ANUPAM RASAYAN INDIA LTD.

ARILSLDSTX20250528012 Date: May 28, 2025

To,	To,
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001, India **SCRIP CODE: 543275**	**National Stock Exchange of India Limited** 'Exchange Plaza', C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai-400051, India **SYMBOL: ANURAS**

Dear Sir/ Madam,

Subject: Submission of transcript of Earnings Call on the Audited Standalone and Consolidated Financial Results of Anupam Rasayan India Limited (the "Company") for the quarter and financial year ended March 31, 2025.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Call on the Audited Standalone and Consolidated Financial Results for the quarter and financial year ended March 31, 2025 held by the Company on Saturday, May 24, 2025.

This information is also being hosted on the Company's website at www.anupamrasayan.com.

We request you to kindly note the same and take into your records.

Thanking you,

Yours Faithfully,

For Anupam Rasayan India Limited

ASHISH GUPTA Digitally signed by ASHISH GUPTA Date: 2025.05.28 12:43:00 +05'30'

Ashish Gupta
Company Secretary & Compliance Officer

Encl.: As above

Registered Office:
Office Nos. 1101 to 1107, 11th Floor, Icon Rio,
Behind Icon Business Centre, Dumas Road,
Surat-395007, Gujarat, India.

Tel. : **+91-261-2398991-95**
Fax : **+91-261-2398996**
E-mail : **office@anupamrasayan.com**
Website : **www.anupamrasayan.com**
CIN - L24231GJ2003PLC042988

"Anupam Rasayan India Limited

Q4 FY '25 Earnings Conference Call"

May 24, 2025

MANAGEMENT: **MR. ANAND DESAI – MANAGING DIRECTOR – ANUPAM RASAYAN INDIA LIMITED**
MR. GOPAL AGRAWAL – CHIEF EXECUTIVE OFFICER – ANUPAM RASAYAN INDIA LIMITED
MR. AMIT KHURANA – CHIEF FINANCIAL OFFICER – ANUPAM RASAYAN INDIA LIMITED
MR. VISHAL THAKKAR – DEPUTY CHIEF FINANCIAL OFFICER – ANUPAM RASAYAN INDIA LIMITED

MODERATOR: **MS. KRISHNA PATEL – E&Y INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to Q4 FY '25 Anupam Rasayan India Limited Earnings Conference Call. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Krishna Patel from EY. Thank you, and over to you, ma'am.

Krishna Patel: Thank you, Hamshad, and good afternoon, everyone. Welcome to Anupam Rasayan India Limited Q4 FY '25 and FY '25 Earnings Conference Call. To take us through the results and to answer your questions today, we have with us the management of Anupam Rasayan, represented by Mr. Anand Desai, the Managing Director; Mr. Gopal Agrawal, Chief Executive Officer; Mr. Amit Khurana, Chief Financial Officer; and Mr. Vishal Thakkar, Deputy Chief Financial Officer.

The discussions that we may have today may contain certain forward-looking statements relating to future events and future performances. Numerous factors could cause actual results to differ materially from those in the forward-looking statements. Please note the audio of this earnings call is a copyright material of Anupam Rasayan India and cannot be copied, rebroadcasted, attributed in press or media without specific written consent of the company.

With this, I would like to now hand over the call to Mr. Anand Desai, the Managing Director, for his opening comments. Thank you, and over to you, sir.

Anand Desai: Thank you, Krishna. Good afternoon, everyone, and a warm welcome to the Q4 FY '25 Earnings Call of Anupam Rasayan. Before we start, I would like to express my brief on the recent events that took place in Kashmir. It is with great pride and gratitude that I take this opportunity to thank our Honorable Prime Minister and our armed forces for working day and night to protect us and ensure the safety and sovereignty of our nation.

Let me begin by sharing an overview of our performance for the quarter and FY 2025. The consolidated revenue for the quarter Q4 FY '25 stood at INR506 crores, registering a growth of 22% Y-o-Y and a 31% Q-o-Q. Consolidated revenue for the full year FY '25 stood at INR1,448 crores, registering a declining growth of 4% Y-o-Y. This performance was supported by growth in Pharma and Polymer segments, coupled with strong performance from Tanfac.

Margins have remained consistent this quarter, reflecting our focus on operational efficiency and a favorable product mix. While first half of FY '25 was subdued due to weak macro conditions, I am pleased to share that second half has shown clear signs of recovery—, particularly in Q4 of FY '25, where we have seen meaningful improvement with sales increasing both year-on-year and sequentially also. This marks a positive turn in momentum and reinforces the growth is gradually coming back.

