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May 15, 2025

To, **National Stock Exchange of India Limited** "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai 400 051 **SYMBOL:- MOL**	To, **BSE Limited** Floor- 25, P J Tower, Dalal Street, Mumbai 400 001 **Scrip Code:- 543331**

Dear Sir,

Sub: Transcript of Earnings Conference call held on May 12, 2025 to discuss Q4 FY25 Financial Results

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith transcript of Earnings Conference Call held on May 12, 2025 to discuss Q4 FY25 Financial Results.

The said transcript is also available at www.meghmani.com in the investor section.

You are requested to kindly take the same on your record.

Thanking you,
Yours faithfully,
For Meghmani Organics Limited

JAYESH RAVJIBHAI PATEL
Digitally signed by JAYESH RAVJIBHAI PATEL
Date: 2025.05.15 19:58:50 +05'30'

Jayesh Patel
Company Secretary & Compliance Officer
Mem.No: A14898

Encl: As above

“Meghmani Organics Limited Q4 FY25 Earnings Conference Call”

May 12, 2025

MANAGEMENT: **MR. ANKIT PATEL – CHAIRMAN & MANAGING DIRECTOR, MEGHMANI ORGANICS LIMITED**

MR. GURJANT SINGH CHAHAL – CHIEF FINANCIAL EXECUTIVE, MEGHMANI ORGANICS LIMITED

MR. NISHANT VYAS – INVESTOR RELATIONS, MEGHMANI ORGANICS LIMITED

MODERATOR: **MR. ASHVATH RAJAN – ARIHANT CAPITAL MARKETS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Meghmani Organics Limited Q4 FY25 Conference Call, hosted by Arihant Capital Markets 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 "*", then "0", on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashvath Rajan from Arihant Capital Markets Limited. Thank you and over to you. sir.

Ashvath Rajan: Thank you. Good afternoon, everyone, and welcome to the Q4 FY25 Earnings Conference Call of Meghmani Organics Limited. On behalf of Arihant Capital, I would like to thank the Management for giving us the opportunity to host the call.

Today from the Management, we have Mr. Ankit Patel – Chairman and Managing Director; Mr. Gurjant Singh Chahal – Chief Financial Officer; and Mr. Nishant Vyas from the Investor Relations.

Now without further ado, I would now like to hand over the call to Mr. Ankit Patel for Opening Remarks. Over to you, sir.

Ankit Patel: Thank you, Ashvath ji. Good afternoon, everyone, and thank you for joining us on our Q4 and FY25 Earnings Call. I believe you have got a chance to go through the Financial Results and Investor Presentation uploaded on the stock exchanges and the website.

In FY25, starting from second quarter onwards, we started witnessing healthy volume growth in both the segments implying a gradual recovery in overall demand. In order to leverage this positive momentum, one of our key focus area was to work on enhancing our product mix. I am glad to report that the strategic move has worked significantly well, and the same is also reflected in our revenue and profitability for the year.

Another key focus area for the company has been working towards increasing its renewable energy consumption. We already have 4 wind mills for the captive consumption, and have power purchase agreement also for the captive policy. To further strengthen, we are now working on wind solar hybrid power supply project having up to 4.5 megawatt hybrid capacity. This will help Company to reach up more than 50% of its utilization towards renewable energy.

Moving to our Financial Performance in Q4 FY25:

On a standalone basis, our revenue was up by 26% YoY at about INR 500 crores, and our EBITDA grew to nearly INR 65 crores, compared to INR 10 crores in the same quarter previous year.

Profit after tax stood at INR 34 crores against the loss of INR 0.4 crore in the same quarter previous year. This was primarily on the back of improved product mix and better utilization of the plants in both the segments.

For the financial year ended 31st March 2025, we reported 30% YoY growth in revenue, reaching at about INR 2,000 crores, and achieved a turnaround in profitability, posting a profit after tax of INR 66 crores against the loss of INR 57 crores in the corresponding previous year. EBITDA grew to INR 180 crores compared to INR 9.5 crores in the corresponding previous year.

If we talk about the revenue mix in FY25, Crop Protection constitutes about 72% of the total revenue, while the balance 28% comes from the Pigment segment.

Now let us look at our segment-wise performance in FY25:

In Crop Protection segment, production stood at about 42,000 metric ton, which is up by 14% YoY, and the capacity utilization for the segment stood at about 76%. Revenue and EBITDA for the segment was around INR 1,450 crores and INR 177 crores, which is up by 34% and 301% YoY, respectively.

For Pigment segment, production stood at about 15,000 metric ton, which is up by 11% YoY and the capacity utilization stood at about 46%. The segment reported revenue of INR 553 crores, which is up by 20% YoY and EBITDA stood at about 27% compared to negative EBITDA of INR 6.6 crores in the previous year.

Moving to our Crop Nutrition segment:

We have reached self-sufficiency in FY25, marking a critical milestone in our journey. Nonetheless, we remain committed on conducting extensive field activities with farmers showcasing the efficacy of the Meghmani Nano Urea on different crops. Additionally, we also plan to expand our product portfolio by adding about 2 to 3 new products in FY26, which will further strengthen our market position.

In Titanium Dioxide, we have established a good customer base, and are currently catering to the customers from ceramic, rubber, paint, plastics and textile industry. However, prices continue to remain under intense pressure due to aggressive dumping by China. To address this, DGTR has recommended antidumping duty on TiO_2 imports from China, and a final notification by the Ministry of Finance was received on 10th of May, which is last Saturday. The Ministry of Finance has imposed antidumping duty of $460 to $681 per metric ton of titanium dioxide, getting imported from China, providing a much needed relief to the domestic players.

We see the actual impact of antidumping coming from Q3 onwards, once the channel inventory will be cleared. Simultaneously, we are also targeting the export market for the better realization wherever there is an antidumping duty on Chinese TiO_2.

