Best Agrolife Limited

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Sub: Transcript of Q2 Earnings Conference Call - FY 2026-27

Dear Sir/Mam

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the "Listing Regulations"), please find enclosed herewith the transcript of earnings conference call for the quarter and half year ended September 30, 2026 held on Monday, November 02, 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

Aarti Arora
CS & Compliance Officer

Best Agrolife Limited
Q2 and H1 FY 2027 Conference Call
November 02, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY 2027 conference call of Best Agrolife Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal for an operator by pressing '*' and then '0' on your touchtone telephone. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. The statements are not the guarantee of future performance and 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, Mr. Sanjeev Bajaj - Chief Financial Officer and Mr. Vikas Jain - Vice President, Business Operations. 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. First of all, I welcome all of you to today's earnings call. Thank you for taking out time to join us. I would like to talk to you about our company's performance. Also, I would like to share what were the challenges in the market this year at the ground level. What was its impact on our business and in which direction we are working.

If we talk about numbers, then in Quarter 2 of the Financial Year 2027, our total revenue was Rs. 407 crores versus last year in the same quarter, it was Rs. 517 crores. In H1 FY 2027, the revenue was Rs. 803 crores versus the last year in the same period, it was Rs. 898 crores. In spite of less revenue, we have done well this year. In Q2 our EBITDA increased as compared to last year, from Rs. 78 crores to Rs. 101 crores in spite of total revenue. In H1, EBITDA was Rs. 178 crores as compared to Rs. 123 crores in the last year. Similarly, PAT increased from Rs. 39 crores to Rs. 57 crores in the Quarter 2, wherein PAT in H1 increased from Rs. 59 crores to Rs. 98 crores. The contribution of our better planning for keeping the margins in discipline more than the patented products bearing in mind the challenging monsoon is the reason for this improvement in our profitability. In the past two years, we have continuously kept our product portfolio ahead of generic products and are focusing more on the patented products. Going forward also, we will be working in this direction because our focus is not only on short term performance but it is on making a sustainable and profitable business.

Now I would like to highlight you a little on the market condition because to understand this year's performance, you need to understand the situation of Kharif season. This year, the monsoon pattern was quite uneven. In many areas, it did not rain at the right time due to which there was a delay in planting. In some places, the planting area was also less. In some areas, it rained a lot, while in some places there were long gaps between the rains, which had a direct effect on the entire Kharif season, on the kharif crop. Many farmers had to delay their crops. In some areas, there was a shortage of soil moisture, especially in places where the irrigation facility was limited. This year, it was necessary to think about their expenses for the farmers and this affected the overall demand.

In addition, due to generic products in some product categories, competition and pricing pressure was also created. Due to all these factors, the business environment of this quarter was challenging. We had already put forward an idea for future changes in the demand for delays in the planting and crop protection products. In such situations, we tried to manage through targeted product placement and better farmer education.

Now, I would like to tell you a little about the regional markets because all the regions and sales and market conditions were not the same. In the Central India, especially in Maharashtra, Madhya Pradesh, Gujarat, in some parts, the uneven patterns of the rains affected the growth of sowing and harvesting of crops. Soya bean, cotton, groundnuts, maize, paddy and some other crops, farmers had to face different types of challenges. In North India, the situation was mainly dry, in some areas. In some areas, the temperatures were high, the soil moisture was also low and the water available in the dams was also low. In some regions in Andhra Pradesh, due to water availability problems, pressure was being created on paddy acreage. The same was also in Telangana. In Tamil Nadu, water availability was low, while in different parts of Karnataka and Telangana, the conditions were different. The effect of all these conditions on the demand for cotton, paddy, chilli, groundnut and crop protection products was very high. In Uttar Pradesh, the demand pattern was somewhat different. In paddy, due to the problems of early leaf folder, the demand for spray products in the areas got support. However, due to the low pressure of fungal diseases, the demand in the fungicide segment was not that strong. Apart from this, the cotton acreage also saw a reduction, which directly affected the product demand, because instead of cotton, they sowed cluster bean and other crops.

