

India Pesticides

Operator: Ladies and gentlemen, good day and welcome to the India Pesticides Ltd. Q1 FY27 earnings conference call hosted by Dolat Capital. As a reminder, all participant lines will be in 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 the operator by pressing star and then zero on your touchtone phone. Please note that this call is being recorded. I now hand the conference over to Mr. Nitin Raichura from Dolat Capital. Thank you, and over to you, sir.

Nitin Raichura – Dolat Capital: Thank you, Shruti. Good afternoon, everyone. On behalf of Dolat Capital, I would like to thank the management of India Pesticides Ltd. for giving us the opportunity to host the Q1 FY27 earnings conference call. From the management side, we have with us Mr. V.K. Jain, Chief Executive Officer, and Mr. S.P. Gupta, Chief Financial Officer. Without further ado, I would like to hand over the call to the management for their opening remarks, after which we will open the forum for the Q&A session. Thank you, and over to you, sir.

V.K. Jain – CEO: Thank you, Nitin. Good afternoon, ladies and gentlemen. I take pleasure in welcoming you all to the Q1 FY27 earnings conference of India Pesticides Ltd. I hope you and your family are doing well. I am pleased to welcome you all to this conference, and I trust that you have received the financial statements and earnings presentation uploaded on the exchanges and our website.

We commenced FY27 amid a challenging operating environment in the international and domestic agrochemical market. During the quarter, the industry continued to experience subdued demand conditions, particularly in paddy and other crop protection segments. Despite these near-term challenges, IPL remains focused on operational discipline, customer engagement, and maintaining efficiency across its manufacturing operations.

During Q1 FY27, consolidated revenue from operations was INR 256 crores compared to INR 282 crores in Q1 FY26. EBITDA for the quarter was INR 39 crores, with an EBITDA margin of 15.4%, while PAT was INR 23 crores. The performance during the quarter was impacted by softer domestic demand for the company's key herbicide, namely Pretilachlor, along with higher employee and fuel costs. However, the company continued to focus on cost management, improving operational efficiency, and disciplined execution across business segments.

From a business perspective, domestic markets remained impacted during the quarter due to broader demand conditions and deficient rainfall, resulting in non-sowing or slow sowing during this period. Export revenue during Q1 FY27 was INR 89 crores, contributing approximately 35% of total revenue. The company continues to strengthen its presence across more than 35 countries and maintains long-standing relationships with global agrochemical companies. Our ability to manufacture complex off-patent technicals, supported by strong quality standards and regulatory compliance, continues to support our position as a preferred partner for global customers.

A key milestone during the quarter was the EU technical equivalence approval from the European Union for one of our fungicide products. This approval represents an important step in our global expansion strategy and strengthens our ability to cater to international markets. It enhances our

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access to the European market and creates opportunities for expanding our export business over the coming years. This achievement reflects the strength of our R&D capabilities, product development expertise, and continued efforts focused on meeting global regulatory requirements.

Our manufacturing capabilities continue to remain an important pillar of our growth strategy. The company currently operates manufacturing facilities at Sandila, Hardoi, and Dewa Road, with a combined capacity of {? 28,300 metric tonnes ?} of technicals and approximately 10,200 metric tonnes of formulated products. Development at our Hamirpur facility continues to progress as planned, with 2 out of 10 blocks currently operational. The facility provides a clear pathway for future capacity expansion and will support incremental growth opportunities across specialty products.

During the quarter, we continued to strengthen our backward integration initiatives and manufacturing capabilities. Our intermediate plants, developed using in-house indigenous R&D technology, support supply chain stability and reduce dependence on imported intermediates. These initiatives are aligned with our focus on developing self-reliant manufacturing capabilities and improving operational efficiency over the long run.

Research and development continues to be a key focus area for IPL. Our DSIR-approved R&D facilities remain focused on process innovation, the development of new molecules and intermediates, improving product yields, and optimizing manufacturing processes. Our R&D and project engineering capabilities enable us to develop products from laboratory scale to commercial production while maintaining efficiency and quality standards. These capabilities continue to support the expansion of our product portfolio and strengthen our long-term competitiveness.

