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6th November, 2025

To,

National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Trading Symbol: SHARDACROP	BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001 Scrip Code: 538666
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Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Earnings Call Q2 FY 2025-26.

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), please find enclosed transcript for the conference call with the Analysts / Investors for the Q2 FY 2025-26 financial results of the Company conducted through digital means on Friday, 31st October, 2025 at 12.30 P.M. (IST).

Transcript is also available on the website of the Company at www.shardacropchem.com.

We request you to take the same on record.

Yours Sincerely,

Jetkin Gudhka
Company Secretary &
Compliance Officer



Sharda Cropchem Limited

Sharda Cropchem Limited

Q2 & H1FY26 Earning's Conference Call

October 31, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 31st October 2025 will prevail



Sharda Cropchem Limited



MANAGEMENT: **MR. R. V. BUBNA – CHAIRMAN AND MANAGING DIRECTOR – SHARDA CROP CHEM LIMITED**
MR. SHAILESH MEHENDEALE – CHIEF FINANCIAL OFFICER – SHARDA CROP CHEM LIMITED
MR. JETKIN GUDHKA – COMPANY SECRETARY – SHARDA CROP CHEM LIMITED
SGA – INVESTOR RELATIONS ADVISORS – SHARDA CROP CHEM LIMITED

MODERATOR: **MR. RIJU DALUI – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Sharda Cropchem Limited Q2 and H1 FY '26 Earnings Conference Call hosted by Antique Stock Broking 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 this conference call, please signal an operator by pressing star then zero on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Riju Dalui from Antique Stock Broking Limited. Thank you, and over to you, sir.

Riju Dalui: Thank you. On behalf of Antique Stock Broking, a warm welcome to all the participants on the 2Q FY '26 Earnings Conference Call of Sharda Cropchem. Today, we have Mr. R. V. Bubna, Chairman and Managing Director; Mr. Shailesh, CFO; Mr. Jetkin Gudhka, Company Secretary from the management side.

Without any delay, I would like to hand over the call to Mr. Bubna for his opening remarks, post which we will open the floor for Q&A. Thank you, and over to you, sir.

R. V. Bubna: Thank you, my friend. Good afternoon, and very warm welcome to everyone present on the call. Along with me, I have Mr. Shailesh Mehendale, our CFO; Mr. Jetkin Gudhka, Company Secretary; and SGA, our Investor Relations Advisors. Hope you all have received our investor deck by now.

As you are aware, we are engaged in marketing and distribution of wide range of agrochemical products, that is herbicides, insecticides, fungicides and biocides, catering to diverse global customer base. We prepare comprehensive dossiers and seek registrations in our own name. We allocate substantial resources for securing registrations of our products, and thus, establish our foothold in the market.

Our total product registrations stood at 2,994 as on 30 September 2025. Additionally, 1,068 applications of the product registrations globally are at the approval stage. Coming to industry dynamics, the global agrochemical market is showing signs of recovery driven by -- driven in demand, complemented by gradual recovery in the pricing. Inventories have come down to normal level across distribution channels.

In Q2 FY '26, our total revenues have grown by 20% to INR929 crores with overall volume growth of 35%. This performance is attributable to global revival in the demand and recovery in the prices. We have seen volume growth across all the regions. Volumes from agrochemical segment grew by 36% and non-agrochemical sectors grew by 11% on year-to-year basis.

With input costs stabilizing, our gross margins have expanded by 690 basis points to 34.5%. We expect gross margins to be in the similar range in FY '26. EBITDA for the quarter stood at

INR139 crores, a growth of 71% on year-to-year basis with EBITDA margins of 15%. For FY '26, we are on track to maintain healthy EBITDA margins in the range of 15% to 18%.

PAT for the quarter stood at INR74 crores, showing a growth of 75% on Y-to-Y basis. Working capital days stood at 84 days as on 30 September 2025, showing an improvement of 34 days as compared to March 2025.

Capex from H1 FY '26 stood at INR250 crores. Cash and liquid -- cash, bank and liquid investments stood at INR794 crores as on 30 September 2025. As we step into FY '26, we aim to increase the product registrations with a planned capex of INR450 crores to INR500 crores, backed by strong pipeline that reflects our resilience and growth focus.

With this brief overview, I would now like to hand over the call to our CFO, Mr. Shailesh Mehendale, for discussing our financial performance. Thank you very much.

