

INDIA PESTICIDES LIMITED

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

CIN No. L24112 UP1984PLC006894

GSTIN- 09AAACI3591D1ZO



Water Works Road, Aishbagh, Lucknow – 226004 (INDIA)

Tel: +91-522-2653602, 2653603, 2653622, 4041014

Fax: +91-522-2653610

Website: www.indiapesticideslimited.com

E-mail: info@indiapesticideslimited.com

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

Sub: Transcript of the Earnings Call for the quarter & year ended 31st March, 2026.

Pursuant to Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the transcript of the Analyst/Investors Call held on Monday, 25th May, 2026, in respect of the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended 31st March, 2026.

The transcript of the earnings call is also available on the Company's website at www.indiapesticideslimited.com

Kindly take the above on your record.

Thanking you

Yours faithfully,
For India Pesticides Limited



(Narendra Ojha)
Company Secretary and Compliance Officer

Encl.: As Above



“India Pesticides Limited
Q4 FY26 Earnings Conference Call”

May 25, 2026



MANAGEMENT: **MR. VISHWAS SWARUP AGARWAL – DIRECTOR**
MR. D. K. JAIN – CHIEF EXECUTIVE OFFICER
MR. S. P. GUPTA – CHIEF FINANCIAL OFFICER

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

Moderator: Ladies and gentlemen, good day, and welcome to India Pesticides Q4 FY26 Earnings Conference Call, hosted by Dolat Capital Markets Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Viral Shah: Thank you, Rutuja. Good afternoon, everyone. On behalf of Dolat Capital, I would like to thank the management of India Pesticides Limited for giving us the opportunity to host their Q4 FY26 earnings conference call. From the management team, we have with us Mr. Vishwas Swarup Agarwal, Director; Mr. D.K. Jain, CEO; and Mr. S.P. Gupta, Chief Financial Officer.

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

Vishwas Swarup Agarwal: Thank you, Mr. Viral. Good afternoon, ladies and gentlemen. I hope you and your family are doing well. I take the pleasure of welcoming you all to the Q4 FY26 earnings conference call of India Pesticides Limited. I trust you have reviewed the financial statements and earnings presentation uploaded on the exchanges and our website.

FY 2026 has been a defining year for India Pesticides Limited as we continued to strengthen our operational foundation, expand manufacturing capabilities and deliver strong financial performance across business segments. A key milestone during the year was India Pesticides Limited crossing the INR 1,000 crores revenue mark for the first time, reflecting the company's strong execution capabilities and expanding market presence.

Consolidated revenue for the year grew by 27.9% Y-o-Y to INR 1,078 crores, while EBITDA increased by 44.7% to INR 194 crores, with EBITDA margin improving to 18%. PAT for the year was at INR 120 crores, reflecting a growth of 45.8% Y-o-Y. These results reflect our focus on operational efficiency, disciplined execution and strengthening our integrated manufacturing platform.

Across the global agrochemical industry, business conditions have gradually improved compared to the previous year as channel inventories normalize and demand visibility improves across several international markets. At the same time, ongoing geopolitical tensions in the Middle East have resulted in periodic disruptions in global logistics and supply chain planning, leading customers to increasingly prioritize dependable and diversified sourcing partners.

Customers are increasingly prioritizing reliable supply partners with strong manufacturing capabilities, regulatory compliance and backward integration. India is steadily emerging as a preferred sourcing destination under the global China Plus One strategy, creating long-term opportunities for companies with strong technical expertise and consistent execution capabilities.

On the operational front, the company witnessed strong volume growth across key product categories, reflecting improved capacity utilization and strong order execution. Domestic sales during Q4 FY26 increased significantly to INR 183 crores compared to INR 118 crores in the corresponding quarter last year, largely driven by strong demand for herbicides and intermediates. Overall, the company achieved approximately 30% volume growth during the quarter, supported by higher production levels, efficient execution and sustained market demand across domestic markets.

