



# Best Agrolife Limited

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National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G,  
Bandra - Kurla Complex  
Bandra (E), Mumbai-400051

BSE Limited  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street, Mumbai-400001

SCRIP CODE: 539660  
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Sub: Transcript of Q2 Earnings Conference Call - FY 2024-25

Dear Sir/Mam

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the "Listing Regulations"), please find enclosed herewith the transcript of earnings conference call for the quarter and half-year ended September 30, 2024 held on Monday, October 21, 2024.

The above transcript is also available on the website of the company i.e. [www.bestagrolife.com](http://www.bestagrolife.com)

Submitted for your information and record.

Thanking You,

Yours Faithfully,

For Best Agrolife Limited

*Astha Wahi*  
Astha Wahi

CS & Compliance Officer



## Best Agrolife Ltd.

Quarter 2 FY 2025

21 Oct, 2024

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**Moderator:** Ladies and gentlemen, good day and welcome to the Q2 and H1 FY25 Conference Call of Best Agrolife Limited. 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 the conference call, please signal an operator by pressing '\*', then '0' on your touchtone phone. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. The statements are not the guarantee of future performance and involved risks and uncertainties that are difficult to predict.

Today, from the management side, we have with us Mr. Vimal Kumar - Managing Director, Mr. Surendra Sai - Head of Strategy and Overseas and Mr. Vikas Jain - Chief Financial Officer. I would now like to hand over the call to Mr. Vimal Kumar for his opening remarks. Thank you and over to you Sir.

**Vimal Kumar:** Yeah. Thank you. Good afternoon, everyone. Welcoming everyone to the earning call for our second quarter and half year financial performance. Let me begin talking about the industrial landscape. This year, India's monsoon rainfall has been the highest since 2020. With above average rainfall for three consecutive months, this has helped the country recover from last year's poor rainfall situation. In India, good annual monsoon is very important for the farmers, for our industry as well. A good monsoon provide nearly 70% of the water needed to irrigate farms and fill up reservoirs. A good monsoon supports our \$3.7 trillion economy. However, the above average rainfall that happened in September was due a delay monsoon control and that cause damage to some summer some crops like rice, cotton, soyabean, corn and pulses in some areas. On a positive note, India's water reservoirs has seen a significant boost with 155 reservoirs at 88% of total capacity, this is 14% above normal levels. The water storage situation in the western and southern region of India, including Gujarat, Maharashtra, Karnataka, Madhya Pradesh, Andhra Pradesh, Telangana has been particularly good with above 90% of the reservoirs being full. This is encouraging for our agricultural landscape and we are expecting a good rabi season, upcoming rabi season.

Coming to our company and the second quarter of this financial year, I'm happy to report a strong performance driven by our strategically focus and market knowledge. Our strategic focus in R&D and growing our brand business is helping us in making the best farmer brand. Our three core pillars are innovation, products and farmers. We know this will drive a sustainable and profitable growth for the business. We have been investing in developing patented products for our farmers and working on backward integration of technicals as well as intermediates.

During the first half of the year, we secured three key patents for our innovative formulations. We aim to establish leadership in the patented crop protection segment. Our branded product continuing to perform exceptionally well across regions driving overall revenue growth. As a result of these efforts, we saw an improvement in profitability with our gross margins expanding from 26% to 34% year on year.

Looking ahead, we are in enthusiastic about our robust product pipeline for the upcoming quarters. In the third quarter, we plan to launch our patented herbicide Shot Down along with the new insecticide. Additionally, we have two more innovative insecticide scheduled for release in Q4, which will further enhance our product portfolio and strengthen our market competitiveness. Thank you. And I now invite Mr. Vikas Jain, our CFO to address the financial performance for the quarter ended Q2 and H1 FY 25. Thank you.

**Vikas Jain:** Thank you, Mr. Vimal ji, and good afternoon, everyone. Coming to our financial performance, our revenue from operations for Q2 FY25 stood at rupees 747 crores compared to rupees 811 crores in Q2 of FY24. Although seasonal conditions were generally more favorable compared

to last year, some regions experienced excessive and continuous rainfall which resulted in fewer crop sprays. The decline was primarily due to strategic focus on building the branded business and lower institutional sales. Our focus on strengthening our branded business is yielding positive results. So, our branded business is now accounting for 65% of our overall revenue. Credit sales have grown by more than 15% this year in Q2FY25, notably branded has experienced a volume growth of 35%. From this 35%, 24% was attributed to newly launched product and 11% from our existing offerings.

The growth was offset by a price variance of 20%, primarily resulting from reduction in prices for products such as CTPR, Pymetrozine and others. On the other hand, institutional sales saw a decline of 41% with a 26% reduction in volume and a 15% decrease in prices. This decline is largely due to price reduction combined with our strategic shift from institutional sales to branded products. Several generic products sold last year are being slowly deprioritized. Institutional sales, which was either too focused on generics, is on the downward trend now. Our subsidiary company that we acquired last year, SUDARSHAN contributed to 213 crores in H1 FY25 as against full year sales of 242 crores in FY24. This revenue reflects a 74% growth on quarter-on-quarter basis.

In terms of profitability, our Q2 FY25 EBITDA excluding other income was around Rupees 147 crores, enhancing the EBITDA margin to around 19%. The increase in margins was account of stability in raw material prices and higher sales of branded products. The Q2 FY25 PAT stood at rupees 95 crores and PAT margins stood at 13%.

Talking about H1FY25 revenue from operations stood at rupees 1266 crore as compared to 1423 crores in H1FY24. EBITDA stood at Rupees 202 crores with a margin of 16%. PAT is 116 crores with a PAT margin of 9%.

