

SCIL/SEC/2026
4rd June, 2026

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

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

Sub: Written Transcript of Earnings Call held on 28th May, 2026

Dear Sirs,

This has reference to our letter, intimating about the earnings call on 28th May, 2026 with Investors/Analysts to discuss financial performance of the Company for the quarter and year ended 31st March, 2026, and weblink for the audio-recording of the call submitted to you on 28th May, 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
Company Secretary & Compliance

Encl: a/a



“Sumitomo Chemical India Limited
Q2 & H1 FY '26 Earnings Conference Call”

May 28, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 28th May 2026 will prevail.



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

Moderator:

Ladies and gentlemen, good day, and welcome to Sumitomo Chemical India Limited Q4 and FY26 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 Mr. Chetan Shah, Managing Director; Mr. Sushil Marfatia, Executive Director; Dr. Suresh Ramachandran, Deputy Managing Director; Mr. Kunal Mittal, Senior Vice President, Planning and Coordination Office; Mr. Anil Nawal, Chief Financial Officer; Ms. Deepika Trivedi, Company Secretary and Compliance Officer, and colleagues from SGA, their Investor Relations advisers.

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

Chetan Shah:

Ladies and gentlemen, a very good afternoon to all of you, and welcome to the conference call to discuss Q4 and financial year '25-'26 performance of our company, Sumitomo Chemical India Limited.

To begin with, I'll try to provide a summary of agrochemical industry landscape during the year.

According to my assessment, this was one of the most challenging years in the Indian agrochemical industry that I have personally seen. The long and excess rainfall through the peak kharif consumption window from mid-July to September and into October curtailed farmers field activity across the country. Key crops including soybean, cotton, groundnut and chilli suffered damage across the multiple geographies of the country. The rabi season recovery was more subdued than we had anticipated. Biostimulants, regulatory constraints affected the PGR and biological categories for a significant part of the year. West Asia geopolitical tension and global trade uncertainties added further complexity to the operating environment in the month of March '26.

In short, it was an unstable year. And yes, I am extremely pleased to report that Sumitomo Chemical India demonstrated stability in an unstable environment. We delivered highest ever profitability performance in financial year '26, highest ever absolute terms and highest ever margin terms. Our PAT grew by more than 7% year-to-year to INR543 crores. PBT before exceptional items grew by more than 9% year-on-year. Our gross profit margin stands at 42% and our EBITDA margin stands at 20.7%. And also, our net profit margins are 16.8%. All record levels in the history of Sumitomo Chemical India.

We achieved all of this while growing top line by 3%, maintaining complete pricing integrity, recording negligible returns of goods from the channel and only with exceptional genuine situations that we took the goods back. We ensured that instead of dumping the material, we

only supply the material to the channel based on actual ground level demand forecast and avoiding any short-term performance enhancing measures.

One dimension of our Q4 '26 performance that I want to single out for specific mention is the exceptional field engagement effort that our senior management and commercial teams undertook in the rabi season. In what was one of the more intensive demand generation exercises, a significant number of our senior sales team leaders went directly to the field during this period to work alongside our sales teams and demand generation teams to reinforce farmer connect at the ground level and also engage with the channel partners. That effort was a direct expression of the culture of this organization and of our conviction that sustainable market leadership is built through consistent personal engagement with the farmer community and ground-level demand pull and not through push.

Before I hand over to Suresh, I want to address the changes in the board composition and management structures that are proposed to take effect from 1st September '26. I believe the quality and the continuity of our leadership transition is itself a mark of this organization's maturity.

First, on the proposed changes in the independent director side. Dr. Mukul Asher, our current chairman and independent director, completes his final term on 31st August '26. We would like to convey our deep appreciation to Dr. Mukul Asher for outstanding leadership over a long period of time and immense contribution in our company's successful journey. Mr. N. Sivaraman is proposed to be reappointed as independent director for a further term of 3 years through 31st August '29. Mr. Anand Mohan Tiwari is proposed to be appointed as a new independent director effective 31st August '26, for a term of 2 years through 30th August '28. Mr. Tiwari has over 30 years of distinguished experience in public administration, governance, energy, fertilizers, and social development through leadership roles in Indian Administrative Service and major state enterprises in fertilizer and chemical sectors.

Now I'll come to the proposed change in management and executive side. My current term as Managing Director will be my final term in the current position. With effect from 1st September '26, subject to shareholders' approval at the upcoming Annual General Meeting, it is proposed that I will be appointed as non-executive, non-independent director. And following such appointment, the board will consider my appointment as the Chairman. Mr. Sushil Marfatia's term as Executive Director also concludes on 31st August '26, and he will retire from the Board. Dr. Suresh Ramachandran, who is currently serving as Deputy Managing Director, will be elevated to the position of Managing Director with effect from 1st September '26.

On the management structure, from September '26, the organization chart has been provided in our investors presentation for clarity and transparency. Mr. Kunal Mittal, as Executive Vice President alongside Senior Vice President, Hajime Shinomiya-san and Fumio Suzuki-san will anchor the senior management layer, ensuring that the depth of capability below the Board remains intact and effective. The organization is ready. Leadership bench is strong. And we approach this transition with confidence.

