RALLIS INDIA LIMITED

April 29, 2025

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: **500355**

National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
Symbol: **RALLIS**

Dear Sir,

Sub: Transcript of Analyst/Investors Call pertaining to the Financial Results for the quarter and financial year ended March 31, 2025

Further to our letter dated April 9, 2025, we enclose herewith a copy of the transcript of the Analyst/Investors Call on the Audited Financial Results of the Company for the quarter and financial year ended March 31, 2025 held on Thursday, April 24, 2025.

The same is also being made available on the Company's website at: https://www.rallis.com/investors/Financial-Performance

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Rallis India Limited

SRIKANT SHIVDAS NAIR
Digitally signed by SRIKANT SHIVDAS NAIR
Date: 2025.04.29 18:33:31 +05'30'

Srikant Nair
Company Secretary & Compliance officer

Encl.: As above

Rallis India Limited

Q4-FY25 Earnings Conference Call Transcript
April 24, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Rallis India Limited's Q4 and FY '25 Earnings Call.

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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suraj Digawalekar from CDR India. Thank you, and over to you, sir.

Suraj Digawalekar: Thank you. Good morning, everyone, and thank you for joining us on the Rallis India Limited's Q4 and FY '25 Earnings Call.

We have with us today Dr. Gyanendra Shukla – Managing Director and CEO; and Ms. Subhra Gourisaria – the Chief Financial Officer.

Before we begin, I would like to mention that some of the statements made in today's discussions may be forward-looking in nature and may involve risks and uncertainties. A detailed statement in this regard is available in the results presentation.

I now invite Dr. Shukla to begin the proceedings of the call. Thank you, and over to you, sir.

Dr. Gyanendra Shukla: Thank you. Good morning, everyone. And thank you for joining us today on our Q4 and full-year fiscal year '25 Earnings Call. As mentioned, I have along side with me, Subhra – our CFO.

Let me start by outlining the current industry landscape before turning to Rallis' specific developments.

Domestically, Rabi sowings for 2024-25 concluded at 661 lakh hectares, which is up by 1.4% over last year, led by higher acreages in wheat (+2%), rice about 5% and pulses about 2%, while oilseed acreages declined by 1.7% to 97.5 lakh hectares. Summer crop sowing area as of April 4th reached 60 lakh hectares. A notable 13%

increase year-on-year is driven by strong gains in paddy. Paddy is about 14.5% and pulses about (+20.7%).

Companies have continued aggressive trade schemes in Q4, Fiscal Year ‘25 to manage inventory, which in turn created pricing pressures. Overall, the Indian agrochemical sector posted a 5% volume recovery in Fiscal Year ‘25. These are all estimates primarily on the back of a favorable monsoon.

Nonetheless, the industry continues to be plagued with high carry forward inventories at lower price, tight seed supplies, shrinking cotton acres and ongoing weather irregularities, including erratic rainfall and localized droughts. Indian agrochemical exports remain largely flat, growing just 1% through April to January period, though signs of pick-up emerged in January ’25. Seed production meanwhile continued to face significant challenges for a second consecutive year with volumes remaining under pressure amidst rising input costs despite selective improvements in some pockets.

In summary:

While expanded sowing areas, a favorable monsoon and a steady reservoir level points to positive prospects, the sector remains challenged by pricing, inventory and seed supply dynamics along with persistent water-related uncertainties.

Coming back to Rallis:

During Q4 our revenue was 430 crore, 1% de-growth and PAT was (-32) crore versus (-21) crore as compared to last year.

Moving to individual business-wise performance for the Q4 Fiscal Year ‘25:

Crop Care B2C business revenue was Rs. 222 crore against Rs. 226 crore in Q4 the previous year with growth impacted due to price pressures. Volume growth was positive at 3% despite peak agrochemical consumption in crops like chili, cumin, paddy and pulses in Q4.

India's agricultural exports have recovered during the latter half of the year. Rallis' export business also has seen the recovery with 6% growth in Q4 in fiscal year 24, both in volume and price. CSM business was impacted due to customer scheduling. However, long-term prospects are positive with work on new relationships. We are confident of some of these turning into meaningful opportunities into the future. Seed business revenue was Rs. 25 crore as against Rs. 26 crore in Q4 of the previous year.

