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To
The Manager
Compliance Department
BSE Ltd Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

SCRIP CODE: 539660 SCRIP ID: BESTAGRO

Sub: Transcript of Q3 Earnings Conference Call - FY 2022-23

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 nine-month ended December 31, 2022 held on Thursday, February 02, 2023.

The above transcript is also available on the website of the company i.e. www.bestagrolife.com

Submitted for your information and record.

Thanking You,

Yours Faithfully,

For Best Agrolife Limited

Astha Wahi

CS & Compliance Officer

Registered & Corporate Office: B-4, Bhagwan Dass Nagar, East Punjabi Bagh, New Delhi-110026

Solution | Phone: 011-45803300 | Fax: 011-45093518 info@bestagrolife.com | www.bestagrolife.com





"Best Agrolife Limited Q3 FY23 Earnings Conference Call"

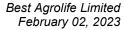
February 02, 2023

MANAGEMENT: Mr. VIMAL ALAWADHI – MANAGING DIRECTOR, BEST AGROLIFE LIMITED

MR. RAAJAN AILAWADHI – EXECUTIVE DIRECTOR, BEST AGROLIFE LIMITED

MR. ATUL GARG – CHIEF FINANCIAL OFFICER, BEST AGROLIFE LIMITED

MR. DAVINDER DOGRA – PRESIDENT (FINANCE), BEST AGROLIFE LIMITED





Moderator:

Ladies and Gentlemen, Good day and welcome to the Q3 FY23 Earnings Conference call of Best Agrolife Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Thakur from Ernst & Young. Thank you and over to you, Sir.

Rahul Thakur:

Thank you Lizann. Hello and good afternoon everyone. I am pleased to welcome you all to Q3 FY23 Earnings Conference Call of Best Agrolife Limited. Please note a copy of all of our disclosures is available on the investor section of our website as well as on the stock exchanges. Anything said on this call which reflects our outlook towards the future or which could be construed as a forward-looking statement must be reviewed in conjunction with the risks that the company faces.

Today from the management side we have with us Mr. Vimal Alawadhi – Managing Director, Mr. Raajan Ailawadhi – Executive Director, Mr. Atul Garg – Chief Financial Officer and Mr. Davinder Dogra – President Finance.

I now hand over the call to Mr. Vimal Alawadhi for his opening remarks. Over to you, Vimal ji.

Vimal Alawadhi:

Hello everybody. Good afternoon and welcome everyone to our Q3 FY23 Earning Call.

I would like to wish you a warm and Happy New Year. May this year bring joy and opportunities in our lives. Before I jump into the business performance for the quarter, let me highlight some important domestic industry trend. The third quarter is usually a weak quarter for the domestic agrochemical business. During the start of quarter, we witnessed extended monsoon across India which resulting in farmers delaying sowing of crops. This delayed the purchase of agrochemicals product leading to higher channel inventory that said the sowing picked up soon and if you look at the area sown during the quarter across main Rabi crop there is healthy increase in acreage across the crop driven by remunerative crop prices.

Having said that higher inventory across channels affected the demand for agrochemical manufactures. Even during such demand environment Best Agrolife Limited was able to deliver industry leading growth with revenue of INR 328 crore for Quarter 3 which was up 41% on year-on-year basis from last year. We also witnessed strong margins expansion when compared to the same quarter last year.

Now, let me elaborate our performance for the quarter. Overall, we continue to see good demand across our business segments. Our existing branded product segment continue to see good traction in the market. The contribution for these product was strong at around 60% and technical business was also up when compared to the same quarter last year. All of this indicates a strong performance across business segments for the quarter. During the quarter, the new product



launch in H1 contribute to growth in this quarter also, which is one of the factor of growth in this lean quarter.

Our pipeline continue to grow with the addition of a few more products to the pipeline. If I were to set the pipeline for you one we have started working on the product based on Strobilurin chemistry.

Second, we have a strong pipeline of combination product which are in different stages of approval / registration. Third we continue to file 9(3) and 9(4) opportunities which will provide us business as start and later these will be used towards backward integration of our products. I am delighted to inform you that we have received two 9(3) registrations recently one of them is Propiquazafop used for the post emergence control of our wide range of annual grasses and various broadleaf crops.

As a selective and systematic herbicides, it control weeds in all the stages of their development. Second is Cyhalofop-Butyl. Apart from this we have Clothianidin, Metiram which are very big product and for this I will hand over later on to Mr. Raajan – our Executive Director who will brief you about for these products in detail. Now you can see we have strong products in the pipeline for the coming years and as informed earlier we plan to launch at least one patented product every year. As you know we have received patent for three products out of which two are yet to be launched. We are planning to launch these products in the financial year 2024.

Along with these, we will also launch 9(3) and 9(4) technical as I mentioned earlier the names and other niche combination product having better realization. This is in line with our strategy of replacing low realization product with higher realization product. You must have noticed that this change in product mix has already started showing up in our margins. We are on track to change the product mix as well as segmental mix. By segmental mix I mean we would like to have higher contribution from B2C business, our branded products business proven by B2B business and reducing contribution our technical as we plan to use most of the technical for backward integration purpose in the future.

