





**India Pesticides**

**Limited**

**Q2 FY2024 Investor Presentation**







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# COMPANY OVERVIEW

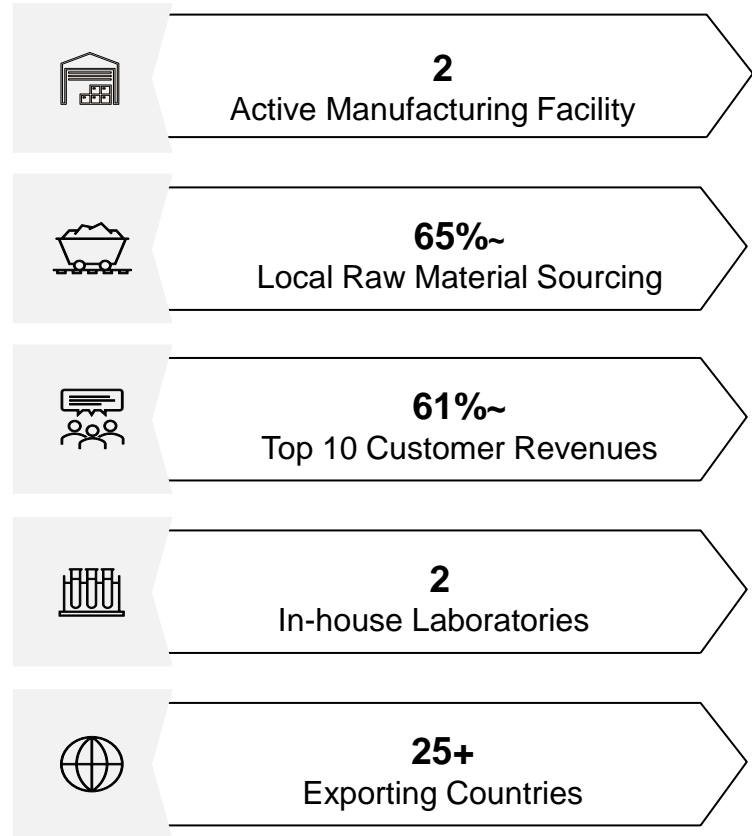


# India Pesticides at a Glance



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

- 1 An R&D-driven chemical manufacturer of Agrotechnical & APIs, along with growing Formulation's business
- 2 Sole Indian manufacturer and global leading manufacturer for Captan, Folpet and Thiocarbamate Herbicide, in terms of production capacity
- 3 Focus on quality and sustainability and none of the key Technical are classified as 'red triangle' or highly toxic products
- 4 Present installed capacity as of 30.06.2023 of Technical increased to 24,200 MT from 24,000 MT as of 31.03.2023 after the launch of 200 MT capacity during Q1 FY24
- 5 Manufacturing facilities in Lucknow & Hardoi districts in Uttar Pradesh
- 6 2 advanced in-house laboratories registered with the Department of Scientific and Industrial Research (DSIR)
- 7 Our wholly owned subsidiary i.e. Shalvis Specialties Limited obtained EC (Environment Clearance) and construction activity is in progress



**27**

Technicals

**169**

Formulations

**32**

Technicals

**41**

Formulations

**2**

APIs

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

## Fungicide

- **Cymoxanil** - Controls downy mildews of grapes, potatoes, vegetables and several other crops
- **Captan** - Used for fruits, vegetables and ornamental plants
- **Folpet** - Controls fungal growth at vineyards, cereals, crops and biocide in paints
- **Ziram** - Used to protect apples, almonds, peaches, pears etc
- **Etridiazole** - Green House
- **Dodine** - Apples & Pears

## Insecticides

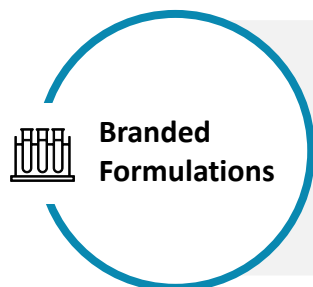
- **Diafenthiuron** - Used on Cotton plants
- **Pyriproxyfen** - Used in field crops

## Herbicide

- **Prosulfocarb** - Used in field crops, such as wheat and potatoes
- **Pretilachlor** - Widely used for protecting rice crop
- **Flufenacet** - Widely used for protecting corn and soyabeans

