



12<sup>th</sup> February, 2026

**Listing Department**  
**National Stock Exchange of India Limited**  
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Bandra East, Mumbai-400 051

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

**Symbol- DHANUKA**

**Scrip Code : 507717**

**Sub: Transcript of Conference Call held on 5<sup>th</sup> February 2026 with Analysts/ Investors to discuss Un-Audited Financial Results of the Company for the Quarter & Nine Month ended on 31<sup>th</sup> December 2025.**

Dear Sir,

In pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, Please find enclosed the Transcript of the Conference Call held on 5<sup>th</sup> February 2026, which was hosted by Antique Stock Broking Limited via telephonic mode with Analysts/ Investors to discuss Un-Audited Financial Results of the Company for the Quarter & Nine Months ended on 31<sup>st</sup> December, 2025.

Please take the above information in your record.

Thanking You,  
Yours faithfully,

**For Dhanuka Agritech Limited**

**Jitin Sadana**  
**Company Secretary and Compliance Officer**  
**FCS-7612**

**Encl: a/a**



# Dhanuka Agritech Limited Q3FY26 Post-Results Conference Call

**February 05, 2026**



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

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



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**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 and 9-months FY'26 Post-Results Conference Call of Dhanuka Agritech Limited hosted by Antique Stock Broking Limited.

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

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

**Riju Dalui:** Thank you. Good afternoon, everyone. I am pleased to host today's earnings call of Dhanuka Agritech.

We have the leadership team represented by Mr. M. K. Dhanuka – Chairman; Mr. Rahul Dhanuka – Managing Director, Mr. Harsh Dhanuka – Executive Director and Mr. V. K. Bansal – CFO on the call.

Without any delay, I would like to invite Mr. M. K. Dhanuka to start with opening comments post which we will open the floor for Q&A. Thank you and over to you, sir.

**M. K. Dhanuka:** Thank you, Riju. Good afternoon, ladies and gentlemen. I am M. K. Dhanuka, Chairman of Dhanuka Agritech Ltd. Welcome you all to the Q3 FY'26 Earnings Call.

I have with me Mr. Rahul Dhanuka – Managing Director; Mr. Harsh Dhanuka – Executive Director and Mr. V. K. Bansal – CFO of the Company.

As you are aware, Dhanuka Agritech is a leading Indian agrochemical company. Dhanuka is working with the vision of transforming India through agriculture. We have a pan-India presence in all major states to reach out to more than 10 million farmers with our products and services. Dhanuka's key focus has been on the introduction of novel chemistries and extensive product development, distinguishing us from the rest of the industry. Over last couple of years, we have set up two research and technology centres to enhance our focus on innovation and research. One of the centre is focused on applied chemistry and working for establishment of new products and new formulation development. The second laboratory is focused on innovation in chemical synthesis for generic and late-stage patented products.

To support our investment in innovation, we have significantly enhanced our regulatory team to speed up our India's international registration initiatives, providing us faster access to international markets and quicker introduction of new products. Dhanuka is in international



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collaboration with 10 leading global agrochemical companies from Japan, US and Europe, which helps us to introduce the latest technology in India. With 4 manufacturing units and 41 warehouses across India, we cater to around 6,500 distributors and 80,000 retailers. Dhanuka has a strong sales and marketing team to promote and develop new products.

During this quarter, agrochemical demand remained weak due to stressed demand drivers, weather issues, low crop prices, leading to industry-wide volume decline. Farmer interest reduced in making investments in crop production chemicals due to lower crop prices. South and West India saw sharp demand declines, while East and North remained stable. Indian farmers delayed purchases due to significantly extended rainfall and weaker commodity realizations. Lower farm incomes reduced spending on crop production products, impacting domestic sales.

Further, I am happy to share that we have commercialized the second product from Dahej plant in Q3 FY'26. We are working for making Dahej operations EBITDA positive in FY'27 and try to reach 80% capacity utilization of the existing plant. Also, we are in the final stages of working for the business plan for MPP-2 and will be concluding the same within this year.

