



Sharda Cropchem Limited
Q1 FY22 Post Result's Conference Call

July 27, 2021



MANAGEMENT: **MR. RAMPRAKASH V. BUBNA – CHAIRMAN & MANAGING DIRECTOR**
MR. ASHOK VASHISHT – CHIEF FINANCIAL OFFICER
MR. DINESH NAHAR – GENERAL MANAGER (FINANCE)

MODERATOR: **MR. MANISH MAHAWAR – ANTIQUE STOCK BROKING LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to the Sharda Cropchem Limited Q1 FY22 post results conference call hosted by Antique Stock Broking Limited. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Manish Mahawar from Antique Stock Broking Limited. Thank you and over to you, sir.

Manish Mahawar: Thank you Malika. On behalf of Antique Stock Broking, I would like to welcome all the participants on the call of Sharda Cropchem Limited. From the management, we have Mr. R.V. Bubna – Chairman & Managing Director; Mr. Ashok Vashisht – CFO; and Mr. Dinesh Nahar – GM (Finance) on the call. Without further ado, I would like to handover the call to Mr. Bubna for opening remarks. Thank you and over to you, Bubnaji.

Ramprakash V. Bubna: Thank you Mr. Manish. Good day ladies and gentlemen. A very warm welcome to everyone presents here for the earnings call of Sharda Cropchem Limited for Q1 FY22. Sharda Cropchem is represented by me, Ramprakash Bubna – Chairman & Managing Director; our Chief Financial Officer – Mr. Ashok Vashisht; and Mr. Dinesh Nahar – General Manager (Finance). Talking briefly about our Q1 FY22 results:

Revenues grew by 60.1% year-on-year (YoY) from Rs. 389 crores in Q1 FY21 to Rs. 623 crores in Q1 FY22 led by strong volume growth across the geographies. Europe grew by 47.5% YoY, NAFTA grew 74.9% YoY, LATAM grew about 106.8% YoY, and the Rest of the World grew by about 19.8% YoY.

During Q1 FY22, our agrochemicals and non-agrochemicals mix stood at 86:14. The agrochemical business grew by 73.9% YoY. Europe grew by 60.1% YoY, NAFTA grew by 98.5% YoY, LATAM grew by 109.6% YoY and the Rest of the World grew by 7.4% YoY. The formulation to AI mix stood at 89:11 in Q1 FY22. The non-agrochemical business grew by 8.2% during Q1 FY22. NAFTA grew by 13.5% YoY, LATAM grew by 69.0% YoY, Rest of the World grew by 38% year-on-year. On the other hand, Europe de-grew by 18.7% during this quarter.

The Company continues to strengthen its product portfolio by prudently investing in new product registrations. Sharda Copchem's total product registrations stood at 2,570 in Q1 FY22. Additionally, 1,026 applications for the product registrations globally are



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at different stages of approval. The CAPEX stood at Rs. 64 crores in Q1 FY22 vis-a-vis Rs. 71 crores in Q1 FY21.

With this brief overview, I would now like to handover the call to our CFO Mr. Ashok Vashisht for discussing our financial performance.

Ashok Vashisht:

Ladies and gentlemen, a very good evening to all of you. I will give you a brief about the company's financial performance for Q1 FY22. During the quarter, our revenue grew by 60.1% YoY. This was mainly driven by strong volume growth across geographies at 48.2%, favorable realization to the tune of 8.2% coupled with exchange gain of nearly 3.7% during the quarter.

Gross profits, we grew by 57.1% on a quarter-on-quarter basis from Rs. 116 crores in Q1 FY21 to Rs. 183 crores in Q1 FY22. Gross margins were marginally lower at 29.3% for Q1 FY22 mainly due to the product mix impact. In terms of geographical mix, the Europe region was the highest contributor followed by NAFTA and Latin America. EBITDA grew exponentially by 119.4% YoY from Rs. 49 crores in Q1 FY21 to Rs. 107 crores in Q1 FY22. The EBITDA margin expanded by 463 bps to 17.1% in Q1 FY22 predominantly driven by better operating leverage.

