Digitally signed by MALVIKA BHADRESHBHAI KAPASI
Date: 2026.06.03 18:43:13 +05'30'

**Malvika Bhadreshbhai Kapasi**
**Company Secretary & Compliance Officer**
**ACS-52602**

**"Dharmaj Crop Guard Limited**
Q4 & FY'26 Earnings Conference Call"
**May 29, 2026**

**MANAGEMENT:**

**MR. RAMESHBHAI TALAVIA**
CHAIRMAN AND MANAGING DIRECTOR
DHARMAJ CROP GUARD LIMITED

**MR. JAMANKUMAR TALAVIA**
WHOLE TIME DIRECTOR
DHARMAJ CROP GUARD LIMITED

**MR. VISHAL DOMADIA**
CHIEF EXECUTIVE OFFICER
DHARMAJ CROP GUARD LIMITED

**MR. VIKAS AGARWAL**
CHIEF FINANCIAL OFFICER
DHARMAJ CROP GUARD LIMITED

# Dharmaj Crop Guard Limited
# Q4 FY'26 Earnings Conference Call
# May 29, 2026

**Moderator:** Ladies and gentlemen, good day and welcome to the Dharmaj Crop Guard Limited Q4 FY'26 Earnings Conference Call hosted by TIL Advisors.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal for an operator by pressing "*" and then "0" on your touchtone telephone.

Participants, please note, at the time of the Q&A, participants are requested to ask your questions in Hindi. Also note that this conference call is being recorded.

I now hand the conference over to Mr. Sayam Pokharna from TIL Advisors. Thank you and over to you, sir.

**Sayam Pokharna:** Thank you Farah. Welcome everyone and good afternoon. Thanks for taking out the time to join us today in the Q4 and FY'26 Earnings Conference Call of Dharmaj Crop Guard Limited.

The Investor Presentation and Press Release has already been uploaded on the Stock Exchange and on the company's website.

To take us through today's results, we have with us from the Management Team, Mr. Ramesh Talavia - Chairman and Managing Director, Mr. Jaman Talavia – Whole Time Director, Mr. Vishal Domadia - Chief Executive Officer, and Mr. Vikas Agarwal - Chief Financial Officer.

We will start with a brief opening remark on the business performance for the quarter 4 and for the year from Mr. Talavia, followed by remarks on the financial performance by Mr. Agarwal and then open the floor for Q&A session.

I would like to remind you all that anything and everything said on this call that represents any outlook for the future and can be construed as a forward-looking statement must be viewed in conjunction with the risk and uncertainties that we face. These risks and uncertainties have been detailed in our annual report.

With that said, I would now like to hand over the call to Ramesh sir. Over to you, sir.

**Ramesh Talavia:** Good afternoon, everyone and I thank you for joining us today for the Q4 and FY'26 Earning Conference Call for our company.

We are pleased to report that for the full year FY'26, Dharmaj recorded revenue of Rs. 1138 crores reflecting a 20% year-on-year growth. For Q4 FY'26, revenue came in at Rs. 234 crores registering 11% year-on-year growth, even against relatively stronger Q4 FY'25 base.

At the profitability level, EBITDA for the full year stood at Rs. 101 crores registering a growth of 34% year-on-year, while net profit stood at Rs. 55 crores up to 57% year-on-year. We have reported a strong overall financial performance, which has been delivered in a volatile operating and industry environment including uneven monsoon and seasonal demand. Continued pressure on technical realizations through much of the year and more recently the emerging disruption from West Asia crisis and its impact on key raw metal availability.

Let us start with our formulation business:

Within formulation, our domestic institutional segment delivered healthy growth of 15% year-on-year for FY’26, supported by consistent performance across the year. Our branded formulation, vertical, however was muted coming in 3% growth for the year. The Kharif season in 2025 started on a robust note and Q1 FY’26 was in fact our strongest quarter for the branded formulation. However, the follow through in Q2 FY’26 was not as strong as we had anticipated. This was mainly on account of erratic and uneven nature of monsoon towards the latter part of Q2 particularly in late August and September, which resulted in a subdued agrochemical demand across the country. Some regions experienced excessive rainfall creating an uneven demand environment. The Rabi season that followed was also muted across the country affected by lower-than-expected pest attacks and elevated industry channel inventories that had built up from the stronger Q1. Together, this seasonal factor resulted in marginal growth for our branded formulation vertical over the years. We believe the underlying demand environment for our brand portfolio remains intact and we expect the situation to normalize in FY’27.

