Serving Globe Through Agriculture

Best Agrolife Limited

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Sub: Transcript of Q3 Earnings Conference Call - FY 2025-26

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 ended December 31, 2025 held on Monday, February 09, 2026.

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

Best Agrolife Limited

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MAKE IN INDIA

Best Agrolife Limited
Q3 & 9M FY 2026 Earnings Conference Call
February 09, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Q3 and Nine-Months FY 2026 Conference Call of Best Agrolife Limited.

As a reminder, all participant lines will be in the lesson-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. Please note that this conference is being recorded.

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 guarantees of future performance and involve 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 – Executive Director; and Mr. Vikas Jain – Chief Financial Officer.

I would now like to hand the call over to Mr. Vimal Kumar for his opening remarks. Thank you, and over to you, sir.

Vimal Kumar: Thank you. Good afternoon, everyone, and thank you for joining us today. I will start by sharing an overview of our performance for Quarter 3 FY 2026, followed by our outlook for the coming quarters.

During Q3 FY 2026, our sales performance was lower on a year-on-year basis. This was mostly due to a combination of climate and market-related factors. Q3 was significantly impacted by unusual weather conditions. October 2025 witnessed exceptionally high rainfall across the country. India recorded rainfall that was nearly 49% higher than the long-period average, making it the second highest October rainfall since 2001. Rainfall was also erratic and uneven across many regions. North, West and Central India showed heavy rains with parts of Punjab and Haryana having floods. These conditions disrupted sowing, produce and the overall cropping cycle.

At the same time, pest pressure in paddy crops remained very low. While this is positive from an overall crop health perspective, it reduced the need for crop-protection products. As a result, demand in some of our important markets were affected during the quarter. In West India and Central India excess rainfall impacted soyabean spray program. Important regions, such as Madhya Pradesh and South Rajasthan were affected. Because of this, inventory from Q2 were carry forward into Quarter 3.

Fresh product placement and field activity could not take place as originally planned. Official data has indicated that during October to December 2025, all kharif crops, exceptional except paddy, traded at discounts 9% to 30% of the MSP. Thus, impacted purchases by the farmer. For rabi, the weather conditions remained favorable with stable temperatures across many growing regions, but we saw less disease and pest in crops like wheat, cumin, potato and onion. These crops usually contribute to our Quarter 3 revenues, and this softness has an impact on our Q3 performance.

On the market side, industry faced challenges related to high inventory of generic at the trade level. This led to higher price competition versus industry. Despite these near-term challenges, we remain confident in the long-term fundamentals of our business.

We are taking active actions for improving productivity as better predictability and increased profitability. Steps we are taking, include database inventory control, ERP analytics for tracking sales and collections, comprehensive app for the sales team operations, connecting dealer and farmer through digital components and introducing chatbots for the dealers. These steps have begun to show results and we hope to leverage data analytics and AI to take a company forward to increase productivity, lower cost and improve profitability.

Our patent product portfolio continues to perform, and our distribution reach remains strong. I am particularly pleased by the performance of our two newly launched patent combinations, BestMan and Fetagen. Both products have received strong acceptance from the farming community. In this very first year, even we got the registration at the end of the season. In the last, we can say, July and August, in the two months, we got very good response for these two products. So we are confident that coming year 2026- 2027 we will get very good for BestMan and Fetagen.

Each product has crossed more than 4 lakh treated acres, which is a strong validation of our innovation efforts. Alongside growth initiatives, we have remained focused on improving operational efficiency, our continued emphasis on cost optimization, inventory reduction, and disciplined receivables management has helped our balance sheet.

Looking ahead, seasonal activity is progressing well across Central, Western, Eastern and Northern India. Field conditions are improving and farmer sentiment are stable. With a strong pipeline, better cost discipline and improving market conditions, we are positioned for growth in the coming quarters. We remain committed to delivering sustainable value to our farmers, partners, and stakeholders.

With that, I would like to hand over the floor to Mr. Vikas Jain, who will walk you through the detailed financial performance for Q3 and nine months FY 2026. Thank you.

Vikas Jain: Thank you, Vimal ji. And good afternoon, everyone. I will take you through the financial performance for the quarter and nine months ended December 31, 2025.

Starting with Q3 FY 2026, revenue from operations stood at Rs. 202.9 crore, compared to Rs. 274.1 crore in Q3 FY 2025. This was largely due to unseasonal rainfall, 15 crop patterns. Gross margin for the quarter was Rs. 65 crores, down from Rs. 89 crores in Q3 FY 2025. Despite the unfavorable seasonal conditions, we were able to maintain gross margins of 32%.

EBITDA for the quarter was a profit of Rs. 3.8 crore, an improvement over a loss of Rs. 5.8 crore in Q3 FY 2025, with the EBITDA margin improving to 1.9% from a negative 2.1% in the same period last year. Operationally, we focused on cost optimization with OPEX, excluding the financial depreciation, reduced by 36% in Q3 and 20% over nine months, helping maintain financial discipline despite lower revenue. On the profit after tax front, we reported a loss of Rs. 12.7 crore, improving on a loss of Rs. 24.2 crore in Q3 FY 2025.

