



SUMITOMO CHEMICAL INDIA LTD.

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30th October, 2026

To,
BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

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

Scrip Code: **542920**

Scrip Symbol: **SUMICHEM**

Subject: Written Transcript of Earnings Call held on 27th October, 2026.

Dear Sirs,

This has reference to our letter dated 19th October, 2026, intimating about the earnings call with Investors to discuss financial performance of the Company for the quarter and half-year ended 30th September, 2026 and web-link for the audio recording of the call submitted to you on 27th October, 2026.

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

The said transcript will also be available on the Company's website:

<https://sumichem.co.in/investors-relations.php#Announcements>

Kindly take the same on record.

Thanking You,

Yours faithfully,

For Sumitomo Chemical India Limited

Deepika Trivedi
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Deepika Trivedi
Company Secretary & Compliance Officer

Encl.: A/a



“Sumitomo Chemical India Limited
Q2 & H1 FY27 Earnings Conference Call”

October 27, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 27th October 2026 will prevail.



**MANAGEMENT: MR. SURESH RAMACHANDRAN – MANAGING
DIRECTOR
MR. KUNAL MITTAL – EXECUTIVE VICE PRESIDENT
MR. ANIL NAWAL – CHIEF FINANCIAL OFFICER
MS. DEEPIKA TRIVEDI – COMPANY SECRETARY AND
COMPLIANCE OFFICER**

Moderator: Ladies and gentlemen, good day and welcome to Sumitomo Chemical India Limited Q2 and H1 FY27 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. From the management today, we have on the call Dr. Suresh Ramachandran, Managing Director; Mr. Kunal Mittal, Executive Vice President; Mr. Anil Nawal, Chief Financial Officer; Ms. Deepika Trivedi, Company Secretary and Compliance Officer; and colleagues from SGA, their Investor Relations Advisors. Now I hand over the conference to Dr. Suresh Ramachandran, Managing Director of Sumitomo Chemical India Limited. Thank you and over to you, sir.

Suresh Ramachandran: Thank you. Ladies and gentlemen, a very good afternoon to all of you and welcome to the conference call to discuss Q2 and first half FY27 performance of Sumitomo Chemical India Limited. This is my first earnings call since taking charge as Managing Director on 1st September of 2026 and I would like to begin with a few words on the transition.

First, on behalf of the entire SCIL family, I would like to extend our sincere thanks to Dr. Mukul Asher, who completed his term as Chairman and Independent Director on 31st August 2026 for his outstanding leadership and immense contribution to our journey over many number of years.

As we shared on our last call, Mr. Chetan Shah completed his term as Managing Director on 31st August 2026. Following shareholders' approval, he has been appointed as Non-Executive Non-Independent Director and has also been appointed as Chairman of the Board. Mr. Sushil Marfatia also completed his term as Executive Director on 31st August 2026.

On behalf of the entire SCIL family, I want to place on record our deep gratitude to both of them. Over many years they built the teams, distribution reach, channel, the manufacturing base, the brands and above all, the culture of discipline that this company stands on today. We are fortunate that Mr. Shah continues to guide us as Chairman and Mr. Marfatia as adviser and both of them remain available to us in an advisory capacity.

We also welcome Mr. Anand Mohan Tiwari to the Board as Independent Director. The new management structure, which presented to you in May, is now fully in place. Mr. Kunal Mittal as Executive Vice President together with Senior Vice Presidents, Mr. Hajime Shinomiya and Mr. Fumio Suzuki, anchors the senior management team.

Our commitment to you is continuity. The strategy, the financial discipline and the farmer-first approach that delivered our results over the last several years remain unchanged. What we are adding is a sharper focus on execution, which we call our Good to Great initiative or Good to Great transformation about which, Mr. Kunal will speak shortly.

Now coming to Indian agriculture and agrochemical industry. How did the industry perform over the last 6 months of the current financial year. H1 FY '27 was one of the most difficult first halves for the Indian agrochemical industry in over a decade. The main reason was the erratic and unpredictable monsoon. The Southwest monsoon arrived late and started weak.

June rainfall was about 35% below normal. Generally, June month rainfall is very critical for the sowing operations by the farmers. Because of the delayed rainfall, the sowing of the key crops were delayed until mid-July. July rainfall was close to normal. Of course it did not cover the shortfall of the June rainfall.

August was dry again, about 16% below the normal rainfall and September did not make up this shortfall. Overall, the season ended with a deficit of almost 13% of the normal rainfall. As per the IMD, this was the fourth weakest monsoon since 2001 and the weakest since 2015. Rainfall was very uneven.

East and Northeast India had their lowest monsoon rainfall since 1901 and the South Peninsula was about 24% below normal. Of the 23 key agricultural states, 16 had deficit rainfall of more than 10%; some even went up to 30% - 40%. Several states, including Maharashtra, Karnataka, Andhra Pradesh and Rajasthan have declared drought in large parts of the area.

Furthermore, India as a country, IMD has declared it as officially a drought year. Farmers were able to complete sowing with whatever water that was made available, was available by the monsoon and kharif acreage ended little bit lower than normal, about 1.5% below normal. Rice was the main exception with the acreage almost lower by 4%.

However, there were very few days of above normal rainfall during the season and crops faced long dry spells at the stage when they needed their inputs most, which impacted the agrochemical consumption. Delayed sowing and dry spells reduced herbicide consumption. In August and September, farmers skipped spray rounds, which lowered demand for insecticides and fungicides.

Industry reports also show that farmers cut back on total overall agricultural inputs. Production of key crops such as rice, cotton, soybean, groundnut, pulses and oilseeds is now estimated to be lower than by almost 10% depending on the crop. To begin at the beginning of the year between March and May.

The cost increased because of the Middle Eastern war, the technical prices went up, a weaker rupee depreciation and high packaging, solvent and freight costs added to the overall cost of inputs. Companies including SCIL passed on these increases to a large extent. However, because of the erratic monsoon sensing that the season was not going to be normal, from June onwards, the prices started falling.

Some companies took the price correction. Some companies decided to maintain the price. The industry, therefore, carried high cost inventory into the period of lower volume and softer prices in Q2. SCIL team focused on key products which were critical for our success. Those products performed very well.

Our key brands like Flumioxazin, which is SumiMax, Meshi, Excalia Max, Portion, ProGibb, Nature Dip and TriBasic Copper; all grew in both volume and value. All of these were our specialty products. Together, these products grew about 22% in value over H1 of last year despite a very weak monsoon.

We launched two proprietary products in the last quarter. The first one is Topgrain, a patented grain-filling biostimulant technology developed by our affiliates, Sumitomo BioRational Company. In the entire world, we are proud to announce that India is the first country to commercially launch this product anywhere in the world.

We have introduced it to a limited number of farmers this season and our teams are measuring the yield benefit at the time of harvest, which is currently going on. The second product is Helibex, which is an insecticide launched to a limited extent starting from August to control key caterpillar pest.