In our active ingredient business, this was a landmark year for our technical plant. Our domestic active ingredient business grew 37% year-on-year for FY’26 and we operated ahead our own internal capacity utilization target through the year. The most significant milestone on this front is one we had set as a key strategic objective for FY’26, which was achieving PBT level break-even at our technical plant. Through most of FY’26, realization demand under pressure and a meaningful recovery only began to emerge after February’26. The recent upticks we have seen since then has been largely driven by rising input costs across the board, reflecting the broader impact of West Asia situation on key raw materials. We are monitoring this closely.

On the export front, we made a strong comeback in FY'26 after a challenging FY'25 that was affected by external market disruption. Our focus at the technical plant remains on what is within our control, improving capacity utilization, improving our product mix towards the higher margin molecule, and progressing to increase capacity consumption within our formulation division. This factor, in our view, offers the most reliable path to improving the profitability of the active ingredient business, independent of where the external pricing environment settles.

On our expansion initiative:

Our new dedicated herbicide facility near our formulation site in Kerala GIDC, Ahmedabad is progressing in line with plans and is expected to be commissioned in Q3 FY'27. This facility will support the long-term growth of herbicide portfolio and release capacity at the existing facility, which is particularly important during the next peak kharif season. We view this expansion as an investment in a category with strong structural demand growth.

As I look at FY'27, our growth outlook is positive with an expected 18% to 20% overall top-line growth. Our internal focus for the coming year is clear:

- First, we will continue to scale up utilization at our technical plant, improve the product mix, and increase the capacity consumption of active ingredient within our formulation division. This is our most important level for company-level margin improvement going forward.
- Second, we will work to return our branded formulation vertical to stronger growth as the seasonal headwind from FY'26 normalizes.

- And third, we will maintain and build on the momentum in our domestic institutional and export segment, which is expected to show good growth in current year.

I am confident that Dharmaj is well positioned to deliver a strong FY'27. For the financial highlights, I would now invite our CFO, Mr. Vikas Agarwal.

**Vikas Agarwal:** Thank you, Ramesh Sir. Good afternoon, everyone. While most key points have already been addressed by Ramesh Sir, I would like to highlight a few additional aspects for everyone's benefit.

Before turning to the balance sheet, a few points on profitability and capital return ratio:

Our full-year EBITDA margin stood at 9% compared to 8% in FY'25, supported by higher scale into operating leverage and moved to PBT level break even at the technical front. Return on capital employed improved to 18% from 13% in the prior year. Return on equity improved to 12% from 9%. These ratios reflect both the stronger operating performance during the year and the gradual payback from the greenfield technical capacity we commissioned earlier.

On the working capital front, the closing inventory stood at 2074 million, up significantly from 1385 million last year. This was mainly on account of the management taking a prudent call in March 2026 to secure an additional raw material inventory to protect production continuity through the Kharif season, given the uncertainty around input availability and pricing costs due to the West Asia crisis.

Our cash conversion cycle extended to 87 days from 67 days in FY'25. This was largely a function of additional inventory we built ahead of the Kharif season. We expect that cycle to ease as this inventory is consumed. On the asset side, net block stood at 3097 million, With fixed assets turns, improving to 4x from 3x as utilization of the capacity created by our greenfield investment continues to improve.

On leverage, we continue to maintain a healthy balance sheet. Long-term borrowing has been reduced 510 million from 641 million, reflecting a discipline. That short-term working capital borrowing has increased to 809 million from 514 million, which is commensurate with the deliberate inventory build we undertook.

Our gross debt-to-equity ratio stood at 0.29x as of 31st March 2026, unchanged from last year, supported by a net worth of 4491 million against 3944 million a year ago. Our debt servicing capacity remains robust, supported by an EBITDA of 1005 million and strong operated cash flow. With this, we can open the floor for questions and answers. Thank you.

**Moderator:** Thank you, sir. We will now begin with the question-and-answer session. The first question is from the line of Praneet from SJ Investments. Please go ahead.

**Praneet:** Hi, sir. Thank you for the opportunity. First of all, I would like to congratulate you guys for the impressive performance you were able to do in terms of profitability and revenue. But I wanted to understand in terms of branded formulation what is happening. Because over a year ago, our split was mostly towards B2C compared to B2B. Now, I think the splits have completely turned into institutional business. Hello, am I audible?