## Intermediate

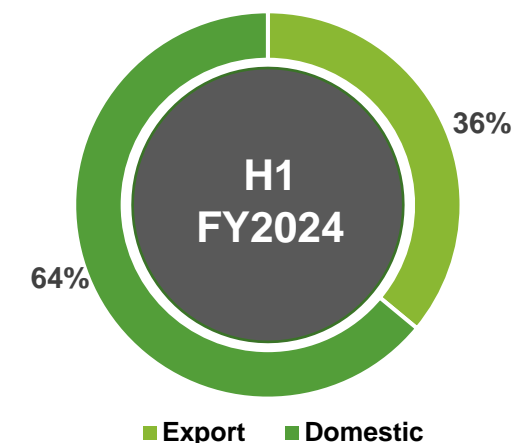
- **PEDA** - Used For Pretilachlor



Branded Formulations

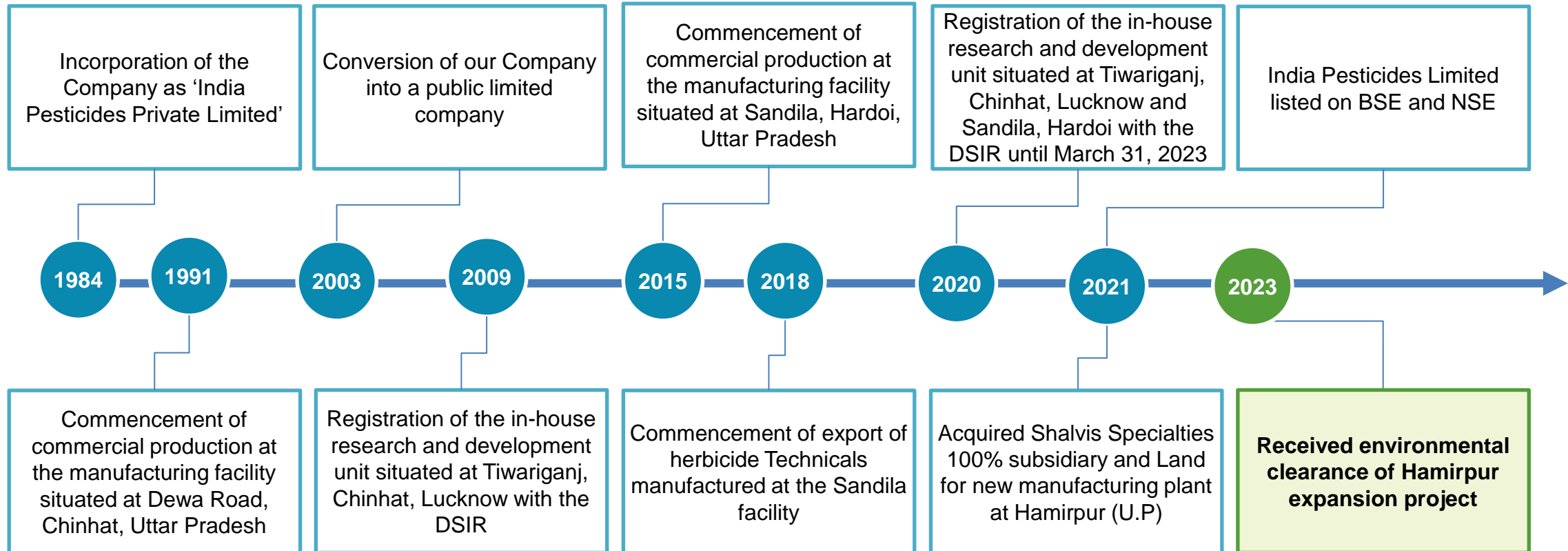
- **Herbicide** - Grip, Pendizet, Trisol, Clogold, Midash, Safer, Eliminator, Penda, Aatish
- **Fungicides** - Dollar, Vardhan, Vecto, Trim, Sodhit, Captax-50, Natraj, Sanjeevani, Talwar
- **Insecticides** - Carbo, Amida, Frem, Byprten, Immidiator, Tridev, Difen, Frame, Soldier, Crotax
- **Others** -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

## Revenue Share





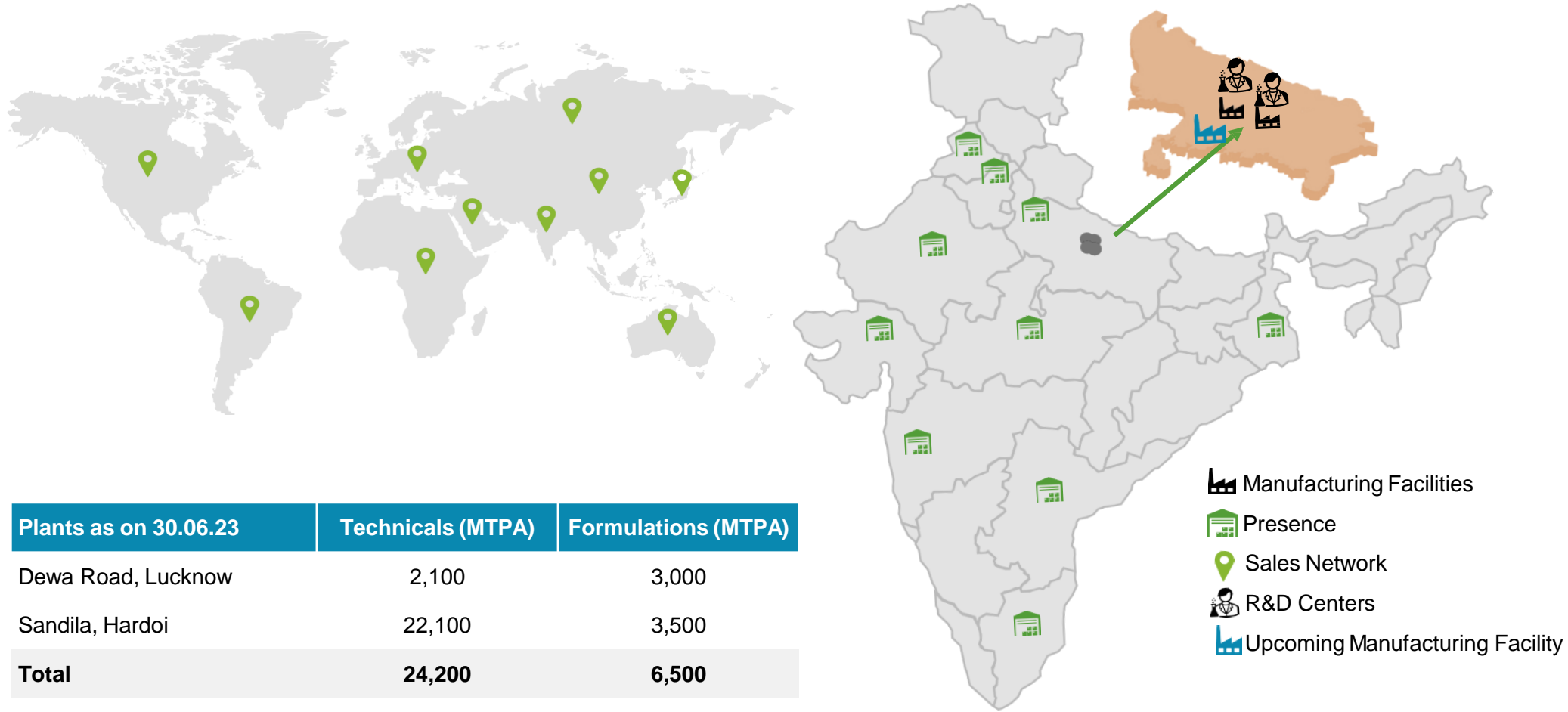
## Three decades of commitment towards growth and quality