Shailesh Mehendale:

Yes. Thank you, sir. Good afternoon, everyone. Coming to quarter 2 financial year '26 performance. Revenue stood at INR929 crores in quarter 2 FY '26 versus INR777 crores in Q2 FY '25 with an increase of 20% year-on-year. Coming to the split, agrochemical business grew by 27% year-on-year to INR803 crores, whereas the non-agrochemical business degrew by 11% year-on-year to INR126 crores.

Gross margin stood at 34.5% in Q2 FY '26 as against 27.6% in Q2 FY '25 with an increase of 690 basis points. EBITDA grew by 71%, which stood at INR139 crores with EBITDA margin at 15%. PAT stood at INR74 crores versus INR42 crores last year, showing 75% growth on year-on-year basis.

Coming to H1 FY '26 performance, revenue stood at INR1,914 crores in H1 FY '26 versus INR1,562 crores in H1 FY '25 with an increase of 23% year-on-year. Coming to the split, agrochemical business grew by 26% year-on-year to INR1,649 crores whereas the non-agrochemical business grew by 7% year-on-year to INR265 crores.

Gross margin stood at 35% in H1 FY '26 as against 28.4% in H1 FY '25 with an increase of 660 basis points. EBITDA for the half year period stood at INR281 crores with EBITDA margin at 14.7%, showcasing 69% year-on-year growth. PAT stood at INR217 crores in H1 FY '26 versus INR70 crores in H1 FY '25 with an increase of 212% on a year-on-year basis.

Working capital days stand at 84 days with an improvement by 34 days as compared to as on 31st March '25. ROCE and ROE stand at 21.6% and 17.5%, respectively, as on 30 September 2025. We remain debt-free company and have cash bank liquid investment of INR794 crores as on 30th September 2025.

We can now open the floor for the questions and answer. Thank you.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ayush Chhabria from Shravas Capital.
- Ayush Chhabria:** First of all, congratulations on a good set of numbers. I just have a few questions on -- so for the H1, I think our Europe revenue has been strong, but Q2 alone, I think there has been a slight drop and North American revenue has been quite strong. So if you could just give some color on what has happened here region-wise, it would be great?
- R. V. Bubna:** One minute, you want the information region-wise?
- Ayush Chhabria:** Yes, I just want to know Q2, why is it for the agrochemical Europe has been only 15%, whereas there has been super normal growth in North America? Any reason -- could you just elaborate on that?
- R. V. Bubna:** I won't say that there's any specific reason for this. North America consumption has increased and the weather is favorable. And Europe also, we have nothing adverse as far as the weather is concerned. So I would say 15% is very normal and doesn't require any further comments.
- Ayush Chhabria:** No, sir, because last year same quarter, I think we had a 75% growth in Europe versus North America was negative. So I'm just trying to understand what changed this quarter?
- R. V. Bubna:** Nothing specific that I can comment on.
- Ayush Chhabria:** Understood. Sir, just one bookkeeping question. If you could just elaborate more on the forex loss that we had this quarter, it would be great.
- R. V. Bubna:** See, the forex loss has been very small, and it is notional. It is not a real loss. And this is something to do with the cross-currency exchange rates, for which we have no control and no command. So this has happened because of the world economic factors, and it's a small difference. It doesn't require any serious discussion.
- Ayush Chhabria:** Understood. But you could mostly attribute this to most -- our revenues being higher from North America? Just trying to understand if that's...
- R. V. Bubna:** No. This is attributable only to the euro-dollar exchange rate because all our sourcing is in dollars and major sales in Europe, which is in euros.
- Moderator:** Next question is from Shubham Sehgal from SiMPL.
- Shubham Sehgal:** Yes, sir. My first question was that, even in your commentary and presentation, we talked about volume growth in our agrochemical segment. And you also mentioned that we saw a better pricing. But if we see that the volume growth was around -- volume growth is around 36%, and

our agrochemical segment grew by 27%. So there is almost a pricing or negative realization of 10%. So could you just explain what is driving this negative realization?

