



# INDIA PESTICIDES LIMITED



FY22 EARNINGS  
PRESENTATION

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

# Performance Highlights



## Q4 FY22

**INR 1,815 mn**

Revenue

**+34.3%**

Y-O-Y change

**INR 989 mn**

Gross Profit | Margin 54.5%

**+33.1%**

Y-O-Y change

**INR 467 mn**

EBITDA | Margin 25.7%

**+22.3%**

Y-O-Y change

**INR 440 mn**

EBIT | Margin 24.3%

**+20.2%**

Y-O-Y change

**INR 308 mn**

PAT | Margin 16.9%

**+14.7%**

Y-O-Y change

## FY 22

**INR 7,293 mn**

Revenue

**+11.3%**

Y-O-Y change

**INR 4,028 mn**

Gross Profit | Margin 55.2%

**+16.8%**

Y-O-Y change

**INR 2,270 mn**

EBITDA | Margin 31.1%

**+19.8%**

Y-O-Y change

**INR 2,185 mn**

EBIT | Margin 30.0%

**+19.1%**

Y-O-Y change

**INR 1,580 mn**

PAT | Margin 21.67%

**+17.5%**

Y-O-Y change

**INR 1,085 mn**

Net Cash

**We delivered on all front and expect this growth momentum to continue during FY23**

“During the quarter our revenue grew by 34.3% supported by increased demand of new product launches . We are a R&D driven firm and constantly try to develop and innovate by targeting high demand niche molecules in the International and domestic market and efficiently producing and marketing them across the globe.

During the quarter we soft launched 1 new herbicide technical which have the revenue potential of Rs 50 crores. Presently we have two upcoming products in pipeline out of which last product will be launched by Q3 of FY23. During the quarter we further increased our Sandila plant capacity by 500 MT for our existing Fungicide technical and plan to further increase it by 1,500 MT by end of next quarter. Our progress of the ongoing expansion projects is as per timelines and our expectations.

FY22 have been a year where company took significant leap towards future by becoming public and is inclined towards meeting all expectations of its shareholders. We are consistently working towards our vision of supporting chemical business and farmers across world by producing superior value chemicals by integrating quality and efficiency.”

**Anand Swarup Agarwal**

Chairman



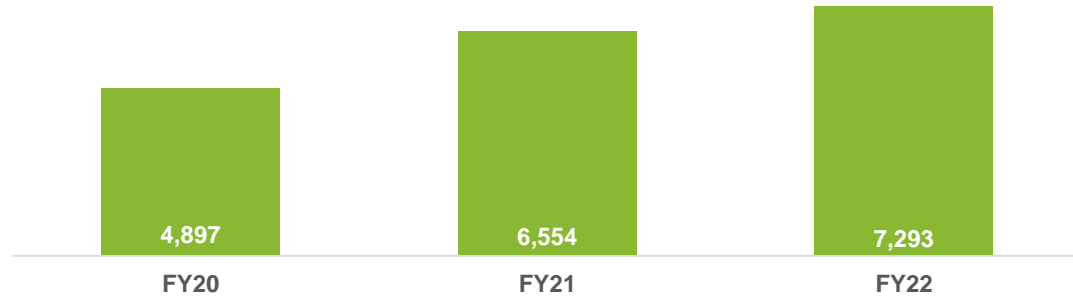
# FY22 Performance Highlights



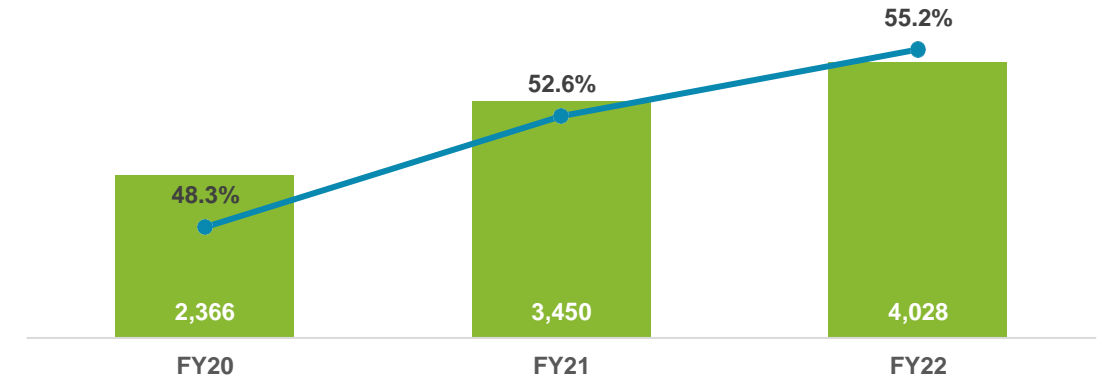
Revenue growth of 11.3% ; EBITDA growth of 19.8% : PAT growth of 17.5%