Moving to individual business-wise performance for the full year:

Crop Care B2C business revenue is Rs. 1,578 crore as against Rs. 1,517 crore in previous year. Volume growth was robust at 9%. Soil and plant health and herbicide businesses clocked 23% and 24% growth respectively, in line with our growth strategy. Overall Crop Care revenue has grown by 1% due to challenges in the export business as spoken in earlier communications. Our long-term efforts to expand the customer base and improve cost competitiveness across the value chain continue.

Seed business for Fiscal Year '25 revenue was Rs. 418 crore as against Rs. 416 crore in previous year. The positive news is the business has delivered strong profit before tax of 18 crore. We will work on further improving the value dynamics of this business with cost kept under a strong vigil. As of now, the team is working on placing the inventory dynamically in the market.

Looking ahead to the upcoming Kharif season, the domestic sentiments remain positive. As of March 27, 2025, reservoir water levels stood at 16.5% higher than last year and 1% above the normal average, supporting a favorable outlook for sowing and crop growth. IMD forecasts above rainfall for the 2025 season, while Skymet anticipates a normal monsoon, both of which bode well for the Kharif crops. Monthly rainfall is expected at (-4%) in June (+2%) in July and (+8%) in August relative to the historical average.

Overall, while favorable climate conditions and improved reservoir level point to robust crop prospects and record Kharif production, our new launches across segments have good potential. The new non-selective herbicide 'LAAFA' will address the portfolio gap in non-selective market.

There are a few more promising launches in the insecticide segment during the season. We have received good trade responses for seeds and remain optimistic of the domestic business. Geopolitical developments may cause some disruption in the short term in the export market. However, we believe India will remain an important manufacturing hub in the years to come.

To conclude my remarks:

I will now hand it over to Subhra – our CFO, for a detailed analysis of the financials.

Subhra Gourisaria: Thank you, Dr. Gyanendra. Good morning, everyone, and thank you for joining us today for a Q4 and FY25 Earnings Call.

Let me walk you through the financial performance for the quarter, post which we can commence the Q&A session.

Starting with the top line for the quarter:

Our revenue stood at Rs. 430 crore as against Rs. 436 crore for the previous year, same quarter. Crop Care B2C business registered volume growth of 3% despite lower spreads and poor crop economics. PAT was impacted due to challenges in the export business impacting revenue and overall margins. We have gained volumes in the B2C segment during Q4. Exports have also seen an uptake in both volume and price in Q4.

For the full financial year, performance was impacted due to lower exports with volumes under pressure, especially in Acephate and Pendimethalin. PAT was Rs. 125 crore versus Rs. 148 crore in the same period previous year. It was impacted due to challenges in the export business. Our Crop Care B2C business has grown by 4% in revenue.

Moving on to the seeds business:

Over the past few years, our seeds business has seen a significant turnaround. This success can be attributed to strong execution across all functions, effective use of digital tools, a targeted marketing approach and working on removing process inefficiency. As a result, we have improved our forecast accuracy, reduced sales return, fixed costs were kept flat, and we have exited some of the unproductive territories and products. We continue to strengthen our capabilities to build a high-performing, resilient organization.

Our focus remains on optimizing overhead costs through portfolio rationalization and refresh, territory realignment, eliminating overlaps and driving cost efficiency and simplification across the value chain. Recently, we introduced a streamlined organization structure to boost agility and cross-functional collaboration.

Looking ahead, we remain committed to enhancing our market position through superior product offerings which address the evolving needs of farmers, sustained investments in customer centricity, marketing, manufacturing and digital transformation will be essential to building a sustainably different business.

As of 31st March '25, we are pleased to report a healthy cash and liquid fund balance of 439 crore and will further work to improve capital efficiency. We are confident that our recent initiatives will help us achieve consistent, competitive and profitable growth.

That concludes the opening remarks. We can now commence the Q&A session.

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

Rohit Nagraj: Yes, thanks for the opportunity. The first question is again regarding your commentary on the inventory. So, you alluded that there is a high carry forward inventory in the domestic market. If you could just give us a flavor about how that is likely to shape up for the upcoming Kharif season and a similar commentary if you have for the global market as well. Thank you.

Dr. Gyanendra Shukla: So, let me start. Do you want to take questions first or one by one we take? One by one, okay. So, thanks, Rohit. See, carry forward inventory, I would say, at a global level has, the majority of the product has come to the normal level. Right? Whereas for India, yes, inventory is there, but I would say it is not at a level where you can say unmanageable. Right? A lot of it might be in anticipation of the strong season people are expecting given by the commodity prices and generally, a normal monsoon forecast.

