



# INDIA PESTICIDES LIMITED



## H1 FY22 EARNINGS PRESENTATION

[www.indiapesticideslimited.com](http://www.indiapesticideslimited.com)

# H1FY22 Highlights



**INR 3,564 mn**

Revenue

**INR 1,968 mn**

Gross Profit | Margin 55.2%

**INR 1,178 mn**

EBITDA | Margin 33.0%

**INR 842 mn**

PAT | Margin 23.6%

**INR 650 mn**

Cash Flow From Operations

**INR 1,472 mn**

Net Cash

**+5.7%**

Y-O-Y change

**+7.9%**

Y-O-Y change

**+14.7%**

Y-O-Y change

**+16.1%**

Y-O-Y change

## Distinct product offerings driving consistent sustainable margins

*“During the quarter our margins continued to remain strong on back of our niche product offerings. We continued acquiring new customers across the globe supported by our strategy of continuously working towards expanding product portfolio on an ongoing basis to ensure significant business growth.*

*We remain focused on consistently developing and testing new chemicals and developing manufacturing processes in-line with those chemical to deliver products efficiently, with maximum safety of our workers and environment. During the first half of this fiscal, we introduced one new product each in fungicide and herbicides categories. The initial response has been encouraging and expect it to gain further momentum going forward. We are also on track to launch 6 new products across categories which is expected to contribute meaningfully from next fiscal year. We also remain committed to our capex plans to enhance our production capabilities. The progress of the ongoing expansion projects is in-line with our expectations. We are confident that our enhanced capacity coupled with new product launches will drive profitable growth for us in the near to medium term.”*

**Anand Swarup Agarwal, Chairman**

# Performance Summary



Due to deferment of shipment from one of our largest customer and container shortage; Export and technicals revenue was impacted during the quarter

(Rs. Million)	Q2 FY22	Q2 FY21	Y-o-Y Change (%)	H1 FY22	H1 FY21	Y-o-Y Change (%)
Total Income	1,823	2,197	(17.0)%	3,564	3,372	5.7%
Gross Profit	1,006	1,177	(14.6)%	1,968	1,824	7.9%
<i>Gross Margin (%)</i>	<i>55.2%</i>	<i>53.6%</i>	<i>158bps</i>	<i>55.2%</i>	<i>54.1%</i>	<i>112bps</i>
EBITDA	587	680	(13.7)%	1,178	1,027	14.7%
<i>EBITDA Margin (%)</i>	<i>32.2%</i>	<i>31.0%</i>	<i>124bps</i>	<i>33.0%</i>	<i>30.5%</i>	<i>258bps</i>
EBIT	569	664	(14.3)%	1,141	995	14.7%
<i>EBIT Margin (%)</i>	<i>31.2%</i>	<i>30.2%</i>	<i>99bps</i>	<i>32.0%</i>	<i>29.5%</i>	<i>252bps</i>
PAT	422	481	(12.3)%	842	725	16.1%
<i>PAT Margin (%)</i>	<i>23.1%</i>	<i>21.9%</i>	<i>124bps</i>	<i>23.6%</i>	<i>21.5%</i>	<i>212bps</i>