Now moving on to the financial performance:

For the last quarter, our revenue from operations stood at Rs. 409.92 crores in Q3 FY'25-'26 versus Rs. 445.27 crores in Q3 FY'24-'25. EBITDA stood at Rs. 58.66 crores in Q3 FY'25-'26 versus Rs. 75.56 crores in Q3 FY'24-'25. Profit after tax stood at Rs. 40 crores in Q3 FY'25-'26 versus Rs. 55.04 crores in Q3 FY'24-'25. FY'25-'26 with two straight negative quarters has been a blemish on an otherwise decent performance from Dhanuka over the years. I can assure the stakeholders that the bad phase is over now and now in future it is going to be good only. I would like to assure our shareholders and our stakeholders that our strategy is well laid out with continuous extension in rural market penetration, new product introduction, technical manufacturing and international market expansion. We are confident on delivering our long-term objective of achieving double-digit CAGR.

Zone-wise percentage share of turnover for Q3 FY'25-'26: North India 25%, East India 11%, West India 30% and South India 34%.

Product category-wise percentage share of turnover for Q3 FY'25-'26: Insecticides 28%, Fungicides 21%, Herbicides 37%, Others 14%.

Dhanuka considers itself responsible towards securing the farmers' welfare and preserving food security of the nation. We continue to strengthen our association with the Agricultural Universities, Krishi Vigyan Kendra and other critical institutions to impart knowledge and latest technology to the farmers.



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

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Prashant Biyani from Elara Securities. Please go ahead.

**Prashant Biyani:** Thank you for the opportunity. Sir, how is the current demand scenario for agrochemicals? We understand Q3 was weak, but how is Q4 doing and what is your expectation from Kharif season?

**Management:** Right. So, Q4 has really started well. January has done well for us. South Indian paddy, East India paddy is looking really good. Wheat crop has been good and the relevant consumption of wheat herbicide has happened extending from late Q3 to early Q4. So, all that is looking bright. We are looking into a good harvest of Rabi and then getting into a good Kharif. Right now, it will be too early to kind of indicate anything for the upcoming Kharif. We would still be waiting for weather forecast coming in late March and early April before we really firm up our Kharif plans.

**Prashant Biyani:** Right. And sir, out of the total topline, how much is the contribution from technical sales and revenue from the molecules of Bayer that we had bought both in Q3 as well as 9 months?

**M. K. Dhanuka:** You see, revenue from Bayer molecule in the balance sheet of Dhanuka is around 25 crores to 27 crores. And with regard to second part of your question, with regard to technical sale, this is around 50 Cr.

**Prashant Biyani:** Sir, I presume this will be for 9 months, for the quarter, how much is it?

**M. K. Dhanuka:** See, technical sale is not much in Quarter 3, it is hardly around 3-4 crores. And with regard to this Bayer product, this was major in Q3.

**Prashant Biyani:** Sir, this 25 crores to 27 crores is all topline or some of it is net economic benefit as well?

**M. K. Dhanuka:** No, it is the top line, net economic benefit is separate, which is around Rs. 6 Cr. in Quarter 3 and overall is around Rs.19.5 Cr. in 9 months.

**Prashant Biyani:** And sir, from here on, the net economic benefit will continue to flow or it will stop?

**M. K. Dhanuka:** No, it will definitely stop the moment, will take the entire control, the net economic benefit will definitely discontinue. So, from the next financial year, which is FY'27, some of the exports will start appearing in our balance sheet and by the end of the financial year, I think we will be controlling the overall revenue. Which means, in the year FY'28, there should not be any net



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economic benefit. But yes, in next financial year, net economic benefit will be there, but significantly lower than the current year.

**Prashant Biyani:** Sir, next year, what could be the contribution from technical as well as these two molecules of Bayer?

**M. K. Dhanuka::** In DAL's balance sheet?

**Prashant Biyani:** Yes.

**M. K. Dhanuka:** So, that is under process, we see the team is working with regard to the export sale. So, it is a little difficult to estimate, I think the progress is on, we will be able to assess in a better way by the end of March.

**Prashant Biyani:** Even for technicals?

**M. K. Dhanuka:** Technical sale would be sort of in line with this current year, maybe 10%-20% growth.

**Prashant Biyani:** And sir, how much is the current cash on books?

**M. K. Dhanuka:** Current?

**Prashant Biyani:** Cash on books, cash on liquid investment?

**M. K. Dhanuka:** It is more than Rs.250 crore.

**Prashant Biyani:** Okay. And sir, just lastly, how much was the sale from biologicals in FY'25 and how much was it for 9-months '26?

**M. K. Dhanuka:** Biological almost negligible in FY'26 and in FY'25, it was less than Rs. 2 crore.

**Prashant Biyani:** Okay sir, thank you so much for your time. Thank you.

**Moderator:** Thank you. The next question is from the line of Saurabh Jain from HSBC. Please go ahead.

**Saurabh Jain:** Thank you for the opportunity. Will it be possible to kind of indicate or quantify what could be the negative impact of sales returns for you in this quarter and the same number say last year?

