19th May, 2025

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

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

Symbol- DHANUKA

Scrip Code : 507717

Sub: Transcript of Conference Call held on 16th May, 2025 with Analysts/ Investors to discuss Audited Standalone & Consolidated Financial Results of the Company for the Quarter and Year ended on 31st March, 2025.

Dear Sir,

In pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, Please find enclosed the Transcript of the Conference Call held on 16th May, 2025, which was hosted by Antique Stock Broking Limited via telephonic mode with Analysts/ Investors to discuss Audited Standalone & Consolidated Financial Results of the Company for the Quarter and Year ended on 31st March, 2025.

Please take the above information in your record.

Thanking You,
Yours faithfully,

For Dhanuka Agritech Limited

JITIN SADANA
Digitally signed by JITIN SADANA
Date: 2025.05.19 18:53:26 +05'30'

Jitin Sadana
Company Secretary and Compliance Officer
FCS-7612

Encl: a/a

"Dhanuka Agritech Limited Q4FY25 Earnings Conference Call"

May 16, 2025

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

MODERATOR: **MR. MANISH MAHAWAR – ANTIQUE STOCKBROKING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Dhanuka Agritech Q4 and FY'25 Earnings Conference Call, hosted by Antique Stockbroking Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Mahawar. Thank you, and over to you, sir.

Manish Mahawar: Thank you, Saisha. On behalf of Antique Stockbroking, a warm welcome to all the participants on the 4QFY25 Earnings Call of Dhanuka Agritech. Today, we have Mr. M.K. Dhanuka – Chairman; Mr. Rahul Dhanuka – Managing Director; Mr. Harsh Dhanuka – Executive Director; and Mr. V.K. Bansal – Chief Financial Officer, on the call.

Without further ado, I would like to hand over the call to Mr. Dhanuka for opening remarks, post which we will open the floor for Q&A. Thank you, and over to you, Mr. Dhanuka.

M.K. Dhanuka: Thank you Manish ji. Good afternoon, ladies and gentlemen myself M.K. Dhanuka – Chairman of Dhanuka Agritech Limited.

Welcome you all to the Q4 and FY'25 Earnings Call. I have with me Mr. Rahul Dhanuka – Managing Director; Mr. Harsh Dhanuka – Executive Director; and Mr. V.K. Bansal – Chief Financial Officer of the Company.

As you are aware, Dhanuka Agritech is a leading Indian agrochemical Company. Dhanuka is working with the vision of transforming India through agriculture, we have a pan India presence in all major states to reach out to more than 10 million farmers with our products and services. Dhanuka's, key focus has been on introduction of novel chemistry and extensive product development, distinguishing us from the rest of the industry. With four manufacturing units and 41 warehouses across India, we cater to around 6500 distributors and 80,000 retailers. Dhanuka has a strong sales and marketing team to promote and develop new product. Dhanuka's strong R&D division has world class NABL-accredited laboratory, as well as an excellent team for new product registration and development. Dhanuka is international collaboration with 10 leading globally agrochemical companies from Japan, US and Europe, which helps us to introduce the latest technology in India.

It is my privilege to address you at the close of what has been a landmark year for Dhanuka Agritech Limited. Financial Year 2024-25 was a period marked by bold decisions, strategic partnerships and excellent financial performance, anchored in our vision to serve farmers with science lead high impact solution. Among our most significant achievements this year was achieving a milestone revenue of more than Rs.2000 crores, as well as acquisition of international rights for two key fungicide molecules, iprovalicarb and triadimenol from Bayer AG, Germany. This deal is not just a product expansion; it is a strategic gateway to global growth. With these molecules, we now have a presence in more than 20 countries across Latin America, Europe, Asia and Africa, marking a moment step in our journey from an Indian leader to a global agrochemical player. This year, we have given slogan to our team 2025 in the year 2025. So we are there, I am happy that the team has delivered Rs.2035 crores in the year 2025.

This year, we have aggressively increased our presence in corporate sales in Indian market, paving the way for future growth for products being manufactured at Dahej, we have approved the next product for manufacturing in the existing plant for which the revenue will start from Q2 onwards. Our investment in process research is yielding good results, with many more products in the pipeline.