So to conclude, our core segments have regained the growth momentum. Our Crop Nutrition segment is also now self-sustained. Antidumping duty has been imposed on Titanium Dioxide from China. Considering all these factors, we are very positive to regain our normal double-digit growth trajectory, which we had demonstrated throughout all these years.

Lastly, our long-term growth perspective remains intact, given our state-of-the-art infrastructure plant compatibility, wider product range and the geographical reach.

With this, I hand over the call to the moderator to open the floor for questions and answers. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question comes from the line of Viraj Mehta from Enigma. Please go ahead.

Viraj Mehta: Yes. Hi, Ankit. Congratulations for good set of numbers. My first question is on TiO2. With this antidumping, whatever the prices were of TiO2, let's say, around INR 160, have you seen any improvement in prices? And once this is fully functional, how much improvement in per kg realization you think we will have?

Ankit Patel: Yes, Viraj bhai. With this antidumping, it is a very positive move. The market was already knowing that antidumping duty is going to come. So because of that factor, people imported good amount of material from China. So there is some channel inventory.

We hope slowly gradually, the price will start moving up. So today is the first day. Last week only we received on Saturday. So our team will be in the market to evaluate the factor. But on an average, we feel the price will go up by about INR 40 to INR 45...

Viraj Mehta: That's like (+12%).

Ankit Patel: Hello.

Viraj Mehta: Yes, that is 25% change in pricing?

Ankit Patel: Correct.

Viraj Mehta: And that would be fair to assume that everything then directly flows down to the bottom line?

Ankit Patel: It will definitely help to improve the bottom line, because at the current pricing level, it was very difficult to run the plant and to recover the cost. But with the antidumping duty, we are positive that there will be much improvement in the profitability.

Viraj Mehta: Right. And as far as Agrochem is concerned, we actually, in spite of extreme pressure in the market in Agrochemicals, especially, we have done significantly better even quarter-on-quarter in terms of margins. How do you think about this? Like is this one-off or like what's the sustainable margin you think we will do next year?

Ankit Patel: So Viraj bhai, during the good time, the margins were much better, but we believe we'll be doing the margin for the Crop Protection segment, about 15% to 16% for the current financial year.

Viraj Mehta: Do you mean EBITDA or EBIT that you report?

Ankit Patel: EBITDA.

Viraj Mehta: Okay. So then we will see some moderation in margins on a consolidated year basis compared to Q4?

Ankit Patel: Yes.

Viraj Mehta: Okay. Thank you so much, and I'll come back in the queue.

Ankit Patel: Thank you.

Moderator: The next question comes from the line of Harshit Khadka from Robocapital. Please go ahead.

Harshit Khadka: Thank you for the opportunity. Sir, congratulations on a good set of numbers. I wanted to ask if we are on track to do INR 1,000 crores from the MPP plant by FY27? And also how much revenue are we currently generating from the MPP plant?

Ankit Patel: Harshit bhai, now the Agrochemicals segment, Crop Protection segment is very much on track from the growth point of view. We believe going forward over a period of next 3 years, we'll be growing as per our plan. And the major growth will come from the multipurpose plant.

So it is difficult to mention at this level that whether we'll be able to achieve the INR 1,000 crores top line from the new plant. But by FY27 or FY28, for sure, we should be able to achieve that kind of growth plan. And for the current year, last financial year, from the multipurpose plant, we generated close to INR 250 crores revenue.

Harshit Khadka: Okay, sir. Sir, we clocked 12% margins this quarter. So is this sustainable going forward?

Ankit Patel: So in the Crop Protection segment, it is difficult to mention on quarter-on-quarter basis, looking at the seasonality. But on a year basis, we are quite confident.

Harshit Khadka: Sir, I was asking on a consol basis. We clocked 12% EBITDA margin this quarter. So would that be sustainable going forward?

Ankit Patel: Yes. So it will remain in double digit, yes.

Harshit Khadka: All right, sir. Thank you. Sir, do we have any Titanium Dioxide numbers to share right now?

Ankit Patel: In the next quarter, once the antidumping duty will be completely implemented in a way in the market point of view, we'll be able to give you a better idea.

Harshit Khadka: All right. Thank you.

Ankit Patel: Thank you.

Moderator: Thank you. The next question comes from the line of Rohit Sinha from Sunidhi Securities. Please go ahead.

Rohit Sinha: Yes. Thank you for taking my questions, sir. And congratulations for good set of numbers. So one is on this Crop Protection side, as you have mentioned that for this new MPP plant, we got around INR 250 crores revenue. So what kind of utilization was there?

Ankit Patel: So the utilization is in the range of about 45%.

Rohit Sinha: Okay. Okay. And that is only what you were mentioning that it will reach up to optimum or you can say 90% by FY27, FY28 to get that INR 1,000 crores?

Ankit Patel: Correct.

Rohit Sinha: Okay. And secondly, on the Titanium Dioxide side also, if you can share what was the utilization level at this time, hopefully, which will improve, yes.

Ankit Patel: Rohit bhai, the utilization level for the Titanium Dioxide was very, very low, because there was a very high pressure of dumping from China. Now once the antidumping is announced by the Finance Ministry, it will take 2 to 3 months to get it absorbed thoroughly in the market. So now gradually, the utilization should improve. So we believe the real result will come somewhere in the second half.

Rohit Sinha: Okay. Okay. But still, if we say that the prices are what the required prices which we are looking is in the market. So can we scale up the utilization level to 60%, 70% within a quarter or it will take gradual process?

Ankit Patel: So we want to do it as soon as possible. But as I mentioned, still there is a channel inventory, which will take some time to get it clear. So we have seen in the other segments also that it takes normally 2 to 3 months. But now we will be pushing our marketing team, so that we can slowly gradually improve our production and realization as well.