We also continue to strengthen our digital approach. Our Excalia Max campaign ran across several platforms and 1 influencer video crossed 1.7 million views. Our SumiMax campaign won the GenAI-led Creative Award at Adtech India New Delhi. Each year we run more than 1,000 digital campaigns reaching out 70 million-plus digital touch points.

So our normal activities. We increased in reaching out to farmers through various means, including digital and physical through our employees as well as contract brokers. Now coming to the second half of the year, how the outlook looks like. We expect H2 of the current financial year to remain challenging for three main reasons.

One, El Nino. The World Meteorological Organization expects El Nino to strengthen further, peak around December and continue through February 2027. It could be one of the strongest El Nino events since 1950. This overlaps with Rabi season, unfortunately. Second, water availability.

Current estimates mention that reservoir levels across the country are at about 71% of the capacity and at least 25% lower than the last year at the same time. Since Rabi crops depend largely on irrigation, water availability and soil moisture will decide how much area is planted. Third, the Northeast monsoon began on 15th of October. It has rained well in a couple of areas in Southern geography.

IMD expects reasonably normal rainfall over the South Peninsula. This should help the second season crop, but Southern region starts with a large shortfall from summer. This led to lower soil moisture conditions compared to normal period. There are also some positives. Lower harvest estimates have pushed up the commodity prices; whether it's rice, cotton, pulses, oilseeds.

All the commodity prices are going up, which means that the farmers are getting the benefit in terms of income, which would put them in a position to invest in their second crop, in crop protection apart from other agri inputs. Where crop area holds up and prices remain firm, we expect consumption to be broadly normal.

The rice area is expected to decline because in Southern states rice cultivation is discouraged because of the low water availability. Chilli depends on November, December rains primarily in Andhra and Karnataka. On the positive side, grapes season is looking better, wheat is expected to be normal, cumin is expected to be normal and states like U.P, Chhattisgarh, these states looks to be normal as of now and the normal crop area would come.

Our H2 priorities are stated below. Focus resources where demand is holding up. In the main states I mentioned like U.P., Chhattisgarh, some parts of Andhra Pradesh, Karnataka and Tamil Nadu where it has rained well; our focus is in those areas to do the business. Drive key products: we will push EXCALIA MAX, Portion, Gibberellic Acid and Topgrain.

For Topgrain, currently the team is following up on the rice launch to demonstrate it to the farmers. There are good positive feedbacks, which will help us introduce it in the wheat, in the rabi season. Starting from February, the consumption of this product will start. Manage channel and inventory carefully: we will continue to supply the channel based on the actual demand on the ground and we have started steps to bring our own inventory down through H2.

Price product by product: we will keep adjusting prices to market conditions and realistic situation while protecting our margins. We also possibly see an opportunity upside of glyphosate due to a recent regulatory restriction on a competing product. Our goal for H2 is to grow over last year's sales where the market allows while protecting profitability. Our portfolio reach, strong relationships with farmers and channel partners position us well to do this. With that, I hand over to Mr. Kunal Mittal to take us through the next portion of this call. Over to you, Kunal.

Kunal Mittal:

Thank you, Dr. Suresh sir, and good afternoon, everyone. We will try to cover 2 parts in this. First is about our transformation initiative and second, something about our operational numbers and our capex plans. So first, about the Good to Great transformation, which Dr. Suresh briefly touched upon.

With the new management structure in place; from 1st of September we have launched a company-wide program called Good to Great transform to secure our future. This program and this initiative is built on five pillars:

First is about people: how we can build skills, leadership and accountability through a performance driven culture.

Second part is about operational excellence: by improving productivity, quality, efficiency, safety and speed of our execution.

The third pillar is about the technology: how to use the technologies across all the functions in our company, including for refining our business processes and decision-making process.

The fourth important pillar is about data, digital and automation: how we can bring more efficiencies and accuracy in our organization through these initiatives.

And the fifth and one of the most important pillar is about the cross functional success: how all of us, our different functions can work together in a collaborative approach with the mindset of sharing the ownership of the results.

So through these five initiatives and pillars, I think we are going ahead in this kind of a transformation initiative and collaboration is very, very important point for this initiative. This was also a theme of our Annual Conference, which we held in Delhi in the month of April with over 700 members of our commercial team, this is called Sumi Manthan.

And in a difficult year like this, these internal initiatives will help us improve our efficiencies and help us achieve our profitability objectives.

Now let's talk about our operating performance. In this environment, which was very challenging due to weather situation, our company delivered a stable performance. Q2 financial year '27, the revenue was INR907 crores, down 2% year-on-year. H1 financial year '27 revenue was INR1,971 crores, down 1% as compared to previous year.

Despite a clear fall in industry volumes and demand, our first half revenue was broadly in line with our last year numbers. In Q1, our revenues were supported by the price increases which we took between the months of March and June 2026. In Q2, we kept our selling prices largely stable.

Our sales volumes, however, fell by a high single-digit percentage due to lower consumption in the adverse weather conditions. Our Q2 margins were affected by the timing of inventory cost. In Q1, we benefited from the lower cost opening inventory. However in Q2, inventory which we had bought at higher cost between April and June, more in the Q1 part, it flowed into our cost of sales.

As a result, our Q2 gross margin was 40.7%, which was down 240 basis point year-on-year and our EBITDA margin was 20.5%, which was down 297 basis points. For H1 financial year '27, gross margin was 39.9% compared with 40.4% last year and EBITDA margin was 21.3% compared with 22%.

This is broadly in line with our historical levels and in line with our objectives, which we have discussed in the past, to maintain our EBITDA margins equal to or more than 20% level; which was one of our objective, which we have implemented over last few years. The inventory cost levels had largely normalized by the end of Q2 as cost and selling prices came back in line.

Our domestic business held up pretty well. Q2 domestic revenues grew 2% to INR774 crores and H1 domestic revenue was broadly stable at INR1,657 crores. Branded products made about 79% of domestic revenue. If we talk about exports, there was a decline of 23% in Q2 to INR127 crores mainly due to the timing of shipments to Japan and South America.

For H1, exports were stable at INR300 crores with Africa, South America, Asia and Europe; each growing by 15% to 19%. And some of these points were also mentioned after our Q1 results in our Investor communication that Q1 also had little bit of extra volume shipments in the extraordinary situation.

In our exports, the share of branded products grew to 41% in H1 versus 34% last year, which is a very positive factor in our view. In terms of product category; insecticides, herbicides, fungicides were most affected by the weather conditions. In Q2: insecticides declined 9%, herbicides and fungicides each declined 6%. However, three categories grew in Q2.

Metal Phosphides grew by 13% PGRs by 9% and Animal Nutrition and Environmental Health together grew by 18%. So these 3 categories were positive. If we talk about our balance sheet and working capital, our balance sheet remains essentially debt-free. Cash and cash equivalent and liquid investments were approximately INR2,523 crores as of 30th September 2026, up from INR2,113 crores in March 2026.

