



NACL Industries Limited

Ref: NACL/SE/2023-24

January 20, 2024

1) BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400001

Stock Code: 524709

2) National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor, Plot No.C/1
G Block, Bandra –Kurla Complex
Bandra (E), Mumbai-400051

Symbol: NACLIND

Dear Sir,

Sub: Investor Presentation - reg.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the investor presentation for the second quarter ended September 30, 2023.

Kindly take the same into records.

Thanking you
for **NACL Industries Limited**

Satish Kumar Subudhi

Vice President-Legal & Company Secretary

Encl: As above





NACL

Industries Limited

Investor Presentation
Q2 & H 1 FY 2023 -24

This presentation may include statements, which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events.

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Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations.

OPERATIONAL HIGHLIGHTS





- During the first half of the fiscal year, exports played a pivotal role, contributing to more than 20% of the overall business. However, the exports sector faced challenges stemming from diminished demand, primarily influenced by two key factors. Firstly, all tiers in the distribution channel reduced their inventories to minimal levels. Secondly, the market witnessed small lot purchases due to fluctuating prices. The agricultural season, encountered exceptions in Australia, grappling with dry conditions, and the Indian subcontinent, experiencing erratic rains. The prevailing industry sentiment suggests an anticipation of a return to normalcy towards the end of Q1 in the upcoming fiscal year.

The business strategically prioritized the liquidation of high-priced inventory and adopted an agile approach to building stocks, except in cases where favorable cost positions are foreseen. Additionally, there is a concerted effort to diversify the business's presence across all segments, mitigating the risk associated with over-reliance on any particular segment. This proactive approach aims to enhance resilience and adaptability in the face of evolving market dynamics.

- In August, India experienced an unprecedented dry spell, significantly affecting demand and leading to the liquidation of materials during the second quarter. This adverse weather condition also had repercussions on reservoir levels, particularly impacting southern states. Coupled with the price erosion observed in generic molecules, the overall business environment became notably challenging. Despite these formidable challenges, the domestic retail sector surpassed expectations, demonstrating resilience by achieving a remarkable 34.80% increase in sales revenue compared to the corresponding quarter of the previous year.

Looking ahead to the third quarter of FY'24, a positive outlook prevails, notwithstanding the persisting challenges posed by low water storage levels in critical regions and the presence of high inventory. The ability of the domestic retail business to outperform in the face of such adversities instills confidence in the company's capacity to navigate and thrive in a complex business landscape.

- Domestic institutional business clocked robust growth in Q2, driven by higher volumes and product mix. This suggests a strong demand from institutions despite the broader economic challenges.
- The flagship technical plant located in Srikakulam (AP), while successfully achieving production targets, has launched a number of initiatives for cost reduction, quality improvement, savings in energy & waste management, safety and others. The formulation plant situated in Ethakota (AP), commenced in-house production of two crucial formulations.
- Throughout Q2 of the fiscal year 2023-24, the supply of essential raw materials for domestic products exhibited a relatively steady trend. Although China witnessed a decline in prices during the first quarter, stability was observed by the conclusion of Q2. However, potential disruptions loom, with factors such as the Ukraine conflict, Middle East tensions, and escalating electricity and crude oil prices in various regions posing risks to the stability.