Rohit Sinha: Okay. Okay. And one question, sir, on the segmental side. In the Others business, we have some incremental revenue for this quarter around INR 20 crores number. So is that from the Nano Urea side or any other revenue is there?

Ankit Patel: It is from the Meghmani Crop Nutrition Limited, which is other subsidiary. So there is a Nano Urea and some other products as well in that business.

Rohit Sinha: And then this run rate can continue? Or is there some expectational in this quarter?

Ankit Patel: So this is not sustainable. It is one of its kind. So as we have been telling it can generate EBITDA margin of close to 20%. So we are committed for 20%.

Rohit Sinha: Okay. And sir, last, on the Nano Urea side also, we were also thinking of an export opportunity in there, and still the utilization level, obviously, would be on the lower side as acceptance are getting gradual, fully getting at pace. So what you can say order or revenue projection we are estimating from this Nano Urea for FY26, FY27?

Ankit Patel: So Rohit bhai, from the export point of view also, we are very bullish for Nano Urea. We are doing field activity with various customers and in different markets. We are working in close to 35 to 40 different countries right now from the development point of view. In few markets, we have received trial orders, which has already taken place in the last financial year. Slowly gradually as there will be success in the numbers over a period of next 2 to 3 years, we see significant growth taking place in this segment also.

Rohit Sinha: Okay. Okay. And one last question, sir, sorry to continue. But just on the debt side, with this TiO2 benefit coming in and other segments are doing well, so can we expect debt reduction in FY26? Or it will more or less remain in the similar range?

G S Chahal: Definitely, there will be a reduction, actually. And long term debt, we have roughly 442 as on 31st March. And next year, we will be paying roughly INR 160 crores.

Rohit Sinha: Okay. From that 440 is the long term...

Ankit Patel: Yes. So it will go down by INR 160 crores around.

Rohit Sinha: Okay. That's it from my side.

Ankit Patel: And no major CAPEX is also required in this financial year.

Rohit Sinha: Okay sir. Great sir. Thank you and best of luck, sir.

Ankit Patel: Thank you.

Moderator: Thank you. The next question comes from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for the opportunity. And congratulations for a very good set of numbers. So on the Agrochem side, Ankit bhai, if you can talk about this is the 2nd Quarter where we have delivered almost (+15%) EBITDA margins. So overall industry, it since has improved? And if you can also like talk about the industry scenario growth from demand perspective as well as pricing perspective?

And second question on that, on the same segment was, is it that some of our products have seen increase in prices, and we have benefited from that? Or it's across that product, the demand has increased, and we have benefited all across?

Ankit Patel: So thank you, Ankit bhai. The thing is last 2 years, we already know there was a significant heavy inventory in the global market. And we, as Meghmani for us, almost more than 80% revenue comes from the export segment. So we were very much impacted by that. And that high price inventory took almost 2 years' time to get it clear. Now we can say not major inventory is left in different markets. And there is a good demand coming up from different markets.

Also the prices of raw material and the sales price are also very much stable, though they are running at still at the bottom level, but both the prices, raw material prices are also low and the sales price are also low. So far, there is no improvement in the sales price. But we believe that going forward, once demand is improving, there should be a little bit improvement in the prices. But China point of view, still, there is a heavy production capacity is there in China.

So it is creating a problem. They are under huge pressure, because of the tariff also. So it is not helping in improving the price. But we are very bullish from the Crop Protection segment point of view. We will be growing in double digits from top line as well as bottom line point of view.

Moderator: We'll move on to the next participant as the previous one has dropped. The next question comes from the line of Rudraksh Raheja from iThought Financial Consulting. Please go ahead.

Rudraksh Raheja: Thanks for the opportunity, sir. Sir, could you comment on the current pricing trend in CPC Blue? And where do we stand correctly vis-a-vis its peak in 2022?

Ankit Patel: Compared to 2022, the prices have dropped to almost on an average by 40% to 45%.

Rudraksh Raheja: Okay. And sir, what's the outlook for the future?

Ankit Patel: So we don't see the prices like what we saw in '21, '22. That was unrealistic pricing scenario. Everyone made very good money, but we don't see that prices going forward. There will be improvement, no doubt about it, but not up to that level.

Rudraksh Raheja: Understood, sir. And sir, impact of U.S. tariffs on this segment for Indian manufacturers in the blue pigment?

Ankit Patel: So when it comes to chemical industry, there is mainly India and China. So when you analyze still, there is negotiation going on between India and U.S., between China and U.S. So recently, you might have heard for the next 3 months, they have dropped on China tariff from 145% to 30%. But still, it is higher than India. And our analysis say no matter what happens, India will have a little advantage over China, in terms of tariff, so which is going to be positive.

Rudraksh Raheja: Got it, sir. Got it. Thank you.

Ankit Patel: Thank you.

Moderator: The next question comes from the line of Vivek Patel from Ficom Family Office. Please go ahead.

Vivek Patel: Very good afternoon, sir. Thanks for the opportunity, sir. A few of my questions have been answered. Just I have left with a few. So EBITDA margins have moved up recently. And is it expected that these margins will expand by 2 - 3 percentage points in the coming quarter onwards or over the next full financial year?

Ankit Patel: So, Vivek ji, EBITDA margin expansion, we always strive for that. But looking at the current scenario, we have reached at better levels. It will be now difficult to improve the margin further in this financial year.

Vivek Patel: Okay. Understood. And next, any updates on Nano Urea, what would have been the capacity utilization? And how will the product acceptance be?

Ankit Patel: So as far as the Nano Urea capacity is concerned, we have got pretty large capacity. And because of that huge capacity, our current utilization is running very low. But now there is a good acceptance in India, in different states, lot of field activity we have been doing. Even state governments are also helping, coming up with the different schemes.