Overall, in this kharif season, the combined effect of weather conditions, sowing pattern, irrigation and availability, and farmer's spending pattern was seen. By closely monitoring all these factors and based on the feedback from the ground level, we were able to make changes in the planning, and despite the low revenue, and we were able to manage the results better. Despite this challenging market environment, we continued our work to introduce new products to the market, which we do every year, 1 to 2 products. We got a good response from the market. In this period, we launched our patented product, Midcotin, for the paddy segment. Midcotin is a fungicide, it is a combination of insecticide. In this product, we got very good results at the ground level, and got a good response from paddy farmers throughout

India. In September, we launched another powerful insecticide with the brand name SECTOR, which we introduced in the market for the management of sucking and lepidopteran pest in Pomegranate and Chili.

If we talk further, we are closely monitoring the Rabi season, which has started. The demand for Rabi season depends to a large extent on how the crop is growing, soil moisture availability, how much irrigation water is available, and how much confidence farmers feel about spending on agricultural input. At this stage, it is not right to make very strong assumptions about market recovery. We are closely assessing the actual brand situation and will plan for the future accordingly. In the last 4-5 years, we have improved our experience. This year, we will improve it in a better way.

Now, I will tell you about our innovation and intellectual properties portfolio:

In the last two years, we have been working continuously to strengthen our patented product portfolio and our strategy will continue to be a priority. In the meantime, we have developed Fluxametamide, which is an insecticide and a very powerful combination of Fluxametamide, Abamectin, Trifloxystrobin, for which the patent has been granted. This is an important achievement towards our intellectual property portfolio. It makes our direction even stronger in developing more differential products. Apart from this, we have also progressed on foreign patent application related to the combination of like Ronfen, Nano Urea, Fluxametamide, Flonicamid and Abamectin. These applications have moved forward in UAE, Vietnam, Sri Lanka, Philippines, Egypt markets and now we have reached the examination stage. Like we had informed you in our previous calls that different stages are there, when we register a particular product in any country. So now these have reached the examination stage in these countries. Along with this only, we have received 13 CIB registration in this quarter in different categories and international business also is one such area where we are continuously progressing. During this period, we have done a shipment of 47 metric ton in Sudan. In Nepal also, we have got registration for our patented product Ronfen, four other products have also been submitted for registration. In Mexico, we have got registration for Lambda, whereas the registration is in process for one another technical product. Apart from this, we are working for opportunities in different international markets. In Taiwan, one of our products has reached the final stage of approval, whereas one another product is moving forward in the review process. In Sri Lanka, our two patented products sample has got the initial approval, after that we are expecting that it will move forward to the testing and the trial stage. In the direction of global expansion, we have taken an important step; we have incorporated a step-down subsidiary in Brazil, through which our aim is to expand our business related to Agrochemical and Agricultural products in South America market. In this way, our whole owned subsidiary has been incorporated through Best Agrolife Global to the entity. These all developments, are important steps towards increasing our presence in the international market. Our focus will be to convert these opportunities into actual business going forward.

In the end, I would only like to say that before financial year, there is pressure on the revenue during the half and we cannot ignore this but simultaneously, it gives us confidence in in the long term direction of making profitability and improvement strong for the progress of our patented portfolios. Going forward also, we will be working in a disciplined way, will make our business and fundamentals strong. We will strengthen our businesses. We will focus on such growth opportunities that can create long-term value.

That is all from my side. Thank you once again for joining us today. Now I will invite my CFO, Mr Sanjeev Bajaj to tell about your company's financial performance. Thank you very much.

Sanjeev Bajaj: Thank you. Thank you Vimal Sir, for taking us through the business update. Good afternoon, everyone. So I will take you through the financial performance of Best Agro Limited for the Quarter 2, Financial Year 2027 and H1 Financial Year 2027.

