



**INDIA  
PESTICIDES  
LIMITED**



**Q4 FY23**

**EARNINGS PRESENTATION**



# Performance Highlights



## FY23

12M

↑ 23.2%

Total Revenue

INR 8,982 mn

12M

EBITDA

INR 2,102 mn  
Margin | 23.4%

12M

EBIT

INR 1,988 mn  
Margin | 22.1%

12M

PAT

INR 1,432 mn  
Margin | 15.9%

## Q4 FY23

Q4

↑ 10.8%

Total Revenue

INR 2,011 mn

Q4

EBITDA

INR 450 mn  
Margin | 22.4%

Q4

EBIT

INR 420 mn  
Margin | 20.9%

Q4

PAT

INR 300 mn  
Margin | 14.9%

ROE = 20% | ROCE = 27%

## Driving growth, delivering excellence and shaping a sustainable future in Agrochemical industry

*“Driven by the focus of onboarding customers through planned strategies, the Company’s financial performance continued to gain momentum throughout the year. Despite the heightened volatility in the business environment, the Company has delivered a 23.2% revenue growth in FY23, a testament to the successful outcomes of our initiatives. Cost control measures and an emphasis on working capital efficiency have been key contributors to this growth.*

*During the year, the Company’s lower profit margins were primarily due to a sudden decline in the cost of raw materials prices. This was compounded by the fact that we had high-cost inventory, making it difficult for us to fully pass on the increased costs to our customers. As a result, the Company incurred losses by carrying forward high-cost inventory. However, despite these temporary setbacks, the Company’s revenue growth reflects the successful implementation of its customer-focused strategies and diligent financial management.*

*Our Company achieved significant milestones during the quarter. Our newly launched herbicide technical product received TEQ certification in the European Union (EU), strengthening our export revenue potential and contributing to increased foreign exchange earnings for our country. Additionally, we obtained registration for one of our thiocarbamate products in the USA, further boosting our revenue. These achievements reflect our commitment to quality and compliance, setting the stage for future success.*

*Currently, the Company is focussed on introducing new products and expansion of the Hamirpur plant project. Our recently launched products continue to receive positive response from the market and making significant contribution to the topline.*

*We are pleased to announce that the board of directors has recommended a dividend of Rs. 0.75 per equity share on the face value of Rs. 1 each for FY23. This decision reflects our commitment to providing returns to our esteemed shareholders.*

*We are optimistic of our performance in FY24. At the same time, we are remaining committed to improving our product mix, ongoing branding initiatives and plans to expand our manufacturing capacities and enhance our distribution capabilities to capitalize on the growing demand for agrochemicals in India and overseas markets.*

*India Pesticides has always been working towards providing better solutions to farmers and improving their livelihood. We strongly believe in the bright future of Indian agriculture and Indian farmers. The Company remains optimistic about the growth prospects of our business and believe that these initiatives will help us to continue to deliver sustainable and profitable growth.”*