Profit after tax grew by 36.4% YoY from Rs. 28 crores in Q1 FY21 to Rs. 38 crores in Q1 FY22.

Cash profit stood at Rs. 92 crores for Q1 FY22 in comparison to Rs. 63 crores of Q1 FY21. With this strong performance, we further strengthened our cash position. The net cash position as on 30th June 2021 is Rs. 361 crores. In terms of working capital, we were at 88 days in Q1 FY22 against 89 days in Q1 FY21.

With this brief, we open the floor now for questions, and again I would like to thank each one of you for your time and participation.

Moderator:

We will now begin the question & answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Bharat Gupta from Edelweiss Securities. Please go ahead.

Bharat Gupta:

Thanks for the opportunity and congratulations for a good set of results. Can you bifurcate the growth in terms of pricing and the volumetric gains which we have done over the quarter?



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Ramprakash V. Bubna: The growth based on volume was 48.2%, Foreign Exchange was 3.7% and price variation 8.2%, The total sales variation was 60.1%.

Ashok Vashisht: Basically, what Mr. Bubna is trying to say is that volume growth is 48.2%, favorable price impact of 8.2%, and forex gain impact 3.7%.

Bharat Gupta: We have done a reasonable amount of volumetric growth, what can be the key growth drivers? Europe we have done nearly 60% odd growth. Ultimately, can you throw some light on what have been the key growth drivers for us during the quarter?

Ramprakash V. Bubna: I would say better penetration into the market where we are already present and rising customers acceptability.

Bharat Gupta: In terms of our volumetric growth, can it be due to the incremental registrations which we have done over the quarter and the remunerative crop prices globally?

Ramprakash V. Bubna: You cannot link directly with the number of registrations because there is a longer time lag between the time we get the registrations and the time when we start reaping the benefits of it. As we have stated, our total registrations were 2,570 during Q1 FY22 and was 2,543 in FY21. So, we have added 27 registrations during this quarter, but I would say that the addition of these 27 registrations in this quarter would not have a direct impact in the growth of the business. This growth has come up from the registrations which were received, maybe, 9, 12 or 15 months back.

Bharat Gupta: Sir, we have seen an 8% kind of a pricing increase. Earlier, we will be used to organize conference call, you highlighted a couple of points that there have been cases like in terms of MNCs not hiking out the prices. How are we seeing the trend? Have they started increasing the prices for the molecules which we are also dealing in?

Ramprakash V. Bubna: Whenever there is a shortage, when MNCs are not able to meet the requirements of a particular market or particular zone, we do witness a spurt in the demand and then we take advantage of the situation and hike our prices marginally where the customers are in need of the product.

Bharat Gupta: My last question pertains to the gross margin side. We have seen that the gross margins remained under pressure during Q1 FY22. Is it primarily because we haven't taken the requisite price hikes or we haven't fully passed on the price hikes to the end customers? Is there still room for further improvement or is it a new norm where the gross margins are likely to continue below 30% range?