Net cash from operations in H1 financial year '27 was INR447 crores compared with INR435 crores in H1 2026. Collections were about INR2,231 crores against INR2,277 crores last year. In a difficult collection environment, this is a reasonable number. Trade receivables at the end of September were INR887 crores, lower than INR903 crores a year ago.

Overall, net working capital was 76 days as of September 2026 compared with 55 days in September 2025. This was mainly due to inventory wherein the inventory days increased from 95 days last year September 2025 to 115 days in September 2026. Two factors drove this number.

Higher inventory cost because the prices have increased. And secondly, the volumes were also impacted because of the softer liquidation and sales in Q2, some bit of inventory volumes were on a higher level as on September 2026. However, we are monitoring the situation and we have started taking corrective actions and we expect inventory to come down to normalized levels through second half of this current year.

On the capex and growth plan. All our announced capex projects are progressing as planned. First, about the Dahej project. We are investing about INR150 crores for development of a greenfield site at Dahej. Most of the projects at the Dahej site are expected for our parent company's future molecules and these capex plans are on track.

We expect the commercial production to start in Q2 financial year 2027 '28 as per our earlier announced targets. The second project which we are implementing is Tarapur, which is also under implementation. During last 12 months, we have announced two capex at Tarapur site, both of these are INR10 crores each.

So together that's INR20 crores, through which we are going to add 3 to 4 additional products in our Tarapur site. And these capex are also in line and one part of this capex, first part is expected to be completed within this current financial year and the second part is expected to be completed by end of the next financial year 2027 -28.

And both of these projects, both Dahej and these 2 projects at Tarapur, continue to be in line with our earlier estimates and they should contribute to our company's growth. Some of this growth will also be in domestic market because some of this expansion, especially in the Tarapur site, is for domestic Indian market and not particularly focused on exports opportunities.

We are also evaluating few more additional capex projects for our parent company's global needs and we will keep updating you as and when any project is approved by our parent company and our Board. Our product pipeline for new innovative molecules from our parent company's portfolio also remained strong.

India is now in the same tier to test early stage pipeline product from our parent company especially in line with trials in Brazil, North America, Europe and Japan for early stage testing. Trials are underway in India for many of these products and we expect to introduce 1 or 2 new products every year and build from this by development of these products working closely with our Indian farmers over next 3 to 5 years. With this, now I hand over the call to our CFO, Mr. Anil Nawal.

Anil Nawal:

Thank you, Kunal, and good afternoon, everyone. I'll take you through our consolidated financial performance starting from Q2 FY '27. Revenue from operation was INR907 crores compared with INR930 crores in Q2 FY '26, down by 2%. Gross profit was INR369 crores, down 8%.

Gross margin, which was 40.7%, down 240 basis point year-on-year due to higher cost inventory. However, compared with Q1 FY '27, gross margin improved by 149 basis points. Operating costs were well controlled. Employee expenses were INR70 crores and other operating expenses were INR113 crores. Both were largely flat year-on-year.

Operating EBITDA was INR187 crores down 15% with an EBITDA margin of 20.5%, down 297 basis points. The net profit was INR157 crores compared with INR178 crores last year, down 11% with a net profit margin of 17.3%. For H1 FY27, revenue from operations was INR1,971 crores compared with INR1,987 crores in H1 FY26, down by 1%.

From a product mix perspective: insecticides remained the largest contributor at 38% of H1 revenue at INR743 crores down 4%. Herbicides contributed 25% at INR488 crores, down 6%. Metal Phosphides grew 18% to INR186 crores. Animal Nutrition and Environmental Health grew 14% to INR207 crores.

PGR were stable at INR179 crores and fungicides declined 7% to INR156 crores. Generic product made up 72% of revenue and specialty product 28%. Domestic business accounted for 85% of revenue and export 15%. Branded products represented 79% of domestic revenue and 41% of export revenue, up from 34% last year.

Gross profit was INR786 crores, down 2% with a gross margin of 39.9% against 40.4% last year. Operating EBITDA was INR419 crores, down 4% with an EBITDA margin of 21.3% against 22% last year. Profit before tax and exceptional item was INR472 crores, broadly in line with INR478 crores last year. Q1 FY '27 included exceptional income of INR26.9 crores.

This was the insurance claim received from business interruption caused by the fire at our Bhavnagar plant in FY '23. Including this, profit before tax was INR498 crore, up 4%. Net profit was INR372 crores, up 5% from INR356 crores. The net profit margin improved by 96 basis points to 18.9%. Earnings per share for the half year was INR7.45 against INR7.13 last year.

Now foreign currency. So finally, let's have a word on foreign currency. Given continued volatility in the rupee, as we have explained before, our exports and imports are broadly balanced. So net foreign currency exposure is largely self-hedging. We also hedge our exposure and do not carry unhedged foreign currency.

To summarize, a half year marked by drought-led, monsoon, weak consumption and an inventory cost cycle. SCIL held its revenue broadly stable, kept its H1 margin profile close to historical level, grew net profit, generated healthy operating cash flow and further strengthened its balance sheet. We will take a pause now from our side and request moderator to open the floor for question one by one.

Moderator: The first question comes from the line of Nitish Rege from Chrys Capital.

Nitish Rege: Could you please share some update regarding the semiconductor chemicals opportunity?

Kunal Mittal: Yes. So I think as you would have seen in some of our media coverages, our parent company Sumitomo Chemical Japan, which has a separate sector which is called ICT&M, which is having this kind of a semiconductor business globally. They are one of the leading players in this particular segment and our parent company is looking at India with keen interest.

Our parent company has also made some announcement about this. And recently MOU was signed between one of the leading semiconductor players in India, which is developing our first fabrication plant for semiconductors in India, which is expected to become operational in a very short- to medium-term period.

So this MOU has been signed. And as per our latest understanding, more strategic discussions continues to be undertaken between such strategic customers and our parent company and also some of the additional stakeholders, including the Indian government, because it is a very, very important project even from the Indian government side. So the discussions are underway at a strategic level with various stakeholders involved in this project. And in the future as and when this project will become more certain with more approvals, the new announcement will be made in next few months.

Nitish Rege: Understood. Just wanted some color around why there is so much uncertainty. I mean we are going and we are attending all these conferences and seminars in India. Our parent has spoken about this in their annual report. We have done the MOU. There is a stated time line for the semiconductor plant in India to come online.

But despite all this, we have still not announced concrete plans as in the India Sumitomo level entity. So why is this having this uncertainty about whether to do it, not do it, where to do it, how to do it? I mean isn't there some kind of clarity yet as to how we are progressing ahead with these plans and why has these as yet not been shared with the public at large?