I am delighted to share revenue from operations during Q4 FY'24-25 is Rs.442.02 crores, representing an increase of 20.01% over the corresponding period last year and for the Financial Year 24-25 it is Rs.2035.15 crores, which is 15.73% up over last year. EBITDA stood at Rs.1095.75 crores in Q4 for FY'24-25 up 37.03% year-on-year basis and for the Financial Year 24-25 it is Rs.416.61 crores up 27.23% over last year. EBITDA margin improved from 21.75% in Q4 of FY'23-24 to 24.83% in Q4 of FY'24-25 and improved from 18.62% in FY'23-24 to 20.47% in 2024-25 which is an improvement of 180 bps. You will appreciate that at the beginning of the year, we have given the guidance of 100 bps reduction in EBITDA margin. But later on, by the end of 1st Quarter, we revised our guidelines to 100 bps improvement in EBITDA over last year.

And finally, we have been able to deliver 180 bps improvement over last year. Profit after tax is at Rs.75.5 crores in Q4 FY'24-25 up 27.94% compared to the corresponding previous last year quarter, and it is Rs.296.96 crores in FY'24-25 up 24.2% year-on-year basis. PAT margin improved from 16.02% in Q4 FY'23-24 to 17.08% in Q4 of FY'24-25 and improved from 13.6% in FY'23-24 to 14.59% in FY'24-25 and increase of 99 bps.

The Board of Directors has recommended 100% dividend, that is Rs.2 per equity share having a face value of Rs.2 per share, which will absorb Rs.9.02 crores. The set dividend will be subject to the approval of the shareholders in the 40th annual general meeting scheduled on 1st August. 2025. You will recall that in the second quarter, Dhanuka has done buyback and rewarded the shareholders by doing the buyback of 5 lakh shares at a value of Rs.2000 per share.

Zone wise share of turnover for Q4 FY'24-25 is North zone 34%, East zone 12%, West zone 20%, and South zone 34%.

Product category wise share of turnover for Q4 FY'24-25 is insecticides 38%, fungicides 13%, herbicides 32%, and others 17%. We consider ourselves responsible towards preserving food security of the nation. We continue to strengthen our association with the agriculture universities, Krishi Vigyan Kendra and other critical institutions to impart knowledge and latest technology to the farmers.

Thank you very much for your kind attention. And now we would like to open the forum to take the question. Thank you very much.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rohit Nagraj from B&K Securities. Please go ahead.

Rohit Nagraj: Sir first question is based on the initial monsoon estimates, which seem to be favorable and given that our base has also reached and crossed Rs.2000 crores, what is the revenue growth and EBITDA margins that we are looking at for FY'26 and another question, in terms of the Dahej facility how has been the performance during the entire FY'25, so what is the revenue and what is the EBITDA and similarly, what could be the guidance for FY'26. Thank you.

Harsh Dhanuka: So, I will start with the Dahej performance update. So Dahej performance last year was revenue of Rs.40 crores in FY'25 and for the coming year we are looking at a revenue of Rs.60 crores from Dahej and in terms of EBITDA last year was negative EBITDA of Rs.14 crores, and this year the EBITDA will be in the similar lines. Sorry, with respect to your first question on the monsoon forecast being good, so both IMD and SKYNET have given a positive monsoon forecast at 105% of LPA, which means that the initial sentiment is quite positive for the growers to plant their fields. On the revenue this year, what we are planning is a higher double digit growth and on the EBITDA, we expected to remain on similar lines as this year.

Moderator: Thank you very much. The next question is from the line of Viraj from Simple Innovative Brands Private Limited. Please go ahead.

Viraj: Just couple of questions. First is, can you give a breakup of B2B sales and B2C sales for FY'25, and Q4 in the domestic market?

Harsh Dhanuka: Okay. So B2B sales in this year was close to about 9% of the total revenue and 91% was from the brand sales.

Viraj: So this 9% would also include the technical sales of Rs.40 crores we did, right?

Harsh Dhanuka: Yes, absolutely.

Viraj: Okay. And what is the corresponding figure last year?

Harsh Dhanuka: Last year, the corresponding figure was about 4%.

Viraj: Okay, got it. Second question is, you talked about new molecule introduction in the Dahej plant. So can you give some color what kind of a product isn't the existing synthetic pyrethroid family we are looking or is it something else and, at what level of utilization one could expect a break even or positive EBITDA from the Dahej plant?

Harsh Dhanuka: So, I will answer the question in two parts. First of all, the product which we are going to introduce is not a synthetic pyrethroid, it is a fungicide, and the volumes this year expectation is not very high, but we are expecting about Rs.10 crores of revenue from this new product which is included in our forecast, and in terms of EBITDA in this year, it is not expected to contribute significantly positively. So the EBITDA margin overall is expected to remain similar.