Both myself and Mr. Sushil Marfatia, while we retire from full-time executive roles with effect from 31st August '26, it is proposed that both of us will continue engagement through advisory roles and our key objective would be to ensure smooth transition and mentoring the new management team, including Dr. Suresh and Kunal. With that, let me hand over to Suresh to walk you through Q4 and financial year '26 operating performance and market outlook for financial year '27. Suresh, over to you.

Suresh Ramachandran: Thank you, Shah-san, and good afternoon to everyone on the call. I'll focus my remarks on the operational dimensions of our performance, the category dynamics, business mix, market conditions, and new product outcomes that drove our results in Q4 and financial year 2026.

The headline revenue growth of 3% for FY '26 understates the underlying momentum of the core crop protection business for two reasons. The interim reduction in animal nutrition distribution revenues and the adverse agro-climatic condition that suppressed industry-wide demand through the kharif window.

On business mix, domestic revenue grew by 4% year-on-year in both Q4 and the full year, with the domestic franchise demonstrating genuine resilience. Our branded formulation share in domestic sales improved to 81% in FY '26 from 79% in FY '25, reflecting the ongoing structural shift towards higher quality, higher margin revenue.

Export revenues declined 7% in Q4 and 1% for the full year, primarily due to shipment difference in select geographies and softer demand conditions in certain markets. On logistics specifically, global container availability remained somewhat constrained towards the end of Q4, especially in March and into the early part of FY '27, with some shipment delays experienced, including to Africa. However, we assess these delays as episodic and manageable rather than structural things. Costs have been passed on to customers wherever applicable, as much as possible, and we are not viewing this as a significant drag on our business.

On product categories, in FY '26, herbicides registered a strong growth 87% year-over-year in Q4 and 19% for the full year driven by healthy traction of our soybean herbicide flumioxazin, very good adoption of our newly launched rice herbicide Lentigo, and our flagship brand of glyphosate, Mera 71. Metal phosphates grew 16% in Q4 and 11% for the full year. Insecticides remained broadly resilient and the consumption of insecticides were broadly affected because of the monsoon conditions. The biostimulant segment was impacted by regulatory constraints through much of the year. Those clearances came through for us in November and December of 2025, and we have since commenced sales under the new approvals. We have additionally obtained the registration of a new biostimulant called Top Grain from our parent company, SCC or SBC, Sumitomo Biorational Company portfolio, which we would be launching in the upcoming months. We generate approximately 8% to 10% of our revenues from biologicals, already well above the industry average of below 5%. We expect this share and absolute revenue contribution to grow meaningfully from FY27 onwards as the new framework takes full effect.

Our new products, 7 products were launched during FY26. Lentigo and Excalia Max, which are our proprietary technology, patented technologies from our parent company. Both the products

have been accepted very well and we could meet our internal or exceed our internal targets even in a weather-affected season of last year.

On digital outreach, on our continued expansion of digital outreach to farmers, overall 20% localized landing pages have been increased, 35% precision-targeted digital campaigns increased and about 60% increase in digital touch points annually with a 17% reduction in engagement cost. Our Sumitomo Connect and Sumitomo Field Connect field-force applications are embedded in day-to-day operations, and we are rolling out our MDO tracking application in the current financial year. These are substantive capability investments and they will compound our competitive advantage over time.

The company also received external recognition for innovation-led marketing excellence, winning the Gen AI-led Creative Award at the prestigious ad:tech India New Delhi event, for our digital campaign for Sumi Max. Products launched in the past 3 years now contributes to approximately 8% of our total domestic revenue, a healthy and growing share that reflects the accelerating pace of new product adoption by the farmers.

Looking further ahead, our new product pipeline from SCC global portfolio gives a strong visibility to the next 3 to 5 years. Out of the 3 or 4 molecules, only 1, which is Excalia Max, has been introduced, that is INDIFLIN has been introduced in the past financial year. That leaves us with another couple of more products in the pipeline to be launched in the coming years based on the regulatory approvals.

These specialty products that have built our specialty business to 30% of our domestic revenues and it's these same new technologies where we will focus to build up the volume, will continue to drive the structural quality improvement in our revenue mix over the next several years.

Now let me turn to FY '27 and talk about the opportunities and the risks we see. On the demand side, the Indian agriculture sector remains resilient and continues to be optimistic, as you would have seen the minimum support price have also been increased by the Government of India.

However, few risks warrant careful monitoring. First of them is timely and adequate supply of fertilizers for Indian farmers, which may influence farming activities and cropping patterns or crop shifts can happen during the upcoming season. Second risk is related to monsoon. IMD has forecast the southwest monsoon to be 92% of the long period average, placing it in the below normal category. And global weather agencies, including NOAA, are indicating 82% probability of El Nino emergence during the May to July period. Indian agriculture today is structurally more resilient than it was a decade ago, with nearly 55% of net sown area having access to assured irrigation, and that provides a meaningful partial buffer.

However, our company supply chain planning is on the basis of normal kharif season, and we are calibrating our inventory buildup and channel stocking accordingly. The actual monsoon arrival over the next few days, few weeks, and the distribution over the next 3 to 4 months till September will be the most crucial and important variable for the industry to monitor.

On cost and pricing, FY '27 will be characterized by headwinds from depreciating rupee, escalating cost across raw materials, packaging materials, solvents, transportation, driven by

geopolitical developments. As cost pressures have built already and continue to build, the company has been gradually and systematically passing on these increases to the market, and we have been reasonably successful in doing so till now.