We are also doing field activity and demonstration in more than 35 countries with various customers. And in a few markets, we have started receiving trial orders. And we are very optimistic for Nano Urea business. And as a segment, we will keep on expanding product basket also, which will drive the growth in the future.

Vivek Patel: Understood. So when would one expect the utilizations to move up to, say, 50% considering the past?

Ankit Patel: It will take another 2 to 3 years for sure to reach the capacity utilization by more than 50%.

Vivek Patel: Wonderful. Thank you, sir. Thanks a lot, and all the very best.

Moderator: Thank you. The next question comes from the line of Raj Vyas from TM Investment Technologies. Please go ahead.

Raj Vyas: Thank you for the opportunity. And congratulations on a good set of numbers. So I wanted to ask regarding like what are the future in terms of guidance that you can provide in terms of top line and bottom line, but obviously, you said 20% like double-digit growth, last time, you said 20% of revenue growth. So we can expect more than that or more or less in same line?

Ankit Patel: So from the revenue growth point of view, we will be in the range of about 15% to 20% revenue growth for the current financial year.

Raj Vyas: Okay. And this Titanium Dioxide plant, last time it was, in the concall you have mentioned that it was operating at 35% of capacity, right? And at that point of time, the revenue potential was roughly around INR 250 crores to INR 300 crores. So what will be the expectation of this plant, like we will it be increasing more further? And what will be the revenue potential of the same, if you could answer that?

Ankit Patel: So Raj bhai, revenue, now antidumping has come up in Titanium Dioxide, which will help for the better realization, and we will be increasing our production now, so that once the market absorbs the price, we will be able to sell more quantity. So that is what the target is. So currently, even at the current situation, the utilization remains slow. But I think over a period of next 2 to 3 months, utilization will improve step by step.

And on year as a whole basis, revenue point of view, I think in the next quarter, we'll be able to give you better idea, because antidumping announcement by the Ministry has taken a little more time, compared to what we expected earlier. But now finally, it has come, so that is positive. So we'll be able to give you idea in the next quarter's concall.

Raj Vyas: Okay. Also to export these products, we are also targeting certain countries or like as and when you get the orders?

Ankit Patel: There is the antidumping duty on Chinese TiO_2 in Europe, in Brazil. In U.S., there is already extra tariff on Chinese goods. So these are the 3 main markets where we also have a good presence relatively. So in our current customer base, we have already started doing the marketing and sampling of our product approval and everything has been going on. So we expect that in the export market also we'll be targeting some quantity.

Raj Vyas: Okay. Understood. And last question with respect to a debt-free status. So I guess, maybe by this year or like by FY27, we can expect company to be debt free?

G S Chahal: At standalone, we mentioned by FY26 - FY27, it will be debt free.

Raj Vyas: Okay. And on consolidated basis?

Gurjant Chahal: Pardon?

Raj Vyas: On consolidated basis?

Gurjant Chahal: Consolidated basis, it will take time, because in KCL and MCNL, though the amount may not be significant, but it is for 1 plus 5 years, so it will continue for another 2 years.

Raj Vyas: Okay. Understood. Yes. That's it from my side. Thank you.

Ankit Patel: Thank you.

Moderator: Thank you. The next question comes from the line of Shweta from Arihant Capital Market. Please go ahead.

Shweta: Yes, good afternoon, sir. So sir, my question is regarding multipurpose plant. So what's the current utilization rate and the time line for reaching optimum capacity? And any new insecticides, we are seeing the strong demand?

Ankit Patel: So current utilization for the multipurpose plant is close to 45%, and it will take another 2 to 3 years to reach at about 75% to 80% capacity utilization point of view. New products in the Crop Protection segment, we have already introduced lot of new products in the last 2 years' time. So our target is to first get registration of those products into different-different markets, sweat our capacity first and at the same time, we keep on adding and doing new product development in our R&D. So those things will keep on going. But the current basket, what we have done in the last 2 years, which helped to grow the company significantly over a period of next 2 to 3 years' time.

Shweta: Okay. And sir, regarding the strategy to increase market share in Brazil, because you have mentioned that you are planning to establish subsidiary over there. And so can you give some brief on this.

Ankit Patel: Sure. So we are already working on the same. Currently, the final approval is at the RBI level, which we expect any time. Once we receive it, we plan to implement subsidiary company in Brazil. A lot of registrations are going on as Meghmani in Brazil. So, we are very optimistic from the growth point of view as far as the Brazil market for Meghmani is concerned.

Shweta: So how much growth we expected from over there? From Brazil.

Ankit Patel: From Brazil market, every year, we'll keep on growing on 15% to 20% year-on-year.

Shweta: Okay. Okay, sir. And sir, one last question regarding Crop Nutrition portfolio. Among the 8 new products we have added, so which one has shown the most promising market response?

Ankit Patel: Our target always remains nano urea. The other products, we are keeping them as a basket of products, because when we go into the market, we cannot go with just one product. So definitely, it helps the product. But as a Management, our core focus remains with the nano urea.

Shweta: Okay. And so sir, regarding the Nano Urea plant, so what are the production targets for FY26?

Ankit Patel: Production capacity is very high. So it's a pretty large capacity. So as far as the target for the production is concerned, we have not taken any target for the products, and we have taken the target for the sales point of view.

So here, lot of field activity and development work is going on. So in the last financial year, whatever sales we have done, it is because of the development activity, whatever we have done.

So every year, there will be a growth in the different markets, India, different states, as well as globally also different markets.

Shweta: Okay. So sir, the Nano Urea business, what has been the initial farmer's feedback? Because starting, we have to most of the marketing strategy, and because farmers do not know about this much. So what has been the initial farmer feedback regarding Nano Urea now?