Viraj: No, so what I was trying to understand at what level of utilization you expect the operations at Dahej to be break even or contribute positively?

Harsh Dhanuka: So the current capacity utilization is close to 25% for the last year, and this year we are expecting to take it up to 35%. And for EBITDA margins to become positive, we need to reach about 70% to 80% of capacity utilization.

Viraj: Okay. Sir just two questions one is on the broader margin what you guided is over all growth in double digit and operating margin to be in a similar band. Now, if you see our B2B operations, we are expecting a similar level of operating loss in 26 as against 25 and if you see in the B2C also, what you are seeing is the unit costs of key RMs are kind of increasing across the board, so the cost pressures are also quite high and B2C margins, if I compare to our known history in the past has been at the higher end of the band. So, just trying to understand if you can just give some more clarity, the drivers of the margin sustainability going into 26 as well. How are you looking at it, what factors you think would help us sustain the margins going into 26?

Rahul Dhanuka: So the cost increase we will obviously pass on to the customer that has been our regular practice. The cost increase in raw material will be passed on to the customer. Then our past launches which are relatively in high value segment, constantly upgrading product portfolio and increasing the revenue from relatively high contribution products. Our certain dynamics which will help us maintain our volumes, value as well as margin. We have upgraded some market outreach efforts in terms of creating a base of loyal farmers and powerful spokesperson across scientific community, which is also going to create a relatively high brand recall and brand equity for Dhanuka products, which hopefully will keep our margins on the higher side.

Viraj: Okay, just last question was on the cash position. On the cash position, even post the acquisition price we paid for the two products in Bayer, our cash position is quite healthy. And given the way things are, this will just keep on building up. So any thought you can provide, in terms of how you are looking at distribution of this cash, either in terms of payout or investment. And few quarters back, we talked about us looking at possibly other agri input value chain opportunities. So, any update you can get there as well?

Harsh Dhanuka: So we have healthy practice of dividend as well as buyback, which was also achieved this year and recently we announced 100% dividend also. So going forward also, we will have continued practice of rewarding our shareholders and strategic opportunities as and when will come will be shared on this platform as well.

Moderator: Thank you so much. The next question is from the line of Raman KV from Sequel Investments. Please go ahead.

Raman KV: I have one question with respect to the interactive rights for two of the key molecules which the Company bought. So, I just want to understand what is the TAM of these two molecules, and how much incremental revenue are we expecting from the sale of the, from utilizing these two molecules in FY'26 and FY'27?

Harsh Dhanuka: So, I got one part of the question, revenue in FY'26 and FY'27, what was the first part of your question please?

Raman KV: TAM, the total addressable market for these two molecules?

Harsh Dhanuka: Okay, got that. So, the total addressable market for both these molecules is close to $100 million US. However, in one of the products specially there is a number of generic products in many parts, we have acquired a business for that product in Brazil market where the entry barrier is quite high. So we expect to maintain those business. In terms of revenue contribution from both products combined in this year we are looking at about Rs.110 crores, including India brand sales and international sales from both the products. As we speak, Bayer is continuing to do the commercialization in most of the countries, and we will be taking over distribution operations starting October. India, we have already launched the product in Dhanuka brand name in the month of May.

Raman KV: Okay. I just wanted to, more or less like a follow up. So you said you want the right for these two molecules to be sold in Brazil market right?

Harsh Dhanuka: So one of the products is only in Brazil market, the other product is spread across more than 20 countries.

Raman KV: Okay. And my second question is, so what is the guidance for this particular year and will be there any further margin expansion?

V.K. Bansal: In terms of gross margin, we are expecting a hit of around 100 basis point in the year 25-26, in terms of EBITA we are basically maintaining this year percentage in the year 26.

Raman KV: And sir revenue growth?

V.K. Bansal: Revenue growth, we are expecting higher double digit growth.

Raman KV: Higher double digit. Sir also, can you give a ballpark number of margin figures for the segment wise, insecticides what is the margin from insecticide business, what is the margin at fungicide levels and herbicide levels?

V.K. Bansal: We don't share category wise margin.

Raman KV: So can you give which is a better margin business?

Moderator: Thank you so much. The next question is from the line of Riju Dalvi from Antique Stock Broking. Please go ahead.