Rs in Million

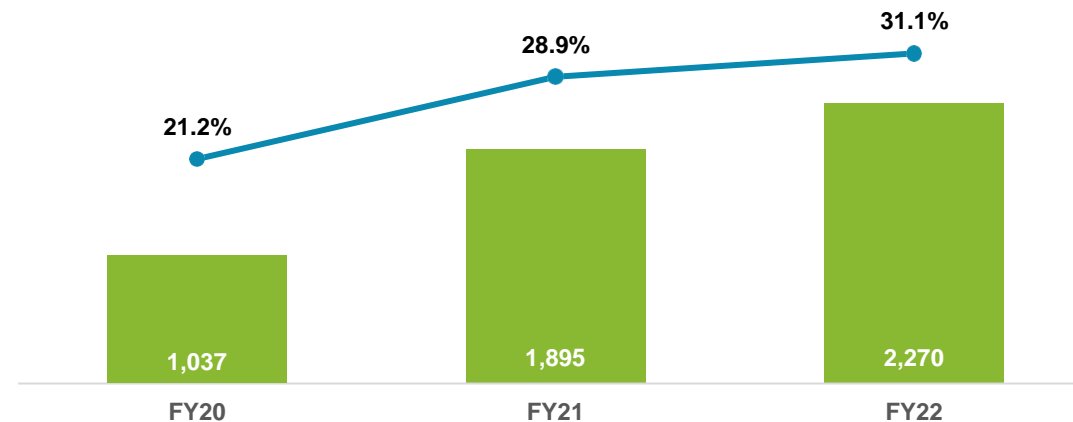
## Total Income



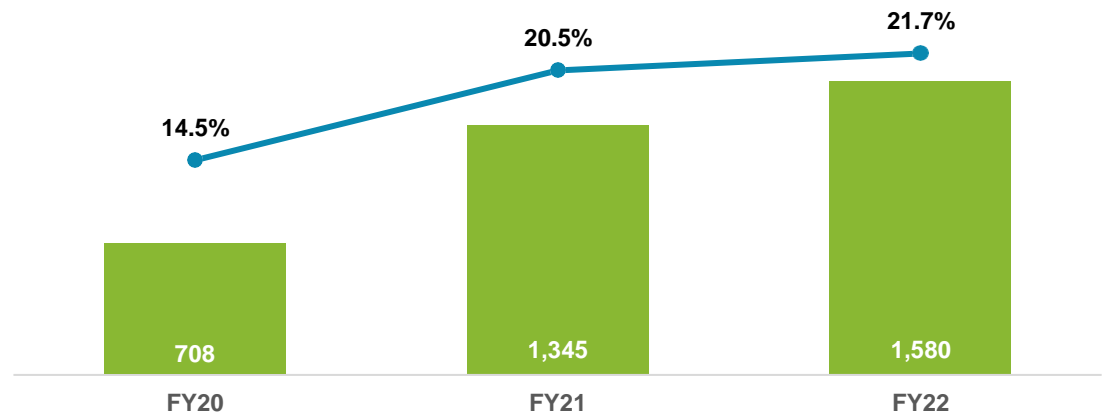
## Gross Profit



## EBITDA



## PAT



# Quarterly Business Highlight



Consistent efforts towards generating and serving future potential demand



## Q2 FY22

- Listing on BSE and NSE
- Technical capacity expanded by 1000 MT in H1
- 2 technicals launched during half year
- 25 acres land acquired in Hamirpur for new manufacturing plant



## Q3 FY22

- Technical capacity expanded by 500 MT
- 2 chemical soft launched during quarter
- Hamirpur Land registration completed in October



## Q4 F Y22

- Technical capacity expanded by 500 MT
- 1 chemical soft launched during quarter