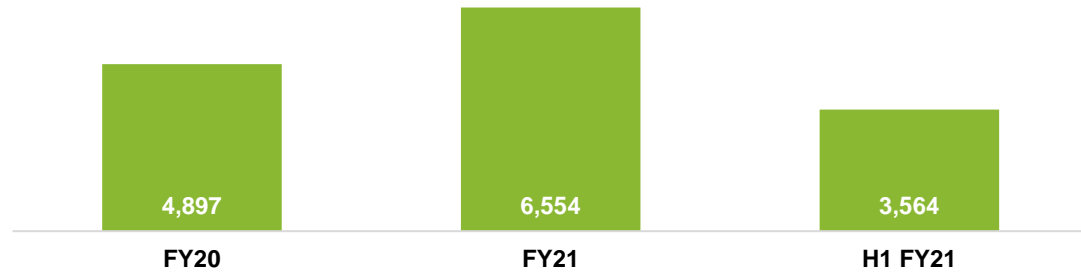
# Performance Highlights



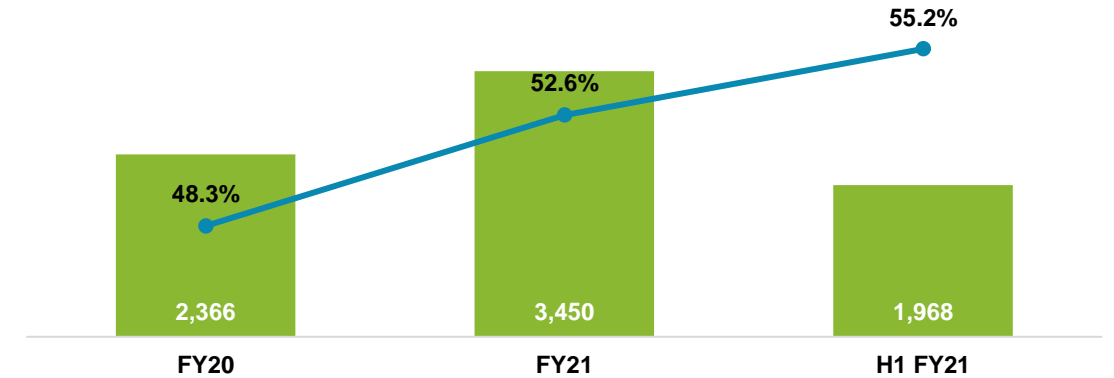
Consistent growth with sustainable margins