Riju Dalvi: Sir, my first question is regarding the revenue growth that we have registered this quarter. So, have a 20% kind of a growth rate. So, is there any kind of contribution from the Bayer product in terms of our loyalty that has helped to achieve this kind of revenue growth or it is purely of an organic growth if you could clarify?

Rahul Dhanuka: This is purely organic growth. This growth has in the last quarter, and the entire financial year has come from Dhanuka existing product portfolio.

Riju Dalvi: Understood. And in terms of volume and the value growth, if you could bifurcate those things like out of 20% how much was the value growth and how much was the volume growth?

V.K. Bansal: In Q4 the volume growth was around 19% as against value to 20% and in annualized basis the volume growth was higher by 300 basis point as against 15 odd, which is around 18 odd figure.

Riju Dalvi: Understood. And sir I look at your gross margin. So, gross margin basically flat on a Y-o-Y basis for the quarter, but if I look at the EBITDA margin that have seen a staff improvement of over 300 bps. And in terms of the other operating expense. So other operating expense which used to be around 12% on total revenue, it has come down to 9% on total revenue. So what has driven this kind of a cost, cost saving so are you taking any kind of cost saving measures or what actually have drive this kind of a cost saving in terms of your operating costs?

V.K. Bansal: There appears to be some gap other expenses, 9% they are seeing there is no such basically, improvement in the other expenses, other expenses has come, as a percentage more than 11%.

Riju Dalvi: No, it was more than 11% but this quarter it has came down to 9%.

V.K. Bansal: What are you seeing, I am saying for the whole year.

Riju Dalvi: No, sir for this quarter.

V.K. Bansal: For quarter, basically because of we are getting some marketing expense reimbursement from our foreign, basically Japanese partners. So this year, in the Quarter 4, basically around Rs.5 crore incremental value we received as compared to previous year, because of which the other expenses appear to be little low, but you have to see as a whole, it is in the similar --

Riju Dalvi: So the improvement in the gross margin.

Rahul Dhanuka: What I would like to add is, we continue to invest aggressively in demand generation, farmer education and brand building, both as brand Dhanuka and branding and education of our individual products to farmers across all categories, and we have done special campaigns in February and March with sugarcane farmers for their education around the VD sites which we launched in the previous year.

Riju Dalvi: Understood, thanks for the clarification and the other question was that, rising depression for the quarter. So we must have, capitalize the Bayer acquisition cost in the balance sheet. So like in terms of the acquisition. So, did you get royalty from Bayard during this quarter?

V.K. Bansal: Yes, we received the net economic benefit we received around you see 12 crore in this quarter.

Riju Dalvi: 12 crore of royalty understood and like, as you highlight earlier that the royalty that we will continue to get till the registration name to be transferred to Dhanuka. So any kind of guidance you would like to tell, how much kind of royalty that we can get, or the percentage of royalty that we were getting on a revenue, it will be helpful.

V.K. Bansal: In this year we are expecting any things between 15 crore to 20 crore.

Riju Dalvi: And one last question if you could allow me, so that is regarding the herbicide portfolio that we have. So in terms of herbicide portfolio, how much pre-emerging herbicide is in our portfolio out of the total herbicide portfolio?

Rahul Dhanuka: That's a very specific question indeed. How much is a pre-emergent herbicide versus a post-emergent herbicide. I don't think so we are ready with that, because we have various generic products, for example Dhanuka top, craze and many others in the pre-emergent segment, as well as many including Targa Super in post emergent segment. Dhanuka is a Company with very strong portfolio and choice of variety of products across Paddy, sugarcane, soya bean, cotton, ground nut with various specialty and generic herbicides, and we continue to introduce many

Japanese herbicides and in future also, we will be launching few herbicides in different categories.

Riju Dalvi: Understood, if you could give any ballpark number that will be very much helpful.

Rahul Dhanuka: None, so far. Thank you.

Moderator: Thank you very much. The next question is from the line of Saini Vishay from Axis Securities. Please go ahead.

Saini Vishay: I just want to understand, given that we are entering the international market with this acquisition of fungicides from Bayers. So do you see the market moving in-line with the expectations because, as we understand, the international market hasn't been that supportive overall. So, is it going in-line with our estimates. In general, I want to understand how the international market is doing?

Rahul Dhanuka: Two things. One, to the operator, in general there is disturbance in the line. But this particular gentleman, we could not hear at all. So there is some disturbance in the line in general, but yours was absolutely inaudible, sir can you repeat this slowly?