We plan to continue following this approach, calibrated product-by-product market condition-sensitive price management, rather than a one-time blunt increase. We enter FY '27 with production running at full capacity and no supply chain constraints. Our planning assumption is that for now, demand is holding up and cost increases are being absorbed by the market.

The situation in Q1 FY '27 looks constructive overall, though we acknowledge that Q2 FY '27 and the second half of the year will be largely shaped by monsoon outcomes and global dynamics, particularly in the context of the ongoing geopolitical environment. Overall, for FY '27, we are cautiously optimistic of the upcoming season based on the situations I described above.

With that, I hand it over to my colleague, Mr. Kunal Mittal, to take us through the next segment.

Kunal Mittal:

Good afternoon, everyone. Thank you, Dr. Suresh. Our company's balance sheet remains essentially debt-free. Our cash and cash equivalents, including liquid investments as on 31st March 2026, were at approximately INR2,113 crores. Return on capital employed improved to 31% from 29% the year before. And our net worth grew to INR3,394 crores, a 17% year-on-year increase, funded entirely through retained earnings.

On our capital expenditure program, we want to reconfirm our commitment to invest in infrastructure for expanding our manufacturing portfolio, especially for our parent company's proprietary product portfolio, including some of the newly launched patented products globally.

All the capex projects which were announced earlier are progressing well, especially from infrastructure creation point of view. Subject to receiving regulatory approvals in timely manner from respective exports market, which are being undertaken by our parent company, currently, we are on track to meet the expected commercialization timelines of these capex projects.

In addition to various capex projects which were already announced earlier and under implementation, our company is at advanced stages for completing techno-commercial feasibility for few additional capex projects. And we will keep you updated as we receive formal approvals from our board and our parent company, SCC, for such additional capex projects. Our expectation and endeavor is that we can continue sustained pipeline of capex projects and investments over the next decade.

We want to also update you on 3 more new initiatives. Our first one is a key development which is towards early-stage trials and launch of new products in India. India has now been elevated by our parent company, SCC, Japan, to the same tier as Japan, Brazil, North America, and Europe for the early-stage testing and early introduction of new molecules from our parent company, SCC's global discovery pipeline. We have already received 2 such molecules for trials in Indian condition on various crops and various geographies, and these trials are ahead of their global launch in the global market. This is a very important development and a signal of the confidence that our parent company has in the capability, scientific, manufacturing, commercial,

and regulatory on SCIL, and what we have built in India over the past 25 years - confidence SCC has in that. We intend to honor that confidence by executing these new product launches, the entire life cycle of that with excellence.

The second point we want to update about animal nutrition business. As you would recall, during financial year '25-26, we had announced that the company had discontinued distribution of animal nutrition products in India due to global realignment of the distribution strategy. However, recently, some of these products are facing lot of global challenges in terms of supply chain and also servicing to the customers, including the logistic delays. So in this kind of a situation, in discussion with our customers, Indian customers, which were built over last many years and also some of these third-party distributors, which our parent company had appointed and also in full alignment and discussion with our parent company, our company plans to restart distribution of these products immediately and we will continue distribution of these products for near future.

One more important update about animal nutrition business is these are the products which are commodity in nature. And in the current geopolitical situation, the pricing and supply availability of this product is very, very dynamic and volatile. And also pricing has increased significantly in last few months, what we have observed. While we don't know how long such kind of a trend will continue, but as on today, it looks like that we will continue distribution of this product for some more time, and the pricing is on a higher side as compared to the historical averages. So this may add to some additional revenues for the company in the near future. However, as you would recall, the profitability of these products is limited due to the limited scope being played by SCIL and the profitability is approximately 4% to 5% level. So while this may add to some sort of a turnover increase, but from the profitability point of view, it is not expected to be a material and significant increase.

And another point which we wanted to update is about a new royalty arrangement, which we are discussing with our parent company. As you would recall, based on our past interaction, we have always maintained that we are not paying any kind of royalty to our parent company and we really thank our parent company for such kind of arrangements.

What is happening today is for all our parent company innovated molecules, we get right to exclusively distribute these products in Indian market using the global brand name and trademark of our parent company. And in many of the cases, we continue to buy the technical goods from our parent company. After that, using the technology provided by our parent company, we are doing local formulation of these products and then we are distributing these products in Indian market using the trademark and brand name provided by our parent company. So for these technologies and intellectual properties, including brand, knowhow, and these trademarks, for this no royalty was charged in the past.

As per our request, since it is possible to procure some of these products at a better pricing situation as compared to the supply prices from SCC, our parent company has agreed our request and allowed us to buy these technical products from outside. That means the obligation of buying the technical goods from our parent company is proposed to be waived off for selected 2 or 3 products. So in this kind of a situation, what we have committed to our parent company that we

may pay a small percentage royalty only specifically for these 2 or 3 shortlisted products, wherein SCC, our parent company, will allow us to buy the technical goods from outside, but we will continue to use their technical knowhow, their trademarks, and their brand name for distributing and manufacturing these products in Indian local market.