Rohit Nagraj: Sir, second question is in terms of the quarter gone by. So, we have seen that in the domestic market there has been a volume recovery, however, pricing has been skewed. And on the contrary, exports, there is volume recovery as well as pricing has been favorable. So, could you just tell us why there is a dichotomy in terms of pricing for the domestic market and the international markets?

Dr. Gyanendra Shukla: Yes, so I think they are completely unrelated. When we say domestic market, if you see our volumes for Quarter 4 are more or less for crop protection flat. Now there are two things happening. We have one product in the chili crop which goes in Quarter 3 and Quarter 4. There is another product which is a very good product which goes to control rice plant hopper.

So, in spite of planting, I think there was a lesser pressure of chili thrips. And the product which we have, though it's a future generation product, but there are not many farmers who like the way it works. It's a slow acting insect growth regulator, gives a longer duration control, but I think our farmers are used to spray and pests would fall down immediately from the leaf and fruits.

So, I think we are working on it. We are trying to see whether we can educate farmers better and can do some strong recovery in that category of product. But these two if you take out, plus on the top of that, if you see Quarter 3 and Quarter 4, I have been telling in the past also, we are working on fixing the herbicide category in Quarter 3 and Quarter 4, because that will bring more sustainability, and I would say resilience to our second half of the business.

Moderator: Thank you. The next question is from the line of Abhijit Akella from Kotak Securities. Please go ahead.

Abhijit Akella: Good morning and thank you so much. First of all, would it be possible to just share the breakdown of the Crop Care revenues between domestic and exports? Please, in case you mentioned it earlier, I think I have missed it. Thank you.

Dr. Gyanendra Shukla: Yes, so I think there is also confusion on what we call international business as well as CSM business. So, I think CSM business was soft and there was some deferment of the order which was scheduled beyond March. So, that's why CSM business suffered. And Subhra, do we have a split?

Subhra Gourisaria: So Abhijit, I think the confusion that exports have grown at 6%, the number of 6% was the B2B number. CSM, as Dr. Shukla mentioned, there was deferment of some of the customer consignments, which is where there is a degrowth. In terms of the absolute numbers, the overall B2B business, B2B exports, total exports business is around 150 crore for this quarter.

Abhijit Akella: Yes, sorry, if it's possible to just also share the competitive number for last year's 4Q, please.

Subhra Gourisaria: The last year was around Rs. 165 crore.

Abhijit Akella: Okay. And the balance would be a domestic business, right? Just to clarify.

Subhra Gourisaria: Yes, domestic.

Abhijit Akella: Got it. And the other one I just had was on the discussion on the pricing pressure. Was this in specific products in the domestic market or slightly more broad-based? And also just trying to reconcile the fact that the domestic pricing is reported to be down 5% this quarter, year-on-year. But even in 3Q, it was reported that it was down 4.5%. So, it does not seem like there has been a major deviation quarter-on-quarter. So, I just wanted to understand that a bit better.

Subhra Gourisaria: So, I think, Abhijit, you will see that the margins have moved up. So, there is indeed, in some pockets, the prices, the final realization is down. And what we are talking about 5% is versus previous year, within which as well, our soil and plant health has seen good price traction. I think domestic in some market because of competitive and because of the cost price, cost reduction, we had to pass on the price, cost drop to the consumer.

Moderator: Thank you. The next question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Hi, thanks for the opportunity. Two questions, one on crop care and second on seed. First, crop care. You know, H2 was reasonably good in terms of volumes, but H1 saw deterioration there. And you just highlighted that probably there is some bit of competitive pricing pressure still continuing even in Q4. Any thoughts on how we should look at growth in crop care, both on volume as well as on the revenue side?

Dr. Gyanendra Shukla: So, two things. I think I have been highlighting herbicide as a large category in the non-core herbicide Rabi crop segments. So generally, if you see, we are weak on herbicide, which is the largest category now. So we are weak on cotton herbicide. We are weak on soyabean herbicide. We are weak on maize herbicide. So, all across categories we are weak.

So that portfolio, I mean that is about 30-35% of the crop protection market. We are building on that. And we were literally absent on non-selective herbicide market. That's where we have introduced our 'LAAFA', new product. It got introduced late in Quarter 4, but the response so far is very, very positive. So, one growth strategy is really herbicide led and plugging the portfolio gap. That should give some upside.