# Manufacturing Facility and Sales Network



## Manufacturing Facilities



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

Work is in progress at Hamirpur under 100% subsidiary Shalvis Specialties Ltd.

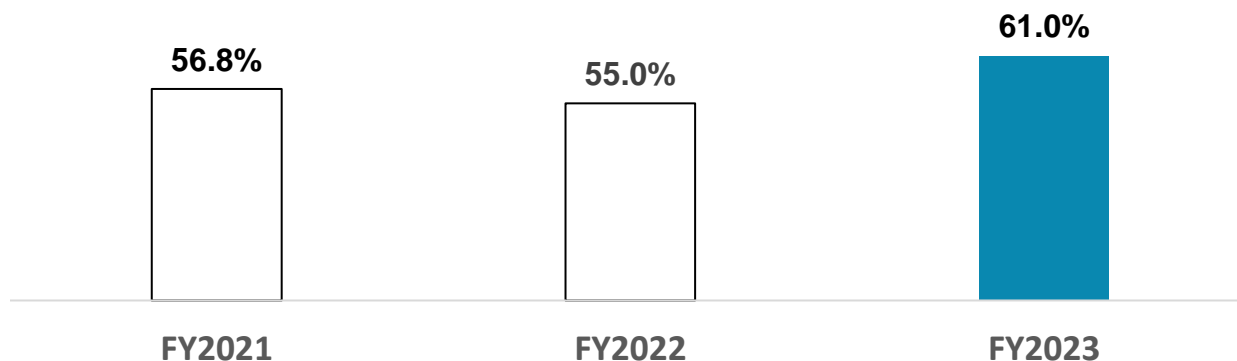


Long term customer relationships developed over the years driven by quality product offerings

## Key Customers



## Revenue Contribution from Top 10 Customers



- Major customers include MNCs that look to collaborate with active ingredient manufacturers in India
- Customer relationships are led by the ability to manufacture complex off-patent Technicals in a cost effective, safe & environmentally conscious manner, in compliance with stringent quality specifications
- Longstanding relationships with 60+ international customers including Multinational customers
- Sales offtake agreement with existing customers to ensure peak utilization of expanded capacity
- Focus on enhancing customer base and reducing revenue concentration



**MANAGEMENT**



Embracing our strategic succession plan, we proudly welcome the sons of our esteemed chairman to join our board, igniting the path towards an exciting leap into the future of exponential growth



**Anand S Agarwal**  
Chairman



**Vishal Swarup Agarwal**  
Non- Executive Director



**Vishwas Swarup Agarwal**  
Non- Executive Director



Audit Committee



Nomination & Remuneration Committee



Stakeholders Relationship Committee



CSR Committee



Risk Management Committee

✓ Indicates Chairman of the Committee



3 out of 8 members on board are Independent



**Rajendra S Sharma**  
Whole-time Director



**Adesh K Gupta**  
Independent Director



**Mohan V Tanksale**  
Independent Director



**Madhu Dikshit**  
Independent Director



**Rahul A Bagaria**  
Non-Executive Director



# Management Team



Experienced management with deep understanding of the industry



**Dheeraj Kumar Jain**  
Chief Executive Officer



**Aditya Kumar Nigam**  
Sr Vice President-Operations



**Satya Prakash Gupta**  
Chief Financial Officer



**Ajeet Pandey**  
Company Secretary and  
Compliance Officer



# FINANCIAL —●● PERFORMANCE



# Q2 and H1 FY24 Performance Highlights



## Q2 FY2024

Q2

**INR 206 Cr**  
Total Revenue

↑ 19.2%  
QoQ

Q2

**INR 31 Cr**  
EBITDA

Margin | 15.1%

↑ 25.6%  
QoQ

Q2

**INR 20 Cr**  
PAT

Margin | 9.5%

## H1 FY2024

H1

**INR 411 Cr**  
Total Revenue

H1

**INR 57 Cr**  
EBITDA

Margin | 13.9%

H1

**INR 35 Cr**  
PAT

Margin | 8.5%

## Management Commentary

*"In Q2 FY2024, Agro-industry continued to face the headwinds in terms of high-cost inventories, destocking in international markets and ongoing price declines resulting from an oversupply of raw materials from China which impacted our exports. Despite these headwinds our Company remains steadfast in its commitment and delivered sustainable revenue of Rs. 206 Cr driven by robust domestic demand and relentless focus on operational efficiency.*

