Dhanuka Agritech Limited

04th November 2026

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G. Block,
Bandra- Kurla Complex,
Bandra East, Mumbai-400 051

Corporate Relationship Department
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Symbol- DHANUKA

Scrip Code : 507717

Sub: Transcript of Conference Call held on 30th October 2026 with Analysts/ Investors to discuss Un-Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Half-Year ended on 30th September, 2026.

Dear Sir,

In pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, Please find enclosed the Transcript of the Conference Call held on 30th October 2026, which was hosted by Antique Stock Broking Limited via telephonic mode with Analysts/ Investors to discuss Un-Audited Standalone and Consolidated Financial Results of the Company for the Quarter and Half- Year ended on 30th September, 2026.

Please take the above information in your record.

Thanking You,
Yours faithfully,

For Dhanuka Agritech Limited

JITIN SADANA
Digitally signed by JITIN SADANA
Date: 2026.11.04 18:27:16 +05'30'

Jitin Sadana
Company Secretary and Compliance Officer
FCS-7612

Encl: a/a

Dhanuka Agritech Limited

Q2FY27 Post Results Conference Call

October 30, 2026

MANAGEMENT: **MR. M.K. DHANUKA – CHAIRMAN – DHANUKA AGRITECH LIMITED**
MR. RAHUL DHANUKA – MANAGING DIRECTOR – DHANUKA AGRITECH LIMITED
MR. HARSH DHANUKA – EXECUTIVE DIRECTOR – DHANUKA AGRITECH LIMITED
MR. V.K. BANSAL – CHIEF FINANCIAL OFFICER – DHANUKA AGRITECH LIMITED

MODERATOR: **MR. MANISH MAHAWAR – ANTIQUE STOCK BROKING**

Moderator: Ladies and gentlemen, good day, and welcome to Dhanuka Agritech Limited Q2 FY27 Post Results Conference Call hosted by Antique Stock Broking.

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. Manish Mahawar from Antique Stock Broking. Thank you, and over to you, sir.

Manish Mahawar: Thank you, Moderator. I am pleased to host today's earnings call of Dhanuka Agritech. We have leadership team represented by Mr. M.K. Dhanuka, Chairman; Mr. Rahul Dhanuka, Managing Director; Mr. Harsh Dhanuka, Executive Director; and Mr. V.K. Bansal, CFO on the call.

Without any delay, I would like to hand over the call to Mr. M.K. Dhanuka for opening remarks. Post which, we will open the floor for Q&A. Thank you, and over to you, Mr. Dhanuka.

M.K. Dhanuka: Thank you, Manishji. Good afternoon, ladies and gentlemen. I'm M.K. Dhanuka, Chairman of Dhanuka Agritech Limited, and I welcome you all to the Q2 FY26-'27 Earnings Conference Call. I have with me Mr. Rahul Dhanuka, Managing Director; Mr. Harsh Dhanuka, Executive Director; and Mr. V.K. Bansal, CFO of the company.

On behalf of the entire Dhanuka family, I extend my heartfelt greetings to all our stakeholders and hope you have a joyful Diwali, filled with happiness and togetherness. Diwali is not only a festival of lights, but also a celebration of hope, progress and new possibilities. These values connect deeply with our journey as an organization.

As we move forward, we remain focused on empowering farmers, driving innovation and creating lasting value for our stakeholders. Together, we look forward to creating new milestones and achieving greater success in the years to come. As you are aware, Dhanuka Agritech is among Indian's leading agro companies with a long-standing commitment towards advancing Indian agriculture through technology-led crop solutions.

Over the years, we have built a strong Pan-India presence, business with a deep farmer engagement, a differentiated product portfolio and a robust distribution network. Today, we reach more than 10 million farmers across India through 6,500 distributors and over 80,000 retailers, supported by our manufacturing facilities, and 40-plus warehouses we continue to strengthen our ability to deliver product efficiently across key agricultural market.

A key advantage for Dhanuka has been our consistent focus on introducing innovative products in the Indian market. Our partnership with 10 leading multinational agrochemical innovators from Japan, Europe and the United States continue to provide us access to advanced technologies and differentiated solutions for Indian farmers.

Our 2 R&D centers supported by NABL-accredited laboratories and a strong regulatory and product development team remain focused on product registration, formulation development and

strengthening our future product pipeline. Agrochemical sector in India is experiencing a weak and highly subdued earnings season for the second quarter for FY26-'27 Performance across major players is impacted by erratic and uneven monsoon rainfall and persistently high raw material procurement costs.