- R. V. Bubna:** I beg your pardon? What was the last part of your question?
- Shubham Sehgal:** So, sir, basically, you mentioned that we saw volume growth of around 36%, but our actual growth is lower. So there is definitely a negative realization or a pricing degrowth. So could you just define this pricing degrowth?
- R. V. Bubna:** See, the pricing degrowth is something which is very minimum. What we have commented when we say pricing growth is compared to what the historical prices. Historically, the prices had touched down to a very low level, and it has grown from that level.
- Shubham Sehgal:** No, no. I'll just repeat. There is a pricing degrowth, which we are seeing. And you mentioned that we are seeing better pricing realizations, which is driving the gross margins. But if you actually see in the number terms, there is a pricing degrowth. So that is what I'm asking, what is driving that?
- R. V. Bubna:** Mr. Sehgal, I'm repeating again. When I say better pricing, I'm talking about the historical things. Now you are comparing with the volumes which has happened in these 3 months. So we are on a different track. I mean, I would suggest that you go to the next question.
- Shubham Sehgal:** Okay. Sure. So my next question is on the agrochemical segment. So if we see in the last quarter, in Q1, we did like similar sales, we did around INR840 crores sales, and we did similar sales in this quarter. But our EBIT was around INR135 crores in Q1. But in this quarter, our EBIT is very low. It's almost low by INR100 crores. So why is that, sir?
- R. V. Bubna:** One minute. Can we have any comment on this? Mr. Shailesh will answer this question.
- Shailesh Mehendale:** See, basically, I think you have to look at H1 performance to get right this picture because Q1, we have already reported EBIT at -- you are talking about agrochemical EBIT, right?
- Shubham Sehgal:** Yes.
- Shailesh Mehendale:** Yes. So you have to look at H1 performance. Then you will have this. You look at H1, which is rightly reported.
- Shubham Sehgal:** But I mean, there is still a very big variation if you see. I just wanted to ask that why is there such a big variation?
- Shailesh Mehendale:** Yes, I think being a seasonal in the business, probably you have to look at H1 performance in percentage of sales, okay, for agrochemical business.

- Shubham Sehgal:** Okay. I'll do that. And last question was even in our non-agrochemical segment, if you see, since the past 4 quarters, we have seen negative realizations. So any answer to that?
- R. V. Bubna:** Negative realization? Sir, I have not understood. We don't have any negative realization.
- Shubham Sehgal:** Sir, if we look at our volume growth that we are reporting, it is much higher than the actual revenue growth. So that means we have seen pricing degrowth, and that has been happening since last 4 quarters. And despite that, we have seen EBIT margins at a very high level for non-agrochemicals. Any reasoning or anything we can -- you can comment so we can get a better understanding?
- Shailesh Mehendale:** We will take offline this question, okay?
- Shubham Sehgal:** Okay, sir. I'll join back on the queue.
- Moderator:** Next question is from Rudraksh Raheja from ithought Financial Consulting.
- Rudraksh Raheja:** My first question is, could you give us the gross margins region-wise for second quarter?
- R. V. Bubna:** Yes, sir. The gross margin in Europe region is 43%; NAFTA region, 23%; LATAM 20% and rest of the world, 40%. Overall, 34.6%.
- Rudraksh Raheja:** Got it, sir. And for H2, sir, how would you see the U.S. tariff impact on our business?
- R. V. Bubna:** Can you repeat your question once again?
- Rudraksh Raheja:** Yes. For the upcoming 2 quarters, how do you see that impacting our business in reference to the U.S. tariff?
- R. V. Bubna:** The second half of the business is always better than the first half because it's a seasonal business. So considering the climate and growing seasons, second half is fairly better compared to the first half. And we expect the same thing in the current year.
- Rudraksh Raheja:** Got it. And there would be no substantial impact of U.S. tariffs on the second half?
- R. V. Bubna:** Yes, sir.
- Rudraksh Raheja:** Got it, sir.
- R. V. Bubna:** There would not be any substantial impact.
- Rudraksh Raheja:** Understood. For the agrochemical segment, sir, are we witnessing any pricing uptrend? Or what's your outlook on volumes?