Kunal Mittal: Sure. So if you see the press release, which announced by one of the strategic customers in India and also by our parent company immediately after signing of this MOU, I think the press release did throw a lot of light about this. So this first semiconductor fabrication plant is expected to

become operational in India in next 1 or 2 years as per our latest understanding. However, our products are not the candidates to start immediately.

The localization plant is going to take some time. So I think the discussion at the strategic levels are on for certain number of chemicals which are also mentioned in the press release. And our understanding is that once both the sides reach a more conclusive understanding about supply of this product and localization of the project, a new announcement will be made.

Intentions have already made by the both sides, I think made in public also and the MOU was also been signed during SEMICON 2026. However, before a formal communication to the investors and our shareholders and also our stakeholders, I think some more firm level of maturity of the discussions is required and that is where I think maybe what you wanted to understand.

Nitish Rege: And will we have a role to play? I mean we in the sense, the India entity for which the con call is ongoing, will we have a role in this opportunity?

Kunal Mittal: So as we mentioned, strategic discussions with all stakeholders are underway at this point in time and Sumitomo Chemical India is in some way part of those discussions, but nothing concrete, firm, structure or any kind of a specific role has been defined. Once the project reach a little bit more maturity and a firm level of maturity, I think this kind of a point.

I think this is a very valid question which you asked, what will be the role of the India listed company. So this discussion we are also expecting to get firmer and finalized in due course of time. But till that time there is this kind of a discussion reach a certain maturity and firmness, we don't want to go ahead of the time and make certain big announcement, which are more speculative at this point of time.

Moderator: We will take the next question from the line of Prashant Biyani from Elara Securities.

Prashant Biyani: Sir, what would be your short-term outlook on exports?

Suresh Ramachandran: I will take it. See, exports if you look at it even in the H1 as such, our products to many countries have grown. The major setback or the major challenge happened in the quarter 2 primarily due to overstocking of some of the products to export to our parent company. That's the only thing. If you look at our third-party products, whatever we export to third-party customers in different countries has grown. Because of the overstocking or still inventory liquidation is happening in some of our parent company molecules across the globe and that's where the real challenge is, which we expect to recover in the coming months and quarters.

Prashant Biyani: Okay. And sir, you also commented on opportunity outside of glyphosate. If you can elaborate on that, that would be helpful?

Suresh Ramachandran: Yes. See, what I meant was glyphosate opportunity has the potential to increase. The competitive molecule, one molecule which is named Paraquat was recently banned by the Government of India. So that is going to leave us at a vacuum or space for other molecules to compete to take

that space and glyphosate is one among them. And we'll have to wait and watch and see how it unfolds in the coming months provided the season is good and of course in the coming years.

Prashant Biyani: Okay. And lastly, sir, can you share what is the current innovation turnover index for us?

Kunal Mittal: It is in high single digit.

Prashant Biyani: And how was it last year?

Suresh Ramachandran: Generally it is in the high single digits, 9% to 10%, every year-on-year. That is what we target also.

Moderator: The next question is from the line of Jignesh Kamani from Nippon Mutual Fund.

Jignesh Kamani: Just on the semiconductor. So all the MOU signed is between client is signed by the parent entity, right? As of now, formally the Indian entity has not signed any MOU with any of the client, right? Is my understanding right?

Kunal Mittal: Yes, that is right.

Jignesh Kamani: Understood. Second, on the current environment. Can we have some idea how is the sales return currently happening? And on the liquidation side, are you expecting there is any issue on the liquidation in the second half and since inventory is slightly elevated level, do we need to have a higher provision in the second half on account of that?

Suresh Ramachandran: I'm talking about Sumitomo Chemical, I'm not talking about the industry. Generally, as a practice, we do not have sales return policy. Okay? Our teams have been trained mentally in a way that whatever we sell must be liquidated. So to begin with even in a normal season, the sales return is very low.

Given that this season was very challenging and our teams were also very careful in terms of what the inventory to be built and made sure that almost everything is liquidated. There will be one odd here, which will be very miniscule. We don't expect the sales return to be impacting our second half.

Jignesh Kamani: Understood. And how is the performance of our new product like EXCALIA MAX and everything in the overseas markets like Brazil, U.S. and everything? And how large this product has become globally? So just want to understand if you take a 2- or 3 down the line and when we think about manufacturing part of that molecule in India, how large opportunity it can be? Just to understand on that size?

Suresh Ramachandran: Yes, I think you are referring to EXCALIA MAX, right? It has been launched in a few countries. I think still a few countries are yet to get the registration. It's named as a blockbuster product. Definitely, it's doing well. I mean these are initial years of launching. A product to get to a maturity stage, it takes about 4 to 5 years.

The initial feedback is very well accepted by the farmers in countries like U.S. and Brazil wherever it has been launched till now. Of course in India also we launched last year. In India

also the traction has been very good. We were able to grow the molecule almost by 50% in the first half itself despite the challenging season. I can't put a number to it because that's a global information. Definitely this molecule is going to be one of the big molecules within the Sumitomo Chemical portfolio.

Kunal Mittal:

And just to add to the manufacturing part. So as I think you are referring to this manufacturing, which we are going to do in Tarapur of this product, so that manufacturing in Tarapur at a smaller level only to meet the India requirement. So currently we have not approved any capex for setting up the capacity for INDIFLIN for the global requirement point of view.

That could be under discussion for future when this product reaches to a little bit more volumes. So at this point of time, this product continues to be manufactured in Japan and in India. For the Indian quantities, we'll be manufacturing by end of this financial year. But there are no firm export plan of INDIFLIN from India which would happen as of now.

Moderator:

We'll take the next question from the line of Prasad Vadnere from Union Mutual Fund.

Prasad Vadnere:

Sir, I have two questions. Still you mentioned that you'll be launching some of the early stage molecules from your parent in India. Could you please throw some light on the same? And my second question is you see Sumitomo being a global company, they have multiple subsidiaries in the market and they have launched multiple molecules in the global market from different regions?

So when they try to look or try to enter into new geography with the existing business so what are the -- is this a new molecule? What are the thought process that they have? Like will they have -- will they usually enter through the existing business or will they try to have their different structures?

Suresh Ramachandran:

Yes. I mean, sorry, your voice was echoing. From whatever I could understand, I will try to respond. I think your question was just to rephrase it, is the priority for Sumitomo Chemical Japan new molecules to enter into a geography like India? Is it the local entity that would be preferred or somebody else?

If my understanding is correct. So yes, I think Kunal mentioned that in one of his comments that India is one of the top-tier countries along with Brazil, Europe, U.S. and of course Japan to be the first-tier countries for testing and launch of any new product. So you could see that EXCALIA MAX we registered and launched in India.

We registered and launched in India. There are a couple of molecules which are being developed. I mentioned in my remarks that Topgrain, a biostimulant product that was launched just about 6 weeks ago in India. The first global commercial launch happened in India, okay? We are very proud of that and more to come.