Looking at the nine months performance, revenue from operations was Rs. 1,101 crores, compared to Rs. 1,540 crores in nine months FY 2025. Gross margins stood at Rs. 345 crores, down from Rs. 468 crores in the same period last year. EBITDA for nine months FY 2026 was Rs. 127 crores, with an EBITDA margin of 11.5%, while PAT for the period was Rs. 46.1 crore, compared to Rs. 91.8 crore in nine months FY 2025.

Nine months year-on-year sales declined by 28%, with 23% attributable to volume decline and 5% due to price variation. Despite the overall decline, the patented portfolio remained relatively stable, with only a 5% reduction, whereas the non-patent portfolio declined by 48%. Sales returns were also much lower than last year, largely due to implementation of stringent sales return policies.

This concludes my overview of the financials. I now hand over to Mr. Sai, who will walk you through other business highlights.

Surendra Sai: Good afternoon, everyone. I will quickly take you through what's happening on the international business front, mainly around exports, registration and IP.

Starting with our exports markets, indexes are moving steadily across regions. Across key markets, progress remains steady. Our registration for our patented products in Sri Lanka are moving well. Dossier preparation is underway for finalized products in Vietnam and in Morocco. We continue discussions around pesticides and our patented nano-urea. On the execution front, we finalized our third export shipment to Sudan. We continue to do these exports on a cash basis.

The IP side has been particularly strong. We secured three patents for novel combination formulation. In addition, we were awarded a process patent for an intermediate with export potential. This patent improves the yield and purity of the product. Beyond this, we have filed four international patent applications, which continue to strengthen our global IP position.

We also received our first grant in nano-formulation. Our nano-particulate fertilizer is aimed at improving nutrient efficiency across crop yields. Overall, we are seeing a steady progress, both in expanding our international footprint and in building a strong innovation and IP-led pipeline. That's a quick gist from my side. Thank you.

We can now open the floor for questions. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. Our first question comes from the line of Hemant Gupta, an individual investor. Please go ahead.

Hemant Gupta: Hi, sir. Good afternoon.

Vimal Kumar: Good afternoon.

Hemant Gupta: Sir, in the previous con call, we were discussing mostly about the sales return and the H2 number. You were very, very confident that you will achieve Rs. 600 crores in H2 with positive track in both the quarters. What happened, sir, suddenly?

Vimal Kumar: It's not about the sales return. What we talked about, that is under the provision only. That is under the provision only.

Vikas Jain: So, Hemant, mostly in the sales, if you are aware, most part of September, August and September and including October, there was continuous rainfall. Especially in the north, most of the flooding has also happened. So, this impacted a little bit of sales. So we were pretty confident that we will be positive.

Hemant Gupta: Yes, but we had this call in mid of November, sir, not October.

Vikas Jain: Yes, you are right. What I am saying is that the liquidation and all, the impact of sales return, we come to know only at the end of December and at the end of the quarter. So, even though we were hopeful that we might do a good placement for rabi, but even rabi is a little softer. So, the placement also for rabi has not happened up to the mark. So that was the reason that some sales were missed. But still, as was committed that we will not have major losses like last year. Our key improvement was that we had reduced our inventory drastically, along with the reduction in OPEX, even though we missed out a little bit on the profit front.

Hemant Gupta: Sir, even in one of the calls which you had in end of December with one of the news channels, you were clearly mentioning that you are trying to have profitability in both the quarters. And it is just a week before the quarter ending and I am not understanding why suddenly how this loss has come.

Vikas Jain: Yes, Mr. Hemant, as I mentioned, mostly the placement happens from end of December and most of the liquidation will happen during now. So, presently the liquidation is going on. So, yes, we were confident with respect to our profitability, but we had missed a little bit on the placement front because of the soft rabi season. So still, as you see, our losses are still pretty limiting to Rs. 12 crore, which we could have done, based on the placements what we were expecting, but that did not happen. So, again, our expectation is that Q3, Q4, we should be not having losses. So, we had little losses this year. Again, we are trying for Q4 not to have any losses.

Hemant Gupta: Okay. And in terms of this warrant issue sir, do you have any communication now with the shareholder. Are they willing to pay before May of this year?

Vikas Jain: So, it’s still based on the market prices we have to wait for a few more months before we can take any call as to what will happen.

Hemant Gupta: And if they do not pay before may what will happen, sir?

Vikas Jain: So, as per the terms, the amount will get forfeited, so we do not want that situation to happen. But based on the market situation, we will take a call and discuss with the investors.

Hemant Gupta: Okay, sir. Thank you.

Moderator: Thank you. The next question comes from the line of Gunit Singh from Counter Cyclical PMS. Please go ahead.