So we believe that this arrangement, as agreed by our parent company, will overall increase to our margin profile and they will also help us expand this product business in our domestic Indian market. Overall, in the overall scheme of things, these percentage terms and these amounts is specifically only for 2 or 3 shortlisted products and the total amount of royalty is also expected to be very immaterial.

In our annual report, we plan to disclose a cap of INR2 crore, but the actual number of royalty is expected to be lower than this. So we just wanted to give you some of these strategic initiatives which we have implemented recently. And now I would like to hand over the call to our CFO, Mr. Anil Nawal, to please take us through our consolidated financial performance.

Anil Nawal:

Thank you, Kunal. Good afternoon, everyone. Let me begin with Q4 FY '25-26. For Q4 FY '26, revenue from operation was INR684 crores, up 1% year-on-year. Q4 revenue recorded a reduction in animal nutrition revenue from INR65.3 crores in Q4 FY '25 to INR37.5 crores in Q4 FY '26.

Gross profit grew 6% to INR289 crores at a gross margin of 42.3%, expanding 223 basis points. EBITDA grew 12% to INR134 crores at a margin of 19.6%, expanding 202 basis points. PBT, before exceptional item, grew 11% year-on-year. PAT,(profit after tax), grew 12% to INR111 crores at a PAT margin of 16.3%, expanding 159 basis points.

Turning now to our full year performance for FY '25-26. For FY '26, revenue from operation was INR3,238 crores, up 3% year-on-year. From a product mix perspective, insecticides remained the largest contributor at 41% of total revenue. Herbicides registered strong growth of 19% year-on-year in FY '26, supported by healthy traction in our rice herbicides portfolio, particularly Lentigo. Metal phosphates grew 11% year-on-year, while our overall specialty mix continued to improve, with branded products now representing 81% of domestic revenue and 40% of export revenue. Our FY '26 gross margin expanded 42% from 41% in FY '25, an improvement of 107 basis points reflecting the structural improvement in our business mix - a greater contribution from specialty products, calibrated pricing actions and disciplined procurement. On an absolute basis, gross profit grew 6% year-on-year to INR1,361 crores from INR1,290 crores in FY '25.

EBITDA was INR671 crores, up 6% year-on-year, at an EBITDA margin of 20.7%, an improvement of 64 basis points. An exceptional charge of INR16.1 crores was recorded in FY '26 on account of newly notified labor codes. Profit before tax was INR728 crores, up 7% year-on-year at a PBT margin of 22.5%. Net profit was INR543 crores, up 7% year-on-year at a net profit margin of 16.8% and improvement of 68 basis points.

On working capital, our net working capital stood at 103 days as of 31st March 2026 versus 89 days a year ago. The increase reflects two deliberate factors: A seasonal inventory buildup ahead

of kharif to ensure uninterrupted product availability in an environment of global supply chain volatility, and a reduction in payable days, reflecting the tighter credit terms in uncertain times and our strengthening procurement positions. Receivable days improved meaningfully from 91 days to 83 days and total collection during FY '26 were approximately INR3,726 crores as compared to INR3,534 crores in FY '25, an increase of approximately 5%. These outcomes in what was a challenging collection environment across the industry, reflect the sustained discipline of our credit management practices and quality of our channel relationship. The company continues to follow a rigorous margin-based profitability first approach to working capital management and we intend to maintain and strengthen our discipline going forward.

I also want to talk about our foreign currency exposure as the depreciation of Indian rupee has been a subject of market-wide discussion. Our export and import are approximately equal in value, running at roughly USD 70 million to USD 80 million each on annual basis. As a result, the net foreign currency exposure of business is largely self-hedging and the impact of rupee depreciation on our overall profitability has been broadly neutral. We also hedge our foreign currency exposure and do not carry any unhedged currency risk, and this is a structural feature of our business model that we believe is well understood, but worth reiterate clearly.

We will now take a pause from our side and request moderator to open the floor for questions one by one.

Moderator: Thank you very much. We will now begin with the question and answer session. Your first question comes from the line of Rajas Joshi from ChrysCapital. Please go ahead.

Rajas Joshi: Good afternoon, team. I was going through your parent's presentation for the full year that ended recently. And in the presentation, on the slide on ICT and mobility solutions sector, which is for semiconductor materials, there's specific mention of the parent planning for commercialization of high purity semiconductor chemicals in India in their deck. So I just wanted to get your color or your thoughts on how you look at this development and what plans, if at all any, would be for us in this segment?

Chetan Shah: Yes, you are right. There was a mention by our parent company in various forums about this topic. We are working very closely with ICTM department of Sumitomo Chemical, Japan. And so far, all the meetings with the government officials, the customers, or whatever you may call, it's all happened jointly with us.

And we are, as much as you are, maybe little more than that, we are also looking forward for this project to fructify and lot of work and lot of inputs are being given by us on this project. So hopefully, very soon, you may officially hear from us about the project of purified chemicals for semiconductor business.

Rajas Joshi: And sir, secondly, on the export piece. Given the recent tensions in the Middle East, there's been an uptick in prices of certain products, both technicals and correspondingly from this as well. So how is that expected to feed into both demand and correspondingly the elevated prices helping us in the margins front to some extent on the export side?

Suresh Ramachandran: Yes, in overall, if you look at it, there has been cost escalation I described during the commentary, so which we are trying to pass on as much as possible. Yes, the price realization has been better, especially from let's say, late of March. But it may not translate completely into percentage margin because the cost is going up and the price is going up. So, it's probably along net neutral or plus or minus few percentage point, that's about it. It all depends on how the situation is going to be.