- R. V. Bubna:** So the prices are on the uptrend, but the speed is slow, but they are on that trend.
- Rudraksh Raheja:** Sure. Last question on the non-agrochemical segment. What led to the sales decline and margin expansion in that segment?
- R. V. Bubna:** So this is, again, a demand-based question. If there is less demand, then the volume goes down. And there's no consistency that the volume should be the same. There is always subject to variations.
- Rudraksh Raheja:** But we have seen margin expansion, sir.
- R. V. Bubna:** That's the reason to assign to it.
- Rudraksh Raheja:** Got it. But this margin expansion, would that be because of a better product mix or something like that?
- R. V. Bubna:** Yes, it could be.
- Moderator:** Next question is from Rajdeep Singh from Roha Asset Managers.
- Rajdeep Singh:** Firstly, hearty congratulations on a good set of numbers on the revenue front specifically. Sir, to one of the earlier participant who was dwelling more on the disconnect between the volume growth and the revenue growth. Shailesh ji, please correct me if my understanding is wrong, that volume growth is 36%, revenue growth is 20%.
- So the difference of negative 14%, 15%, this is because of the product mix and geographical mix change, right? Because subsequently, you said Europe is a higher-margin business, gross margin and ROW, whereas LATAM and NAFTA are lower gross margin business. And since LATAM and NAFTA has grown faster this quarter, that is why the negative product mix change is visible in the lower revenue growth. Is that fair understanding, Shailesh ji?
- R. V. Bubna:** Mr. Rajdeep, you have touched the right point, and it is actually the product mix, which didn't occur to me, and this has occurred to you. It's mainly because of the product mix.
- Rajdeep Singh:** Sure, Bubna ji. This is helpful. And sir, since you are saying H2 is better and full year margin guidance you are maintaining at 15% to 18%, which means second half we'll have to be closer to 19%, 20%. So, again, on the margin front, should we be closer to 19%, 20% to achieve full year range of 15% to 18%, and we would end up on the higher end of the guidance that we have said?
- R. V. Bubna:** We do expect that. But what I'm saying -- telling is 15% to 18% for the full year, which will be -- if it goes up from 15% to 17%, then it has to be contributed by a higher margin in the second half, which would be more than 18% to 19%.



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- Rajdeep Singh:** Okay. And sir, one last question from my side. On the tariff, though you have been saying that there has been no impact of tariff. Since August 27, this 100% tariff -- 50% tariff from India was in effect and China was 100%. Then last evening, yesterday, China has brought down from 100% to 47%. So you're saying demand is still strong in U.S. and customers are getting in more inquiry and more orders for you or is that?
- R. V. Bubna:** No, sir. I would -- here, I'd like to elaborate for the information knowledge of all the participants. Agrochemical products are not freely tradable products. They are required to be registered and any customer cannot buy from anywhere or any country, he has to buy only those products which have been registered and approved by the government of America.
- And the number of registrations are very limited and number of sources are also very limited. So we do pass on all the tariff increase to our customers. And customers don't grumble about it because they are also very easily able to transfer it to their customers or farmers. And at the end of the day, the increase in tariff is borne by the U.S. citizens and not the suppliers or the distributors which are involved in the process of import and export.
- And most of them buy from anybody else or any other country unless the product is approved and the process of approval is very expensive and highly time consuming, and it is not impacted by the tariff rates.
- Rajdeep Singh:** Yes, fairly understood, sir. And that is a beautiful moat that you have built in, in terms of servicing the markets. Congratulations to you and your team and all the best for stronger H2 and FY '27.
- Moderator:** Next question is from Rohit Nagraj from B&K Securities.
- Rohit Nagraj:** Congrats on good set of numbers for the first half. Sir, just one question for the NAFTA market during the first half, we have grown by almost 25%, 26%. During the month of October, I mean, you have alluded to it a little bit in terms of the demand side issues, demand side dynamics.
- But in the month of October, is there any -- some moderation in terms of demand, particularly from the NAFTA market given that some of the material was already dispatched in anticipation of those tariffs in the earlier months.
- So have we seen any moderation in demand for Q3, particularly? And then Q4 will be a startup year. So there will be incremental demand, which will be a fresh demand. So your thoughts on this?
- R. V. Bubna:** Mr. Nagraj, first of all, I would like to comment that your question is very long and not to the point. The answer is very brief and to the point that there is no decline in the demand in the month of October. Does that answer your long question?