Gunit Singh: Hi, sir. Thank you for the opportunity. Sir, I would like to understand, if we have been losing market share. If we compare from FY'24 to currently, the revenue went down from Rs. 1,800 crores here to about Rs. 1,400 crore trailing 12 months. So, I want to understand what were the sales volumes for nine months of FY 2025 versus the nine months currently to understand if you are losing any market share or not.

Because if you see one of our competitors, Dhanuka Agritech, they have been maintaining their revenues, as well as improving their EBITDA margins. So, for example, our EBITDA margins in FY 2023 were about 18% and theirs were also the same then, but nowadays have gone up to about 20% but ours has come down to 10%. So, can you please help me understand all what's going on?

Vikas Jain: So, with respect to the market share, so Dhanuka and we are obviously in a different growth phase because, ours is mostly recently that we have gone into B2C in recent three four years. But yes, compared to the volumes our NDV at the beginning of the year itself was that we want to increase our sales of patented products, which we were able to do. So, our patent portfolio compared to last nine months and this nine months was just about minus 4%. That was also because of the prices. Otherwise, our volumes are up.

But for the non-patent, because last two years we had suffered a little higher on the sales return front, wherein we had to take a little bit of inventory that also affected our working capital, our sales of the non-patent was lower. So that we said was lower by 35% to 40%. Yes, we might have lost a little bit, but not on the patent portfolio but on the non-patent sales a little bit.

And with respect to Dhanuka, yes, only for Q3 if you see, most of the companies were able to show better results because of the exports. But if you see other peer players what we have, most of them had a reduction of 10% to 20% reduction in the sales as well as in the profitability.

Gunit Singh: Sir, so overall our volumes have fallen by about 30%, 35% if we compare year-on-year, whereas the competitors, their volumes have not fallen this much. So, I mean, help me understand why are we losing market share, what are we not doing right and what is the way forward for us?

Vimal Kumar: Yes, Mr. Gunit. In fact, I cannot say we are losing our market share, it depends on the products. Like, last some years we were doing mix of some generics and our patent portfolio. And now we are mainly focusing our patent product. Definitely, if I say, when our patent product are selling more and our generics are not selling that way, so definitely our profitability should be high, our EBITDA margin should be high. That is correct, your question is very correct and our concern is the same.

But at the same time, when we are pushing, when we are developing this kind of our patented molecule, which in India if you see, any other company, you say the name, no company have that much of own patent molecules they are doing in India. But this is the period where last year and this year we are totally changing from generic to patent. And when we are developing this kind of patent products, like one of our product Ronfen, we are selling more than Rs. 200 crore and we have started in 2022 mainly.

So, you can see in three years, four years, 2021 we have started, 2022 was the main year. So, in three years one product we are getting Rs. 200 crores, but, definitely, what about the others. So, we are in the phase where we are doing marketing more, where we are doing sales force more, where we are expensing more. So, the main reason is our expenses is more and sometimes this kind of condition, climatic things and to develop the new molecule, this is little bit harder, so that is the only thing.

If we talk about next year and one year, it is enough for us if it will go well, I can say like this way. And we are in some of the new products like I said, the two products, Fetagen and our BestMan, these two products are fantastically doing. That can be bigger than Ronfen in coming years, that we can see. So, it depends. So, of course, but result is a result, where we are now standing up near 10%, 11% of EBITDA and we have to reach 20%. We are not far away, but definitely results are results and I hope next year will be very good.

Gunit Singh: Yes, sir. If I am understanding, it is because R&D spends this year that the margin is falling down. Is that correct? So how much is the R&D spends for nine months? And what are the EBITDA margin for our patented products?

Vimal Kumar: No, I am not talking about R&D, I am talking about the expenses on the sales and marketing. Sales and marketing as well as R&D, but R&D is not that big part, but major part is sales and marketing for the new products. If you talk about gross margin, so our gross margin already is around 32%. So, gross margin is good, but when we come to the EBITDA, EBITDA is less, just because of the new product it is taking some time. And if any climatic change or anything comes, that will hit us more than others because we are in a new product and development stage.

So definitely nobody will try, but there is a very less demand already, market is hitting in that way. But the way we are doing our new products, so I think one year is enough to change all the scenario because we are on the same path, and I think we are on the right path. Because last two, three years we have seen generic slowly, slowly it is decreasing, and the exclusive molecule which we have is increasing year by year. But definitely, we are ready with the products. So, the whenever chance we get, one year is enough to come back.

Gunit Singh: So, sir, based on the current demand scenario and outlook, I mean, what do you feel like should be our top line and EBITDA margins for FY 2027?

Vimal Kumar: Yes, please, Vikas.

Vikas Jain: So, FY 2027, still pretty early to say for this year, for FY 2026 already for nine months our sales are around Rs. 1,100 crores, so we expect to close the year between Rs. 1,300 crores to Rs. 1,400 crores. So, this is for the current year which will close by March 2026. For 2026-2027, still we are in the process to have our number. But we should see our growth coming back and we should be coming back to our earlier numbers which we had since our earlier two years.