While working capital remains a challenge due to the recent slowdown in sales, improving the working capital intensity is going to be one of the key focus areas for the management along with sustaining the revenue growth that we have seen this quarter.

We anticipate a gradual easing of working capital intensity with improved revenue in FY '26. Both inventory levels and receivables are expected to reduce meaningfully over the course of the year. Also, majority of our customers are large multinational companies who had undertaken rationalization of supply chains and working capital at their end over the last 18 to 24 months and which is now largely complete, where we have supported them. As business growth resumes, customers shall be able to reciprocate by supporting us in optimizing our working capital cycle going forward.

Our Pharma and Polymer segments continue to be strong pillars of our performance, contributing steadily to our top line and aligning with our strategy to diversify the revenue base. The agrochemical sector, which faced demand challenges in the earlier part of the year, has started to show signs of revival. This is further strengthened by the ramp-up of a recently launched key molecule in the agrochemical segment, coupled with the recovery in volumes of existing molecules.

In terms of geography, the Japan market continues to lead our growth with strong customer engagement and long-term visibility. We are also excited about the opportunities emerging from the U.S. market. With recent LOIs and signed contracts with U.S.-based MNCs, we expect meaningful contribution to begin from FY '26. This is in line with the strategy of deepening presence in high-value markets and geographical diversification.

With this, I would like to now hand over the call to our CEO, Mr. Gopal Agrawal, to take you through the business and operational updates in greater detail. Over to you, Gopal bhai.

Gopal Agrawal: Thank you, Anand bhai. Good afternoon, everyone, and thank you for joining us today. As Anand bhai highlighted, Q4 makes a clear shift in momentum. Our Pharma and Polymer segment continue to show strong traction, supported by new molecule launches, growing customer demand. In FY '25, we launched our 9 molecules, 5 in Pharma, 3 in agro and 1 in Polymer segment. The Electronics segment -- the agrochemical segment, which has been subdued for several quarters is showing early signs of recovery.

Among geographies, Japan continues to lead our global expansion, driven by long-term contracts and a robust product pipeline. Japan contributed 17% of sales in Q4 FY '25, and we expect it to be over 20% of sales in FY '26 on back of recently signed LOI contract and additional new customers.

I'm also pleased to share that we are seeing strong traction in United States, having recently signed a contract and a LOI with a U.S. based company for a high-performance specialty chemical used in critical power applications like defense, electronics and aerospace. This strengthens our foothold in U.S., and we believe this opportunity will begin to contribute meaningfully and be over 10% of our sales in FY '26.

As of now, our order book stands at around INR14,646 crores spread over 4 to 10 years, out of which INR3,100 crores worth of LOIs and contracts have already been commercialized, contributing to over 20% of our revenue in FY '25. Majority of the balance LOI and contracts are expected to be commercialized in FY '26.

With all these levers in place across new products, geographies, strong order book and enhanced capacity, we remain confident of a strong performance going forward. We remain confident in our ability to return to historical growth rates prior to the recent slowdown.

With this, I would like now to hand over the call to our CFO, Mr. Amit Khurana, for a detailed update on financial performance. Over to you, Amit bhai.

Amit Khurana: Thank you, Gopal bhai, and good afternoon, everyone. I will now walk you through the financial performance for the quarter and the year ended March 31, 2025. Starting with the capex update. As of March 31st, we have completed nearly INR670 crores of the planned capex, two manufacturing facility already commercialized and 1 new manufacturing facility ready for commercialization in the upcoming quarter. This will significantly enhance our production capacity and support the next phase of growth. Further, we expect our debt levels to decline going forward.

The proceeds from warrant conversion expected in FY '26 will be utilized to repay long-term debt. Approximately INR185 crores of long-term debt will be settled through this route, significantly aiding to deleverage the balance sheet.

Speaking about the segment-wise performance, life science-related specialty chemicals contributed 84.4% and 86.7% of the total revenue as on Q4 FY '25 and FY '25, respectively. The Pharma segment revenue grew 41% and 92% Y-o-Y in Q4 FY '25 and FY '25, respectively, reaching 21.9% of the sales in FY '25 on account of 10 new product launches in Pharma segment in FY '24 and 5 new product launches in FY '25.

Performance material contributed 16.6% and 13.3% of the total revenue as on Q4 FY '25 and FY '25, respectively. This segment revenue grew 83% and 18% Y-o-Y in Q4 FY '25 and FY '25, respectively, on account of two new molecules launches in FY '24 and 1 product in FY '25.

With that, I'll now hand over to our Deputy CFO, Mr. Vishal Thakkar, to share detailed quarterly and annual financial performance. Over to you, Vishal bhai.

