



Key Insights from Meeting with Best Agrolife Management

1. Strategic Transition and Professional Management

- **R&D Focused Transformation:** Best Agrolife has evolved from a pure trading company to one with a strong emphasis on research and development.
- **Professional Leadership:** The company has bolstered its management team with several key hires:
 - Mr. Pramod Narayan Karlekar as Managing Director of Best Crop Science Private Limited, with a background in leading organizations like Davy Powergas India, Rallis India Limited, Atul Limited, and Deepak Nitrite Limited.
 - Mr. Sanjeev Kharbanda as Chief Financial Officer, bringing experience from senior finance roles in Mother Dairy and other leading FMCG companies.
 - Ms. Astha Wahi as Company Secretary & Compliance Officer, a qualified Company Secretary and Law Graduate with over 9 years of experience.
 - Mr. N Surendra Sai as Head of International Business.
- **New R&D Experts:** Four R&D experts—Dr. Rajendra Kharul, Dr. Uday Gokhale, Dr. Rajendra Jagdhane, and Dr. Mahadev Patil—were hired in 2023 to strengthen the R&D team.

2. Innovation and Patent Strategy

- **Patented Products:** The company's strategy includes launching three combination patented products and marketing them.
- **Intellectual Property:** Best Agrolife holds 10 patents and has 30 more in the pipeline. The success rate is acknowledged to be low, with only 1 out of 60 patents being successful.

3. Digital Transformation

- **ERP Upgrade:** Transitioned from Tally to SAP, enabling the creation of different cost centers and improved outcome monitoring.
- **Sales and Marketing Digitalization:** Currently in the process of digitizing sales and marketing functions for better efficiency and data management.

Rating TP (Rs) Up/Dn (%)

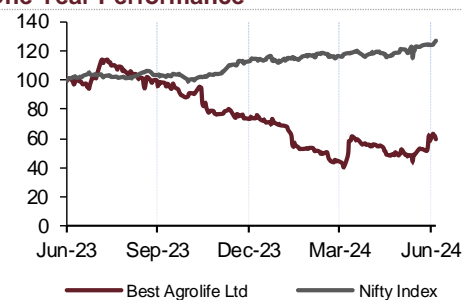
NOT RATED

Market Data

Current price	Rs	676
Market Cap (Rs.Bn)	(Rs Bn)	16
Market Cap (US\$ Mn)	(US\$ Mn)	191
Face Value	Rs	10
52 Weeks High/Low	Rs	1374 / 453.75
Average Daily Volume	('000)	75
BSE Code		506222
Bloomberg		BESTAGRO

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Mar-24	Dec-23
Promoters	50.10	50.10
Public	49.90	49.90
Total	100	100

Source: Bloomberg

Key Risks :

- Product Ban
- Effect of low or erratic rainfall
- Change in government policies
- Generic pricing environment

Bhavya Gandhi
+91 22 6714 1444
bhavya.gandhi@dalal-broacha.com

4. Supply Chain and Backward Integration

- Raw Material Dependency: Historically dependent on raw materials from China, the company is now focusing on backward integration for key molecules where unit economics are viable.
- Capex Plans: Planning a phased capital expenditure of approximately Rs. 200 crores to support this integration.

5. Market Presence and Product Focus

- Dealer Network: Best Agrolife has a dealer count of 10,000 within the 200,000-dealer market.
- Branded Generics: A strategic focus on branded generics is expected to shift the product mix from 50:50 to 70:30 (Branded: Bulk sales).
- Product Launches: The full potential of the product Ronfen was not realized last year due to limited availability (6-7 months).
- CTPR Market Competition: Although Best Agrolife was the first to launch CTPR in India, the market now has 25-30 competitors.

6. Financial Performance and Market Guidance

- Revenue and EBITDA Growth: Management has provided guidance for 20-30% revenue growth for FY25 with EBITDA margins in the range of 17-20%.
- Challenges and Recovery: Last year was challenging due to heavy placements in the first half and significant reversals in the second half of FY24 caused by poor monsoon and heavy channel inventory.
- Registrations and Brands: The company boasts 400+ technical and formulation registrations and around 100 brands.

Financial Summary

Financial Summary

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24
Sales	9,055	12,108	17,457	18,733
Expenses	8,543	10,450	14,320	16,477
Operating Profit	512	1,658	3,137	2,256
Other Income	73	18	26	32
Depreciation	30	118	245	326
Interest	47	151	389	624
Profit before tax	508	1,407	2,529	1,337
Tax	137	359	608	274
Net profit	371	1,048	1,922	1,063
EPS	16.9	44.4	81.4	45.0
P/E (x)	40	15	8	15

Source: Company, Dalal & Broacha Research

Top Products

Best Agrolife Limited
RONFEN™
 Pyriproxyfen 8% + Dinotefuran 5% + Diafenthiuron 16% SC
 Insecticide
 Patented
 Aphids, Jassids, Whitefly, Thrips

Best Agrolife Limited
TRICOLOR™
 Trifloxystrobin 10% + Difenoconazole 12.5% + Sulfur 3% SC
 Fungicide
 Patented
 Early Blight, Late Blight

Best Agrolife Limited
ORISULAM™
 Biflufenor Sodium 0.25% + Fenoxsulfuron 0.25% + Pyrazosulfuron Ethyl 0.25% GR
 Herbicide
 Patented
 Broad Leaves, Sedges, Grasses

Best Agrolife Limited
DEFENDER™
 Pymetrozine 30% + Dinotefuran 10% + Pyraclostrobin 20% WG
 Insecticide + Fungicide
 Patented
 BPH, Rice Blast, Ear Head Bug

Best Agrolife Limited
WARDEN EXTRA™
 Trifloxystrobin 6% + Thiamethoxam 24% + Thiophanate Methyl 8.5% FS
 Insecticide + Fungicide
 Patented
 Aphids, Whitefly, Seed Treatment Agent

Best Agrolife Limited
NEMAGEN™
 Chlorantraniliprole 4.5% + Novalon 11.5% + Emsactin Benzothiazole 1.5% SE
 Insecticide
 Patented
 Lepidoptera Pests, Coleoptera Pests, Diptera Species

Source: Company, Dalal & Broacha Research

Disclaimer

Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.

D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.dalal-broacha.com

D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.

D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time. SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.

D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

Disclosures in respect of Research Analyst:

Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report:	No
Whether the Research Analyst or his/her relative's financial interest in the subject company.	No
Whether the research Analyst has served as officer, director or employee of the subject company	No
Whether the Research Analyst has received any compensation from the subject company in the past twelve months	No
Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report	No

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject D&B or its group companies to any registration or

licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of D&B. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.
Tel: 91-22- 2282 2992, 2287 6173 | E-mail: equity.research@dalal-broacha.com