Rs in Million

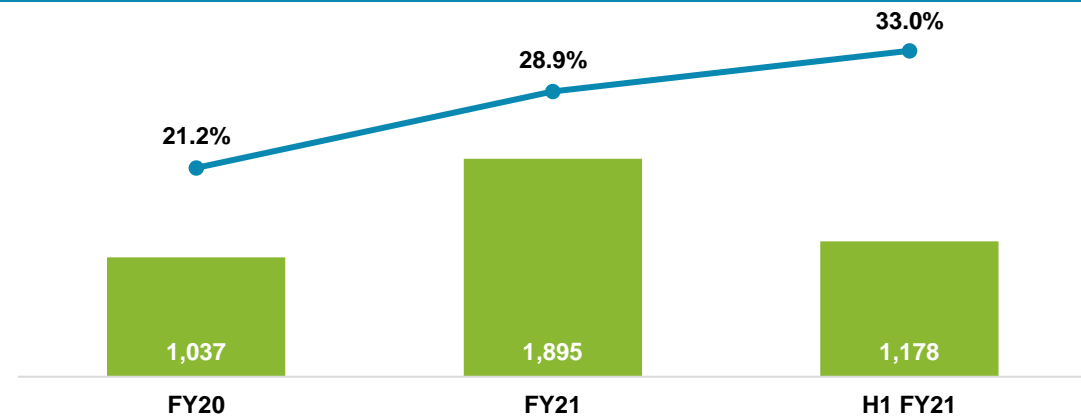
## Total Income



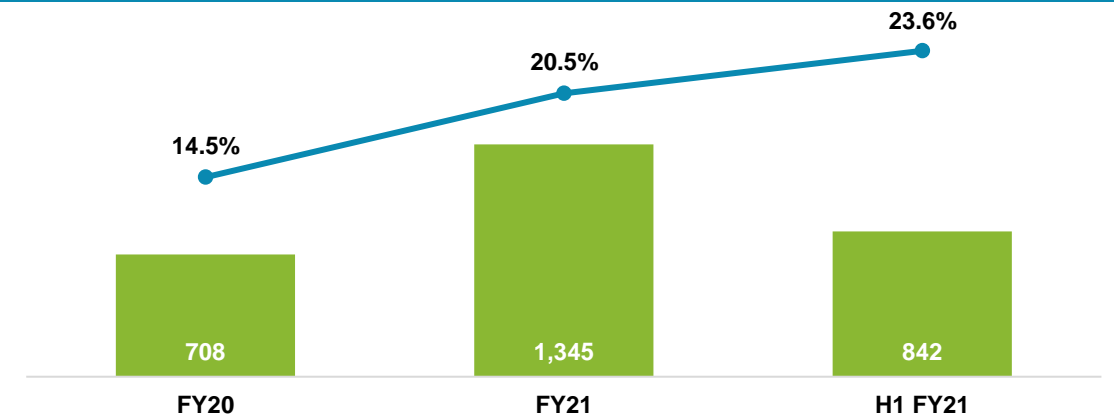
## Gross Profit



## EBITDA



## PAT



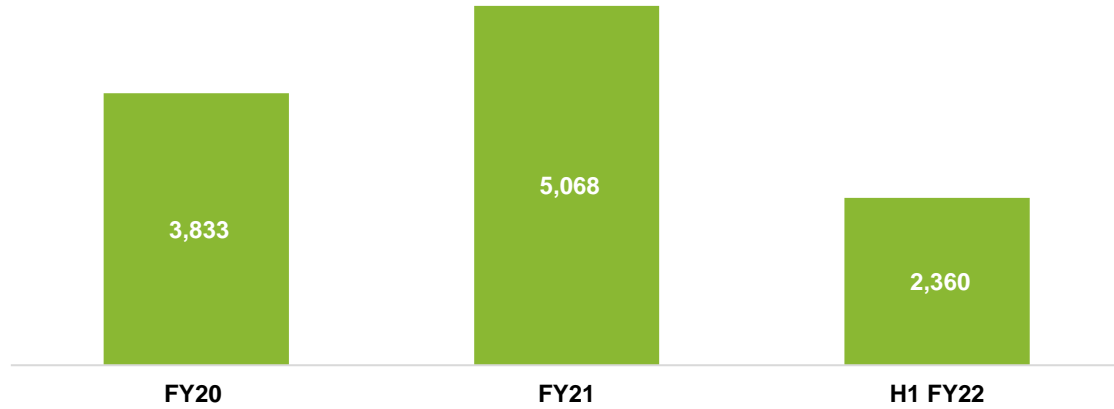
# Revenue Break-up



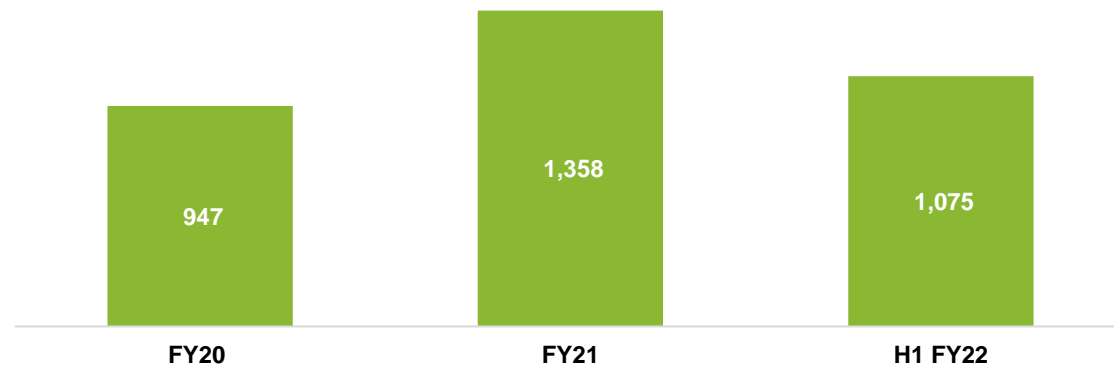
Technicals + APIs constitute 69% of total revenue during H1 FY22