Ankit Patel: So Shweta ji, when you ask farmers, the farmer has not used properly without any proper guidance, then their feedback is not positive. But that is why we have been doing the field activity, showcasing the demonstration, how to use product, when to use, what dosage, so which we do it for our Crop Protection products regularly. So similarly, we have been doing for the Nano Urea.

Now because when it comes to the fertilizer, farmers, they're not given proper education by other companies who launched Nano Urea. They tag the product with the normal urea, and force them to use it. So without proper knowledge, proper application, if they use it, then the results are not good. But with the proper knowledge and proper application, the results are fantastic.

And wherever we are showcasing the field trial demonstrations, farmers have seen the positive results. They have understood the product very well. And slowly, gradually, the acceptance is coming very well.

Shweta: Okay. Thank you so much sir, for your kind reply. And congratulations for the future. Thank you, sir.

Ankit Patel: Thank you. Thank you so much.

Moderator: The next question comes from the line of Ayush Agarwal from MAPL Value Investing Fund. Please go ahead.

Ayush Agarwal: Yes. Good afternoon, Ankit sir. Thanks for the opportunity. So sir, I understand that you might not want to comment on numbers for TiO2 just as of now. But getting a sense, we were also doing the phase II expansion to take the capacity to 33,000 metric tonnes. Is that expansion over?

Ankit Patel: So Ayush ji, the CAPEX, whatever we did, we did it from the first phase and second phase, considering both the phases in mind. So for the expansion in capacity now not major CAPEX is required. We did it in the first phase itself. Unfortunately, the market was not reacting very well from the pricing point of view. There was a huge dumping from China.

And because of that, we initiated antidumping in the last financial year. It took more time, but now finally, it has come. So with the current antidumping duty, our utilization for the first phase, we would like to utilize it in a better way. Once we achieve better utilization in the first phase by doing small modification, we will increase the capacity.

Ayush Agarwal: Okay. So the current capacity is only INR 16,500 tonnes then?

Ankit Patel: Correct.

Ayush Agarwal: Okay. Understood. Sir, a follow-up on that, just to get a sense how long will it take to double the capacity to 33,000 tonnes?

Ankit Patel: Ayush ji, our current focus is on the first phase, 16,500 tonnes. So let us first focus on the first phase, rather than going towards the second Phase. So once we utilize that in a proper manner, then we will be giving you the feedback and idea about the second Phase.

Ayush Agarwal: Fair enough. Okay. Sir, second question is on the Pyrethroid segment. What we have seen is that China has started importing duties on the Indian products, and there are a couple of players in India who export in a major way to China. Do you think that will also affect our markets, like if there is that aggressive in our markets. And given Chinese players are already getting aggressive in the global market. So if you can put throw some light on the pyrethroid market, because the dynamics are very, very volatile right now?

Ankit Patel: Yes. China has imposed antidumping duty on Cypermethrin coming out of India. It is correct. And on different companies, different amount percentage has been imposed. We are not the lowest, but we are the second lowest. There will be some impact on other companies. As far as Meghmani is concerned, our revenue from China is not that significant. It's very, very small. So we don't see, as Meghmani, there will be much impact. But other players who were exporting in a big way, they will be impacted.

Ayush Agarwal: But sir, those players will then try to enter our market or disturb our market. Do you not see that happening?

Ankit Patel: There is a possibility that those players will enter into other markets. But Agrochemical, as you know, being the regulated product, it is not easy to enter immediately. They need to do the registration, regulatory approval. And at the current level, the Cypermethrin and all these are old products. So whenever you go to the market and customer, if you try to push those old products, then they are not much interested. They want to focus on new products. They don't want to focus on the old products.

Ayush Agarwal: Got it. Also sir, how fierce is now China in the pyrethroid market, because earlier they had vacated it, and India became the leader. But now it seems like they are reentering the market. So any sense on that?

Ankit Patel: So China is never competitive in this range of products. That is why they have imposed antidumping duty on the Indian producers. As far as the other markets in the export is concerned, China is not going to be competitive. It is always India. So this antidumping will only impact Indian producers who were selling in China, only up to that level, nothing much.

Ayush Agarwal: Understood. Sir, third question is on the new products. In the previous calls, you have mentioned products like Flubendamide and other products, new-age products, where margins are little higher, and we want to utilize the multiproduct plant for those products. How is the scenario in such products, like is there channel inventory or how are the prices, just trying to get a sense how these new products can evolve over the next 1, 2 years?

Ankit Patel: So we are very optimistic as far as new products are concerned. Lot of registrations are going on for all these new products in different, different markets. So over a period of next 2 years, majority of the growth will come from these new products.

Ayush Agarwal: Okay. And fair to assume that in the Agrochemical basket, these products would have a little higher margin than the previous products?

Ankit Patel: I would say in the current market scenario, yes, we try to realize little better price, better profitability, but margins are under pressure, no doubt about it. So overall, we believe that we will be in the range of 15% to 16%.

Ayush Agarwal: Understood. And just a clarification to the previous participants who mentioned that the new MPP plant did INR 250 crores in FY25. Is that correct?

Ankit Patel: That's correct. So the new MPP multi-product, multipurpose plant, we generated INR 250 crores revenue from that.

Ayush Agarwal: And you also then mentioned to the other participant that it is at 45% utilization, so does this mean that MPP can only do INR 500 crores sales, because earlier we were thinking that it would do INR 1,000 crores plus?

Ankit Patel: It will do INR 1,000 crores because of different product mix, prices are different. So currently, the product, what we are producing at a higher capacity, those are relatively low price. But we have got many products. So on an average, we believe we will generate more than INR 1,000 crores revenue.