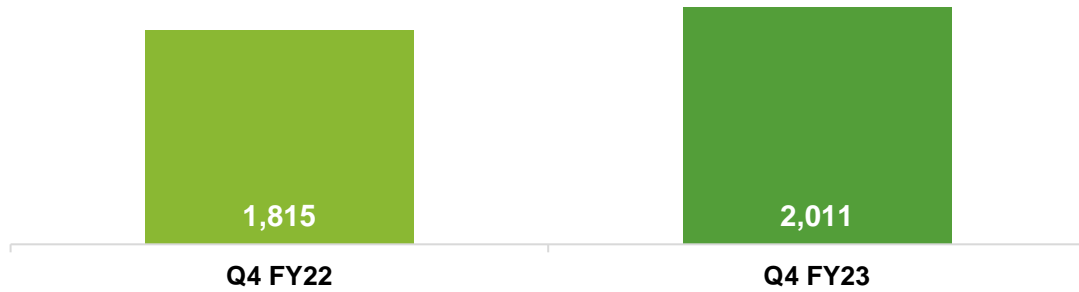
**Anand Swarup Agarwal, Chairman**

# Q4 FY23 Performance Highlights

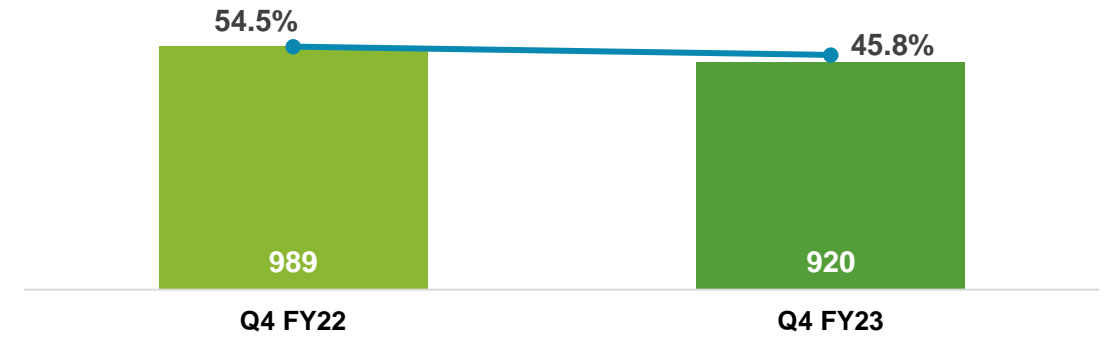


Rs in Million

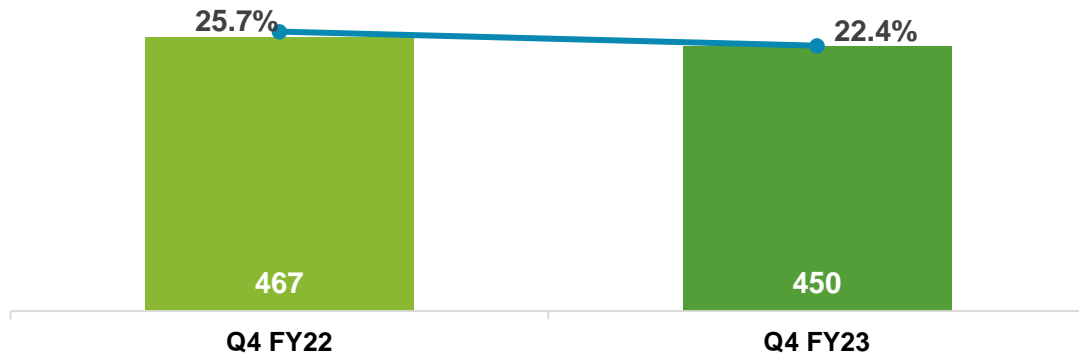
## Total Income



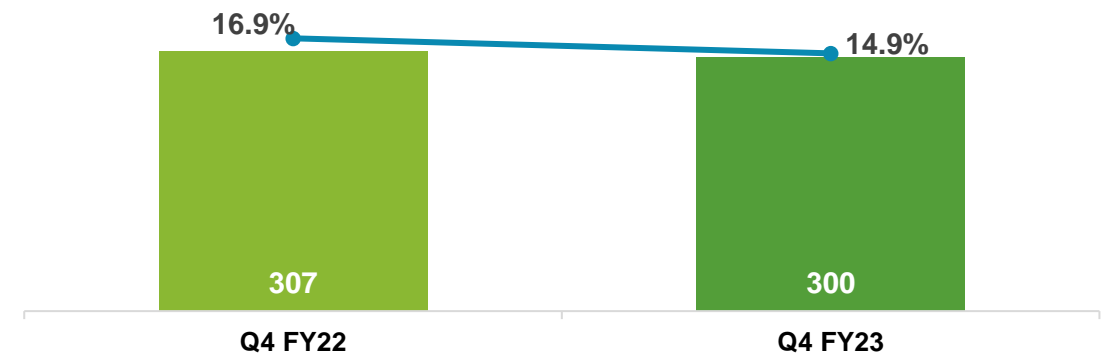
## Gross Profit and Margins



## EBITDA and Margins



## PAT and Margins

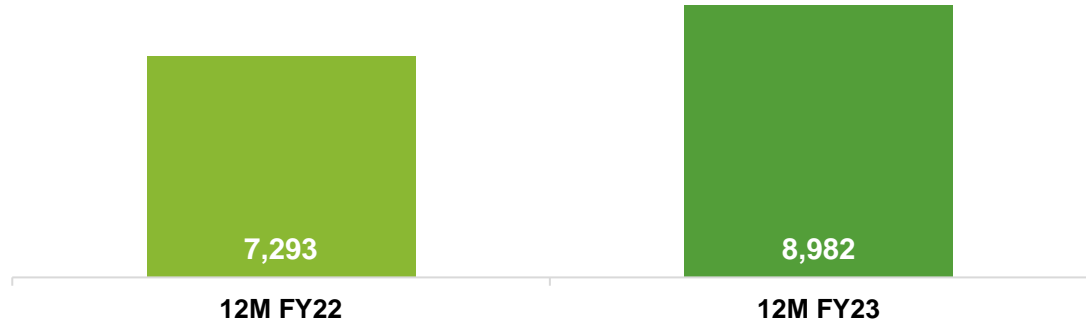


# FY23 Performance Highlights

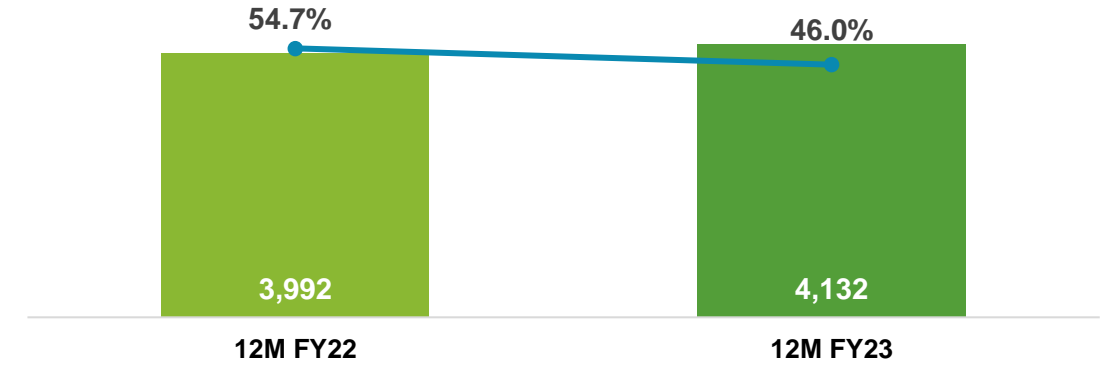


Rs in Million

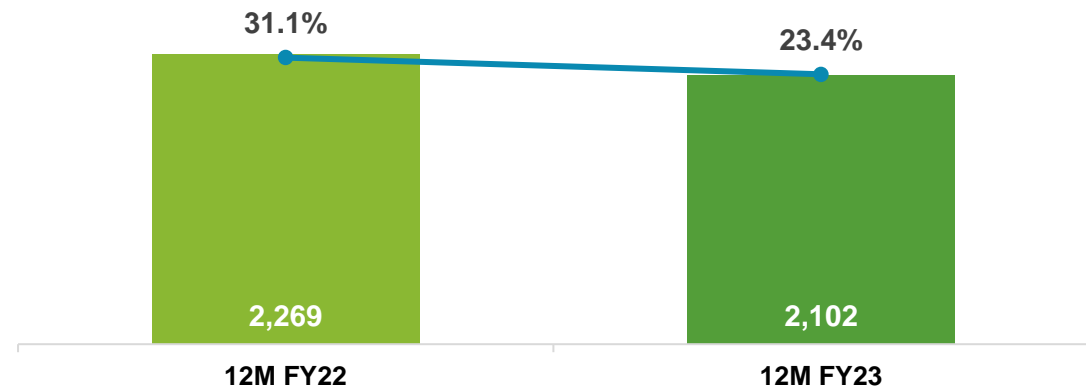
## Total Income



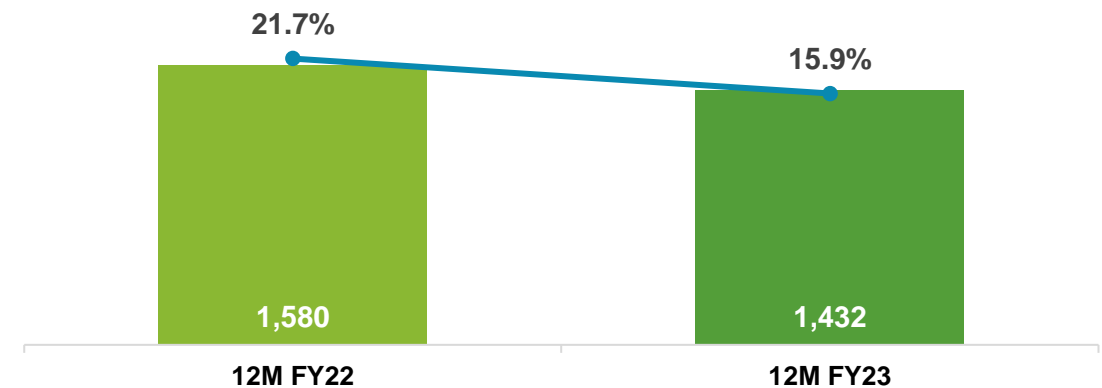