Let me begin with revenue. Revenue from operations for Quarter 2, Financial Year 2027 stood at Rs. 407 crores compared with Rs. 517 crores in Quarter 2, financial year 2026, representing a year-on-year decline of approximately 21%. For H1 Financial Year 2027, revenue was Rs. 803 crores compared with Rs. 893 crores in the corresponding period last year, a decline of approximately 11%. The revenue performance was affected by the challenging kharif season, including irregular rainfall, delayed and uneven sowing, reduced crop acreages in certain markets, changes in spray schedule and cautious farmer spending. These conditions affected demand across several crop protection categories. Also as a strategy, the company is focusing on the patented portfolio and has been gradually reducing generic products from the overall portfolio. However, profitability improved significantly during the quarter and the first half of the year. Gross margin for the Quarter 2, Financial Year 2027 stood at Rs. 182 crores compared with Rs. 170 crores in the corresponding period last year for the same quarter. Gross margin as a percentage of revenue improved to 45% compared with 33% in the corresponding quarter last year. For H1 Financial Year 2027, gross margin was Rs. 328 crores against Rs. 280 crores in H1 financial year 2026, an increase of approximately 17%. Gross margin percentage improved to 41% compared with 31% in the previous year.

Now move to EBITDA. EBITDA for Quarter 2, Financial Year 2027 increased to Rs. 101 crores from Rs. 78 crores a year ago, representing a growth of approximately 30%. EBITDA margin expanded to 25% compared with 15% in the Quarter 2, financial year 2026. For H1 Financial Year 2027, EBITDA rose to Rs. 178 crores from Rs. 123 crores in H1 financial year 2026, an increase of approximately 45%. EBITDA margin improved to 22% compared with 14% in the corresponding period last year.

Now move to profit after tax. The profit after tax for the Quarter 2, Financial Year 2027 was Rs. 57 crores compared to Rs. 39 crores in Quarter 2, financial year 2026, representing a growth of approximately 48%. The PAT margin increased to 14% compared with 8% a year ago. For H1 Financial Year 2027, profit after tax reached Rs. 98 crores against Rs. 59 crores in H1 financial

year 2026, an increase of approximately 67%. The PAT margin improved to 12% as compared to 7% in the previous year. So these results demonstrate that despite lower revenue, the company delivered higher gross margins, EBITDA and profit after tax, together with a substantial expansion in margins.

An important strategic factor behind this improvement has been the company's shift towards a stronger patented product portfolio, initiated from financial year 2026. This transition, along with our initiative of cost discipline, operational efficiency, has been an important contributor to the improvement in the margin. We intend to continue strengthening the patent portfolio while remaining focused on our execution and financial discipline. Since last year, the company is focusing on reducing the Opex and is successful in doing so. Operating expenses excluding finance costs and depreciation were Rs. 81 crores in Q2 Financial Year 2027 compared with Rs. 92 crores in Q2 financial year 2026, a reduction of approximately 12%. For H1 Financial Year 2027, these expenses were Rs. 149 crores compared with Rs. 157 crores in the corresponding period last year, a reduction of 5%. This reflects the importance of maintaining cost discipline while navigating a challenging market environment. So we will continue to maintain a disciplined approach to cost and take all necessary measures to enhance efficiency, ensure that expenditures remain aligned with business requirements and growth priorities. We will continue to focus on our working capital management in line with market requirements. We have been monitoring our working capital and ensuring that we gradually reduce it over the period. So, to summarize, Q2 and H1 Financial Year 2027 were characterised by revenue pressure amid challenging agricultural conditions. However, the company was able to deliver strong growth in profitability and substantial margin expansion. Improvement in gross margin, EBITDA and PAT together with lower operating expenses, reflect the progress made in strengthening the company's profitability profile. Our focus remains on sustaining financial discipline, managing working capital carefully and supporting the company's strategy of building a stronger patented portfolio and pursuing sustainability profitability growth.