Ayush Agarwal: Understood. Understood. Sir, final question, maybe the CFO sir want to take us. In the under segment results, we have shown INR 20 crores PBIT from Other segments, on a INR 40 to INR 44 crores revenue. So where is that coming from?

Ankit Patel: That is coming from our subsidiary Meghmani Crop Nutrition Limited, MCNL.

Ayush Agarwal: Okay. So it's so high-margin business, Nano Urea?

Ankit Patel: It is not that much higher margin business, but there was an opportunity. So we have been able to generate better profitability. But on an average, it will have a 20% EBITDA margin.

Ayush Agarwal: Understood. Sir, final question on the Pigment segment as a whole. So for the full year, Pigment segment reported a INR 55 crores segment loss. I am assuming that TiO_2 would be a part of this. Is that correct?

Ankit Patel: Correct, TiO_2 is part of this.

Ayush Agarwal: So if I have to understand how much profitability we generated from CPC green and blue, just to get a sense of where we are on that business. What would be profit contribution from those 2 business and losses from TiO2 business?

Ankit Patel: So in the conventional, which is Pigment Green and Pigment Blue, as I mentioned in my speech, we generated EBITDA of about INR 27 crores in the last financial year.

Ayush Agarwal: Okay. Great sir. Thanks for patiently answering my questions. I will go back in the queue.

Ankit Patel: Thank you very much.

Moderator: Thank you. The next question comes from the line of Aditya from Securities Investment Management. Please go ahead.

Aditya: Yes. Hi sir. Thanks for the opportunity. Sir, I had a question on your Phthalocyanine Pigment business. Sir, if you could just help us understand what would be the pricing and volume growth which you witnessed this quarter for that business?

Ankit Patel: Volume growth, as we have mentioned, there is a growth of about 11% year as a whole. And as far as the prices realization or improvement in the prices is concerned, there is not very significant price improvement. I would say it is more or less flattish. There may be 2% to 4% here and there.

Aditya: Understood. And sir, what is your outlook on the pricing for this business? Is it that the demand is low, which is why you are not getting higher prices? Or is it because there are increased capacities, because of which there is excess competition on the price and pricing pressure is higher in the segment?

Ankit Patel: It is mainly because of the oversupply. There are a lot of small, small unconventional players. We being one of the large players, it is difficult to compete with the small, small players where they have different ways and means of running the business, which we cannot follow. So our cost is high, compared to those small players. And as we have been telling, as a Management, we are not investing anything on the conventional old Pigment business. We want to run it at optimum level. So that is what the target is.

Aditya: Understood. And you expect this double-digit volume growth to continue in this business?

Ankit Patel: So as far as the segment is there, it is a relatively big segment. It generates about INR 550 crores to INR 600 crores revenue. So there will not be much growth happening in this segment. And profitability-wise also, EBITDA would be in the range of about 8% to 10%.

Aditya: Understood. Because I believe pre-COVID this business used to be a double-digit margin business for us.

Ankit Patel: Correct. It used to be double-digit margin. But in the last 3 to 4 years, there has been significant capacity expansion by other companies, because during the good days when you are making very good margins, it is very difficult. People don't have capability of thinking, and whether the market is growing or not. Because once they see the profitability 13%, 14%, 15%, they want to increase the capacity. But the market is not growing, and that led to very high production capacity, which ultimately created a pressure on the pricing.

Aditya: Understood sir. Sir, thanks for answering my questions, I will join back in the queue.

Ankit Patel: Thank you.

Moderator: The next question comes from the line of Darshika Khemka from AV Fincorp. Please go ahead.

Darshika Khemka: Hi. Thank you for the opportunity. I had a couple of questions, sir. So firstly, as you see the production for this quarter and the capacity utilization, we have done a capacity utilization of around 70%, right? And which is much lower than the 76% that we did in the previous quarter.

And you said that the prices have not increased for the Agrochemical with the Crop Protection segment. What the price per tonne increase has been significant, if I just calculate the numbers. So as you mentioned in the opening remarks, the product mix has led to this change, right? So which product significantly…

Ankit Patel: So basically, in last 1 or 2 years, we have introduced lot of new products. We have come up with this Cyfluthrin, beta-Cyfluthrin, Flonicamid, Ethiprole, Spiromesifen, Flubendamide. So, there are a lot of products. And going forward, all these products will be driving the growth. So in the one quarter, there was little less utilization. But year as a whole, we see that the Crop Protection segment will have a relatively better utilization, which will drive the growth going forward.

Darshika Khemka: Okay. So let me just say my question a little differently. Has there been any particular product which has driven this increase in the revenue.

Ankit Patel: So it is not just one product, there are couple of products. And there is a value addition also. We have done some different formulations also of these products. So it is not just one product, which has driven the growth.

Darshika Khemka: Okay. The other question was around the cost savings that we can achieve with this renewable energy coming up, considering that the company is focusing on having 50% of energy capacity being utilized to renewable energy, what is the cost saving that will come in.

Ankit Patel: Yes. So there is a cost benefit also while going ahead for the renewable energy, definitely it helps, which brings down our power and manufacturing costs. At the same time, when we are dealing globally with various big customers, we being the responsible care company, and the EcoVadis oriented company. It helps in improving our score. So ultimately, it helps in gaining the business also with various customers. And it is our commitment.

Darshika Khemka: So, can you give us a number of the cost savings that you have, going ahead, say, what is the energy cost for FY25? And what could be in the coming years?

Ankit Patel: It will be difficult to give you the breakup, but I can tell you the per unit price on an average renewable cost per unit is in the range of INR 4 to INR 5 compared to conventional INR 9 to INR 9.5 from the government-grid supply.

Darshika Khemka: Okay. And you mentioned about the opportunity that we have received in the Crop Protection segment to an earlier participant, what exactly was this opportunity, you can you just elaborate on that, which help us in gaining better margin?