Coming to expansion plan we are setting up an herbicide line at our Noida unit for formulation. I believe this will complete in FY24. At the Gajraula unit, we are planning capacities to fulfill future demand and also for strobilurin chemistry-based product. We do not expect this to be a big CAPEX as it is Brownfield expansion. It is purely machineries and future CAPEX and other utility are already present at the plant.

We also continue to strength our distributor reach and farmer connect with various initiatives across India.

On the export side our registration filing has also picked up and we continue to remain very positive to the export opportunities in coming years.



To conclude overall demand environment picking up as inventory levels go down across channels coupled with expectations of the remunerative crop prices make me confident to deliver strong growth in coming quarters and the coming years.

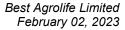
Now, I would hand the floor to Mr. Raajan – our Executive Director who will take you through the products.

Raajan Ailawadhi:

Good afternoon. This is Raajan Ailawadhi and I am associated with this company as an Executive Director. I welcome you all to our Q3 Earnings Call. As briefed by Mr. Vimal also Best Agrolife has differentiated from competition from other companies where this year was a little bit different year, but we are differentiated from others by our approach of bringing one shot proprietary solution in various segments. Segment-wise we are working on different kind of one-shot solutions where multiple pest and weeds could be controlled together. So, one such product was launched by us in Quarter 2 which was for sucking pest for cotton and chilly and that product contributed and kept on contributing in Quarter 3 also to a great extent. So, such kind of novel one shot solutions we are working for different crops, different segments. We are covering not only cotton, chilly, we are covering paddy, which is vast geography in India, we are covering sugarcane also, we are covering corn, we are covering various soya bean also, so different herbicide we are working on, we are in narrow leaf and broad leaf weeds can be controlled together.

So, same way so this we are differentiated from others by bringing this kind of solutions and import substitute. Mainly we are basically first indigenous manufacturer of such products like Chlorantraniliprole we became the first company to launch this huge molecules which has a very big market size number one molecule of India as well as crop. So, we became the first company enter into this segment with our own different processes, there were various process, patents involved, we bypass those patents and we launched that product. So, similar growth in Quarter 3 was contributed by another niche products where two fungicide and one insecticide was there so it was a product for seed treatment. So, it contributed in Rabi, sowing period also, Rabi seed treatment also and other major segment was BPH and broad segment of paddy which was major Q3 segment. So, our AXEMAN, ZODIO, PYMAX, DIRON, these brands were there to control blight blast and BPH in paddy crops. So, these products contributed and this growth track will be maintained by some other new products also which we have got in 9(3) Propiquizafop already explained by Mr. Vimal is a very big molecule is a systemic herbicide on narrow leaf and for various broad leaf crops and soyabean and cotton and goes in various ground nut also and Cyhalofop is also systemic herbicide for paddy crop. So, Metiram and Clothianidin also are very big products. And kind of three combination we are anticipating launching soon also which will be a very big product. So, it is basically fungicide, it is a combination of three fungicides which will provide one shot solution to control late blight, early blight, downy mildew and pawdery mildew and various crops and various segments.

It is already an established fungicide where multinational is importing one of the ingredients in this product and we are upcoming with our own novel formulation which will provide a





wonderful solution, one shot solution to farmer to control many diseases in multiple crops it is a broad spectrum, systematic fungicide which we are planning to launch soon and which will start contributing from Quarter 4 itself I believe starting from Kashmir valley in Apple segment. So, such kind of novel solution and those import substitute we are working on which will keep on contributing to up to a great extent and will in 24-25 we will take this company to new heights I would say.

Thank you. So, I will hand it over now to Mr. Dogra to take over.

Davinder Dogra:

Thank you. Hello everyone and thanks for joining us here today. I would like to briefly touch upon our key financial performance for the quarter after which we will open the floor for questions and answer.

So, for the quarter operating revenues were at Rs. 328 Cr as compared to last year's 233 Cr which is at 41% growth. This was mainly driven by our branded product business, which now has a large range and then geographical expansion happened compared to last year. EBITDA was at Rs. 58 Cr in this quarter as compared to last year's Rs. 32 Cr a growth of around 99% this year. This translates to around 18% EBITDA margin in this quarter and expansion of 380 basis points over the same quarter last year. Higher EBITDA margins were driven by higher contribution from the branded product business. PAT was at Rs. 31 Cr in this quarter as compared to Rs. 15 Cr last year quarter a growth of almost 100% this year.

Coming up to segmental revenues; revenues from branded formulation business continue to growth and almost 60% segmental revenues come from branded formulation business which is B2C and B2B both combined. On the balance sheet side our working capital for the quarter remains steady at around 110 days and with improvement in receivables and the cash and cash equivalent including bank balances are at around 118 Cr as of this quarter end and we have a net debt of Rs. 431 Cr with that we open the floor for Q and A. Thank you.

Moderator:

Thank you. Ladies and gentlemen we will now begin with the question-and-answer session. The first question is from the line of Siddharth Gadekar from Equirus. Please go ahead.