# Performance Summary



Robust profitability growth supported by unique diversified product offerings

(Rs. Million)	Q4 FY22	Q4 FY21	Y-o-Y Change (%)	FY22	FY21	Y-o-Y Change (%)
Total Income	1,815	1,352	34.3%	7,293	6,554	11.3%
Gross Profit	989	743	33.1%	4,028	3,450	16.8%
<i>Gross Margin (%)</i>	<i>54.5%</i>	<i>54.9%</i>		<i>55.2%</i>	<i>52.6%</i>	
EBITDA	467	382	22.3%	2,270	1,895	19.8%
<i>EBITDA Margin (%)</i>	<i>25.7%</i>	<i>28.2%</i>		<i>31.1%</i>	<i>28.9%</i>	
EBIT	440	367	20.2%	2,185	1,834	19.1%
<i>EBIT Margin (%)</i>	<i>24.3%</i>	<i>27.1%</i>		<i>30.0%</i>	<i>28.0%</i>	
PAT	307	267	14.7%	1,580	1,345	17.5%
<i>PAT Margin (%)</i>	<i>16.9%</i>	<i>19.8%</i>		<i>21.67%</i>	<i>20.5%</i>	

\*Note:- Finance cost for Q4 includes interest on taxes paid of earlier years amounting to Rs. 23.47 mn. Other expenses for Q4 includes Bad Debts written -off Rs. 41.96 million & Provision for Doubtful Debts Rs. 26.87 mn.

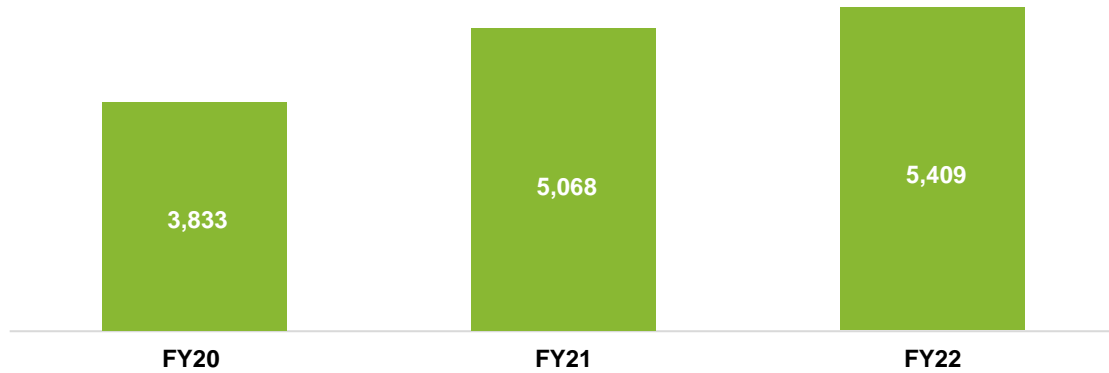
# Revenue Break-up



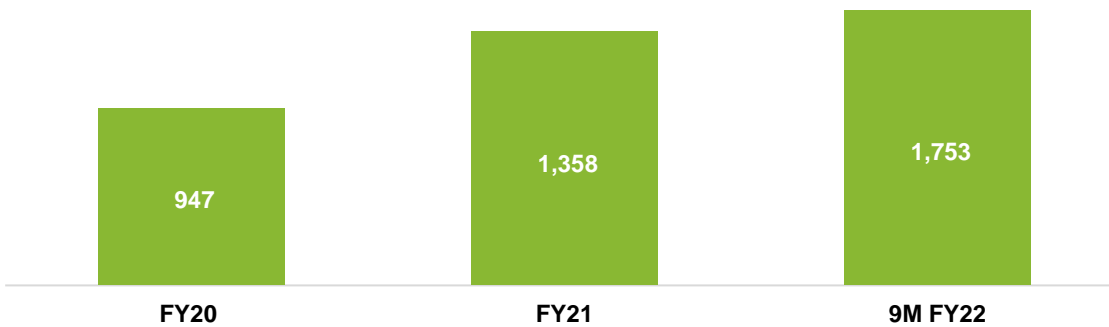
Technicals + APIs constitute 76% of total revenue during FY22