Vishal Thakkar: Thank you, Amit bhai. Good afternoon, everyone, and thank you for being with us today, especially on a Saturday afternoon. Really thank you for that. I'd like to share some of the key performance highlights for the quarter and the year ended March 31, 2025. Before we open the floor for Q&A session, I hope you have had the opportunity to review the detailed presentation and the results that we had submitted to the exchanges and posted on our website. Kindly note, our numbers for the quarter and the full year are on a consolidated basis, and they include Tanfac numbers as well.

Let me first discuss the consolidated financial highlights for the quarter ended March 31, 2025. Operating revenue for Q4 FY '25 was at INR500 crores as compared to INR401 crores in Q4

FY '24, up 25% Y-o-Y. EBITDA, including other income, was at INR150 crores in Q4 FY '25 as compared to INR105 crores in Q4 FY '24, up 43% Y-o-Y. This translates to EBITDA of 30% margin -- EBITDA margin of 30% in this quarter.

Profit after tax was at INR63 crores in Q4 FY '25 as compared to INR41 crores in Q4 FY '24, up 56% Y-o-Y. Top 10 customers contributed about 71% of our total revenue in Q4 FY '25. Talking about the full year financials. Operating revenue for FY '25 was at INR1,437 crores as compared to INR1,475 crores in FY '24, down 2.6% Y-o-Y.

EBITDA, including other income, was at INR412 crores in FY '25 as compared to INR411 crores in FY '24, up 0.4% Y-o-Y. This would translate to 29% EBITDA margin in this period. Profit after tax was at INR160 crores in FY '25 as compared to INR167 crores in FY '24.

With that, we will open for the -- open the floor for Q&A. Thank you.

Moderator: The first question is from the line of Meet Gada from Emkay Global.

Meet Gada: Congratulations team on achieving highest-ever stand-alone quarterly EBITDA. I have a couple of questions. Firstly, I see that your quarterly revenue from the agro business vertical has nearly doubled as compared to the average of last 3 quarters, amidst this challenging macro environment.

I want to understand that what has led to such growth all of a sudden and whether is it because of any LOI which has kicked in? And if you can throw light on what product you have sold? And whether should we assume similar quarterly run rate for FY '26 as well?

Vishal Thakkar: Meet, thank you for this question, and thanks for appreciating the results. First, yes, as we have mentioned and as Anand bhai and Gopal bhai in their opening remarks also mentioned that the demand in the agrochemical segment is coming back, and that's what we are seeing. So the volumes are coming back.

And especially, Anand bhai mentioned in his opening remarks that is one of the key molecule, which has been also the ramp-up of that molecule has happened. It's a high-value typical molecule. It's an AI molecule. We had signed an LOI in Q4 2022, and that LOI product is now getting executed and the ramp-up is happening for that product.

If you see that this AI is having a pricing of triple digit in dollar terms in kg. And also, this is a large molecule with a 2,800 metric ton of the total market size. Our customer is expecting around 5% to 10% of revenue -- sorry, market share of that, and that should really give us a very strong revenue in '26 and going forward. We expect that this molecule should be one of our leading molecules, which will contribute a triple-digit revenue in terms of growth in coming days.

Meet Gada: Got it, sir. Secondly, on the recent LOI, this Elementium materials for supply of chemicals and advanced electrolyte critical for EV batteries. Can you tell me something more on this customer product and the product potential? And will it be beneficial for the Indian battery ecosystem as well? And you've mentioned that if this product is successful, you will be putting up a plant. So how much capex will be required there? And what -- will it be a dedicated plant or not?

Vishal Thakkar: So Meet, yes, this is another one, which is a very, very unique and a very marquee LOI that we have signed with Elementium. Elementium is an MIT-backed and MIT-founded company, which is really focusing on high-end electrolytes for the battery, especially on the lithium ion battery side, which is the largest selling technology battery in the -- battery technology in the world.

So lithiumion is the largest one by far catering to -- in terms of new age batteries, if you look at it, 70% to 80% of the batteries today would be lithium or its derivatives. And this company is really focusing on providing electrolytes, which are of new age, high end, which improves the storage capacity, which improves the time to charge, which improves the life cycle. So the number of cycles that the battery can take will be higher.

The safety parameters are far more improved. So all this really matters -- as you are aware, it will matter for any new age batteries that is there, which may be used for EVs or for your energy storage, static energy storage or for your mobile batteries and various other applications.