From a business perspective, IPL continues to maintain a differentiated position within the agrochemical value chain through its expertise in complex generic molecules, process optimization and backward integration. Our long-standing relationships with domestic and international agrochemical companies continue to support growth across more than 35 countries.

Export revenues contributed approximately 39% of total revenues during FY26 despite temporary pricing challenges in select exported products arising from geopolitical developments. We continue to engage actively with customers across Europe, Australia, North America and South America to strengthen market presence and expand product opportunities.

As part of our strategic growth initiatives, we continue to strengthen our manufacturing infrastructure and integrated operations during the year. Development work at the Hamirpur facility progressed steadily, and supporting infrastructure already established, and operational blocks moving ahead as planned.

The facility provides a significant pathway for future capacity expansion and incremental growth opportunities over the coming years. Additionally, we commissioned an intermediate plant towards backward integration of one of our herbicides using in-house indigenous R&D technology, supporting supply chain stability and improving cost competitiveness.

Within the Formulation segment, the company continues to witness strong operational progress, supported by expanding market reach and improved utilization levels. Our formulation capacity has now scaled up to 10,000 metric tonnes, supported by a distribution network operating across 18 states through 24 depots. The integration of technical manufacturing with formulation capabilities continues to provide operational synergies, better market responsiveness and strong customer engagement across domestic markets.

Our commitment towards research and development remains central to IPL's long-term strategy. Our in-house R&D and project engineering capabilities continue to support process innovation, yield improvement, cost optimization and development of new molecules and intermediates. During the year, company received multiple product registrations across domestic and international markets, strengthening the future pipeline and enhancing our ability to address evolving customer requirements across geographies.

Looking ahead, we remain focused on scaling our manufacturing capabilities, strengthening backward integration and expanding our domestic and global presence. The company continues to evaluate growth opportunities across technical, formulations and speciality chemistry while maintaining a disciplined and sustainable approach towards expansion.

With improving market conditions, ongoing strategic investments, increasing utilization levels and continued focus on innovation and operational excellence, we believe IPL is well positioned to sustain growth momentum and create long-term value for all the stakeholders.

Thank you. Now I will hand over the presentation to Mr. D. K. Jain. Thank you.

D. K. Jain:

Thank you, Vishwasji. Good afternoon, ladies and gentlemen. I take this pleasure in welcoming you all to the Q4 FY26 and yearly earnings conference call of India Pesticides Limited. At IPL, our priority during the year remained focused on strengthening operational efficiency, improving utilization levels and expanding integrated manufacturing capability.

Despite external market challenges, we continue to execute our strategic roadmap with discipline while maintaining a balanced approach across domestic and export markets. Our focus on backward integration, process optimization and customer alignment continue to support sustainable growth and improve competitiveness across key product categories.

During FY26, we successfully maintained and strengthened our market position across several existing products, supported by strong domestic demand and improved export traction. Domestic sales during Q4 FY26 increased significantly by more than 50% to INR 183 crores compared to INR 118 crores in the corresponding quarter last year, largely driven by strong demand for herbicides and intermediates. Exports remained stable despite selective pricing pressure in certain products arising from geopolitical factors.

On an annual basis, we have achieved and exceeded our target revenue of INR 1,000 crores. Our revenue stood at INR 1,078 crores against INR 843 crores year-on-year, showing an increase of about 28%. In terms of expansion, our capacity enhancement initiatives are progressing steadily in line with planned time lines.

Development work at the Hamirpur facility continued during the year with supporting infrastructure and operational blocks moving ahead as planned. The facility provides a strong pathway for future capacity expansion and specialty product manufacturing.

In addition, we commissioned enhanced capacity of an intermediate plant towards backward integration of the herbicide using in-house indigenous R&D technology, supporting our supply chain stability and reducing dependency on imports.