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- Ramprakash V. Bubna:** No, there is a possibility of gross margins touching 30% or even crossing 30%.
- Bharat Gupta:** That is likely to be witnessed in the subsequent quarters, right?
- Ramprakash V. Bubna:** Yes.
- Bharat Gupta:** So, earlier guidance which used to be 31% to 33% range, that is sustainable going ahead?
- Ramprakash V. Bubna:** It is sustainable.
- Bharat Gupta:** Sir, a bookkeeping question. Can you give a gross margin breakup across different geographies?
- Ramprakash V. Bubna:** Yes. Gross margin in Europe was 38.6%, NAFTA was 22.8%, LATAM 17%, and the Rest of the World at 27.8%. Overall, it was 29.3%.
- Bharat Gupta:** Sir, can you also throw some light on the volumetric growth which have been done in the region?
- Ramprakash V. Bubna:** Volumetric growth was 30.5% in Europe, 72.5% in NAFTA, 102.7% in LATAM, and the volumes de-grew by 13.2% in the Rest of the World.
- Moderator:** The next question is from the line of Tarang from Old Bridge Capital. Please go ahead.
- Tarang:** Two questions from my side. Sir, looking at your P&L, it seems like logistic cost inflation has not impacted you materially while on the ground we hear different things. So, just wanted your thoughts on that. Second, if you could give us some sense on the 1,026 odd applications, what proportion of them would be pending in Europe and would you have some visibility in terms of how many of these applications should get registered, say over a span of next 2 to 3 years.
- Ramprakash V. Bubna:** Mr. Tarang, if you have been exposed to our business model, we have said repeatedly that the process of registrations is very unpredictable. It is highly time consuming and it has to go through various levels of bureaucratic processes. So, predictability as to how many registrations are we going to get in the next quarter or next 3 quarters is very difficult to say. All I can say is that the number of registrations in the pipeline in different geographies. Would you be interested in that?



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Tarang: Yes sir.

Ramprakash V. Bubna: The figure is about 648 registrations in Europe which are in pipeline, 137 registrations in NAFTA or North American countries, 154 in Latin American countries, and 87 in Rest of the World.

Tarang: And on logistics?

Ramprakash V. Bubna: Logistics have increased considerably. In our case, logistics have increased by about 38% from Q1 FY21 to Q1 FY22 but since the freight cost forms a very small percentage of our total cost, the impact is not so much felt in totality. On the other hand, in the case of non-agrochemical business, logistics form a very significant part of the cost. So, there we have been able to pass on more than 50% of the price increase on our consumers. Nowadays when we quote to the consumers, we tell them this is our FOB price this maybe \$4,000 per container is the sea freight from the port of shipment to the port of discharge, but sometimes this \$4,000 goes up to \$16,000. Then we tell them we can share 50%, so out of this \$12,000 increase, \$6,000 will be borne by us and \$6,000 will be borne by the customers. They are fully aware of the situation and without much of a grudge, they are willing to pay 50%. Sometimes, we also ask more than 50% and since it is the universal phenomenon nowadays – everywhere, the situation remains the same – so we don't have much of a difficulty in passing on the logistics cost to our consumers.

Moderator: The next question is from the line of Somaiah from Spark Capital. Please go ahead.

Somaiah: Sir, my first question is with respect to the top line growth. Can you just share some colour in terms of the broad macro trends that you are seeing in Europe & NAFTA and the broad macro environment there both in Europe & NAFTA?

Ramprakash V. Bubna: There has been an increase in demand and growth. As you are all aware, agriculture assumes the highest priority for the government in all the countries. So, there is no drop or no stillness in the demand. The demand for food products is growing rapidly with an increase in the world population. This demand has not been impacted adversely because of COVID-19.

Somaiah: With respect to our previous comments on having a better penetration in the last quarter being one of the drivers, what has led to us in terms of relativity higher penetration last quarter? What has aided in better penetration last quarter?



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Ramprakash V. Bubna: Wider product mix and longer presence in the market, good quality, and good service.

Somaiah: In terms of raw material cost price trajectory, how are you seeing things from Chinese raw material cost angle? How has it been in the last quarter and how are you seeing things currently?

Ramprakash V. Bubna: I have been proved wrong in the last few quarters. I was thinking that Chinese prices are subduing and they did that for some time. Now, they have started increasing and the trend is mixed. For some products, the availability is comfortable. For some products, the current price is maybe 40% or 50% of the price about a year back. In other products, the prices came down to 30% to 40% and now they have gone up to 60%. So, it is a dynamic and continuously changing situation. It varies from product to product. Overall, there is a small increase but it is affordable and manageable.