Ankit Patel: You're mentioning for the Crop Nutrition or Crop Protection?

Darshika Khemka: Crop Nutrition, my bad.

Ankit Patel: Okay. Okay. So in the Crop Nutrition segment, the margins for the last quarter, yes, there was opportunity in different markets, where the prices realization were better than the normal pricing situation, and which led to one time better profitability, but on an average for the long term...

Darshika Khemka: This is definitely not sustainable, right?

Ankit Patel: Yes. Yes. That's correct.

Darshika Khemka: That's it from my side. Thank you so much.

Ankit Patel: Thank you.

Moderator: The next question comes from the line of Aman Morya from Lucky Investments. Please go ahead.

Aman Morya: Yes. Hello. So, thanks a lot for the opportunity. Sir, first, on the TiO2. Now given this antidumping duty has come, so quarterly basis, we are making something around INR 25 crores, INR 26 crores an EBIT loss. This loss is likely to moderate from which quarter?

Ankit Patel: So we believe it will start improving from somewhere in the middle of second quarter or the beginning of third quarter.

Aman Morya: Okay. Okay. Okay. Got it. Got it. So is it primarily because people would be having some inventory in the system, and then only you will get the order?

Ankit Patel: Correct. Correct.

Aman Morya: Okay. And in Agrochemicals, what I understand is that MPP has contributed INR 250 crores. And this INR 250 crores contribution, MPP would have posted some loss, right, at this utilization level?

Ankit Patel: I am sorry, can you repeat your question, Aman ji?

Aman Morya: The new MPP, new multipurpose plant, which contributed something around INR 250 crores to the total revenue, right. So at this revenue, I am sure MPP would have posted an EBIT loss only, right?

Ankit Patel: No, no, no. It has not posted EBIT loss.

Aman Morya: Okay. Okay. So basically, this was a slowdown or whatever is the low profitability was there in the overall business of the Agrochemicals?

Ankit Patel: Correct.

Aman Morya: And in this, today, overall Agrochemical 70% would be 2,4-D, correct?

Ankit Patel: In terms of revenue?

Aman Morya: Yes.

Ankit Patel: No, no, not at all. I would say 15% to 20% maximum.

Aman Morya: Sir, capacity-wise, we are the largest, that is the reason I am asking.

Ankit Patel: Yes, that's correct. But that's a very low value product. 2,4-D is a very low-value product. We are one of the key manufacturers. But it doesn't contribute 70% of our revenue.

Aman Morya: Okay. So now you are saying in this year also it is 15% - 20%, not more than that?

Ankit Patel: Yes.

Aman Morya: Okay. And any respite expected in that also, given that now there is some extra duty which is there on the China-based 2,4-D, so we can get some benefit in U.S. for that?

Ankit Patel: U.S. market, yes. In the U.S. market, India will have an advantage over China, because there is a very high antidumping duty on China, 2,4-D in the U.S. So definitely, Indian players. So mainly 2 players Meghmani and Atul will have advantage.

Aman Morya: Okay. And we have a decent presence in U.S. for the overall?

Ankit Patel: We have a strong presence in U.S. Yes.

Aman Morya: Got it. And overall, sir, Agrochemical market now, we understand that there is some improvement in pricing. So we see this pricing likely to sustain at this level?

Ankit Patel: Yes. So it is running at, I would say, at the bottom level. So nothing is going down from this level. So any improvement in demand will lead to little bit improvement in the pricing.

Aman Morya: Okay. And last from my side, what was the overall volume for Agrochemical in Q4?

Ankit Patel: So overall volume for the growth...

Aman Morya: Volume growth, yes.

Ankit Patel: Volume growth for the year, I have about 14%. But for the quarter, it was lower. So in the fourth quarter, the volume growth was lower compared to the fourth quarter of the previous year.

Aman Morya: Okay. Okay. So it would be a lesser than 7%, 8% or something like that?

Ankit Patel: Yes, it was less by about 8%.

Aman Morya: And next year, overall volume growth for Agrochemical according to your understanding?

Ankit Patel: So I would say rather than volume growth, revenue growth, we predict it will grow in the range of about 15% to 20%, Agrochemical.

Aman Morya: 15% to 20%. Got it. Got it. Thank you, Ankit bhai. Best of luck.

Ankit Patel: Thank you.

Moderator: The next question comes from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Hi. Sir, thank you for the opportunity. Sir, I wanted to understand regarding a new multipurpose plant. So from my understanding, sir, we are going to go from INR 250 crores revenue to INR 1,000 crores revenue from much high realization product. So how will this impact our margins going forward, sir, what kind of margin improvement can we see on this segment?

Ankit Patel: Madhur ji, currently segment-wise, I can tell you, Agrochemical segment generates on an average about 15% to 17% EBITDA. And we will definitely target to have better profitability, but it is difficult to mention currently about improvement in the EBITDA margin, because currently, all the products are running at the bottom level in terms of pricing. So now the good thing is demand has started improving. With a good demand, there will be better sales, better utilization of the plant. But at this moment, it is difficult to mention how much margin improvement will happen.

Madhur Rathi: Sir, on the multipurpose launch, are we going to only manufacture for ourselves or we will be doing some contract manufacturing for some innovators as well?

Ankit Patel: There are some long-term contracts, but you cannot say it is a contract manufacturing. Now the definition of contract manufacturing is different company to company. So we do have some long-term contracts, few customers, but it cannot be said contract manufacturing.

Madhur Rathi: Got it. Sir, next question I have is from a margin point of view. Sir so we are expecting a 20% margin from our Crop Nutrition and Nano Uera segment. So sir, what capacity utilization can we expect to achieve these kind of margins? And sir, for overall FY'26, we have guided a double-digit margin growth. But sir, so we expect some improvement in Titanium Dioxide. So on a conservative basis can you quantify what would be margin in the double digit? Would be around mid-teens or how it would be for the full year?