**M. K. Dhanuka:** You see, sales return this year is almost equal to the last year but slightly lower than by Rs. 2 crore in Q3 as compared to the Q3 of the previous year.

**Saurabh Jain:** Okay, so sales returns have not really kind of increased for you in this quarter.



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- M. K. Dhanuka:** In this quarter, yes, that's right.
- Saurabh Jain:** Okay, understood. And correct me, biologics are saying there is no contribution for you in this quarter? I am a bit confused on the biologics side. I thought it contributes almost 9% to 10% of your revenue?
- M. K. Dhanuka:** Biologicals no. One is the category, PGR category. Biological is biostimulant or you are saying biological?
- Saurabh Jain:** No, I mean the products which are under regulatory challenges. What is that contribution?
- M. K. Dhanuka:** Product under regulatory changes in this category we were having a contribution of around 19% but this year the impact in our Q3 is around Rs. 15 crore and 9 month is the impact of Rs. 49 crore on account of these four products biostimulant stock sale basically.
- Saurabh Jain:** Okay, so you lost 50% of sales on the 9-month basis because of this regulatory changes?
- M. K. Dhanuka:** Yes. That's right.
- Saurabh Jain:** And how much of it is normalized now and what should we expect on this side in the future on the regulatory issue?
- Management:** So the regulatory framework is in place which is really good for the organized players like Dhanuka. So our products are under testing and approval stage. We are quite hopeful that we will be receiving our approvals by end of this quarter and we will be up and running with fresh set of biological offerings, biostimulants offering, in this new regulated regime in Q1 of next year.
- Saurabh Jain:** But are you confident that you will be able to get speedy approvals, so that kind of kicks off for you in the 1<sup>st</sup> Quarter? I am trying to get a sense how much of business has already normalized and what can be the expectations for FY'27 on that side?
- Management:** When you say how much of business is already normalized, I don't get that. But yes, we are tracking our approvals and we are hopeful of getting out of our, at least 3 products approval in this quarter, so that we can launch by Q1 ending.
- Saurabh Jain:** Okay, understood. So expecting that almost 3 out of 4 molecules, you will be expecting it to normalize in first quarter onwards?
- Management:** Yes.



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- Saurabh Jain:** Understood. Thanks. And also I wanted to seek your comments around the recent changes in the China policy when they are ending export rebates on some of the technicals of the genetic molecules. So what would be your view on that side? Does it make a problem for players like Dhanuka because some of our purchases are linked to China? How are you strategizing to kind of handle this issue?
- Management:** So, you see, this is China's internal approach. This will certainly increase the price of some of the commodities for which export rebates have been reduced. Since it is an industry wide phenomena, it will not significantly impact either our sourcing or our competitive edge in the market. I don't see any material impact on our sourcing out here.
- Saurabh Jain:** Okay. So you would assume that industry will be able to pass on these hikes in India because I thought it becomes difficult and challenging to pass on the high prices. And if it happens, it happens with a lag.
- Management:** So I will not comment about the industry here. At Dhanuka, we kind of significantly follow this practice of passing on the increased cost as much as possible downstream. We have mostly done it almost all past years and quarters and we are pretty hopeful we will be able to do that.
- Saurabh Jain:** Okay. Is it possible to also tell us what is the revenue exposure that you would be having which is linked to some of these products?
- Management:** Actually, most of these products, Glufosinate, we are already buying from India. We are not sourcing from China. Glyphosate, the export benefit was already removed in the past year. So there will be no impact. And the other products are not confirmed which will have an impact.
- Saurabh Jain:** Okay, sure. Thanks. I'll get back in the queue.
- Moderator:** Thank you. The next question is from the line of Riju Dalui from Antique Stock Broking. Please go ahead.
- Riju Dalui:** Hi, sir. A few clarification in terms of when you said that they are income from the Bayer about Rs. 6 crores for this quarter. So this is mainly the royalty income that you have mentioned, the Rs. 6 crores?
- M. K. Dhanuka:** It is not royalty. It is net economic benefit. It's like royalty, not the royalty actually.
- Riju Dalui:** Understood. And the sales of the revenue that you have mentioned this year, maybe for the 9 months, Rs. 25 crores-Rs. 27 crores. So this is like earlier you have indicated that the majority part of the revenue came from the domestic market. So is it still the domestic market contributing



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this revenue from the Bayer product, Rs. 25 crores-Rs. 27 crores? Or some part of this product, this revenue came from the outside of India?