*Our expansion project through our subsidiary remains on track and is anticipated to be commission by the end of this fiscal year. Additionally, we are proactively investing in new products and expanding our manufacturing capabilities at our existing facility. During the quarter, we have acquired land adjacent to our Sandila plant, which will significantly facilitate our expansion efforts for future operational endeavours.*

*We are delighted to announce our plans to incorporate an additional block for Intermediate and another for Technical by H2 FY2024. As part of this expansion, we will be augmenting our production capacity by ~2000 MT expected to be complete by Q4 FY24. This positive momentum has encouraged us to explore new avenues for growth and expansion, reinforcing our commitment to enhancing our offerings and achieving long-term success in the Agro industry."*

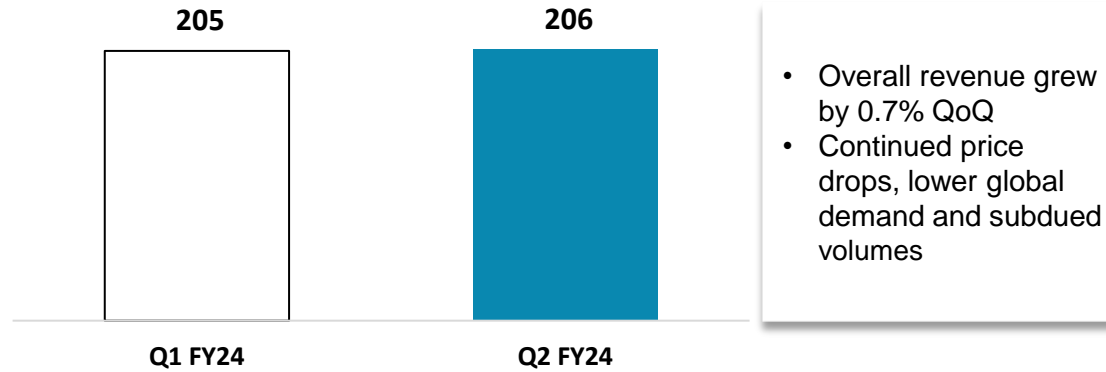
**Anand Swarup Agarwal, Chairman**

# Q2 FY24 Performance Highlights

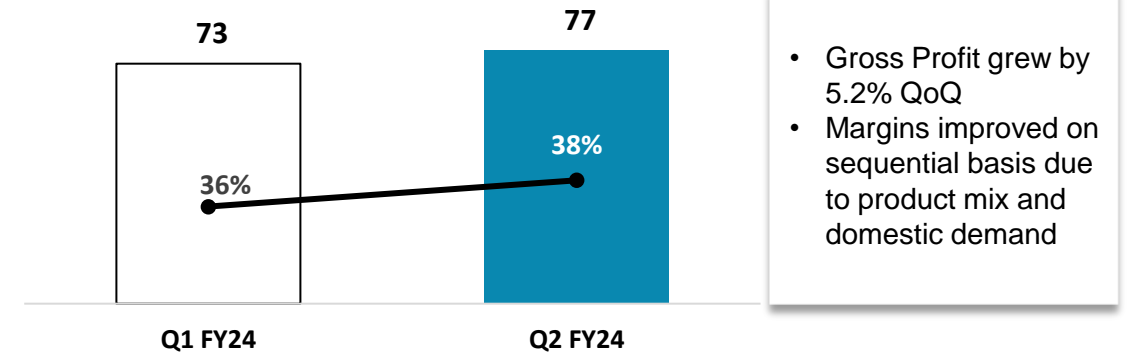


Rs in Cr.