Our formulation business continues to provide an important growth avenue, supported by our expanding domestic presence and farmer engagement initiatives. With a formulation capacity of 10,200 metric tonnes, a sales network across 18 states, 24 depots, and a team of over 370 sales professionals, we continue to strengthen our reach and engagement with the farming community. Through direct interaction with farmers and participation in agricultural activities, we remain focused on promoting awareness around the careful and correct usage of crop protection chemicals.

Sustainability and community development continue to remain an important part of IPL's growth journey. Through initiatives such as Samagra Sudhar and Chuppi Tod Halla Bol, the company continues to contribute to rural development, education support, child welfare, and awareness programs. We remain committed to strong business relationships and practices and to creating a positive impact across the communities where we operate.

Looking ahead, we remain confident about the long-term growth prospects of our company, supported by an improving demand outlook across domestic and international markets, continued investment in manufacturing capacities, and a strong product pipeline. We will continue to focus on strengthening our product portfolio, expanding our global presence, enhancing operational efficiencies, and building long-term customer relationships. With an integrated manufacturing platform, strong R&D capabilities, and disciplined execution, we believe IPL is well-positioned to deliver sustainable growth and create value for all stakeholders. I now invite our CFO, Mr. S.P. Gupta, to take you through the financial details for the quarter. Mr. Gupta.

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S.P. Gupta – CFO: Thank you, sir. Good afternoon, ladies and gentlemen. Thank you for joining the India Pesticides Ltd. conference call to discuss the Q1 FY27 results. Let me take you through the financial highlights for the quarter.

Total revenue for Q1 FY27 was 256 crores compared to 282 crores in Q1 FY26, reflecting a decline of 9.2% Y-o-Y. The decline was primarily due to softer domestic demand for the company's key products, including the herbicide, during the quarter. We registered EBITDA of 39 crores, with an EBITDA margin of 15.4%, compared with EBITDA of 52 crores and an EBITDA margin of 18.4% in Q1 FY26. The margin moderation was primarily due to lower sales volume, higher employee costs, and increased fuel expenses during the quarter. Profit after tax for the quarter stood at 23 crores compared with 35 crores in Q1 FY26, with a PAT margin of 8.9%.

On the geographical split, revenue from exports stood at 89 crores in Q1 FY27 compared with 87 crores in Q1 FY26, while domestic revenue was 167 crores compared with 195 crores in the corresponding quarter last year, mainly due to deficient rainfall. Export contribution remained stable during the quarter, accounting for approximately 35% of total revenue. Revenue from technicals and formulations stood at 181 crores and 72 crores, respectively, during Q1 FY27.

At the quarter-end, our inventory levels were higher in comparison to the same quarter of last year. India Pesticides Ltd. continues to maintain a strong balance sheet, with a focus on generating operating cash flow. The company had a healthy cash balance of 59 crores as at June 30. The company also continues to make progress on its manufacturing initiatives, with development of the Hamirpur facility advancing as planned and supporting future capacity expansion.

Looking ahead, the company remains focused on improving operational efficiency, strengthening its product portfolio, and expanding its presence across domestic and international markets. With continued investment in manufacturing capability, a strong customer base, and a focus on innovation, IPL remains committed to delivering sustainable growth and creating long-term value for all stakeholders. With this, we would be happy to take your questions. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Supreet D Patel from Insight Finvest Private Limited. Please proceed.

Supreet D Patel – Insight Finvest Private Limited: Good afternoon, team. I have two questions. The first question to Mr. Jain is that I just want to understand, beyond the regular outlook, what are the top 2–3 execution priorities you are focusing on in the next few quarters?

Management: Yes, yes, we can hear you.