Somaiah: Now that we have a very strong 50% growth in this quarter, what is our thought process in terms of the outlook for this year, both in terms of top line and margin front?

Ramprakash V. Bubna: I would say around 15% +/- 3% to 4%.

Somaiah: One last question, sir. What would be the reason for the tax rate higher this year and when we expect things to kind of get back to normal in the subsequent quarters?

Ashok Vashisht: Last year, we got some benefits in MAT credits and this year in Sharda Cropchem Limited, we have got dividend income from a subsidiary company, where there is a tax implication. When you consolidate the accounts, the dividend from subsidiary company gets eliminated whereas Taxes payable remains; leading to higher effective tax rate. The tax rate would be in the range of 30% to 32% in FY22.

Somaiah: Can you please give us the volume number on a quarterly basis?

Ramprakash V. Bubna: In Europe, the volume is 36,95,752. In NAFTA, it is 26,65,760. In Latin America, it is 15,98,814. The Rest of the World, it is 4,34,390. The total, volume for Q1 FY22 is 83,94,716.

Moderator: The next question is from the line of Dhruvam from HDFC Mutual Fund. Please go ahead.

Dhruvam: Sir, a question again on the top line – a solid 60% growth. Although we see the last year base was a bit weak, even on a 2-year basis, it is about 50% growth which is very



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strong. And if I look at some of the global majors, they are talking about a strong demand but not as strong as what we are doing. Also, if I see the trend for the last 2-3 quarters, we have been doing 30% kind of growth. What is changing? Is there something which has changed? If you can help us understand what is driving this growth and what can continue to drive healthy growth for us? The 15% growth guidance looks conservative based on what you have been delivering for the last 3-4 quarters for the full year that you have given.

Ramprakash V. Bubna: I have answered this question in part to one of the previous participants. I would say it is greater penetration in the market and more acceptability among the customers. When you enter the market as a generic company, for the first 2 years, many people don't know you and they keep their fingers crossed whether we will be able to perform and deliver. Slowly, they are gaining confidence in our capability to perform and deliver the goods on time as per their requirement. Our prices are always better than the multinationals. So, they say why not associate with Sharda Cropchem? I think these are some of the factors which have helped us.

Dhruvam: Of course, our size is relatively smaller than the global majors, but I would understand you are gaining market share from some of these guys. I mean we Indian players are gaining market share from these guys. Is this the trend which is happening? The innovators are not cutting prices and that allows you to penetrate or push your product even better more? And I believe if this trend has started now, it seems as if it only started recently – I mean the acceleration in trend – why do you think that the growth will only be 15%? Why not be higher than that?

Ramprakash V. Bubna: We are playing on a very tough terrain. The multinationals are still controlling, about 75% of the market or even more, and we have a very small pie. We are not big enough to force them to cut down on the prices. Our presence is not impacting them. For us, of course, in terms of relatively or percentage-wise, we are growing, but we have a very small market share compared to them.

Dhruvam: Yes, considering the growth that you are doing.

Ramprakash V. Bubna: Our 30% growth may impact them by 1% or half a percent.

Dhruvam: Yes, true sir, it is relatively small for them, but I'm just wondering on a very incremental basis, you are taking a decent market it seems and this seems a developing trend. So, I am just trying to understand why this cannot continue for a very long time?



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Given the cost advantage that you have, if the innovators are not cutting prices, this trend should ideally keep continuing. More and more this shift will happen because this is your speed right now. As it gains scale, others will also look at you for sourcing, isn't it?

Ramprakash V. Bubna: These are the factors which are giving us the confidence to survive, sustain and of course grow. The path is very difficult, there are multiple challenges everyday and things are not so easy as it appears on paper. In reality, we surpass a lot of challenges to perform.