Siddharth Gadekar:

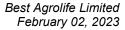
Sir I just wanted to understand that the way you spoke of 41% growth during the quarter if you can give us split between our growth in the existing business and growth from the new products that were launched during the quarter?

Management:

The growth for the new products which we have launched very recently almost contributed around 30% of the overall growth. So, I would say major growth has been driven by the new products.

Siddharth Gadekar:

Sir, is this fair to assume that existing business would have seen a decline which was offset by the growth in the new business or that was also up YoY?





Management:

The existing business I would say it remains flattish. So, as we are ourselves also primarily focusing on new products which are much more higher in utilization and margin accretion. So, majorly we are driven through the products and the existing base remained flattish I can say.

Siddharth Gadekar:

And in terms of now when we are entering into the Kharif season for FY24 how do we see the inventories and how do we expect to placement for the first half FY24, if you can give some color on that?

Management:

For FY24 though we are not given guidance, but as we have expanded geographically to Pan India basis and our branded B2C business and branded B2B business looking very promising, and we are adding new products as Mr. Vimal ji and Rajan ji has pointed out. So, we say that inventory levels will remain little bit in the same range or little bit alleviated because we see the growth to both geographical and product line and there are amount of backward integration because most of the products which we are launching we are also having the technical capacities and expecting the technical for the same. So, the inventory levels I believe for the next 12 months will remain at the current levels or little bit laid back, but that due to the reason of more geographical and product expansion what we are having.

Siddharth Gadekar:

So, basically even for FY24 our products which we launched this year and next year will be the entire growth factor that is the fair understanding?

Management:

Yes now with some products which we will be the launching in addition to what we have talked about apart from the product launch this year because these products such as RONFEN and CTPR formulation we were only able to launch the part of the season. The next year is the full potential for these products, but apart from that as we mentioned about some of the new products we have added so next year also the growth will be propelled by the existing products and a new product also.

Management:

So, on the growth we can say that we are always giving guidance of 30% of the growth and 20% EBITDA. So, of course the 30% this year we can say it will be more than 45%, but in case of 45% of growth even we are maintaining more than 20% of EBITDA and the growth will be high because our main focus on the margins and the EBITDA, in the new chemistry and whenever we go for the new chemistry definitely margins will be there, definitely these are new chemistry and market will be there, different segment, different markets. So, we can say this EBITDA will keep more than 20% we will try to keep this margin and even the growth is higher than what we are committing or talking about. So, this year it will go more than 45% as we can see these three quarters.

Siddharth Gadekar:

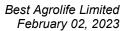
And CTPR we will be manufacturing now?

Management:

Yes we are manufacturing technical, AI as well as formulation both put down.

Moderator:

Thank you. The next question is from the line of Ayush Agarwal from MAPL Value Investing Fund. Please go ahead.





Ayush Agarwal: So, few questions one is how many 9(3) do we have currently and what is the contribution from

9(3) products in 9 months and this quarter?

Management: As of now we have more than I can say more than 10 products we have 9(3) I don't have the

list, but more than 10 product we have 9(3) which is technical. If we talk about formulation that

is apart from this that is again there is a list of 9(3).

Ayush Agarwal: And what is the contribution from these 9(3) products in 9 months and in this quarter?

Management: Which is existing 9 months you can say out of this 9(3) it is around 60% of the product you can

say from this last 9 months.

Ayush Agarwal: So, what I would like to understand is when do we start seeing competition coming in these 9(3)

product and how badly do margins take a hit?

Management: No, that is not true because 9(3) is not the only product which the people are getting because if

are doing with some of the chemistry and from last many years, the same chemistry or maybe they are focusing on a one kind of chemistry or maybe if they are changing also, again there are two kind of chemistry you can say, but here we are doing which our product we are changing and we are doing. You cannot say everybody is coming, so if not only the product production, it is according to your R&D base, it is according to your plant, factory where you will produce the

you see in the market because everybody has their own focus because the companies like, they

product. That is also again 2-to-3-year challenge to make that plan. So, it is not so easy to you can say everybody will come and apart from this 9(3) we have got our own patented formulation

also we are developing with the 9(3) molecule, that is again for 20 years you can say so we are focusing not only 9(3), we are also focusing on our patented products also with the 9(3) technical

only.

Ayush Agarwal: And my second question is on our subsidiaries, we see that our subsidiaries have been making

very high margins in the last 9 months, so I think if I just look at the subsidiary number, our margins are more than 70% in these entities, how does that happen like what is leading to that and why do we not see cost like power cost, logistics cost and despite that we are making like

such high margins?

Management: Firstly, you need to look at the consolidated numbers, these are being all the marketing related

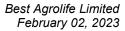
are not bearing the entire cost because these subsidiaries are entirely manufacturing entities, so thereby it only captured in the manufacturing cost and also this year, whatever 9(3) and the proprietary formulations which we are manufacturing the margins and realizations are

cost or the corporate cost and they are majorly parked into the main entity, so the subsidiaries

substantially better. So, you see it that way, but on the research perspective we need to look at the overall consolidated numbers because expenses are not captured entirely in the subsidiary

entity because it is how they are incurred.