If the war continues, if all the costs are going to keep going up or remain at this level, the pricing may be able to continue. More than the pricing, the supplies, which supplier is able to make the supplies as per the customer demand will play a crucial role in terms of the business.

Rajas Joshi: And in terms of volumes, is there any movement expected there on the export side?

Suresh Ramachandran: It's too early to comment for the current financial year. The indications are there. It all depends on how the logistics situation is going to pan out, how the cost escalation is going to happen, how those country customers are going to afford to pay, in the current situation of cost. If they are willing to pay, then there would be upside. It all depends on how the situation is going to unfold in the next couple of months.

Rajas Joshi: And lastly, if you could please call out the revenue number for sales under the custom synthesis kind of division that we have wherein we sell products to our parent. If you can just call out that number, if possible, which is classified as CRAMS or CSM, how you call it?

Kunal Mittal: It is roughly in the range of INR100 crores to INR150 crores, depending upon the market situation in terms of volumes at this current level. And as we have explained, that some of the projects are underway in the implementation side. And once those projects are implemented from next financial year onwards, we are expecting some growth in those numbers. But for the time being, this number is roughly in the range of INR100 crores to INR150 crore.

Moderator: Your next question comes from the line of Probal Sen with ICICI Securities.

Probal Sen: Sir, a couple of questions. Firstly, the commentary obviously did talk about the kind of monitorables and constraints that may be there in FY '27 despite demand being resilient, the kind of monsoon uncertainty as well as the Gulf pricing -- the Gulf conflict and all. Is it fair to therefore look at margins a bit more cautiously for this year?

I understand that you did mention that cost increases are being passed on. But with the kind of momentum one sort of sees in margins being probably constrained by these situations, how should we actually look at the margin trend? Flattish versus this year or even a possibility of some decline that can be there? Just your thoughts on that. That was my first question?

Chetan Shah: Many years, I mean, not many, but few years back when our profit margin increased, I was asked questions by lot many people whether this is one-off or this is sustainable. And I very confidently, at that time, had said that the margins which we are getting will be the most sustainable margin and they are all achievable every single year.

And I am happy to note that because of our groundwork, because of our product mix, because of our flexibility of giving the right product at the right time and concentrating on our portfolio in a much, much better manner, we are able to give or ensure the margins on a sustainable basis. And we will do the same thing continuously to ensure that margins are sustainable.

I understand, like even when we got our cost increases in the month of March and all that, we were very uncomfortable as to how these costs are going to be passed on and how the market is going to react. But we have had, on 15th of March, a price increase, on 1st of April, a price increase, on 1st of May, a price increase, and now we will see whether we can increase the prices on 1st June. So it is a very, very cautious approach.

We control our cost, but certain costs like raw material prices going up or the freight charges going up or solvent prices going up because of the naphtha and oil prices, all that is not in our hands. So we have to be very cautious in ensuring that this cost does not go out of our sustainable margins. It has to be passed on. And we have, as I gave you an example, that we have already increased the prices 3 times within this, 15th March till now. And that is what we'll continue to do, but we'll ensure that our margins are sustainable.

Probal Sen: My second question was with respect to inventory levels and working capital. Again, coming back to the uncertainties with respect to the supply chains of raw materials and imports. Has there been any change in the kind of days of inventory that we are holding as of now, particularly for the first quarter?

Chetan Shah: What has happened is that we have deliberately purchased more and deliberately produced more during the fourth quarter in order to be ready for the new season. So while we do that every year, but this year, the focus was more, like we saw the trend of packing materials going up.

So instead of 90 days inventory, we went for more number of days of inventory. Even certain crucial raw materials, which was oil or naphtha based, we have extra inventory. So all those things actually ultimately will benefit us because prices of this packaging material or raw materials are constantly still going up.

So as a matter of fact, it is better for us to have a little bit more inventory rather than depending last minute on the raw materials and packing materials. And what has happened, I mean what it has really proved to be a boom for us is that currently the freight or the transportation lead time has increased for every shipment from abroad and more so every shipment within the country.

So even if you want, say, packaging material, the people say we are not getting the trucks. Instead of 4 days, it will take 8 days. Raw materials, same thing. Within India, the movement has, you know the lead time has gone up and we are far better off in having the inventory, that extra inventory to meet out that extra lead time.

Probal Sen: Third question, if I may slip one more in. With respect to the new product pipeline, I believe Kunal did mention about the 3, 4 new pipeline molecules that have been under development, of which Excalia Max has already been launched and is showing great results. Just wanted to understand for FY '27, can we expect any one of these molecules to be commercialized and launched? If you can provide some color on that?

Suresh Ramachandran: Yes. As I said, Excalia Max was launched during last kharif. But I also mentioned another molecule, which is a group company molecule, Sumitomo Biorational Company, TopGrain, a biostimulant. We got the registration towards the end of last year, which we expect to commercialize in the coming kharif. And there is one more product which we are expecting registration. Obviously, once the registration we get it, our endeavor would be to launch within this financial year.

Moderator: The next question comes from the line of Animesh Jain with Dalal & Broacha.