The monsoon rainfall was lower by a sharp 13% with sigficant regional and monthly variations across key agricultural beds. This has led to compressed volumes and margins across the industry. This weather disturbance significantly disrupted traditional farming cycle, delayed crop care applications and led to a market contraction of consumption at farmer level.

Due to the dry weather, performance of our herbicides was significantly impacted while insecticide segment has good growth. Despite all these challenges, I'm pleased to report that our company delivered resilient performance.

Our diversified geographic footprint allowed us to capture demand from region which had a availability of water resources. While generic crop production saw severe pricing pressure, our attention to specialized products and reintroduction of biostimulant product range from Q2 protected our gross margin.

Unlike the high-cost inventory issues lagging the sector, our proactive raw material sourcing and lean distributor inventory levels ensured zero channel stuffing and healthy cash generation. Looking ahead, we remain subdued in this year for Q3 and Q4. Channel inventories for Dhanuka are optimal. The initial movement for the upcoming Rabi season looks promising in certain regions. The key for the Rabi season will be performance of South and East zones.

In terms of financial performance for the second quarter, revenue from operations for Q2 FY26-'27 stood at INR657.51 crores as compared to INR598.24 crores in Q2 FY25-'26, registering a growth of approximately 9.91%.

EBITDA was INR152.97 crores as against INR136.73 crores in the corresponding quarter of previous year. Profit after tax stood at INR109.22 crores compared to INR93.97 crores in Q2 FY25-'26, reflecting healthy profitability improvement supported by product mix, operational efficiencies and disciplined cost management. Our balance sheet and cash generation continue to remain strong, providing us the flexibility to invest for future growth.

The zone-wise contribution to turnover for Q2 FY26-'27 was North India contributed 31%, East India contributed 12%, West India contributed 28% and South India contributed 29%. From a product category perspective, insecticides contributed 47%. You will notice, as -- I spoken earlier, insecticide segment has done very well and 47% share came from insecticide segment, 25% contribution from fungicide segment and only 8% herbicide contribution was there and 20% others contribution.

At Dhanuka, we continue to believe that sustainable business growth must go hand-in-hand with farmer prosperity and national food security. Our continued engagement with agriculture universities, Krishi Vigyan Kendras and other scientific institutions remains an important part of our farmer education and technology dissemination effort.

Thank you very much for your kind attention. We would now like to open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, the first question is from the line of Mr. Saurabh Jain from HSBC. Please go ahead.

Saurabh Jain: Hi, thank for the opportunity.

Moderator: Sir, little bit louder sir.

Saurabh Jain: Thank you for the opportunity and many congratulations on very strong numbers. It kind of has surprised us when you look at some of the other companies, how they have delivered the current quarter. Can you please help us understand in more detail what led to such strong growth that you delivered of about 10%, if you can break it down by the—whether how were you able to kind of gain market share in any of the regions? Or is it like more product-specific growth? How should we read this?

Rahul Dhanuka: This indeed is a product-specific growth from the domain of insecticides. So we all understand and appreciate it was an El Nino year. Internally, we kind of regrouped to understand that what kind of challenges farmers will face with the El Nino year and what will be the opportunities. And what we arrived at is that insecticides will have a better opportunity as compared to herbicides and fungicides.

So, we put extraordinary focus on our insecticide portfolio like LaNevo, Miyako, Mortar and on plant growth regulators and nutritional products for the farmer. We also kind of focused on the opportunities where water was available and channelized our energies, our demand generation activities, our working with the farmer in terms of education in the difficult situation, working with the channel, all was reconfigured.

Also, looking at the situation, we were not front-loading the market, front-loading the channel in quarter one. Anticipating the situation, we were not front-loading in quarter one. So we were able to service the channel with the required products with agility from our supply chain. So these three things is what led us to deliver this kind of the business.

Saurabh Jain: Thank you. Would there also be an impact of last year, the same quarter, there was a decline in the revenues. Would you also believe that this might be just like more than what we could have delivered otherwise? And going forward, the next couple of quarters, the growth might actually moderate from what it delivered in Q2?