Rs in Million

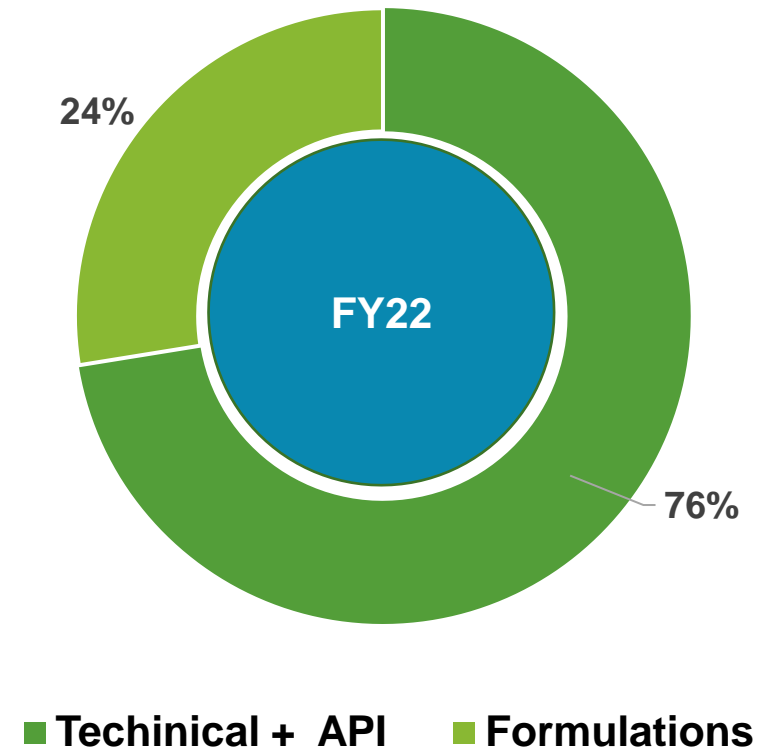
## Technicals + API



## Formulation

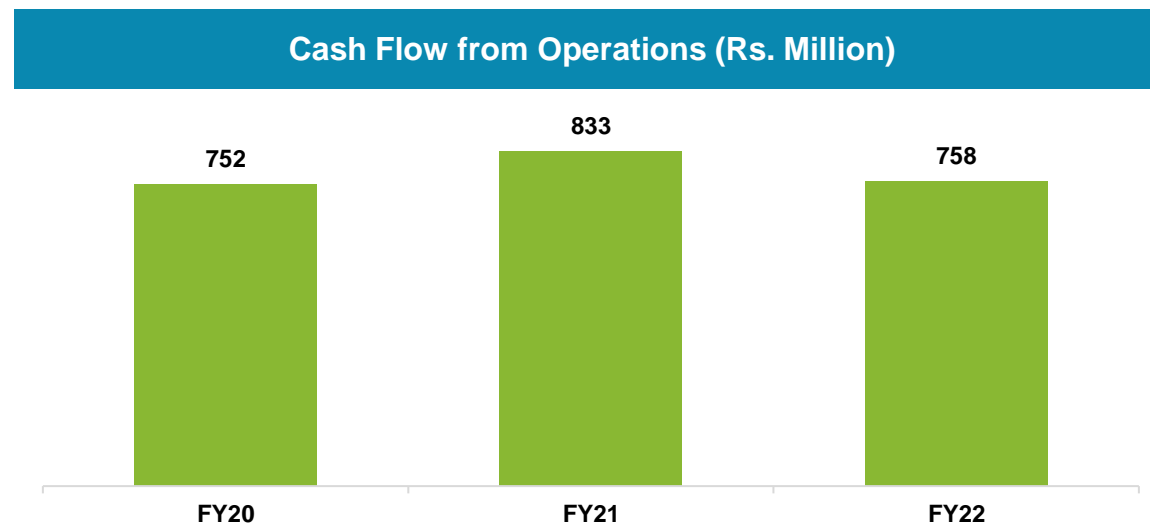


## Revenue Share



Debt reduced by 49% ; Cash & bank balances improved to INR 1,068 mn

(Rs. In million)	31 <sup>st</sup> Mar 2020	31 <sup>st</sup> Mar 2021	31 <sup>st</sup> Mar 2022
Long Term Borrowings	104	74	36
Short Term Borrowings	135	228	119
<b>Total Debt</b>	<b>240</b>	<b>303</b>	<b>155</b>
Less: Cash & Bank Balance	80	437	1,068
Less: Investments	30	91	172
<b>Net Debt / (Cash)</b>	<b>129</b>	<b>(226)</b>	<b>(1,085)</b>
Total Equity	2,568	3,895	6,379
Total Debt / Equity (x)	0.09x	0.08x	0.02x
Net Debt / Equity (x)	0.05x	nm	nm
Net Debt / LTM EBITDA (x)	0.18x	nm	nm