Gunit Singh: Sir, we did an acquisition of about Rs. 140 crores in March 2024, but if we look at the numbers for FY 2025, I mean, it does not reflect either in the revenues, nor in the bottom line. So, can you throw some light on how the operations are going there, and I mean, why did the numbers not reflect in our revenues?

Vikas Jain: See, this year we already at the beginning of the year itself we had given to say that this year we will stabilize because what happens is when the sales team, since last two years were in a mode to do a lot of placements and do higher sales, but because of sales we were getting affected on our inventory and working capital front. So, this one year it takes time for the sales team to come to newer policies, and we had already informed at the beginning that this year we will stabilize. And once we are in good shape with respect to our balance sheet, next year we can think of growing our sales.

So, it was a surprise to some extent because of the continuous rainfall that we missed around Rs. 70 crores to Rs. 100 crores of sales. But otherwise, this year was expected as we had thought at the beginning of the year with respect to, as I said, inventory front, reduction in the inventory, reduction in sales return and reduction in OPEX. Now, all these three are mostly achieved, and there is already awareness in the market with respect to dealers and sales team that we are more concentrating on our patented products and we will not accept such huge sales return, which is stabilized this year.

So, next year again we are talking about the present numbers what we are taking from sales team. We are pretty confident of having our growth back, especially that we have three products which we introduced last year, It was pretty late, but next year we will see the full results, and also three new products which are going to come. So, our growth will be back from next year after whatever we have done in this year with respect to stabilizing the inventory and working capital.

Gunit Singh: Okay, sir. My last question would be, what is the revenue potential from our existing capacity? And in your judgment and opinion, do you think that the worst is behind us and I mean our revenues and EBITDA margins cannot go below the current levels and there is only upside going forward?

Vikas Jain: So, earlier at Rs. 1,800 crores also we had sufficient capacity. So, based on our existing capacity, we can do Rs. 2,000-plus crore. So, capacity is not a constraint, that thing more or less we can easily achieve from our existing capacity without actually adding anything. So, it was only because that our B2C business pretty much happened or we pushed a lot in last two-three years, so whatever we had gained from around Rs. 400 crores to today Rs. 1,000 crores in our branded business happened in last two-three years. So, we took a year to stabilize that operation and we will see that next year our numbers will go up. So, our capacity is more than enough for us. And even our OPEX which we had reduced drastically, has stabilized. We had done a lot of restructuring on our locations, on the territories, that also has happened and we have stabilized this year.

Gunit Singh: Alright, sir. Got it. Thank you very much. I will join back the queue.

Moderator: Thank you. The next question comes from the line of Chintan Mehta, an individual investor. Please go ahead.

Chintan Mehta: Hello, sir. Sir, thank you for the numbers. I just want to understand, what is the projection for the international expansion for Best Agro going forward? Because the margins will be much better, so where we are looking in terms of numbers or in terms of potential in the international expansion?

Surendra Sai: Yes, please. So, in terms of a new revenue stream, exports and international markets will definitely be one big area. And investment, one of the key challenges in case of our international business is the number of registrations. So, currently, we are progressing on our patented portfolio registrations which are expensive and we have found very good partners who are doing that. So, in addition to this particular registration process which is going on, there is a parallel R&D which is going on in terms of identifying certain intermediates which can also be sold abroad where the registration costs or the registration challenges do not exist.

The third thing that we have been working on is in the area of nano-urea where we are seeing a good amount of potential abroad. So as a result of these multiple initiatives that we have taken on the export front, we opened our China subsidiary. And China subsidiary currently is doing, at least some degree of revenue. Although it is okay on the gross margin, there is a slight amount of loss in terms of the net profitability that is because of the initial expenses. This China subsidiary is currently doing some degree of trading practices for buying and selling in China itself.

Overall, there is a potential upside that we see in terms of our export revenues. It would be a little bit difficult to be able to give a hard number because that would be a projection. But we do expect our export revenues to be a good percentage of our total top line. And as you mentioned correctly, yes, India has been doing a significant amount of export. We are one of the largest exporters of pesticides in the whole world. Given the challenges in China and other things, I do expect, and the options and the advantages in India, I do expect for this export market to grow. We are a little slow on this particular front because initially we have not been able to leverage and catch this, but yes, this will be one big area for us going ahead.

Chintan Mehta: So, a follow-up question is that, let's say for example the patent is granted, so how much time it takes from registration, because I do not have an understanding of how that registration works. But if I want to understand if registration is completed, what is the time frame or a time period from which the revenue gets started after the patent is granted? Because in the recent discussion, you have mentioned one of the patent is granted, right? So that does mean that a product can be developed on that or like what is the time frame or a time duration that it takes from a patent grant to convert it to the real numbers, like what the journey looks like?

Surendra Sai: Yes. That's a good question, because in case of the agrochemical industry what happens is, getting a patent is a little different from registering that particular agrochemical in that country and being allowed to export and sell. The two are different. Now, what happens is, while we are getting a patent portfolio, as far as the export is concerned, that country's registration time takes anywhere between two to six years. In case of Brazil, it may take even more longer than that.