Animesh Jain: Thank you for the opportunity. So can you tell me about our facing any disruption in procurement of raw material or technicals? Because we have taken permission from our parent company for importing technicals from third party. So it's for the formulation part or new launches or any disruption in the raw material?

Chetan Shah: So these are for existing products, not for new products. And we are not facing any constraint on our supply chains. We are getting the materials as we want. And also we have prudently stocked up the materials as well. So I can say that, and this has been also from our side, we have promised the sales team that no order of the customer will be turned down.

So we are not going to say, sorry, we don't have materials, we cannot supply. So that confidence has been even given to the sales team, and we are very, very confident that there will be no situation that we'll have no materials and we will not be able to supply the goods.

Kunal Mittal: And this clarification, this point which you mentioned that our parent company has allowed, as Shah-san mentioned, this is for the existing product and only for 2 or 3 very specific products where this is available. So generally, the terms and everything remain same except these 2, 3 products, wherein our parent company has allowed us more flexibility.

Animesh Jain: And my next question on Barrix's portfolio, because in last concall, you have announced that we are facing some regulatory challenges. It's solved or it's still going on?

Kunal Mittal: I think most of the regulatory challenges which were started, I think this is something which the entire industry faced, including our company and our subsidiary, Barrix, especially in the bio kind of a product. So those challenges were faced from middle of June towards end of last financial year. At this point of time, largely, most of the approval have been received to restart the business and it has been restarted now from the recent past. So this year, we are not expecting those regulatory challenges to continue or impact us negatively.

Moderator: Your next question comes from the line of Siddharth Gadekar with Equirus.

Siddharth Gadekar: Sir, just first on the domestic market, what kind of price hikes do we need to take, assuming the raw material basket stays where it is today to pass the entire thing to the end customer?

Suresh Ramachandran: It's very difficult to generalize. Product to product, it varies. Formulation to formulation, it varies. Active ingredient to active ingredient, it varies. On a large scale, can we say maybe 10%, 15% cost escalation depending on the product. Some products have even gone up to 20%, 25%. So it's very difficult to generalize. It varies from product to product.

Siddharth Gadekar: But would it be a fair understanding that the revenue growth will be much higher given that raw material prices have moved higher for FY '27, at least for the first half?

Suresh Ramachandran: It's very difficult to say. The reason I'm making that statement is suddenly if there are -- see, there are 2 issues. One is we don't know about the fertilizer supply. We don't know how the monsoon is going to play out, what the crop shift is going to happen, what the farmer demand is going to be there. If competition, companies start reducing the price then we will also be in the same market, we'll have to drop the price.

The second thing is the war situation. If the war stops tomorrow, yes, it may take a few weeks or couple of months for the situation to come back to normal. The minute the war stops and the things started improving then competition or people may not want to hold the price and want to get the volume. So it all is going to be played on all these developments, which we will have to wait to see the situation, how it evolves.

Siddharth Gadekar: The second question on the capex side, we had announced a INR150 crores capex for Dahej, and we highlighted that we are in advanced stages to announce the second phase. Can you give some sense of what are we planning to do in the INR150 crores also and on the second phase, how large that opportunity could be?

Kunal Mittal: So, as we mentioned last time, in the last, I think, quarter back, we have announced this capex of INR150 crores to be developed at our Dahej site. This is the first project coming at Dahej, and it is expected to be commercialized in next 2 years or so, and that continues on the track. I think we have started some of the development work, and it seems that it should be on the track currently.

And as we had mentioned, that next phase is expected. We are doing a lot of feasibility studies as we mentioned and covered earlier. And the quantum of that is expected to be similar for each of these projects, with little bit higher up and down. But the quantum is expected to be similar for each of these projects and we are expecting a pipeline of such projects over next few years.

Siddharth Gadekar: So this was largely -- sorry.

Kunal Mittal: To be announced one by one. So what we are saying, first project we have announced at Dahej for INR150 crore, and then we are expecting a series of projects over next few years.

Siddharth Gadekar: Sir, and in this INR150 crores capex, what kind of product would we be doing? Because we have only highlighted it would be an intermediate for the herbicides. Will we be doing the N-1 or will we be doing a KSM type intermediate in this?

Kunal Mittal: We will not be able to disclose because this is a business confidential information. But to some extent, it is before integrated, may not be KSM, but a good level of integration.

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

Ankur Periwal: So first question on the overall volume growth in FY '26. If you can help on that, maybe a breakup between specialty and how the generic portfolio has been performing?

Suresh Ramachandran: Ankur, if you have closely observed the last year, the prices of most of the agrochemicals were largely stable, by and large stable. So there was a minimal growth in terms of price. Most of the increase that you see in terms of revenue is primarily from volume.

Kunal Mittal: And also, as I think Mr. Shah also explained, and Dr. Suresh and Anil sir also covered in their thing, while the top-line growth is 3%, however, there were some negative factors of, like, say, this animal nutrition business discontinuation, which we mentioned. So if you look at our pure agro business, it has grown roughly in the range of 5%-6%, and almost everything through volume, as Dr. Suresh mentioned.

Ankur Periwal: Just within the portfolio, while herbicide has done good for us, will the growth over here will be largely led by the new products or even the existing ones ramped up? And secondly, specifically on PGR as fungicides. A fungicide may be seasonal but PGRs had been growing reasonably well earlier, but they witnessed a sharp decline this year. Anything specific here?