**M. K. Dhanuka:** No, it is from India only.

**Riju Dalui:** And the registration transfer for the overseas market so when you can expect that and how is the timeline that are moving?

**Management:** It is in process for various countries and many of the applications are in process. So in '26, we will see a lot of transfers happening. And even without the registration transfer, the sales will begin once the distribution appointment gets completed and the sales moves to the Dhanuka distributors.

**Riju Dalui:** Understood. So for the overseas business, we can expect the transfer or the revenue under Dhanuka's book might happen from the Q1 or Q2 of '27, right?

**Management:** Yes, Q1 surely.

**Riju Dalui:** Understood. And in terms of the guidance, if I look at your 9-month numbers and like you have mentioned in the PPT that we have maintained the guidance what we have earlier communicated. So if you look at in terms of run rate, so our margins in terms of EBITDA is roughly around 18% as of 9 months. And if I look at last year Q4 numbers, so there was one of impact of the benefit that we have got from our Japanese or some partners. So despite that, we are expecting that our margins to be 100 bps decline from the last year level. So how are you confident of making like 24%-25% kind of an EBITDA margin in 4Q?

**M. K. Dhanuka:** So you see we are very much confident, in terms of the EBIT, our EBIT will be negative in line with the 9 months. In 9 months, our EBIT negative is by 115 bps. So in overall annual basis, we are expecting a similar decline 100-110 bps.

**Riju Dalui:** Understood. And in terms of new product launches so far, so how many products we have launched in 9-month period?

**M. K. Dhanuka:** In 9-month period, we have launched one is Dinkar, one is Melody and one is Verdour.

**Riju Dalui:** Okay, so 3 we have launched. Okay, sir. Thanks for clarifying.

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

**Viraj Kacharia:** Hi, sir. Just couple of questions. First is on the Bayer stimulant. Just to understand, what is the key season time for this particular product? So the reason I am asking is, if for any reason there is a delay in approval from the government for registration. So if in case it doesn't come by Q1,



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is there still a possibility we can meet the sales? Or you think a good part of the season will be lost?

**Management:** The peak consumption time coincides with our peak business opportunity, which almost starts by June end, say early July. And goes on through late November. So mostly July to November is the peak consumption. Another round comes up in March with sugarcane.

**Viraj Kacharia:** Understood. Got it. And when you say biostimulant, the total number of products which you would have in the portfolio would be 4 as of today?

**Management:** Yes. The ones regulated in the regulated environment were four, out of which three will be coming through. And one which is of animal origin and all that, so that may not be coming through easily or not in near future.

**Viraj Kacharia:** So the three would be a larger part of the sales?

**Management:** Yes. The other three constituted more than 80% of our revenue. So that would be well placed. In addition to that, you would recall we had already launched Mycorrhizal four years back. And then we introduced Mycorrhizal Super also a couple of years back, which is a good replacement of biostimulants as far as farmer's crop growth opportunity is concerned. And Dhanuka's Mycore Super brand has taken a good position in the market, filling up the vacuum created by absence of bio-stimulants from Dhanuka's own portfolio and of the competition as well.

**Viraj Kacharia:** Understood. The second question was, sir, if you can give a mix of EBITDA of B2B versus B2C?

**M. K. Dhanuka:** See, B2B, of course, the EBITDA is significantly lower than B2C.

**Viraj Kacharia:** For the quarter which has gone by, what will be the EBITDA for the Dahej B2B business?

**M. K. Dhanuka:** Dahej, we see EBITDA is still negative. In Q3, it is around 4 Cr. as against the 5 Cr. as against last year's 4 Cr.

**Viraj Kacharia:** Okay. So this question on Dahej, I think last quarter we mentioned that we are commissioning a second product, for supply to domestic market. And we are also having a good utilization for the first product. But if I look at the revenue for the quarter, for the Dahej, it's hardly 4 Cr. as against the run rate in the earlier quarters. Generally, the environment is quite positive in terms of price and volume, both from export point of view as well, for technical exports. So what is the reason why the sales are lower for the Dahej?