**Vikas Agarwal:** Yes, the splits were a little less than what we imagined. And you are not clear.

**Praneet:** Is it better now, sir?

**Vikas Agarwal:** Yes.

**Praneet:** So, I am saying basically

**Vikas Agarwal:** Can you ask the question in Hindi, please?

**Praneet:** So, I wanted to ask what happened in the segment of branded formulations? Because this year, the contribution of B2C was very less compared to the previous two years. So, I wanted to ask what happened in terms of splits? Because of this, there will be some impact on the margin in the long term. What is the forecast management has regarding the B2B versus B2C split?

**Vikas Agarwal:** You are not clear yet, actually. Your voice is getting break-up. We cannot hear you properly. Can you repeat the question and go a little slow?

**Praneet:** Sir, am I audible now, sir?

**Moderator:** Yes, Praneet. You may proceed. Please ask your question in Hindi and please go a little slowly. Thank you.

**Praneet:** Yes, sir. First, I would like to, so, I would like to ask, sir, in terms of B2C, branded formulations specifically, what happened this year? I understand there were some headwinds in the market. But how will we grow the segment of branded formulations from this year? And I was thinking more about this in terms of the overall business split. Now, it was a lot towards B2B. This year, the exports increased and the institutional business and the activities increased. Mostly, the business split was on B2B. I was thinking that in this split, if the forecast will be like this, then B2C will come back in the majority in two, three years.

**Ramesh Talavia:** Last year, I told the reason that due to the rain in August-September, because of the monsoon, we were not able to grow. The consumption was not there. So, if there is a regular monsoon this year, then our growth will be managed by 20% to 25% on an average of the brand. And we have made all the preparations for that. As you have seen, we have taken Rohit Sharma as the brand ambassador. And the two, three states that we were not operating, we have also started them. We have started in Tamil Nadu. We are strengthening in North India. So, in the brand, with all the preparations, our one, two months that has started, it has started very positively. And we can come back to that growth. We have no doubt about it.

**Praneet:** But this year, when we see the new product launches, it was much less than last year. What is the reason for this?

**Ramesh Talavia:** I told you, in August-September there is a peak consumption period at the farmer level. There was no consumption, our brand could not grow so much. And there was no consumption in those two months, and there was no pest attack in rabi season. And the inventory was cleared, means it was liquidated. So, because of that, our growth was not there.

**Praneet:** Okay, I understood. And we were making some split changes in advertising and marketing. Spend is in the range of last year. This year, we are shifting to advertising and marketing. What is the strategy for that?

**Ramesh Talavia:** The strategy we have made is that, we have made improvement in the marketing tools, like the farmer meeting, we do demonstrations in field, we are active in social media. So, to improve visibility in all over India we have started such activities with Rohit Sharma from March onwards. And now, our first plan seed treatment product, and herbicide segment, we are ongoing and on the path with the growth strategy that we have made and we will move forward in that way.

**Praneet:** And from this year, till this year it was 75, last year also it was around 75, including marketing and advertising, do we want to move forward from this along with the revenues? And what is the strategy for that, next year and after two years?

**Ramesh Talavia:** Next year, we have told you, we will do 18% to 20% all over growth.

**Praneet:** No, I was asking about marketing spend. I understood the top line, the target is 20%. But in terms of spend, to reach that, how much will you spend?

**Ramesh Talavia:** In B2C, our marketing strategy, we spend around 3% in that market, according to our total business.

**Praneet:** Okay, and next, today you were saying, we are close for PBT, profitability for technical plant. With this, what is the capacity utilization for this year and in the next year at what capacity utilization we will reach peak EBITDA margin for technicals?

**Ramesh Talavia:** Our technical plant's capacity utilization is around 65% to 70%. And next year, we will improve that, by adding product mix.

**Praneet:** Okay, what is the peak utilization for now, and on that peak utilization, what could be our EBITDA margin be?

**Ramesh Talavia:** EBITDA margin, on an average, every year we will keep on improving. There will be an improvement in the range of 0.5 to 0.75, in the coming next two three years.

**Praneet:** What is the current EBITDA margin of that plant?

**Ramesh Talavia:** Our EBITDA margin is around 5% for technicals.

**Praneet:** Okay. It can be up to 10% in five years, or it will not be that much?

**Ramesh Talavia:** It can be up to 10%, but it will take time, it will take four, five years, only then we will reach to 10%, only technicals. Every year, we make an improvement of around 75 basis point.