## Gross Profit and Margins



## EBITDA and Margins



## PAT and Margins



# Performance Summary



Robust growth supported by unique diversified product offerings

(Rs. Million)	Q4 FY23	Q4 FY22	Y-o-Y Change (%)	Q3 FY23	Q-o-Q Change (%)	FY23	FY22	Y-o-Y Change (%)
<b>Total Income</b>	<b>2,011</b>	<b>1,815</b>	<b>10.8%</b>	<b>2,222</b>	<b>(9.5)%</b>	<b>8,982</b>	<b>7,293</b>	<b>23.2%</b>
Gross Profit	920	989	(6.9)%	1,020	(9.8)%	4,132	3,992	3.5%
<i>Gross Margin (%)</i>	45.8%	54.5%		45.9%		46.0%	54.7%	
<b>EBITDA</b>	<b>450</b>	<b>467</b>	<b>(3.6)%</b>	<b>511</b>	<b>(11.9)%</b>	<b>2,102</b>	<b>2,269</b>	<b>(7.4)%</b>
<b>EBITDA Margin (%)</b>	<b>22.4%</b>	<b>25.7%</b>		<b>23.0%</b>		<b>23.4%</b>	<b>31.1%</b>	
EBIT	420	440	(4.7)%	481	(12.7)%	1,988	2,184	(9.0)%
<i>EBIT Margin (%)</i>	20.9%	24.3%		21.6%		22.1%	29.9%	
<b>PAT</b>	<b>300</b>	<b>307</b>	<b>(2.2)%</b>	<b>348</b>	<b>(13.8)%</b>	<b>1,432</b>	<b>1,580</b>	<b>(9.3)%</b>
<b>PAT Margin (%)</b>	<b>14.9%</b>	<b>16.9%</b>		<b>15.7%</b>		<b>15.9%</b>	<b>21.7%</b>	

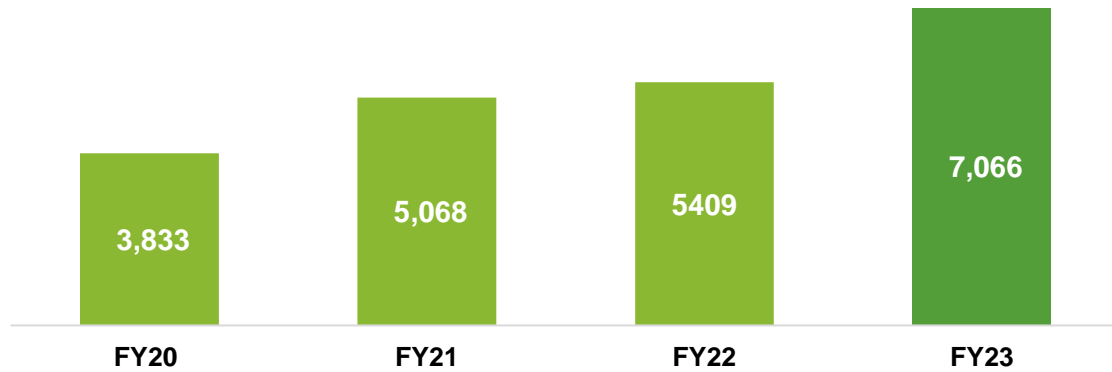
# Revenue Break-up



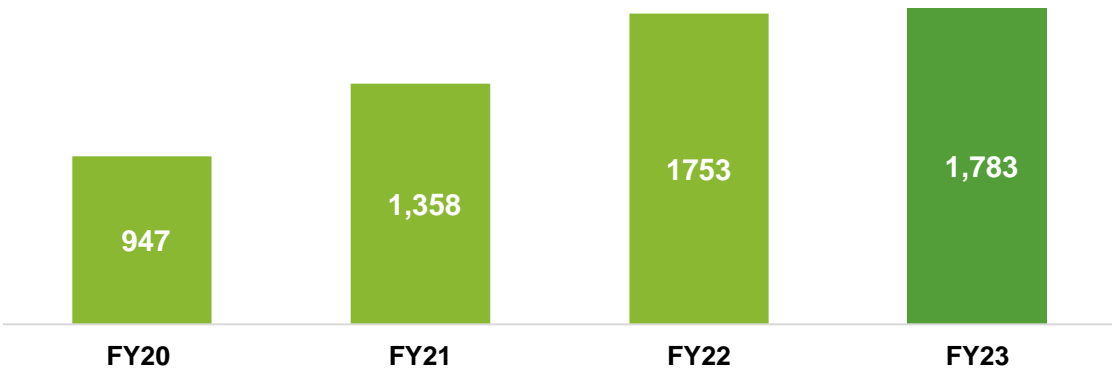
Technicals + APIs constitute 80% of total revenue during FY23