The second analysis we have done that though we have a good presence in fungicide and insecticide, there also there are some specific segments. Either we have a product which may not be meeting customer's expectation, or we have a specific gap. So, we are also trying to address some of those gaps.

So just portfolio gap itself and getting teams focused on key market with a very focused, what you call, distribution retailer and village linkage, I think a lot of our effort we are putting on sending our people back to talk to villagers and talk to the farmers, I think should lead to significant changes in the way I look at domestic business.

Ankur Periwal: So, sir, just following up on that, from a full-year growth perspective for say, FY25-26, how we should look at the volume or the revenue growth?

Dr. Gyanendra Shukla: Sorry, I couldn't hear. If somebody could repeat.

Ankur Periwal: Yes, so I was saying just as a follow-up, so how should one look at your volumetric or revenue growth for FY26 for the cop care business?

Dr. Gyanendra Shukla: So, I mean, really speaking, I would like to grow both. Right? And that's how we have planned. So, all our actions are targeted towards growing both volume and price and price sometimes is also a combination of product mix.

Ankur Periwal: Fair enough. Just secondly on the seed business, we had earlier highlighted inventory-led issues there. So, any thoughts, you know, how one should look at the growth in this business?

Dr. Gyanendra Shukla: So, inventory story is very unique. I mean, unfortunately, what happens? Seed gets produced on farm. And every year there is a new chapter that gets added, new experiences. So, as far as cotton for North is concerned, I think we are decently placed. Even for the South we are decently placed. So, for cotton, which actually will become our largest category of seed, I do not have any, I would say significant inventory challenges.

We are okay on the rice side, I mean, rice, but there is some delay in supplies because last year, almost all the big companies suffered inventory shortages. So, this year everybody has gone and trying to produce. So, as a result, drying capacity. So while field production is happening, commensurating drying capacity constraint is there. So, we are trying to work around that. So, rice I would say by and large okay.

The challenge actually is in the maize business, corn, where a lot of, so I would say, industry cumulatively has produced 150% of what is required. Now, all inventory has come out at the same time in the month of March and April as we speak. And there is not enough capacity to process, pack and send it to the market. So, I think here every Company is trying to play catch-up game. Companies, those who have a carry-forward inventory, they have some advantage. We didn't have much carry forward inventory, but I still believe we are going to be better than last year.

Moderator: Thank you. The next question is from the line of Somaiah V from Avendus Spark Institutional Equities. Please go ahead.

Somaiah V: So, my first question is on the export business. So here, the pricing improvements that we have seen give some color on three aspects. One, between the products that we have, our Pendimethalin, Acephate, Metribuzin, so which of the ones that is helping us, which has started showing a bit of an improvement? That's one.

Second, the recent tariff impact. How do we see this? Is this an opportunity set for us, and globally, do we see a bit of a help in terms of Chinese technical prices going up, and that should kind of help us going forward in the export business?

Dr. Gyanendra Shukla: So, I think situation as all of you must be thinking, I mean, actually is a bit fluid at this point of time, but I would say whatever is happening, it is good for the long term because I guess this only will intensify supply chain diversification effort by the markets, those who are consuming product originating either out of China or India.

So, from a long-term, it is positive. Short term, there is a dynamic. I think the way we see today it is slightly positive for Acephate. It is neutral for Metribuzin and Pendimethalin we make. These are the three majority contributors. Hexaconazole actually, I would say, is neutral too at this point of time. So, except Acephate, I would say, is neutral.

Somaiah V: Got it, sir. So, the second question is on the domestic pricing. So, I think the last couple of quarters we saw kind of a Y-o-Y price impact that you explained. So, do we see, given where inventory is and what the future outlook is in terms of rainfall, do we see, let's say, next six months, a similar kind of a Y-o-Y price drop? Or do we see we have to continue at this current level of pricing? Or do we see further challenges that we have to take price down because of competition in the lower raw material economy? So, what is your outlook on pricing? So, the decline is more or less done. We have to just continue at current levels or do we see further decline that is my question.

Dr. Gyanendra Shukla: So very, very difficult to say because I think right now if you see there is a bit of calmness, right? A lot will depend on how China would react. Because two views one can take.

One is, you know, China, if they are producing, they already have factory and they are already running the factory, they would like to ship the goods to the markets where they can sell. They can't sell in Europe or Americas, which is the largest market and Latin America is, I mean, the season is still a little far away. So, would they try to dump in other markets at a lower price? We have heard some news, but we don't have any conclusive evidence to say it hasn't started happening. So, that is one worst case scenario can play out.