Rs in Million

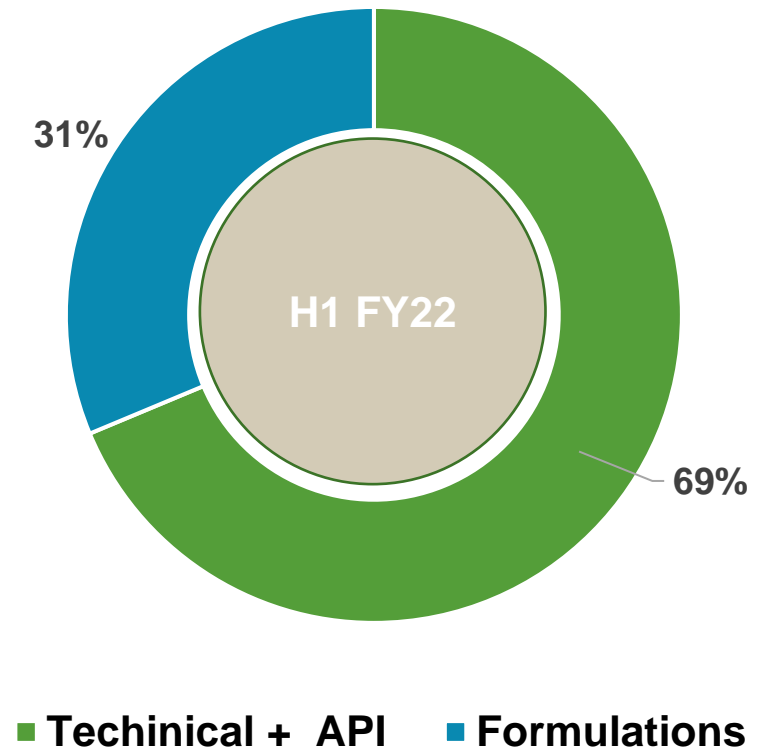
## Technicals + API



## Formulation



## Revenue Share

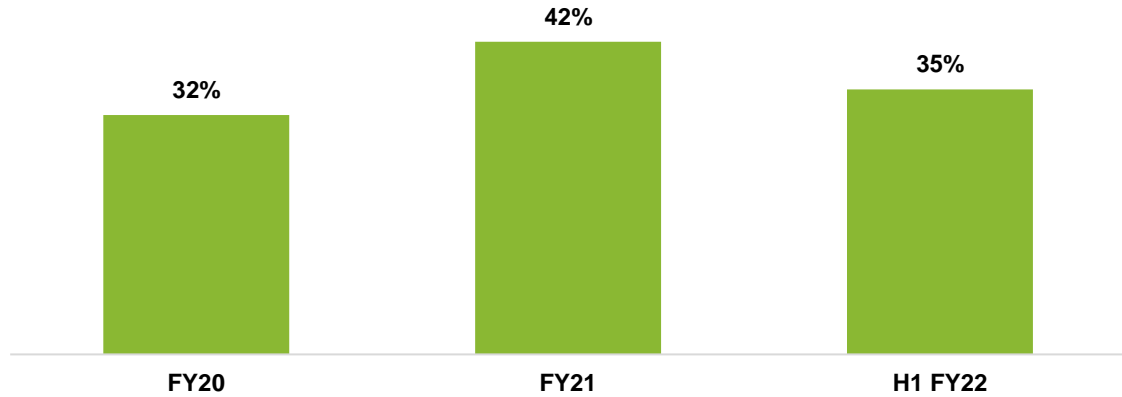


# Performance Highlights

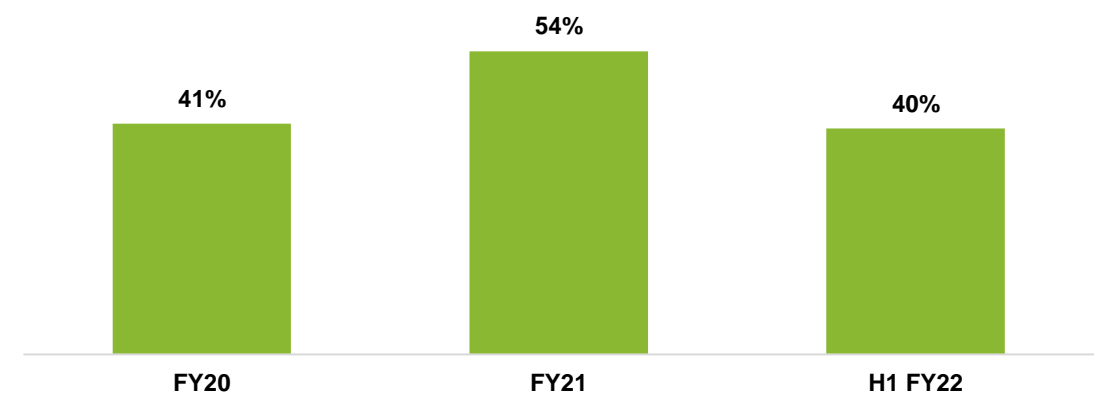


Higher return ratios due to efficient capital and asset utilization

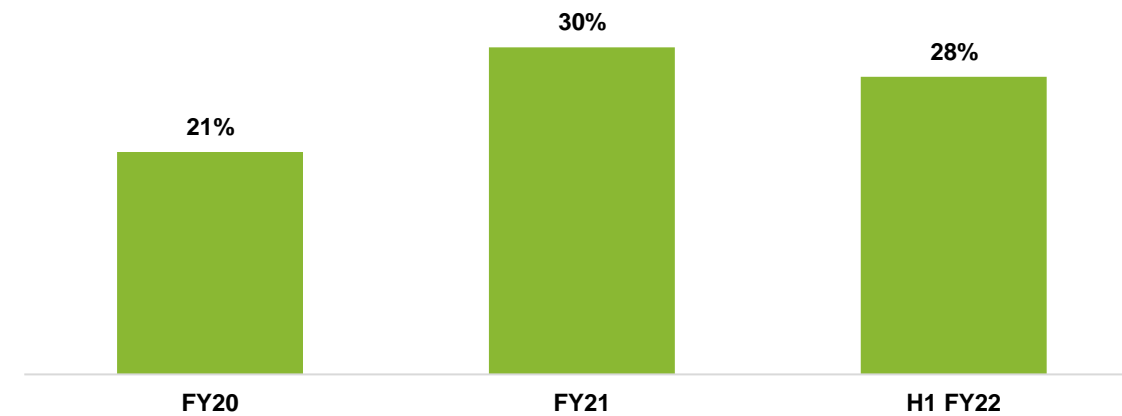
ROE (%)