Saini Vishay: So, I am just trying to understand how the international market is doing, given that in most of the cases for other players, we have seen that international agri market is not doing so well. So, given that we have acquired the two fungicides, is it moving in-line with our expectations or are there some challenges?

Rahul Dhanuka: So the international market obviously, is behaving the way it is behaving, we acquired these two fungicides last year. One, we see a good opportunity for melody duo and melodies variants in country in India, and then it is a gateway for us to get a footprint in the export markets, where Dhanuka is relatively new and trying to get into export domain. So, it's a pretty good opportunity with having these two fungicides in our portfolio, with access to world's largest agrochemical market of Brazil, and also to various other countries with melody and its variants, which itself is a very powerful fungicide.

Saini Vishay: Okay. And the revenue we are expecting from this. So, was it part of the growth guidance that we discussed double digit growth?

Rahul Dhanuka: Absolutely it is part of the growth guidance that we have given, Yes, sir.

Saini Vishay: Okay. And finally with small question, so we can see that inventories and the trade payable seem to be in-line with whatever there was earlier, but the trade receivables have gone up significantly. So can you just throw some light on that and what are the expectations for coming quarter?

Rahul Dhanuka: Our channel and our team really align well, and I think so trade receivables are mostly in-line with what we were expecting in last quarter, and this will be coming down pretty sharply in 1st Quarter also, and in future quarters as well. I think so this is a very healthy mix of what we have in both in terms of inventory and trade receivables.

Moderator: Thank you very much. The next question is from the line of Huseain Bharuchwala from Carnelian Capital. Please go ahead.

Huseain Bharuchwala: Sir just wanted to understand. So we have basically got a royalty of Rs.12 crores this year. So are we looking at further products to be added, basically acquiring some more products this is the first time we have entered into global markets, and we have acquired some products there. So are we looking at further more products in the pipeline?

Rahul Dhanuka: If there is a good opportunity for domestic and international markets, we are on lookout for inorganic growth opportunities in multiple ways, including acquiring products.

Huseain Bharuchwala: Got it, and secondly sir, just wanted to understand. You said, Rs.5 crore is the reimbursement you got from the customer basically your suppliers, Japanese customers, basically who are your key suppliers. So it is a regular phenomenon of it's something which has happened for the first time, and we see more type of deals like this?

Rahul Dhanuka: It varies from product-to-product or year-to-year. So it is only relevant in the context of why Quarter 4 numbers were looking relatively low. And the clarification there is important in terms of our commitment to continuously invest in our marketing efforts, in our branding efforts, farmer education and product development. Dhanuka is absolutely committed and relentless about it.

Huseain Bharuchwala: And sir because of the commodity prices going up, do you think this is one of the reasons you are guiding that you will see 100 basis fund fall in the gross margins, because you see commodity chemical prices going up?

V.K. Bansal: You see the main reason is, last year we got the advantage of continuous decline in the raw material prices and the same decline were not passed to the customer, so this year now the price is relatively stable, and our increasing trend, because of which we are expecting a 100-basis point impact.

Moderator: Thank you very much. The next question is from the line of Pavan Kumar from Ratnatraya Capital. Please go ahead.

Pavan Kumar: Sir, can you talk about your vision on the export side, what you are looking forward in terms of that. And also, can you outline the strategy behind this Dahej facility and over a longer term, how will it benefit us?

Harsh Dhanuka: So question is short, but the answer is a little detailed, so I will try to keep it short, the strategy for the Dahej of course is very positive for the future. Looking at the global challenges that we are observing and the uncertainties which are there, we believe it is important that India comes up as a key supply chain point for agrochemicals, especially for manufacturing in chemicals, and more so in agrochemicals. Globally right now for agrochemicals, India and China remain two of the top manufacturers, and with the some negative sentiments around China, trade wars, tariff barriers, which seems to be the new norm, we believe India will have an advantageous position, having very good relations with most global countries. So, in the light of that the international market present a great opportunity for Dhanuka to expand our operations beyond the boundaries of India. To make the Dahej also successful international markets will be key in the future, as we come out with more products which are having larger base and even some of the unique chemistries, which very few players are manufacturing globally. So we are looking at differentiated products on the manufacturing side as well, the similar strategy that we employ on the brand side. But yes, our portfolio will remain mixed with generics and differentiated products on the manufacturing. All-in-all, I believe international market opportunity is absolutely phenomenal from India, and we are committed to drive our international sales revenues in the future.