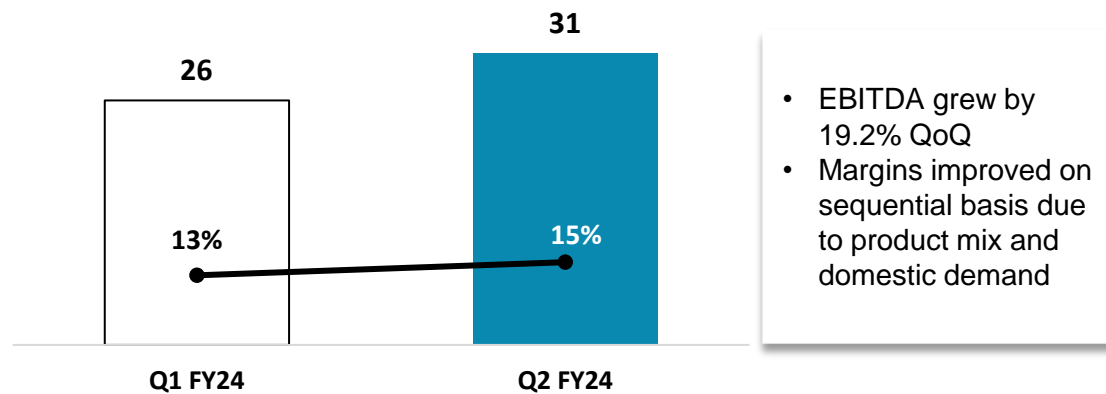
## Total Income



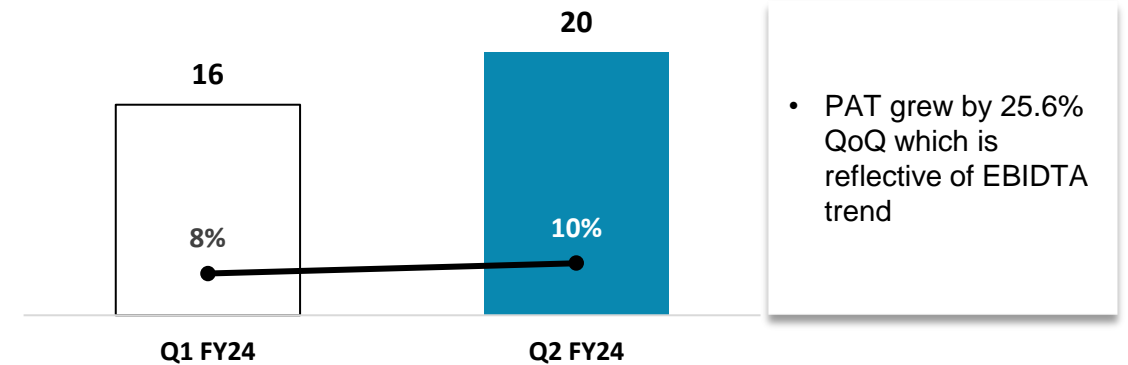
## Gross Profit and Margins



## EBITDA and Margins



## PAT and Margins



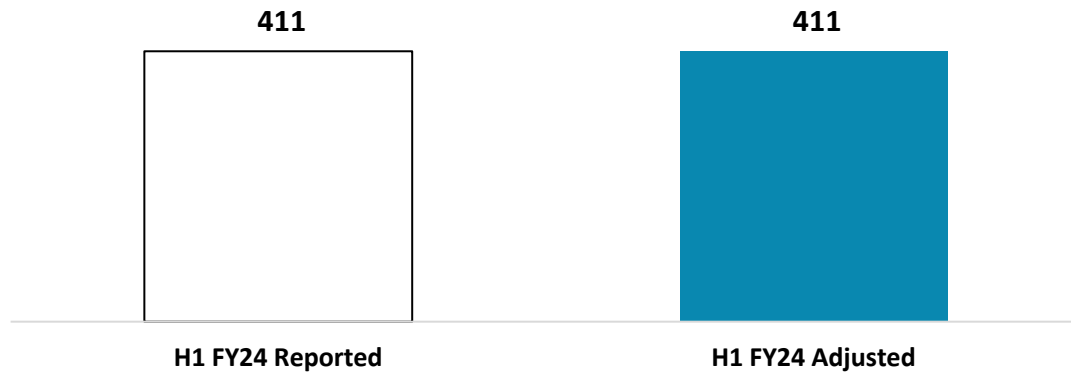
# H1 FY24 Performance Highlights



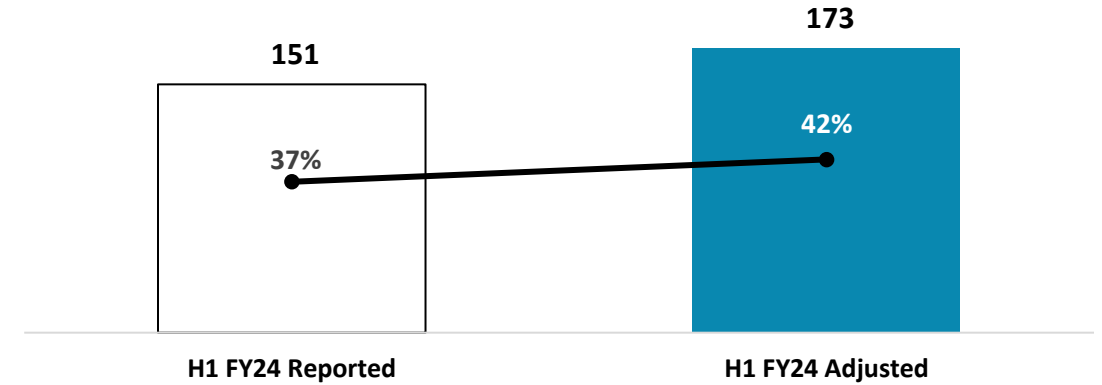
Inventory write down of Rs. 22 Cr during H1 FY24

Rs in Cr.