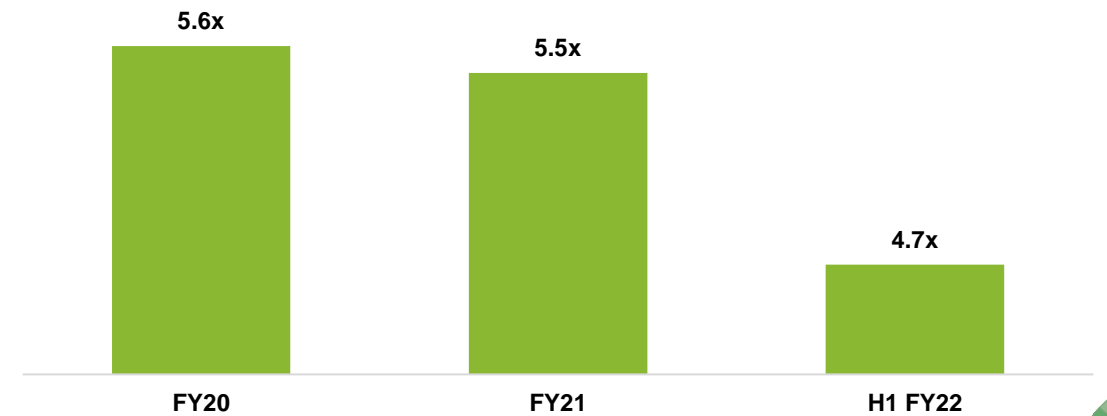
ROCE (%)



ROA (%)



Fixed Asset Turnover

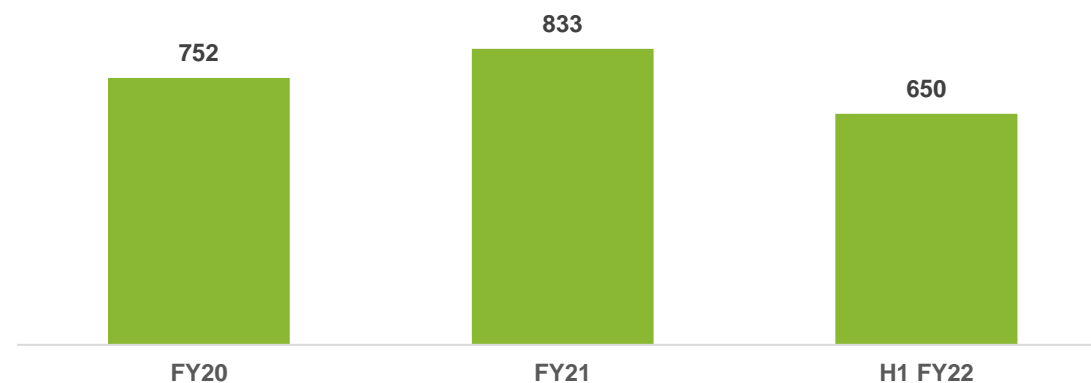


\* H1 annualized figures

## Net cash company with significant reduction in long term borrowings and increased cash flow from operations

(Rs. In million)	31 <sup>st</sup> Mar 2020	31 <sup>st</sup> Mar 2021	30 <sup>th</sup> Sep 2021
Long Term Borrowings	104	74	71
Short Term Borrowings	135	225	6
<b>Total Debt</b>	<b>240</b>	<b>300</b>	<b>77</b>
Less: Cash & Bank Balance	80	437	1,339
Less: Investments	30	91	210
<b>Net Debt / (Cash)</b>	<b>129</b>	<b>(229)</b>	<b>(1,472)</b>
Total Equity	2,568	3,895	5,647
Total Debt / Equity (x)	0.09x	0.08x	0.01x
Net Debt / Equity (x)	0.05x	nm	nm
Net Debt / LTM EBITDA (x)	0.18x	nm	nm