Thank you, everyone. That is all from my side. We are now open to take the questions.

Moderator: Thank you very much sir. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question may enter '*' followed by '1' on their handsets. If you wish to remove yourself from the question queue, you may enter '*' followed by '2'. Participants are requested to please use only handsets while asking a question. We will wait for a moment while the question queue assembles. To ask questions, please enter '*' and '1'. The first question is from the line of Hemant. Please go ahead.

Hemant: Hello sir. Good afternoon.

Vikas Jain: Good afternoon, Mr. Hemant.

Hemant: Firstly, congratulations for the excellent bottom line this quarter. My first question is related to this top line for this quarter. In the commentary, you were mentioning that the top line is reduced mainly because of bad monsoon. But if we see the numbers closely, only Rs. 22 crores reduction came from B2C business this quarter compared to last year and balance Rs. 88 crores came from institutional sales. So can you please explain this?

Vikas Jain: Yeah, so with respect to revenue, we had at the beginning of the year, put certain strategies for the current year. So one was, we wanted to reduce our generic portfolio. So we had reduced certain products both from our Best Agrolife and Sudarshan brands, and focus was more on the patent portfolio which we have been discussing over the last one or two years. We saw that our patent portfolio went up by 20% whereas my generic went down by 30%. So this was in line with what we were planning for this year. And the same you can see in the gross margin levels and the overall profitability levels that our profits went down even though my turnover went down a little bit. With respect to B2B business, also our strategy was to reduce the highly generic product business which we were doing earlier and slowly move into products which are more of a specialized nature. So going forward, we will continue with this strategy wherein slowly we will remove the products which are generic so that our sales team will focus and concentrate more on the portfolio which is of a patent nature or in B2B segment of a more specialized molecules. So this year in our plant also, we have started products which are very specialized in nature and which will also help in improving the profitability going forward as well.

Hemant: But how much of this generic sales is still left in the overall revenue?

Moderator: Sorry to interrupt sir, could you be a little louder Hemant sir?

Hemant: Okay, so I am asking how much of this generic sale is left in the overall revenue? Because if you see the ….

Vikas Jain: So most of the reduction is because of the generic sales because if you see my portfolio patent has gone up from earlier 50% in H1 to 60% this year. So whatever reduction is there, reduction is mostly or rather everything is due to the generic products.

Hemant: Okay. And what about H2 sir this year? What can we expect from both the quarters?

Vikas Jain: So H2 again, this also we had thought because generally the feeling is that H2 is a loss-making period. But what we have done this year also for H2 is, because there is little uncertainty on the seasonal front, we have been more cautious and we have taken higher provision for sales return and also higher gross margin. That means tomorrow even though if there is little higher sales return, which already mostly we have closed by this end of October, we believe that we will be able to take that shock and rather both in terms of turnover as well as profitability. In nutshell, we have created higher provisions and created a buffer for the profit which tomorrow,

if there is an additional return, this will be able to absorb. If we will not get such high return, if the season is little reasonable, then it will get released and our H2 numbers will be better. So what we believe is H2, we should not be having losses. That is what our feeling is compared to what we had in H2 last year. So we are seeing an overall good recovery in this year. And what we believe is, last year would be our, like a bottom-out year and henceforth our profitability would go up each year.

Hemant: In the Q3 last year, you were not aware of this sales return till end of December. We had this conversation earlier. What kind of strategies you have this year so that we will not have sudden surprise again?

Vikas Jain: So this year we have put a rule in, wherein we had mentioned that by end of October or say by maximum first week of November, our entire sales team should clear the inventory of sales return which is there in the market. So which we are happy to see that we have almost, October is closed and we have discussed with our sales team. So 95% of the sales return have been received. There could be some returns here and there but we do not expect any surprise going forward.

Vimal Kumar: Which is under provisions.

Vikas Jain: Yes. And already for which we have made higher provisions.