And there are pipeline molecules that are being tested, which are just coming out of the discovery stage. So clearly the priority is for any SCC molecule or SBC, which is Sumitomo BioRational Company, which used to be called as VBS, Valent BioSciences. India is one of the key markets

and of course the only way they would come to India at this point of time is the priority is to come through Sumitomo Chemical India.

So we will have all the access to the new molecules that are being discovered by Sumitomo Chemical or its affiliates, point number one. Point number two, yes, Sumitomo Chemical keeps discovering new molecules. Whether every molecule has a fit in India, maybe not. I mean there are molecules that are being discovered to control soybean rust, which is a big problem in countries like Brazil or Argentina. In India, there is no soybean rust. So that product would not have a fit in India. So depending upon the product fit in this country, the product will be tested in India and will be registered in India for introduction.

Moderator: The next question is from the line of Naushad Chaudhary from Aditya Birla Mutual Fund.

Naushad Chaudhary: Just one question. On the Good to Great transformation journey, wanted to understand what is the thought process behind it and what exactly are we aiming to achieve here? If you can -- in financial terms also, if you can quantify what was the need of this? Why this idea came in and what are we trying to achieve?

Suresh Ramachandran: Yes, very good question. Thank you very much for asking this question. This is my favorite topic or our favorite topic within the company right now. See, when we had an assessment of internal situation, we interacted with many people after we took over as the management across the employee population in different sites and at the company level in head office, Delhi, everywhere we interacted.

And one common theme that came out was that we are a good company, but how do we become great. We are different from others. This business can run, but unless we become different compared with the competition, it's going to be challenging for us looking at really the competitive future.

So when we took inputs from all the people and some of the leaders got together and really ironed out what are the initiatives that we want to do and we grouped those initiatives into 5 buckets. I think Kunal described those 5 buckets. And all the functions, all the departments have started out what are the initiatives that they are going to take it up and what the transformation - some background noise.

So all the key leaders have identified initiatives under all of these things. Some of them would yield in financial benefits. Some of them are more of qualitative benefits. So we are in the process. This just happened 3, 4 weeks ago. The whole meeting and discussion happened 3, 4 weeks ago.

All those inputs are being collated as of now and eventually the objective is how do we make sure that we move the needle to become a great company. That's the whole thing. And we would have a financial objective in the near future. All the data is being crunched and we should have a number -- a goal in the next few weeks.

Naushad Chaudhary: Great in the sense within your operating system or is there something else which we are thinking because of the existing end user we operate in brings a lot of volatility and challenges. So is

there any thought process of using the cash on the balance sheet to bring more segments to the business and take it to the new high or are we trying to make it more and more efficient within the operating range which we have?

Suresh Ramachandran: Yes. See, the utilization of cash is a different objective that calls for a larger discussion at the Board. Of course the team is open to give all the suggestions. That's also part of the scope, but this team just cannot take that decision. It will go into a larger level. But at the same time there are many things that we have identified, which can improve our efficiency simply as simple as wherever there are repetitive tasks, can we use artificial intelligence.

How do we engage people more and reduce attrition. How do we be prepared and anticipate the costing structure that is going to come out of China or even manufacturing costs that we have, how do we reduce it. So that would be the largest focus. Of course deployment of cash is also there as part of a smaller portion, but this team would not be deciding that. We can give ideas, which would be taken to a larger forum for further discussions and decision-making.

Naushad Chaudhary: And any time line or tentative indication by when we should expect the cash to be deployed or to be used?

Suresh Ramachandran: See, when we find a suitable opportunity. We keep evaluating multiple opportunities that come along our way regularly so it should fit into our strategic scheme of things and we should see a suitable opportunity. So we can't put a definitive time line by such and such time we need to use it. So we keep evaluating opportunity and for sure as soon as we have something, we'll come back to you.

Moderator: We'll take the next question from the line of Rohit Nagraj from 360 ONE Capital.

Rohit Nagraj: Sir, first question is on the herbicide intermediate plant at Dahej. With INR150 crores of capex, what is the kind of asset turn that we are looking at? And the payback seems to be 5 years. So effectively the margins will be at company level margins?

Kunal Mittal: Yes. I think so when we had announced this capex, we had mentioned the same point which you mentioned that it is a very healthy turnover ratio and the payback period is less than 5 years and the margin profile should be in line with the company level margins. And all of these things were I think informed at the time of approval of the capex. And at this point of time, all the assumptions remain true and there are no change in any of the assumptions.

Rohit Nagraj: Right. And second question is we have also said in the same that this is expected to be followed up with additional project. So does it mean that we will have to undergo additional capex for any new projects or will the new projects be also part of this INR150 crores capex?

Kunal Mittal: There is expected to be additional projects because Dahej site is more a new greenfield site for future development over next 5 to 10 years, we are looking to develop Dahej site. So this is like one step in the overall development of Dahej site with a INR150 crores investment. This is only for one intermediate for one blockbuster herbicide.

But like this, there are 4 or 5 blockbuster products which have been just launched or expected to be launched by our parent company soon and each of these require multiple I think intermediates and the final TG product. So as a combination of that, the entire strategy for manufacturing this new blockbuster product is being made and Dahej site is expected to play an important role in this entire development.

So this INR150 crores is specifically a dedicated facility only for this particular intermediate for one herbicide. It is not a multipurpose kind of a facility. And for each of these initiatives whenever something is approved by our parent company as an anchor customer and our Indian company Board as an investor and as an operating entity, I think we will make announcement together.

Moderator: The next question is from the line of Probal Sen from ICICI Securities.

Probal Sen: Just wanted to go back to maybe the near term a little bit. In terms of H2, traditionally in any case, H2 revenue run rate is much lower than H1 run rate. But given the current environment, can the run rate actually dip much below historical sort of run rate, your view on that?

Suresh Ramachandran: See, our objective is to maximize the opportunity. This country is vast and there are always going to be opportunities somewhere, okay? Unfortunately, the early signs in South India seems to be okay with the rains in Tamil Nadu as of now and also some rain forecast or strong forecast expected in Andhra and Karnataka, it augurs well, okay?

Time only will tell how this second season rains are going to be spreading out. Having said that, the grape season is looking good. In that area, grape cultivation area, the season is looking fine with good water availability. Cumin seems to be good. Wheat would be normal in North India or better deep growing geographies, including Western India.

And south, paddy will come. If not full, it will come. Our focus remains on, as I mentioned, how do we redeploy our resources, which we did in the first half also and maintain the margin or improve the margin. So that's what our focus is. This country is vast, there will always be some opportunities. Yes, it's not a normal condition. To that level, we are preparing ourselves and capitalize on the available opportunity.

Probal Sen: Got it, sir. And is it also fair to assume that margin trends will obviously continue to remain a bit more subdued on the lines of what typically happens for us in the second half or is there any change in the pattern that we can see for this year?