Now, if that happens, I know, again, it will depend. So, if the products and raw materials we were importing, they will become cheaper. But they will still become cheaper for everybody. So that might lead to overall, what do you call, the reduction in prices because then there will be competition, and an excess supply. But if that doesn't happen, I would say prices should only remain where they are and slightly start firming up.

Moderator: Thank you. The next question is from the line of Bhavya Gandhi from Dalal & Broacha. Please go ahead.

Bhavya Gandhi: Hi, thanks for the opportunity. Is it possible to share the revenue contribution for soil and plant health and herbicide for the quarter and the full year?

Dr. Gyanendra Shukla: We would be able to do it. I think soil and plant health is about…

Subhra Gourisaria: Rs. 220 crore.

Dr. Gyanendra Shukla: Rs. 220 crore, which was about Rs. 190 crore.

Subhra Gourisaria: Yes.

Dr. Gyanendra Shukla: It was about Rs. 190 crore.

Subhra Gourisaria: Rs. 180 crore in previous FY. So, Rs. 180 crore. So, we have had a good 23% growth on it.

Bhavya Gandhi: And soil and plant health?

Dr. Gyanendra Shukla: Yes, soil and plant health only has grown from Rs. 180 crore to 220 crore.

Bhavya Gandhi: Okay, sorry, and herbicide?

Dr. Gyanendra Shukla: Herbicide just…

Subhra Gourisaria: Give me one second. So, herbicide has moved from around 250 to 300 crore.

Bhavya Gandhi: Rs. 250 crore to Rs. 300 crore.

Subhra Gourisaria: I am only talking about domestic business.

Bhavya Gandhi: Okay, and is it possible to provide some number on LAAFA? How do you plan to scale it, this Glufosinate portfolio?

Dr. Gyanendra Shukla: I think this product has high potential, slightly different from Glyphosate and Paraquat, which are the products it competes. Our ambition would be that, you know, given our brand strength, can we make a kind of a million-liter kind of product?

Bhavya Gandhi: Any early understanding on numbers on LAAFA? I mean, what sort of sales number has it reached?

Dr. Gyanendra Shukla: So, so far, our response is encouraging.

Bhavya Gandhi: Okay.

Dr. Gyanendra Shukla: It has started selling in Quarter 4. So, so far, the response is encouraging. We will see how it plays out.

Bhavya Gandhi: Sure. Thank you so much. That's it from my end.

Moderator: Thank you. The next question is from the line of Archit Joshi from Nuvama Institutional Equities. Please go ahead.

Archit Joshi: Hi, good morning, sir, and thanks for the opportunity. Sir, can you share your views on two or three of our topexported products, Acephate, Pendimethalin, Metribuzin, with regards to its global supply-demand situation and how do we see our volumes shaping up in the next year? Just a follow up. Incrementally, the new product that we have launched, which is also for international markets, which is Metalaxyl-M, I believe this is a new product. If you can share your thoughts with regards to how we think of scaling this up in the export market. Thank you.

Dr. Gyanendra Shukla: So, I mean, our top three products, obviously, so Acephate is looking positive, right? Metribuzin and Pendimethalin, I would say, are neutral. All of you should also know that Metribuzin is now banned for sale in Europe. Right? So, it's now primarily America's market as well as it goes into domestic market and some of the ASEAN markets.

Metalaxyl-M is a product which has multiple applications. So, it has applications domestically. It has applications abroad. It can be used also to make combination fungicide, and I think this product is not a new product. It is an old product, but the isomer we have launched is new. I think our position is decently competitive. We believe this product should add a significant resilience to our critical manufacturing business.

Archit Joshi: Sir, if you could speak of the supply-demand scenario a bit on these four products globally.

Dr. Gyanendra Shukla: So, supply, I think all of them are available, right? It is not that there is a shortage of any of these products. All of them are available, there is a demand. Metribuzin, obviously Europe market is out. Acephate basically primarily grows in some of the Latin American countries and U.S. So, those are fixed market. Pendimethalin grows across the globe and Metalaxyl also has potential, but again you have to understand it is a new product. A lot will also depend on our ability to secure registration in various other countries.

Archit Joshi: Sure, sir. All the best.

Moderator: Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Yes, hi, sir. So sir, I just wanted to get kind of your idea in terms of guidance for FY26 in overall consolidated revenue in terms of revenue and margin. Because I think in the last two years the margins have kind of stabilized, but revenue has also been in the same range. So, just wanted to know how do we see FY26 going as well?