- Rohit Nagraj:** Yes, sir. Absolutely fine. All the best.
- Moderator:** Next question is from Himanshu Binani from Anand Rathi.
- Himanshu Binani:** Sir, I have a couple of them. Number one, on the revenue growth when we see. So first half, we have already done somewhere around a 23% sort of like revenue growth, while we expect the second half to be like stronger than that of the first half. However, we have been like guiding for a 15% sort of like growth for full year FY '26. So how should actually one look into the overall revenue growth for the current year?
- R. V. Bubna:** Mr. Himanshu, we are not precise and the decimal point calculations for these things. This is the atmosphere and the consumption patterns, which is happening, and that is very encouraging. I cannot give you an exact decision of 20% or 22.1% of these things. These are approximate things, and this is what we expect.
- Himanshu Binani:** Okay. So, sir, second question is largely on the registration. So if you can like give a breakup of the registrations geography-wise as well as in the pipeline, that would be helpful.
- R. V. Bubna:** One minute. See, we have 2,994 registrations. Out of that, 1,670 are from Europe, 317 in NAFTA region, 759 in LatAm and about 250 in rest of the world, totally 2,994. Now registrations in pipeline, Europe is 710, NAFTA 100, LATAM 160 and rest of the world, about 100, totally 1,068.
- Himanshu Binani:** Got it, sir. And sir, my last question is largely on the -- if you like can give a breakup of the overall revenue growth between sales volume, price and forex?
- R. V. Bubna:** Revenue growth is -- due to volume growth is 34.8%. FX impact is 1.9%. Product mix is 17% and total growth is 19.6%. This is for the Q2 FY '26.
- Moderator:** The next question is from Viraj from SiMPL.
- Viraj:** Congratulations on good set of numbers. I just had a few questions. First is, see, if I look at the segmental margins, right, for Q2 in agrochemical and if I compare it to Q1, we have seen almost similar level of sales which we are reporting. But in absolute EBIT, which we report in the segmental, there is a sharp drop. I understand one should look at H1 on an annualized basis, but I'm just trying to understand this better that what drives such a sharp variation on quarter-to-quarter basis. Hello?
- Moderator:** Please give us a moment. The line for management has been disconnected. Please stay connected while I reconnect. The line for the management has been reconnected.
- Viraj:** Yes. Hello? Yes. Sir, did you get my question? Or should I repeat?

- R. V. Bubna:** Can you repeat it, please?
- Viraj:** So if I look at the quarter 2 segmental revenue for agrochemical, we are roughly around INR835 crores, INR840 crores, and it's broadly same as Q1. I understand we should look at H1 or on annual basis. But I'm just trying to understand our business a little better. On a similar level of sales, our EBIT in the quarter 2 is lower by almost INR100 crores versus Q1. So what explains this?
- R. V. Bubna:** This can be explained by going on the aspect of product mix. All the products are not equally priced. The prices between one product to another varies substantially. So the volume growth might have been on a lower-priced product.
- Viraj:** Okay. Sir, but if the product mix is towards lower price and lower margin products, then our gross margin shouldn't have improved, right? We should have actually moderated. I'm more specifically talking about the segmental agchem numbers for the quarter. And if I compare in Q2 versus Q1, the EBIT in agrochemical business has seen a sharp drop versus Q1?
- R. V. Bubna:** Have we seen a sharp drop?
- Viraj:** So if you see quarter 2 versus quarter 1, there's almost a reduction of INR100 crores?
- R. V. Bubna:** Quarter 2 to quarter 1 reduction of INR100 crores? I'm not able to get your question, sir.
- Viraj:** My question is, if you see in quarter 2, agrochemical sales and if you compare that to the sales of agrochemicals in quarter 1, they are almost similar, but there is a material difference in operating profit, which is EBIT, which we report in the segmental number. So why is that the case?
- R. V. Bubna:** I'm not able to comment on this question, and I don't have such a deep study of these figures. I can only tell you that this has been mainly impacted also by the product mix.
- Viraj:** Sure, sure. But if product mix were to have a negative impact, then our gross margin, instead of improving would have seen some pressure. I mean, that's what I would probably think it to be the case.
- R. V. Bubna:** No, it's not necessary. The gross margin also depends from product to product. There's no standard.
- Viraj:** Right. Sir, just 2 more questions on the segmental. See, if the forex gain or losses, which we report, would that -- when we report the segmental numbers, especially the EBIT, would all the forex gain or losses, say, in Q2, we had a minor loss, in Q1, we had a gain. Would that be also reflecting in the EBIT number?



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- R. V. Bubna:** Yes.
- Viraj:** Okay. Second question is, if I look at the H1 numbers and if I look at the cash flow, we have around INR29 crores of write-offs of intangibles. So would it be right to think that all of that INR29 crores accrued in the second quarter?
- R. V. Bubna:** No.
- Viraj:** Can you give a breakup?
- Shailesh Mehendale:** Just to take -- see, this major portion is in Q1, anything -- hardly anything in Q2.
- Viraj:** Okay. So again, the write-offs of intangible would be reported in the -- would be included in the segmental EBIT, which we report in agchem, right?
- Shailesh Mehendale:** Yes, correct. But then Q1, you will have more impact and Q2 is hardly there is an impact. So H1, you will have that INR29 crores impact.
- Viraj:** Okay. Understood. So Q1, even after having that impact of INR29 crores, we had a better margin. And Q2 having no impact, we had a material drop in our margin. Third question is, sir, in non-agchem. What I'm trying to understand is, see, overall sales growth, we have been reporting and if I compare the volume growth, volume growth is much higher rate than the sales growth.
- So there's a negative price or the mix impact. But if I look -- if I compare this to our operating profit, EBIT again, our margins have been growing at a faster rate. So I'm just trying to understand what explains this?
- R. V. Bubna:** Why don't you reply?
- Shailesh Mehendale:** non-agrochemical-- can you repeat your question on non-agrochemical business, right?
- Viraj:** So in non-agrochemical business, we have been consistently seeing that our volume growth has been higher than our sales growth for last 3, 4 quarters, while our segmental profit and margins, which we report are improving. So I am just trying to understand that despite having a negative price or realization impact, we are seeing one of the highest ever segmental margin. So what explains this?
- R. V. Bubna:** Mr. Viraj, my answer is -- beyond that, I'm not able to comment anything because we don't -- I mean, have all the so much detailed information offhand.