Rahul Dhanuka: Yes. So Q2 growth, of course, does reflect what we delivered in last year, the same quarter. It would certainly have a reflection of that. And we are maintaining at Dhanuka Agritech, we are maintaining our single-digit growth for the year. So, this 10% growth is not an indication of what we can expect in other two quarters.

Saurabh Jain: Okay. That is useful. Secondly, when I look at the segmental breakdown that you have provided, it seems North region, you have grown fantastically well, about 22% in the quarter. In the first half, your growth is at about 12%. So, is it like mirroring what's happening at the industry level

that the North is doing better or you were able to kind of capture market share in the North region? And if yes, then what has driven that?

Rahul Dhanuka: North markets, especially Punjab, Haryana, Western UP, these are irrigated markets. They have canal irrigation relatively easily available. So I'm pretty sure the industry would have done well overall in North India in general as compared to the stressed markets of Gujarat, Maharashtra and other markets, which are relatively more rain dependent. So yes, North markets were industry's favourite to go to markets.

Saurabh Jain: Okay. So you would have grown largely in line with the industry? Is it a fair takeaway?

Rahul Dhanuka: That I won't be able to kind of anticipate very clearly. I would certainly say North is industry's favourite.

Saurabh Jain: Got it. And Chairman, sir, also mentioned that going ahead, South and the East zone will be the key zones to be watched out for. So how to read this better? You mean South and East zones, they will be most challenging zones for the industry and for Dhanuka because of the macro situation and the rest of the regions are better placed. Is that the right reading?

Rahul Dhanuka: In general, quarter three and quarter four, we get returning monsoons. So this returning monsoon influences Eastern India, which is mostly Bengal, some parts of Bihar, Orissa, Chhattisgarh and entire South India. So that's why the focus and the attention will be on the area which received this returning monsoon and so a good business opportunity.

Saurabh Jain: Okay. So are you more positive on the Southern and Eastern India for the rest of this year? Or you have more confidence in the other regions? Because my sense was...

Rahul Dhanuka: Compared to Central and Western, we are more confident of the Southern and Eastern region.

Saurabh Jain: And despite the fact that the rainfall has been disappointing, the reservoir levels are very bad in those regions. I think...

Rahul Dhanuka: It is a relative thing. The relative situation of Western and Central India is worse than Southern and Eastern India. And so now the Western India and Central India opportunity of rainfall is almost over, whereas South and East still has the opportunity of rainfall. So we are upbeat. We are positive about these opportunities materializing better than Southern and Western India.

Saurabh Jain: Okay. Fair enough, thank you so much and all the best. I'll join back to the queue.

Rahul Dhanuka: Thank you.

Moderator: Thank you. The next question is from the line of Mr. Rushabh Shah from BugleRock PMS. Please go ahead.

Rushabh Shah: Hi. Thank you for the opportunity. I had two questions. First one is a product named LaNevo we had launched in May '24. And we had also mentioned that this product has a market of INR1,000 crores. And you mentioned that it has done well. So I just wanted to know how it has performed for us like this particular product.

And alongside two products we had also launched Purge and MYCORe Super. So could you please let us know how these products have done?

Rahul Dhanuka: Certainly. So LaNevo is the insecticide you were talking about. Dhanuka has introduced LaNevo in collaboration with Nissan Chemicals of Japan. This product has done really well this year as well. It has been a favourite product for the farmers of chilli belt of South India and rest of the country also. So LaNevo is one of the products which is leading this growth of quarter two.

Purge was a herbicide launched in soybean, which performance has been moderate and was mostly between June and July. It was hit by a poor monsoon situation in Maharashtra, Gujarat and Madhya Pradesh. So we are almost at par when it comes about Purge.

And MYCORe Super is another product which has received a lot of thrust and attention because this makes the crop situation draught resilient. So MYCORe Super is going to be a favourite product for the next quarter as well. And it has already done well so far.

Rushabh Shah: Okay. So could you please let us know in terms of revenue, how much LaNevo has done? Because you had mentioned that this product has a market of INR1,000 crores.

Rahul Dhanuka: I appreciate your interest, yet we are not sharing product-specific numbers on this channel.

Rushabh Shah: Fine. Fine. Okay. And sir, my next question is, these buy products, which we were incorporating two companies in Brazil and Europe and also some distributors. So just wanted to know where are we on those things because see Indian business, we have started to reflect in balance sheet. But just wanted to know more about Brazil and Europe.