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**Management:** So Q3 in any case is off-season for both of these products. So Q3, we were expecting lower sales. That is one. Second, our difenoconazole production got extended and went into November and December, which we were expecting to close in October and November. So that got delayed slightly. But now it is completely online. And so starting Q4, difenoconazole revenues will start coming in as per the plan. With respect to Bifenthrin, in any case, it was off-season. Q1, we have started on a good note for Bifenthrin technical sales from Dahej. So we are expecting that to continue in the future as well.

**Viraj Kacharia:** Okay. So both these two products together going into next year, what kind of a sales utilization we are looking at? And what will be the CAPEX for the MPP-2 plant?

**Management:** Next year FY'27, we are looking at a capacity utilization of close to 80% for these two. Plus we will be adding one more product in this plant, that is the Iprovalicarb. So three products together, we are looking at 80% capacity utilization. And the MPP-2, we are expecting a CAPEX in the range of Rs. 60 crores to Rs. 70 crores.

**Viraj Kacharia:** Okay. Got it. Last question, if I look at B2C, if I adjust for the sales addition from the Bayer products in the quarter which has gone by, then the degrowth for us is even higher in B2C. And if I look at other players in the industry, we have not seen that kind of a degrowth. So just trying to understand what is driving a low performance for us, any color you can guess?

**Management:** So one is of course the impact of the biostimulants in B2C segments, which has hit us hard in Q2 and Q3 business opportunity. Then also last year we had some really powerful NPI, new product introduction, for chilli segment. Chilli has taken a major beating in this season down south. So the consumption has been significantly low, which is a very specialized segment where farmer consumes only high value product. And that high value consumption has been hit hard. Third is I think at Dhanuka we really optimize the channel inventory significantly faster than the industry standards. So we do not allow our channel partners to carry forward the inventory. We try and turn it around faster than what the industry averages would be. That could probably, but this is an external factor which I don't have a complete hang of, be influencing how our sales get compared.

**Viraj Kacharia:** Understood. But in terms of the receivables or inventory, would it be right to think that, say, if I look at March 2025, we ended the year with around 230 crores to 240 crores of cash. And if I look at December, I think based on the commentary, we are still around 250 crores of cash. So would it be right to think that we're sitting on a sizable amount of inventory or receivables compared to a normal period?

**M. K. Dhanuka:** You see, in terms of March, we were having a loan to the bankers to a tune of Rs. 50 crores, which is big in the current financial year. Right? And now our debtor position has improved as compared to the last year, December. Inventory, of course, has increased because of the impact



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on the volumes, because there are many molecules which are imported and we source the inventory as per our sales plan. But somehow that misfired because of which our inventory of few imported molecules have increased significantly this year.

**Moderator:** Thank you. The next question is from the line of Ketan Chawla from Affirma Capital. Please go ahead.

**Ketan Chawla:** Thanks for the opportunity. So if we look at our gross margins from FY'23 to FY'25, there was an expansion of approximately 580 bps. Our margins went from 34.4% to 40.2%. And if you look at the backdrop, this was an environment when technical prices were benign due to oversupply and inventory issues. In one of the earlier concall, I believe you had referred that you were expecting 100 bps to 150 bps of contraction in gross margins because we were expecting the prices to stabilize and then thereafter increase. But if you look at the gross margin for the current period, it's still at 40%. So two questions for you. Firstly, is the softness in technical raw material prices still there? And how long do we expect the softness to continue? And second question is, once the cycle turns and prices stabilize and increase, what is our expectation of the sustainable gross margin that we can have?

**M. K. Dhanuka:** You see, the one impact of the gross margin is on account of this year we received around the NEB of Rs. 19.5 crore, which has no basically COGS. So this is entirely impacting the gross margin to that extent. Another is, with regard to the technical prices, I think the softening is almost over now. And going forward, I am of the opinion that 38% gross margins are sustainable in the long term.

**Ketan Chawla:** You are saying that now you are seeing technical prices picking up and stabilizing and you expect about 200 bps impact on your margins and sustainable should be more 38% gross margins as opposed to 40% odd which have been there for the last year, year and a half?

**M. K. Dhanuka:** Yes, 2% impact on account of not the raw material prices, it would be on account of the NEB.

**Ketan Chawla:** Understood. And what percent of our raw material is actually sourced from China?

**Management:** Direct procurement would be in the range of 10% to 15%.

**Ketan Chawla:** And if you include indirect as well, then how much would that be?

**Management:** Indirect is difficult to say because we buy a lot of material from Indian companies who are both manufacturers and importers. So it is difficult to say what would be the indirect procurement from China.