So in each of them, lithium ion comes into play. And in those batteries, this electrolyte and the platforms of electrolyte that Elementium is manufacturing will be critical and enhancing one and which is what Anupam is going to provide one of the strong fluorinated product, which has been developed and now we are commercializing it in -- we are expecting to commercialize it in 2026. '26 will be -- we will start with a decent size volume. But as we had mentioned in our announcement as well that the initial volumes will be provided from our pipeline.

But as we go, they are looking at a very significant ramp-up in terms of the volumes. And that for a larger volume because they are expecting 10x higher volumes from us going after '26 onwards, post '26, so at that time, we will need to have a capacity added. Yes, we can have that capacity within our plants -- existing plants as well. And we are sizing the plant capacities, capex.

Once we finalize those, we will share with you as well in terms of the costing and other specific details of those. But this, again, as we have been talking about, this can be a very, very large product for us. This will be -- if I believe what my customers are -- has projected to us, this should give us a very strong -- one of the blockbuster products for us going forward.

Meet Gada: Understood. So is there any competition for this product from China or anything of that sort? Or is it a patented kind of...

Vishal Thakkar: So let me take it in 2 parts. One, this is a patented one. This is basically developed by these Elementium. So there is a strong IP protection there. I would make that statement because of their process and knowledge. And the second thing is, as we had seen in the recent past, especially in the last 3 to 6 months, that there is a strong relook that all the purchasing countries are having a relook on their supply chain, supply chain sourcing in terms of supply chain sourcing geographies.

And if you look at the LOIs that we signed with Korea, Japan and with the other countries and this as well is a clear indication that we as a country are becoming a preferred choice. So with Elementium, we are the primary supplier for them for this product. And again, this is a product which is again a fluorinated product where our vertical integration really comes in very strongly from Tanfac and the acquisition of Tanfac as well. So we believe that we have a very strong edge on this product.

Meet Gada: Got it. Got it. So is there a possibility that you can add up more products on battery chemicals front, what other competitors are doing.

Vishal Thakkar: So Meet, definitely, there are a slew of products that we are working on. And please appreciate that all these products, if you look at it, largely are dependent upon fluorine also as one of the moiety in the product configuration, which ensures that there are limited number of players that would really be able to play the full vertical integrated project -- vertically integrated supply solutions for the end consumers. And that also leads us to having a stronger moat when we get to the customers.

But also more importantly, the R&D focus that we have, where we have a slew of products which we are developing in this category will also come into play strongly because as you know that to start with one base molecule or a KSM and then start building up. And that's what we have been doing it, as we had mentioned earlier in our fluorination strategy. So that will continue to really leverage our R&D investments or the developments that we have done. And as we go, we will see a lot more interesting products coming out from here.

Meet Gada: Got it. Got it. A few more questions, if I may. Nearly INR8,000 crores worth of LOI will commercialize in CY '25, FY '26 and start contributing to the top line. So based on the average contractual period, nearly INR1,000 crores to INR1,200 crores of annual revenues can be expected. What is our outlook on this number?

Vishal Thakkar: So as Gopal bhai also mentioned in terms of commercialization of the LOIs and the revenue contribution, we saw that 20% of the current revenue is contributed from the LOIs -- commercialized LOIs. And you rightly identified that, yes, it would be in the range of the number that you have spoken in terms of the fully ramped up potential of the current and near-term commercialized -- the LOIs that are expected to be commercialized in near term.

And we believe that in the near to medium term, that full ramp-up should come in, which would ensure that the revenue growth that we have been anticipating for us or projecting for us or guiding is looking more robust as we -- as I was mentioning that the capex has also been completed. So we have enough capacity to really ramp up those LOIs. And that would mean that we will have a strong continuous revenue growth that we can expect from here on is what I can say here.

Coming from the LOIs, as we have said that the number that you are saying in terms of revenue per year, I think we should be able to add to our revenue base in next 2 to 4 months -- 2 to 4 years' time period -- 2 to 3 years' time period.

Meet Gada: Got it. So any growth guidance for the stand-alone top line for FY '26...

Vishal Thakkar: Okay. I think Gopal bhai indicated that. Let me put it in a very simple term that we should be coming back to our historical growth rates, which have been in the range of 25% to 30% plus. And I think we should be able to continue to see that kind of a growth from '26 onwards.

Meet Gada: Got it. With similar EBITDA margin...

Moderator: Sorry to interrupt, sir, but I may request you to rejoin the question queue for follow-up question.

Vishal Thakkar: It's okay. It's okay. Let me answer this question and then we can take it up. Okay. So Meet, yes, the margins will be quite similar if you really see -- like as we had also mentioned historically that we typically look at on our CSM business side, we typically look at a margin profile, which is consistent. And the current margins, which you look at, has also been in the similar range, and we expect that the newer products should also give us a similar kind of a margin range, 26% to 28%, which historically we've been guiding. I think that should -- that looks fair too.