Kunal Mittal: I think as Dr. Suresh explained, see, on the revenue front while the environment continues to be very challenging, but due to various factors which you have experienced in H1, if you see overall, we have delivered a stable performance. So even in the H2, yes, some environment remain challenging, but also there are opportunities.

So as a combination of that, we are expecting a stable kind of a performance and including on the margin front. If you look at our first half margin while yes, in Q2 it is a little bit of a dip because of the inventory situation which we explained. In Q1, we got extra benefit of the opening inventory.

But in H2 at this point of time based on all the information available, our margins are expected to be in the normal kind of a range as per the historical levels. We are not expecting significant any adverse factors in either revenues or any kind of margin, which you refer to. We are not expecting or projecting any kind of significant adverse kind of a situation at this point of time.

Probal Sen: Understood, sir. And one last question, if I may. I think you mentioned in your briefing about India being included in the same tier as some of your more advanced countries that there are plans to launch 1 to 2 new products every year. That is specific to the basically specialized products. I mean I just want to understand overall what is the kind of product launch schedule that we have maybe over H2 and for FY '28 as well?

Suresh Ramachandran: No, these are all long-term projects. What I meant was that when a product comes out of discovery and Sumitomo Chemical decides that yes, this product needs to be taken to the market; India would be one of the countries along with of course Japan, U.S. and North America and Europe for testing.

In the past, India was not the priority country. It was taken much later once it was commercialized in rest of the world. Now that has changed. India opportunity is seen as one of the big opportunities and that treatment is being given to India also. These products will take at least 4, 5 years of introduction. It has to go through the testing process, then regulatory process, which will take 4, 5 years to see the light of the day in terms of commercialization.

Kunal Mittal: And I think what we have mentioned in our commentary and what we refer to is, yes, 1 to 2 good specialty kind of a molecule, but actual launches can be even higher, including some of the generics and combinations in the market similar to the past trends.

Moderator: The next question is from the line of Vidrum Mehta from ASK Investment Managers.

Vidrum Mehta: My question pertains to exports. So in your opening remarks, you alluded there was some shipment related challenges which impacted the Q2 exports. So if you can elaborate that, that is one. Second is country-wise if you can help us understand which country looks more promising in terms of exports over the near to medium term and where do you see some challenges with respect to the growth or the revenue growth country-wise?

And thirdly, if I just look at last 2 years, probably our annual run rate for export is INR680 crores to INR700-odd crores. And in H1 also we have clocked exports of roughly INR300-odd crores. So over the last 3 years more or less our exports has been flattish despite the stronger opportunity with respect to new launches supported by our parent.

But that doesn't seem to be accruing if I just look at last 2, 2.5 years. And on the contrary, would it be right to assume that our volume growth would have declined because rupee has depreciated by 10% to 15% over the last 24 months from 82, 83 levels to 95 currently. So if you can just throw some color or give us more insight on the export front?

Suresh Ramachandran: Yes. As I mentioned, the major export problem this quarter was primarily from our export to our parent company. Our direct exports to the third parties have actually increased in H1 thanks to

some of the countries like Europe and Africa. U.S. also we have got some impact. But primarily our increase happened in Africa and limited to some extent in Brazil as well as Europe.

The major setback was in our exports to Japan, which has almost halved compared to the previous H1. The main reason, as I mentioned, was the inventory buildup that is getting liquidated now because of that. If you look at last 2, 3 years, there has always been one or the other unique factors that come into play in the export market and that has come in this year also. That is the reason.

We expect it to come back to normalcy soon, it depends on the country and all those things. But however, our focus remains on export wherever we have registrations and of course our parent company, we continue to do that and we have the capacity to fulfill the requirement. And in terms of volume, yes, I think the volume has got impacted little bit in the current year also, I think to be precise about roughly 10%. Roughly 10% volume was impacted. But overall, we expect that in the future it should come back if the season becomes normal.

Vidrum Mehta: Sir, any guidance would you like to give from a medium to longer-term point of view, what kind of growth can we expect in export market?

Kunal Mittal: As our policy we do not give any forward-looking estimates or a forecast. So it is difficult for us to give any specific guidance. But as a trend, I think lot of initiatives are being done to grow the business both in terms of volumes and also overall in the business.

Moderator: The next question is from the line of Jignesh Kamani from Nippon Mutual Fund.

Jignesh Kamani: Just want to understand the opportunity size in the biologics and PGR portfolio. I believe it was roughly 10% for you, but still denominated by the only large product is Gibberellic acid. Now you launched Topgrain this time. I just want to understand parent's, if you take about bio parent has a large portfolio and they acquired Barrix also. So how large is the product portfolio put together of the global entity and out of that, how many are relevant for Indian entity, some idea? And in next 3 to 5 years, what is the plan to launch some of them in India?

Suresh Ramachandran: See, Biorational as a state team is a very important area for Sumitomo Chemical globally as well as in India. That's the reason we acquired Barrix couple of years ago and after that, we have been having challenging weather. Last year was complete washout because of rain. This year seems to be more challenging because of the droughts ever since we acquired.

But that product has a very good potential. It's very difficult to put a number as of now. But our endeavor is to make it as big as possible. Yes, Topgrain, we launched just about 7, 8 weeks ago, which is a product from Sumitomo BioRational Company based out of U.S. and this is also a biostimulant.

We have just launched this 7, 8 weeks back and the first season results are coming out. It seems to be very promising. Fortunately, we have got label claim on the largest acreage crops like paddy and wheat. Since we launched late in the season, we could launch -- and also we have very limited supplies, we could launch to a limited extent in the current season. The results are encouraging.

Now next year would be the full-fledged launch across the country. Apart from that, we are also planning to launch in the wheat in the month of February, March time frame where the consumption would happen. So again, the acreage is vast. The results are encouraging and we expect it to make in both these crops this as a big product in the coming years.

Kunal Mittal:

And as we talked about this opportunity for Globally and in India, roughly let's say, globally and in India, about 4%, 5% business is I think biorationals. If you look at our parent company, maybe it is a \$500 million kind of a business and expect it to grow at a much, much faster pace as compared to the traditional chemistries.

And earlier, some of these biorational products, the applications more were towards the fruits, vegetable and the smaller crops. But now as Dr. Suresh mentioned like this Topgrain and some more products which are coming, they are on the mass crops like rice and wheat. And that is why I think it gives us a positive expectation that some of this biorational portfolio and products can really be scaled up in future.

Jignesh Kamani:

So is it safe to assume that if you take it from parent point of view, we have 8 to 10-plus products, which can be suitable to India and gradually next period of 4, 5 years, you will be launching every year some of the products?

Kunal Mittal:

I think globally many of the products which are there in our product portfolio, they have been tested or they are at different levels of evaluation. Many of those have been launched. And that is why we are generating almost 9% to 10% of our revenue in India from that. So there are no ready-made products available, let's say, in other geographies which we can launch in India. Some of the products are under testing and some are being launched. And the future pipeline, I think whatever is there, that will be available for us to launch in India.