Moderator: Thank you so much. The next question is from the line of Prashant Biyani from Elara Securities. Please go ahead.

Prashant Biyani: Rahulji how is the monsoon season looking like to you?

Rahul Dhanuka: Sir, this is IMD, SKYNET, Australian Meteorological Department forecast, and it looks favorable to us.

Prashant Biyani: Okay. And sir vis-à-vis last year which crops can give you major swings in revenue if monsoon pans out well distribution wise?

Rahul Dhanuka: So, believing that monsoon will pan out well, distribution wise, the most important crop will remain Paddy, then Soya bean, all oil seeds and pulses, we are pretty hopeful of phenomenal growth in a horticulture segment. Sugarcane has been our key attention and will continue to drive large part of our business. And maize as a widespread and phenomenally high acreages is going to support us significantly. We are pretty boastful of the Chilli acreages also, which will be reducing a tent this year, yet will continue to consume crop protection chemicals significantly. Dhanuka has good penetration in grapes, we are going to launch a grapes fungicide also late next quarter. So, I am pretty positive about the all the geographies and most of the crops across the country this year,

Prashant Biyani: Any new products planned for launch except the fungicide you mentioned for grapes?

Rahul Dhanuka: So, we are going to launch our paddy herbicide this month itself, which is a Japan HoCo chemicals product and we are going to launch a Japanese fungicide from Nissan Chemicals in next quarter.

Prashant Biyani: Okay. Sir just one question on Q4, while the top line growth was pretty healthy, was it because some partners are preparing for a healthy Kharif season early, or it was primarily a Rabi season demand only?

Rahul Dhanuka: This won't be, I won't say Rabi season demand. This is also an aggressive sugarcane and maize acreage coming up in the Feb, March. Our significant attention and focus towards horticulture crops for which Feb, March, April is a very important month. Pulses crop, green gram acreages have gone up significantly in Uttar Pradesh, Madhya Pradesh, Rajasthan, which has become a new opportunity for various viricide and insecticides. Paddy acreages in South India, which was the Rabi crop, continued to consume in March, April so that remained an opportunity. So these were the large consumption opportunity. And yes, since there was an increasing price trend in last quarter, so I feel some of the partners were probably preparing for the good Kharif.

Prashant Biyani: Okay, Mr. Bansal, you said Rs.12 crores as royalty number for 4Q and Rs.15 to Rs.20 crore next year. Is it, why is only Rs.15 to Rs.20 crore for the entire year if we have Rs.12 crores in the quarter, is it that after a period of.

V.K. Bansal: This is not royalty, it is in the shape of net economic benefit. Because you see, for Indian business, business in India we are starting our bidding in the Quarter 1 itself. Earlier, we are getting because of the Bayer who is doing the business on our behalf. The moment the sales number are coming in our balance sheet, that benefit will go away.**

Prashant Biyani: Okay. And sir lastly, I missed the number but how much could be the contribution from iprovalicarb, triadimenolil in FY’26?

V.K. Bansal: You see, we earlier said this should be in-line with our existing business.

Prashant Biyani: Revenue, in FY’26?

V.K. Bansal: About 4% for the next year.

Moderator: Thank you very much. The next question is from the line of Manish Mahawar from Antique Stock Broking. Please go ahead.

Manish Mahawar: Sir just two-three bookkeeping questions. During the quarter, Bayer products you said royalties around the Rs.12 crore side will be a booked, any other cost that we have booked in P&L, or it's directly flowing to EBITDA?

V.K. Bansal: No, it is absolutely directly going into the EBITDA except the cost is only depreciation.

Manish Mahawar: Okay, absolutely right. And in terms of cost of acquisition, we have taken to the balance sheet which is Rs.160 crore intangible assets, which is showing in other assets?

V.K. Bansal: That's right.

Manish Mahawar: Okay and next year, when you say the number of Rs.15 to Rs.20 crores of royalty, apart from that any other income will come, because we have mentioned also Rs.100 crore of revenue into FY'26 so what is the P&L, revenue comes in the next year?

V.K. Bansal: Revenue is already shared in terms of both the molecules, we are expecting around Rs.110 crore revenue.

Manish Mahawar: Okay. And Rs.100 crore revenue it is over and above your Rs.15, Rs.20 crore of royalty, which will be booked in the next year?

V.K. Bansal: Absolutely.