Rs in Million

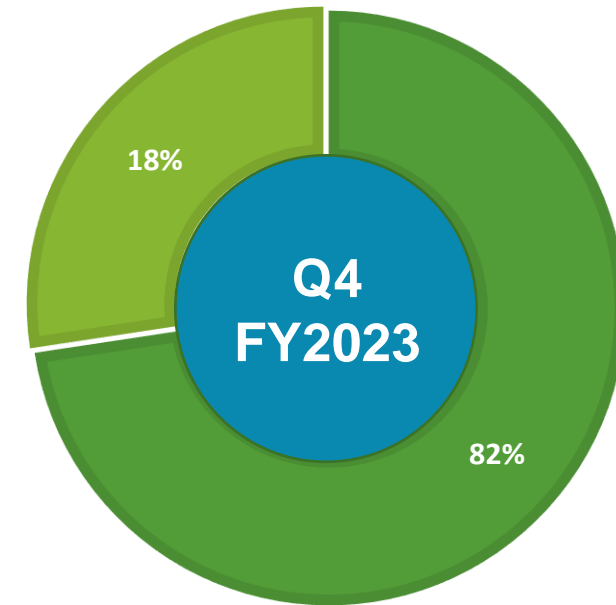
## Technicals + API



## Formulation



## Revenue Share



■ Technical + API ■ Formulations



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



2

Active Manufacturing Facility



2

In-house Laboratories



25+

Exporting Countries



58%~

Local Raw Material Sourcing



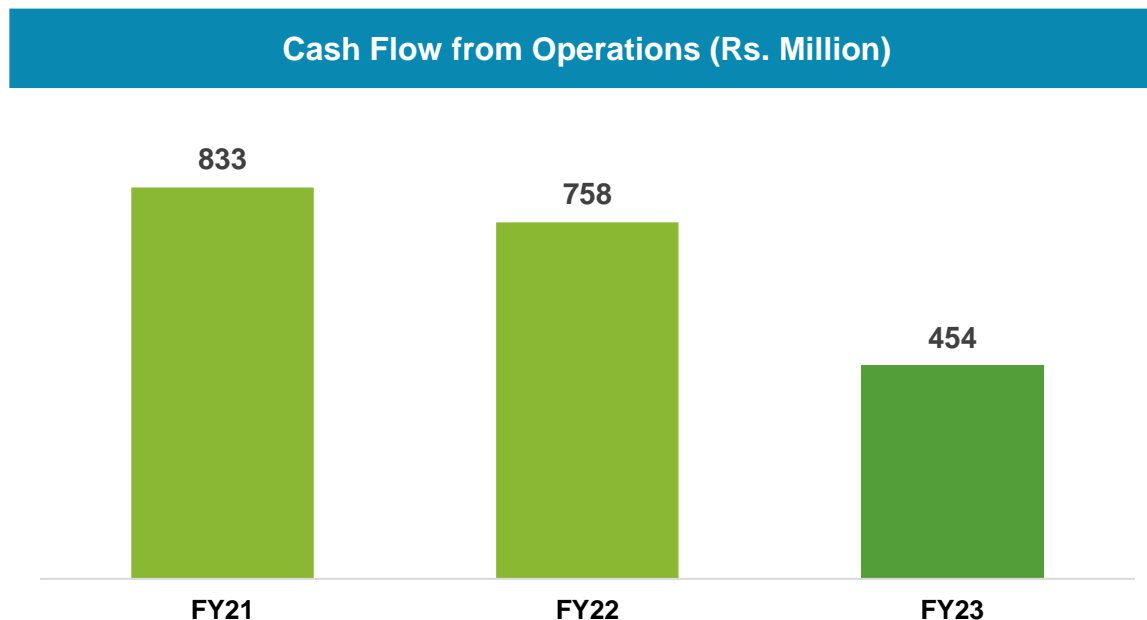
61%~

Top 10 Customer Revenues

- 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 as on 31.03.2023 of Technicals increased to 24,000 MT from 21,500 MT as on 31.03.2022 after launch of 2,500 MT capacity during FY23
- Manufacturing facilities in Lucknow & Hardoi districts in Uttar Pradesh
- 2 Advanced in-house laboratories registered with the Department of Scientific and Industrial Research (DSIR)
- Our Wholly Owned Subsidiary i.e. Shalvis Specialities Limited obtained EC and construction activities is in progress

Debt reduced by 77% ; Cash & bank balances at INR 986 mn

(Rs. In million)	31 <sup>st</sup> Mar 2021	31 <sup>st</sup> Mar 2022	31 <sup>st</sup> Mar 2023
Long Term Borrowings	74	36	17
Short Term Borrowings	228	119	19
<b>Total Debt</b>	<b>303</b>	<b>155</b>	<b>36</b>
Less: Cash & Bank Balance including long term FDR	437	1,068	986
Less: Investments	91	172	121
<b>Net Debt / (Cash)</b>	<b>(226)</b>	<b>(1,085)</b>	<b>(1071)</b>
Total Equity	3,895	6,379	7,732
Total Debt / Equity (x)	0.08x	0.02x	0.00x
Net Debt / Equity (x)	nm	nm	nm
Net Debt / LTM EBITDA (x)	nm	nm	nm