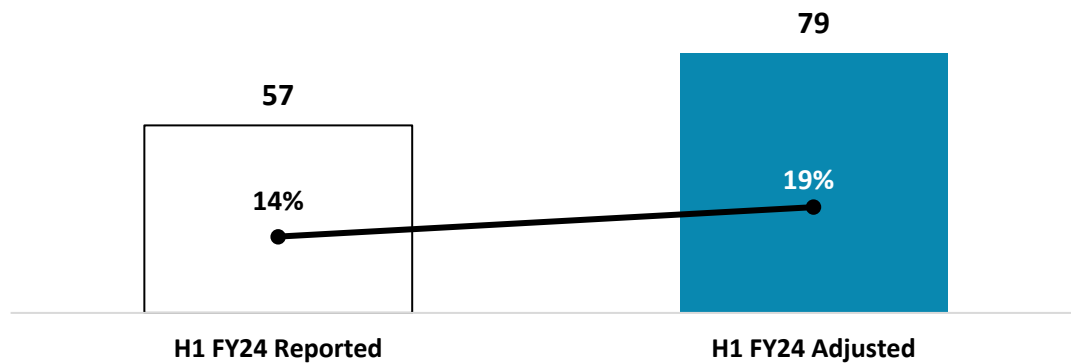
## Total Income



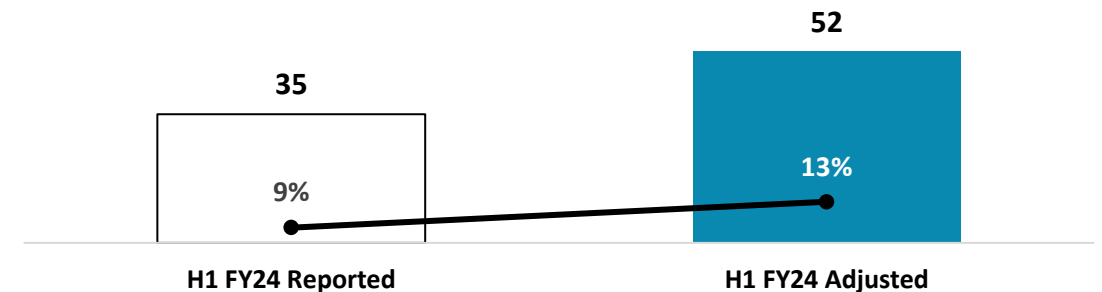
## Gross Profit and Margins



## EBITDA and Margins



## PAT and Margins



Note: Impact of NRV on H1 FY24 figures



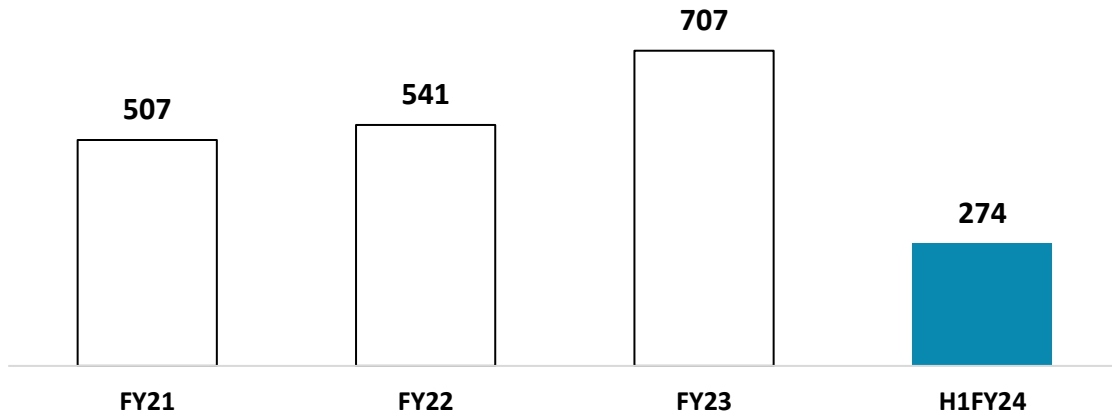
# Revenue Break-up



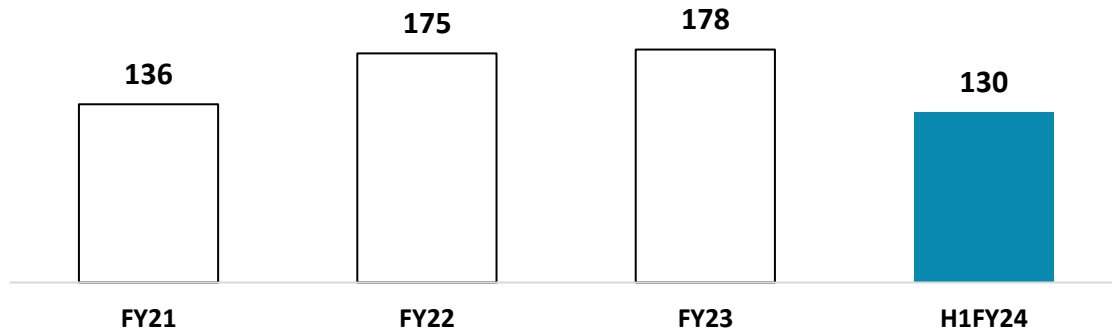
Technicals + APIs constitute 68% of revenue during Q2 FY24

Rs in Cr.