Dr. Gyanendra Shukla: I couldn't actually hear well, you know.

Darshil Jhaveri: Yes. So, I just wanted to ask in terms of FY26, how do we see our revenue and margins because the last two years have been around a similar range that we have been doing. So just wanted to get your thoughts on how do we see FY26 going as well.

Dr. Gyanendra Shukla: Right. So, I think let's address this segment by segment. I believe the seed will continue to improve from where we are. Our soil and plant health business will also continue to improve. We are adding a new portfolio in herbicide. That should improve. So, overall, export is the only business I would say and some of the CSM thing because things become very dynamic, 75% of the business which is domestic. I think we are covering all the bases very well now.

Darshil Jhaveri: Okay. So, any, like, maybe can we like grow at around 10% or any kind of a qualitative guidance you would like to give in terms of revenue growth that we are internally targeting? It can be a range also, anything that we are looking at, sir.

Dr. Gyanendra Shukla: So, I mean, one of the challenges, so I mean crop area remains same, right? Market grows with a combination of volume and price and so the only way we grow is price and selling more and getting markets there. I think our effort is to grow faster than industry average of 5 to 7% depending on the product and category. But because we are adding some of the new segments, I think that's where there should be significant traction coming to us.

Moderator: Thank you. The next question is from the line of Arjun from Kotak Mahindra Asset Management. Please go ahead.

Arjun: Thank you for taking my question. Sir, the first question is regarding the CAPEX. So, in terms of FY25, we had initially thought we would spend between 100 and 160 crore. Effectively, if one looks at our cash flow statement, we seem to have spent lower. So, any key projects that have been spilled over to FY26? And what is our outlook for capital expenditure in FY26?

Dr. Gyanendra Shukla: So, one is what you call sustenance CAPEX, which is regular maintenance, repair of plants and machinery. All of that continues. Besides that, there are two areas where we intend to invest monies. One is solar projects. Solar, you know, we were planning to do in our site in Dahej. And the other one is we will continue to actually increase our spending and R&D capabilities.

Arjun: So, what would our outlook be for CAPEX in FY26?

Dr. Gyanendra Shukla: Outlook in 26? I don't think we have.

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Subhra Gourisaria: We don't have any major greenfield or brownfield investments planned, Arjun. So, a large part of it will be what Dr. Shukla just mentioned on solar power and R&D and sustenance CAPEX.

Arjun: So, that would be in the region of generally Rs. 25 crore-50 crore?

Subhra Gourisaria: No, no, it would be around Rs. 100 crore. Rs. 75 crore to 100 crore.

Arjun: Okay, sure. The second question I had was regarding the MPP. So, where are we in terms of getting a new business for the same scaling up new projects, molecules, et cetera? Could you comment on the pipeline and how do we look at potential profitability from this?

Dr. Gyanendra Shukla: So, I think MPP project is a long-term investment. Frankly speaking, if you see, same time last year we were having a conversation, working, having a conversation now. Market hasn't changed significantly dramatically. In fact, it has become further complicated with the tariff conversation going on. Having said that, we have started multiple new conversations because we have to reset the mathematics and assumptions we had agreed when we made the initial investment. So, a lot of new conversation and new relationships and new ideas are being explored. I am not in the position at this point of time to give you a specific.

Moderator: Thank you. The next question is from the line of Siddharth Gadekar from Equirus. Please go ahead.

Siddharth Gadekar: Hi, sir. So the new Metalaxyl product that we have launched for the domestic and the international market, can you share some comment on the registrations, where all have you received in the international market?

Dr. Gyanendra Shukla: So, I think, let me check.

Subhra Gourisaria: So, we have received in some markets. I think firstly we will start with domestic business. We will then prioritize all the frontier markets, and then we will go progressively to EU and other markets.

Siddharth Gadekar: And secondly, in terms of our export business, can you give a mix between formulations and technicals?

Dr. Gyanendra Shukla: Primarily it is technical.

Subhra Gourisaria: Yes, so we would have done around 15 to 20% in formulation this year.

Siddharth Gadekar: Okay, thank you.

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

Riju Dalui: Hello, thanks for the opportunity. So, just wanted to understand the tariff thing. So, I think our, like, we are procuring 50% or 60% kind of our RMs from China, and we do have export to U.S. So, how that is going to impact? Like, is it like, can we shift our supply chain to domestic market, like the product that we are exporting to US? And how that is going to happen?