Hemant: Even margins are under control, sir?

Vikas Jain: Yeah. So margins as I said, for this provision we have put higher margins. That means next quarter if our sales return is little lower than expected, then those margins will get released and our profit will be higher on the higher end in Q3 compared to Q3 of 2026.

Hemant: Sir, and one last question from my side. Now I see lot of B2B sales happening with SWAL corporations for your patented products. So what is the strategy in this line with other customers?

Vimal Kumar: In fact, which we are giving, that is purely B2B business, which we are giving to SWAL that is our UPL subsidiary, SWAL Corporation. And definitely which product we are giving to them, like we have different product portfolios. In that same segment if we have different product, so this is our strategic part that we will make our partner to cater that segment and increase our sales. So definitely yes, we have given two products to SWAL Corporation, which both are our patented molecules. And in other word I can say, if you see in the Indian companies, we are the one who is giving own patented product to any MNC company, either UPL is an Indian company, but I would say they are in so many countries, so any big company. And also we are giving to Adama also, that is again an MNC company. So this is, we will say, this is our one kind of success, that we are able to give this product to big companies, which is our patented

molecules. If you see in our industry, there is a big example that we are doing and no other can, as of now not possible for others to do that.

Hemant: Okay. Yeah, that is it from my side sir.

Vimal Kumar: Thank you so much.

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

Saket Kapoor: Hello Mr. Vimal, Mr. Vikas and all the team members. Hope I am audible.

Moderator: Yes sir, please proceed.

Saket Kapoor: Thank you Mr. Vimal. You gave a very detailed information in your opening remarks. And Mr. Vikas, you have very well-articulated that we have created the buffers, which will take care of any exigencies that may happen. So sir, can we conclude that the processes are in place and the type of variations or the vagaries we have seen in numbers reporting in last year, I think so 18 months ago are things of past. So we will not be seeing anything even closer to that part of the aspect going ahead. That is correct, sir?

Vikas Jain: Yes Mr. Saket, as I mentioned that what we believe is 2025-2026 numbers are like bottomed out numbers. We do not expect that we will ever go to those kind of numbers ever in future. So this year already in H2 you see our numbers which are above exception, in the sense those are exceptional numbers. And to ensure that our Q3, Q4 also goes well, we have created enough provision for our sales return so that we do not come up with any surprises which happened last year. And as I mentioned, we have put strict deadlines as well from the market to see that most of our returns have been completed. So you are right in your understanding that last year was more like a bottomed-out and from this year onwards we are back to our numbers which we had two years back.

Saket Kapoor: Right sir. Sir, when we look at your comment about some business opportunity from Nepal and one shipment to Sudan also, can you quantify a shipment to Sudan of some X ton, tonnage you have mentioned? Is it something one-off we have done or what is the value proposition there? And when we are highlighting it, what is the significance of the same?

Surendra Sai: Hello, so see. Yeah, I am online. Yes, hello Mr. Kapoor. So for Sudan, we had an old customer for whom we were working. And we had taken a lot from our old registrations. So the work we were doing with them was an export of some generics. Which we have taken in cash and we are getting a good profit in generics as well. And they are happy with our quality and they want to work with us in export even in generics. And from Nepal, the soil and agriculture of Nepal is very similar to India. There we are getting a lot of interest for our patented products. Ronfen,

which is doing well in India as well, they are getting good interest there as well. And in addition to Ronfen, after the results, they want to do registration of other patented products as well. So in this way, our patented portfolio is doing well in other countries as well.

Saket Kapoor: Sir, can you quantify the value of the 47 metric ton shipment? What is the turnover?

Surendra Sai: Yes. So its value is approximately around $4 million to $5 million.

Saket Kapoor: Okay, and we are preparing for other consignment also or this is one-off that was due for the period?

Surendra Sai: Let me correct, I want to correct a little. It is of approximately Rs. 5 crores, not $5 million. $300 around, yes.