So, the reason for that is very simple, this is a patented product and hence it is a new formulation or a new technical sort of combination in that particular country. And hence the amount of regulatory oversight is more. So, we have started multiple product registrations in multiple countries. These will come up anywhere between the next, I would say, certain things will be available for the registered in the next year, especially in Vietnam and Sri Lanka. And from the year that is 2027 onward, you should be able to see a good amount of revenue. Once it is registered, the sale of that particular product can happen.

Chintan Mehta: Okay. So, this is similar to the Sharda Cropchem is doing the export. So, basically, any kind of a European agreement that recently completed the European Union, so is there going to be any benefits, beneficial for the Best Agro, the trade deal?

Surendra Sai: So as of this minute, if we had had multiple active registration for registered products, we could have immediately been able to utilize the opening up of the both the U.S. trade market, European market, as well as certain parts of the Australian market. But right now, we do not have that. So once our product gets registered, yes, obviously, the open trade regime which is happening, that will help us a lot. In fact, it will help us more because what we are registering is all high value, high margin product.

Chintan Mehta: Okay, sir. Thank you.

Moderator: The next question comes from the line of Kailash Chander, an individual investor. Please go ahead.

Kailash Chander: Hi. Good afternoon. My question is basically regarding receivable. So, it has been observed that receivables below six months are continuously, I mean, being increasing, ratio wise than the receivable for more than six months. So, can you please elaborate in this one?

Vikas Jain: Yes. So, receivables, more or less, it's in line with what we had previous year. So this year, because of the continuous rainfall and there was a delay in the produce and the same, being repaid by the government, So there was a delay by, say, just about a month or so. But most of the receivables are under control, and there's not a big surprise there.

Kailash Chander: Actually, if you see ratio wise, I mean, initially, in the previous financial years if we see, so ratio was lower side, still, particularly if we see three months below, it was somewhere around, I will just come back, so if we look at the balance sheet so it was --

Sorry for that. So, for the time being, I will ask second question. So, as you mentioned that you are not focusing on the patented product. So, what is the TAM for this product, total addressable market?

Vikas Jain: We are focusing on the patented products. We are not focusing on non-patented, the generic ones. And with respect to TAM, it's not the overall market for the agri industry. In that, we define which are the highest selling crops and within those crops, which are the solutions we want to provide. So, for each of the crops, it would be different. But yes, as others are playing, we are playing in the overall market which is around $3.5 billion or so.

Kailash Chander: Okay. So that is several part in the march 2022. So, receivable sequence was Rs. 38 crore as compared to receivable and the sequence was two to three. Now it has increased drastically for year 2025 if we see. So it is Rs. 182 crore over six months and under six months it is Rs. 400 crore. So ratio wise it is very, at the higher side so that part I was talking about.

Vikas Jain: So, as I said, in our business the collection period is defined based on how they introduce sales and the money flows from the government to the farmers, dealers and to us. So, this year mostly it has been delayed by a month or so, but we do not see any major surprises as I said. So, most of our collections will happen now between December to April, so each month we are getting collections and each month we see that there is a reduction in the six months. So, March, once you see an improvement in our more than six months from what you would have seen in September or March numbers.

Kailash Chander: Okay. Great. So, my last question is, as you mentioned that the company will try to achieve somewhere between Rs. 1,300 crore to Rs. 1,400 crore of revenue in this particular financial year, so can you please let us know about the EBITDA margin?

Vikas Jain: So, EBITDA, with respect to EBITDA, similarly, our endeavor would be to possibly not to have losses, but we will have minimum profits. So, our EBITDA would be little higher than what we have in Q3, because Q3 and Q4 are softer seasons compared to main Q1 and Q2. So, again, like how we had planned for Q3, our plan is not to have losses. So, EBITDA would be in similar lines like current quarter but it could be a little better, and we will try not to have losses in Q4.

Kailash Chander: Actually, I was talking about analyzed basis for financial year 2026?

Vikas Jain: Analyzed basis, we will be at around 12% or so. So that would be our EBITDA targets.

Kailash Chander: Thank you. That's all from my side.

Moderator: Thank you. The next question comes from the line of Vivek Rautela, an Individual Investor. Please go ahead.

Vivek Rautela: Yes. Hi all. Good afternoon. So, basically, I have question regarding the outstanding warrants. So, the exercise price for them is Rs. 64 per share, okay, while the current market price is around Rs. 18.94 and it may face further downside because of the recent results as it is in lower circuit today also. So, in this context, I just wanted to know what is the management view on this warrant conversion and how should shareholders think about the potential impact of this?

Vikas Jain: So our price was Rs. 640, that was pre-split and pre-bonus.

Vivek Rautela: Now it is Rs. 64.