Dr. Gyanendra Shukla: So, I mean, at this point of time, we haven't seen any significant surge in raw material import prices. There are some minor adjustments, for example, few products might have become dollar and a half expensive. So, we haven't seen any significant surge in raw material prices. Ramping new products where availability has been a challenge, but they are not part of our portfolio. I think this is something very, very difficult to explain.

If I look at global scenario, all is happening that North America season had already started. So, my feeling is all the China supplies which are directed towards North America, they were already done before all this conversation has started. Now India also with the season starts in April, people start tying up for the contract early enough to supply on time for the Kharif season. I think it is happening at a time where there will be a lag effect and hopefully till then some consensus will be reached.

Riju Dalui: Understood. So, we can see some impact maybe in the Q2 like...

Dr. Gyanendra Shukla: Towards later part of the Q2, which is more directed towards supplies to Rabi crops.

Riju Dalui: Understood. And in terms of, you know, other supply chain, right, so if China is not exporting to U.S. markets, then the technicals or the generic products will flow to the Indian market or maybe other Asian markets. So, how that can impact our international portfolio because we are mostly into the generic business and international portfolio?

Dr. Gyanendra Shukla: Right. So, I mean, not only us, majority of the Indian companies are in generic business, and none of them are discovery companies. I think the way we should see it is that if there is going to be a pressure on China, would they start dumping in the markets where they can sell because if they decide not to slow down their production and all, they can't export to U.S. My feeling is that the U.S. was largely covered before all of this has started, right? So, if that doesn't happen, what would China do? How we would react?

I think there is a lot of guesswork going on. At this point of time, it's very, very difficult to say how things will pan out. Worst case scenario, China starts dumping at a cheaper price in India, but I guess, is there a possibility? The answer is yes. But we haven't seen significant signs of that at this point of time. I think we are in a bit of a fluid situation. Everybody is waiting and watching. So are we. I think as far as Kharif is concerned, our inventory till June-July, I think we are in a comfortable situation. We will see how it moves further.

Moderator: Thank you. The next question is from the line of Abhijit Akella from Kotak Securities. Please go ahead.

Abhijit Akella: Thank you so much for taking the follow-up. So, just with regard to the comment you had made previously regarding some slightly positive impact on acephate because of the U.S. tariffs and then neutral on the others, just trying to understand whether the reason for that is your acephate might be subject to the tariffs whereas the other products are exempt from the U.S. tariffs, you know. Just sort of wanted to get your perspective on how the exemption situation stacks up for our key products.

Dr. Gyanendra Shukla: You are right. I think Pendimethalin and Metribuzin are in the exempt category and Acephate is not. I think that is one point, but we also have started selling a new formulation of Acephate, which is SG formulation and that has some traction in the Brazil, Latin American market.

Abhijit Akella: Okay. So, I mean, in the event that China turns more aggressive in Acephate outside of the U.S., that could be a bit of a risk factor.

Dr. Gyanendra Shukla: Yes, I mean, at this point of time, I mean, we don't see it, but see, I think you have to understand, I don't think people are making money on Acephate. Everybody is just trying to liquidate their inventory. And that's why I keep saying of the export thing at this point of time, unless you have B2B business in those markets, it's very, very difficult and bit low.

Abhijit Akella: Got it, sir. And if I may just also ask, at a slightly broader industry perspective, agrochemical industry, you know, moving, looking beyond just your product portfolio, are most of the products flowing into the U.S., you know, as imports, are most of those exempted under the new tariffs? That was my understanding, at least, but just wanted to speak to your perspective.

Dr. Gyanendra Shukla: Actually, lots of them are exempted. And then you have to understand, U.S. starts building their inventory right from October, November onward, right? Their consumption of, I mean, herbicide is the biggest segment there, 40%. Herbicide consumption takes place in the month of April and May. That means inventories were already there in their warehouses.

Abhijit Akella: Right. And we are not seeing any stoppage in Chinese exports to the U.S., right, because of the same exemption. I mean, I guess, since they are exempt, they should be able to continue to sell.

Dr. Gyanendra Shukla: So, I mean, because all these non-exempt, I mean, exempt categories anyway, I think things will continue.

Subhra Gourisaria: It's too early to form a view on it.

Abhijit Akella: Okay. Just one last thing, if I may. Just with regard to new product launches for fiscal 26 or any partnerships that you might have on the anvil, if you could please share any color on that.