Saket Kapoor: So this is a one-off for us or going ahead we can get repeated delivery?

Surendra Sai: Yes, discussions are going on for repeat consignment with them.

Saket Kapoor: Mr. Vikas, if you can explain to us note number six, for the benefit of the investing community. I think this is a long note given about the income tax department wherein we have won also some of the appeals and there are some pending. So if you could just give us a nutshell understanding of where are we in terms of this department issue both for the company as well as for the subsidiaries.

Vikas Jain: Mr. Saket, so the purpose of that note and especially the note being long, the purpose was that people should understand that most of the cases related to the raid have been closed. So and closed with any zero liability, not a single rupee liability. So our raid that happened in 2023 and after that almost 3 years of assessments have been completed. In that, other than smaller items which we are contesting with the income tax department, 95% of all the cases have been closed. So slowly we will see that ,wanted to be transparent so that everyone knows that there is nothing left related to the issue. And going forward, slowly that note will also come out in the future. So the nutshell of that is that all the related assessments of the case have almost come and without any liability.

Saket Kapoor: So everything has been crystallized and the rest we will get in the due course.

Vikas Jain: Yes. Rather we have to get refunds from somewhere, those refund orders have also been issued. So within 1-1.5 months we will get those refunds as well.

Vimal Kumar: And one of our subsidiaries, Seedlings India, we have already got the refunds also from Income tax which was stuck because of this same reason.

Saket Kapoor: Okay, sir. And it was of any significant value, sir? Or only ….

Vimal Kumar: No, which we get, that is around Rs. 5 crores which we already got. And the pending which is already in the process and they are saying within a month we will give you, that is again around Rs. 15 crores. I do not have the exact number but it is around Rs. 15 crores.

Saket Kapoor: That is good to hear that. And sir, two balance sheet line items……

Moderator: Saket sir, sorry to interrupt. Could you be a little louder, please?

Saket Kapoor: Yes madam. Can you hear me now?

Moderator: Please proceed.

Saket Kapoor: Sir, in the balance sheet item, what is the nature of intangible assets and intangible assets under development? What should one read into it? And in the cash flow part, when we read that income tax paid net off is only Rs. 4 crores. So can you please explain to us how these two line items should be read?

Vikas Jain: So intangible asset under development is some very minimal amount from earlier period which we plan to write off by this March. It is a very small amount. With respect to other intangible assets, are mostly those which we had got when we had acquired companies, for example, Sudarshan and Kashmir Chemicals. So that will slowly, as and when, the depreciation of intangibles, will be over. And your third point was, that income tax is paid in cash flow. So income tax paid, because our refunds are yet to come. So our previous year's liability, that will close when we file the return. So you will see again that will mostly get closed by November. So when we keep December's numbers, you will see in the cash flow that the payments got adjusted and then we will get the refunds as well.

Saket Kapoor: Okay. No sir, for example, our PBT number for the first half, that is as of September is Rs. 132 crores. And we have done tax provision of Rs. 33 crores. That is the current tax. So how much advance tax have we paid as of September?

Vikas Jain: Yes, so we generally do this, because our H1 is heavy, then the results of H2, then we generally do not know because of the season. So we pay only a portion of the advance tax. The crystallized that we have to pay, we start paying after January. So advance tax, even though we pay a smaller portion of actual liability, the actual amount we start paying only from January onwards.

Vimal Kumar: And moreover, our most of the collection also comes on the third quarter, which is the nature of our business. And that also, cash flow will be improved and at the same time we will deposit.

Vikas Jain: We follow the same pattern every year.

Saket Kapoor: Okay sir, but does that result into any interest obligation, interest on advance tax deferment that we are paying, we need to pay that interest on the same line?

Vikas Jain: It happens, like we are yet to get the refund of the last assessment year. It was at that time when we paid 100% of advance tax in the higher profits of H1. And then there was a little loss and then it was refunded. It takes a lot of time to get a refund. So rather we, we have thought since then that once December happens, we will pay later with some interest, rather than pay additional amount and wait for it for 3-5 years.