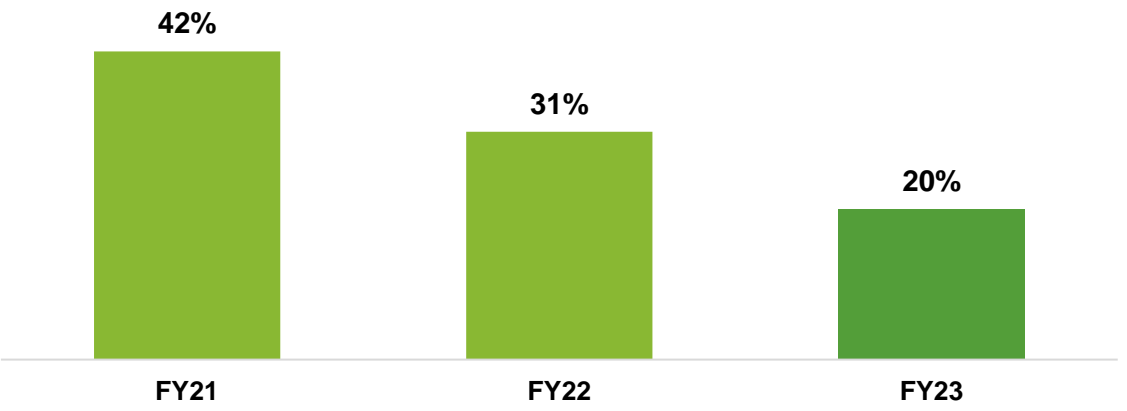
- Robust cash flow generation to support expansion initiatives
- Strong net cash position with improvement in cash flow generation

# Performance Highlights

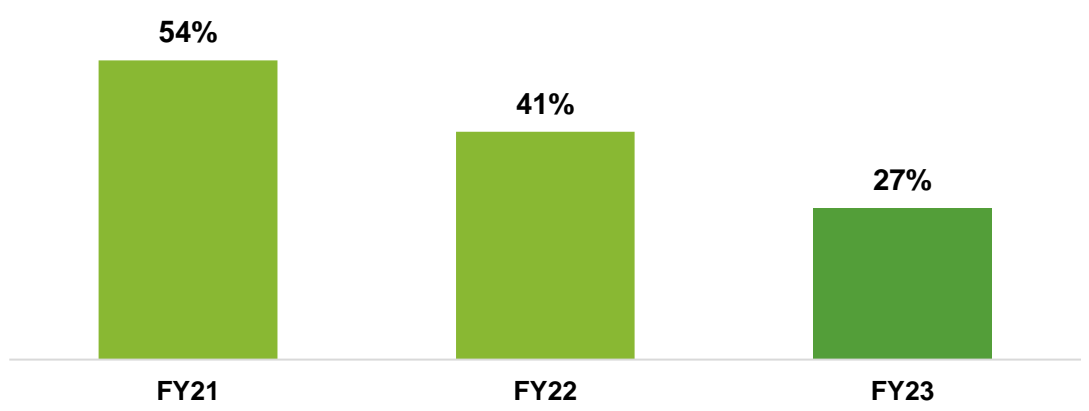


Return ratios declined due to new capacities and product launches; Return ratios are expected to normalize after new launches reach their revenue potential