**Ketan Chawla:** Got it. Thank you, sir. I will come back in the question queue.



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- Moderator:** Thank you. The next question is from the line of Parth Mehta from Vallum Capital. Please go ahead.
- Parth Mehta:** Hi, sir. Thank you for taking my question. Just wanted to know, for the quarter, what would have been the contribution from the volume and price?
- M. K. Dhanuka:** You see, in this quarter, it is almost flat. Value and volume are almost similar.
- Parth Mehta:** Okay. So equal contribution from volume and value, right? Volume and price?
- M. K. Dhanuka:** Yes, that's right.
- Parth Mehta:** Understood. And just wanted to ask, in the previous quarter, you had given a guidance cut and guided the full year to be ending with a flattish growth. So would this still be achievable or do you think there could be some growth in Q4, given that Q4 has a good start?
- M. K. Dhanuka:** Yes, in case of Q4, definitely there will be a growth. But on a yearly basis, we are of the opinion it should be flattish year.
- Parth Mehta:** Okay. Got it. And just one on the guidance of the two Bayer products. The guidance for the full year was around Rs. 40 crores. So is that achievable? Would it be ending at Rs. 40 crores?
- M. K. Dhanuka:** No, because of the grape season not behaving as per our expectation, it would not be Rs. 40 crores. It would be significantly lower than Rs. 40 Cr. Maybe around Rs. 30 crores.
- Parth Mehta:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Archit Joshi from Nuvama. Please go ahead.
- Archit Joshi:** Good evening, sir. And thanks for the opportunity. I just have one question. Sir, what would you make out of the current Draft Pesticide Management Bill proposed by the government? And what would the long-term impacts be for organized players like us at Dhanuka Agritech? Sir, your thoughts. Thank you.
- Management:** Right. So Draft Pesticide Management Bill would be really good for the organized industry and organized players. Dhanuka being an organized player and believing in building brand equity, building value for the customer, in this case our farmer, would significantly stand to benefit from the PMB. PMB, apart from various other things, brings in tough rules around misbranding, fake spurious products. It brings stiff punitive measures around fly-by-night operators, which will be a big deterrent and will open up more market space for organized players like ourselves. PMB, I think so, is long awaited. It does, the government has asked for various inputs from all possible stakeholders, including farmer. We as the industry and industry associations have submitted our



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viewpoints, contributed for the same, by 4th of February that was to be achieved. So we have provided our views where the government and the industry together can facilitate the desired growth of the Indian agriculture and prosperity of the Indian farmer.

**Archit Joshi:** Sure, sir. Sir, upon its execution and obviously after taking the comments from all the stakeholders in the industry, would you have any expectations or have an understanding on how the government will try to maintain checks and balances about the most, you know, top notch problem with respect to spurious products and the misbranding that you spoke of? Would you have any comments on that account which might help us or rather as an organized industry to gain more market share from the ones who are doing the malpractices?

**Management:** Agriculture is a state subject and to an extent the regulatory and the executive powers is also with the state, which is certainly not going to change with the law. Yet, the provisions will make it difficult for the hand-in-glove operators with the fly-by-night operators, there are other agencies who could be hand-in-glove with these. It will become difficult for them to really play around. Yet, the success of any law depends on how well it gets executed, where the center and the states will have to collaborate to ensure that the execution is in the spirit of the letter. That is something at Nuvama yourself and at Dhanuka and the entire industry would look forward to that the execution is in the spirit with which the law is framed.

**Archit Joshi:** Sure, sir. Understood and we'll definitely hope for the best. Thank you, sir. That's it from me. Thank you. All the best.

**Moderator:** Thank you. The next question is from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

**Rohit Nagraj:** Thank you for giving the opportunity. Sir, in terms of new product introductions for next year, FY'27, how are we placed and what could be the 9(3), 9(4) products for what categories that we are looking at? Thank you.

**Management:** So we have lined up three new launches for next year, out of which two would be fungicides and both of them would be 9(3) first time introductions. And then we have also lined up a specialty offering for enhancing spray efficiency. So these are the three products which we have lined up for introduction over next year.

**Rohit Nagraj:** And from an application perspective, which crops these would be utilized primarily for?

**Management:** Right. So both the fungicides will find their application significantly in grapes and then in potato. They will also find application in tomato and chilli. So grapes, tomato, chilli, all three being high value crops will have a good opportunity. And the third spray enhancer also as a premium product will be positioning largely in tomato markets.