- 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 Formulation's 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 21,500 MT from 19,500 MT as on 31.03.2021 after launch of 2,000 MT capacity during 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)

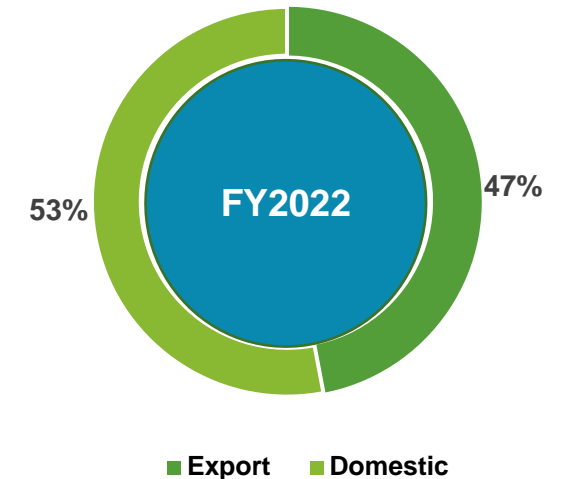
# Business Overview



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

Key Technicals	Category	Application
Prosulfocarb	Herbicide	Used in field crops, such as, wheat and potatoes
Pretilachlor	Herbicide	Widely used for protecting rice crop
Cymoxanil	Fungicide	Controls downy mildews of grapes, potatoes, vegetables and several other crops
Captan	Fungicide	Used for fruits, vegetables and ornamental plants
Folpet	Fungicide	Controls fungal growth at vineyards, cereals, crops and biocide in paints
Diafenthiuron	Insecticides	Used on Cotton plants
Thiamethoxam	Insecticides	A broad-spectrum systemic insecticide with several applications
Ziram	Fungicide	Used to protect apples, almonds, peaches, pears etc

Revenue Share



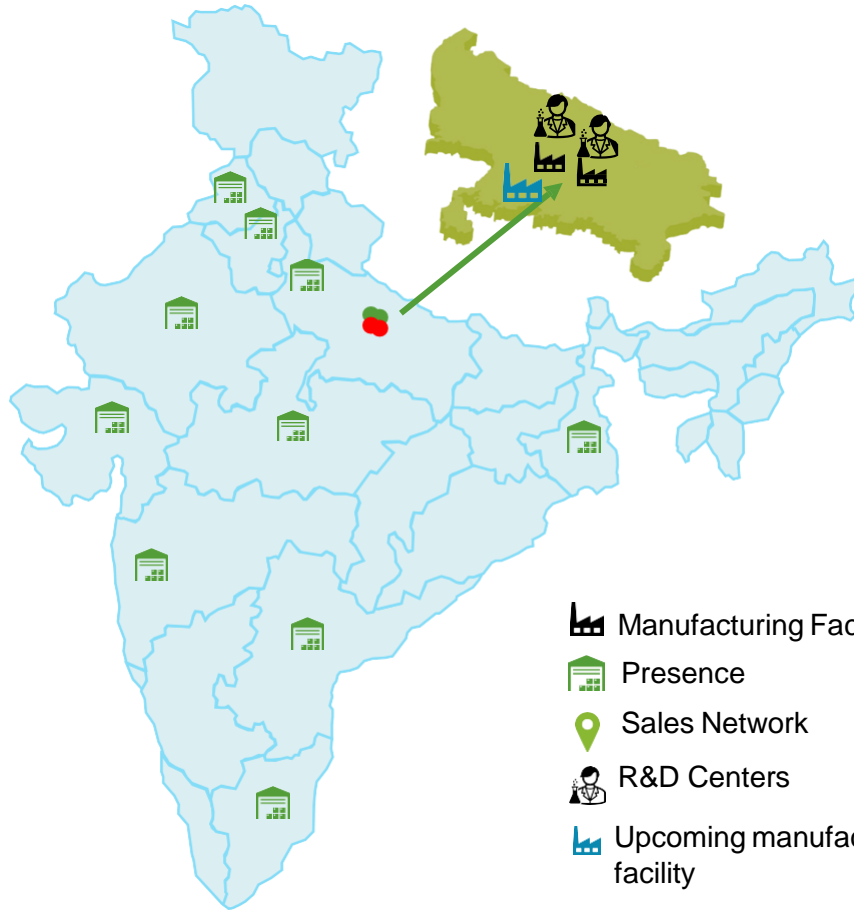
Branded Formulations	Category
Grip, Pendizet, Trisol, Clogold, Midash, Safer, Eliminator, Penda, Aatish	Herbicide
Dollar, Vardhan, Vecto, Trim, Sodhit, Captax-50, Natraj, Sanjeevani, Talwar	Fungicides
Carbo, Amida, Frem, Byprten, Immidiator, Tridev, Difen, Frame, Soldier, Crotax	Insecticides
Star, Talvar, Contanol, Guru, Shakti, Sparkle, Chakra, Namaskar	Others