Ankit Patel: So Madhur ji, as far as the Crop Nutrition is concerned, 20% EBITDA margin that is what we believe we will be able to achieve. Here, the plant utilization will not make much impact on the EBITDA margin. It is a different set of products. So here, more of a development activity, more of a sale will make difference.

As far as the total as a group concern growth in terms of profitability and EBITDA margin, we just received the antidumping on TiO2. So now our calculation is going on. So we will be able to give you the better idea in the next quarter. But we are very optimistic that in next financial year, there will be growth in top line as well as bottom line.

Moderator: Does that answer your question, Madhur? Madhur, are you there? Since there's no response from the participant, we will move on to the next question. It comes from the line of Dhwanil from iWealth Fund. Please go ahead.

Dhwanil: Hi, Ankit ji. Good afternoon, and congrats on a good set of numbers. Sir, just wanted to check on TiO2, earlier we used to be very confident of the old substitute playing out, right? And if I am not wrong, sir, in the call, you've been saying that we might target exports also, right?

So sir, just wanted to understand because out of 4,80,000 of market, 70% is imported, right? We have a lot of opportunity in the domestic side as well. So while we also look on the export side and our capacity, we can easily do it through domestic?

Ankit Patel: Dhwanil ji, our focus will always be on the domestic market. We are targeting domestic market only. But as I mentioned, antidumping duty took little longer time to come. So as a Company, as a Management, we need to look at different possibility, different strategies. So there is already antidumping duty on the Chinese TiO2 in Europe, in Brazil. There is already extra tariff on Chinese products in the U.S.

And we have a very good presence in the global market also, because of our Pigment business. So we don't want to miss any opportunity to sell the product at better price, to have the better profitability. But yes, this particular product, Titanium Dioxide, as a Management, as a Company, we are always focusing from a domestic market point of view.

Dhwanil: Got it. If some opportunity arising, we might look at it, is what you are trying to refer to. Fair enough.

Ankit Patel: Whatever gives the better profitability, we will be focusing.

Dhwanil: Got it. And sir, to double our capacity, say going ahead, whenever we stabilize this plant, right? So incrementally, what CAPEX we need. Because it will be on the similar area only right, we don't need more land for this?

Ankit Patel: So we don't need land for sure. We have a huge land available. In fact, in the first phase, we did good amount of CAPEX for the second Phase capacity expansion also. So now for capacity expansion in the second Phase, not much CAPEX is required.

Dhwanil: So in the first phase, we spend INR 250 crores, if I am not wrong, right, with the acquisition cost itself.

Ankit Patel: So there will not be much CAPEX required for the second Phase. Once we will achieve the first phase capacity utilization, at that time we will be announcing what would be the CAPEX required to expand in the second Phase. But just for the time being, there will not be significant CAPEX required.

Dhwanil: Got it, sir. And sir, just on the TiO_2, currently, what would be our cost of production, and obviously, there will be antidumping duty coming in. So the benefit, as you are saying, it can flow to us maybe in 3 months, 4 months' time. So if you can, sir, help us understand currently what is our cost of production? And how much overall loss sir we did in FY25?

Ankit Patel: So this product is purely, because these are high CAPEX, high maintenance-oriented plants. So the better you run the plant at better capacity, your cost is low. So 2 factors: one is the sales price and the better utilization. So the moment we will be able to run at better capacity, our cost will go down drastically, and that will help to improve in better profitability.

Dhwanil: But any number, sir, just for our understanding that how much profit we can make going ahead. Just ballpark currently, how much we are? What is the range?

Ankit Patel: We will share those numbers going forward. At this moment, we would not like to give the breakup.

Dhwanil: Okay. Okay sir. Thank you.

Ankit Patel: Thank you.

Moderator: The next question comes from the line of Pankaj Motwani from Equirus Securities. Please go ahead.

Pankaj Motwani: Yes. Thank you for the opportunity. So my question is on the Pigment division. So like if I see the standalone Pigment, so like the margins have been improving sequentially, and they are currently at 6.2%. So like what margin we can expect for the FY26? And is there any possibility of reaching historical margins of around 15% to 16%?

Ankit Patel: Pankaj ji, we don't see 15% to 16% margin going forward in the near future unless something happens. But for sure, we don't see that kind of margin. And for this financial year, we believe for the Pigment segment, for the green and blue business, we should be able to generate about 8% to 9% EBITDA margin.

Pankaj Motwani: Okay. Got it. And in your opening remarks, you have mentioned that this growth in Q4 is mainly on account of better utilization and improved product mix. So I just want to know, like with the ramp up of the MPP plant, so there would be like improving product mix, because of the ramp-up of the MPP plant. So margins should ideally improve from the current level, but you are guiding for the margins of around 15% to 16%. So can you like help you explain the reason for this conservative outlook?

Ankit Patel: See even the new product, what we are launching for those products, compared to what we plan for the project, the prices have dropped drastically in China in different markets. Overall, as agrochemical product range, prices have dropped to the significantly low level. So definitely, those products will have a better sales realization, little better profitability. But as a segment as a whole, we believe we should be able to generate about 15% to 16% EBITDA margin.

Pankaj Motwani: Okay. Got it. That is from my side. All the best.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the Management for the closing comments.

Ankit Patel: So on behalf of the Management, we thank you for joining us today. We appreciate your trust and support on us. With this, we hope that we have been able to address most of your queries. In case of further queries, you may reach out to Mr. G. S. Chahal or Mr. Nishant Vyas and they will connect with you offline. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Arihant Capital Markets Limited, that concludes this conference. You may now disconnect your lines.