Meet Gada: Got it. And on the tax incident part, what should we build in for the next year?

Vishal Thakkar: I didn't hear you.

Meet Gada: On the tax rate, what should we build in for next year?

Vishal Thakkar: Tax rate?

Meet Gada: Yes.

Vishal Thakkar: The average tax rate that you've seen in the past, I think you can pick that up for the next year, which should be in the similar range.

Moderator: The next question is from the line of Ankur from Axis Bank.

Ankur: First question on the growth here by year-on-year basis -- I'm referring stand-alone numbers, year-on-year basis, we are seeing a 20-odd percent degrowth. What is the volume number here in terms of how we have performed in volume terms for the quarter and for the full year?

Vishal Thakkar: So Ankur, largely this degrowth, if you see on an annual basis is largely on account of volume. Very, very limited will be really on the price impact. So that's one. Two, if I were to put for the Q4, Q4, if you see, we have marginally grown from a year-on-year basis. And again, that's largely volumes, price -- average revenue per ton has increased marginally, but largely, it is the volume, which has driven the revenue growth or the revenue degrowth in both the cases.

Ankur: Sure, Vishal bhai. And what was the volume growth in FY '24, if you can help us remind that?

Vishal Thakkar: I will have to pull that out, I'm sorry...

Ankur: So there was no realization-led decline in FY '24 is where I'm coming from. So this number, there is...

Vishal Thakkar: No, no, no. If I remember well, I think price has not been a large factor in terms of either cases, both when we ramped up or when we ramped down. Largely, it was this volume, which has been really there. Some bit of it maybe because of the product mix and hence, but not from a like-to-like escalation of any price movements.

Ankur: Sure. So Vishal bhai, as I understand, we have a pass-through clause with our customers, wherein any increase or decrease in raw material prices is immediately passed through. I'm just wondering, across the industry, everyone is showing a pricing decline here given the decline that we are seeing from China, whether excess capacity or inventory issue or whatever. But in our case, you mentioned entire revenue decline is volume driven. There is no pricing impact. So there is no pricing decline for our raw materials per se for the last year?

Vishal Thakkar: So again, as I said -- largely, as I said, there may be some bit. I'm not trying to leave that allowance for that, right? But yes, largely, see -- again, I have been holding up a level of inventory also. And that also is there where it is, the reason why you're saying the -- and that my prices have not been too much impacted.

Also, second thing, please appreciate that my RMC in the whole total costing will be around about 30% to 40% at best. So the impact of price of RM will be affecting my sales price is also so much less, one, two. Three, if you look at it, for me, the average realization has been -- what I was saying that my average realization over the last 2 years has been flattish because the prices have been largely stabilized in the segment that I'm talking about, right?

Except there is a small bit of a movement in the input raw material like nitrobenzene or otherwise, but that does not significantly impact my final output of the price that really drives the whole 20%, 30% revenue change in my INR1,300 crores kind of revenue is what I'm trying to say.

Ankur: Sure. And when you guided that we will be going back to a 25% plus sort of a revenue growth, this is also all volume led. So there is no pricing impact neither in an inventory -- high-cost inventory sitting there, nothing of that sort and neither on the revenue side, right? Just confirming that.

Vishal Thakkar: Yes. So I think let me take this opportunity to make one statement before if I may. So whatever is the inventory that I'm holding, I will be able to pass it on as I have been able to pass it on in the past as well, including the last few years when the price volatility was so very pertinent. So one that I'm making that statement, as I'm saying.

As we go, yes, volume-led growth will be there because we are introducing new products, Pharma, Polymer and the Performance Chemicals segment, and also volume growth will come back from the agro side as well where the old molecules, which were -- which had a lower volume offtake in the last 2 years are also we are seeing that is an addition to coming back. In addition to what I talked about one of the new AI that we launched, that also will continue to ramp up. But yes, largely, it is volume driven. On a product-toproduct basis, it is volume. There is no repricing of my existing inventory that is there.

Ankur: Sure. And just a clarification there, the incremental raw material also that you might be buying in, there is no significant pricing increase or decrease versus the channel inventory average that we'll have?

Vishal Thakkar: True. I'll tell you what, if I see -- and see, one product to product, it varies that, Ankur, we may be able to see that in one product. But when I look at the portfolio of my RM...

Ankur: Yes, actually, over as a portfolio?