Harsh Dhanuka: Right. So our European subsidiary was established and the intention of the subsidiary, both the European and the Brazilian subsidiary is only to hold the registration, not to conduct any commercial activities. So that is the situation around the subsidiaries. Regarding the customer appointment, we have appointed customers in about 14 countries, and we have purchase orders in hand from five countries, five of the customers. And we are in discussion with other customers for raising the purchase orders as well as looking for more customers where we have not appointed as yet.

Rushabh Shah: Okay. Thank you so much.

Moderator: Thank you sir. We have next question from Viraj Kacharia from SiMPL. Please go ahead.

Viraj Kacharia: Yeah, hi. Thanks for the opportunity. Am I audible?

M.K. Dhanuka: Yes. You are audible.

Viraj Kacharia: Yeah. Hi, sir. So first of all, congratulations, I think, for a very good set of numbers in an environment which is very challenging. So, I mean, kudos to you and the team for a very good performance. Sir, just a couple of questions I had. One is, if you look at the quarter gone by, we have seen a very good jump in our receivables as well.

So any color you can give that? Is there a possibility of a higher sales return going into Q3 for us, given the way inventory is there in the channel in the system for the industry? Any color you can share? Is it more of liquidation-driven sales which we have seen? Or is it more of channel-driven sales, which we have seen? And any color on price volume mix for the quarter?

V.K. Bansal: Yes, you see in terms of the value volume growth, value growth is 10%, volume growth is around 6%. And with regard to debtors, you see we are not very aggressive in the placement. We take back the material very fast and particularly in this financial year. So far now, there is an improvement in the sales season. So we are not expecting any high sales season in the quarter 3, absolutely.

Viraj Kacharia: Okay. Second question was on the royalty income, which we book typically from the Bayer products and the B2B, the direct sales and EBITDA, if you can give?

V.K. Bansal: Yeah, yeah. So this was around INR6.5 crores as against previous year in quarter 2 is around INR4.3 crores.

Viraj Kacharia: This is the Bayer income?

V.K. Bansal: Pardon.

Viraj Kacharia: This is the income -- royalty income from the Bayer's products, right?

V.K. Bansal: INR6.5 crores in quarter 2.

Viraj Kacharia: Okay. And the sales and EBITDA for the Dahej business?

V.K. Bansal: You see in Dahej, the EBITDA loss was not very significant. In the half year basis, Dahej loss was around 50% of the previous year. Last year it was around 3.5, now it's almost 1.79 first half of the financial year.

Viraj Kacharia: Okay. And sales, sir?

V.K. Bansal: Sales is around INR55 crores.

Harsh Dhanuka: INR55 crores.

Viraj Kacharia: Okay. Got it. Just 2 – sorry?

V.K. Bansal: In H1.

Viraj Kacharia: INR55 crores in H1. Okay. Just two more questions, sir. See, if you look at our contribution margins, right, even if I remove the royalty piece, we have seen a very good contribution and operating margins in the quarter gone by. Now this is considering the fact that our -- some of the higher value margin segments like fungicide, herbicides or even if I look at the ITI index, the new products carry a very high gross margin, that has also been on the lower side, lowest in last 4, 5 years. Still, we have been able to report a very good contribution margin and EBITDA margin. So I'm just trying to understand the factors which is driving this?

V.K. Bansal: You see in terms of the gross margin; the gross margin is as compared to the quarter 2 of the previous year is slightly lower because of the refund of GST and all. So, there's no improvement in the gross margin in quarter 2 as compared to the previous financial year quarter 2, right?

And in terms of EBITDA margin, EBITDA margin improvement is mainly because of the -- you see very tight control on the other expenses. So there is a decline in other expenses because of which the EBITDA margin increased. And gross margin has been maintained because of the product mix.

Viraj Kacharia: So what I meant by gross margin also, the kind of moderation we have seen elsewhere, you're not seeing that kind of a moderation playing out for us. And if I look at our own product mix for the quarter gone by or H1, you have fungicides share moderating, you have herbicides, which is also a relatively high margin category moderating. You have ITI shares -- new product share moderating.

And on the top of it, if I look at our overall volume versus value mix, there's a negative realization. Still, we have been able to hold on to our overall contribution margin. So I'm just trying to understand from that perspective, what is really driving this?

V.K. Bansal: Value growth is more as compared to volume growth. Volume growth is around 6%, whereas value growth is 10% in quarter 2.