Manish Mahawar: Okay. And Rs.100 crore of revenue earlier when we acquired this molecule, we have alluded right, the margins are in this Rs.100 crore of revenue will be the same as the Company's margins, EBITDA?

V.K. Bansal: Yes, we are saying basically, overall margin we are taking gross margin 100 basis point hit, that is including that.

Manish Mahawar: Okay, understood. So basically, next year I am just again saying that if the number is around 120 crores for revenue, basically booking can come to the next year for a Bayer as a product for us?

V.K. Bansal: Yes, that is correct.

Manish Mahawar: Royalty and plan the revenue, okay understood. And, sir in terms of, can you share the export revenue for this year and then what is expectation for the next year?

Harsh Dhanuka: Export of the acquired products or overall exports?

Manish Mahawar: No overall, sir.

Harsh Dhanuka: Overall exports, we are expecting to the tune of Rs.60 crores other than Bayer products.

Manish Mahawar: Okay. And what was the number for this year FY'25?

Harsh Dhanuka: This year number was around Rs.30 crores.

Manish Mahawar: Okay, understood. And just one clarification, Harsh you have mentioned in the start, Dahej side you said EBITDA Rs.14 crore FY'25 which was a negative right number?

Harsh Dhanuka: Negative.

Manish Mahawar: And next year you are saying the same number will continue?

Harsh Dhanuka: There is little improvement.

Moderator: Thank you so much. The next question is from the line of Viraj, from Simple Innovative Brands Private Limited. Please go ahead.

Viraj: Yes, it's simple just two questions. First, again, a clarification on the Bayer product required. So the revenue recognition, revenue on the P&L recognition would be to the tune of Rs.110 to Rs.120 crores in FY'26 and in addition to that, there will be another Rs.15 to Rs.20 crores of royalty, am I right?

Harsh Dhanuka: Yes, that's correct.

Viraj: Okay, so if I just understand our normalized because this integration has happened over a period of year, year and a half and what will be the sale and profitability that entity would have done in 25?

Harsh Dhanuka: Sorry, your question was not clear Mr. Viraj.

Viraj: So, if I look at FY'25 what will be the normalized sales and profitability of those two products what would that be looking like in FY'25?

Harsh Dhanuka: For these two products you are talking?

Viraj: Yes, sir.

Harsh Dhanuka: So, these two products, FY'25 revenue would have been close to Rs.200 crores.

Viraj: And profitability?

Harsh Dhanuka: And profitability we don't know, because it was on the books of Bayer.

Viraj: Okay, got it. Second question is on the B2B sales. See, you said that, we did somewhere around 9% of sales as B2B, including Dahej and this was 4%. Now, if I exclude the Dahej sales ramp up, our B2B sales is gone from around Rs.63 crores to Rs.145 crores in 2025. So, I am just trying to understand two things here. One is, how are we looking at this particular channel approach for us and historically, if I compare other players also, the margin profile in B2B is not that generative as B2C, which has been our focus area since many, many years now. So any deep dive we can give in the thinking and the thought process behind the ramp up of B2B sales and domestic market?

Harsh Dhanuka: Yes, thank you for that question. This was a very strategic call to build the channel on the B2B side while we have an extensive channel and brand name with B2C customers, we are not that strong on the channel for the B2B customers. So the idea is to ramp up our customer base on the B2B side for future products coming out of Dahej, including what we have commercialized already, and the products that will be coming out of our R&D efforts.

Viraj: Okay. And any color on the unit economics and B2B, would it be a low-teen margin business or any color how do we see that evolving for us?

Rahul Dhanuka: Margin is absolutely as compared to a branded business is low, but at the same time, an epic level it is okay, because there is hardly any expenses on this business, in terms of gross margin, there is a significant difference, but on EBIT level the difference is not that much.

Moderator: Thank you. The next question is from the line of S Ramesh from Nirmal Bang Equities. Please go ahead.

S Ramesh: So, if you look at the last year's 1st Quarter number and the Kharif output for this year, on this Rs.500 crores revenue and 13% kind of PBT margin. What is the sense you have in terms of the 1st Quarter first half growth in revenue and margins?

Rahul Dhanuka: Sir your voice is not clear, the disturbance level has gone up.

S Ramesh: I was just asking, going with the 1st Quarter and first half numbers last year, given that this year the Kharif is going to be much better. What is the sense you have in terms of revenue growth and PBT margins in your 1st Quarter and first half, what is the sense you have based on the current trend?