Vikas Jain: If I consider the split and bonus, yes, after considering the split and bonus, it is supposed to be Rs. 42. So Rs. 640 is equivalent to Rs. 42. So instead of Rs. 42, here we are at around between close to Rs. 20 or so. But as I said, we are hopeful that we are improving so we are not having the losses like what we had last year. So, we hope that the prices would come to a level wherein investors would feel that, okay, they will pay balanced amount. So we are still waiting for our March numbers and then we will take a decision.

Vivek Rautela: Yes. But during like, I am following it since two years, okay? So during this period, the company's revenues have been, like, continued to decline. I understand that the business model has undergone changes, like, you are focusing more on patented products. But in several earnings, because mostly I hear all the earnings, so the management has indicated that the worst phase is behind. But the financial performance, like whether it is revenue or profitability, like something happens, like sometimes the weather issues, sometimes something. So can you, like, tell us, like, when we can expect the revenue growth to be back, at least, like to our peak numbers. I think it was around 2021 or 2022. So can we expect the same revenue?

Vikas Jain: So, for this year, it was not that in one or two quarters we could have come back to a normal term. So, for the entire year, our guidance was that our revenue would be lower, but we would still go on to improve our profitability percentages and reduction in our OPEX because we had spent heavily on the nine patents what we had launched. So most of it we are able to achieve in terms of what we had given the guidance. But it's not that this year was like a big surprise. Yes, surprise was only to the extent of Rs. 50 crore, Rs. 100 crore which we missed. Otherwise, our results would have been better.

So, this year would be the worst, what we say, and the worst would be behind for us. And from next June onwards, already we have our plans and we have our policies which are in place which till last year was we were changing those policies. So now we are more stable with respect to our number of people, the policies what we have and the products which we want to sell and also on the supply chain front as well. So, the growth will come and it will come from the next year immediately. From June onwards we will see the growth which will be back.

Vivek Rautela: Okay. So just wanted to know one thing. Suppose, if we want to do Rs. 1,800 crore or Rs. 2,000 crore of revenue. And so when can we expect that? And like within one two years or it will take more time? And what should be the PAT at that time, like profit before tax and profit after tax, what can be the operating profit, if you can tell like a little bit if you can guide it?

Vimal Kumar: Yes. Your question is right. In fact, the next two year we are, of course, changing that number. And next year, we will come around Rs. 1,600 crores, Rs. 1,700 crores, Rs. 1,800 crores also, because just I told in the Mr. Gunit question also, that we are already in the same path where we are developing our new product. And each product will give us good revenue in coming here in FY 2027. And I firmly believe FY 2028 will be the, again, very good year because each of our product which is patented, each of our product will have two-year, three-year, four-year, five-year history. And when there is a history of three-year, four years, there will be a big revenue we can expect from these products. And that the profitability will be again very high.

So, again, I want to say earlier we were doing in a different way and then we change our way because that was also important because our inventory level now is very drastically down which was required to our balance sheet, good balance sheet. And also, our debtor side reduced, so that was our agenda for this current year, but definitely, next coming year, because of our patented molecule, definitely, we will do better. And the revenue, almost I can say, next two years, again, we will touch to more than whatever we have did in the past.

Vivek Rautela: So what can be the OPM percent, can you tell me like, if you told around 20% we can expect, right?

Vimal Kumar: After two years yes you can say.

Kailash Chander: So, this year it would not be 20%, like if we talk about this year, like this and the next financial year that is coming, yes.

Vimal Kumar: Not 20%, but definitely our target is there, but I cannot say 20%. But definitely, it will be 16% to 17% will be minimum.

Vivek Rautela: Okay. So, like you are sure like the worst is over, like it cannot be like worse than this, right, like just wanted to confirm that thing?

Vimal Kumar: Yes. We can say, because I told you everything why it is it, because we want to create a discipline and we have, in my commentary also, I said we have done very well many things, data-based inventory control, ERP, and our comprehensive apps, and also we are now directly looking at the liquidation at the farmer level. So, definitely, when we are tightening this and making something like chatbots for the dealers. So many things we have did in the one year. It was a developing year for us, for the new product, again, I would say. And definitely, I can say, according to the performance of balance sheet, definitely I can say, we have seen the worst and now it will be better only.

Vivek Rautela: Okay. Thank you so much for your answers, really helpful.

Vimal Kumar: Thank you.

Moderator: Thank you. The next question comes from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

Saket Kapoor: Yes. Thank you, sir. Vimal ji, Just taking into consideration whatever discussion we have still had, you are articulating this point that the course correction exercise that you want to bring into the organization you have implemented and with the passage of time you will see its impact on profitability. So, am I right in thinking that the course corrections that you wanted to do are done, or is there something still remaining to do? Sir, you are the promoter of the company, you hold 50% stake in equity, and all the other shareholders are minority shareholders, including me. So it is our responsibility that we form a good organization within which integrity of the promoter sustains. Now, depending on the market conditions, if market conditions are not good and external environment would not be good then you cannot outperform. Other than that, whatever trajectory you outline, you walk the talk. So in that regards can we pass on the message to the investors that, yes, you are there, EBITDA margin can change, 5%, 8% depending on the variables, but it would not be good that numbers are seen haywire and investors feel surprised, like it happened last year. So taking this in cognizance, can you give us this confidence that it would not happen again?