Moderator:

The next question is from the line of Soham Jain from Dalal & Brocha Stock Broking Limited.

Soham Jain:

So my first question is our branded share of H1 export revenue rose to 41% from 34%. So did the branded sales grow in absolute terms or did the bulk export decline faster? So I just want to understand did our And EHD or Metal Phosphate contribute to this or how these products are classified?

Kunal Mittal:

I think exports are not there in some of the other segments which you mentioned. All our exports are in the agri business and this is a real growth which is there. It is not contributed by decline in other segments and large part of this is contributed by Africa as a segment.

Soham Jain:

Okay. Got it, sir. And sir, if you can also highlight about the H2 order visibility from our Japan customer and where do the customer inventory levels in Japan stand today?

Kunal Mittal:

So see, the demand side whatever I think we are seeing because of the global situation because weather conditions are different. So I think the exports to our parent company, which anyway is a smaller part of our overall exports at this point of time is expected to be on the sector side. But in the general exports overall, I think Dr. Suresh already mentioned some of the points.

So overall situation is not so much on the softer side. We are trying best how we can recover this, let's say, first half with high single-digit volume drop, which we had. So the work is on. There is not so much of the softness overall. But in our parent company export, the second half is also expected to be softer side in this year. But from next year because of certain capex coming in, some additional revenues can come in.

Soham Jain: Got it, sir. And sir, one more question. So specialty share fell to 28% from 30% in H1 while generic rose to 72% from 70%. So was this driven by specialty volume or pricing weakness or the stronger generic sales or both and what does it imply in our margins also?

Kunal Mittal: It was more a factor of the generic products witnessing higher prices.

Soham Jain: Share of generic chemicals rose, that is what you meant?

Kunal Mittal: So the share of generic has increased because there were higher prices rises in generic in line with the market.

Soham Jain: Okay. Got it, sir. And one last question, sir. So with about INR2,500-odd crores cash in our liquid investments and cash in our balance sheet and with reported working capital stress among the smaller players so are we seeing any opportunity to acquire brands or registrations and distribution at reasonable valuation?

Kunal Mittal: So we keep looking at opportunities, but unless they are like really strategic, I think it is very difficult because like just from the point that, let's say, maybe the market consolidation is happening or someone is facing financial distress, I think it is not an objective. Because see, a few years back, let's say, we did few acquisitions because these were strategic in the area for us.

But if you look at strategic-wise like whether we are not present in any part of India, whether we need to expand the distribution, whether we need to add any new segment like which we are not doing as insecticide or herbicide or anything like manufacturing we are not doing. So that way, strategically many of the bases are covered.

If we get some really interesting opportunity at affordable valuation, which adds to our strategic journey, surely we are interested. But just because like some other players may be struggling, I don't think those kind of opportunities will really make sense from us from a strategic point of view. But having said that, we keep looking at the market and if we feel there is some strategic rationale, for sure we would be very much interested to deploy the funds.

Moderator: The next question is from the line of Ankur Periwal from Axis Capital.

Ankur Periwal: Just few clarifications. First, on the export side, you did mention of a specific product led overstocking and probably it will take some time for that the Japan demand to pick up. Broadly speaking, this will impact only this year's sales and next year it should revive or probably this inventory destocking could take longer?

Kunal Mittal: As per our understanding, this is only this year phenomena and next year it should come back to the normal. And also the capex projects which we are implementing in Tarapur, they are not

export focused. They are more focused to expand our domestic business. So that is also one of the factors why it is expected to be soft this time.

Ankur Periwal: Sure. And the herbicide revenue contribution should start coming in from the second half of next financial year from a Japan export perspective?

Kunal Mittal: No, no. The Dahej site that is expected from Q2 financial year '28-'29. What is expected to come is higher utilization of the existing facilities and some increase in the volumes.

Ankur Periwal: Okay. Fair enough. And the other markets, you highlighted Brazil has been doing okay and we are also expanding our network or maybe supplying to more countries within the Sumitomo Japan network there or it's largely the same existing territories that we are working on earlier?

Suresh Ramachandran: It's primarily the same existing territories, our affiliate companies and third-party companies which we have. And depending on the country, we also add new customers and new products to those countries in alignment with the local affiliate.

Ankur Periwal: Sure. Sir, second question on the broader revenue growth given that this year wherein the macro is such, if I look overall, our trajectory historically has been to grow ahead of the domestic market and obviously growing even faster on the export side. How do you see the same things playing out over the next 3 years?

I'm excluding this year. So let's say '28 onwards, should we continue to maintain the same trajectory on the domestic and export front or there could be further acceleration given the new product launches, India getting faster to the global markets, new product launches, etcetera? How should one look at it?

Suresh Ramachandran: Yes. Our endeavor is to accelerate the growth rate, but everything depends on the environment. Nobody thought this year would go -- even till mid of June, we never thought we never believed El Nino that it's going to hit. We were optimistic. ever optimistic. And last year was completely opposite. It was completely raining all over India, excess rain.

So if the external environment supports us for sure with the kind of products we have launched and a couple of more products lined up for launching in the coming next subsequent 2 years, that should help us to accelerate the growth. Everything depends on the environment. Internally, we have the channel, we have the team, we have the fundamentals very strong. It's just a question of external environment supporting to accelerate our growth.

Ankur Periwal: Sure, sir. And just last bit on the margin front, I appreciate the cost cutting and cost controls that we have displayed in the first half largely maintaining our sort of EBITDA margins there. Are all the RM inflation in terms of pass-through, etcetera, is already there? So whenever the revenue ramp-up happens, there will be a significant operating leverage coming in. Will that be a fair thought?

Kunal Mittal: Yes I think that is what our belief is, that is the situation. From RM cost delta point, there is nothing negative at this point of time.