Vishal Thakkar: If I look at the portfolio of my RM, if you see for last 8 quarters, I have not seen any significant change, which will really determine too much of my change in my final product. There has been in some products, some categories, the volume, the prices have dropped, some categories, the prices have gone up. But on a total basis, when I look at it, that itself is not moving significantly. And if it is not moving significantly, its translation to that in my revenue is going to be limited is what I'm trying to say.

Ankur: Okay. Fair enough. Second bit on the LOIs that we have, so INR14,600-odd crores, as highlighted in our PPT, let's say, I'm taking an average of 7 years for them to fructify. So they will take INR2,000 crores of annual revenue run rate. The 20% contribution from LOIs that Gopal bhai highlighted earlier, I presume was on the stand-alone basis. Is that right?

Vishal Thakkar: You can take a ballpark...

Ankur: Let's say INR200 crores is already there. So what we are saying is INR1,800 crores of incremental revenue is going to come from these LOIs plus the INR700 crore plus base that we will have, which will grow at whatever pace. Is that the right assumption?

Vishal Thakkar: Yes, yes, but we have to be mindful that all that will take its own time to first commercialize and then to ramp up, but the...

Ankur: Something 5 years out, let's say, 4 years out or 5 years out, you are looking at INR2,500 crores of this revenue based on the current LOI itself. What is the right time, say, in 3 years or 5 years?

Vishal Thakkar: So see, I'll tell you there will be sequencing of it. The '22 number, so the LOIs that we did in 2022, those have come to INR200 crores broadly that kind of a number, right? Now that number will ramp up as we go, right? So next year, that number -- sorry, I'm using the wrong word here, but -- so my -- what I'm trying to say is that today, around INR200 crores is what we have done in this year, which is largely from the LOIs that we had signed in 2022.

Now similarly, the 2023 LOIs are expected to commercialize in 2026. Now if we take its time 2 to 3 years to ramp it up to full, I think if I look at all the numbers and I'm looking at all the LOIs, Ankur, most of my LOIs should be commercialized in '26 and a couple of them are in '27, '28. So from there, 2 to 3 years is where you can really safely say that, yes, I can -- I should look at maturity of my revenue of INR2,000 crores that you are talking about. So I agree with you. So it will be that time frame.

Ankur: Sure. And the current gross block, what is the peak revenue we can do?

Vishal Thakkar: So current gross block, if I add the new plant as well, INR3,000 crores plus to INR3,500 crores plus kind of a revenue is expected -- can be expected from these products. And also, I would like to also mention that as we go, as my product mix also evolves, this number can expand as we go. But today, I would -- with the current product portfolio, I would look at this kind of number, INR3,000 crores to INR3,500 crores, barring one that we had talked about, the battery one, where at some point, I might have to do a capex, but let's wait for that, and I'll come back as we finalize those numbers.

Ankur: Sure. And lastly, on the working capital, the inventory side. As I understand, for full year, Pharma, Polymer, as you highlighted, were the bigger growth drivers versus agchem. And if I'm not wrong, these are the ones which have lower working capital as a business cycle versus an agchem. Still, we are seeing consistent increase in our inventory as well as receivables. So your thoughts there?

Vishal Thakkar: So Ankur, you have rightly identified. I'll divide this into 3 different buckets. One, my agro volume that I had built up during my '23, '24 -- '23 period, if you look at 2023, I was growing at around about 25%, 30% CAGR every year. And that time, I had a INR1,300 crores of revenue, of which 70-odd percent was coming from the agro, sorry, which would mean that around about INR900 crores of agro revenue was there.

And based on that, I was building my inventory and supply chain, which I have not got enough opportunity to liquidate. So that inventory is with me, which now as we go forward, we will be able to liquidate as the agro demand is coming back.

Two is on the pure and pure Pharma and Polymer. If you really see, yes, that will have a lower working capital intensity as we go, especially Pharma, where the inventory will be of a lower volume, but the receivables will be of a longer tenure because Indian buyers you know how they are. Now here, the thing is that in last 18 months, I would have launched 15 new molecules for Pharma and similarly, 5-odd plus for performance chemicals.

So if you look at those inventories have to be built up because as you are aware that we will be doing a campaign production. So those are there, which as the volume ramp up for per product, that will come into a more normalized inventory levels rather than a more -the bunch of inventory that we are having today.

So yes, as we go, the working capital is planned to -- working capital intensity should reduce. And with the increase in the revenue, I have 2 advantages that will come up. One is my ability to liquidate, and two is also the day's volume increases significantly to justify the kind of working capital that we have invested in.

Ankur: Sure. So out of 550 days of inventory, 360-odd days is only agro inventory, INR900 crores, as you highlighted, and the balance will be for rest of the business. That's a fair understanding?