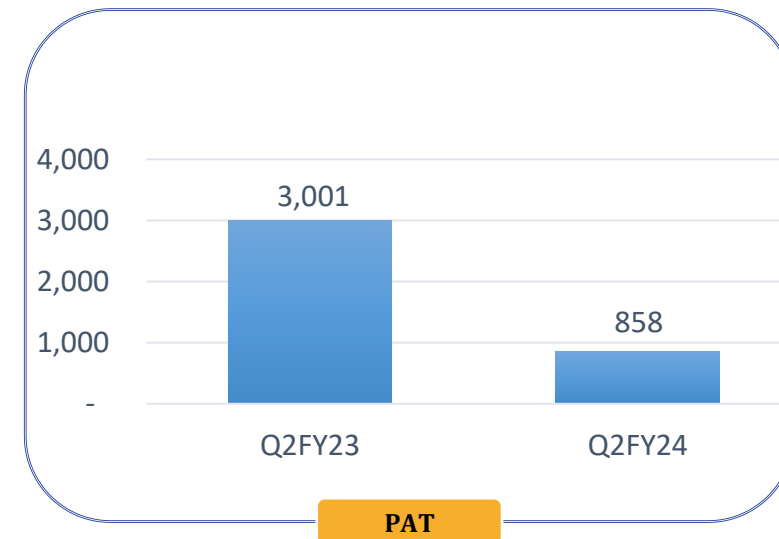
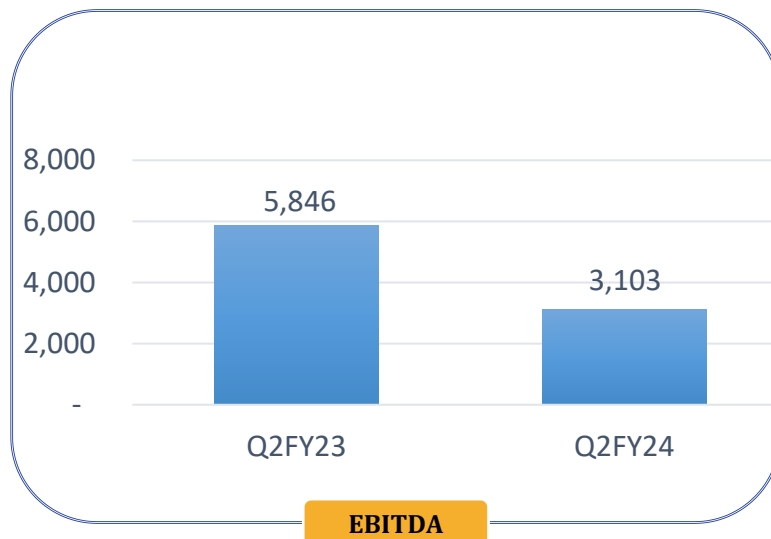
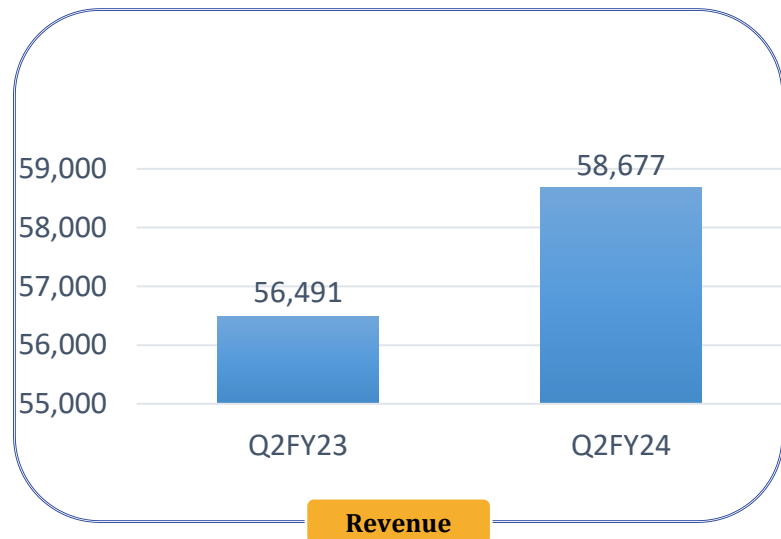
China's heightened production capacity, coupled with a subdued demand for finished products, has created a resistance to escalating prices despite the upward trajectory of input material costs. The market is anticipated to undergo a marginal price increase in Q4 as it adjusts to the intricate interplay of these factors. Navigating this dynamic landscape requires a vigilant approach to market conditions and a readiness to adapt to potential shifts in the global economic environment.