**Praneet:** Okay, understood. And as you said, our herbicide plant could be operational next year. What is the CAPEX for it? And what is the timeline for utilization breakeven?

**Ramesh Talavia:** The herbicide unit that we have started, civil work is mostly at the end, at the finishing level, and we are currently ordering the machinery. So, it will take four, five months for the installation. So, this utilization, we can get some it in the rabi season, but the next kharif season which will come before that in February, March after making it 100% ready we can do maximum utilization.

**Praneet:** So, till the next season, we have planned to be fully operational, that herbicide plant?

**Ramesh Talavia:** Yes.

**Praneet:** What was the CAPEX for that? Earlier, you said it in some range, now the cost has increased due to war. There was a change in the CAPEX guidance or was it nearabout the previously guided CAPEX?

**Ramesh Talavia:** It is according to the CAPEX that we planned.

**Praneet:** Okay. And how much can be the additional CAPEX for that plant for this year?

**Ramesh Talavia:** In the current year, we will have around Rs. 50 crores CAPEX, in unit 3rd and unit 2, in small units combining together.

**Praneet:** Okay. Now, how is the split between B2B and B2C? In the next two years, the herbicide plant will be started, so it will be very soon. The B2B split will increase, right? Earlier, B2C was two third and B2B was one third, but now, the proportion has reversed. How will it be in the coming years? The split between B2B and B2C.

**Ramesh Talavia:** Definitely, the formulation of B2B and B2C will improve. Because, in the peak season, we do not have enough space. So, we have to do tolling outside. That will be stopped and it will be inhouse. We can plan it well to catch the opportunity in a good way.

**Praneet:** What is there in the B2B margins and what is there in the B2C? How can the EBITDA margins of both divisions and segments change in the coming time?

**Vikas Agarwal:** First thing is that B2C was before when we started technical plant, B2C formulation was only the thing. Now, when we started technical plant, technical production has come. That is why we see that B2C overall percentage wise is going down. But overall, if you see, it was at par only. Last year, we had 3% growth in B2C. Now, overall margin side, B2B is around 15% to 20% GP margin. In brand, we have 35% to 40% GP margin. For technicals, we have 20% to 25% margin which is product to product.

**Praneet:** So, EBITDA wise, B2C will be 25% and the technical plant

**Vikas Agarwal:** What I have told right now is GP margin.

**Praneet:** So, basically gross profit, is it? The 25%.

**Vikas Agarwal:** Again, I tell you, B2B we are having 15% to 20%. In export also, we have same 15% to 20%. In brand, we have 35% to 40%. And in technical, we have 20% to 25% GP margin.

**Praneet:** Understood, sir. The only concern I have is going forward, let us say, if the technical plants, let us say, B2B business start scaling up, the overall margin compression might happen from at least past high levels. I understand absolute might grow, but I was just wondering in terms of, let us say, the overall margin with the herbicide plant also starting up, where can we expect the long term

**Vikas Agarwal:** Sir, herbicide we already have in our existing plant only thing is that there is a space issue. So, what we are doing, we are having herbicide formulation plant near our existing plant. So, overall, if you see, the margin will definitely be going to improve. Right now, we are having a 8.73% margin, EBITDA margin. That will be improved to double digit in next two years.

**Praneet:** Understood, sir. The reason I was specifically asking, because B2B side has a little lower margin compared to our B2C side, right? So, the reason I was asking about herbicide is, at that particular plant scale, revenue will go faster from that division, right? So, as a result, overall consolidated level may have lower margins compared to previous high. That is what I was asking.

**Vikas Agarwal:** Okay. Overall, technical is total. I agree with you.

**Praneet:** So, let us say, sir, right now, in the next two years, probably herbicide plant will set up and there will be some operational, let us say break-in will take a year. So, when do you expect the herbicide plant to become completely, let us say, profitable, and let us say, once it is profitable?

**Vikas Agarwal:** I am telling you; herbicide is already, we are having herbicide plant facility in our existing plant.

**Praneet:** So, when I mentioned the herbicide plant

**Vikas Agarwal:** We are shifting our existing facility to there. So, there will be some margin, there is a space issue so we are just shifting. It is not that we are not in herbicide. We are doing herbicide formulation right now also.