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**Rohit Nagraj:** Sure. The second question in terms of the current environment, as of now, there are talks that there will be probably El Nino this year. Historically, since we've been through several cycles, whenever the El Nino has happened, has it impacted materially in terms of the performance for a particular Kharif season? And allied question to that, we have also experienced the farm income being lower, getting impacted the Q3 numbers. If it continues to remain low, will it have its repercussions for the next Kharif season? Just your thoughts on this.

**Management:** Right. So first take on El Nino, the El Nino predictions which have come up recently are followed up by these being too early and the margin of error being significantly higher. So the new predictions normally come in after mid-April. We'll be waiting for that to really understand how intense El Nino forecast is. Yet, you would have also noticed that all El Nino years are not poor rainfall years. So that being said, we'll have to wait for IMD, Australian Meteorological Department and few other meteorological departments for us to kind of collate and understand how do we see the upcoming Kharif? Talking about the farm income, so it is the farm income which not only Dhanuka Agritech, but almost the entire nation depends upon agriculture contributing 14% of the GDP and more than 50% of the population being dependent on agriculture. Not only agri-inputs, but FMCG, FMCD, automobile industry depends on their success. So yes, we not only keep our fingers crossed, we genuinely pray and at Dhanuka we work closely with the farmer so that we can support in enhancing their income.

**Rohit Nagraj:** Got that. Sir, just one last clarification. In terms of our Dahej manufacturing block, are there any talks going on with any of the multinational players or players outside India for an exclusive contract or arrangement which we have been seeking for a fairly long time? Thank you.

**Management:** There is one discussion which is going on. In last quarter, two companies have visited us at Dahej. So one Japanese and one European. So we are looking forward to progressing on these discussions further.

**Rohit Nagraj:** Sure, that is helpful. Thanks a lot and all the best, sir.

**Moderator:** Thank you. The next question is from the line of Rajat Setiya from ithought PMS. Please go ahead.

**Rajat Setiya:** Hi, thanks for the opportunity. Sir, just one question. Amount of sales return in this quarter?

**M. K. Dhanuka:** Sales return in this quarter is similar to last year in Q3.

**Rajat Setiya:** Yes, sir. What is the number? I was not able to find the number for last year.

**M. K. Dhanuka:** This year is Rs. 72 crores as against Rs. 74 crores last year.



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- Rajat Setiya:** So, 72 in this quarter, right?
- M. K. Dhanuka:** Yes, in this quarter. That's right.
- Rajat Setiya:** And the 9-month number would then be closer to Rs. 220 crores, correct?
- M. K. Dhanuka:** Yes, that's right.
- Rajat Setiya:** Alright. Thank you.
- Moderator:** Thank you. The next question is from the line of Amit Khetan from Laburnum Capital. Please go ahead.
- Amit Khetan:** Hi, sir. Thank you for the opportunity. So, if we take a slightly longer term view of, say, 3 years to 5 years, what is the kind of growth opportunity for Dhanuka? What sort of growth rate can we realistically grow at? And it will be helpful if you can break that down into growth from existing products as well as new molecules and exports as well as getting into new crops?
- Management:** Right. So, this is a very larger question, but let us look at the macroeconomics favoring the agriculture. So, the macroeconomic factors certainly favor agriculture and so the agri-input industry also. While urea, DAP, other nutritional segment is what farmers invest in eagerly, crop protection industry has taken up a strong position with investments in the agriculture increasing and value-added crops gaining significant ground in the agriculture space. Within that domain, Dhanuka has constantly brought in new products, value-added products, specialty products and niche products from our Japanese, European and US-based partners, thereby offering to the farmer specialized solutions for their problem. So, with this, we have a place in specialized crops like grapes, tomato, Chilli, some of them getting exported as well, while we also have a strong foothold in conventional crops like rice, paddy, soyabean, cotton and tea. So, overall with this kind of favorable macroeconomic situation, I believe we will continue to grow at Dhanuka with a healthy double-digit growth on a short to mid-term horizon of next 3 years to 5 years. The expansion opportunity is available due to multiple crop cycles. Farmer is trying to grow more than 2 crops now, which is almost 3 crops in many patches of the country, which is possible A, because of the irrigation facility and B, because of the increase in marketability of the produce. India with more than 600 grams per hectare agrochemical consumption is still one of the lowest as compared to the world average agrochemical consumption with a significantly high arable land of Rs. 150 million hectares. So, the growth opportunity is only northwards. It really depends upon how intensely we are able to reach to every nook and corner, every plot and field where farmer is cultivating.
- Amit Khetan:** Understood. And if I could, what do you see the risks aside from say, weather patterns, what are the risks that could prevent you from achieving this double-digit growth?