Saket Kapoor: Right sir.

Vimal Kumar: Even though if you pay extra, from department we get very less interest and where we are paying a very high interest rate.

Saket Kapoor: Right sir that was my question that we need to pay interest on the lower advance tax deferment under some particular section. So sir ….

Vimal Kumar: Some portion will be there for sure, some portion will be there for sure for the interest.

Saket Kapoor: Sir taking this, the revenue guidance, at least are we in a position to provide how H2 will behave in terms of revenue? Last year was very poor as it is there. Last year we closed March with Rs. 1256 crores of revenue and only first half we have done Rs. 800 crores. So how should we look at the revenue or are we not in a position to outline anything for the same?

Vimal Kumar: No sir, it is not like that. Definitely, if you look at the revenue, we are not changing this year revenue. Our target is to, you know, in the business and discipline, as I told in the commentary, always we are going in the discipline way. Last 3-4 years what we have seen, what we have faced. So this year we are changing all the strategies and definitely our first target to get the profitable product and to get profit in the company. That is our main target and I believe we will definitely achieve it this year with a good number of profitability. But definitely at the same time we talk about revenue, so we are not changing revenue for sure. But as of today, I can say, we will close last year but we cannot say it will be a very big number from the last year. Definitely. But EBITDA and our profitability will increase the way it is in H1. The same way it has to be in H2. It will increase definitely the profitability only.

Saket Kapoor: Okay. And lastly sir, Mr. Vikas, if you can also mention about our long term borrowing has moved up significantly. If we take the March number of Rs. 26 crores, Rs. 27 crores rather, now it is Rs. 73 crores. So are we undergoing any CAPEX? And sir, what are your thought process on the CAPEX plan that we deferred last time?

Vikas Jain: So the CAPEX plan is still deferred. Because this will pass in a year wherein we feel that we have control over profitability and all that. So then only we will think of the next CAPEX plan. With

respect to long term borrowings, it shows under long term because the Israel-Iran war started. Government had come up with a facility of providing 20% in addition to your existing facility. Because with respect to Iran-Israel, the cost of inventory had gone up. Inventory also went up a little bit. So we thought we will take up that 20% which the government facility had provided. So we took it and it is visible in the long term. So it is not for the CAPEX, but it is mostly for working capital only. But the urgent funding which the government had provided through our existing bankers.

Saket Kapoor: Okay, but sir this is Rs. 50 crores additional. So 20% of what value sir?

Vikas Jain: So overall of our group, we had around more than Rs. 200 crores of limits in Best Agrolife. So 20% of that was available, which means Rs. 40 crores. So we got Rs. 40 crores in Best Agrolife entity and the remaining Rs. 10 crores in other entities, adding this you will see Rs. 50 crores additional which went up.

Saket Kapoor: Okay and that we are using for our inventory management? What is the utilization of the funds?

Vikas Jain: So utilization will be all for working capital only.

Saket Kapoor: And currently sir, what is the cost of fund and what will be its repayment schedule? What is it in the current maturities? When are we going to repayment of due?

Vikas Jain: So one year moratorium is there and then repayment will start up in second year. And this loan is for 5 years. So on EMI basis, we will start repaying from second year onwards.

Saket Kapoor: And rate of interest?

Vikas Jain: Cost of funds is in the range of 9.5% to 10%.

Saket Kapoor: Correct sir.

Vikas Jain: So our existing facility is at the same rate.

Saket Kapoor: Sir, when we look at our short term borrowing, that range has been lower at Rs. 382 crores. So what is exactly the blended cost of funds? Because when we look at the finance cost on a quarterly basis, that is Rs. 14 crores – Rs. 15 crores on a consolidated basis.

Vikas Jain: Right.