Supreet D Patel – Insight Finvest Private Limited: I just want to understand, beyond the regular outlook, what are the top 2–3 execution priorities you are focusing on in the next few quarters, and alongside that, what do you see as the biggest risk in terms of demand shifts, regulatory changes, or competitive pressure? How are you preparing to manage them while strengthening India

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Pesticides' position in the agrochemical and specialty chemical space? That is my first question. I will ask my second question after this. Thank you.

Management: Thank you very much. We are already working on a few more products. One is a fungicide that we are focusing on, which is primarily imported from China into India. We are putting up the facility; we have already put up the facility and are strengthening its manufacturing. That will be one of our major focus areas.

Number two, we are building a multipurpose herbicide plant in our new subsidiary at Hamirpur. These are the two major activities that we are going to undertake during the coming 2 quarters.

On the competitive pressure, of course, we know that the market has become very competitive and Chinese products are coming at relatively much lower prices. Therefore, we are trying to improve our operational efficiency and trying to compete with Chinese imports. That is where our R&D team is working regularly to further optimize the process conditions, and we are also optimizing engineering to reduce the overall project cost. Thank you.

Supreet D Patel – Insight Finvest Private Limited: My second question to Mr. Gupta is, from a financial point of view, I want to understand what key risks or challenges you anticipate in the coming quarters and what specific measures are being taken to manage margins and cash flow and strengthen the balance sheet, especially in areas such as raw material cost volatility, receivables, and compliance. Thank you.

Management: As already explained, we are improving operational efficiency to counter this Chinese competition. Our objective has been not to take any term loan in India Pesticides for its expansion initiatives. We already have a very healthy cash balance, so we will be funding our capex through internal accruals only.

As far as our working capital cycle is concerned, inventory levels have gone up slightly, mainly because of lower sales. We are monitoring our inventory and receivables cycle very closely, and our receivables are also coming in on time. Therefore, we are confident that our cash flow will be very good. Currently, raw material costs have also gone down, finished goods prices have moderated, and raw material costs have further moderated and have also gone down. So we are confident that we will be able to make reasonable margins in the coming quarters.

Supreet D Patel – Insight Finvest Private Limited: Thank you, and best wishes.

Operator: Thank you. The next question is from the line of Yogansh from Mithun Analytics. Please proceed.

Yogansh – Mithun Analytics: Hi, thank you for the opportunity. Am I audible?

Management: Yes, yes.

Yogansh – Mithun Analytics: Thank you. I have one question on the margins front. This quarter, we see that the gross margins were quite good, while our operating margin was still lower, both quarter-on-quarter and year-on-year. Were there any one-offs in this? Why did that happen?

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Management: Yogansh, other expenses included one-time write-offs of export receivables of 2.5 crores. Secondly, our other expenses also included increased job work charges paid for the conversion of raw material, which were higher by around 6 crores. Because of this and slightly higher fuel costs, our other operating expenses went up.

Yogansh – Mithun Analytics: Understood. Just one follow-up on this. The 6 crores of higher job work charges—was this for the upcoming season, for which we prepared and kept some inventory? If volume growth was low this quarter, how does higher job work help us?

Management: We incurred these charges in anticipation of higher sales in the first quarter. Of course, in the month of June, sales declined, but the charges had already been incurred in anticipation of higher demand.

Yogansh – Mithun Analytics: Understood. Regarding the challenges we saw in terms of growth, how are we seeing the situation now? Are we seeing some benefit and a revival in Q2, or are we still seeing some dullness? Also, could you share how Pretilachlor and the other key molecules are performing for us?

Management: Pretilachlor is the key molecule, of course, and it is very important. However, this year demand has been slightly subdued because of irregular rainfall across the country. In some places, the rainfall has been very heavy, which has damaged the crop, while in other places the rainfall has been deficient, so sowing has been delayed or destroyed. However, Pretilachlor will remain a very good product for paddy, and we hope that we are the major player in this field and will continue to be so.

Yogansh – Mithun Analytics: Understood. Just one more question. On the Hamirpur side, you mentioned that you would be setting up a multipurpose plant for herbicide, and in the last concall or presentation, you had stated that two blocks would be added. Is this over and above that, or is this multipurpose plant one of the blocks?