From a business operation perspective, our Formulations segment continues to witness strong traction supported by improved market reach and increased utilization levels. Formulation capacity has now scaled up to 10,000 metric tonnes, enabling the company to better leverage its in-house technical capabilities and strengthen responsiveness towards domestic demand. We also continue to strengthen our distribution network across India, supported by 24 depots and over 340 sales personnel operating across key agricultural markets.

Our commitment during research and development continues to remain central to IPL's long-term growth strategy. During the year, the company has received many registrations across domestic and international markets, strengthening the future product pipeline and market opportunities. Our in-house R&D and project engineering capabilities continue to support

process innovation, cost optimization and development of differentiated molecules aligned with evolving customer requirements.

Sustainability and community development continue to remain integral to our long-term vision. During the year, we strengthened our ESG initiatives across environmental management, renewable energy usage, waste management and operational safety standards. Our manufacturing facilities continue to remain globally recognized, certificates across quality, environment and occupational health and safety standards.

Through our CSR initiatives, such as Samagra Sudhar and Chuppi Tod; Halla Bol projects, we continue to support rural development, education, women and child welfare, healthcare awareness and community engagement programs across multiple regions. These initiatives reflect our commitment towards responsible growth and creating a positive long-term impact beyond business operations.

Looking ahead, we remain optimistic about the long-term opportunities for the company, supported by improving market conditions, increasing utilization levels and ongoing strategic investment across manufacturing and backward integration.

With a diverse product portfolio, integrated manufacturing value chain and continuous focus on innovation, India Pesticides Limited remains well positioned to sustain growth momentum and create long-term value for all our stakeholders.

I now pass on to Mr. S. P. Gupta, our CFO, to take you through the financial details of the quarter. Thank you very much.

S. P. Gupta:

Thank you, sir. Good afternoon, ladies and gentlemen. Thank you for joining the India Pesticides Limited conference call to discuss Q4 and FY26 results. Taking you through the financial highlights for the quarter and full year. For Q4 FY26, total revenue was INR 271 crores, reflecting a growth of 28.5% compared to INR 211 crores in Q4 FY25.

EBITDA for the quarter increased to INR 46 crores from INR 35 crores in corresponding quarter last year, registering a growth of 31.1%. Net profit for the quarter was INR 31 crores, reflecting a growth of 40.6% Y-o-Y with PAT margins improving to 11.3%.

For FY26, total revenue increased to INR 1,078 crores as against INR 843 crores in FY25, reflecting a growth of 27.9% Y-o-Y. EBITDA for the year was INR 194 crores, registering a growth of 44.7%, while EBITDA margin improved to 18% from 15.9% in FY25. Net profit increased to INR 120 crores as compared to INR 82 crores in previous year, reflecting a growth of 45.8%. The overall performance was driven by improved capacity utilization, strong domestic as well as overseas demand and operational discipline across the business.

From a geographical perspective, domestic revenue during Q4 increased significantly to INR 183 crores as compared to INR 118 crores in Q4 FY25, supported by strong demand for herbicides and intermediates. Export revenue was INR 84 crores during the quarter as against INR 89 crores in Q4 FY25, slight decrease due to geopolitical issue in March 2026. For FY26, domestic revenue was INR 649 crores, while export contributed INR 408 crores, maintaining a

balanced market mix across geographies. In terms of product mix, revenue from Technicals and Formulations stood at INR 744 crores and INR 311 crores, respectively.

On the balance sheet side, company continued to maintain a strong financial position with disciplined working capital management and low leverage. Net working capital days improved to 223 days in FY26 from 254 days in FY25, while ROCE improved to 16.8%. Capex budget for 2026-27 of India Pesticides is INR 45 crores and for 100% subsidiary, it is INR 90 crores. Funding for these capex will be mainly through internal accruals.

With continued emphasis on strengthening our product portfolio, cost optimization and disciplined capital allocation, we remain confident of sustaining growth momentum and delivering long-term value creation for all stakeholders.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rahul Jain from Credence Wealth.