Vishal Thakkar: I'm not confirming that right now. But yes, principally, it looks a large part...

Ankur: Majority of it?

Vishal Thakkar: It looks largely for that, but I would -- I can look at the exact numbers and come back to you separately as well, if that helps.

Moderator: The next question is from the line of S. Ramesh from Nirmal Bang Equities.

S. Ramesh: Congratulations on your fourth quarter performance. So if you look at the first half of last year, revenues were beaten down compared to FY '23. So on that base, what should we expect in terms of normalized run rate for revenue per quarter in the first half? So I understand the big picture, but in terms of the -- how the revenue will move over the next 4 quarters for the FY '26 run rate, if you can give us some sense in terms of how that build will happen?

And then what is the kind of margin you expect compared to whatever margins you have reported in fourth quarter, which seems to be recovering? So last year, first quarter and second quarter, your margins are also depressed at 22% and 27%. So if you can put the numbers in context in terms of how you expect the revenue run rate to ramp up and what kind of margins we should expect for the first half, that will be helpful.

Vishal Thakkar: Okay. So margins -- let me come to margins first. Rameshji, I think the margins, we would guide to -- continue to guide at the numbers that we've been guiding in the past. I think that's the number that we should look for. There are quarters when you will have a better margins because of the product mix. But largely, I will continue to guide at the numbers that we have been historically guiding.

In terms of intra-year revenue, anyway, we have guided on -- we have suggested what we are looking at in terms of our revenue in FY '26. However, if I split it into H1 and H2, I think H1, we should be looking at around about 40%, 45% of the total year's revenue, which also is typically the kind of numbers that we have been historically seeing because of cyclicity of the industry.

And H2 will be around about 55% to 60%, both coupled because of the ramp-up of my products also will take its time and the revenue will be there. And accordingly, I would say that this is the broad guidance that I can suggest if we were to interpolate the quarterly numbers.

S. Ramesh: Okay. So you referred to some blockbusters in the AI and the EV-related chemicals. So if you ignore the capex required for the rampup in the Elementium JV and the AI, what is the kind of revenue potential you see, say, over the next 2, 3 years in this AI and these battery chemicals over the next 2 to 3 years?

Vishal Thakkar: So the agro AI that we talked about, we do not need any capex at all. And that, as I had said -- I will say I don't want to specifically pick a number and tell you that number, but I can tell you that this market is about 2,800 metric tons. My customer is looking at around about 5% to 10% of that market in the near term.

So if I take that, we can do the math from there. And this is a triple-digit dollar per ton product -- per kg, sorry, my bad. I'm sorry for that. So product -- dollar per kg product. So you can really see the kind of potential that we are talking about here. And this is a long-term product, which we'll be looking at for at least 5, 7 years and growing from there, right? So that's what I can suggest.

Let's come to the Elementium product. Elementium product, again -- just a minute, Elementium, again, this is a product which is a very good high application that we can see on -- right, where this year is where we will be starting the supply, which will be a smaller volume supply, which as we go forward, we are expecting it to -- or the demand that has been given to us under the LOI that we will be required to supply them 10x of what we will give them in CY '26. As we had also suggested in our announcement, this number should be around about $350 million to $400 million of revenue over 7 years.

S. Ramesh: So for this $350 million, $400 million of revenue, what is the additional capex required? That is the bigger question.

Vishal Thakkar: I would request that rather than me making a ballpark number, I can give you those details in the next call or when we are ready. For the first 1,000 tons, we will not require any capex. So my 2026 demand will be serviced from this current capex or current capacities itself. Once we ramp up or once we have a take-or-pay contract is when we will think about doing -- giving them -- looking at the capex as we go...

S. Ramesh: Yes. So just to belabor this point on this Elementium order. So that total order size -- out of the total order, what percentage can you execute with the current assets?

Vishal Thakkar: Current assets, we can do around about 1,000 tons, which is around about INR60 crores, INR70 crores per annum, we can easily do it. We can also squeeze in a little bit more as we go. But right now -- because see, always, we would also see that the capex is also not always zero and one.

I can expand my current capacity by debottlenecking and doing a few things where I can go to INR100 crores also. But yes, if I have to do the number that we are mentioning, which is around about $70 million to $80 million, $70 million to $90 million kind of revenue per annum, then we would definitely need to invest in capex.

S. Ramesh: Okay. Now if I may move to the product mix, on the current mix you have shared on agrochemicals, pharma, personal care and specialty, so what is the kind of growth we can expect in Pharma and Polymers? And then how would the numbers look for crop protection and personal care in FY '26, to put it in context in terms of the ramp-up in molecules, if you can give that, that will be useful.