- Viraj:** Okay. Got it. Sir, just 2 questions. See, on an effective tax rate, if you look for H1, it's lower. But if I look at on a cash flow basis, we've hardly seen any tax payout in the cash flow terms. So just trying to understand why is this? And how should we look at effective tax rate for FY '26?
- R. V. Bubna:** Mr. Shailesh?
- Shailesh Mehendale:** Your question is the tax, right?
- Viraj:** Yes, effective tax rate -- so I'm comparing both the cash flow and the accrued basis, which is there in the P&L?
- Shailesh Mehendale:** So I will take these 2 questions separately. One is, you are talking about the tax impact, the agrochemical business, which is spread across globe, we are having the taxation as per the local respective tax rate applicable to those countries.
- Viraj:** Okay. So on a full year basis, FY '26, what is the tax -- effective tax rate we should consider?
- Shailesh Mehendale:** So for stand-alone entity, you can say roughly 18% to 20% effective tax rate.
- Viraj:** For the consol, right?
- Shailesh:** For consol basis, yes.
- Viraj:** Okay. Last question. Any thoughts on...
- Moderator:** Mr. Viraj, you can rejoin the queue for the follow-up question.
- Viraj:** Sure. Thank you.
- Moderator:** Next question is from Sameer Deshpande from Fairdeal Investments.
- Sameer Deshpande:** Bubna-ji and all your team, congratulations for the very good results and the consistency you have shown in last 3 to 4 quarters. And despite overall the agrochemical industry in India, particularly doing very badly, we are standing very well in that growing very fast and the confidence which you have excluded in the future half 2 to also and is really heartening.
- The tariff impact, as you mentioned, U.S. tariffs increase or any tariffs will be easily passed on. So that doesn't affect our gross margins and operating margin. That is also really good. So -- and the new product registration investment, as you rightly mentioned, will really help secure our future.
- The important point which you mentioned, I want a clarification on that, that since we -- suppose we have a product registered in Australia and U.S.A. and maybe Europe. And that product

registered when there is a tender for that particular product, then we are the -- and we secure that tender, then we are the only people -- company which can supply that product to that particular countries. Is it correct?

R. V. Bubna: No, it's not 100% correct. Every company who has the registration of that product in that country can bid for the tender. But there are not many people who have such a wide range of registrations and the registration process is a very complicated, investment-oriented, time-consuming and boring. So most of the people do not go into this intangible asset and registrations. And we have tested the fruits of these registrations.

And to answer your question, we are not manufacturing. Manufacturers have a lot of disadvantages in agrochemical business because it's very difficult to maintain the manufacturing in the off-season. We are not impacted adversely because of all these variations. We are also not -- a manufacturer is bound to sell his product and he cannot manufacture many products. We have hundreds of products. And if we find that some products has less demand and no margins, we don't deal with that product. We have that freedom, which a manufacturer does not have.

Sameer Deshpande: Yes, yes. Really, the fungibility of the product makes us an e-commerce company in agrochemicals. Where there is demand, you can cater to. Otherwise, you don't have to keep investing into something which is not productive for us or making any money for us. That is really heartening. And the current euro and USD is, I think the 1.15, 1.16 it is suitable for us to maintain this...

R. V. Bubna: Sameer, first of all, we don't have a choice. But I can only comment that if euro is stronger than dollar, it is more stronger, it's more beneficial to the company because our sourcing is in dollars and sales is in euros. And if euro becomes weak against dollars, then we are adversely impacted.

Sameer Deshpande: Yes. But the current situation seems to be quite favorable to us because in the...