Vimal Kumar: Saket ji thank you, I see you are always in these calls with us, thank you for that, for showing interest. And definitely, your concern is correct. And as you said, I have a major shareholding, so definitely my concerns are the same always with the company, within the company. But definitely, what I can control and what I can change here as a small shareholder you cannot do. But definitely, I am doing my job and our team is extremely doing very well. And in other part, if I will say, because we all are here you are our shareholder stakeholder so I can frankly tell you. In other way, I would say, I am very happy with the teamwork, which groundwork they are doing if anybody on the call who knows the farmers and every who has related to dealers.

If you check in some of the market like Maharashtra, or if you check some other like Gujarat, Haryana or some of the states, there our brand is, they do not know about balance sheet, they do not know about share value, they do not know about anything, but they know about the new company which is the new company who is growing very fast in the brand image of the company, like Ronfen or Best Agro, so it is very popular in the farmer community, I would say.

So if you see all these things, I feel sometimes very happy. But definitely, we are doing business, so the profitability is equally important and revenue is also equally important. And I can say, from next year, it will be definitely better. And again, I would say, in the last question also I addressed, so I cannot say worse, but definitely we have done much corrections. And I do not think so there is any surprise on the downward side you will get. Of course, I am hoping you should get surprised on the upward side and we are doing our best with that.

Saket Kapoor: And sir, whatever course correction was made in sales returns, Vikas ji would answer that better, that provision and all if you could give some color for the quarter, how much has been our sales return? And last time you mentioned that you would need to add back provision, the extra provision, was something like that there in our sales this quarter?

Vikas Jain: So, if I tell you overall for the year, last year we had almost around Rs. 280 crores return in nine months, some years it was only Rs. 180 crores. So, we had drastically reduced. What we were targeting we were able to reduce that. But it did not happen how much we had thought because of the excess rainfall. This time we had provisioned for Rs. 70 crores, but the impact was of about Rs. 90 crores. So, we thought we will end up with Rs. 40 crores, Rs. 50 crores of sales return, but sales return was high because of the rainfall many sprays were missed across different crops. If you see overall nine months to nine months, we have improved a lot, 40% to 45% sales return we have reduced. On specific question of Q3, we had provisioned around Rs. 70 crores, but returns what we got was around Rs. 90 crores.

Saket Kapoor: Okay, sir. And sir, fourth quarter is ready now or how does it impact the seasonality for pesticides?

Vikas Jain: Fourth quarter is of rabi season, it is lean usually, but it's rabi season still, so we will do a little bit of sales. But with respect to sales return we are almost clear with it. So, in Q4 the sales return that we had last year, we are seeing 50% to 60% or even less, it will not be that much. But sales for the rabi season has affected because of the rainfall the pesticide cycles were less and it is impacting the product prices as well, because prices have fallen so farmers do not expense that much. So, it will be okay, okay, not too high, not too low, but we will do reasonably okay and try to ensure we do not have losses like last quarter Q4, this time we will try that we do not get any losses this time.

Saket Kapoor: And last time you had put CAPEX on hold, if I remember correctly, what are you thinking on that?

Vimal Kumar: Yes, it is still on hold. We will think about it four, five months down the line, not now.

Saket Kapoor: Okay, sir. We are investors in the company, we completely believe in you. We are not going to see the pesticides, nor can we experience it, we just trust your words, and the numbers that reflect and the numbers that auditors give, based on that we are taking informed decision in the market. And we hope that it will give us gains that we are anticipating, and we hope we participate in this journey with Best Agro. Thank you, sir.

Vimal Kumar: Thank you.

Moderator: Thank you. The next question comes from the line of Vijay Jhawar, an Individual Investor. Please go ahead.

Vijay Jhawar: I want to understand whether we have utilized the proceeds which we have got from the preferential amount?

Vikas Jain: Whether we what?

Vijay Jhawar: The amount which we received during the preferential, have we used it or not?

Vikas Jain: Yes, yes, so the 25% amount what we got, those as part of our utilization, this thing we already utilized it for the working capital purpose.

Vijay Jhawar: But we have actually planned for a CAPEX, right, a new plant. So I thought that we are using that particular amount to fund that CAPEX, am I wrong?

Vikas Jain: So the CAPEX was only from that second part, from that 75% which we had thought. So that we will see only once we get that balance 75%, we will think of the CAPEX.

Vijay Jhawar: So, are we looking for any fund raise because we are already at a lifetime low in our share prices. So are we looking for any fund raise from promoters or from some institutions?

Vikas Jain: So, for CAPEX, we are not doing anything as of now.

Vijay Jhawar: Okay. Sir, but we have a due around June, right? So, as the earlier participant asked, that the price is like 50%-60% down from what they have actually subscribed. So it looks like impossible to receive the balance 75% amount. So is there any plan B?