Our OpEx for Q-on-Q is higher due to consolidation of Sudarshan, which was acquired in March 24. We have made significant progress in strengthening our balance sheet, our debt-to-equity ratio has improved to 0.59 as of September 30th, 2024 compared to 0.90 on March 31st, 2024. As we expect a good Rabi season, we expect a significant improvement in our working capital as well.

Additionally, we have completely liquidated high-cost inventory. We have seen a significant improvement in the cash flows from operating activities rising from 5 crores in H1 FY24 to 125 crores in H1 FY25. We are expecting an in-principal approval for the preferential allotment and we'll be hoping to complete the preferential allotment and 25% payment will be received within 15 days of receipt of all regulatory approvals.

I now hand over to Mr. Sai to speak for further business updates.

**Surendra Sai:**

Thank you, Mr. Vikas ji. Good afternoon, everyone. Thank you for joining us here today. As Mr. Vimal ji shared, during the first half, we have received 3 patents for our important products.

One of the patents is for our novel ternary pesticide formulation that combines Isoprothiolane, Pymetrozine, and Trifloxystrobin. We have also received a binary patent for a novel fungicide that combines the technical Trifloxystrobin and Valifenalate. These will be released as products in due course. Our water product is for our release. Our third patent is for our released product, which is a synergistic insecticide formulation 'Nemagen'. This is a combination of CTPR, Novaluron and Emamectin. This product is designed to handle multiple pest infestations in different crops. It is a one-shot solution for most of insects. This product has been well accepted by the farmers and we look forward to doing 100 crores plant business in this full year of induction itself. These recent patent approvals highlight our commitment to innovation and our focus on developing effective solutions for the agricultural industry.

With our focus on product innovation, R&D and technology combined with expanding our brand presence, they're well positioned to capitalize on the opportunities in Hydrochemical market and drive a profitable and sustainable growth going forward. We continue to build upon our robust pipeline of patents. We intend to release at least two to three new products per year.

This year, we have incorporated a subsidiary in China as a strategic decision. This subsidiary will be focused on developing deeper cooperation with our suppliers and increasing our

collaboration for R&D in new technical and intermediates. We continue to work on registration for products in large markets such as Brazil, Australia and other geographies. We will be aligning our first registration with the newer products we developed. This is all from our end. We are now open the forum for discussion. Thank you.

**Moderator:** Thank you very much. The first question is from the line of Balakrishnan from Exelon Investment Management. Please go ahead.

**Balakrishnan:** Good afternoon, Sir. My first question is related to the search that was conducted by income tax department. Is there any update on the final conclusion of the proceedings or what is our assessment of the outcome of the proceedings?

**Management:** Yeah. Thank you. Thank you. Mr. Balakrishna, you are asking for the income tax. We have fully updated with the proceedings and as of now, we don't have any extra demand whatever is our regular, we are paying that on time always that is our advantage and everything and according to us, there is no demand we are expecting for this income tax, no extra demand, I mean.

**Balakrishnan:** OK. With regard to your full year guidance for the current year in terms of revenue, so do you expect to achieve the full year guidance for the revenue considering that we have two quarters which were either flat or lower than last year? And the prime quarters, the two main quarters in which we do business has already been, you know they are flat.

**Management:** Yeah. Mr. Balakrishna, you are asking about the third quarter and fourth quarter.

**Balakrishnan:** Correct, yes.

**Management:** Yeah. The third quarter and fourth quarter, of course, last year it was very weak. Of course, last financial year, but this year we have planned such a way and you can see our second quarter growth from first quarter, there is a good growth, but if you talk about the revenue number that is lesser than last year that because you know we were expecting 20% at least growth in the second quarter or third quarter also that we have planned in such a way of the sales in B2C because major head was B2C in the third quarter and fourth quarter. So, we have taken the good provision for that also that's why you can see the number of around 746 crore which has to expected maybe 900 crore and moreover last year third quarter was badly hit and but this year, as in my commentary also, I said because of the delay season and the third quarter mainly we have you know November, December and January, this whole month are for the rabi and if you talk about the October because the season health day, so our October month is also going very well and we are expecting very good number if we compared to there is no comparison from last year, we are we are expecting very good number in this coming third quarter and fourth quarter. Third quarter, which is running in the fourth quarter.

**Balakrishnan:** And the last question is related to QIP. So, when do we expect to receive the funds? I mean when are we expecting to conclude the filing and all the stuff?

**Management:** Are you are talking to the preferential which we have done?

**Balakrishnan:** Yes, yes.

**Management:** Yeah, that is in QIP that preferential we have done. We did the last month, of course that is approved by our General Board meeting in annual general meeting that is already approved in end of September. So, first week we have filed to the authorities and hopefully within November we will get all that amount which is prescribed there at 25% or whatever. Once we get the approval after that, we will get that money into the company.

**Balakrishnan:** That's it from my side. Thank you.

**Management:** Thank you. Thank you, Mr. Balakrishnan.

**Moderator:** Thank you. The next question is from the line of Raj from RJ Partners. Please go ahead.

**Raj:** I wanted to ask on the preferential allotment. So overall you are expecting to raise around 189 crores, right?

**Management:** It is 200 crores.

**Raj:** Around 200 crores. OK, OK. And how are you planning to utilize this fund?

**Management:** Mostly we are expanding our backward integration as technical and intermediate in that we are giving almost 80 to 90 crore and the balance we will use for the working capital.

**Raj:** All right, all right, all right. So, working capital will be around 110 crores then.

**Management:** Yeah, yeah, 110 crore, 120 crore and 80 to 90 crores it will go into our extension of the backward integration.