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- Management:** Apart from the weather patterns, the commodity prices and sometimes the policies like G Ram G now could also have an impact on how the farmer move towards agri-input. A lot also depends upon the marketability, storage and transportation of the commodity. Earlier, India touched a milestone of almost 335 million metric tons of food grain production. And very soon, horticulture production crossed that level and touched 340 million metric tons. Now, horticulture production is a value-added production for the farmer and relatively higher on input consumption. Increase in warehousing, increase in cold storage, increase in cold transportation, good roads, non-stoppage at chungu nakas because of the tax smoothening. All these will actually facilitate, only facilitate the progress of agriculture as well as agri-input industry. So, these infrastructural tailwinds being favorable, I think so, other than seasonal vagaries, nothing should stop.
- Moderator:** Thank you, sir. The next question is from the line of Ketan Chawla from Affirma Capital. Please go ahead.
- Ketan Chawla:** Thank you, sir. I just had a clarification on my gross margin question earlier. So, what is the total quantum of the net economic benefit that we've received, which will now go away once we have it on our books? And secondly, what is the gross margin profile of these two brands, which we had acquired from Bayer's?
- M. K. Dhanuka:** You see, net economic benefit quantum in the 9-month is Rs. 19.5 crore and in Q3 is around Rs. 6 Cr.
- Ketan Chawla:** Okay. And what is the gross margin profile on these two brands?
- M. K. Dhanuka:** Gross margin is in the range of our overall gross margin.
- Ketan Chawla:** Okay. So, broadly in line with 40% odd.
- M. K. Dhanuka:** Yes, absolutely. Some 200-300 basis points here and there.
- Ketan Chawla:** Understood. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Viraj Kacharia from Simpl. Please go ahead.
- Viraj Kacharia:** Just two questions on the Bayer products. One is to understand the contribution margins of the two products, would it be in line with our B2C business margin or would it be even higher? Any color you can give? Both contribution and operating margin?
- M. K. Dhanuka:** It is in line with the overall gross margin of the company.



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**Viraj Kacharia:** Okay. Got it. And second question is, see these two products, they have a well-established distribution system. So, in terms of our approach, I think somewhere in the call you talked about us looking to appoint new set of distributors. Are they for the new markets or those are for existing regions as well? Any color you can give? How are we approaching in terms of go-to-market and any risk you see in terms of execution?

**Management:** So, currently in most of the countries, Bayer has been selling the product through its distribution network as Bayer is present directly in most of the countries. Dhanuka is not planning to go direct distribution in these countries. So, we are appointing one national distributor in the various markets. So, the new distributor appointment which I referred to earlier was in the countries where Dhanuka is not present. In case of India and Nepal, we are not appointing any new distribution channel.

**Viraj Kacharia:** Right. But going into '27, do you see any risk in terms of execution and since the products are being transitioned from Bayer to Dhanuka, so?

**Management:** The risk is in any business transaction, it is there in terms of, the setback in terms of supply chain because for supply chain we are still dependent on Bayer to provide the product. And while the regulatory changes happen with registration ownership being transferred from Bayer to Dhanuka and India sourcing getting added, we may see some issues in supply chain although we have done the planning but there is always a risk.

**Viraj Kacharia:** Got it. And just last question if I can squeeze in. See Bayer, most of the manufacturing is centered in Europe and the cost of manufacturing is quite elevated compared to Chinese. So, in that sense, when we look to move one of the products from Germany to India, do you see any material change in the margin structure for the product or any color you can give?

**Management:** Definitely, there would be an improvement in the margin structure for the products once the manufacturing moves to India, absolutely.

**Viraj Kacharia:** Thank you very much.

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

**M. K. Dhanuka:** Thank you, friends. Once again, I would like to thank all the investors and analysts for your support and confidence in Dhanuka. We have already initiated our FY'27 planning and looking forward to a normal year. I reassure our stakeholders that we are committed to the task of transforming the landscape of agriculture and farmers in India. I once again reassure the stakeholders that the bad phase for the last two quarters is over now and now we have to look



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for a bright future only. Thank you. "India Ka Pranam, Har Kisan Ke Naam". Thank you and looking forward to connecting with you in the next quarter. Thank you once again.

**Moderator:**

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