Management: Of the 2 blocks we mentioned, one is for herbicide, and work is already going on. One is for herbicide, and one will be for fungicide at Hamirpur. However, in terms of priority, we are taking up the herbicide complex first.

Yogansh – Mithun Analytics: Understood. Do we see 70–100 crores of business coming in from Hamirpur this year? Is that a possibility, or do you see it coming in lower?

Management: Maybe not 70–80 crores, but it will be somewhere around 50–60 crores. It will be there, without a doubt.

Yogansh – Mithun Analytics: Understood. I have one last question on the new China product you mentioned. First, how big is this product, and do we have any other manufacturers of it in India? Will this be a domestic product or an export product? Also, will it be made in Sandila or in Hamirpur?

Management: This product is primarily being imported at present, and as we understand it, there are no major manufacturers in India. There could be one or two small producers, but they are not significant. As we understand it, there is no major producer of this product in India. We will now be

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the major producer of this product in India. It will be produced at our Sandila facility.

Yogansh – Mithun Analytics: Is this for domestic market use?

Management: This will be primarily for the domestic market, yes. We are trying to have a blend of products, with almost 50% oriented toward the domestic market and the remaining 50% comprising a few products that are exclusively for export, so that we can have a good blend of export and domestic sales.

Yogansh – Mithun Analytics: Understood. Do we have an understanding of the quantity of this product imported into India? How many tonnes would it be, and what would be the realization? Are we confident that we will be able to match Chinese costs?

Management: That is what we are trying our best to do. Based on the import data we saw last year, it is around 4,000–5,000 tonnes. We should be able to capture at least 2,000 tonnes through our capacity.

Yogansh – Mithun Analytics: What would be the price of this molecule, sir?

Management: The price is about 500–600 rupees per kg.

Yogansh – Mithun Analytics: Understood. For this, will we use an existing block in which it can be produced, or will we need to set up a new block?

Management: At Sandila, we have plenty of space. We are trying to accommodate this in the existing facility itself with some balancing equipment. In other words, we will not install a completely new plant for this. We will have to add some balancing equipment in the existing plant at a cost of 1–3 crores, and with that we should be able to produce this so that our overall capacity utilization will improve.

Yogansh – Mithun Analytics: Understood. At what N-minus level will we make it? In other words, are we making it from an intermediate, and from which level are we making it?

Management: We will make it from the very basic level, but the starting material is an industrial chemical that is available in the market. In other words, please understand that it will be a three-stage product.

Yogansh – Mithun Analytics: Which crop is this for? Is it a herbicide or a fungicide, or for which crop is it used?

Management: It is a fungicide. It is a widely used fungicide and goes very well into a few mixtures.

Yogansh – Mithun Analytics: Would it be asking too much if I asked you to name it at this stage?

Management: It is not appropriate to disclose the name at this stage. We have already started manufacturing a small quantity of this product, and we are already testing its market position.

Yogansh – Mithun Analytics: That is fair, sir. Whenever you are comfortable sharing the name, we look forward to it.

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Management: Yes, certainly.

Yogansh – Mithun Analytics: Lastly, could you broadly share your thought process given the delayed monsoon and the challenges that we have seen? Do you see some growth in FY27, or do you see FY27 being a difficult year in terms of growth?

Management: As of today, the situation has been somewhat difficult. However, as you know very well, the overall monsoon situation is erratic. The monsoon has also been somewhat deficient, and it is very erratic. That is why it is causing a lot of disruption. This quarter may be somewhat subdued, but going forward, I think there should be some improvement. From a long-term standpoint, we remain intact. Small ups and downs will continue to occur in the industry.

Yogansh – Mithun Analytics: All right, sir. I think those were my questions. All the best to you and the team. We look forward to the growth we have anticipated once the monsoon arrives soon.

Management: Yes, sir. Thank you. Thank you very much.