**Raj:** All right and. OK. And I wanted to understand you mentioned that in Q2 FY25 you had earlier planned to do sales of around 900 crores, right and instead of that number you achieved 746 crores. Why is it so?

**Management:** Just because of the I told you know, because the in the second quarter and that is pushed because of the rain because there was a heavy rain in the full quarter. So, some push sale in the October only. So that will reflect in the third quarter. Just that pushed in the 15 days. So, whatever the sales need to be happen by 30th September, it will come, it will reflect in the month of October. I mean the third quarter only.

**Raj:** Right. Understood. And so, I wanted to know your full year guidance for FY25 and FY26.

**Management:** Yeah, earlier also we have given that guidance that is approximate. Of course, that is we have given 15% at least growth we will get, but we are expecting more than that because our rabi season we can see it is good and we can get easily we can say the full year so, 16% EBITDA and at least 16% EBITDA, we will get in the full year. And if you talk about the top line revenue, that will be also more than 2000 crores.

**Raj:** For FY25, right?

**Management:** Yeah, for FY25.

**Raj:** And for FY26?

**Management:** 26 we are expecting 20% growth in the top line.

**Raj:** And about the EBITDA margins, any guidance you would like to give?

**Management:** EBITDA margins will grow, you can see the drastically, there is a change in the second quarter from 26 to 34% if you see last year the second quarter was 26%, now it is 34% gross margin. So of course, the gross margin will increase because our focus is on always on our proprietary molecule, either in our patented molecule that we are focusing. So, so by this way it will increase quarter to quarter and year on year. More business in with the B2C only.

**Raj:** All right, so how much is the gross margin on the B2C side compared to institutional sales?

**Management:** Yeah, B2B and B2C there is depend on the product to product which product you are selling. But in a general if you talk about the B2C margin is near about gross margin, we can say 45% or 40% and where our B2B business we talk about that will come around or 20-25%.

**Raj:** 20-22% OK.

**Management:** No 20 to 25%. It depends on the product to product. Product have some product of 30% some product of 20%. So, we can say conservatively that is 20 to 25% and B2C we are getting 40 to 45% now this year it will be happen because our so many product we have launched this year which is our patent. So, this will this will also increase you know year on year.

**Raj:** And just how much is the gross margin on the patented products?

**Management:** No, I'm giving you the average, but some of the product like we have some of product where we have even 70% of margin also there for gross margin and some of the 30% so it depend

you know because whenever we go to the market, we have to see the farmer need and farmer how much farmer can spend either we are replacing farmer, you know mindset from others with our products. Then we have to see how it's comfortable to farmer pricing we have to see accordingly we get the margins. So, it is not decided by directly on the product that has to decide on the field, how the farmer is getting alternate product so we have to keep that way the pricing. So that's why I expect otherwise that is our patented molecule, we can take the big margin also. But we always keep in mind that we have really you know we have to really see the farmer benefit also how they are getting benefits from our products. So that's why it's sometimes it is 70%. Sometime it is 50% and sometimes it is 30% also.

**Raj:** Understood. How much CapEx are we expecting to do for FY25 and FY26?

**Management:** CapEx. So initially we are planning to do as Vimal ji mentioned 80 to 90 crores from the preferential allotment. And then there is future growth planning as well, but that will consider once we start this one and complete this project.

**Raj:** Alright. And how much time it will take for us to complete the CapEx of 90 crores?

**Management:** Uh, right. So, this particular CapEx for the 90 crores is going abroad in you know, multiple phases. There is a phase one that we are doing it on a priority basis and the phase two which will consume the large amount of the CapEx, which is the 80 to 90 crores. We will be completing it, you know at least you know before the year. So, I would say you know in six to nine months because we are sort of well used to be the art of creating the technical plant at a rapid pace. So, we know how to be able to build technical plants. So, I would say within two to three quarters, we will be able to complete the plant.

**Raj:** Two to three quarters. So, you are expecting the CapEx to come on stream by around quarter one end?

**Management:** Yeah, yeah. Next year, quarter one to quarter 2 around that time frame because after the plant completion, there would be trials and other things for the new molecules. So, it that takes at least around one to two quarters to stabilize.

**Raj:** So, it is a Greenfield CapEx?

**Management:** No, this will be a Brown Field.

**Raj:** Ok brownfield capex, alright. OK, Sir. Thank you. All the best.

**Management:** Thank you. Thank you.

**Moderator:** Thank you. The next question is from the line of Preet Nagarsheth from Finvisors. Please go ahead.

**Preet Nagarsheth:** Yes. Hi. So, I think the question that I had was, do you still see any negative impact of rain because there are still some parts of the country that are receiving rain even in October. So how does that impact your projections for the quarter?

**Management:** You're talking about the excess rain?

**Preet Nagarsheth:** That's correct.

**Management:** OK, no, of course there is some part where somewhere, because even if you talk about the Southern region, it is always delay. Delay means you know the first season comes for us is a North India and then it goes to Central India then it goes to the Southern India, if you talk about the Kharif crops, what you're talking about some rains are there, there is no impact at all because there was very heavy rainfalls, which was in the second quarter. I mean not in second quarter, which started from June end then it is till September it was. So that will give even good impact on the land because you know some when the rains comes it goes you know, to the deep in in the in the lands so it will give always good impact when there is a, I would say the raining is not like some of the big you know I can say like a flooding situation and all that, this is not anywhere that kind of situation in country of any part. So, there is no negative impact. Of course, negative was some delay on the season that was there and some negative

we can say some area because that time has lapsed, so some area already they don't, you know, in my commentary also I said you know, there was no sowing so that we can say otherwise overall it will be give a really good boost to the everywhere in our industrials and as well as agriculture.