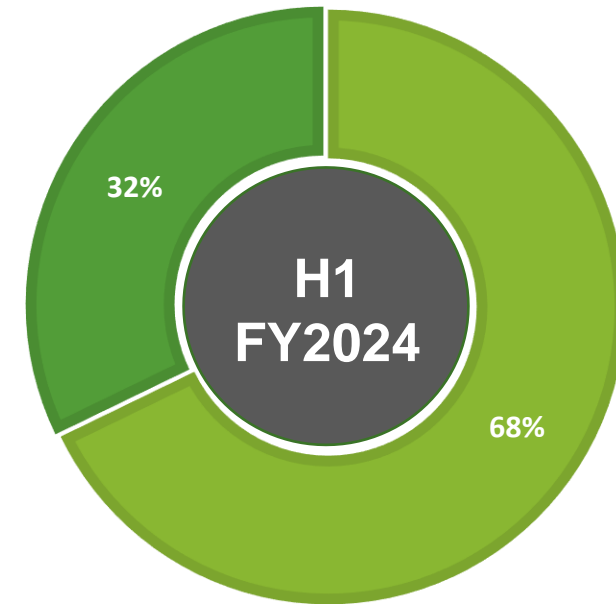
## Technicals + API



## Formulation



## Revenue Share



■ Technical + API ■ Formulations

# Q2 and H1 FY24 Performance Summary



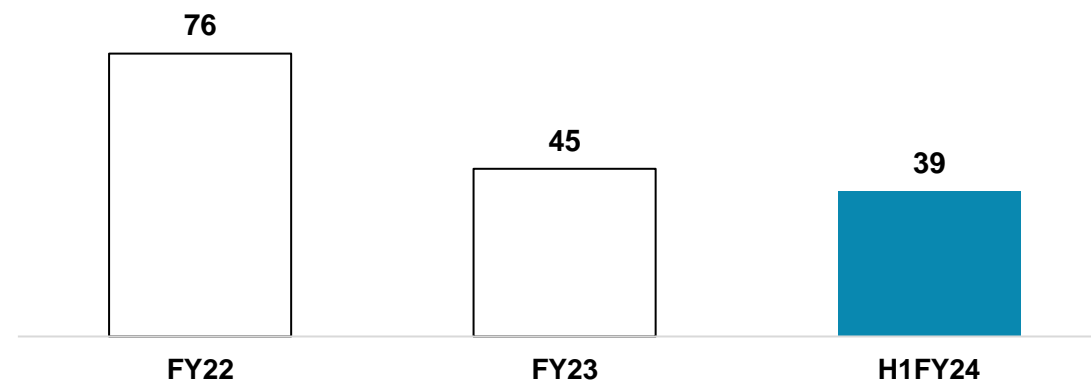
(Rs. In Cr.)	Q2 FY24	Q2 FY23	Q1 FY24	H1FY24	H1FY23
<b>Total Income</b>	<b>206</b>	<b>253</b>	<b>205</b>	<b>411</b>	<b>475</b>
Gross Profit	77	110	73	151	219
<i>Gross Margin (%)</i>	<i>37.5%</i>	<i>43.4%</i>	<i>35.9%</i>	<i>36.7%</i>	<i>46.1%</i>
<b>EBITDA</b>	<b>31</b>	<b>55</b>	<b>26</b>	<b>57</b>	<b>114</b>
<b><i>EBITDA Margin (%)</i></b>	<b><i>15.1%</i></b>	<b><i>21.7%</i></b>	<b><i>12.7%</i></b>	<b><i>13.9%</i></b>	<b><i>24.0%</i></b>
EBIT	27	52	23	50	109
<i>EBIT Margin (%)</i>	<i>13.3%</i>	<i>20.6%</i>	<i>11.0%</i>	<i>12.2%</i>	<i>22.9%</i>
<b>PAT</b>	<b>20</b>	<b>37</b>	<b>16</b>	<b>35</b>	<b>78</b>
<b><i>PAT Margin (%)</i></b>	<b><i>9.5%</i></b>	<b><i>14.7%</i></b>	<b><i>7.6%</i></b>	<b><i>8.5%</i></b>	<b><i>16.5%</i></b>

## Cash & bank balances at INR 141 Cr.

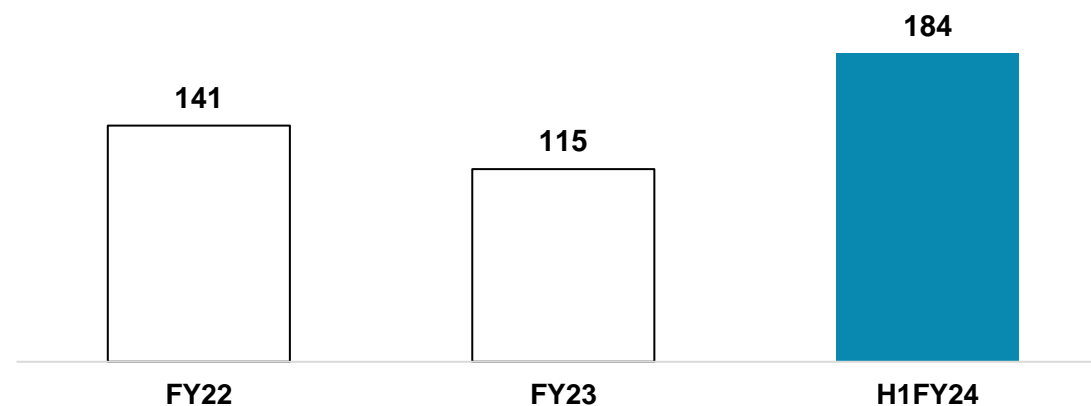
(Rs. in Cr.)	31 <sup>st</sup> Mar 2022	31 <sup>st</sup> Mar 2023	30 <sup>th</sup> Sept 2023
Cash & Bank Balance including Long term deposit	109	99	164
Add Investment	17	12	12
Less: Borrowings	14	4	8
<b>Net Cash</b>	<b>141</b>	<b>115</b>	<b>184</b>
<b>Total Equity</b>	<b>638</b>	<b>775</b>	<b>802</b>
<b>Cash From Operations</b>	<b>76</b>	<b>45</b>	<b>39</b>