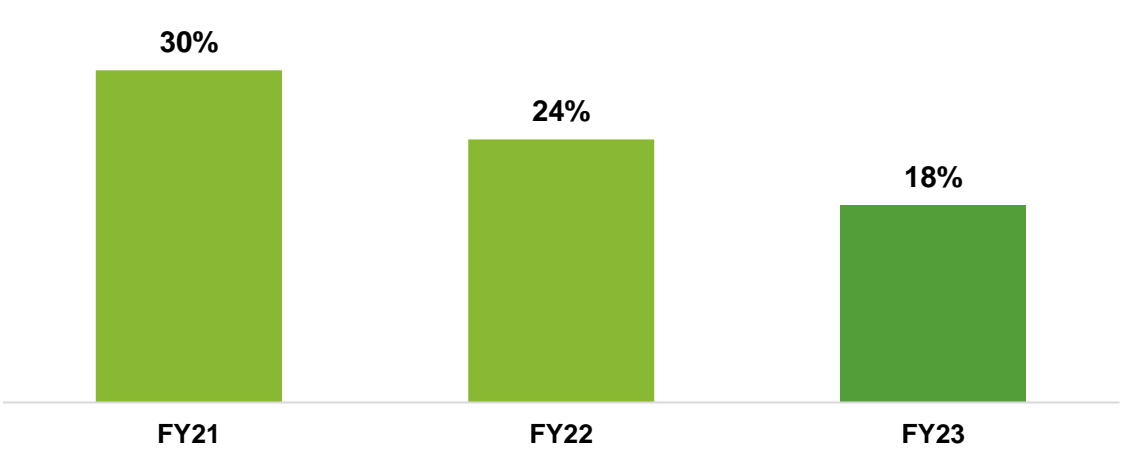
**ROE (%)**



**ROCE (%)**



**ROA (%)**



**Fixed Asset Turnover**

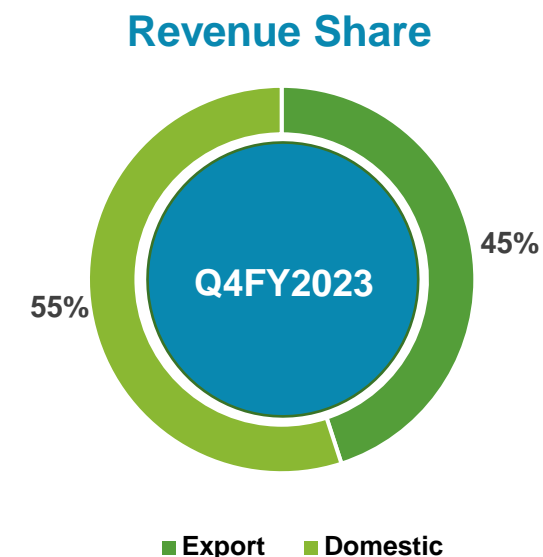


# Business Overview



Sole Indian manufacturer of certain Technicals and among the leading manufacturers globally

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
Pyriproxyfen	Insecticide	Used in field crops
Etridiazole	Fungicide	Green House
PEDA	Intermediate	Used For Pretilachlor



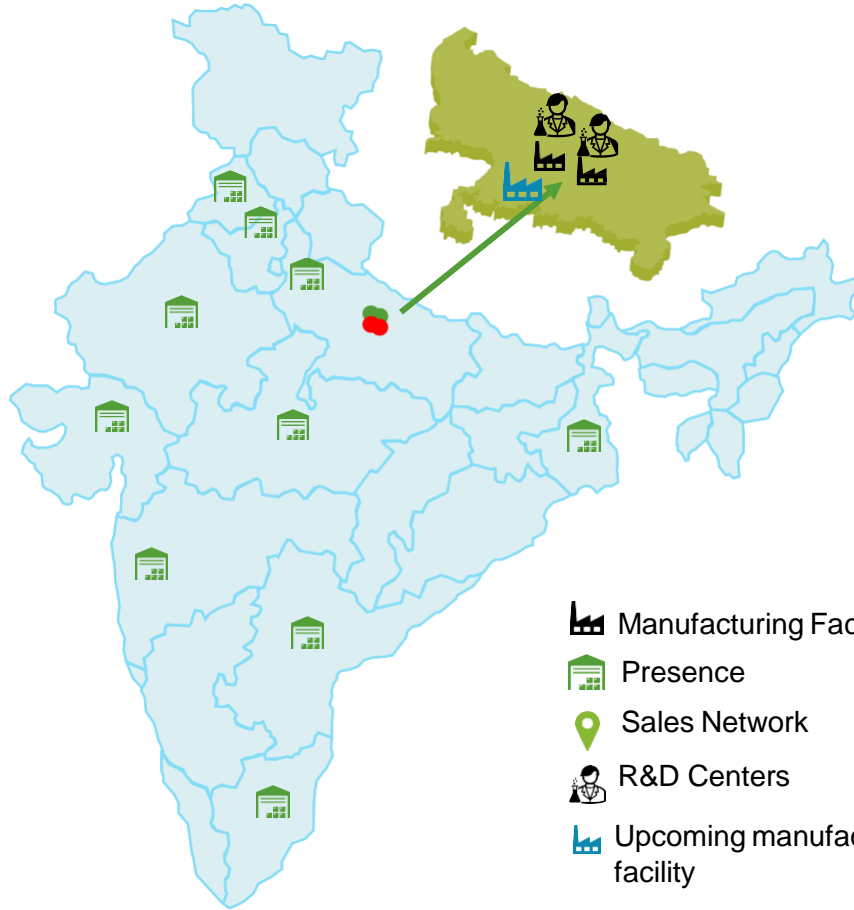
Branded Formulations	Category
Grip, Pendizet, Trisol, Clogold, Midash, Safer, Eliminator, Penda, Aatish	Herbicide
Dollar, Vardhan, Vecto, Trim, Sodhit, Captax-50, Natraj, Sanjeevani, Talwar	Fungicides
Carbo, Amida, Frem, Byprten, Immidiator, Tridev, Difen, Frame, Soldier, Crotax	Insecticides
Star, Talvar, 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	Technicals (MTPA)	Formulations (MTPA)
Dewa Road, Lucknow	2,100	3,000
Sandila, Hardoi	21,900	3,500
<b>Total</b>	<b>24,000</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