Vishal Thakkar: So see, today, if you look at Pharma is around about 20% plus of our revenue. We expect that, that should be 20% to 25% of our revenue next year on an expanded base. In terms of performance chemicals, it is around about 15% plus in 2025. We should expect 25-plus percent of FY '26 revenue on an expanded revenue base. My personal care should be around about 8% to -- 10% odd plus or minus 1 or 2 percentage points and balance should be agro.

S. Ramesh: Okay. So the bulk of the growth will come from your Pharma and Polymers. That's what you're saying.

Vishal Thakkar: And agro will come back. So my lost volume, lost revenue, I should come back reasonably.

S. Ramesh: So in terms of the delta in margins, while I accept that you're talking about a ballpark 26%, 28%, but if we were to look at the shift in product mix impacting margins, so would -- all the segments obviously can't give you the same margin. So the growth in Pharma and Polymer, how does it impact the percentage margin movement, say, on a Y-o-Y basis points?

Vishal Thakkar: So Rameshji, what I can say is this Pharma typically has a little lower EBITDA margin profile compared to the agro and Polymer. Polymer has one of the stronger EBITDA margins. So if you look at it, the Pharma and Polymer tends to knock off to a large extent. And to that extent, that's the reason I'm more inclined to guide in the historical range because agro will continue, but Pharma and Polymer will knock each other off broadly, leading to a similar margin profile.

S. Ramesh: Okay. So one last question on the working capital and the debt. So if everything works out well after these warrant proceeds are used to repay debt, what is your internal expectation on the net working capital days by '27? What is the kind of debt we should be looking at by FY '27?

Vishal Thakkar: So see, '27, if you ask me, we would be looking at coming to around about 200-odd days, plus or minus 20 days of my working capital. That's what I have -- we as management have a target for us, one. Long-term debt will be practically zero because that should largely be done through -- with the warrants conversion by this year itself. And the one more point that I can say that if you look at this half, we have generated an operating cash flow of around about INR140-odd crores.

And if we are able to achieve our working capital targets that we have set, within 2 years, those cash flows should also be able to improve the working capital utilization adjusted for the higher working capital requirement absolute basis based on the higher revenue. So that's the math we will have to do. But largely, what I'm saying is the term debt will be practically zero for us and working capital should be more coming to the lines that I had mentioned for that 2025.

S. Ramesh: What about the short-term debt, that's at about INR1,100 crores. So will you see any meaningful...

Vishal Thakkar: So it is a balancing figure because the cash is largely going to be consumed only for the working capital, right? So to that extent, it is a balancing figure to my mind in terms of utilization of working capital because there is not too much of a repayment pressure on the term debt side because term debt is practically going to be zero. So largely, it will go...

S. Ramesh: So what is the net working capital days we should assume for the incremental revenue from the new contracts? So will it be in that 120, 150 days? Or will it be closer to the 200 days? That will help us understand the cash flows.

Vishal Thakkar: Yes. You can take it as 150 to 180 days.

Moderator: The next question is from the line of Meet Gada from Emkay Global.

Meet Gada: I just wanted to have a clarity on this AI product. I believe it is pyroxasulfone and there is a patent expiry which is coming in. So can you highlight -- so you've given triple-digit dollar guidance for that product. So what is the outlook, if I may ask?

Vishal Thakkar: So Meet, I would not want to make any statement on the name. I'll leave it for you because you guys are more educated and have better information. So I will leave it there. And I hope you appreciate that. And pardon me for not confirming or rejecting that.

And two, in terms of its regulatory approvals, these regulatory approvals are taken care by the customers. They have validated these regulatory approvals from their end. And post that, they have given us an order. And that gives us a fair bit of a confidence that the kind of guidance that they have given us and kind of commitments that they have shown -- given us in terms of their readiness and willingness to offtake the volumes that they have projected, we feel very confident of these revenues coming on stream.

And as you could -- you would have seen it in our performance as well that this year itself, we have done around about $6-odd million of revenue from that product. And it should ramp up as we go.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Vishal Thakkar for closing comments.

Vishal Thakkar: Thank you, everyone, for your active participation and for your questions. We hope we have been able to answer all your queries. And one more -- once again, thank you very much for joining us on Saturday afternoon. Hope, we have not kept you away from your lunch, hopefully.

And in case if you have any other questions that either we have missed or you have any further query, please reach out to our IR partner, Ernst & Young, and they will connect with you off-line. If there is anything more, please feel free to connect with them. Thank you very much. Have a good day.

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