Ayush Agarwal: Sir, 70% is still a very high number for manufacturing entity?





Management: This is not only 70% which is the margin is coming from the manufacturing only. It is because

of our proprietary products like we have Ronfen, the product like CTPR formulations because

of that unique products that you can say that will also there.

Ayush Agarwal: We can continue to do this?

Management: Yes, definitely because we see as consolidated only all this benefit our numbers and like this

way.

Management: And also to clarify, the subsidiary companies are majorly supplying back the product, so it is

based on backward integration the products are entirely, the subsidiary companies are supplying back to the company, so there is an intercompany sales which is for that reason also you need to

look at the consolidated way.

Moderator: Thank you. The next question is from the line of Giriraj Daga from K M Visaria Family Trust.

Please go ahead.

Giriraj Daga: First of all, congratulation on getting good number of approvals in last 2-3 months, my question

is related to, you mentioned somewhere that CTPR we are going to, like the growth this year and next year will be driven by CTPR also, so just wanted to understand, have we launched the product in the market, what kind of traction we are saying, so what do we expect of CTPR sales

in FY23 this year and next year?

Management: In fact, the CTPR we have launched in Q2 only in the FY23, Q2 we have already launched by

CTPR in the last month only, but there were not very big sales and quarter 3 for CTPR is again not very big market, but still we have sold and if we talk about the number, only CTPR in around 3.5 month you can say or 4 months from September to December which is lean period for that, but still we have sold Rs. 45 crores of CTPR two formulation, one is 0.4% and other is 18.5% SC. So, there are two formulations which we have sold Rs. 45 crores till quarter 3, but definitely

in quarter 4 we will see the sale of the CTPR and next year it will be fully, so next year it would

be very big molecule in our basket as volume wise.

Management: And from CTPR, we are further, as our model of operation is also there, so from CTPR also we

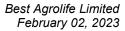
are bringing novel solutions also. So, the further combinations of CTPR will be novel combination, proprietary patented combination. By the end of financial year 24, we will be launching our combinations also in both liquid as well as granular formulation for different segments, sugarcane is a very big segment. So, to manage resistance little bit in this product which in solo formulation is coming, we are upcoming with a very unique and wonderful

solution, so which will be a very big product potential wise somewhere in coming years you can

beat original brand also later in this product, I am sure.

Giriraj Daga: Which is the seasonably most impactful quarter for CTPR?

Management: Second quarter, most.





Giriraj Daga: So, the second quarter also placement will happen to start from the first quarter, so is that right

really?

Management: It is different stages. If you talk about the placement, the fourth quarter will be very important,

but again first quarter, because you can say third quarter is lean for the CTPR and all the three quarter will be good and second of course the best if you talk about best number about the selling.

That will be second, but the first, second and fourth all will be great.

Management: Fourth and first quarter means fourth quarter of this year and first quarter of next year are going

to be very big for CTPR basically it is major segment is sugarcane and green gram where March

is the ideal time for going this formulation in the market, so March end is materially best.

Giriraj Daga: Sir, just picking up from your comment only that we will be almost near to the leader beating

the leader in CTPR, is this what you mentioned because the total sales is very large, right?

Management: No, with this novel combination I was saying this. This novel combination I was saying. Coming

year, starting from FY25 with our own novel combination we will be able to overcome the resistance, which is coming in different segments, different pests basically, majorly in sugarcane and then in coming years we will create the potential to build the brand leader also with our

novel combinations in comparison with the solo formulation available.

Giriraj Daga: What is the size of that market?

Management: More than Rs. 2,000 crores, it will be there, but it will come and it will start in FY25 and it will

be for our patented products for 20 years. This will start from FY25.

Moderator: Thank you. The next question is from the line of Viraj Mahadevia, an Individual Investor. Please

go ahead.

Viraj Mahadevia: Congratulations, I am tracking your company keenly, I had a question at a more fundamental

level, there is so much competition in the Agrochem space including the domestic market, where does your differentiation come from, it is the ability to make these combination products, why can't others do it, is it the ability to make technicals at the backend where you get a 20 year sort of patents, where does the differentiation come from and why can't others replicate what you are

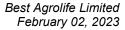
doing?

Management: Actually, we differentiate in fact in your question you have said two three things and these are

the main combination of all three you already speak in the question. It is the combination of three is not one way because the backward integration at technical level if you see we have Mr. Karlekar on the board and he is the MD of the Technical Manufacturing Facility and R&D level,

so of course there is one strength which is AI strength which we are creating, the other strength we have in our patented products, not only in the formulation, it is again in the technical side also, from such patent also we have. We are applying and we have some more. So, this clear

base we have strength than our own patented products that is again have strength. In formulation,





if you see, our formulation, when farmer use or the distributor can use that, they know that formulation is such a unique formulation whereas we are giving that. The same formulation if other companies are giving or MNC are giving and we are giving, then there are many things we have to see the technicals side we have to see so many things and we have spent more than Rs. 60 crores on the formulation in the Noida plant. So, that is only because of our quality and all that.