Vikas Jain: So we do not want to commit as of now that, okay, we are not going to get that 75% and we will do something else. So the CAPEX plan can hold because we have enough capacities to go for our target for next two years. So we will see if the situation will improve, if we feel that we are in a better position, then we will think of taking the funding from outside. But yes, presently, we are not thinking about that.

Vijay Jhawar: And sir, we have reports from weather agencies, so there is a possible of El Nino in current time, in next financial year. So, do you have any plans because you have now your promoter starts giving you a guidance of, say, Rs. 1,700 crores, Rs. 1,800 crores. And if at all there is a possibility of El Nino, then do you feel that there is a risk even to the current revenue level?

Vikas Jain: So, Rs. 1,700 crore, Rs. 1,800 crore for next two years, in the sense, so next year our plan would be to achieve at least at around higher than Rs. 1,500 crore, Rs. 1,600 crore and then going up to Rs. 1,700 crore, Rs. 1,800 crore. So, El Nino, obviously, there are presently some articles going on to say that there are El Nino effects which might be there.

But our nature of industry is that we cannot be waiting to see how it pans out. We have to work on our supply chain much before. So we will work with a caution, but because we have already put good policies to ensure that we will not place too much and then later on take it, that will help us. So, yes, El Nino effect might be there, but it will show only in July-August, but before that we have to prepare ourselves with the inventory, which we will do, but we will go with a caution.

Vijay Jhawar: And sir, there is a person called Rajkumar in our shareholding pattern, so is there any connection to him with the promoter?

Surendra Sai: Not clear, not clear. We are not aware of Rajkumar.

Vijay Jhawar: No, no. There is a person called Rajkumar who is holding 7% to 8% equity in Best Agrolife, so is there any connection with the promoter group?

Surendra Sai: No, no. I do not think so.

Vijay Jhawar: Because he is a huge equity person in Best Agro and he has sold quite a large chunk during the split and bonus time, so I felt that he is an insider or something, because --

Vikas Jain: No. There is no relation as such. Yes, possibly he might have higher holding, but then we do not know about it, with respect to the relation with promoter.

Vijay Jhawar: There is no relationship with promoter.

Vikas Jain: There is no relationship.

Vijay Jhawar: Okay. So what is your expectation from Q4, because we are already at a Rs. 12 crore loss in Q3, so do you think that it will continue or we will have a better quarter?

Vikas Jain: Our expectation is not to have losses, so in Q4 last year we had very high losses, so based on already we have worked on the OPEX part which we are reducing drastically. So, sales, obviously, as I said, the demand is a little softer, so we do not expect very high sales, but we expect not to go into losses and have even a small profit, but our plan is not to have losses.

Vijay Jhawar: Sir, because we are already paying Rs. 50 crore to Rs. 55 crore interest to the bank and our profitability is below since last few years, so how do you think that this business is sustainable because our interest cost is more than our net profit?

Vikas Jain: See, there is a huge potential because based on the market situation, we see that many of the companies doesn't have this kind of portfolio what we have. Now, obviously, company is going through a situation wherein we had gone heavily into the market and faced certain situation which we are trying to improve. And this year we already knew that the steps we will take, there might be some reduction in the sales.

So, yes, sales are down. Profitability is not so heavily lower. So we are still profitable for full year and we will remain profitable. So only that after going through these policies, now we are in much comfortable position with respect to our inventory. Even our dealers are more comfortable with respect to the policies what we are doing. And even our sales team is more stable now. Because last year, because of restructuring of territories, there might be situation where people are moving from one place to another. But now everything is pretty stable and we are in a much better position to grow because of our portfolio strength. So that we are going to do this year and we are hopeful that if everything goes well, we will see much, much better numbers this year.

Vijay Jhawar: And sir, why are the interest cost gone up in Q3?

Vikas Jain: So interest cost, obviously, would be based on the loan what we would have utilized. So if there was a delay by a month or so, meaning if dealers have paid late, generally, we charge dealers with little bit of interest for delay payments. So that we do based on after they do the payment. So even though on one side there would be interest, so this quarter or next quarter we will see that we will be charging some amount as recovery of that interest. So it's not that we are paying higher, we would be recovering this from the dealer who are paying little later to us.

Moderator: Thank you. Ladies and gentlemen, due to time constraints. We would take that as the last question for today. I would now like to hand the conference over to Mr. Surendra Sai for the closing remarks.

Surendra Sai: Thank you, everyone, for your time today. We appreciate your interest, feedback and confidence in the company. Your engagement will help us sharpen our focus and stay aligned with long term value creation. I would also like to thank our employees, partners, customers and investors for their support and commitment. We look forward to staying engaged with you and updating you on the progress in the coming quarter. Thank you very much, and have a good afternoon.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Best Agrolife Limited, that concludes this conference call. Thank you for joining us. And you may now disconnect your lines.