**Praneet:** Sir, actually, I understand we are doing already herbicide and we are just shifting it to bigger plant for better utilization and better capacity, right? I was just wondering, once we shift it, will it take some time for us to get to profitability, right? Or will it not?

**Vikas Agarwal:** No, it will not take any time because we have all the, because existing plant will already have that facility and we will do it in a better way only. So, there will be no impact on our margin or anything. It will start as such only**.**

**Praneet:** Okay, sir. And let us say in next three years, once everything is

**Moderator:** I am sorry to interrupt, Praneet. Could you return to the question queue? Thank you. The next question is from the line of Rajat Sethia from ithought PMS. Please go ahead.

**Rajat Sethia:** Hi. Can you hear me?

**Moderator:** Yes, sir. Please proceed.

**Rajat Sethia:** Thanks. Hi, sir. Congratulations on good set of numbers. Sir, one question was that if you could share some numbers about AI business that in this quarter and full year, what were the gross margins and what were the EBITDA numbers?

**Vikas Agarwal:** About technical plant?

**Rajat Sethia:** Yes.

**Vikas Agarwal:** So, last year, we have a GP margin of 19%. In current year, we have a GP margin of 22%. And EBITDA is around 5%, which was negative last year.

**Rajat Sethia:** Okay. EBITDA is 5%?

**Vikas Agarwal:** Yes, 5% EBITDA.

**Rajat Sethia:** Okay. And I think last year, it was in minus, right? Minus 4%, minus 5%.

**Vikas Agarwal:** Because it was the first year and we had only 58% capacity. So, it was in minus.

**Rajat Sethia:** Okay. So, sir, the formulation, if we made 5% in this, then in the formulation, did our margin fall on a full year basis?

**Vikas Agarwal:** No. It did not fall. What I mean to say, whatever contribution is there it is only 25% of total sales. So, we have to consider that. So, my PBT level, I am at breakeven in our technicals.

**Rajat Sethia:** On PBT, I had an understanding that on PBT level, our cost, I mean, the cost that increased under EBITDA, the depreciation and finance cost, it increased by around Rs. 25 crores for technical plant.

**Vikas Agarwal:** No, that was Rs. 22 crores. Around Rs. 22 crores.

**Rajat Sethia:** Okay, around Rs. 22 crores. So, if we have made 5%, then we have made EBITDA of Rs. 14 crores, Rs. 15 crores and the cost of Rs. 22 crores might have increased. Right?

**Vikas Agarwal:** Yes. So, it break-even at the PBT level.

**Rajat Sethia:** Yes, I mean, the loss of Rs. 5 crores, Rs. 7 crores, the loss of Rs. 7 crores is coming at PBT level. EBITDA of Rs. 15 crores and Rs. 22 crores.

**Vikas Agarwal:** No.

**Rajat Sethia:** That is the cost.

**Vikas Agarwal:** Are you asking about the last year or the current year?

**Rajat Sethia:** Current year.

**Vikas Agarwal:** No, in the current year, it is positive at PBT. EBITDA will be around 22%. Between 22% and 25%. So, on PBT level, it was breakeven.

**Rajat Sethia:** Okay. So, in technicals, EBITDA is of Rs. 22 crores. Okay, sir. May be we can discuss this later. One thing, I wanted to know that in the technical level, in the technical plant, there has been a growth of 10% in this quarter. And I think the scale has increased a lot within two years. So, maybe that is why we are growing at 10%. In the last few quarters, there was a good growth. So, going forward, in technical, we are expecting 8%, 10% or here also, we can grow at 15%, 20%. Going forward.

**Vikas Agarwal:** Going forward, this time, our capacity utilization was 70%. It was 65% to 70%. And next year, it will be around 75%. And next year our overall growth will be in between 15% to 20%. Between 18% to 20% in every vertical.

**Rajat Sethia:** Okay. As we are expecting growth of 18%, 20%, so, our employee expenses and other expenses, will they also grow at the same rate?

**Vikas Agarwal:** Variable cost will grow. The fixed cost will be almost the same.

**Rajat Sethia:** How do you see the employee? It is semi-variable. So, at what rate do you think it will grow?

**Vikas Agarwal:** That will grow around 5%. It will grow between 5% to 8%. Around 5%.

**Rajat Sethia:** Okay. And the other expenses, like this year, it was around Rs. 54 crores. Last year, it was Rs. 44 crores. So, there is a jump of around 20% this year. So, how do you see it next year?