**Preet Nagarsheth:** And so, what is the impact on the Chinese dumping that was very strong and prevalent. Has that kind of reduced or stabilized or what's the update on that and prices of products?

**Management:** Yeah. Now I can say because in the last two quarters also even known last four quarters, I would say in the last one year, there was a thing you know we can say there is a China dumping and this and that. But right now, we can say to stabilize because once any of the factory in China they are they are under the cost when they are producing. They have to stop because under the cost they cannot survive, so now I would say the situation is there where prices have fallen down a lot and now the situation is that the factory has to stop because they cannot run at that level. So, I would say now this position is stable from last two months and it will be stable because it is almost the lowest cost for the intermediate and the chemicals you know which we use in agrochemical I mean.

**Preet Nagarsheth:** Right, Sir, you you're guiding for at least 15% or more top line guidance for FY25 right now if that is what you are saying, then it will mean that your top line should at least cross 2100 crores for the full year because 1873 crores is what you had done for last year. Now that means that at least in the next two quarters, the total 800 crores plus worth of business has to come for you to get to those numbers. So that would mean getting kind of numbers that you've never ever done in the history of the organization because Q3 is generally better is not as bad, but Q4 generally is the is obviously going to be the weakest. So how do you see generating that kind of revenue in Q3 and Q4?

**Management:** Definitely, as you said, you know it is around 800 crores which is very easy because you know we are outcoming from the generic products and mostly we are selling our you know specialty molecule and patented only. But we have new product, one is herbicide which is shot down. That is the in the particular segment of soya bean and the groundnut that is the best one of the molecule and is in new chemistry. No one has that molecule as a chemical also not introduced by any company that is that shot down. Biloxi form that is not even in the market as of now. So, you know that segment is itself it is more than 2000 crore. So very easily these 800 crores will we can achieve that is not a problem. But always the conservative side, you know that we will grow more than 2000 crores this year, but definitely it will give us, you know, 15% we can actually more than 2100 crores.

**Preet Nagarsheth:** Yeah. The other question that I had was regarding the Herbicide business. Is it true that the utilization of herbicide is going to keep on increasing as a pattern? Is that something you see? What's your take on that?

**Management:** No, it is a general statement everybody gives like because herbicide is confirmed and when rain is good so herbicide is more for sure because that is with the rains, when rains is more so herbicide usage is more but insecticide as well as the same and fungicide also is the same like we are struggling chemistry. We are working from last many years so many problems we have so that will also go stuff and also, we have herbicide in our pipeline and in our basket also already so that there is a true that herbicide sales we say sometime it has confirmed the sale and sometime insecticide sale, we don't say that is confirmed sale till the you know sometime pest and according to the segment sometime it will go 10% up and down but Herbicide sometimes we say when we plan, you know, like 500 crores so definitely we will achieve 500. This is the only difference we can say not much difference we can say like.

**Preet Nagarsheth:** Understood. Thank you so much, Sir, and wishing you all the best.

**Management:** Thank you. Thank you.

**Moderator:** Thank you. The next question is from the line of Ankur Kumar from Alpha Capital. Please go ahead.

**Ankur Kumar:** Hello, Sir. Thank you for taking my question and Congrats for the improved numbers. Sir, I wanted to ask regarding the same question, the 800 crores in second-half. So, is it like the season is much better and we don't expect any comeback of sales also, because last year, I

think that also hurt us in in the second-half. So, and in terms of bottom line also do we as in last year we had losses in the last two quarters. So how should we look at bottom line also?

**Management:** Yeah, definitely. Mr. Ankur, that your question is relevant because last year everybody has seen third quarter and fourth quarter as Best Agro it was negative so, it was you know for us also it was learning because once we placed and it get returned some percentage and it was our more than provision. So, this year in Conservative we have taken the good provision for that, which is a provision is more than last year, but again provision is more, but the expectation is less to return back because return back is not that much because we can see now, we have a good system of SAP which is again this year only because that we have started from 1st of April. So, we can see the liquidation from the dealer distributor and each of our territory managers also that involving each of this SAP so we can see the liquidation is very good. So, we are not expecting big return even the provision which we have taken, now we can say there will be a growth in certain quarter because of the less return according to provision given.

**Ankur Kumar:** Got it, Sir and Sir since first half is our seasonally strong period. So, in terms of every FY26 the next year, how are we preparing to have a good number in that time?

**Management:** Yeah. Because you know any of the product because we are working on the new chemistry new molecule when we are talking about the new chemistry new molecule any of the molecule when we start that of course in one year we cannot create that market. If you talk about our product which is our you know Ronfen. That is the brand name that we have started in 2023, then 22 exactly, but it was half year we got. So, first year sale was around you know 100 crores. Second year sale was around 200 crore. So, this year, I mean this this financial year, we will cross more than 270 crore if we talk about that kind of number because any of the product, either it is a very good product for the farmer, very unique product, still it has some time to create its own market in the and farmer mindset. So, each year it will grow because our product which we are launching that we are not launching 100%, which we are patent, we are launching which is really commercial viable and also benefited to Indian farmers then that product we are launching and that we can show them what benefit they are getting out of it, less carbon load product because there is a one example I would say like any product, if there is a 50% of AI and we are giving that same product, same efficacy and the same in the 25% so that creates a really good value for the farmers, but farmer only will believe when once they use and the first year use always will be less of any good product and 2nd there will be high, third year will be high so and each year we are again launching for at least two to three products, which is in the different segments as a herbicide, fungicide or insecticide. So, if you see in that way, it is confirm, I can say that connection FY26 will be really good year and again that coming year will be again very very good. Because we have changed our entire selling pattern, it was earlier were B2B and were generally now slowly, slowly each and each year we will be fully brand company to B2C company by FY27 it will be 100% sales by our both of the brand Sudarshan and the Best Agro.