Rahul Jain: Congrats on good set of numbers. A couple of questions from my side. Sir, first of all, you did allude that demand continues to be good. So given the current environment and the cost inflation in terms of raw material and freight. So what kind of price increases which we have taken, say, till March and post March and at increased prices, the demand continues to be strong, so typically, this is due to the inventory running out? Or is it due to China also increasing prices on various products now? If you can share some more insights on this?

D. K. Jain: Sir, actually, China is also increasing prices. Because of the overall geopolitical situation across the world, the prices are slightly changing on a daily basis. But we also have discussed with our customers, and we have tried to pass on the cost differential to our customer, and we have been successful in convincing them for some of the products. And we feel that we should be able to maintain these prices in the coming months.

Rahul Jain: So what is the price percentage increase as an average on the entire portfolio basket?

D. K. Jain: Entire portfolio, it will be difficult to tell because some of the products, they have increased slightly more and some of the products, the increase is not that significant because that depends upon the raw material which is getting involved in these technical products. And basically, what we feel that the sulphur-based products have slightly increased more. So there, we have to discuss more with our customers, especially for the products where the sulphur-based products are used as the raw material.

Rahul Jain: Sir, this 30% volume growth, which we have done, how much of it could be due to the new products contribution, including contribution from the Shalvis block, which we started in last year, and also the contribution from PEDA, Pretilachlor contribution, what was it like in FY26? And how do we look in FY27 for contribution from Shalvis block and also PEDA?

D. K. Jain: Shalvis, now we started one of our technical products. And though it started a bit late, but we have a contribution of about INR 4 crores to INR 5 crores of revenue from Shalvis this financial

year. And of course, the volume increase has come from our intermediate PEDA and Pretilachlor, that is the herbicide, which we introduced last year with this backward integration facility. And that has contributed significantly to our increase in the revenue as well as volume.

Rahul Jain: I understand in Q3, PEDA had done about INR 50 crores, INR 60 crores. So what was it like in Q4? And what is the expectation for this product going ahead in FY27?

D. K. Jain: Sir, FY27, I think we will be utilizing the full capacity of the products because we increased the capacity last quarter, which was commissioned only in March. So we hope that this year, we should be able to utilize fully. So this year also will be better than last year.

Rahul Jain: That will give an incremental sales of about INR 150 crores, roughly, from this product itself?

D. K. Jain: Very difficult to tell exactly the incremental number, but it will be certainly better than this year.

Rahul Jain: Okay. And sir, with regards to the Japanese partner scale up, we had spoken about gradual scale up. We started in FY25, FY26 was supposed to scale up. So how do we look at going ahead with regards to our Japanese partner scale up?

D. K. Jain: That is going on well, sir. Actually, we are having regular discussions with our Japanese friends, and they have given the forecast for this year and for the next year, which is almost 30% more than last year. And we are also discussing one more molecule with them. So we have already submitted the samples, and we are awaiting the feedback from them.

Rahul Jain: Last question, sir. With regards to Shalvis, the one block which has started, what kind of contribution do you see that block given that you will see a ramp-up this year? And also, you had planned a second Shalvis block to start somewhere in September, October 2026.

D. K. Jain: Yes. See, Shalvis, we already have started a technical product, which has given us a volume of about INR 4 crores this year. But next year, I think we should be able to get at least INR 25 crores from that molecule. Plus we are adding two more molecules this year. So they will also contribute significantly. So we expect Shalvis revenues to be in the range of at least INR 70 crores to INR 80 crores.

Rahul Jain: Sure. And the second block to start in, say, October?

D. K. Jain: Yes, I'm assuming that it will be operational by September, October. So including that, it will be around INR 70 crores to INR 80 crores, including the second block.

Rahul Jain: And the demand continues to be strong at the current pricing levels?

D. K. Jain: Yes. Demand is okay. I think, demand, there is no problem on that count. There is not much of a variation in the price for these molecules.

Moderator: The next question is from the line of Vidhi Shah from C. R. Kothari & Sons Stock Broking Private Limited.