Saket Kapoor: So what constitutes this …

Vikas Jain: Average cost of funds is in the range of approximately 9.75% to 10% is our average cost of funds.

Saket Kapoor: Okay and sir, when is our credit rating due?

Vikas Jain: Credit rating immediately, now it is like our result has been published. So we will be sending all the details to them. And then hopefully within a month or so, we should be getting the rating for this year.

Saket Kapoor: And that is through? Who is our current credit rating? We are getting our ratings done by?

Vikas Jain: Crisil.

Saket Kapoor: Crisil. So one month we will get an update. By December, January we will get it.

Vikas Jain: Yeah.

Saket Kapoor: Okay sir. Thank you very much for the whole team and happy Deepavali to everyone. New contacts should also be good.

Vikas Jain: Thank you, Mr. Saket.

Saket Kapoor: All the best, thank you.

Moderator: Thank you. The next question is from the line of Aditya from AK Investment. Please go ahead.

Aditya: Yeah, good afternoon everyone. So balance sheet looks very stretched actually. So are you planning for any fund raisers just to like strengthen the balance sheet? Because investors want a strong balance sheet.

Vikas Jain: So with respect to funds, especially if you say working capital, there could be a requirement of another Rs. 20 crores – Rs. 30 crores, which we might end up taking. That is okay, that is a smaller amount. But on the improvement on the balance sheet front, the important part is for one of our manufacturing plants, where because we were going with one very specialized product and it took a little more time because we were doing 18 steps backwards which no one had done in India for the same product. But it took a little more time. So we are not able to sell in the previous and current season. So that has gone up a little higher which we believe that will close by March. So that strengthening will come not by additional funds. Okay, as I said, additional funds could be smaller, but it will come by lowering of the inventory levels which we will start seeing from March onward, between February and March. And once that happens, you will see that the balance sheet will look much more stronger.

Aditya: Yes okay. Sir, you said in the last call that we expect to grow our revenues by 10% - 15% annually. But your September is always your peak season and we are having a degrowth. So can you tell us if this degrowth is due to delayed monsoons or loss of market share?

Vimal Kumar: Definitely, Mr. Aditya as I told you in my commentary, that our main target is again and again on our patented molecules or on multinational companies' off-patent products like Fluxametamide one of the, I have given you the example. Definitely, it was mentioned in my commentary that there was a rainfall deficit. That was the main reason. But at the year-end, we are hoping. But again, I would say we are not changing the turnovers, we are not changing the total revenue. Our main focus is to marketing development in our patented molecules. That is our main focus. Because our market is established. This is one biggest example we always give for Ronfen. And I think if you see in the entire India market, that product is in the top 10 in India, which is a very big success. Definitely, in the numbers, it is coming. Definitely, good numbers with the Ronfen, if we say separately. But similarly, when we develop any product, 3-4 years we take and after 4 years, good revenues come in the 3rd-4th year. So, our pattern and our aim is the same. Our aim is exports. Our aim is international markets. We are focusing on that. But definitely, in the short term, we are noticing that we are not chasing much revenue. That is true, Mr. Aditya. So, 10% - 15%, sometimes hard to say it can achieve or not. But definitely, at the end of the year, I am hoping. But if 10% - 15%, will increase, then profitability will be very high. That I can tell you.

Aditya: Thank you, sir. In the market, I feel we are not able to trust the management much. That is why the share is trading at such low values. But I wish you all the best. And hopefully, you will work on the sale return in the next 2 quarters.

Vimal Kumar: Yes definitely, Mr. Aditya. Thank you very much, Mr. Aditya.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to Mr. Vimal Kumar for closing comments. Over to you, sir.

Vimal Kumar: Thank you. Thank you, everyone for joining us today and for your valuable time and interest in Best Agrolife. We appreciate your questions, feedback and continued confidence in the company. Your engagement is important to us and we look forward to keeping you updated on our progress in the coming quarters. Thank you once again. Have a great day and Happy Diwali. Thank you very much.

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