Rahul Dhanuka: We are going to maintain the growth trend that we have forecasted for the year. First quarter is relatively a slower quarter yet, so we will maintain our higher double digit growth trend in Q1.

S Ramesh: Okay. And so if you look at the EBIT margin based on whatever you reported so far, incrementally the Bayer business, when would it move towards your blended margin initially report will be lower because of the higher depreciation. So when do you think the Bayer business can on the kind of EBIT margin is already earning on the blended basis?

Harsh Dhanuka: Currently, as we take over the business, the margins will be in-line with the existing however, there are opportunities over the next three years to optimize the cost as we take more control on the supply chain right now, the product is being formulated across three different geographies globally. So as we consolidate that and bring the production more to India side, over next three years, the EBITDA margins from that business can improve.

S Ramesh: Okay. So in terms of your overheads and distribution cost, incrementally do you expect any additional expenditure on promoting the Bayer products, or will it be in-line with whatever you doing as a percentage of sales?

Harsh Dhanuka: So, a large portfolio of Bayer products will move as B2B sales to national distributors across various countries. And the India business will of course, become part of the branded sales that we have as our business. So the operating expenses for the India portion of the business will be in-line with the existing business. And for the global business, it will be similar to B2B business expenses, so not very high but yes, definitely it involves registration expenses in various countries which will be part of the business.

Moderator: Thank you so much. The next question is from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.

Dhruv Muchhal: Sir, the margins in your distribution business, the B2C business if I am right about 21% odd in this year in FY'25 and they are the best ever. And you have broadly maintained the margin guidance for FY'26. So just trying to understand, is there a meaningful change in the product portfolio, what you had over the last, many, many years that is giving you the confidence that these margins can sustain. And sir just some broader thoughts here, just to understand the sustainability of these margins.

Rahul Dhanuka: So, we have a constant effort to upgrade our product portfolio. And every year we have introduced minimum 1 up to 293 products also very specialized and monopolistic products, is what we have introduced every year, because of which our product portfolio getting upgraded, the margin situation has also shifted forward, and so we will continue to introduce new products, powerful products, and be able to maintain the margin levels. And probably continue that way.

Dhruv Muchhal: Also, generally if I understand the product life cycle, in the initial year the margins are strong, and as I mentioned earlier, it starts to narrow, it starts to decline. But you have factored that in all those factors are there in your base case to give these margin guidance's, right?

Rahul Dhanuka: Yes, absolutely. So what you are saying in terms of product life cycle, towards the fag end of the product life cycle, the margins tend to decline, which is kind of compensated by other new introductions, to some extent. And then as the new introductions ramp up volumes, then they also add to the absolute revenue, as well as the margins.

Dhruv Muchhal: Got it. And one small point on the depreciation, so is the Q4 depreciation run rate accounting for the acquisition of Bayer molecules?

V.K. Bansal: It is at the rate of 10% straight line.

Moderator: Thank you very much. The last question is from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: Sir, I just want to understand that majority of the growth comes from introduction of new molecules, or is it the existing molecules growing at the significantly high double digit?

Rahul Dhanuka: Most of the growth last year has come from the introduction of new products.

Raman KV: No, I was just asking in terms of long term?

Rahul Dhanuka: Going forward also, most of our development effort farmers liking is towards getting new technology, new concepts, new methods for protecting their crop. Our constant effort is to bring eco-friendly, effective and low dose products to the farmer. The constant brand equity that we develop with the farmer keeps traction for our products high. And the choice of new products is an obvious, as the Indian agriculture is also constantly upgrading.

Raman KV: Sir and one final question, sir with respect to the tie ups you have with MNC such as Nissan Chemicals can you just throw some light on, how does the tie up work like revenue sharing model, or is it like a profit sharing model?

Rahul Dhanuka: So tie ups are working really well. We are able to introduce new products every year, and so that's about it, what I can say about these relationship which models we are using and how are each one is going is probably restricted to an alternate discussion.

Moderator: Thank you very much. I now hand the conference over to management for closing comments.

M.K. Dhanuka: Friends, once again, I would like to thank all the investors and analysts for your support and confidence in Dhanuka. With the transition in management, we have embarked on our next era of growth and business success, I reassure our stakeholders that we are committed to the task of transforming India through agriculture, the landscape of agriculture and farmers in India. “India Ka Pranam, Har Kissan Ke Naam”, thank you and goodbye until next time. Thank you.

Rahul Dhanuka: Thank you.

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