- Vidhi Shah:** Sir, I wanted to know, could you just repeat what was the revenue contribution from the new Shalvis facility?
- S. P. Gupta:** It was INR 4 crores during the financial year.
- Vidhi Shah:** Okay. And so in FY27, you plan to commercialize additional two blocks, right? So what is the revenue contribution expected from that? And which products will be manufactured?
- D. K. Jain:** No, just now we answered, the revenue from the Shalvis facility will be around INR 70 crores to INR 80 crores in this financial year, FY27, including the new block, what we are going to construct.
- Vidhi Shah:** And sir, what kind of margins do we expect next year and working capital cycle?
- S. P. Gupta:** Our margin ranges we have projected 18% to 20% EBITDA margin. So margin will be in that range only. And our net working capital days has now improved to 223. There is a slight scope for further improvement, maybe by 10 to 12 days less by FY27. We have to keep higher inventory since now our customers, they are demanding at a frequent interval. Earlier, they were giving us quarterly planning. Now they are buying on a spot basis. So we have to keep inventory slight at a higher level.
- Vidhi Shah:** Okay. Understood, sir. And what is our capex plan for FY27?
- S. P. Gupta:** Our capex plan for India Pesticides is INR 45 crores and for our 100% subsidiary, it is INR 90 crores. And mainly, it will be funded through internal accruals. We may take a small loan in our 100% subsidiary.
- Moderator:** The next question is from the line of Naitik Mohata from Sequent Investments.
- Naitik Mohata:** Sir, my first question would be for Pretilachlor and PEDDA, the combined capacity that we had expanded last year, so that is about 8,500 metric tonnes, right? So what kind of utilization are we seeing from that facility right now?
- D. K. Jain:** The capacity utilization, because this is a seasonal product, we may have to stop the plant for about three months' period. So roughly, it will be around 70% to 75%.
- Naitik Mohata:** Okay. So sir, this three months' stop, this comes during which quarter?
- D. K. Jain:** Normally, it will be from, you can say, August, September, October.
- Naitik Mohata:** So sir, currently, I think, post the antidumping duty on the product and the main season for the product being April, May, so are we seeing any imports for PEDDA, Pretilachlor in India, or now it is completely being catered by domestic players?
- D. K. Jain:** I think it is mostly catered by domestic players, maybe some small import may be there in very, very small quantity. Some time back, some people might have imported long back, so they may be there. But otherwise, it is primarily by domestic production. At least that has been our

contribution for Make in India effort that we have been able to replace this product totally from import.

Naitik Mohata: That's good to hear, sir. So sir, for Q1 and for this season, so are we expecting some big ramp-up in our Pretilachlor sales?

D. K. Jain: Now I think this capacity, what we have now established, that should be reasonably sufficient because 1 or 2 more producers could also come. So it will have some leeway for them also. So we should be able to completely cater the Indian requirement by indigenous production.

Naitik Mohata: And sir, under the current increased raw material pricing that the industry is facing, so have we also taken any price increases for these products?

D. K. Jain: We have to take, because the raw material costs have already increased, so that price increase we have to take, and we have been successful. In some of the cases, our customers have agreed as the price differential, so that we are able to maintain the same ratio of margins roughly.

Moderator: The next question is from the line of Manish Bhadane from 360 ONE Capital.

Manish Bhadane: So first question that I have is, the Skymet monsoon, so they have forecasted that the rainfall will be below normal long period average, I think around 94%. So how you look at the situation? And given the geopolitical situation, then this Skymet forecast, so are you intact with your guidance of INR 3,000 crores revenue by FY31? So these are the 2 questions from my side.

D. K. Jain: Yes. See, we know that IMD has given a forecast of reduced rainfall this season from 6% to 8%. But the previous history, what we have gone through, there was news item in the papers that in the past also, there has been occasions where the rainfall was less, but the overall production did not get suffered. The overall production actually was slightly more than the previous year by 1% or 2%. So we feel that this 6% to 8% below normal rainfall should not significantly affect the overall production unless the rainfall is very, very diverse and very scattered.