**Ankur Kumar:** Got it, Sir. Thank you.

**Management:** So that we can we are very confident about that, yeah.

**Ankur Kumar:** Got it. Thank you.

**Moderator:** Thank you. The next question is from the line of Dishika Rathod from Bhairavi Finserv Consultancy. Please go ahead.

**Dishika Rathod:** I had just one question. Sir, your receivables have gone up a lot, can you comment on that please?

**Management:** Yeah. Receivable. Yeah. So, receivables are in line with what we sold in last four months. So, the receivables, if you take the revenue and if you add 18% GST, so more or less, we are close to that kind of receivable, so otherwise there's no disables, which are pretty owners so so mostly these are all coming from the recent season.

**Dishika Rathod:** OK, Sir. Thank you.

**Management:** Thank you.



**Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

**Saket Kapoor:** Yeah, Namaskar Vimal ji and team. Vikas ji and Sai sir, thank you for this opportunity. Sir, firstly, would like to congratulate the team to come up with the results very early in the 1st 20 days of the ensuing quarter. So, we hope that that this practice will not be a one off. And we would be agreeing to this good standard of corporate governance where good company many companies are looking how investors can benefit with results also being declared at within a fortnight. So firstly, I hope that that we continue with this exercise and it is not a one off. Kindly Sir, if you could give us some understanding on the sales return part, the number for the second quarter and also for the first half.

**Management:** Yes, Sir. Mr. Saket, thank you. Thank you very much. You give your encouragement and definitely we will try our best and to give result in, you know in the third quarter and fourth quarter also and we will keep trying and we're always trying to give our, you know stakeholders to give the comfort with the results of dates and you know, with our results also and definitely because of the third and fourth quarter last year was not so good so we have received plan in such a way our system has strong and like SAP is giving us a really good thing you know because the earlier we have to merge the number we have to take the number. Now everything is ready. So that is the one of the example which we have given the result earlier, that is one of the things and we talk about the question was Mr. Ankur also asked the same question, so I have the same reply because this year season is good and our product we are chasing you know liquidation as distributor level also as our particular TSM level also. So, and provision is also there. So, I don't think so that will give you one third quarter and fourth quarter you know the provision is higher according to us which liquidation we can see now. So, there will be no big surprise in that side, but of course it can be little surprise in the positive side because when there is no return which we are provisioning again, it can give us the good results.

**Saket Kapoor:** So, we can expect the reversal that is the provision which we have made we can write back the problem. That is what you are addressing?

**Management:** Exactly.

**Saket Kapoor:** Sir, what commentary I heard you in during the AGM and now today also. It seems that we are transiting into a different Best Agro altogether than what the company was and now with the steps which you alluded in your opening remarks also with the SAP implementation and also now our taking inroads in the southern market. So, if you could just explain to us in somewhat more brief detail what is this transition journey currently which gives you the confidence that things would look very different than what the company used to be earlier as you very well mentioned about FY25 not only for FY25 but also. Now you are giving numbers for FY26. So, if you could just explain to us what gives you that confidence and also in the southern market, I think so last time during the quarter one you did mention that we have done lot of work wherein we will be capturing lot of market or we will be having our presence in the southern market and I think so Q3 and Q4 are very relevant market very relevant period for these markets, so if you could just well, how, what are our preparations and how are things going likely to be?

**Management:** Thank you for the question. Regarding the transformation, yes, certainly you know the last 2-3 years has been a change in how we have been operating, what is our strategy been, what we would like to make and what we would like to sell. And the transformation has not been based on the last 2-3 years. It has been based on multiple years effort. In terms of our R&D getting to a matured level where we are able to get patents where we are able to get the registration for the new patented formulations and we are able to create the whole infrastructure which is agile enough to take care of the various geographies right from the North to South, East to West and be able to deliver a good product to the farmers and this transformation has is a little different from any other agrochemical company. I can say that, I can say that with a lot of confidence. While we work on the patents, we have been able to transform these patents into products and we have been able to make these products successful in the market. It is a difficult challenge to be able to introduce a new product, get the farmer acceptance to be able to do 50 crores plus to 200 crores you know, even more than that in the first year of introduction of launch. This this transformation has also helped us understand that we need to

be able to reduce our B2B business, which was obviously giving us a lower margin than the B2C business. The B2C business has also been effective in helping us to make a brand presence and that is the farmer is now able to understand that there is a brand which is called as Best and which provides newer patented formulations which are effective on the field. This said, the whole Pan India distribution mechanism, which is digitally now linked with SAP is also an important factor in our operational efficiency. And there were certain learnings that we had from the last year, which was in terms of increase in terms of our returns, which was also the reason for that was that fact that, you know, there was our ability to understand the market demand and requirements. Those things have been put in place to the extent that we are now much more confident about what is the channel inventory and how much has been the channel liquidation. This set your second part of your question was on the southern market. We traditionally were strong in the northern part of the Indian Belt and to some extent the Central belt. We had the presence in the Gujarat, Maharashtra, Madhya Pradesh, Haryana, Punjab whereas our presence in the southern market was a little bit on the weaker side. Today I can say confidently we have a good strong presence in Andhra, Telangana and with the completion of the, you know the southern market, which is a very important part of the Indian geography and the market, we hope to be able to have that complete Pan India presence. And this is very necessary for as the years go by and we introduce 1 molecule, 2 molecules, 3 molecules patented formulation per year, this will help us to be able to become, I would say confidently, a very good brand in India. I hope I answered this question.