- The R&D team remains steadfast in its efforts, consistently engaging in the advancement of process development and synthesis for novel off-patent generic products. Simultaneously, the team is actively involved in formulating new recipes for a variety of patentable combinations.
- The Registration and Regulatory team is actively involved in the global registration process for our Technical (Active Ingredients), Formulations, and traded products. Through dedicated efforts, the Regulatory team has successfully submitted over 100 new dossiers for registrations across various countries worldwide. Additionally, the team has conducted in-house trials for several new combinations, identifying promising formulations for registration.

In line with our commitment to innovation, the company has taken a proactive approach by filing patent applications for more than 20 novel combinations of Insecticides, Fungicides, and Herbicides. This strategic move not only reinforces our dedication to regulatory compliance but also emphasizes our pursuit of intellectual property protection for groundbreaking formulations in the agricultural sector.

RESULTS SUMMARY





Revenue Breakup

Insecticides



17%

Herbicides



51%

Fungicides



(26%)

Plant Growth Regulators



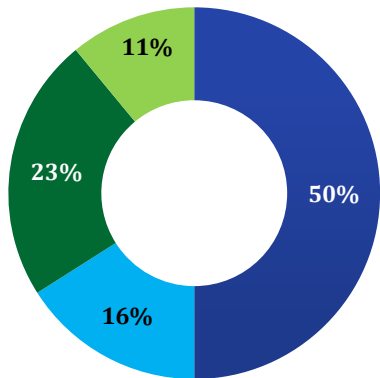
22%

	Insecticides	Herbicides	Fungicides	Plant Growth Regulators
QFY24	24,435	11,843	17,909	4,196
Q2FY23	20,876	7,833	24,097	3,434

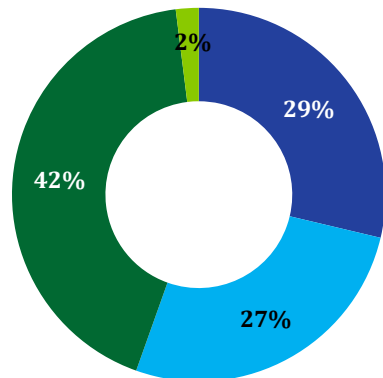
Q2FY24

Product Category-wise (%)

Formulation



Technical



■ Insecticides ■ Herbicides ■ Fungicides ■ Plant Growth Regulators, Nematicides & others

Geographical Revenue Split (₹ lakhs)

48,430

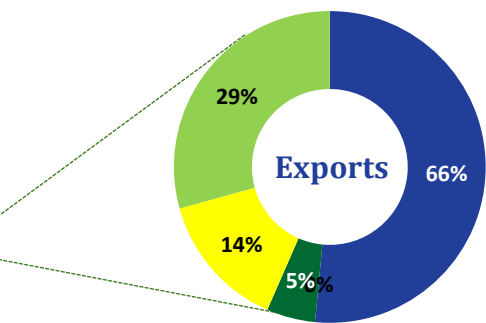


Domestic

10,247



Export

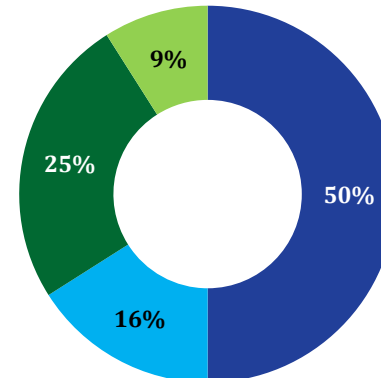


■ America ■ Europe ■ Australia ■ Africa ■ Asia

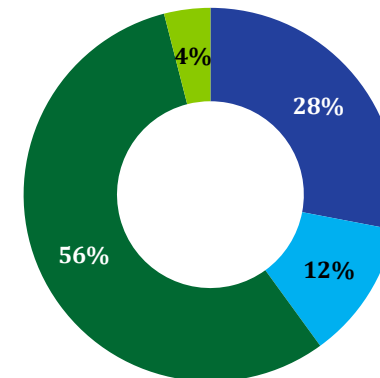
Q2FY23

Product Category-wise (%)