Dhruvam: Just to also better understand on this growth, is there any set of products which are driving or is it also probably because the last few quarters have also been coincided with a lot of these shipping and sourcing issues. Additionally, we have been able to better prudently manage our sourcing that is why we are also getting larger volumes. Probably others are not able to do that. Is that also a factor which is helping us or that's not a big thing that you see?

Ramprakash V. Bubna: No. These are the factors which are really helping us coupled with our ability to take quick on-the-spot decisions. If the shipping company says the prices have increased by 20%, we don't try to bargain, we accept it because we know after 2 days it may become 30%. And this is what we are facing and experiencing everyday. Our customers in the non-agro business keep on complaining that 1 week back you said this is the freight, now you are quoting differently. We are politely asking them to check up from any other sources, as we are not making any extra money. And they do checkup – everybody is very intelligent and smart. Our ability to adapt to the situation is helping us to grow.

Dhruvam: What I was trying to also understand is say for example the shipping issues get resolved in a year or two, this is what the market forecast is generally. So, would this growth normalize? Because then the other players will also start entering the market and try to take your share, is that a thing?

Ramprakash V. Bubna: If those things improve, we will be very happy. However, I don't think it is going to cost us in terms of volume and growth. We will also take advantage of that situation as everybody else.

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



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Rohan Gupta:

Sir, first of all, congratulations on such a strong set of numbers driven by volume growth – almost 50% in the current quarter. While you also just mentioned that the times are very challenging and you still mentioned that for full year growth which is close to 15% growth, I understand that it is coming from the conservative approach which you have but given such a solid growth in the first quarter itself – I am just slightly elaborating from the previous participant’s question – we have already achieved such a solid growth. It means that even for the rest of the year we do only the 5% to 6% growth, we will achieve 15% growth for the full year. You mentioned that the times are challenging, and we don't know how the competition will act in the market. Can you elaborate a little bit more what are the challenges you are seeing? You have also mentioned that the global agri in the current scenario has benefited, pandemic has helped the global agrichemical industries, all these things and the volume-led growth which we have seen in the current few quarters, it is mainly driven by you mentioned that they have increased further your penetration in the main market. So, what are the concerns and what are the challenges which you are seeing in the market which can deter you in the rest part of the year from growing at the same pace?

Ramprakash V. Bubna:

Rohanji, the biggest fear today is a sense of uncertainty. The COVID-19 pandemic was totally unthought of about 15-16 months back and when our prime minister declared the lockdown for the first time for about 3 weeks if I recollect, we were thinking that after 3 weeks, things will come down to normalcy. Then it got extended by another 2 weeks. Now, the whole thing is getting extended for about 16 months. So, there are a lot of uncertainties which nobody can be confident of what is going to happen next. Now people are talking about delta, gamma and all kinds of various variants. So, we do not know. It is going to impact the whole world, the whole universe, and we will be a part of it. We avoid to be over confident, we do not want to have and we should not have.

The shipping or freight cost, nobody could imagine that a container which we used to pay \$1,500, we will have to pay \$15,000. The shipping companies are surviving and the businesses are surviving. There are a lot of such things. There can be any climate change; now we hear some glaciers melting – many things; sea water level rising. These are the acts of nature. Such heavy rain in the city of Mumbai and other parts of India was not imaginable. Some of these factors are affecting some people very badly and if some section of people gets affected badly, the indirect impact will come on everybody. I cannot name any specific factors, Rohanji, but the things are uncertain.



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Rohan Gupta: I fairly understand that we are living in a dynamic world more so after the pandemic but many risks related to agri have always remained there in agri input industry because that is the nature of the industry – especially the monsoon, unpredictable nature of rainfall and the climatic condition. That definitely we have always been. Yes, I understand in the last 1 year we are living in the pandemic environment that is quite uncertain for everybody. Apart from that, if things remain like this, do you see that this kind of growth in the current quarter which we have seen, if it is mainly driven by our further penetration in other markets and the people’s probable increasing acceptance of generic products that was business we had primarily. I am not getting into once again the uncertainty of the nature of the pandemic. I am just saying if the current scenario continues and the kind of work which your company has done in the last 1-1/2 years which has helped you in gaining more penetration in many markets, can we have 30% to 40% kind of volume growth for this year?