**Saket Kapoor:** So, Sir, the confidence which you are alluding for quarter three and quarter four to be good posting good numbers is on our penetration in the southern market and better understanding of how things are in the southern market that will that will all attribute to growth. That is what you are alluding to?

**Management:** Yeah, that is in addition to that, some season has pushed because of these rains. Again, I'm mentioning that October is also going well. So that is also one that is adding to what you said.

**Saket Kapoor:** OK. And about the international market, if you could just give an understanding, where are things in terms of the our developing our registration process in the different geographies of the world and what kind of numbers can we expect in terms of revenue from the international market, if some color would be given.

**Management:** Thank you for the question. The international business market development has been going on for the, I would say the last year. So, we had a good number of registration in international market, but some of these registrations were for older molecules and older formulations. We see that you know the opportunity for good margins and for good growth as well, is under pressure from Chinese competition and that is where we have been creating a strategy for the international markets also to be working on your molecules in your chemistry, which is one of which is the strombolian chemistry. And we are also one of the questions which was asked earlier was on the herbicide segment, which is something that we will be doing in terms of developing a market for herbicides and developing a production facility for herbicides also. We are also working on trying to get a little bit more into the bulk formulations and other things for our patented molecules. These things will take a little bit of time because registration process in many countries is an extended effort which could anywhere between one year to two years, three years and if we look at the Brazilian market it could potentially go up to 6 years. So, this is something that is the work in progress, the expertise that we have been able to gather in the Indian geography in terms of being able to market our newer products and new and value that newer products bring to the farmers, we would like to be able to replicate that across the world. The last part of the answer would be that being competitive with respect vis-a-vis China is an important factor in our whole international strategy and we are actively working on that. The development of our China subsidiary is a step in the same direction where we are looking at collaborative R&D to be able to you know explore international markets. We hope to be able to develop India at a manufacturing base where we can produce and be able to develop products, fungicides and herbicides to some extent that patented formulations for the international market at a price which is very competitive. Possibly the you know the best possible price in the world. So those are some of the areas working on.

**Saket Kapoor:** Small point on the inventory, we have closing inventory of 873 crores for September. So, can you provide the split between herbicide fungicide and insecticides in percentage terms of in terms of the closing inventory?

**Management:** Yeah. Actually, if we talk about Herbicide because the more major which is 873 you're talking about is the major inventory which we have, which we are selling in fact now in the third quarter because again I mentioned that October is you know pushed from the second quarter sale which we are doing in October. So that is also the inventory in the insecticide segment and the fungicide and again herbicide which we are preparing our new formulations and the rabi season. So that is our inventory which will be end of the year like March 25, you will see there will be significant changes in the inventory level.

**Saket Kapoor:** No Sir, currently if can you provide the mix?

**Management:** Exact product wise I don't have in front of me but approx. I can tell you which can be number minus or plus, but I can tell you majorly 300 crore of insecticide and I can say and the total 200 crore can be the fungicide and the other will be the herbicide like on the balance it will be approximate number because I don't have exact number.

**Saket Kapoor:** Right. And Q3 sales would be majorly for herbicide as a product which we are doing for the Rubicon that is the major sales proportion will be there.

**Management:** Generally, it is like this only what you are saying. Generally, it is like this only but this year have some changes because of the push feature. The push season also will give us the insecticide and fungicide will also and the herbicide as well as herbicide is there already because third quarter majorly is for herbicide as you said correctly you said.

**Saket Kapoor:** And one small observation that if we could have our state our numbers in terms of lakh or cores, that that would be more sufficed than reporting in millions. That is a small suggestion. And also, in terms of the investor presentation that got uploaded today morning at 11, if you could work out with uploading the came in few hours after post the results that could provide us some more time to go through your investor presentation as these are meant for us only to go through so only two hour time is there and this is a busy earning season, so I would request the management and the IR team to take note of these two points also and deliberate merit then kindly look into the implementation.

**Management:** Thank you for this session, Mr. Saket, and definitely we will work on it and from next time we will give it at the time of the result. Thank you for your suggestion.

**Saket Kapoor:** Thank you, Sir. I will join the call and listen to this.

**Management:** Thank you.

**Moderator:** Thank you. The next question is from the line of Ram Tawa, an individual investor. Please go ahead.

**Ram Tawa:** Yeah. Hi. Thank you for the opportunity. So, I know that these patented products been claiming as game changer products from now and as well as the future. But I want to understand how is the feedback from the farmers on the effectiveness and the efficiency of these products except for Ronfen the rest of the patent products, majority were launched this quarter this half year right. I want to know how is the feedback from the farmers.

**Management:** In fact, feedback with the numbers you can see because the feedback is very good not only for Ronfen, there is one product Tricolor and we believe this Tricolor one year will be the number and the product is all are great products. I'm talking about the numbers. If you talk about the number of the Tri color and the warden extra, it will be bigger than Ronfen. I'm telling you, because the fungicide segment is bigger. You know the crops are more for the product. But again, because these products like tricolor, warden extra these are, you know, the first year we have Ronfen and so this is now this year we will reach up to 270 crore. The tricolor if you talk about this is again second year so we are only at the level of 122 crore, but one day we believe because that product is so great and multi crops so this will be bigger than the Ronfen. If you talk about the number so you can assess because these numbers is not so easy for any of the product in the country, if any product, any new chemistry, any new thing, it will take much, much time to develop that product. But the product, if you don't have you know the right efficacy right, you know if the not the benefits of farmers so definitely we cannot get this kind of number. If we talk about you know the growth of the patented molecule in our in Q2 even

that has grown up to 38% that is in our PPT also you can see which we have uploaded there. So that is 38% approach so, we have you know the patented product and branded sale so. So, if you see that number is not easy 100 crore any molecule in India you can counter because there is no that such big market you cannot so that is in the second year if you are 100 plus crore so, you can assume that will be go up to 250 crore, 300 crore each product. So that without efficacy, without result, it is impossible. Farmer is very smart for farmer, this cost is not only the cost of bottle, it is the farmer the cost is as a percentage per hectare or per acre. I would say so per acre the cost is approximate for the pesticide seed and if you talk about the fertilizer that is the only you know input goes for the farmer so they are very smart. Whenever they get the benefits from any product then only, they will use and this kind of number we can get.