Formulation



Technical



■ Insecticides ■ Herbicides ■ Fungicides ■ Plant Growth Regulators, Nematicides & others

Geographical Revenue Split (₹ lakhs)

33,638

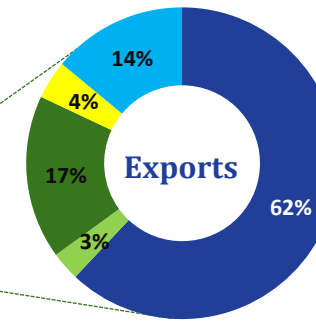


Domestic

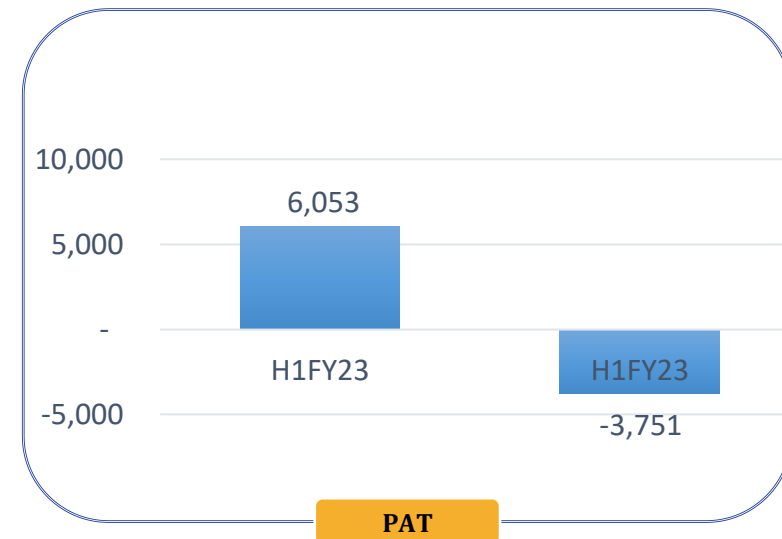
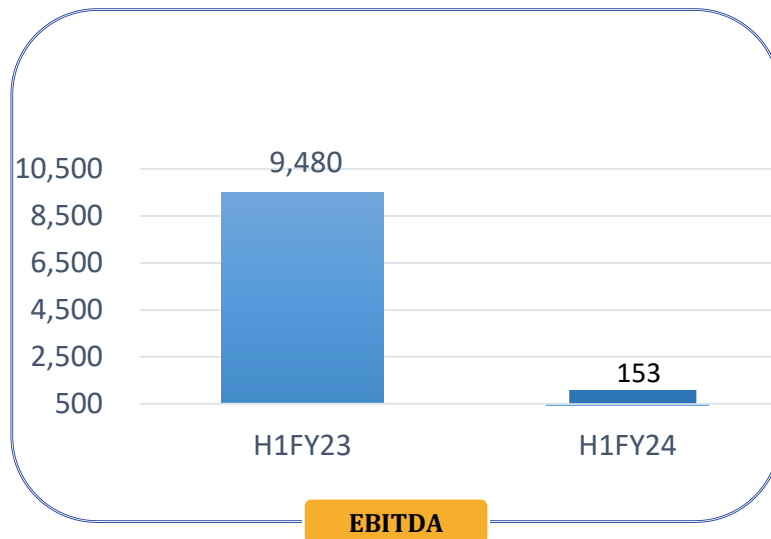
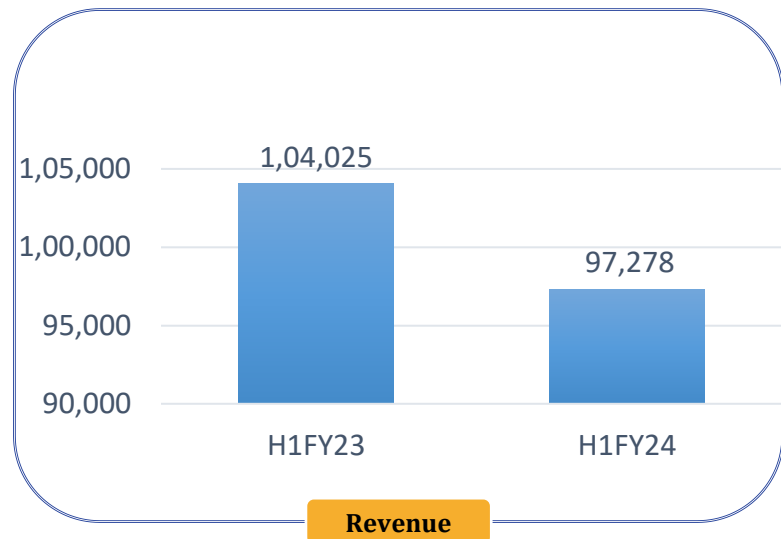
22,853