Suresh Ramachandran: Yes, I can explain it to you. See, in terms of herbicides, it's a mix of both generic products as well as specialty products. Specialty products, our flumioxazin soybean herbicide grew significantly. Second, a newly launched rice herbicide, Lentigo, contributed to the overall herbicide growth. Apart from our key branded molecule, Mera 71, a different formulation of glyphosate, recorded a very good growth. So, the herbicide portfolio growth is on account of mix of both specialty and generic portfolio.

In terms of PGR, mainly gibberellic acid, GA, again, a big product for us, declined on account of really bad grape season. If you had observed at that time in the grapes, there was continuous rains, a lot of grape area got damaged and the spraying itself did not happen. That had a direct impact on our PGR, that is gibberellic acid portfolio. That's the reason you see a decline in the PGR portfolio.

Kunal Mittal: And just to add, there was also this regulatory challenge, what we mentioned about biological. So in PGR, this one particular product, which is very important, gibberellic acid, Dr. Suresh explained the market concerns. But for several other products in this portfolio, which are bio in nature, including we and our subsidiary, Barrix, we both faced regulatory challenges. Many of these products could not be sold right from June to, say, December or January. So for 6 months, the sales and the distribution was disturbed for these products.

Herbicides part, what Dr. Suresh explained about the products, both generic and specialty, there was also a factor of weather. Because if you see the Q1 was very good and till that time, the monsoon rains, everything was well covered in India and that is why we saw a lot of herbicides. And other portfolios like insecticides, fungicides, were more severely impacted by extraordinary rains in the later months, like August, September, October. So herbicide portfolio did not get negatively impacted due to weather while other portfolios did get impacted because of these weather factors.

Chetan Shah: I'm sure you are aware that the industry as a whole has unprecedented return of herbicides from the channel all across the companies. And as compared to that, we have not taken even 1 liter

herbicide back from the market. So whatever we could sell or whatever we could sell, it was sustained. There were no returns at all of our herbicides.

Ankur Periwal: Thanks for the detailed answer. Second bit on the capex side, just as a follow-up to the earlier question. What number should we take for, let's say, over '27 and financial year '28? Because earlier we also highlighted that there were some products at an approval stage from Japan, which can be possibly backward integrated in India. So any status update over there?

Kunal Mittal: So Ankur, whatever capex we have mentioned, they continue to be on timelines and any additional projects which we will announce in future that will anyway take 2 years plus to be commercialized. And as we have mentioned, I think whatever capex projects we have announced, we are not expecting any incremental revenues in current financial year. So current financial year, our endeavor will be to maintain the sales which we have, like as I mentioned earlier, it is between INR110 crores to INR130 crores, INR140 crores level at this point of time. So that we are planning to maintain in current year. And from next year onwards, as some of these capex projects get completed, some incremental revenue should be added. But large part of that increment, because this INR150 crores of large Dahej capex, that is expected to take from, say, due to financial year '28, '29, the revenue side.

Ankur Periwal: And just last one, if I may squeeze in. Going back to the Sumitomo Japan's sort of presentation, highlighting India to be a hub there from a semiconductor production, et cetera, perspective. Two parts. One, the cash that we have on the books, will the large part of that capital allocation will be getting funded here? And secondly, from a technology point of view, from an R&D point of view, from a capability side, where are we? Do we need a significant investment from Sumitomo Japan to be transferred here or the existing team on the R&D side, if you can share some thoughts there?

Chetan Shah: No, it will be existing team only. We are very good at it and as a matter of fact, even Japan has now developed confidence in our R&D and they are pushing us that even if the technical knowhow comes from Japan, if we can improve it would be better. So they are giving us all the free hand as far as R&D is concerned and it will be all ours. We don't need any capital from Japan or any manpower from Japan.

Kunal Mittal: And on your first question, Ankur, about the investment. So you are right that we are accumulating a lot of cash at this point of time. And as our parent company also announced that they want to use India as a manufacturing hub, especially our sector, agro and life sector has clearly mentioned this in the past in a lot of forums and that is something which we have committed. And as we also mentioned that we are expecting to implement several new capex projects, especially at our Dahej site for our parent company's global requirement. And we are expecting that a lot of our capex can be invested into that, through the funds which are accumulated in India.

Ankur Periwal: Thanks a lot for all the answers and congratulations Dr. Suresh for your new role and responsibilities. Thanks.

Moderator: The next question comes from Riju Dalui with Antique Stock Broking.

Riju Dalui: Thanks for the opportunity. Now we are talking about the RM inflation and the cost passing to the farmer. So how are we confident of passing cost to the farmer? So far we have done that. But if we look at in terms of the overall economics of the farm, fertilizer price already hiked maybe in last one and a half months.

And also if you look at the other agri commodities, the prices are already soft. So like even though we pass on our prices, is it possible that the volume can taper because farmers might shift towards the generic product, not the specialty or branded product because of the cost pressure and the inflation.