Operator: Thank you. Before we take the next question, we would like to remind participants to press star and one to ask a question. The next question is from the line of Kushal Sharma from Equinox Capital Venture Private Limited. Please proceed.

Kushal Sharma – Equinox Capital Venture Private Limited: Hi, sir. Am I audible?

Management: Yes, sir.

Kushal Sharma – Equinox Capital Venture Private Limited: My question is on your Hamirpur plant. At the last call, you said that the second block was being developed and that 70–80 crores of revenue was expected from this financial year. Are we on track for this?

Management: We are on track, sir. As I explained to the other investor, we are now prioritizing the work. We are concentrating on the herbicide complex first at our Hamirpur facility so that it can start functioning as early as possible. Then we will go for the second block, that is, the third block, because 2 blocks are already operating. This will be the third herbicide block, and we will be adding one more fungicide block. However, as a matter of priority, we are adding the herbicide block first.

Kushal Sharma – Equinox Capital Venture Private Limited: In Hamirpur, we are expecting these 2 molecules, correct? What kind of product potential do these 2 molecules have at present, and what EBITDA margins are we expecting from them?

Management: It is very difficult to state the EBITDA margin at present because the facility is still at an ongoing stage. However, we are expecting approximately 50–60 crores of revenue this year from our Hamirpur facility.

Kushal Sharma – Equinox Capital Venture Private Limited: Could you tell me the overall potential?

Management: When we put up all 8–10 blocks, we should comfortably generate almost 1,000 crores from our Hamirpur facility. It will take 3–4 years from now.

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Kushal Sharma – Equinox Capital Venture Private Limited: Three to four years. You have also guided for 1,000 crores of potential in the capacity at the Sandila facility.

Management: Pardon?

Kushal Sharma – Equinox Capital Venture Private Limited: Could you explain our current existing capacity, installed capacity as of now, and the capacity utilization?

Management: Our present capacity is very small because we have started one plant. The second block is now under commissioning, and we would be starting the herbicide block in this financial year. With these 3 blocks, and then by adding 2 more blocks every year, we feel that cumulatively we should be able to generate at least 1,000 crores in the coming 4 years.

Kushal Sharma – Equinox Capital Venture Private Limited: What is our capex plan? Could you provide some details on this?

Management: We have already said that we are undertaking capex of 70–100 crores per year at the Hamirpur facility. We are also undertaking capex of approximately 25–30 crores for our Sandila unit for add-on systems there.

Kushal Sharma – Equinox Capital Venture Private Limited: And 22–25 crores at Sandila? Is this for FY27, or are you referring to a per-year basis for the next few years?

Management: Every year, we are undertaking capex of approximately 100 crores at Sandila and Hamirpur together.

Kushal Sharma – Equinox Capital Venture Private Limited: What is our current capacity utilization against our current capacity?

Management: Our capacity utilization is currently around 70%. Around 70%.

Kushal Sharma – Equinox Capital Venture Private Limited: Seventy percent. Are these margins sustainable, at 15–16% currently?

Management: Yes, definitely.

Kushal Sharma – Equinox Capital Venture Private Limited: What sustainable EBITDA margin are we expecting going forward?

Management: This quarter, we achieved 15.5%, and we feel that this is sustainable, although we would like to increase it somewhat. This quarter was slightly subdued, but otherwise we had expected an EBITDA margin of approximately 18%. Once the overall geopolitical situation improves, we feel that our margins will also improve.

Kushal Sharma – Equinox Capital Venture Private Limited: What kind of improvement are you expecting?

Management: We feel that we should be able to achieve around 18%. If things go well, we should achieve 18%; otherwise, we should be able to continue at least at 15–16% on a sustainable basis.

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Kushal Sharma – Equinox Capital Venture Private Limited: Understood. Our receivables have also increased. What was the reason for that?

Management: No, receivables have been stable this quarter. Only inventory has increased. Because of lower sales, we manufactured a good quantity in anticipation of strong Q1 sales. Therefore, our inventory days have gone up, while receivables are stable. They have not increased.