**Ram Tawa:** OK, that I remember a couple of years back when you launched Ronfen and that you'd be achieving around 800 crore numbers starting in the next coming two years or so. But now we are lagging behind creating a significant way of just 270 crores after two years launch. So, is this a pattern that this will slowly grow or there's some something you're missing, or there's some infection point that is still pending over there?

**Management:** Maybe, maybe some communication gap because I don't remember we have said send somewhere this 800 crore, it is 8000 crore we have said already always and 8000 crore means the Ronfen in which segment we are giving in the second batch that is 8000 crore rupees of segment we are using one product. That was commentary which I gave.

**Ram Tawa:** 8000 crores I remember you mentioned 10% what is the market share in the next couple of years.

**Management:** Definitely, definitely, definitely. It can be, it can be definitely 800 crore. There is no doubt, but it will take some longer time. It cannot be one year or two year because any of the product if you insecticide, I would say the name because that is our product also CTPR. So that product in first year itself was maybe not even they are able to sell the company not able to sell 120 crores. But the but the year after 15 years, the product they were selling it was 2800 crore. The single product in the country. So that is the example there. So, it will take some time because first year there is a 10,00,00,000 sale and after 15 years the sale will be 100 crore. So always we are ambitious about our product, but definitely the 10% you're talking about 800 crore. So also, hopefully we will get in any of the year, but it will take some longer time, of course.

**Ram Tawa:** So, when do you get the feedback pertaining to this newly, newly launched patent product like Nemagen, Warden extra from the field? How when will you get the feedback on the efficiency?

**Management:** Again, I will say you because we have number of patent but which we introduce to the market only which have really, really commercially viable to the farmer, to the company also we have good profit, we take that you know advantage only with the that commercially which is viable product to the farmers so Warden extra or Nemagen they're fantastic products which we are getting the feedback from the market itself in the first year. Even Nemagen we have launched just a few months back like two months back and in two months we are getting the more than 50 crores of sale of Nemagen. So, we are expecting this year if we can cross 100 crore that will be big achievement for the Nemagen kind of product because that is again city gap there and you know we are commentary because you remember my maybe rare commentary so you have also seen I have always given the CTPR we are not focusing only on the CTPR but for the combination we are talking about. So that is an Nemagen one of the example where the CTPR, Novaluron and the third molecule. So there is a combination of CTPR which are upcoming not this one only, more also in the pipeline. So definitely Nemagen this year we are targeting like 100 crore and hopefully we will get that. But it was little delay in the registration, so if not, but next year it will be very big product, Nemagen also will be very big product.

**Ram Tawa:** OK. So, without suggestion from chemicals numbers, I reckon the Best Agro numbers would be less than the last year because solution from chemical systems are recorded at 240 crores odd in H1. So, it means that without chemicals we are running negative in terms of top line as well as bottom line. Yeah, but with the Best Agro products.

**Management:** So that's not the case. So, Sudarshan farm chemicals in last year was like a third party and we were supplying to them. So, some part of our sales was going as an institutional business to Sudarshan Farm. But this year, because we are consolidating it, it is like our own entity. So, it's not that last year was 2 and suddenly this year and so last year we were selling it as an institutional sales to Sudarshan farm.

**Ram Tawa:** And are we anticipating anymore patented products this year, either first half, you're already launching 3 products. So, any more in the next five to six months?

**Management:** Yeah, yeah, that I already mentioned in my commentary also, there is A 1 herbicide which is shot down that is also coming in the third quarter, but third quarter only have few sales for the shot down, but in fourth quarter you can see the results for this shot down also that already we got the registration last month, I mean this month, October we already covered that shot down. And that we will start selling in third quarter and more 2 product which are you know announced right now, but that product also in the pipeline which we will quarter four and quarter one of the next financial year we will launch.

**Ram Tawa:** Quarter one and Quarter four..

**Management:** You can say yeah, quarter three, one product and quarter four and quarter one again will be 1 product. So, 3 product which is upcoming in the coming.

**Ram Tawa:** Got it. Yeah. Thank you. That's all from my side.

**Moderator:** Thank you. The next question is from the line of M Hemant, an individual investor. Please go ahead.

**M Hemant:** Hi, Sir. Good afternoon. Yeah, my first question is related to this B2C business. We have done around 800 crores in H1. So, with the help of SAP, are you getting any number how much of these 800 crores was already consumed by farmers?

**Management:** How much consumed by the farmer? That is your question, Mr. Hemant.

**M Hemant:** Yes, yes. Out of these 800 crores still date.

**Management:** Of course, we have some data from the dealer distributors and our managers, but really I cannot say how much used by our daily farmer because farmer use one bottle. I cannot say the real number of the farmers, but definitely we can assess and we can give an idea, mostly says how much sales is the liquidation completely liquidation because one what we think you know when farmer buy any product which is liquidation only because Farmer doesn't give any return to any distributor or dealer that that is what we know. So, we cannot see the farmer sale. We always think it is an end sale for the any of the company.