Or out of this, there could be some effect of the El Niño, what has been talked about nowadays. So that effect is not very clear. Some people say that it can give a very high rain, some say that it can give drought conditions. So that is very difficult to predict as on today. But barring this, I think the overall production should remain intact.

Manish Bhadane: Okay, got it. And regarding the guidance that you have provided, the INR 3,000 crores kind of revenue by FY31. So are you intact with that guidance? Or is there any kind of a change?

D. K. Jain: No, no. We are very much intact, and we have a plan to achieve this INR 3,000 crores by March 2031. So that plan is already in place, and we are working very rigorously on that plan.

Moderator: The next question is from the line of Yogansh Jeswani from Mittal Analytics.

Yogansh Jeswani: Congratulations to the entire team for achieving the INR1,000 crores milestone, and it's a very good set of numbers that we have reported. So sir, just a couple of questions. On the Hamirpur expansion that we are explaining, the two molecules that you want to start offering this year.

Are these totally new molecules from what we have in the current product basket? Or are these similar to what we are already producing in Sandila?

D. K. Jain: No, no. They will be entirely new molecules, and we are not producing in our Sandila or Dewa Road unit. They will be in addition to these molecules.

Yogansh Jeswani: So sir, like how we have seen in the past, the molecules that IPL usually produces, not many players in India are there and very few players globally. So are these two new molecules also something similar? Or are there enough producers of it in domestic market already?

D. K. Jain: Sir, I think even with these two new molecules, there are very few producers in India. And I think one of the products, must be, we will be the first to produce in India.

Yogansh Jeswani: Got it, sir. So sir, if broadly you can share what kind of market size these two molecules would have? Like you explained, you will be targeting INR 70 crores, INR 80 crores of top line from these molecules. But broadly, what would be the market size of these domestically and globally?

D. K. Jain: The market size of these molecules are relatively quite large, sir. We are expecting hardly about, say, around 10% of the market share.

Yogansh Jeswani: With INR 70 crores, you're saying?

D. K. Jain: Yes.

Yogansh Jeswani: For overall, once you scale it up?

D. K. Jain: Yes, this INR 70 crores, we expect about 10% of the market size, because this is a herbicide and it is being controlled by one of the multinationals, so we should be able to get around this number.

Yogansh Jeswani: Got it. And this would be a domestic product, sir, or these will be export?

D. K. Jain: Primarily, it will be for export. And we are checking with our Central Insecticides Board authorities whether we can introduce that in India.

Yogansh Jeswani: Got it, sir. And sir, second question would be on Pretila and PEDDA. So like you were sharing that there are more players likely to come in for both these things. So are you seeing any competition coming in now? Or do you still see that the margins would be maintained for this season as well, a broad guidance from your side?

D. K. Jain: The margins would be more or less same. If we are not working on very high margins, so everybody who is going to produce, they will look forward for this range of margins. And of course, PEDDA, Pretila, the margins are slightly lower than our overall average. We are getting better margins in other products. But it is a volume-driven game, so we get good revenues in these.

Yogansh Jeswani: Got it, sir. And sir, on your Sandila plant, what can be the potential of it given the small capex that we'll be doing again this year?