R. V. Bubna: We will always welcome if it becomes 1.2.

Sameer Deshpande: Yes, yes.

R. V. Bubna: And we have seen instances and timings when the euro has been 1.25x and 1.3x the dollar.

Sameer Deshpande: Yes.

R. V. Bubna: So there is no end to this scope.

Sameer Deshpande: Yes. All the best to you.

Moderator: We will take next question from Archit Joshi from Nuvama.



- Archit Joshi:** I hope you all had a very good Diwali. Sir, if you can share the geography-wise volumes, I don't think we have furnished that data before in the call, if you can share that?
- R. V. Bubna:** Let me see. Geography volume is, Europe, 7 million units; NAFTA, 3.3 million units; LATAM, 1.6 million units, and rest of the world, 0.85 million units. Total 17-point -- sorry, 12.7 million units and year-to-year growth is 36% in the volume.
- Archit Joshi:** Sure. Sir, I think a lot of people earlier in the call have been trying to understand how our sales is broken up into. I think you alluded that 35-odd percent comes from volume, 1.9% is the forex impact, and there is a 17% negative product mix impact.
- I was just trying to understand this minus 17% product mix, Shailesh ji, if you can help us understand since we probably mentioned earlier during the call that product mix impact is positive. So is this minus 17% a price-led decline? And if it is so, what has caused this year-on-year price-led decline, if you can help, sir?
- R. V. Bubna:** Mr. Archit, first of all, I want to correct your impression. It is not price decline. Product mix means one product we are selling at \$10 per kilo, other product, we are selling at \$90 per kilo and third product we are selling at \$50 per kilo. So this is the prices of each product is impacting the -- I mean, is contributed by the product mix. If there's more demand for \$90 per kilo product, the volume will may be less, but the revenues will go up and vice versa. Have you understood?
- Archit Joshi:** Yes, sure, sir. Sure. Another one on bookkeeping itself. And this is alluding to our statement or rather the expectation that gross margins for the second half will be in the similar range. What would be the reason behind this, sir? Is it that the input costs will continue to be on the lower side? Is that the right understanding that you can frame?
- R. V. Bubna:** No, sir. I would repeat again, agriculture is a seasonal business and agrochemical business is also a seasonal business. There's a very good crop in the spring and very poor crop in the winter. So the second half is contributed by the spring season, which has a lot of demand and a lot of agriculture. Have I answered your question?
- Archit Joshi:** Sure, sure.
- R. V. Bubna:** And this is happening year after year, every year, every agrochemical dealer or manufacturer is impacted by the seasons.
- Archit Joshi:** Sure, sir. Sir, one last question from me. I was looking at one of the line items in the income statement, which is purchase of stock in trade. I've seen that for the last 2 quarters, which is 1Q FY '26 and this quarter, which is 2Q, the increase has been very sharp.
- Is this because we are anticipating or rather we have planned our supplies in a way that we will buy low-cost RM, which was prevailing in the first half and that might get consumed in second

half, which might help us maintaining solid margins because stock in trade that is being reported has grown in very healthy double digits, almost 50% higher year-on-year. So your thoughts on that, sir?

R. V. Bubna: See, our procurement is not dependent upon the product prices. The procurement is again estimates by our customers, our distributors and again, depending upon the forecast for the weather and trend of products which are consumed by the consumers, all these things decide the procurements and not the prices.

Moderator: Next question is from Manish Shah, an Investor.

Manish Shah: This question is for Mr. Shailesh Mehendale. Sir, even in the first quarter where we have gained a foreign exchange profit of somewhere about INR70 crores. The euro-dollar was 1.16 only and still it is 1.16 only. But in this quarter, we have booked a loss. So what should be the reason? Have we sold more in the non-euro region in this quarter?

Shailesh Mehendale: See, let me explain the loss, particularly in the quarter 2, which we have reported around INR6.7 crores is towards -- is mainly -- see, we are having some foreign currency payables towards our product registration, mainly relating to capex payables. So that also needs to be realigned as per the accounting standard.

So those have contributed this unrealized loss of this INR6 crores, mainly INR6 crores includes -- on the notional loss, unrealized loss on account of capex payable realignment. It is not to do with this -- on the -- in fact, if you look at YTD H1, we are having positive YTD or forex gain of INR67 crores, and that includes mainly realized gain.

