Sector: Pesticides & Agrochemicals | RESULT REVIEW Q1FY27 | Declared On: 27 July 2026

Sumitomo Chemical India Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs529	264	Hold	Rs620	17%

as on 28th July, 2026

About the Company:

Sumitomo Chemical India Ltd. (SCIL) is a subsidiary of Sumitomo Chemical Company Limited (SCC), Japan, which is a diversified global chemical company. SCIL manufacture, imports and markets products for crop protection, grain fumigation, rodent control, bio pesticides, environmental health, professional pest control and feed additives for use in India. SCIL has 5 manufacturing facilities, as well as 4 branches and 60 depots across India. The company is chaired by Dr. Mukul Govindji Asher and has Mr. Chetan Shantilal Shah as its Managing Director.

Results: Quick Glance:

- The net sales for the quarter came in flat at Rs10,633mn as compared to Rs10,568mn in Q1FY26
- The Ebitda margins for the quarter under review stood at 21.9% as compared to 20.7% in Q1FY26
- The company reported profit of Rs2145mn as compared to Rs1781mn in the same quarter last year
- The EPS for the quarter stood at Rs4.30 as compared to Rs3.57 in the corresponding period of last year

Other Highlights:

- For the quarter under review, the domestic revenues reported a drop of ~3.4% whereas the exports market registered a growth of 26% on a y-o-y basis; the overall contribution of exports has reached at ~16%
- The **product breakup** for Q1FY27 stood as: Insecticides ~35%, PGR ~6%, Fungicides ~5%, Herbicides ~31%, Metal Phosphides ~10%, AND & EHD ~13%. The Bulk and Branded domestic mix stood as ~23% and ~77% respectively; whereas at the exports level the mix stood as ~64% and ~36% respectively. Growth in Metal Phosphides (+21% on a y-o-y basis) and AND & EHD (+11% on a y-o-y basis) helped offset softer demand in Herbicides, Fungicides and PGR
- The company continued to strengthen its commercial execution for the quarter under review via annual sales alignment, focused channel engagement and division-wise product prioritization. Additionally, **Topgrain** and **Helibax** (Pyridalyl + Emamectin) are on track for launch during Q2FY27
- The technical plant currently operates at ~92% capacity utilization and formulations plant runs at ~65%
- The company did not witness any significant impact from West Asia crisis for material availability or imports
- The overall working capital days as of June 2026 stood at ~56 days as against ~43 days in June 2025. The surge in the working capital days was attributed to seasonality driven inventory build-up ahead of the kharif season and increase in the inventory carrying value. The impact was partially mitigated by improved receivable days of ~68 days as against ~76 days in June 2025. Cash & cash equivalents as on 30th June 2026 stood at ~Rs25.49bn

Financials:

Performance (Q1FY27)							
Q1FY27 Result (Rs mn)	Jun-26	Jun-25	y-o-y	Mar-26	q-o-q	FY26	FY27E
Total Revenue	10633	10568	0.6%	6837	55.5%	32383	35275
EBITDA	2333	2192	6.4%	1342	73.9%	6709	7584
Other Income	473	388	21.9%	322	47.0%	1467	1529
Interest	20	17	20.3%	19	4.8%	78	82
Depreciation	172	157	9.6%	169	1.9%	661	700
Exceptional Items	269	0	-	0	-	(161)	269
Tax	737	625	18.0%	362	-	1846	2124
Net Profit	**2145**	**1781**	**20.4%**	**1113**	**92.7%**	**5430**	**6475**

Outlook and Recommendations:

The external challenges in the Indian ag-chem sector attributed to delayed onset of monsoon that was translated into ~40% deficit till June end alongwith ~20% decline seen in the kharif sowing area resulted in a more or less flattish performance for the quarter under review. The company reported marginal growth on the topline at ~0.6% when compared on a y-o-y basis.

Outlook and Recommendations (contd.):

Due to an industry led demand slowdown, delayed monsoon and lower acreage, the domestic demand remained subdued whereas the exports reported a good traction led by strong growth in South America, Asia (ex. India) and Africa which was partially offset by lower sales in Japan and North America. SCIL had undertaken calibrated price revisions during April and May in order to mitigate the input cost inflation. Timely price actions, improved realizations alongwith a better product mix resulted in an enhanced gross profit margin when compared on a y-o-y basis and stood at 39.1% during the quarter under review. The Ebitda margins too depicted an improvement both on an absolute basis as well as on the margins front (~120bps). The overall profitability was slightly inflated due to other income (grew by 21.9%) and exceptional items to the tune of Rs269mn recognized as insurance claim towards business interruption arising from FY23 Bhavnagar plant fire incident; barring the exceptional item, the overall profit would have reported a growth of ~5.3% on a y-o-y basis.

As far as the capex plans are concerned, the developments at the Dahej plant (for an herbicide intermediate) is pacing well with an estimated commercialization target at Q2FY29 while for Tarapur site, the commissioning is due for Q4FY28. The company would also evaluate a couple of other projects which at present are under the feasibility/approval stages of development. In addition to the already work in progress for Topgrain and Helibax, the Management intends to launch atleast 4-5 products every year. Going forward, the incremental revenue generation from the mature capex projects, new product launches would drive the overall business operations from a long-term perspective. However, considering the industry in which the company operates, the Management maintains a cautiously optimistic view and would focus on achieving a sustainable growth. We, continue to maintain a hold on the stock and retain our target price of Rs620.

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