**Vikas Agarwal:** Next year, it will increase variably. But I do not think there will be much increase in that.

**Rajat Sethia:** Okay. Alright. Thank you so much.

**Vikas Agarwal:** Thank you very much.

**Moderator:** Thank you. The next question is from the line of Sanjay Ladha from Bastion Research. Please go ahead.

**Sanjay Ladha:** Hi, sir. Thank you for the opportunity. Congratulations, sir. In such a tough time you pushed a good quarter. Sir, my question was given the uncertainty due to geopolitical situation. And because of that, we saw that the prices of raw material are increasing, reflecting into, the prices of finished goods are also increasing at a rapid pace. And in this situation, how are we seeing demand scenario right now going forward? And we are hearing that, sir, because there is an impact of El Nino, and due to which the rainfall can delay further. So, in H1 FY'27, how are we visualizing the demand scenario? If you have any thoughts on this.

**Ramesh Talavia:** As you said, the raw material price will be up and there will be uncertainty. We have pre-planned it since March. There is neither an issue at our end and nor it will come . And the second thing you are saying is the effect of El Nino. In El Nino, there is a rainfall prediction of 90%, 92% till 95%. So, if the rainfall is evenly distributed and comes at a timely interval, then there will be no effect on this season. Because, last year you must have seen that the monsoon was very good. But due to excess rainfall and continuous rainfall, the kharif season was a little disturbed in last August-September. It is not like that the effect of El Nino is coming for the first time. It has come before also. So, you must have seen that if the monsoon distribution and interval is correct, then there will be no effect on our business. If there is excess dry spell, then there can be a problem. Otherwise, there is less chance of problem as such. Because, the situation has improved a lot as compared to what it was 10 years, 20 years ago, water level, reservoir level, and tube well irrigation. If you look at Gujarat, Madhya Pradesh, Rajasthan, then the sowing of Kharif has also started. 10%, 20% sowing has also finished.

So, the water level is still good. If there is 2%, 4% less rainfall, then there will be no effect on the season.

**Sanjay Ladha:** Sir, I was asking because last quarter, last year our Q1 was a very good strong quarter. And Q2 quarter was a little weak because of the extended rainfall. This Q1, of course, I understand how it will be, it is just a judgment for now. Whether it will happen or not, only time will tell. But just for the sake of it, I am asking, is Q1 a strong quarter in terms of because two, three months have already passed in Q1. Did we not see any impact in Q1 as of now or are we seeing some impact?

**Ramesh Talavia:** So far, we have not seen any such impact in Q1. Now it depends on the rainfall. If the rainfall is early, then it will be good. If the rainfall is late, then April and May, two months have passed. Now without rainfall whatever the planning was, the purchase, the sales are according to the preparation. Sales of June month is based on the rainfall. What happened last year, before 15th June, around 10th June, the rainfall started. So, it was a very positive environment. Mainly, the placement in brand, then we connect it to B2B sales, so in that way, the sales in June month was at a high level. Like last year, if the rainfall comes early in June, then according to that, there will be no problem. If the rainfall is late, then there can be an effect.

**Sanjay Ladha:** Correct. Sir, I wanted to understand, as you said, we do not have a problem with Q1 inventory. The reason for this is geopolitically, many things are going mixed up. In the first year, we did not have any problem on the raw material side. Now, because prices are up and down, it is an uncertain scenario. We are prepared for Q1, but the extended positive monsoon season that will come, going forward. If it is expected that it will come, then the impact on the raw material side will not be a problem. This is your expectation that there will be no such thing. Right, sir? If we assume that.

**Ramesh Talavia:** Yes.

**Sanjay Ladha:** Okay.

**Ramesh Talavia:** Sir, in this, suppose the price of raw material increases. The product on a crude base, for example, packing materials, bottles, solvents, there is an impact on that. This is passed on time to time otherwise it would not have happened because if the price increases it is a time-to-time pass-on. It is the same in the past also. It is 1% to 2% where you cannot pass-on. Rest, the cost increases. What strategy have we made? Every month, the price of raw material increases. At the same time, we are increasing the price of finished materials. Sometimes, we have to take a weekly decision that this raw material price has increased. For example, in the last March, there was volatility. At the same time, we took a decision and maintained the price.