- Robust cash flow generation to support expansion initiatives
- Strong net cash position with improvement in cash flow generation

## Cash Flow from Operations (Rs. In Cr.)



## Net Cash



# GROWTH STRATEGIES



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

### Strength

Strong R&D and product development capabilities



Diversified portfolio of niche and quality specialized products



Long-term relationship with key customers



Experienced promoters and strong management team



Advanced manufacturing facilities with focus on Environment, Health and Safety



Resilient sourcing capabilities and extensive distribution network



Consistent track record of financial performance



### Strategies

#### R&D and Product Portfolio Expansion



- Leveraging R&D capabilities on existing & upcoming products & processes
- Continue to expand the overall product range
- Increase the number of Technicals manufacturing

#### Capitalize on Industry Opportunities



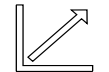
- Continuous portfolio evaluation
- Expansion of existing manufacturing capacity and amplifying distribution network
- Further reduction of Raw Material import dependency through indigenous sourcing

#### Enhancing Deliberated Approach on ESG & HSE



- Continuous improvement on sustainability initiatives
- Strengthening governance on CER & CSR factors
- Retain and further improve the journey towards the goal – “Zero Incident Culture”

#### Cost Optimization and Capacity Expansion



- Periodic strategy reviews to align growth with opportunities in the agrochemicals market
- Employing a ‘China plus one strategy and reducing dependence on China
- Review and capture a new client base



Consistent efforts towards generating and serving future potential demand

## Capacity Expansion

Expanding the installed capacity by 2000 MT at Sandila by Q4 FY2024

## Sandila + Hamirpur

Budgeted Capex of Rs. 110 Crore for FY24

## Sandila + Hamirpur

Incurred Capex of Rs. 46 Crore till H1 FY24

### Sandila Plant

- Acquired a land adjacent to Sandila plant, which will significantly facilitate our expansion efforts
- Incorporating an additional block for Intermediate and another for Technical by H2 FY2024
- Expansion of ~2000 MT will take our total Technical and Intermediate capacity to 26,200 MT



### Hamirpur Plant

- EC received from MOEF for our Shalvis Hamirpur Project
- Initial production from Hamirpur plant is anticipated to be commissioned by Q4 FY24
- The future trajectory of our growth prospects is poised to be significantly augmented by the Hamirpur project.



We believe in **People, Process** and **Productivity**  
and follow highly customer centric approach



**Diversified and Trusted  
Customer Base**

Tie-ups with top  
chemicals companies  
in the world



**Global Presence**

Sales network in 25+  
countries



**In-House R&D in India**

Capable of designing  
and testing new and  
innovative products



**Quality Product Offerings**

Products comply with  
highest global standards

# GIVING BACK TO THE SOCIETY





## Empowering Agriculture

India Pesticides Limited (IPL) has exemplified its commitment to the farming community by actively engaging with farmers through impactful campaigning and enthusiastic participation in Farmer's exhibitions. Recognizing the crucial role farmers play in our society, IPL has undertaken several initiatives aimed at empowering and supporting the farming community. By fostering an environment of knowledge exchange, technology adoption, and sustainable practices, IPL is striving to contribute to the growth and prosperity of Indian agriculture





# Our CSR Involvement



## Rain Water Harvesting

This project is a collaborative effort with **HARITIKA**, an NGO specializing in environmental projects. We have secured the cooperation of two government schools, agreed to use us their rooftops for the development of rainwater harvesting systems. The project has already commenced at one of the schools.

Our project aims to conduct educational programs which will cover topics such as water conservation during activities like washing and instilling an understanding of the value of water among students.



## Samagra Sudhar

We've strategically chosen four villages for holistic development, instilling sustainability in the younger generation. Our recent Youth Mela, in collaboration with career counselors, reached around 90 youths, exposing them to career options and study paths. We've also aided 13 village youths in preparing for the CCC Exam. Concurrently, we're making progress in waste management activities. Our focus remains on comprehensive development and sustainability.



## Chhappi Tod; Halla Bol

**IPL** and "**Samadhan Abhiyan**" NGO are collaborating with UP Police and Judiciary to raise awareness of child sexual abuse, teach preventative measures, and improve the handling of such cases. Two "**Child Friendly Police Center**" are being built to provide a safe environment for impacted children to speak out and get motivated for the life ahead under the guidance of experts in the relevant field.

## PHILANTHROPY



- ✓ Blood Donation to Medical College by IPL Employees
- ✓ Delivering medicines for poor patients in hospitals around
- ✓ Nutritional supply for poor children in government hospitals
- ✓ Financial support for poor patients on their critical illness treatment
- ✓ Supporting aspiring sports persons on getting professional training and motivating through sports events



## Board and Management is committed to continuous growth and sustainability



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; 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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# INDIA PESTICIDES LIMITED



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