**M Hemant:** What is the farmer sale out of this 800 crores?

**Management:** So, you are talking about the inventory of the dealer distributors?

**M Hemant:** Yes.

**Management:** Yeah, that is that I can say that mostly say again I'm repeating the same thing. Mostly sale has happened and there is no much because we have taken suppose provision of 100 crore for the return from the dealer distributor. So that we can say that is not even 10 crore you will get is the situation. But as conservative number, we always keep that provision.

**M Hemant:** OK. Sir. And whatever product portfolio we have for herbicides. So, do we have any products that are high margin which will be sold in Q3 and Q4?

**Management:** That is again shot down and the last year also we have along the Orisulam and we have given to some MNCs company, this year again we are giving so that sale will be in 3rd and 4th quarter process. Orisulam is one of the herbicide which is a wheat herbicide which is the user that is particularly wheat segment and if you talk about the soybean, groundnut, that all four, we are upcoming with our patented molecule that is Shot Down.

**M Hemant:** OK, So to achieve this 450 crores of revenues per quarter, maybe for next two quarters, if we compare it with last year, I know this season is very good this year, but subsequently, prices were down maybe 20-25% for most of the formulations. So, is it really possible for us to do more than 100% volume growth in Q3 and Q4? So then only we can achieve this 450 number.

**Management:** Yes, Mr. Hemant, your question is itself is answer for company like Best Agro because you're talking about the you know the price is reducing for the generic, not for the specialty molecule that is in our hand only because we calculate is per acre or per hectare, which goes to farmers, not as a chemical prices, chemical prices in town that is benefit to company like us because we are selling our proprietary molecule not the generics. So that you can say for generic there is a problem, but if you talk about specialty molecules, there is no problem even it is a benefit to the companies who are doing specialty molecules.

**M Hemant:** So even this more than 100% volume growth is possible.

**Management:** 100 percent, 100%. So, it is not 100%, it is 800 crore which is easy to achieve.

**M Hemant:** Sorry Sir.

**Management:** It is 800 crore, which is easy to achieve.

**M Hemant:** OK, Sir. And in terms of this Ronfen, Ronfen and Cubax Power, this combination is go to product in our region for chili crops majorly. So, are we planning to get any patent on the technical that is there in Cubax Power.

**Management:** 100% because cubax power is not our patented molecule or Ronfen is our patented molecule but better than cubax power that product we will launch in the next financial year, I hope Q2.

**M Hemant:** Patented product or?

**Management:** Patented it will be patented product to the Best Agro.

**M Hemant:** OK, because most of the farmers they are having this cubax power for red flies. The feedback is also good for this product when it is in combination with..

**Management:** Our Cubax power also have very good technology for formulate and that is also going not only the this one and also going for the black grapes also which is very big problem for the chili, especially chili farmer in Southern region. So that we are coming with a very good solution, effective solution and no one has that kind of solution in the country that will we will launch in second quarter of next year.

**M Hemant:** OK, Sir. And how many patented products we are planning to launch in next two to three years?

**Management:** Two to three years, if you're talking about as of now, if you talk about the commercial sale, we majorly only have 5 products, which is this year we have we are selling. If you talk about last year there were three products. If till now we would talk about we have 5 products, but in the pipeline, we have 3 product which is again very good in quarter four, quarter three, quarter one of next year. So I can say 2 to 3 product at least minimum 3 product, I would say each year we have in the plan, but definitely I cannot say it is a 3 product or 4 product because it depends on the how we get the patent and how fast we can registration it depends on that. If you go to pipeline, pipeline is very strong. We have as of now if you talk about the applicant of the patent and registration that is more than 100 products which we have but we have to select which product for which segment we have to launch. That way we are working on.

**M Hemant:** So, when you say 2 to 3 products per year, is it the patented products or total overall products?

**Management:** No, only patented.

**M Hemant:** Only patented will be two to three per year for the coming years.

**Management:** Yes.

**M Hemant:** Sir and majorly in the market what I am seeing, if you see the product like Ronfen. If you see the technical Ronfen formulation, those are generic technicals. So because of that we are having high competitions from products like SLR, 125 ocean. So, do you have any plans to launch patented products with some specialty technicals or patented technicals?

**Management:** Yeah. Let me come to the point. Because Ronfen, you are correctly said, the Pyriproxyfen, Diafenthiuron, and Dinotefuran. Dinotefuran which is new chemistry, which is in Ronfen.. If you talk about tricolor that is a Trifloxystrobin which again new chemistry nobody has launched this product in India except for 1 MNC, which is the biggest MNC in India, they have this product and after that we are the in that chemistry and no the third company as of now in this chemistry and as we can see the pipeline coming five years nobody can come because of some registration reason and because anybody has to come with a new registrant of this product because of which product we have register that is patented to us. That is again new. If you talk about Warden Extra, again there is Trifloxystrobin. If you talk about Nemagen, there is a CTPR well known that is again not very usual, I would say, and Defender again, there is a Pyraclostrobin which is again new chemistry. So of course, Ronfen out of 3, there is a 2, which you can say you are correctly said there is a product which is available in the market, but third one also available of course. Another one is also available, but I would say is the specialty molecule out of that. But then in other product we are we also have in our mind that, that should be one or two product in each combination should be specialty molecular.

**Moderator:** Thank you Hemant for your question. Ladies and gentlemen, we'll take this as a last question. I now hand the conference over to Mr. Vimal Kumar for closing comments.

**Vimal Kumar:** Yeah. Thank you. Thank, you, everyone. We remain committed to leveraging on our product innovation, investing in R&D and technology, enhancing our brand presence while maintaining strong financial discipline to drive sustainable and profitable growth in the coming quarters. If you have any further query, please feel free to contact with our investor relation team. Thanks for your questions and thanks for your support. Thank you, all the participating today. Thank you.

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