Viraj Kacharia: Okay. Got it. Sir, just one last question. Any color you can give in terms of the Dahej, I think we are at close to 70% utilization, which we talked about. How are we looking at in terms of further ramp-up? Any color in terms of new products, profitability and scale up we expect over the next 2 years from Dahej?

Harsh Dhanuka: Yes. So we have recently aligned to do some capacity expansion in the current plant, wherein we will be increasing capacity of existing products as well as we'll be adding new products, 2 new products in the existing plant itself. So next year, FY28, we will be having 4 products in our portfolio, up from 2, which we are currently selling.

Viraj Kacharia: What would these products be? Any color you can give? What are the target markets we are looking at? And...

Harsh Dhanuka: Mostly currently, we are looking at Indian market only. International market registrations will take time. We have not initiated the international registrations for these products. But yes, mostly the market will be for India. And the new products being added are mostly fungicides.

Viraj Kacharia: Okay. I'll come in queue. Thank you.

Moderator: Thank you. The next question is from Mr. Umang Shah from Banyan Tree Advisors PMS. Please go ahead.

Umang Shah: Hi, Sir, I'm I audible?

Moderator: Yes, sir, you are audible.

Umang Shah: Yeah. Thank you for taking my questions. Sir, you had mentioned that there were 3 biostimulant products which you got registrations for. And I think 1 or 2 are still remaining. Did you -- were you able to get the registrations for the same?

Rahul Dhanuka: So we introduced the biostimulant products, Dhanzyme Granule and Dhanzyme Gold Granule already. We have also received the approval for our another product, which is Dhanzyme Gold in liquid formulation. That product still awaits some internal process clearance. We've already received the approval. We'll be launching it in December.

Umang Shah: Understood. And second question was in your opening comments you mentioned that the industry was carrying a lot of high-cost inventory. But our understanding is that the prices of agrochemicals have been coming down over the last 2, 3 years. So if you can just explain what is it that we did not carry this high-cost inventory? And was our understanding correct, whether the inventory is actually high cost or low cost?

V.K. Bansal: You see, we are not saying in some molecules, we were also having the high-cost inventory. But at the same time, we became very conservative since July 2026. So our purchases are very moderated from July. So whenever the prices were decreasing we buy on every decrease material. And there are certain molecules which we are having the good inventory where you see, we get the advantage of the price increase as well, carryover inventory.

Umang Shah: Right. Got it. And this would be 1 or 2 quarter phenomena, right? As the supply chain gets normalized, this is not something which would be very different. Like the competitors will also catch up to us, right?

V.K. Bansal: Absolutely, absolutely.

Umang Shah: Understood. Thank you so much. All the best.

Moderator: Thank you, sir. The next question is from Mr. Prashant Biyani from Elara Securities. Please go ahead.

Prashant Biyani: Yeah. Thank you for the opportunity. Rahul ji, while North has done pretty well. In South and West also, the performance was quite good given the kind of deficit rainfall we saw. Sir, which crops worked for us in South and which product or which segment drove growth in these 2 geographies?

Rahul Dhanuka: Chilli is the most important crop, which worked in South. In addition to that, some oilseeds and pulses have also done well in South. Cotton prices were very high. Farmer went in for repeated insecticide sprays in cotton as well.

East India especially received extraordinary attention with some vegetable prices being very high across the country. It is mostly insecticides like LaNevo and Decide and Mortar, which have done really well. Insecticides like Miyako, which is again a Nissan Chemicals product is in demand. Our products, MYCORe Super and Dhanzyme Gold, which are plant growth stimulants and plant growth influencers have done well.

So, the crop segments and the product segments are kind of -- we anticipated some of these demands and upgraded our supply chain to meet the changing local ground level dynamics. That agility has helped us service the demand that the farmer had. And we also re-channelized our demand generation activities, our brand building activities in the right pockets in the right crops, which has helped us capture that demand effectively.

Prashant Biyani: Sir, in chilli crops, was the demand mainly in fungicide or insecticides?

Rahul Dhanuka: Mostly in insecticides, relatively much lesser as compared to conventional demand of fungicide. Fungicide demand was lesser.

Prashant Biyani: Right. And sir, while for rabi season, we are also cautious and expecting moderate growth. But sir, how are we placed on the raw material side in terms of pricing, whether a moderate sort of top line growth, can we still manage to deliver margin expansion on the gross level? Give some indication if you can share on the pricing of our raw material inventory.