- Ankur Periwal:** Yes. And you mentioned the inventory situation?
- Kunal Mittal:** Yes. In the Q1, we got a little extra benefit because of low cost inventory and some of those factors have already been reversed in the Q2, which you can see little bit of a drop a few basis points in the margin profile. But through operating leverage, we could monitor the overall profitability situation. And going forward, we don't expect any adverse situation because of RM escalated costs. Unless the situation change further; at this point of time, there are no such situations.
- Moderator:** The next question is from the line of Himanshu Binani from Anand Rathi.
- Himanshu Binani:** Again harping on the semiconductor piece of the business. So just wanted a better clarity in terms of how are we actually placed into this? Are we like still the discussion stages in terms of how the arrangement would be if at all it could be through the Indian listed entity or through a separate wholly owned subsidiary of the parent or how are we actually placed in terms of like if at all we are going for it so which are the products? Any better sense on this should be like really helpful?
- Kunal Mittal:** So Himanshu, I don't know, I think maybe you joined a little late in the call. I think this point was adequately addressed in some of the earlier questions. And just to very quickly summarize, our parent company has signed an MOU with one of our very large anchor semiconductor customer in India, which is developing first large scale fabrication plant in India.
- And discussions are at MOU stage and expected and continuing with all stakeholders involved, including Sumitomo Chemical India is also part of some of those discussions. And whenever the discussions reach to a mature and firm level wherein localization and these kind of investments and plans are finalized, the role of Indian listed entity will be finalized in due course and it will be informed to shareholders. At this point of time, the discussions have not matured to that level for us to make any formal announcement to our shareholders at this point of time, but we are monitoring and the discussions are progressing well between our parent company and various stakeholders.
- Himanshu Binani:** Got it, sir. So sir, can we safely assume that maybe there is a high probability in terms of getting like landing into the listed entity than that of the wholly owned subsidiary?
- Kunal Mittal:** We cannot specifically comment anything at this point of time.
- Moderator:** The next question is from the line of Ashish Konaje from Leo Capital.
- Ashish Konaje:** I don't know if I heard right that the Dahej herbicide plant will be operational in Q2 FY '28. And secondly, can you also guide us on how much capex is planned over the next few years?
- Kunal Mittal:** Right. So I think on this herbicide intermediate, which we are developing in Dahej as a first project, that is expected to be commercialized in Q2 financial year 2028-'29. So more specifically, the calendar year would be 2028 sometime, say, July to October kind of a situation. We will see if something can be preponed by a few weeks or so. But at this point in time, this is the same time line, which we announced when we announced the capex also in January 2026.

Ashish Konaje: Got it. And on the future capex side, sir?

Kunal Mittal: Yes. So on the future capex, I think in the past I think we have been always maintaining that about INR50 crores to INR70 crores kind of maintenance and debottlenecking kind of capex, which we have been doing. In addition to that, whenever project; additional projects, special projects are approved; we keep announcing those capex.

At this point of time, we do not give any forward-looking statement for any of the items. So it is difficult for us. But as a trajectory, yes, we are working on several opportunities that how we can develop Dahej site for more additional projects and whenever something -- technical studies have been done for that, which are under discussion with our parent company.

Technically, we feel very confident that several of these projects can be implemented. But whenever these projects are approved by our parent company as a key technology provider and the anchor customer and our listed entity, which is an investor and operating entity; I think whenever these projects are approved, it will be surely communicated with our investor.

Moderator: The next question is from the line of Abhishek Sharma from 9 Rivers Capital.

Abhishek Sharma: Sir, just wanted to understand our strategy, right. We've seen various other peers diversify into other sectors to reduce the Agchem exposure. Why have we not taken this call? Why have we been slow in doing this? And just to follow up, we have around INR2,500 crores of cash, right? If we are not certain in which area that we want to diversify, is it not better just to return cash to shareholders?

Kunal Mittal: So on the first point, I think our company scope, we are part of the agro and life solutions sector in our parent company and the primary focus of that is agro business. But in addition to agro business, we are also diversified into certain segments within the same sector such as environmental health products and also animal nutrition product.

So we believe that within the sector, we are well diversified. Yes, I think some of the companies you mentioned, we have noticed that some of the companies which are dominantly agrochemical companies that have diversified into other segments. But at this point of time, we do not expect that any other segments become a very important driving factor for us in the future.

Our primary focus continues to be the agro and these existing businesses like Environmental Health and Animal Nutrition and we see lot of growth opportunities within this sector itself. So that is our primary focus. Having said that, our parent company has several additional businesses and sectors.

So we keep discussing with them at a strategic level whenever the time is right how Indian entity can play a part in some of these expansion of these businesses in India. But at this point of time, these discussions are at a discussion level. So whenever things mature, we will certainly be looking to announce I think some of these areas.

And second point, which you mentioned, about deployment of the cash. So at this point of time, we believe that there are opportunities which are possible for us to deploy the cash in Indian

market because India as a market is growing at a very, very fast pace and also the agro business in India is growing. So we believe that there are growth opportunities in India and which are more I think attractive as compared to global opportunities.

So at this point of time, we don't believe that we should give up any kind of future growth and give this cash return to the shareholders. At this point of time, this is our thinking. But in the future, I think we take your point which you mentioned that if there is no usage of the cash, it should be returned to the shareholders. So we will put it to the Board and our Board will keep taking I think decision. But at this point of time, we all continue to believe that there could be growth opportunities in the company itself.

Abhishek Sharma: Sir, because it's been around 3 years since we've been discussing with the parent, right? And when will these discussions fructify for Indian investors?

Kunal Mittal: So obviously we understand your point, but it is very difficult for us to give any specific time lines at this point of time because several discussions are at various stages, but sometimes these strategic decisions are little bit more cautious because we don't want to make any mistake and take up a little bit of a early decision. But yes, it takes time, but we can assure you that discussions are on and whenever something reach to a maturity level, it will surely be announced.

Abhishek Sharma: So because, sir, just the premium at which Sumitomo trades, right, in the market is also basically because of the optionality of getting into pharma CDMO, electron chemicals, semicon chemicals is a business in which the parent is already there. Once if you're saying that there is only Agchem that you will focus on, then the multiples will also -- we don't justify the multiple, right? So just on that side.

Kunal Mittal: Sure. We understand your views.

Moderator: Mr. Sharma, does that answer your question?

Abhishek Sharma: Yes. Just lastly, sir, just we expect better governance standards coming from Japanese MNC on this front. There's a lot of uncertainty around various pieces especially the semicon side.

Kunal Mittal: Right. So I think from our side, I think we follow very high standards of corporate governance that we want to I think communicate to the investor community in a very, very realistic situation. So as the situation is there, we are trying and providing update to our investors instead of providing any speculative or future and forward-looking kind of answer.

So we have been very, very cautious in our communication. And in the future also, we believe that we will follow this even whether there is any estimate or projection, we follow a cautious approach and that is what we believe is better from a transparency and governance point of view.

Moderator: Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to Dr. Suresh Ramachandran for closing comments. Thank you and over to you, sir.

Suresh Ramachandran: Thank you. Thank you all for your time and your thoughtful questions. We hope we have addressed them. If anything remains, our team and SGA, our Investor Relationship advisers will be happy to help. The first half of this year tested the entire industry. Through it; SCIL kept its revenue stable, protected its margins, grew net profit and strengthened its balance sheet.

We remain cautious on the near term, but confident in our direction; a differentiated portfolio, deep farmer and channel relationships, a strong pipeline from our parent company and a team now focused on taking the company from Good to Great. As we approach Diwali, the festival of lights, on behalf of the entire SCIL family, I wish you and your families a very Happy Diwali and prosperous new year ahead. Thank you once again for your continued trust in Sumitomo Chemical India. We look forward to staying engaged with you. Thank you.

Moderator: Thank you, members of the management. Ladies and gentlemen, on behalf of Sumitomo Chemical India Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.