Kushal Sharma – Equinox Capital Venture Private Limited: What sustainable inventory and receivable days are we expecting for overall working capital?

Management: Our receivable days have been around 120 days, so that will remain at 120 days. Inventory days have gone up from 170 days to around 200 days, so they will come down in Q3 to around 170 days.

Kushal Sharma – Equinox Capital Venture Private Limited: Understood, sir. Thank you very much for answering my questions.

Operator: Thank you.

Operator: Thank you. The next question is from the line of Amisha from ICICI Securities. Please go ahead.

Amisha – ICICI Securities: On the Sandila plant, can I get the revenue for this quarter from that plant for Q1?

Management: At Sandila, we received revenue of around 3 crores, but since the raw material for that product was purchased from India Pesticides, it was offset.

Amisha – ICICI Securities: We were guiding for 50–60 crores from this plant, from the 2 blocks that you have set up. Is that still happening?

Management: No, because we are adding new products there. They will start manufacturing from the end of this month, so that should add to our overall revenue.

Amisha – ICICI Securities: Understood. Could you explain what led to the revenue and margin slowdown in this quarter?

Management: In this quarter, margins slowed down because one of our major products, which is used in paddy, saw an overall reduction in sales because of the erratic rainfall. Volumes have come down. However, we hope that in the coming quarters and the next season, this will normalize.

Amisha – ICICI Securities: Understood. Regarding your guidance of 1,000 crores of revenue from Hamirpur, can you elaborate on the roadmap? Currently, we see scaling up to 50–60 crores for FY27. How do we see the scaling toward 1,000 crores, and by when?

Management: We have planned the construction of 2 blocks every year. At present, 2 blocks are operating, but 1 more block will be coming up this year and 1 more block will be under construction. We will continue to install 2 blocks every year for the coming 3–4 years. Therefore, there will be approximately 8–10 production blocks. With these 8–10 production blocks, we are reasonably sure

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that we should be able to achieve a turnover of 1,000 crores from our Hamirpur facility in the coming 4 years, not in 1 year.

Amisha – ICICI Securities: What will be the incremental capex for the further blocks?

Management: The further blocks will require approximately 100 crores. We would be undertaking capex of 80–100 crores per year at our Hamirpur facility.

Amisha – ICICI Securities: With further backward integration, as we had the {? Techpa ?} facility coming next, and with these new facilities coming up, how do we see margins developing over the next 2–3 years?

Management: Over the next 2–3 years, as we have said, we will try to maintain margins at around 18%. Barring a few uncertainties, such as what happened in this quarter, there could be some dips, but in the long term, we are reasonably confident that we should be able to achieve around 18%.

Amisha – ICICI Securities: For the current year, FY27, are we guiding for 15.5%?

Management: It has been 15.5% this quarter, so we hope that we should be able to maintain this.

Amisha – ICICI Securities: Understood. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Karan Shah from GP. Please go ahead.

Karan Shah – GP: My first question is regarding the revenue decline of 8.5% Y-o-Y and approximately 5.5% Q-o-Q. Could you provide the mix between volume and pricing?

Management: The volume decline was around 13%, and the price rise was around 4%.

Karan Shah – GP: A 4% improvement in price. Understood. What is our product strategy? Over the years, we have seen that one molecule that was probably the leading product for us in the previous year ends up not doing well in the next year. I believe we are getting impacted because several of our products are our star molecules. How are we creating a pipeline, and what has our process been over the years, so that we are not dependent on any particular product in any given year?

Management: That is why we are trying to add more molecules to our portfolio, so that our dependence on a single molecule is reduced. That is what we are going to do, and we are trying our best in this direction. As mentioned earlier, we are also working on another molecule and have already started production on a small scale. This will primarily be an import-substitute product from China. We are setting up the facility for this product, and we will be one of the major producers—not merely one of the major producers; we will be the major producer of this product. In this way, we are trying to average out or reduce our dependence on one molecule.