Rahul Dhanuka: See, it will be difficult to really predict the pricing of the raw material, which in the uncertain situation has been -- has swayed both ways. Some of the raw material prices have come down from quarter 1 further in quarter 2. Many other raw material prices have gone up in quarter 2, wherever possible and very selectively and very calculatively, we have passed on the increased cost to the market as we were able to do, as is also visible in terms of the numbers.

Going forward also, our imagination is that we will deliver low single-digit revenue growth with some, say, about 100 bps loss in gross margin and a similar or slightly more decrease in EBITDA. So about 100 bps less in gross margin.

Prashant Biyani: Sir, is this mainly because of that we would like to play the volume game and try to accommodate less on the pricing side or the demand environment is weak and hence, we cannot pass on any input cost inflation if we are seeing?

Rahul Dhanuka: So...

Prashant Biyani: What's it to the margin expansion -- margin contraction, what would you allude to more?

Rahul Dhanuka: So market -- margin expansion will not be happening is what we imagined in the year beginning itself. The demand itself is under stress. So passing on the increased cost completely may not be possible. So that is one thing. Another is basically; the revenue itself is not going to grow in that proportion. We are talking about single-digit revenue growth. So that will also put some pressure because the cost will be what they will be.

In fact, we are going to make increased efforts on demand generation and visibility where the right -- in the green packet, green pockets and right crop patches. There is no reduction in the margin. Basically, it is impact of the -- majorly on the GST refund side. If you eliminate the impact of the GST refund, then there is no impact on the gross margin.

Prashant Biyani: Will this GST refund impact occur in Q3 or H2 also entirely or it was limited...

V.K. Bansal: It is occurred in the entire -- each quarter.

Prashant Biyani: And Bansal ji, how much was the biostimulant revenue for Q2 and last year?

V.K. Bansal: You see, biostimulant Q2, in quarter 2, there is -- as compared to previous year increase of around INR3.3 crores as against INR8.4 crores, INR11.7 crores this year.

Prashant Biyani: INR8.4 crores was for which quarter?

V.K. Bansal: I'm talking about the 4 molecules, which are Dhanvarsha, Dhanzyme Gold, Dhanzyme Granule, Dhanzyme Gold Granule. Basically, quarter 2 last year, it was INR8.4 crores. This year is INR11.7 crores. And as against 4 only, billing was only started on 2 molecules, which is Dhanzyme Granule and Dhanzyme Gold Granule. Dhanzyme Gold, we are planning to start sometime in December.

Moderator: The next question is from Mr. Sanjay from SKS Capital. Please go ahead.

Sanjay: Congratulations on good set of numbers. So my question is about during the quarter, like last quarter, we have reduced our guidance to a single digit, right, because of the rain, El Niño problems on that. And we had -- when we said that I think about a month back or something, you may say that it will be in single digit.

And month of September and October, again, the rain was very, very less compared to what was estimated or expected on that. So are we seeing now because of this, the rabi season is going to be impacted more than what we expected when we said, okay, it will be a single high-digit growth on that.

And again, you mentioned that mostly because of the rain is going to be continuing in some areas of the country and very few areas where you will be focusing during Q3 and Q4. So when the area reduces, competition is going to grow and then it will be impacting more on the pricing pressures and all. So are we still now going to maintain our growth for the year in single high digit or it will be in single double digit?

Rahul Dhanuka: I think so the position is that we'll be growing by a single low digit, and that is where we are.

Moderator: Sir, we have a follow-up question from Mr. Viraj Kacharia from SiMPL. Please go ahead.

Viraj Kacharia: Sir, just wanted to get a perspective. We have seen a good amount of launches in the first half, some were 9(3) products. Any color you can give among these, which you think has a potential to be a blockbuster or a mega brand over a period of time? So any color in the opportunity landscape and the market size and which product you think we have a scope for it to be a very large brand over a period?

Rahul Dhanuka: Mr. Viraj, did we mishear you? How many product launches did you say?

Viraj Kacharia: No. So we had a couple of launches in the first half and some of them were 9(3). So just wanted to get a perspective if you can share the addressable market opportunity. And among these, do you think there are candidates which can -- has a potential to become a large brand for us over a period of time?