Management:

Yes, so it is basically like, it is strength of giving those products which were import substitute by bringing new registrations, new 9(3) registrations and then from those new registrations to bring altogether new solution for farmers like Ronfen was the product where various stages of all sucking pests, at nymph, adults and all sucking pest also, Jassid, aphid, white fly, together can be controlled. So, the number of sprays of farmer also came down with it. It was not just a simple combination or just an add mixture. Same way, next month probably we are going to launch another product also where our major claim of that formulation is where one component is sulfur which is in nonactive form, means it is in very less percentage form which will act as a catalyst to improve efficacy of other two active ingredients to three times. So, it is pure science behind this, pure R&D, pure knowledge behind this new one short solutions, it is not just we are mixing it, we are just combining it that anybody can do, but these logics where we are doing like in Ronfen, when active ingredients was going as 125 grams per acre, In our formulation, it is going at 54 gram per acre. Even then, performance of the products on various pests, it is much better than the solo formulations, so high synergy is there. So, that whole we are bringing those products, those AIs together where synergy we are reflecting synergy, where they are bringing cost down, where they are bringing number of sprays of the farmer down. So, these are creating value for farmers with those products and that is the only reason they are bringing colors in the first year itself. It is not easy to do.

Viraj Mahadevia:

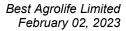
But why can't large Agrochem companies like UPL or Rallis they also have very strong R&D, very strong capability, very strong backward integration, why are you able to do what they are not doing or why are they are not doing what you are doing right now?

Management:

No, we cannot compare with the UPL or Rallis or any other company because everybody have their own strength, UPL has very big strength for the different products, different pipeline and again because earlier question also I said it is not so easy to plan in the products and the level we are doing because once any of the company, I will not say name, but any of the company, when they are doing some of the products already in the pipeline and they are doing from many years, so they cannot move all of a sudden from the new chemistry and new things. Definitely, this is an advantage. We are new in the industry also where we are not very old like 50-60 years, but definitely we are taking advantage for the new because we can do that new product, new chemistry, new plants according to that we are putting everything as new and Strobilurin chemistry that we talked about.

Management:

And this selection of products comes from our close association in working with farmers also. That is also a bigger strength I would say.





Viraj Mahadevia: You can be more nimble in products.

Management: Yes, we are working with close association with the farmer, we are trying to find those, identify

those gaps also where some product is required. So, that is also a strength, new product

development team is there in the market.

Viraj Mahadevia: My second question sir is, what is the impact of raw materials, there is fluctuation a lot on the

raw material front globally, what has been that impact on your cost structure and COGS and are

you likely to see that improve with raw material prices coming down?

Management: Yes, definitely. There is some dip because when raw material price going down, definitely the

margin will be improved.

Viraj Mahadevia: And you expect that to kick in from Q4 or Q1 in the new financial year?

Management: New financial year, you can say that. But it is not very big, in fact, and I must tell you because

we are going for the R&D base like some of the product we have margins like 50%, 60%. This we are talking about some of the raw material that only make not more than 5-7% and it is according to the some of the raw material, not all. Whenever there is very drastic change, definitely we also will reduce the price, also then higher the price if there is very hike in the price of raw material, but this is not very major concern about us because we are totally R&D based company, we see our margin as a total, so that doesn't make difference too much for us even in the higher price, even the lower price, then of course there is minor change in the margin you

can say when the price is lower, but 2%, 3% margin will be higher in the total cost.

Viraj Mahadevia: How much can CTPR do in your assessment in sales in FY24, you said 25 will be a big year,

but in 24 before your novel combination you said Rs. 45 crores you have done in the last 4 months, so as I extrapolate that to the full year being season in Q2, can you do Rs. 300-Rs. 400

crores in sales in CTPR in this FY24?

Management: Very easily, we will achieve Rs. 400 crores in FY24.

Moderator: Thank you. The next question is from the line of Harmish Desai from Phillip Capital. Please go

ahead.

Harmish Desai: My first question is on the new products that we got the registration for that is Cyhalofop and

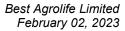
Propiquazafop. Sir, when do we expect to launch these products and what kind of revenue are

we targeting from them?

Management: Propiquizafop basically is a herbicide for annual and perennial weeds and it plays a significant

role in first quarter mainly, its require in first quarter mainly, so probably from April we are

planning to launch this product.





Harmish Desai: And sir, any kind of revenues that you are targeting and given the market size for this molecule

in domestic market size?

Management: So it is around Rs. 250 crores worth market is there, so we believe that 40% share will be taken

on this products.

Harmish Desai: And right now, we are the only guys, right?

Management: Yes, we are the only one.

Harmish Desai: And sir, the second question is, what is the status of Pyroxasulfone registration because last, I

think in December cycle, the registration was rejected and then in January I saw that UPL

received the registration, the technical registration, so what is our status, sir?