### Cash Flow from Operations (Rs. Million)

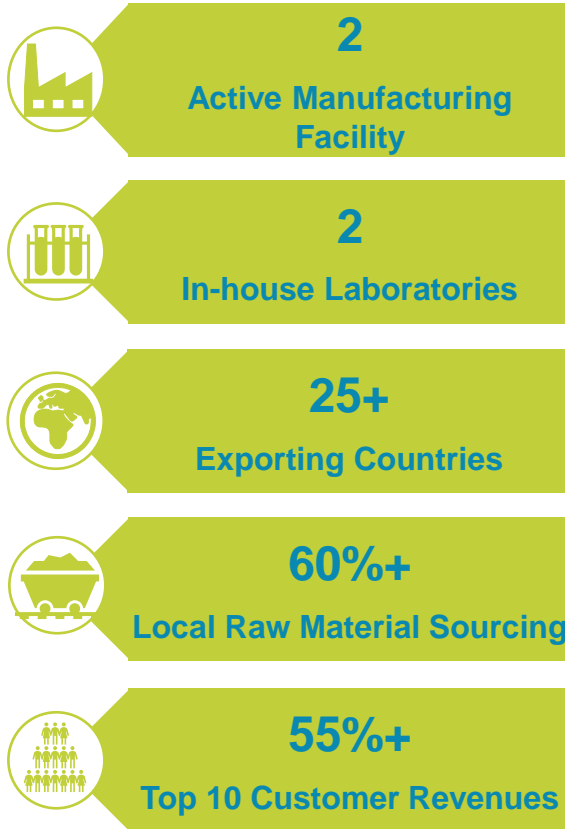


- Focus on reducing long term debt; short term debt increase due to working capital for exports business
- Strong cash flow generation to support expansion initiatives
- Net cash position to further increase with improvement in cash flow generation

# India Pesticides At a Glance



Diversified product offerings, ability to develop client specific molecules quickly and efficiently



- An R&D driven chemical manufacturer of Agro-Technicals & APIs, along with growing Formulations business
- Focus on quality and sustainability and none of the key Technicals are classified as 'red triangle' or highly toxic products
- Sole Indian manufacturer and leading manufacturers globally for Captan, Folpet and Thiocarbamate Herbicide, in terms of production capacity
- Present installed capacity of Technicals increased to 20,500 MT from 19,500 MT as on 31.03.2021 after soft launch of 1,000 MT capacity during H1 FY22
- Manufacturing facilities in Lucknow & Hardoi districts in Uttar Pradesh
- 2 Advanced in-house laboratories registered with the Department of Scientific and Industrial Research (DSIR)

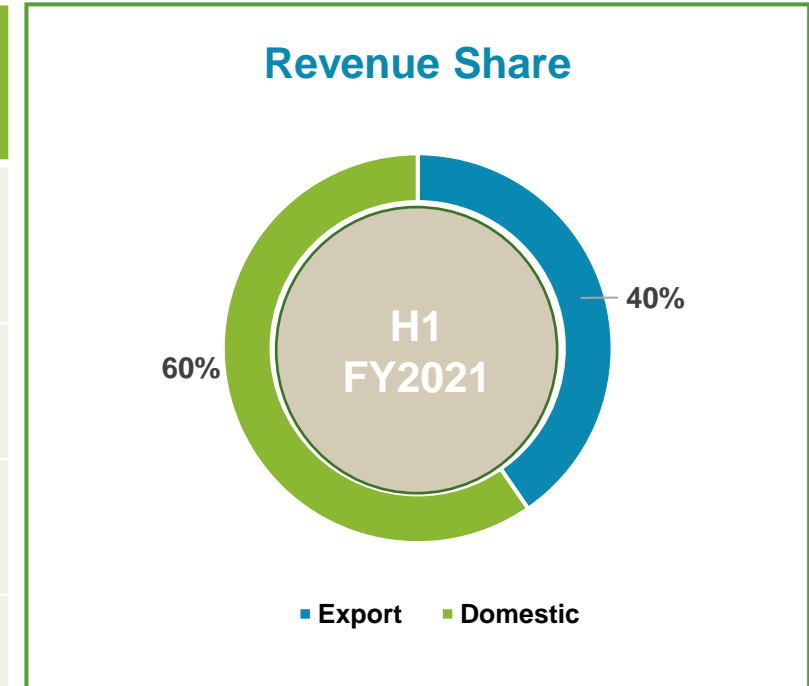


# Business Overview



Sole Indian manufacturer of five Technicals and among the leading manufacturers globally for Captan, Folpet and Thiocarbamate Herbicide, in terms of production capacity

Application	Technicals / API's	Formulations
Herbicide	Prosulfocarb, Thiocarbamate	Grip, Pendizet, Trisol, Clogold, Midash, Safer, Eliminator, Penda, Aatish
Fungicides	Cymoxanil, Captan, Ziram, Folpet	Dollar, Vardhan, Vecto, Trim, Sodhit, Captax-50, Natraj, Sanjeevani, Talwar
Insecticides	-	Carbo, Amida, Frem, Byprten, Immidiator, Tridev, Difen, Frame, Soldier, Crotax
Others	Anti-Scabies Drugs, Anti-Fungal Drugs	Star, Talvar, Contanol, Guru, Shakti, Sparkle, Chakra, Namaskar