Suresh Ramachandran: Yes. As I explained, there is a lot of dynamics that is playing on. One is monsoon, that can change the cropping pattern, number one. Number two, fertilizer availability. Even before talking about fertilizer price. Fertilizer price anyway mostly it is subsidized and I don't think it's going to significantly increase to the farmer. In terms of supply, fertilizer supply availability can impact the cropping pattern. If you look at way back '22, '23, all the agrochemical prices have shot up significantly but still farmers were able to buy and invest in their crop and got good crop. So similarly, we will have to wait and see how the competition is going to play, how the monsoon is going to play out, what is the fertilizer supply situation. All these things will play a role in terms of how much the farmers can absorb the cost. As I mentioned, we are not taking a one-shot decision and trying to see that recover everything. So we are taking a calculated decision based on the product, based on the brand, based on the popularity of the brand, we take that call, and that's how it will be. It's a dynamic situation, so the decisions have to be fast, and we are geared up for that. We're reviewing the situation on a weekly basis, if not on a daily basis, and take those calls and implement the decisions.

Chetan Shah: Also the agrochemical is the least of the cost to the farmer in his overall cost. I think farmer will be more worried about at what price he will get the fertilizers and other inputs. But agrochemical is not a very big part of farmer's cost. So when the time to use the agrochemical comes, farmer only sees to save his crop and the price to him at that point of time really doesn't matter in his economics.

Riju Dalui: And sir, second part is that, if I look at your herbicide portfolio, growth in the Q4, that was very strong. Can we assume that it partially driven by the price hike that we have taken over in the month of March, and also partially supported by the intermediate rainfall during the late rabi season, both have influenced the growth?

Suresh Ramachandran: See primarily it is volume growth. Yes, price increase happened, that was towards the middle of March or third week of March. The major contribution would have been volume and probably to some extent, I would say that since the war situation was emerging, channel was little bit skeptical about the availability of herbicides and probably they bought little early compared to what they would have done in a normal year.

Riju Dalui: And also, if I look at some of the herbicide prices, maybe one of our most demanded herbicide product, glyphosate, the prices have shot up more than 40% to 50% over last few months. So was that a kind of a pre-buying in the channel more of than the actual demand driven growth that we have seen in the Q4?

Suresh Ramachandran: See mostly glyphosate starts getting used only towards the end of April, early May. Before that, it's all stocking up except maybe little bit of usage would happen in north. So I would say the cost of raw materials of, not only glyphosate, all the raw material costs have gone up. Yes, glyphosate has also gone up. So we also increased the price and the entire glyphosate industry increased the price. And there is stocking up of some of the products by the channel also.

Riju Dalui: And sir one last question regarding the capex that right now we are talking about the semicon capex and some other capex. But if we look back at past year guidance about the INR300 crores capex at the Dahej plant, so far we have only announced INR150 crores capex. So in terms of how are you confident to announce another capex at the Dahej plant for the agri intermediates in the near term, and in terms of the product that are already in process of getting the approval from the parent company. So how was the status for those products?

Kunal Mittal: So at this point of time, based on whatever technical feasibility studies we have done and discussed, technically, we are very, very confident. And overall, we are cautiously optimistic that some of these capex projects should get approved and we should start the implementation.

Riju Dalui: And sir, any kind of a timeline or stage that we are into this process of approval?

Kunal Mittal: So as we have mentioned that we are not looking at one particular point of time to announce a very large capex. We announced one project just, say, 3 or 4 months back, and periodically, let's say every year or so, we are expecting or maybe earlier than that, we are expecting next project to be announced. Because implementation of, say, 5 projects cannot be done together. So let's say, every year for next few years, we can keep announcing one project.

Moderator: The next question comes from Hardik with ICICI Securities.

Hardik: Thanks for the opportunity, sir. Just want to know if you can just give a breakdown between what was the volume growth and the pricing increase in Q4 and full year performance that driven the revenue?

Kunal Mittal: So I think this point was already addressed by Dr. Suresh earlier. If you look at our agro business, overall from a full year basis, the growth was approximately 5%, 6%, and which is fully from volumes. Pricing was stable, if you look at the full year basis.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Sushil Marfatia for closing comments.

Sushil Marfatia: Namaste, everyone. Thank you all for asking some very interesting questions, and our colleagues for replying the same. We hope we could address all your queries. FY '26 was a generally difficult year for the Indian agrochemical industry. Adverse weather, regulatory constraint, global uncertainties, and cautious channel sentiment, all occurring in the same year.

And yet, in that environment, Sumitomo Chemical India delivered its highest-ever profitability. That outcome speaks to the depth of the franchise we have built. Looking ahead, our priorities for FY '27 are clear - scaling up our recently launched products, continuing to invest in farmers' engagement and demand generation.

Advancing our manufacturing expansion program at Bhavnagar, Tarapur, and Dahej, and sustaining the financial discipline that has consistently underpinned our profitability. We remain watchful of the monsoon outlook and the broader operating environment, and we are well prepared to navigate whatever conditions the year brings.

I also want to express here my deep gratitude for the privilege of having been part of this organization's journey. The company that Sumitomo Chemical India is today a INR3,200 crores business with a strong parentage, strong products and brands, strong people and team, and strong plans. All these strong Ps helped us generate strong profit for our shareholders, which is one of the highest profitability level in our history. It is collective work of every person in our company who have given their best to this organization. I am proud to have been one of them.

Thank you once again for your time and your continued trust in Sumitomo Chemical India. We look forward to staying engaged with you throughout the year ahead. Thank you very much.

Moderator:

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