M.K. Dhanuka: The products that we introduce and we try to introduce products with our Japanese collaboration. So we have launched Polin, which is a paddy fungicide from Nippon Soda Japan. This is expected to be a rice blasticide. Rice, as we know, is the largest crop of the country, 42 million hectares and rice blast covers a large part of South India, East India and some parts of North India basmati as well.

Currently, its cost position and price position is significantly higher than what market can accept. So we are not expecting it to really catch volumes in short term. That too with the stressed situation where paddy acreages have come down and the propensity to spend on a relatively new product and a high-cost product will be lower from the farmer.

So, we are kind of recalibrating that one. But we have introduced some other and are going to introduce in quarter 3, some other plant growth regulators and plant growth influencers, which will certainly have a better traction in our El Niño year.

Viraj Kacharia: Okay. Got it. The second question, see, what we are hearing is there is a sizable amount of inventory in the system from other players, especially. And given the way the fertilizer prices and availability has behaved, channel and even farmers have prioritized that over crop protection investments or purchases, correct me if I'm wrong. So just from a channel or a farmer profitability or health-wise, any color you can give?

Is it -- has it materially impacted the ability to purchase? So come next year, the season to be normal, should one see a more faster normalization or you think it will take much more longer time for the purchases and the consumption to normalize?

Rahul Dhanuka: So, let me talk from the channel perspective first. So Dhanuka creates a very robust working environment for the channel partners and thereby we kind of rotate the inventory much faster. So if there is an immobile stock, if the season is not working in the favor, then we kind of unlock channels working capital and space and we take back the stocks.

Now with what speed other companies would be doing it, will they be front-loading? Will they be keeping the stocks in the market? Sometimes we feel those results in inflated balance sheet numbers. But at Dhanuka, we don't really follow that practice. So -- and we do this every month. So it is not a quarter end story for us. At Dhanuka, this is every month exercise that we do with our channel, which is cleaning them up and making them ready for the next month or the next season.

Talking about farmer, the commodity prices are at an all-time high. Sugar prices are high. Government has imposed so many restrictions around ethanol policy for maize and sugarcane. Wheat prices are high. Paddy prices would also take a jump soon. Chilli prices are all-time high. Cotton prices are high. Commodity prices being high, wherever farmer will have adequate irrigation or rainfall available, farmer will go for cropping, for planting and will make profit. But the number of farmers falling in that category will come down this year because of a widespread El Niño dry and drought situation.

Viraj Kacharia: Got it. And last question was on the ITI index, right? I think if you see, we've been launching every year a couple of products, at least 4 to 5 and a few being 9(3). But we've seen a moderation

in our ITI index. I understand current year is not really a benchmark for one to look at. But going forward, how should one look at this new product index evolving for us?

Rahul Dhanuka: At Dhanuka, we are really strongly committed to introducing new products and new solutions to the farmer, which are matching with the dynamic requirement. And that is what we stay committed to. Now this year, particularly has been a very difficult year around which, of course, benchmarking of ITI is not possible.

Given our relationship with R&D organizations at the back end and a very robust relationship, I would say this year may not be the right indication of how things will be in future. Also, the changing dynamics require some of the smaller products to become bigger in a given situation.

Now this year, MYCORe SUPER with the El Niño condition becomes a real favourite with the farmer. So instead of pushing a fungicide or a herbicide, which will jump up my ITI number, I'm focusing more on those products, which will bring more value to the farmer. So ITI will remain a side effect of my relationship with the farmer, which comes first. Farmer relationship and farmer value creation comes first.

Moderator: The next question is from Mr. Dhruv Muchhal from HDFC AMC. Please go ahead.

Dhruv Muchhal: Sir, the government has implemented this E-Token system for fertilizers. I'm just wondering probably from an indirect perspective, does it benefit the crop protection market probably less tagging by these fertilizer companies? Are you seeing any initial signs of that in the markets where it is already operating?

Rahul Dhanuka: I think so all the State Governments as well as the Central Government has taken a very serious view of this concern raised by the farmer lobbies and also with the channel lobbies. Fertilizer E-Token system to streamline sales, distribution and usage of subsidized fertilizer is a very important and relevant step in that direction.

Still, whatever value farmer is not able to unlock, especially from phosphatic fertilizer, our products like Dhanzyme and MYCORe SUPER helps the farmer unlock the potential of the applied fertilizer, potential of the soil and potential of the seed as well. So we try to bring value to the farmer even from the fertilizer investment that he's making.

Dhruv Muchhal: But from a timing perspective, it does not change anything?