Karan Shah – GP: How many products should we plan to add this year and next year?

Management: This year, we are planning to add one molecule. We have already added it, and we will expand it further, but it has already been added in this quarter. We will continue with this, and

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we are going to add one more herbicide at our existing Sandila facility. Apart from that, we are building a multipurpose herbicide plant where we should be able to produce 2 products simultaneously at our Hamirpur facility. Therefore, for the full year of FY27, we plan to introduce 3 products, including the product we have already produced.

Karan Shah – GP: Lastly, what would be your guidance for FY27 topline?

Management: This is a very difficult question to answer. We are expecting Q3 and Q4 to be better, so growth this year may be in the lower single digits.

Karan Shah – GP: Understood, sir. Thank you.

Operator: Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor – Kapoor & Company: Good day, Mr. Jain. Good day, Mr. Gupta. I hope I am audible. Firstly, congratulations, Mr. Jain, on the Lifetime Award.

Management: Thank you, sir. Thank you very much.

Saket Kapoor – Kapoor & Company: Mr. Gupta, could you explain exactly what the job work component was, and are we still holding the inventory, or was it liquidated in the current quarter? What exactly have we done in anticipation of the volume? Could you explain it again?

Management: We are paying job work charges for converting one of the raw materials into an intermediate. It will be used in the manufacture of herbicide. We expected a good volume of our herbicide, so we converted a significant amount of raw material into an intermediate that will be consumed over the next 2–3 months. It could not be consumed in the first quarter because volumes had decreased. The season starts from Q3, so we expect that this intermediate will be consumed in Q3.

Saket Kapoor – Kapoor & Company: Regarding the EU equivalence approval from the European Union, what kind of opportunity does that offer? What is the next step once we receive the approval, in order to monetize the product and start sales? What is the entire next process, and could you elaborate on the market size?

Management: The market size for this product is quite good. We are already operating in this market through one of our customers, and now we will also be able to operate directly, apart from continuing with that customer. Therefore, our overall revenue from this molecule in the European Union will increase. We feel that we should be able to generate at least an additional 30–40 crores of revenue from this molecule in the European Union, in addition to what we are already doing.

Saket Kapoor – Kapoor & Company: What was the earlier number? How much had we done annually for this molecule?

Management: The annual revenue we had generated earlier was around 100 crores.

Saket Kapoor – Kapoor & Company: That will continue, and we can add 30 crores?

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Management: Yes, it will be additional. We are already doing that business with some of our customers, and with this new equivalence, we can add new customers as well.

Saket Kapoor – Kapoor & Company: When will sales commence with this approval? Can we see them from Q3?

Management: Sales will most probably commence from November onwards. It will take some time because, once we receive equivalence, the companies have to add us as a source. They are doing that now, so it may take 1-2 months for them to obtain that approval. Once they obtain the approval, they can start buying from us.

Saket Kapoor – Kapoor & Company: On the export front, I believe exports were much higher in Q3 and Q4 last year. Taking into account the current geopolitical situation and the availability of containers, what are our preparations to match last year's export numbers, and how will export contribution shape up over the remaining quarters?

Management: At the moment, we are doing reasonably well. Even in this quarter, we performed slightly better than in the same quarter last year. Therefore, exports are doing relatively well. With these new additions and this approval, we feel that we should be able to improve our overall export revenue.

Saket Kapoor – Kapoor & Company: That answers all my questions. Thank you for an elaborate concall, and we hope these calls continue. Thank you, and all the best to the team. Goodbye.

Management: Goodbye.

Operator: Participants who wish to ask a question may please press star and one now. Participants who wish to ask a question, please press star and one. As there are no further questions, I would like to hand over the floor to the management for closing remarks.

Management: I would like to thank each participant for their participation. If you have any more queries or clarifications, please get in touch with our investor relations team. Thank you very much, and have a good day.

Operator: Thank you. On behalf of Dolat Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.