Export



■ America ■ Europe ■ Australia ■ Africa ■ Asia



Revenue Breakup

Insecticides



-4%

Herbicides



31%

Fungicides



-29%

Plant Growth Regulators



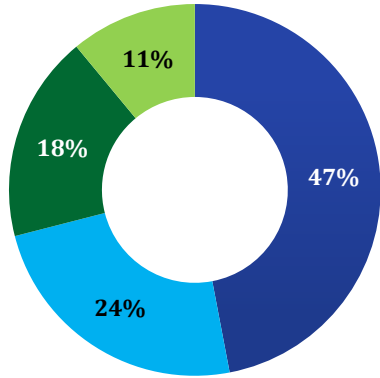
39%

	Insecticides	Herbicides	Fungicides	Plant Growth Regulators
H1FY24	36,641	22,542	29,961	7,384
H1FY23	38,486	17,152	42,138	5,294

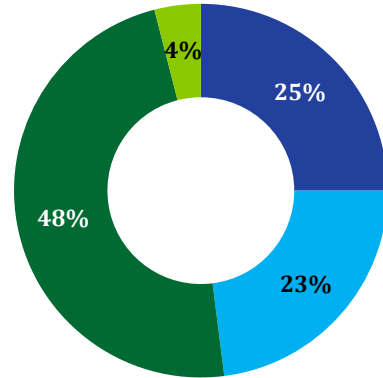
H1FY23

Product Category-wise (%)

Formulation



Technical

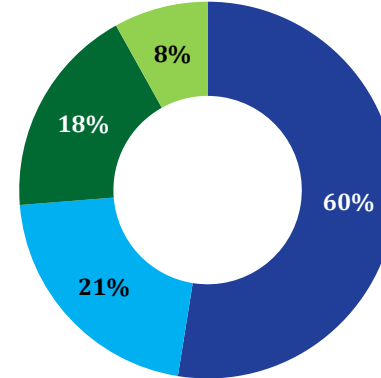


■ Insecticides ■ Herbicides ■ Fungicides ■ Plant Growth Regulators, Nematicides & others

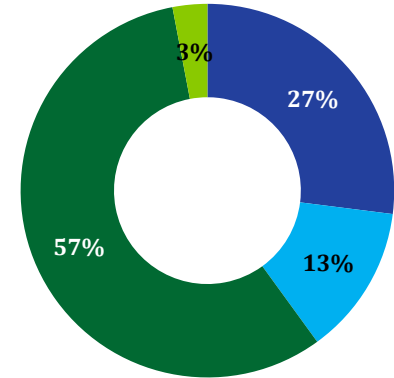
H1FY23

Product Category-wise (%)

Formulation



Technical



■ Insecticides ■ Herbicides ■ Fungicides ■ Plant Growth Regulators, Nematicides & others

Geographical Revenue Split (₹ lakhs)

75,895

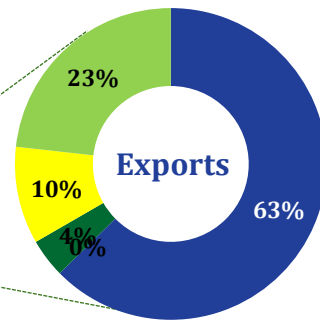


Domestic

21,382



Export



■ America ■ Europe ■ Australia ■ Africa ■ Asia

Geographical Revenue Split (₹ lakhs)