Rahul Dhanuka: From a...

Dhruv Muchhal: The fertilizer companies used to tag in -- I mean, push sales of crop protection along with fertilizers. That dynamic is not changing materially.

Rahul Dhanuka: That has changed significantly. Over the last 3 to 4 months because of the State Government's pressure and the Central Government's regulatory vigilance, that has changed significantly.

Dhruv Muchhal: Okay. So is it because of the E-Token -- because this was always -- this was happening for many, many years, but nothing changed. So is it because of the E-Token thing it has changed or just because the vigilance has improved, that has changed?

Rahul Dhanuka: I really don't know the influence of E-Token, although E-Token will certainly bring benefits, but the vigilance has been harsh and sharper. So the execution is there. The existence of the law versus execution of the law is what matters. The execution has been sharp across the Board, Madhya Pradesh, Uttar Pradesh, Bihar, everywhere that we have travelled personally, we have seen the execution has been really sharp.

Dhruv Muchhal: Got it. Sure. And the other question was, you mentioned about launching -- for the Dahej site, you mentioned about launching 2 products, fungicides. I'm just wondering, the plant is still at probably EBITDA loss. The strategy to launch 2 new products, is it because to get some scale and that is the minimum required to make an economically operating plant or the thought is that you are relatively more positive on the AI market in the next 1 or 2 years, and hence, the idea is to probably expand the TAM for you?

Rahul Dhanuka: I don't think so. We should look at it as a short-term move, which in our capex would always appear negative in the short term. Add to it the headwinds chemical synthesis industry has faced over the last -- so that is -- we cannot look at it from a short-term perspective. We are obviously going to invest and expand this opportunity.

Dhruv Muchhal: Okay. Got it. Sure. Any -- if you can mention what is the -- what is the capex that you're doing amount?

Rahul Dhanuka: We'll be coming up with that clarity probably in the next round, but we are absolutely committed to doing capex.

Moderator: We have next question from Darshita Shah from DSP Asset Managers. Please go ahead.

Darshita Shah: Sir, Rahul sir, you mentioned that there is a sharp execution of law that you were seeing. Is that also applicable to the newer companies or smaller companies who are selling pesticides without registrations? I mean is it applicable over there as well? Are you seeing any curtailment on that front?

Rahul Dhanuka: I think so that front can still benefit from sharper execution and better vigilance. A lot more to be done on that front.

Darshita Shah: All right. Okay. And I mean, any steps that we are taking or maybe the industry is taking, any direction that you can give us as to where the conversations are going with respect to that?

Rahul Dhanuka: Just late September, FICCI organized session on -- which they call as CASCADE, which is about looking at fake, spurious duplicate products across industries, which included a special session on agrochemicals led by Mr. R.G. Agarwal. So this is first time that FICCI has included agri inputs also as a session to fight fake and duplicate products in the country.

So, this is a serious issue and farmers, Indian agriculture as a country, we tend to lose with that happening. And Dhanuka particularly is really actively pursuing this cause with all industry associations, with the regulator and FICCI is also taking up this cause of the farmer now with the government.

Darshita Shah: Got it. And sir, at the start of the call, you mentioned that there's a lot of pricing pressure that we are seeing in the generic products. What we understand is that the solvent prices have actually gone up. We are seeing freight costs also going up. How is it that generic prices instead are facing a lot of pricing pressure despite the raw material prices going up? Is it because of oversupply or what could be the reason here?

M.K. Dhanuka: One thing is on the demand side because we have seen a year of tepid demand. So we are able to pass on the increased cost only in a selective and a calculated way, which we are doing. Yet because of the tepid demand, we cannot pass on the entire cost increase to the consumer. So that's the pressure.

Darshita Shah: All right. Okay. Thank you.

M.K. Dhanuka: Thank you.

Moderator: Ladies and gentlemen, as there are no further questions, I now hand the conference over to management for closing comments. Over to you, sir.

M.K. Dhanuka: Thank you. Once again, we remain committed to building a resilient innovation-driven and farmer-focused organization that creates sustainable long-term value for all stakeholders. I would like to thank all our investors, analysts, business partners and stakeholders for their continued trust and confidence in Dhanuka Agritech Limited.

Wishing you all a very Happy Diwali and festive season ahead. India ka Pranam, Har Kisan ke Naam. Thank you.

Moderator: Thank you. On behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.