- D. K. Jain:** Because now Sandila site is more or less full, there is no further space available for expansion, so this year, we would be putting up intermediate and one technical grade product there. Plus we will be augmenting the existing plant for small capacity additions or, whatever, additional requirements to improve the overall efficiency, we will be adding some facilities there. Hence, the capex is slightly low. We are adding some balancing equipment to some of our products to augment the total capacity.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Sir, as you have alluded in your opening remarks that exports were on the lower side because of the geopolitical setup. So currently, sir, if you could just throw some more light how the current business environment has shaped up for this current quarter and some more thought on the same?
- D. K. Jain:** Sir, export was slightly less. Actually, what happened last quarter, because of one of the major products is domestic oriented, hence, the domestic sales were dominating, exports were slightly less. I think hardly 5% less than the last quarter. And this quarter also, we feel it will be quite reasonable. We are going reasonably good in export also, but the ratio between domestic and export would be similar to the last quarter.
- Saket Kapoor:** Okay. And sir, taking into account the backward integration, the introduction of new products and the current setup, what is our expectation in terms of the incremental turnover, increase in turnover or the trajectory that we are anticipating for the current year? Including how will our margin shape up with the type of pressure we have on the RM. If you could just give some more color on both these aspects, on our revenue and EBITDA margin?
- D. K. Jain:** Sir, we are expecting a revenue increase of about 15% to 20%, as we have given the earlier guidance also. So that expectation we are having even for this year. And with backward integration, we are able to maintain our margins even though the raw material costs are slightly more, but with the backward integration, we are able to overall maintain our margins.
- Saket Kapoor:** So EBITDA margin of 18% holds good, sir, for this year also?
- D. K. Jain:** Yes.
- Saket Kapoor:** Okay. Sir, when we look at our capital work in progress, the closing balance is at INR 68 crores. And Guptaji, as you have mentioned, sir, that we will be spending INR 40 crores on stand-alone and INR 90 crores capex on the subsidiary, so what would we attribute this closing balance of INR 68 crores to? And when will this get capitalized?
- S. P. Gupta:** Out of INR 68 crores, mostly it is for our 100% subsidiary, Shalvis. India Pesticides has only INR 18 crores of CWIP. Majority is in Shalvis. So once our second plant, it becomes operational in Shalvis, it will be capitalized. For this new capital work in progress, some part may be capitalized in Q4, and balance will be capitalized in FY27-28.
- Saket Kapoor:** Okay. And sir, for the borrowing part also, we find our noncurrent liabilities or the long-term borrowing, if I could use the term, at INR 31 crores. So we have drawn long-term borrowing already. And what is our blended cost of funds, sir?

- S. P. Gupta:** We have taken term loan for our new 100% subsidiary. It is around INR 27 crores. And our cost is around 8% for this term loan.
- Saket Kapoor:** Okay, sir. And for our working capital, what is our blended cost of funds?
- S. P. Gupta:** It will be slightly less since we are borrowing a lot of short-term fund against our FDR. So we are paying 50 basis points over FDR. So I think blended cost will be around 7.2% to 7.3% for working capital.
- Saket Kapoor:** Okay, sir. And when is our credit rating due, sir? And what is the current rating?
- S. P. Gupta:** Current rating is A+. And our rating will be due in, I think, September only.
- Moderator:** The next question is from the line of Vidhi Shah from C. R. Kothari & Sons Stock Broking.
- Vidhi Shah:** Yes. Sir, you had earlier guided for INR 3,000 crores revenue target for FY28 and FY29. So sir, can you elaborate on the road map for the same? So now Shalvis, we can expect it to ramp up to approximately INR 200 crores by FY28. Then your current facility, how much can it provide at its peak? And where will the rest come from?
- S. P. Gupta:** INR 3,000 crores turnover has been guided for FY31.
- D. K. Jain:** Yes. By March 2031, we expect to reach INR 3,000 crores. And thereby, we have got plans already in place. In Shalvis, we expect the total revenue by March 2031 to be about INR 1,000 crores. And rest, we will be generating from our existing plants at Dewa Road, Sandila and our formulation facilities.
- Vidhi Shah:** Okay. So our existing plants can go up from currently INR 1,000 crores to INR 2,000 crores, and the rest INR 1,000 crores from Shalvis? Is that understanding correct?
- D. K. Jain:** Yes.
- Moderator:** The next question is from the line of Aditya, an Individual Investor.
- Aditya:** Congrats on the good set of numbers. My question is that given this ban on paraquat across India, do we have any products that can fill this gap?
- D. K. Jain:** No, I don't think our product range has any product which can substitute paraquat. I have a doubt. We have to check. Because we have an herbicide primarily used for the rice field, but we have to check whether it can be used in place of paraquat. We are not very sure.
- Moderator:** The next question is from the line of Ajay Desai, an Individual Investor.
- Ajay Desai:** Congratulations on great FY26. Yes. Sir, my question is regarding the dividend policy of the organization. Because, see, INR 0.75 dividend being paid, and current year, with the kind of profitability we had, which is INR 120 crores, we would have given easily INR 2 minimum dividend. So any policy, sir, we follow as a payout to the profit?