Ramprakash V. Bubna: I would say in totality, I would place it around 15% to 20% or 12% to 18%. We may grow, but today I will be very afraid to project a big figure because I have to face you after 6 months again. I have to be very practical.

Rohan Gupta: The 15% to 18% growth you are talking about is mainly volume-led growth?

Ramprakash V. Bubna: Volume plus the profitability also – EBITDA and all those related ratios.

Rohan Gupta: Sir, you were saying that given a conservative scenario, you want to give a 15% growth.

Ramprakash V. Bubna: Yes.

Rohan Gupta: That, you are talking about mainly volume or is its total revenue growth which includes both price increase as well as volume?

Ramprakash V. Bubna: It is total revenue.

Rohan Gupta: The prices are continuously rising, right? Commodity prices or input prices are continuously rising. You just mentioned that though sometime back China was showing some cooling off in the prices, however, it has once again started hardening. So, it means that we will continue to live in a price rising scenario, correct Sir?

Ramprakash V. Bubna: Both ways. Sometimes we get quotations from our regular suppliers which is surprisingly at a low price and some other time the same supplier for some other



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products, the prices are higher. So, it is totally a question of supply and demand. For a company like Sharda, it is very difficult to make a precise prediction. We will say that this is our intuition that we should be able to withstand and all. I am very confident of our committed and dedicated team. Every crisis they find some unique ways, solutions, and emerge as a winner. We have not faced any failure situation anywhere.

Moderator: The next question is from the line of Dhruvam from HDFC Mutual Fund. Please go ahead.

Dhruvam: Just one clarification again. Do you see a trend of pre-buying which is also aiding growth because there are a lot of supply issues? So, people are trying to stack up to just avoid any future uncertainty. Is that also a trend that you are seeing, and which is also aiding growth?

Ramprakash V. Bubna: Mr. Dhruvam, you are a very intelligent person. You know many things. This is also the case. A lot of people are doing some pre-buying and they want to be more sure and certain because agriculture is one activity where nature doesn't give you time. If there is rain, it comes all of a sudden – you have to be prepared for it and any kind of eventuality. So, there is a pre-buying trend. Those who can afford and who are more certain & confident, are trending to do some pre-buying.

Dhruvam: I am not sure, but is there from an overall inventory level, have they in the system – I am saying about the system, not our inventory level – have they increased significantly or the inventory levels are normal? So, pre-buying is largely getting even absorbed at the final consumer level also?

Ramprakash V. Bubna: They are getting consumed at the final consumer level. People are preparing, say for example if the spring is in the month of April or May, people used to start stacking the goods sometimes in the month of February-March. Now, the same people are thinking or planning to have the goods in their warehouses in December. They don't want to take chances. I don't know what makes them so uncertain. So, a lot of people are trying to buy and have the goods in their warehouses even in the month of December. It does not mean that they are increasing the quantities in a very big way, but they are making themselves secure.

Dhruvam: Just to understand how the business works is, for example, you sell to the distributor and distributor finally sells to the final consumer. Say, for example, the distributor was earlier associated with an innovator that he was buying the innovator's product and



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selling that branded product, now you come in because you have that product available – he comes to you, he buys from you, he probably has an advantage now. Have you in your past experience seen that the distributor goes back to the innovator after getting the benefit from you, he realizes how much benefit that you provide, does he still go back to the innovator and start procuring for him when the situation normalizes or you get a sticky customer that way?

Ramprakash V. Bubna: This is not a general trend. Once the customer is accustomed to buying from us, he is intelligent enough not to spend unnecessarily higher prices and buy from the innovators.

Dhruvam: That is what I was thinking because anyways, you are marketing it market-to-market you are pricing to the innovators. You don't keep a differential pricing.