Management: No, we have already registered that product, already we have registered, but we have not

launched that because that window is very small. The third quarter was real consumption for the quarter we got that license in January only, the final license of the copy. So, we definitely in FY24 or you can say this year only, our sales will start in September and October 2023 and third

quarter you can see that will come for sure with big volume for this product.

Harmish Desai: And sir, on CTPR side, after the molecule went off patent we have seen a lot of companies

receiving the registration, so is that going to be a threat for us sharing the revenues with these companies because we are seeing the FMC market share was CTPR have gone down after the

off late so is it a threat for us as well?

Management: No, I am telling you, actually they have many patent of CTPR, the main parent company has

producing, that is why we already get the clearance and not so many players. Of course, 2-3 players will be there and again I will repeat because we have different plan, from FY25 you can see our novel combination of CTPR. Of course, after 3-4 years, there will be many people, maybe

many patent in this and no entry by anybody can be easy. We have different method of

after 3-4 years because they have one patent in, one patent is getting off in '27, after that many people will come in CTPR, but till then, novel combination will be there with the CTPR and

then we are assuming it will be very big product in that area you will see in FY25.

Harmish Desai: And sir, in last two registration cycles, you have seen Best Agro receiving a lot of lines for

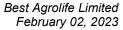
registrations, so what is the plan behind that, sir?

Management: Yes, definitely like you have seen Clothianidin, you have seen Ametryn, that is a very big

product if you talk about, that is a very big molecule revenue wise and volume wise you can say a very big product and that is progressing many products like metribuzin, Atrazine is a generic product and Ametryn, we have very big plan this year to produce 9(4) but it doesn't matter

because we have already changed our Atrazine plant to this Ametryn plant, its new chemistry

and new product for India. It is not a very old product, so it was very small earlier years and now





it is this year we are planning more than 1000 ton for Ametryn which is again give us very big number. This is one of the two products.

Moderator:

Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar:

Sir, I just wanted to understand now first step, you mentioned that our focus is on scaling up of exports and even the focus is on higher margin product, so some thought process that you can lay down on your margin trajectory over next may be 1 to 3 years, how do you see that given that there should be an upside bias right, given the export focus as well as on the higher margin product?

Management:

Yes, definitely, export also we are not looking like generic export which so many companies are doing and some are doing. We at best what we are creating in India, the same way we want to create in the export market also. That is why it is taking some time because we have, from last 2-3 years we are chasing that and of course it will take some time more, but once we will develop one of the market like say any of the like South East Asia, any country of Thailand, Vietnam, any of the country, there also we are going into models with our secondary product which is something unique which is very unique to see any of the Indian company because there you will see in that level over MNCs companies are only doing this kind of job. They are making some new patented product and they are selling throughout the world, but as the Best Agro we are also doing in the India and also export will be in the unique combination B2C that we will do in the different countries. That is something different. Of course, we are doing B2B also there, but that will be again like we are doing in India this year FY23. The same way you will see in FY26, 27, you will see in different countries, different region that same we will grow because our path will be growth, going far with your R&D and new products only, new product we will launch. Margins will definitely grow, you have question of the margin, margin definitely will improve, because in export there is different kinds of synergy in the product and margin definitely will improve for sure.

Deepak Poddar:

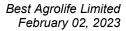
Is there any kind of like 50-100 basis points per annum is what we might look at on a conservative basis?

Management:

every year even without exports because the new product have been launched in the part of this season, but the next year they will see the full season, so even say without new geographies of export, the same products also there would be margin expansion, so I can't quantify, but definitely 100-200 basis points is a kind of room which is there even without the export business.

Deepak Poddar:

And my second question is on your how do you see the growth part, now you mentioned about lot of products that we are looking to launch and even the CTPR and Ronfen is also likely to scale up, so how do we see the revenue growth that we might look at over next maybe 2 to 3 years?





Management: As we gave guidance of 30% growth this FY23 and we are more than that. You have seen that

almost I think 40%, so likewise we have not worked on the final plan for the next year, but definitely these are the level because of the reason, these are geographical expansion and new product and export segment, so I think these are the levels which we will maintained. So, 20 to

30% bear minimum on the level at least we are working on.

Moderator: Thank you. The next question is from the line of Ranvir Singh from Nuvama Wealth. Please go

ahead.

Ranvir Singh: Sir, can you help me with a split of revenue of formulation and technical for this quarter?

Management: So, for 9 months, we are around 60% sales from formulation business and rest is from technical

business and within formulation, we have B2C and B2B segments, but whole branded formulations only, so we got that 60% is from formulation which is purely branded formulation

and rest is the technical part.

Ranvir Singh: Sorry, I missed B2B how much you said?

Management: The overall formulation is 60, where we have B2C contributes almost 35% and 25% is B2B

segment, so within the formulation, 35 and 25 is split

Ranvir Singh: And was there any revenue from exports during this quarter?

Management: No.

Ranvir Singh: And in CTPR, how is the competitive scenario now, how many players currently have launched

the product in a mono molecule segment?

Management: So, as mentioned by Mr. Vimal also, there are various processed patents and other kind of patent

are involved in this product. So, three players were successful in launching this product so far who have bypassed their process, who have submitted their novel process in the court and after

scrutiny of the process only three players have been allowed so far to launch this.