- S. P. Gupta:** I mean we have a dividend policy, which is providing 5% to 15% of net profit. As you know, we have a lot of capex plan for our subsidiary, and our turnover is growing, so we have to fund a lot of increased working capital through our internal accruals. So because of all these factors, we have taken decision to continue earlier dividend payout.
- Ajay Desai:** No, sir, the reason I'm asking you is because this gives a wrong message to the market. And effectively, if we are earning EBITDA at 18% and our debt at 0 level, negligible debt, we would have easily taken debt and utilized it, and future expansion also, we can definitely build around some portion on the debt side. Sir, what I'm saying is, that from the business side, we are doing great, I strongly feel. Only thing, from the investors value creation point of view, we are lacking heavily. And sir, like IPO, which happened at INR296, still we are struggling at 50% price where there is a big, you know.
- And investors are suffering, not getting anything in terms of dividend, not even getting anything in terms of value appreciation. So probably you will have to give message to the market. Otherwise, it's 5 years, like from FY21 to FY26, investors losing money and when the market went through the roof, investors of India Pesticides could not get anything, sir.
- Ajay Desai:**
- D. K. Jain:** Sir, this is a very difficult question what you have asked, because that depends upon the market conditions. We have conserved the funds just because to overall increase the investor value in the sense that we don't take loan, but we try to improve upon our working and the revenues by internal accruals. Taking that view, we have taken this decision. And I think, intrinsic, if you see ultimately, the investor value will increase by conserving funds. INR 0.50 more or INR 0.25 more dividend will not significantly make investors very happy.
- Ajay Desai:** Sir, , I'll leave it up to you. You are a better judge. But then investor value creation should be one of the key responsibilities.
- D. K. Jain:** But that is what we are trying to do, we are trying to increase the overall revenue, we are trying to increase the profitability, whatever we are earning, we are investing. So that is the best way to increase the overall worth of the company.
- Ajay Desai:** Sure, sir. But sir, then the IPO itself was wrongly priced at INR 300 because post that, hardly, investors had been able to see that kind of valuation. So probably the INR 700 crores taken out by the promoters was not a correct stuff. So anyway, sir, I'll leave it up to you. We can look at buyback also and try to give some confidence to the market, sir.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Sir, only a concluding question. Given the current geopolitical setup in terms of severe disruption in the supply chain aspects, especially crude related and also in all aspects of the supply chain, how are we insulated? Or if you could just give us some understanding how is the space currently facing the vagaries and prepared to face these challenges that may or may not occur going ahead? If you could just give your remark on the same?

D. K. Jain: Sir, you are absolutely right. The situation in terms of supply chain is very critical. We have done some long-term arrangements with some of our suppliers who are able to bring the material to us in time. Plus for the local supplies where we don't keep long inventories, there, we are able to sustain because of the continuous supply, though at a slightly higher price. And we have discussions with our customers to manage this increase in price.

So that is how we are able to maintain. And we feel that in the coming quarter also, we will be able to do that. And the critical raw materials, what are required for our long-term perspective, that, we have already arranged.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

D. K. Jain: Thank you very much for sparing your valuable time. If you have any further questions and queries, please do get in touch with our Investor Relations team. They will be happy to give you the information. Thank you very much once again, and have a good day.

Moderator: Thank you. Ladies and gentlemen, on behalf of Dolat Capital Markets Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.