Ramprakash V. Bubna: Unless we run into a situation when our supplies have dried up and to replace those supplies if we need 4 to 6 weeks or 8 weeks, then of course, he will go to the multinationals, but as long as our goods are available, he will not go to them and pay higher prices.

Dhruvam: So, once you get a customer, it is largely for a very broader sense, one should assume it is largely sticky – he will continue to give you volumes?

Ramprakash V. Bubna: And there are many customers who want to play safe. If they have a requirement of say 100 gallons, he will buy 80 gallons from the multinational and 20 gallons from Sharda Cropchem. After 2 years, he will reduce the multinational share to 75 gallons and buy 25 gallons from us. In this way, they are also securing themselves.

Dhruvam: Sir, a small question on the foreign exchange item. Why do we have this forex fluctuation? I understand we have global trading, but what this item relates to that you have shown in the P&L?

Ramprakash V. Bubna: This is mainly the cross-currency exchange rates like Euro-US Dollar or Canadian Dollar to US Dollar – all the different currencies and US Dollar.

Moderator: The next question is from the line of Rohit Nagraj from Emkay Global Financial Services. Please go ahead.



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Rohit Nagraj: Sir, basically we are expecting about 20 products going off patent during this decade. Will it have a positive or negative impact on our business and how are we assessing this situation?

Ramprakash V. Bubna: Mr. Rohit, this will be having a positive impact on our business and the biggest advantage we have today in this business is that we are not manufacturers. These kinds of changes affect the manufacturers when a product gets banned. They are sitting with a big capacity to produce it and that becomes idle leaving a vacuum. As we have a very wide range of portfolio, if glyphosate goes off the market, we are not impacted. If there is a big glut of glyphosate in the market, we have less emphasis, we stop buying them. But a person who is manufacturing, he can't help it. He has to dump the product because he can't keep sitting on the stocks. We are very nimble footed, flexible and our business model of flexibility helps us in these kinds of situations.

Moderator: The last question is from the line of Himanshu Binani from Antique Stock Broking. Please go ahead.

Himanshu Binani: I do have a few questions. Firstly, on the intangible write-off side. I just wanted to understand what would be the quantum basically. How should one actually look for the FY22 numbers for the intangible write-offs for this year?

Ramprakash V. Bubna: Mr. Binani, this is a factor which is again not very predictable with certainty. These kinds of write-offs are driven by many factors and a combined effect of all those factors, but I would say that we will not have any significant write-offs. We do not foresee any significant write-offs in this year.

Himanshu Binani: Sir, any sense on the margin profile for this current year or the next 3 quarters basically? Given an inflationary raw materials situation, how does one look into the margins profile overall?

Ramprakash V. Bubna: We are very positive. We are hopeful of improving our margins as the time passes.

Himanshu Binani: One last bookkeeping question from my end. Can you please help us with the registration's breakup geography-wise?

Ramprakash V. Bubna: The registrations geography-wise is 1,347 registrations in Europe, 237 registrations in NAFTA countries or North American, 748 registrations in LATAM and 238 registrations in Rest of the World. The total registration count stands at 2,570 as on Q1 FY22.



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Moderator: I would now like to hand the conference over to Mr. Manish Mahawar for closing comments.

Manish Mahawar: On behalf of Antique Stock Broking, I would like to thank the team of Sharda Cropchem for providing us an opportunity to host the call. Bubnaji, would you like to make a closing comment?

Ramprakash V. Bubna: I am very grateful to all the participants who have taken their valuable time for this conference. We have tried to answer their questions to the best of our capability. I want to repeat that we learn a lot from all these investors who are putting questions. We understand what is expected by an investor and what is expected by the financial experts from any company. So, it is very helpful and learning, Sir. Thank you so much.

Moderator: On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Ramprakash V. Bubna: Thank you everybody. Thank you so much.