Management: But even others have not got permission from the court.

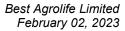
Management: Many people have been injuncted also.

Ranvir Singh: So it is likely to be 4 or 5 player market by next year in your assessment?

Management: Yes, maybe one or two players may enter, but it will also take long time for them to enter because

only those who are preparing since last 5 years have successfully entered in this.

Ranvir Singh: And what price cut we have taken as compared to innovator in CTPR products?





Management: We committed also and we corrected our price in the range of 20%, we have corrected price and

direct benefit of this 20% drop can be passed to farmer, so for that also we have reduced. In institutional business also, this product is very big, so farmer price directly also we have given

20% less than that of innovator to pass on the direct benefit to farmer.

Ranvir Singh: And can you confirm Natco has also launched or they are yet to launch?

Management: Yes, they have also launched. They are also one in three.

Ranvir Singh: So, between Natco, GSP and you, the pricing is almost same, everybody has taken same price

cut or is there variation here?

Management: More or less, they are sitting in the same, but a little bit variation is also there.

Ranvir Singh: And next one related to Ronfen, so how much inventory of Ronfen is currently lying in balance

sheet, I understand that right number I am not sure whether you will have, but if you could just give the indication because the last quarter, by end of second half the inventory level was very high and payable was also very high and I assume that was related mainly to Ronfen, so how

much?

Management: It is basically not inventory of final product, some inventory pertaining to because we are

backward integrated in this active ingredient which are part of Ronfen, so inventory in the form of intermediate, raw material, then active also up to some extent is there and there are various other products also in this inventory which is part of our basket for next year. It is not only

Ronfen inventory. Ronfen final product inventory is very less.

Management: But definitely some product was there which is, you can say technical, some of the products like

Dinotefuran, Diafenthiuron, there were inventory, but that will be cleared by, you can say first

quarter of the FY24.

Ranvir Singh: So, inventory would have come down significantly in this quarter?

Management: The fourth quarter, if you want the number, but it has come down from Q2 but not a major value,

but by Q4 the major level of what we are expecting it will further go down so at the current Q3

level, the inventories are today at the same levels at Q2 only.

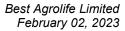
Management: So, definitely it is growing phase, as a total if you talk about within the 12 to 15 months,

about quarter to quarter, it is growing phase, the new products, new chemistry, everything we are adding up and our target is like more than 30% and even this year we are growing 40% and EBITDA margin 20%, so definitely it is not really very easy to control each and everything, but definitely within the 12 months, you will see very drastic change and changes in the inventory

inventory and this will be down. It will come drastically down in next 12 months, but if you talk

and the debtor levels also, but it will take some time, but definitely you will see very drastic

change in next 12 months you can see.





Ranvir Singh: So, from Ronfen, earlier we used to estimate some Rs. 350 crores kind of revenue, can we reach

that after already we have lapse now for of 2 full quarter, so what is your assessment now?

Management: Ronfen Rs. 350 crores for this FY23, yes, we have given and definitely not 350, may be 330,

340 definitely we will reach that, not the real number, but around that we will achieve for sure.

Ranvir Singh: So, in this quarter also, we had something from Ronfen?

Management: Yes, we had this quarter also.

Moderator: Thank you. The next question is from the line of Gaurav Sachdeva from Further Investments.

Please go ahead.

Gaurav Sachdeva: Sir, this was regarding Ronfen, what kind of market share you are looking in FY24 in terms of

market share for Ronfen?

Management: Ronfen in FY24, minimum is at Rs. 500 crores we can say, only Ronfen in FY24.

Gaurav Sachdeva: Will it be a muted quarter for quarter 4 for Ronfen?

Management: No quarter 4, I am telling you that will be again we will achieve whatever number we are saying

Rs. 350, Rs. 340 crores in a year that we will achieve in this year, but for next year it will be

more than Rs. 500 crores in financial year 24.

Gaurav Sachdeva: And one question sir, promoters are increasing stake in the company that also gives us

confidence in the company, what kind of stake you are looking for in the next 2-3 years if you

can answer?

Management: Right now, I cannot comment on this, but definitely we have full strength in our product, we

have everything, so definitely, but right now I cannot comment on this, but we have plan on

nothing. Right now, there is no big plan.

Moderator: Thank you. The next question is from the line of Rohan Gupta from Nuvama. Please go ahead.

Rohan Gupta: Sir, couple of just clarification, sir, first is on our employee cost on quarter-on-quarter has gone

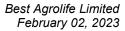
up very sharply in Q2 almost Rs. 11 crores to Rs. 14.5 crores, so just wanted to understand that

what is leading to such a sharp jump on a quarterly basis?

Management: As of now, our employees expense is close to 700 people each and increase every quarter, we

can say primarily because of the B2C geographical expansion, right we have also opened the regional office in Hyderabad that just open, so there number of employees have increased because primarily as we cater to new products, new geography there is a substantial increase in both the sales and marketing and support staff from corporate office. So, that will be basically

reason as the number of employees have gone down due to that expansion plan.