61,815

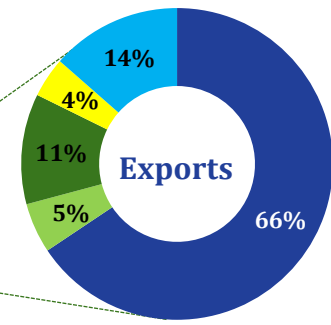


Domestic

42,210



Export



■ America ■ Europe ■ Australia ■ Africa ■ Asia

Profit and Loss – Q2FY24 (Standalone)

Particulars (₹ in lakhs)	Q2FY24	Q2FY23	Y-o-Y (%)	Q1FY24	Q-o-Q (%)	H1FY24	H1FY23	Y-o-Y (%)
Revenue from operations	58,677	56,491	3.8%	38,601	52%	97,278	1,04,025	(6.4%)
Other income	100	426	(76.5%)	288	(65%)	388	719	(46%)
Total Income	58,777	56,912	3.2%	38,889	51%	97,666	1,04,744	(6.7%)
Expenses:								
(a) Cost of materials consumed	35,835	39,415	(9.8%)	40,121	(10.6%)	75,956	80,682	(5.8%)
(b) Purchase of stock-in-trade	2,979	2,143	39%	2,812	5.9%	5,791	4,081	41%
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7,601	907	738%	(9,449)	(180%)	(1,848)	(5,879)	(68%)
(d) Employee benefits expense	3,105	2,836	9.4%	3,053	1.7%	6,158	5,460	12.7%
(e) Finance costs	1,527	1,162	31.4%	1,475	3.5%	3,002	2,098	43%
(f) Depreciation and amortisation expense	464	672	(30.9%)	438	6%	902	1,329	(32%)
(g) Other expenses	6,154	5,770	6.6%	5,302	16%	11,456	10,920	4.91
Total Expenses	57,665	52,905	9%	43,752	31.8%	1,01,417	98,691	2.7%
(Loss)/Profit before tax	1,112	4,012	(72%)	(4,863)	(122.8%)	(3,751)	6,053	(162%)
Tax expense:								
(a) Current tax		1,062					1,606	
(b) Deferred tax (net)	254	(51)		(1203)		(949)	(67)	
Total Tax Expense	254	1,011	(74.88%)	(1203)	(-121%)	(949)	1,539	(162%)
(Loss)/Profit for the period	858	3,001	(71%)	(3,660)	(123%)	(2,802)	4,514	(162%)
Earnings Per Share:								
(a) Basic (in ₹)	(0.43)	1.51		1.84		1.41	2.28	
(b) Diluted (in ₹)	(0.43)	1.51		1.83		1.40	2.27	



Profit and Loss – Q2FY24 (Consolidated)