# 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 31.03.22	Technical (MTPA)	Formulations (MTPA)
Dewa Road, Lucknow	2,100	3,000
Sandila, Hardoi	19,400	3,500
<b>Total</b>	<b>21,500</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

## Unit II - Sandila Expansion Plan

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

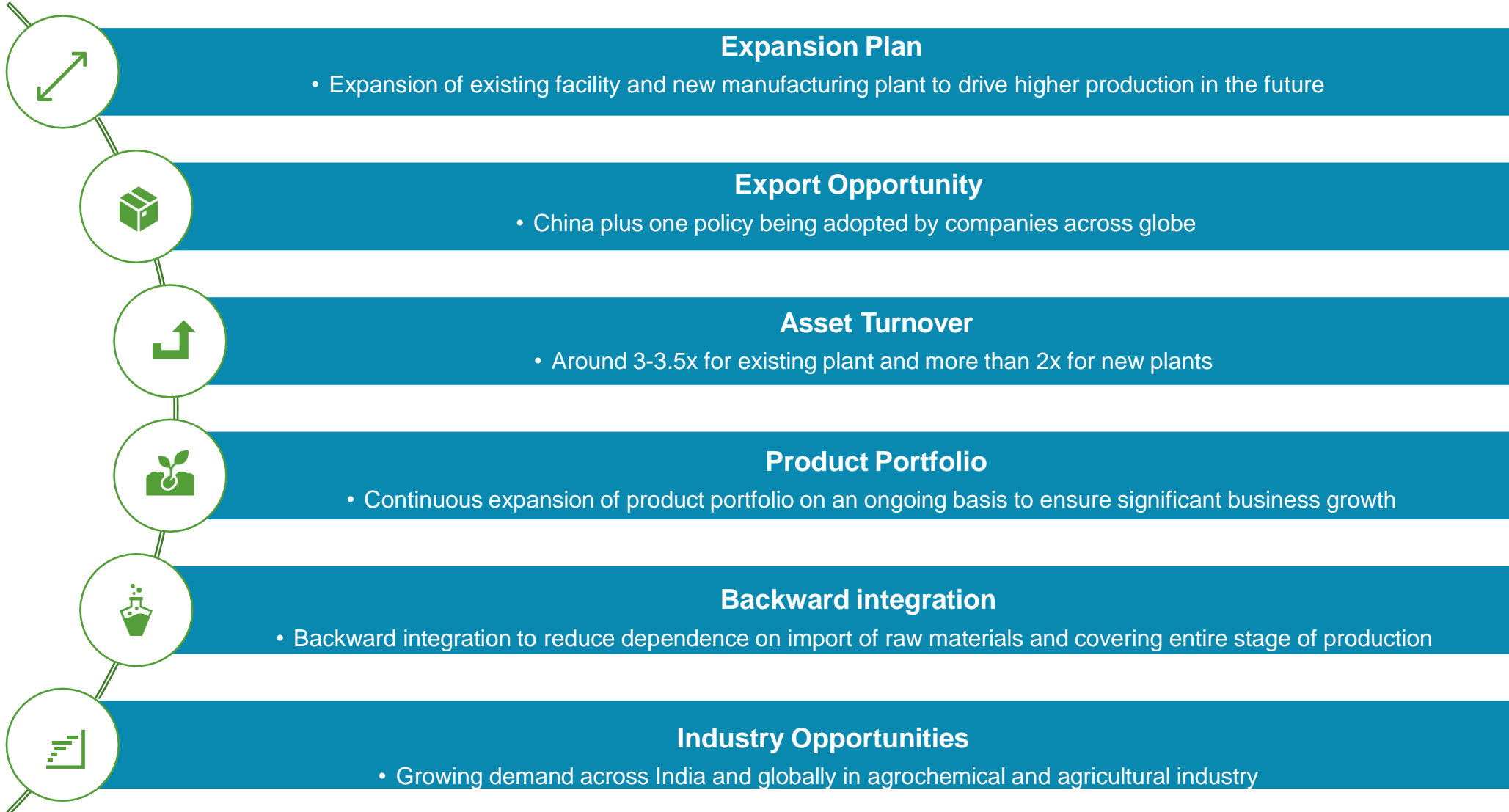
- 70 Cr Capex outflow for FY22 already achieved and planned further capex of 70 cr in FY23
- Targeting to further increase capacity by 6,000 MT
- Sandila Plant technical capacity was increased by 2,000 MT in FY22
- 2 more manufacturing blocks at the existing Sandila facility are proposed to be used for herbicide Technicals & intermediates