Rohan Gupta: So, sir, in general, have we done all the required addition or still it is going on and what can be

annualized employee cost for FY24 if you can just give some ballpark number?

Management: You can say, but on Q3 run rate there will be certain additions in employees in Q4 for the next

season, so we have put the number reason being as the number of products which they have talked about, so we are looking at adding employee strength for the new product and new geographies also, but say for the Q3 run rate there will be, you can say there will be 15-20% kind of overall increase on full year run rate basis because we are still in the process of adding

employees.

Rohan Gupta: Sir, just second, you mentioned on the inventory's front it is generally broadly in line not much

reduction from the first half number, sir can you just give some idea, I am not looking for the exact number, but some idea on the receivables, it is also at the similar level or it has come down

because?

Management: Receivables have come down because our major realization has come in Q3, the inventory level

has been at the similar level.

Rohan Gupta: Sir, if you don't mind, can you share what is the cash in the balance sheet right now at December?

Management: Cash is around, as I said in my opening comments, Rs. 118 crores of cash and cash equivalent

is there in our balance sheet right now.

Rohan Gupta: Rs. 180 crores?

Management: Rs. 118 crores, but net debt is 430 which I had mentioned in my opening remarks.

Rohan Gupta: Sir, just last bit and I will come back in queue for any follow-up question, sir on Ronfen you

mentioned that in FY24 sales revenue potential looking for roughly Rs. 500 crores plus, on CTPR this number, if I have missed I am sorry, but are you looking the similar number in CTPR

as well?

Management: Rs. 500 crores for Ronfen, Rs. 400 crores for CTPR.

Moderator: Thank you. The next question is from the line of Jay Ketan Shah from Capital PMS. Please go

ahead.

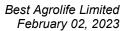
Jay Ketan Shah: Congratulation for the great set of numbers, sir, I wanted to ask you what is the plan of the

company in terms of backward integration still like what is the percentage of raw materials that we import probably from say country like China and what is the production that we have on our

own facility or our subsidiary currently?

Management: Most of the products which we talk about as AI, technical, or formulation, these all are in our

in-house plants only even subsidiary also you can say, it is in-house always, of course that is the





subsidiary, there is AI and if you talk about raw material, raw material of course, our import dependency slowing going very low on the import dependency because we are not importing much products because right now if we talk about there are many companies which are doing intermediate. We are developing intermediate and most of the products we are doing in-house, so our dependency year-to-year it is going very low and our target is in FY26 which I cannot say it will be independent but for sure we are trying our level best to create very minimum dependency on the imports in the next 3 years.

Jay Ketan Shah:

And sir, the other thing I wanted to ask you that in terms of formulation like say the Ronfen and the other three-in-one combination also that we have got sir, what is our right to win versus let us say another competitor that can come and even try to because it is a formulation patent someone else also can try and come and make the similar formulation, so what do you think is our right to win when it comes to these formulation patents, not the technical lines?

Management:

It is impossible to come with the same line, of course, this is patent and patent is not like anybody can come with different kind of percentage something because we have blocked the range because in the patent we have blocked the range from one AI from you can say 18% we are launching, so we have blocked the range from 5% to 50%. If anybody will come above that it will not work out, the product will not work out. So, for that we are very much sure, our people in the IP lead are also, we are strong team, so there is no chance to come anybody like this way.

Jay Ketan Shah:

And sir, just this last question on the 9(3) for Pyroxasulfone that we have got, so sir the exclusivity will be for another 3 years, even if the UPL has got the same 9(3)?

Management:

No, there is no exclusivity for us or for anybody.

Jay Ketan Shah:

So, sir, then when you combine all the, you said previously on the call that you have some 9 to 10 products in the 9(3) registration, so approximately sir, what would be the addressable market size if you can just give a ballpark figure for combined all the 9(3) products that we plan to launch and we have already launched?

Management:

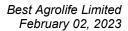
You are talking about 9 months or in the future you are talking about?

Jay Ketan Shah:

In the future, sir?

Management:

In the future, definitely, right now 50% we are doing and in the FY24, FY25, our whole plan with our new combination or rather our novel you can say product which we are doing that is our plan, maybe we will achieve not only 9(3) because we do not calculate, it is only 9(3) because we are including our patented product also which will come year-on-year, each year you will see 10 to 20% it will increase, by 60% we are doing as of now, but next year you will see it will be 75% and our main target is to focusing that product only, so definitely in one day, you will see it will be 90%.





Jay Ketan Shah: Sir, you are saying, in the product mix, the percentage of legacy products will go down and there

will be more focus on combination molecules and 9(3) and 9(4), right?

Management: Yes, the same we have done in last 3 years and same we will continue on the same.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to

the management for the closing comments.

Management: Thank you all for joining in this quarter conference. Thank you. Thank you everyone.

Moderator: Thank you. Ladies and gentlemen, on behalf of Best Agrolife Limited, that concludes this

conference call. We thank you for joining us and you may now disconnect your lines. Thank

you.