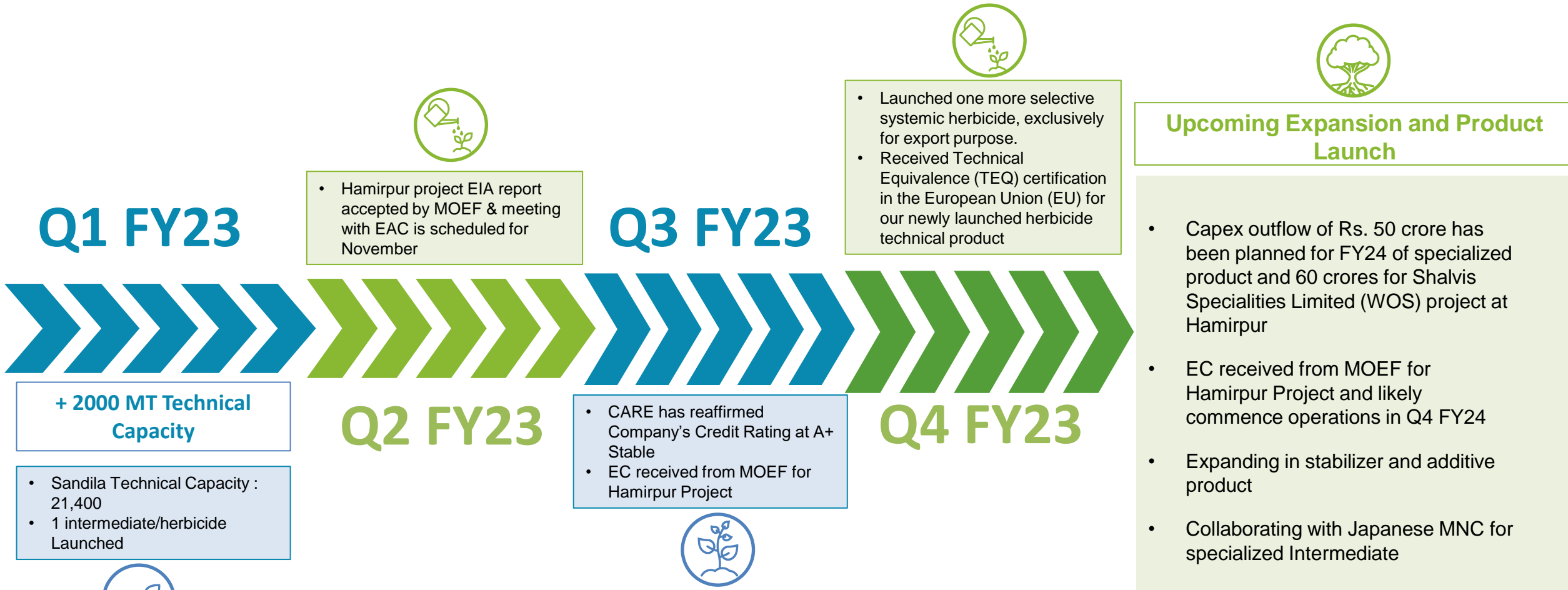
Key raw materials are available at nearby manufacturing facilities

Hamirpur Project progressing on schedule

# Capacity and Product Portfolio Expansion



Consistent efforts towards generating and serving future potential demand



## 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

### Strategy

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

#### R&D and Product Portfolio Expansion



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

#### Enhancing deliberated approach on ESG & HSE



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

#### Capitalize on industry opportunities



- Periodic strategy reviews to align growth with opportunities in agro-chemicals market
- Employing a ‘China plus one’ strategy and reducing dependence on China
- Review and Create new client base

#### Cost optimization and Capacity Expansion



# Our CSR Involvement



E




## Nutrition Garden & Food Forest

The project developed **5 Food Forests** in Lucknow and the events were held through education on environment protection. This on-going project has regular field visits and constant monitoring to ensure proper growth of plants. Moreover, the project established nutrition gardens viz. **“Bori Bagiya”** in urban slums where the poor are now able to add those vegetables and nutrition on their platter, which they were not able to afford.

S




## Samagra Sudhar

Two additional villages have been adopted to replicate successful practices, expanding our strategic focus on overall development. The Anganwadi building has been renovated and made functional after providing refresher training to workers. A maintenance checklist has also been introduced to ensure sustained improvements. Village schools have been upgraded, and solar streetlights have been installed in village streets.

G




## Chuppi Tod; Halla Bol

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



## PHILANTHROPY

- ✓ Enhancing equipment facilities in Blood Bank at KGMU – Lucknow (Medical College)
- ✓ 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
- ✓ Extending care for Cattle on their food supply



For more details, click on our company website CSR page: <https://bit.ly/3C2hm7J>

Please visit India Pesticides ESG Profile Link for more info: <https://bit.ly/3t2zhld>



**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; 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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