**Sanjay Ladha:** Sir, I wanted to ask you that in Q4, domestic and export institutional formulation is very good. Now, going forward, because of the geopolitical situation, is the export still decent or are you seeing some hindrance in export that there could be some impact on export? Domestic or export. Our institutional formulation is looking better. Any feedback from your side?

**Ramesh Talavia:** In export also, we have improved last year. Our business before last year, before than current year has improved a lot. We have registered in two, three countries. We have seen a good growth in export.

**Sanjay Ladha:** And this year also we are continuing that the export will be better for us in this year.

**Ramesh Talavia:** Yes.

**Sanjay Ladha:** Alright sir. Thank you so much sir for answering my questions.

**Ramesh Talavia:** Okay. Thank you.

**Moderator:** Thank you. Next question is from the line of Disha from Sapphire Capital. Please go ahead.

**Disha:** Hello. Am I audible?

**Ramesh Talavia:** Yes.

**Disha:** Thank you so much, sir. Sir, my first question was again in the export segment. You mentioned that we have received registration in two, three countries. Other than that, what will be the other growth drivers? How are you looking at more growth? And how are our margins in export?

**Ramesh Talavia:** In export, the margin is parallel to the domestic institutional sales. The GP margin is 15% to 20% and the EBITDA margin is 10% to 12%. Our process is continuous. Registration process goes on in a lot of countries. Wherever the registration comes from, the business starts in that country and new customers gets added. We get opportunity in a new country and we have an entry there. It is a continuous process. Before last year, we made a lot of improvements. Our improvement in export will be good this year also. We have also created a new team.

**Disha:** Due to geopolitical tensions, there will not be a lot of hindrance for us?

**Ramesh Talavia:** No ma'am. In export, in Gulf countries, there is an issue in the shipment. It is not problematic that there is no export due to shipment. Like our business in Iran and Iraq, there is a little disturbance and material is not going. But there, that much business was not there. Otherwise, everywhere else it is going on routinely and there is no such issue.

**Disha:** Alright. Okay. In technical business sir, you mentioned that you made 5% EBITDA. At optimal level, how much EBITDA can we make? When do we reach that level?

**Ramesh Talavia:** At the optimum level, we can make 8% to 10% EBITDA.

**Disha:** 8% to 10%. Sir, will this happen in FY'27?

**Ramesh Talavia:** No. It will take two to three years.

**Disha:** Sir, how do you see the overall EBITDA margin in FY'27?

**Ramesh Talavia:** In FY'27, our EBITDA margin which is currently at 9%. There will be 0.5% to 0.75% improvement in that.

**Disha:** Okay. In FY'27, what will be the CAPEX?

**Ramesh Talavia:** Our CAPEX will be around Rs. 50 crores.

**Disha:** Okay. That is it from my side. Thank you.

**Ramesh Talavia:** Okay. Thank you.

**Moderator:** Thank you. The next question is a follow-up from Praneet, SJ Investment. Please go ahead. He has put the call on hold. We will move on to the next question. It is from the line of Nitin Prajapati from Suyog Management. Please go ahead.

**Nitin Prajapati:** Hello.

**Moderator:** Yes sir. Please proceed.

**Nitin Prajapati:** Congratulations to all of you.

**Ramesh Talavia:** Thank you.

**Nitin Prajapati:** Sir, there was a news in the media that Paraquat herbicide there is some band or something like that will that have any effect on Dharmaj sir?

**Ramesh Talavia:** The state government of Andhra Pradesh has banned paraquat. We will not have a volumetric effect. Other products are available instead of it. It is not like that if paraquat will be banned then business will suffer loss. It has a lot of alternatives. Other products are used instead of it.

**Nitin Prajapati:** It will not have a major effect?

**Ramesh Talavia:** No. Not even 1%.

**Nitin Prajapati:** Okay. Thank you. Thank you very much sir.

**Moderator:** Thank you. We have a question from the line of Yogansh Jaswani, Mittal Analytics. Please go ahead.

**Yogansh Jaswani:** Hi, sir. Thank you for the opportunity. I hope I am audible.

**Ramesh Talavia:** Yes.

**Yogansh Jaswani:** Sir, first of all, congratulations. You have given a good result in such a difficult time. Sir, I joined the call late, sorry if this question has already been asked. Our branded formulations or overall domestic institutional formulations business, Institutional has grown, but our growth in branded was a little less, I think, our season was weak after Q2 as you guided. But going forward, how do you think we can grow in the next one, two years? And to bring that growth what efforts will be there? Will it come from new states? Or some new states that we started in recently, will there be stability and scale-up? If you could explain this a little sir.