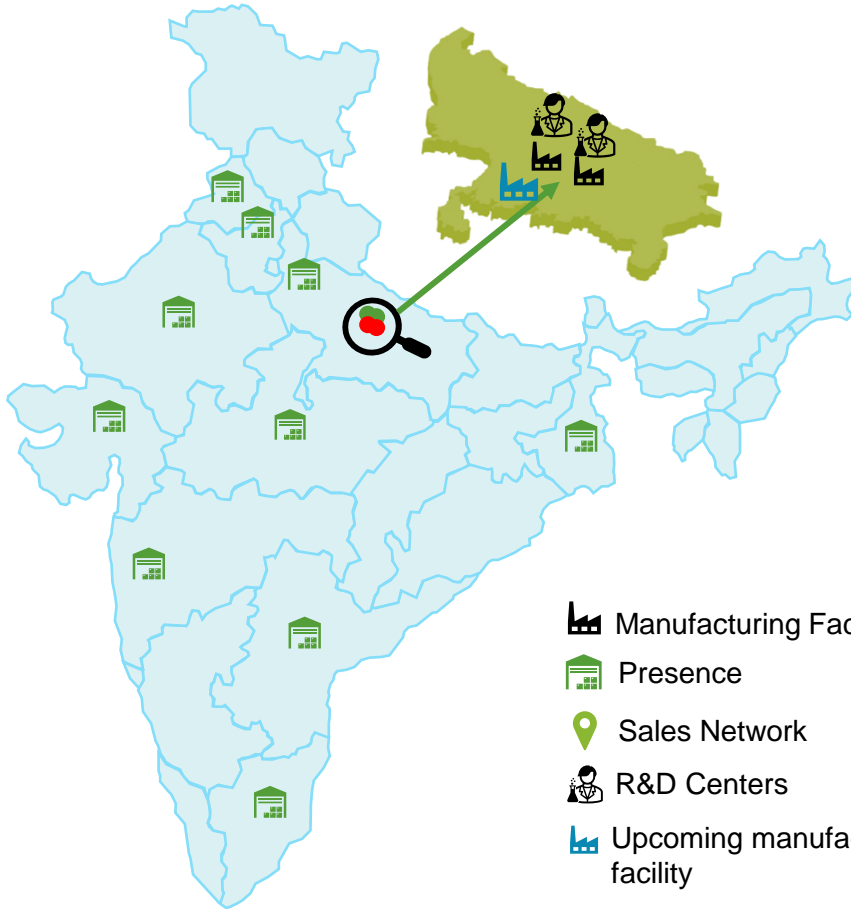
Key Technicals	Category	Application
Folpet	Fungicide	Controls fungal growth at vineyards, cereals, crops and biocide in paints
Cymoxanil	Fungicide	Controls downy mildews of grapes, potatoes, vegetables and several other crops
Thiocarbamate	Herbicide	Used in field crops, such as, wheat and rice
Captan	Fungicide	Used for fruits, vegetables and ornamental plants

# Manufacturing Facility and Sales Network



Regular inspection of manufacturing facilities by international clients, external governing authorities and internal team for QA & HSE systems for their products, facilitates continuous improvement in operations & processes

## Manufacturing Facilities



Plants as on 30.09.21	Technicals (MTPA)	Formulations (MTPA)
Dewa Road, Lucknow	2,100	3,000
Sandila, Hardoi	18,400	3,500
<b>Total</b>	<b>20,500</b>	<b>6,500</b>



- Manufacturing Facilities
- Presence
- Sales Network
- R&D Centers
- Upcoming manufacturing facility

Cost effective labour availability, compensates for higher transportation cost

Readily available market in Uttar Pradesh for formulations

Key raw materials are available at nearby manufacturing facilities

Hamirpur land acquired for new manufacturing facility

## Sandila Expansion Plan

Manufacturing capacity expansion will create economies of scale and improve efficiency in manufacturing processes

- 70 Cr Capex outflow each year for the next two years for Sandila
- Targeting to increase capacity by 9,000 MT
- Sandila Plant technical capacity was 17,400 MT as on 31.03.21 and capacity was increased by 1,000 MT in H1 FY22
- 2 manufacturing units at the existing Sandila facility are proposed to be used for herbicide Technicals