R. V. Bubna: One minute, I will add something more to what Mr. Shailesh has replied. See, we booked the foreign exchange on the day the transaction takes place. But the payment is not made on the same day. The payment is made after the credit period, sometimes after 3 months or after 6 months. So the actual impact happens on the date when the payment is made. So if I book the euro-dollar rate at 1.16 on the date of happening and 1.4, then I have made a loss. Have you understood?

Manish Shah: Yes, sir. I understood, sir.

Shailesh Mehendale: Purely notional.

Manish Shah: Sir, so you believe that in the ensuing quarters, it will reverse?

R. V. Bubna: No. We don't speculate. We take opinions of the experts, and we find that many times the experts also go wrong. They are not fortune tellers.



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- Manish Shah:** Yes, absolutely right, sir. Okay, sir. And sir, by going by the run rate, should we cross INR5,000 crores revenue in this year?
- Moderator:** Ladies and gentlemen, please stay connected the line for management has been disconnected. Ladies and gentlemen, we have the management line back on line with us.
- Manish Shah:** Yes. Sir, my question was regarding -- going by the run rate, should we cross INR5,200 crores by the end of this year?
- R. V. Bubna:** Sir, your first part of the question was INR5,000 crores. And I said yes.
- Manish Shah:** No, no, INR5,200 crores.
- R. V. Bubna:** INR5,200 crores?
- Manish Shah:** INR5,200 crores.
- R. V. Bubna:** Yes, it can.
- Manish Shah:** Yes. And sir, but going by the strength of our registration and distribution strength, which we have built in the last many years, do you think in the next 4, 5 years, can we be a INR10,000 crores company possible, next 4, 5 years?
- R. V. Bubna:** You are Mr. Manish speaking?
- Manish Shah:** Yes, yes, sir.
- R. V. Bubna:** Mr. Manish, we don't gamble and we don't speculate. We just handle the situation as it comes in front of us.
- Manish Shah:** But sir, going by the strength of our registration and the distribution strength, 4, 5 years is quite a long period. Can it be reasonably ascertain that it can be done or no? There is no chance?
- R. V. Bubna:** It could happen. Nobody can predict. And all these things also impact the total world economy and the exchange rates and a lot of things, which I do not want to speculate and guess.
- Manish Shah:** Yes, I got your point, sir. I got your point. Sir, but generally, the European region is a high-margin business. And in the second half, we do more business in the European region?
- R. V. Bubna:** Also. Hello? You see there are a lot of countries in the Northern Hemisphere. They have better agriculture and good economy, but a lot of countries in the Southern Hemisphere, there the weathers are totally opposite. And fortunately, we have access in the entire world, all the geographies in the world, which is very unique.



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- Manish Shah:** Congratulations and best of luck, sir.
- Moderator:** Next question is from Love Gupta from Counter Cyclical Investments.
- Love Gupta:** Congratulations on a good set of numbers. So I had a question on the non-agrochemical side. So a majority of our non-agro revenue comes from the North American market. So in that segment, do you see any impact from the tariffs imposed on like volumes or demand?
- R. V. Bubna:** Not so easily because this non-agrochemical business, mainly conveyor belt are, again, not freely tradable products and we don't sell from the stock. They are all businesses concluded and depend -- we don't have any stock for that. Every customer has a specific requirement and specific size, specific quantity and a lot of specifications. So this business is made to order and not stored and sold. Have you understood?
- Love Gupta:** But sir, do you see any impact on like volume negative impact from the tariffs?
- R. V. Bubna:** Yes, sir, I'm coming to the second part. So it's -- if a customer is used to buying product from Sharda and is satisfied with the quality and service of Sharda, for him to develop a new supplier takes time, a lot of efforts and a lot of uncertainties. So he prefers to buy from Sharda and pay the tariffs and other things. He understand that Sharda is not able to absorb all the increase or variation in the tariff rates. This is all happening because we are not stocking. We are making to order.
- Love Gupta:** Okay. So in the non-agro side also you are able to pass on the tariffs to the customers?
- R. V. Bubna:** Also, yes. Fortunately, this tariff rate is very openly known to everybody. The customer knows that the tariff has increased and the supplier knows.
- Moderator:** Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to management for closing comments.
- R. V. Bubna:** Thank you, madam. I want to thank everybody who have joined us for this call. I hope we have been able to answer all your queries. We look forward to such interactions in future. We hope to meet your expectations in future also. In case you require any further details, you may contact us, or SGA, our Investor Relations Partners.
- Thank you very much. Thank you so much for everybody.
- Moderator:** Thank you very much. On behalf of Antique Stock Broking Limited, that concludes this conference call. You may now disconnect your lines.