**Vishal Domadia:** Our branded business, as we said earlier, we expect a growth of 20% to 25% going forward. And in the new state, last year's exceptional condition of 3% growth, the major reason for this is if you will look at state-wise bifurcation. So, where we used to be strong, in the West, Gujarat, MP, Maharashtra and Rajasthan, it is shortfall from there. Where we have started in new state, it is on growth and on track. If I talk to you with data, then last year when we opened in four states, its contribution in sales was 7%. Right now, it is 14%. So, it is on track there. And definitely, we will do well there. The second strategy to increase visibility in the new states we have taken Rohit Sharma as the brand ambassador and we are utilizing it in the marketing campaign.

**Yogansh Jaswani:** When you put update on Rohit Sharma, it was very good to see that company did a very good engagement. Company brought a very popular brand ambassador. So, good job to the entire team for this. Sir, one last question then I will go back to the question queue. As you said, we are planning a CAPEX of Rs. 50 crores. What will we do broadly and what will be the timeline of its execution?

**Ramesh Talavia:** Sir, it will be done in this year. In the current year.

**Yogansh Jaswani:** And will it be done in the technicals side or the formulation side?

**Ramesh Talavia:** Our strategy is that we are separating the entire location of Herbicide. Right now, we have different units on the same location. So, there we have an issue of space. There is a lot of problem in movement of material. That is why we have chosen an entire separate location of herbicide. We will shift the existing product of herbicide to a different location. And there will be some capacity improvement. And the existing herbicide that we are making, we will convert that entire unit into insecticide and fungicide. Because, the business of formulation is the major segment. Around 75% something. And if we want to bring 20% growth above that, we need space and for that we need some facility and capacity improvement. So, we have taken this decision so that our all-over movement is in a proper way. So, we will get the benefit of this in the next coming kharif season. Because, from February, the preparation, production, packing of herbicide starts which is required in the first quarter. So, for this, by the end of the third quarter, our total plant will be ready and we will commercialize it.

**Yogansh Jaswani:** Sir, when this Rs. 50 crores spend will go in it, will it help us in growth in the next one, one and a half years or will the growth in the future also be serviced through this CAPEX only? I want to understand that from this a lot will be debottlenecked and will ease out from the facility. But, from your point of view, I do not understand that will it give us the potential of revenue growth for two, three years or will we have to spend another Rs. 20 crores, Rs. 50 crores on CAPEX?

**Ramesh Talavia:** No. I mean the growth that we are bringing, last year we brought 20% and now we are bringing 18%, 20%. So, it is necessary for that.

**Yogansh Jaswani:** Ramesh ji, I mean to ask that as this Rs. 50 crores will be spent, will it help us in growth in the next one, one and a half years?

**Ramesh Talavia:** Yes, it will be a benefit for the next three years for our growth part.

**Yogansh Jaswani:** Got it sir. Thank you so much sir and all the best to you and your entire team.

**Ramesh Talavia:** Thank you.

**Moderator:** Thank you. The next question is from the line of Rohit from I thought PMS. Please go ahead.

**Rohit:** Can you hear me?

**Ramesh Talavia:** Yes, I can hear you.

**Rohit:** Good afternoon, sir. Very good results. Sir, previous participant asked you a question about branded formulation business in which you had answered that there was a little problem in our strength last year. Was the reason only season or something else according to you?

**Ramesh Talavia:** No. The reason is suppose our Gujarat is strong, so last year continuous rains affected Gujarat more in August and September. So, there was not enough consumption at the farmer level. So, our growth story in Gujarat was down. Mainly Gujarat and some part of Rajasthan and some part of MP. So, where our old was good, our strength, our volume was good, our business was good, there we got a setback. In the remaining states, we got the most growth. But here, our revenue was the most.

**Rohit:** So, in this year if the season goes well, there can be good growth in branded formulation. Because the base is low.

**Ramesh Talavia:** Absolutely. 100%.

**Rohit:** Okay, sir. Thank you. All the best.

**Ramesh Talavia:** Okay. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, we will end the call now. On behalf of Dharmaj Crop Guard Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines. Thank you.