## New Upcoming Facility at Hamirpur

International and domestic customers ready to absorb new capacities

- 25 acres land acquired in Hamirpur for new manufacturing plant
- Land registration completed in October
- Plant to likely commence operation by 2023
- All capex likely to be funded internally

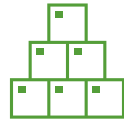
## Product portfolio and capacity expansion will be driving factors for growth



## Environment Highlights

India Pesticides manufacturing facilities and corporate office is accredited with

**ISO 45001: 2018 (OHSAS), OHSAS 18001: 2007 certifications**



*“India Pesticides checks the raw material properties and process conditions of each of the alternatives and selects the relatively safer option in terms of raw material and process condition.”* **Material Usage Initiatives**



*“The steps taken by the company for utilizing alternate sources of energy: Company is exploring possibility of roof top Solar Energy System”* **Energy Efficiency Initiatives**

India Pesticides Dewa Road Facility and Sandila Facility have received

**ISO 9001: 2015 quality management systems certification**



*“India Pesticides manufacturing facilities include effluent treatment plants, which treats our industrial waste water and recycles it for reuse or for safe disposal to the environment”* **Waste Water Safe Discharge**



*“India Pesticides manufacturing processes contribute towards reducing raw material consumption, solvent consumption and water consumption resulting in reduced effluent and solid hazardous waste. Solid hazardous wastes are sent to a common hazardous waste treatment and disposal facility”* **Waste Reduction Initiatives**

**Our manufacturing facilities are zero discharge units & is endorsed by external auditors**

## Social Highlights



*“In Fiscals 2019, 2020 and 2021, More than 60% of our raw materials were sourced locally. We believe that our ability to procure raw material domestically enables us to withstand volatility in raw material prices and ensures continuous supply for our operations”* **Supplier Responsibility Initiatives**



*“Company is committed to safeguard the health and safety of our employees. To this end, we conduct periodic preventive maintenance of equipment at our facilities. Our employees and workers are trained in the operation and maintenance of plant and equipment and those whose duties involve the handling of chemicals are also educated on safety methods for handling chemicals”* **Health and Safety Initiatives**



*“Companies CSR initiatives focus on health care including supporting various medical initiatives aimed at reducing mortality rate of children, regular health checkups for the economically poor, promoting preventive health care, skill development and women empowerment and vocational training programme for differently abled persons, promoting education, promoting sports, good agricultural practices and model village/habitation development”* **Community Support Initiatives**

India Pesticides R&D centres have been registered with the **Department of Scientific and Industrial Research**

**We do care for environment, safety and society that exist inside & outside of the organization**

## Governance Highlights

The Code of Conduct has been framed and adopted by the Company in compliance with **Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)**



*“The objective of this Code of Conduct for Board Members and Senior Managerial Personnel (“Policy” or “Code of Conduct”) for the Board of Directors (“Board”) including the Independent Directors of India Pesticides Limited (“IPL” or “the Company”) and Senior Management (“Managers”) is for bringing uniform understanding required to: Maintain the highest standard of business conduct & ethics for the Company, Provide guidance in difficult situations involving conflict of interest and moral dilemma and Ensures compliance with all applicable laws”* **Behaviour and Business Ethics**



*“The Company recognizes and embraces the benefits of diversified Board as it helps in making good use of differences in knowledge, professional experience, expertise, qualification, skills, and range of outlooks that are required for the progressive business of the Company. Possessing a truly balanced and diverse Board with all these merits along with diversity in regional and industry experience, background, culture, race, age, gender and other relevant factors between directors as an integral element helps in maintaining competitive advantage”* **Board Diversity Policy**

**Efficient QHSE Management is established through consistent communication, a flexible work environment, and strategic implementation**



Board and Management is committed to continuous growth and sustainability

**Consistent growth with sustainable margins**

**Net cash company with significant reduction in long term borrowings and increased cash flow from operations**

**Higher return ratios due to efficient capital and asset utilization**

**Diversified product offerings and ability to develop client specific molecules quickly and efficiently**

**Sole Indian manufacturer of five Technicals and among the leading manufacturers globally for Captan, Folpet and Thiocarbamate Herbicide, in terms of production capacity**

**R&D at core supports continuous product development and innovation**

**Manufacturing capacity expansion will create economies of scale and improve efficiency in manufacturing processes**

**Product portfolio and capacity expansion will be driving factors for growth**



Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

The company's results may be affected by factors including, but not limited to, the risks and uncertainties in research and development; competitive developments; regulatory actions; the extent and duration of the effects of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations.

India Pesticides Limited will not be responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances

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