Dr. Gyanendra Shukla: So, I think there are some new products in the seed category we are launching for particularly in cotton in South and Central. We will know by the end of the season how significant they could become. I hope they also become Diggaz. Right? Then we would be launching product in soil and plant health, some specific crop specific products. We have already launched a non-selective herbicide which actually goes around the year. Then we are launching an insecticide which is 9(3), which as we speak, we are actually in the process of launching. So, these are significant products and that product I think cuts across crops and categories, the new insecticide we are launching.

Abhijit Akella: Okay. Will that come in Kharif for later in the year?

Dr. Gyanendra Shukla: No, as we speak, we are launching, Kharif.

Abhijit Akella: Okay, great. So, thank you so much and wish you all the best.

Dr. Gyanendra Shukla: Thank you.

Moderator: Thank you. The next question is from the line of Viraj from SIMPL. Please go ahead.

Viraj: Yes, just three questions, and apologies if the question is repetitive. First is on the export piece of the business. Can you give some color, what kind of conversations you are having with your partners, existing or potential, given the kind of tariff situation we are seeing for Chinese exports to US? That is one.

Second is I think you did say that you have to see what kind of a strategy Chinese players are adopting into the dumping excess capacity in other markets, but wouldn't registration be a barrier for those products to be dump to India? And if products are registered, then won't B2C players like us be beneficial given that you may probably get better terms in terms of raw material sourcing or payment terms? So, any color you can give on the conversations or the signs you are seeing in the market on these things?

Dr. Gyanendra Shukla: So, I think as we are talking, I don't have a lot of clarity. I don't think a lot of clarity around. So, I think everybody is keeping their fingers crossed, but business is moving. I don't think there has been a significant hue and cry in any market to say this product has become so expensive or not available because our spring season for Brazil is over, and America herbicides was not an issue and insecticides & fungicides will follow. I think agriculture is such a basic fundamental need, I do not see any radical changes expected from any government.

As far as China's strategy is concerned, I think China would continue to play an important role in my view. The kind of investment, the kind of factories they have put up, they are really world class. I am sure at some point of time, there is going to be a negotiation amongst countries to sort that out. I do not see this as a long-term thing.

What I do see from a long-term perspective is that every country which has been importing from China, and it did start a little bit after COVID and there has been a kind of a price and volume war, I think would be looking at diversification of supply chain beyond China, right? And as far as the U.S. guidelines are concerned, if you see it says, for U.S. to consider value addition, a reaction must take place. Right?

That means, so if China you bring technical and formulate it and sell it, that is not considered as a value addition by US. US is saying if you bring, so if you are making technical, you should bring in a form which is different from technical. That means one reaction has to take place. So, I would say it is very, very conversational. I think something positive will only emerge. That much I can tell you.

Viraj: And in terms of the Indian market for the B2C business, you see an environment where pricing pressure can continue, or you think it's more of a beneficial play for a B2C brand playing like us?

Dr. Gyanendra Shukla: I think it depends on the product you have, the category you operate, but by and large, I think companies have suffered a lot. I think everybody would like to see normalcy. And I think given the forecast for the monsoon is normal, commodity prices by and large okay, there should be a robust demand unless something comes out which is not known to us.

Viraj: Okay, thank you very much.

Dr. Gyanendra Shukla: I am very clear, till the time clarity emerges from all the places, my focus is going to really continue to drive domestic because brands are more sustainable.

Viraj: Got it. Wish you good luck.

Dr. Gyanendra Shukla: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question for today. I now hand the conference over to the management for closing comments.

Dr. Gyanendra Shukla: Go ahead. So, thank you everybody for joining. All I can say, agrochemical export demand has seen a recovery. We are carefully calibrating our approach and amid ongoing U.S. tariffs and bilateral negotiations, we will try to improve both volume growth and margin in a tough environment. As I said, seed business prospect is positive, especially that is designed for our new launch hybrids. North cotton hybrid continues to see good momentum with more than a million packet already sold.

Domestic agrochemical demand is positive in terms of normal rainfall for the 2025 monsoon. Our endeavor would be to improve market share across vertical and to operate efficiently while building on recently taken steps. We will try to maintain EBITDA margin in the short-term term or long-term actions on improving business in the right direction. And I remain very positive about driving competitive, profitable and sustainable growth to create value for all the stakeholders. Thank you very much.

Moderator: Thank you. On behalf of Rallis India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.