## Unit III - 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, 2021
- Plant to likely commence operations in FY23-24
- All capex likely to be funded internally
- Environment Clearance applied and TOR received

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



To minimize contamination of the surrounding environment

Our manufacturing facilities at Dewa Road and Sandila are **ISO 14001:2015 Environment** certified

- **Environment Strategy:** Our manufacturing facilities are equipped with effluent treatment processes to minimize contamination of the surrounding environment. Our in-house technology developed through R&D do designing with aim for minimizing effluent discharge in our production processes at our manufacturing facilities
- **Energy Efficiency Initiatives:**
  - Steps have been initiated and in progress at our sites such as Energy Audit through outsourced expert team
  - Usage of only Bio-mass for generation of heat/steam by 100% avoidance of coal or petrol
  - Expansion of Solar Power usage by conducting feasibility study wherever compatible
- **Waste Reduction Initiatives:** We believe that the best treatment of waste is its prevention. Approach of our Sustainable Material Management through 5Rs - *Reduce, Reuse, Repair, Recycle, and Recover* helps us to be systematic to control on our waste output towards environment. The management has plan to develop to innovative drives to encourage the application of 5Rs more at every possible level.
- **Waste Water Safe Discharge:** Our manufacturing facilities equipped with ETP, MEE, RO and Spray Drier systems helps us not only to filter our industrial waste water but also recycles and dry, so that our sites are efficiently ZLD – Zero Liquid Discharge certified.

We do care for environment, safety and society that exist inside & outside of the organization. Our focus on sustainability leads us to help the growth of our communities

Our manufacturing facilities at Dewa Road and Sandila are **ISO 45001: 2018 (OHSAS) and OHSAS 18001: 2007** certified

- **Health and Safety Initiatives:**

- All employees at the site undergo mandatory Health and Safety Training sessions that are conducted every month so that all employees work in all shifts can be covered in different batches.
- Studies such as HAZOP, HIRA at the site through intervention of external experts helps to gather continuous improvement areas on our safety measures.
- Regular Mock Drills by involving external Fire Fighting experts once in 3 months keep our employees agile while working
- Yearly Health check-up of employees at the site, post which advice on report by empaneled doctors assures the management that employees are safe.

- **Social & Community Initiatives:**

- Our towards society with reverberating motto – “*Care the World with Care*” has helped us to take steps like adopting villages near our manufacturing site for overall improvement through a Project called – “Samagr Sudhar”.
- Encouraging budding sportspersons who aspire for bringing national pride through national and internal games are sponsored for their expert coaching
- Tie-up with organisation to expand greenery in urban area and extending help for needy families who undergo emergency expensive treatments are few of our approach towards habitation
- Constantly looking for widening scope of our care and accordingly designing CSR projects is a continuous activity that we have adopted

## Maintain the highest standard of business conduct and ethics

- **Board Composition:** Our Board comprises of total six directors, including one woman director:
  - 3 Independent Directors,
  - 2 non-executive Directors
  - 1 whole time executive Director
- **Board Diversity Policy:** 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
- **Fraud Risk Control Policies:** The Risk Management Committee was constituted by the Board of Directors to formulate a detailed risk management policy which shall include:
  - Framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee
  - Measures for risk mitigation including systems and processes for internal control of identified risks through Business Risk Analysis
  - Risk Management Committee of Executives monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems



**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 certain 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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