Particulars (₹ in lakhs)	Q2FY24	Q2FY23	Y-o-Y (%)	Q1FY24	Q-o-Q (%)	H1FY24	H1FY23	Y-o-Y (%)
Revenue from operations	58,026	56,491	2.7%	37,591	54%	95,617	1,04,025	(8%)
Other income	63	283	(77%)	286	(78%)	349	445	(22%)
Total Income	58,089	56,774	2.3%	37,877	35%	95,966	1,04,470	(8%)
Expenses:								
(a) Cost of materials consumed	34,187	39,415	(13.2%)	38,380	(10.92)%	72,567	80,682	(10%)
(b) Purchase of stock-in-trade	2,979	2,143	39%	2,812	6%	5,791	4,081	42%
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7,939	907	775%	(9,774)	(181)%	(1,835)	(5,879)	(69%)
(d) Employee benefits expense	3,307	2,836	16%	3,253	2%	6,560	5,460	20%
(e) Finance costs	1,956	1,028	90%	1,825	7%	3,781	1,844	105%
(f) Depreciation and amortisation expense	680	673	1%	651	4%	1,331	1,331	
(g) Other expenses	6,558	5,770	13.6%	5,776	13.5%	12,334	10,920	13%
Total Expenses	57,606	52,772	9.1%	42,923	34%	1,00,529	98,439	2%
(Loss)/Profit before share of profit of associate	483	4,002	(87.9)%	(5,046)	1145%	(4,563)	6,031	(176%)
Share of profit / (loss) from Associate	85	(2)	(4350%)	(5)	(1800)%	80	(11)	(827%)
(Loss)/Profit before tax	568	4,000	(85.8)%	(5,051)	(111.25)%	(4,483)	6,020	(174%)
Tax expense:								
(a) Current tax		1,062					1,606	
(b) Deferred tax (net)	160	(51)		(1,245)		(1,085)	(67)	
Total Tax Expense	160	1,011	(84)%	(1,245)	(113)%	(1,085)	1,539	(170)%
(Loss)/Profit for the period	408	2,989	(86)%	(3,806)	(110)%	(3,398)	4,481	(177%)
Earnings Per Share:								
(a) Basic (in ₹)	0.21	1.51		(1.91)		(1.71)	2.26	
(b) Diluted (in ₹)	0.20	1.50		(1.91)		(1.70)	2.25	



Particulars (₹ in lakhs)	Standalone		Consolidated	
	H1FY24	FY23	H1FY24	FY23
ASSETS				
Non-current assets				
(a) Property, plant and equipment	22,786	20,760	39,686	36,924
(b) Right-to-use assets	160	286	2,984	3,125
(c) Capital work-in-progress	990	2,417	3,154	5,526
(d) Intangible assets	398	190	398	190
(e) Intangible assets under development	1,640	1,542	1,640	1,542
(f) Investments accounted for using the equity method			1,486	1,403
(g) Financial assets				
(i) Investments	10,797	10,652	1	1
(ii) Other financial assets	537	520	682	694
(h) Deferred tax assets (net)	47		325	144
(i) Income tax assets (net)	1,017	459	1,033	466
(j) Other non-current assets	814	356	889	356
Total non-current assets	39,186	37,182	52,278	50,371
Current assets				
(a) Inventories	42,716	48,418	43,621	49,101
(b) Financial assets				
(i) Trade receivables	85,273	77,054	83,344	77,151
(ii) Cash and cash equivalents	5,149	3,993	5,352	4,148
(iii) Other bank balances	3,354	3,197	3,354	3,197
(iv) Other financial assets	364	301		
(c) Other current assets	4,395	5,039	6,842	7,559
Total current assets	1,41,251	1,38,002	1,42,513	1,41,156
TOTAL ASSETS	1,80,437	1,75,184	1,94,791	1,91,527

Particulars (₹ in lakhs)	Standalone		Consolidated	
	H1FY24	FY23	H1FY24	FY23
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	1,988	1,988	1,988	1,988
(b) Other equity	52,517	55,753	51,577	55,406
Total equity	54,505	57,741	53,565	57,394
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	6,534	8,131	18,073	20,345
(ii) Lease liabilities	-	43	-	43
(iii) Other financial liabilities	82	107	-	-
(b) Provisions	1,433	1,312	1,449	1,323
(c) Deferred tax liabilities (net)	-	915	-	915
Total non-current liabilities	8,049	10,508	19,522	22,626
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	56,969	49,534	59,252	51,739
(ii) Lease liabilities	179	271	179	271
(iii) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises	5,641	3,685	7,645	5,029
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	44,033	43,205	42,917	43,422
(iv) Other financial liabilities	7,798	6,836	8,431	7,623
(b) Other current liabilities	2,472	1,720	2,488	1,738
(c) Provisions	507	1,284	508	401
(d) Income tax liabilities (net)	284	400	284	1,284
Total current liabilities	1,17,883	1,06,935	1,21,704	1,11,507
Total equity and liabilities	1,80,437	1,75,184	1,94,791	1,91,527

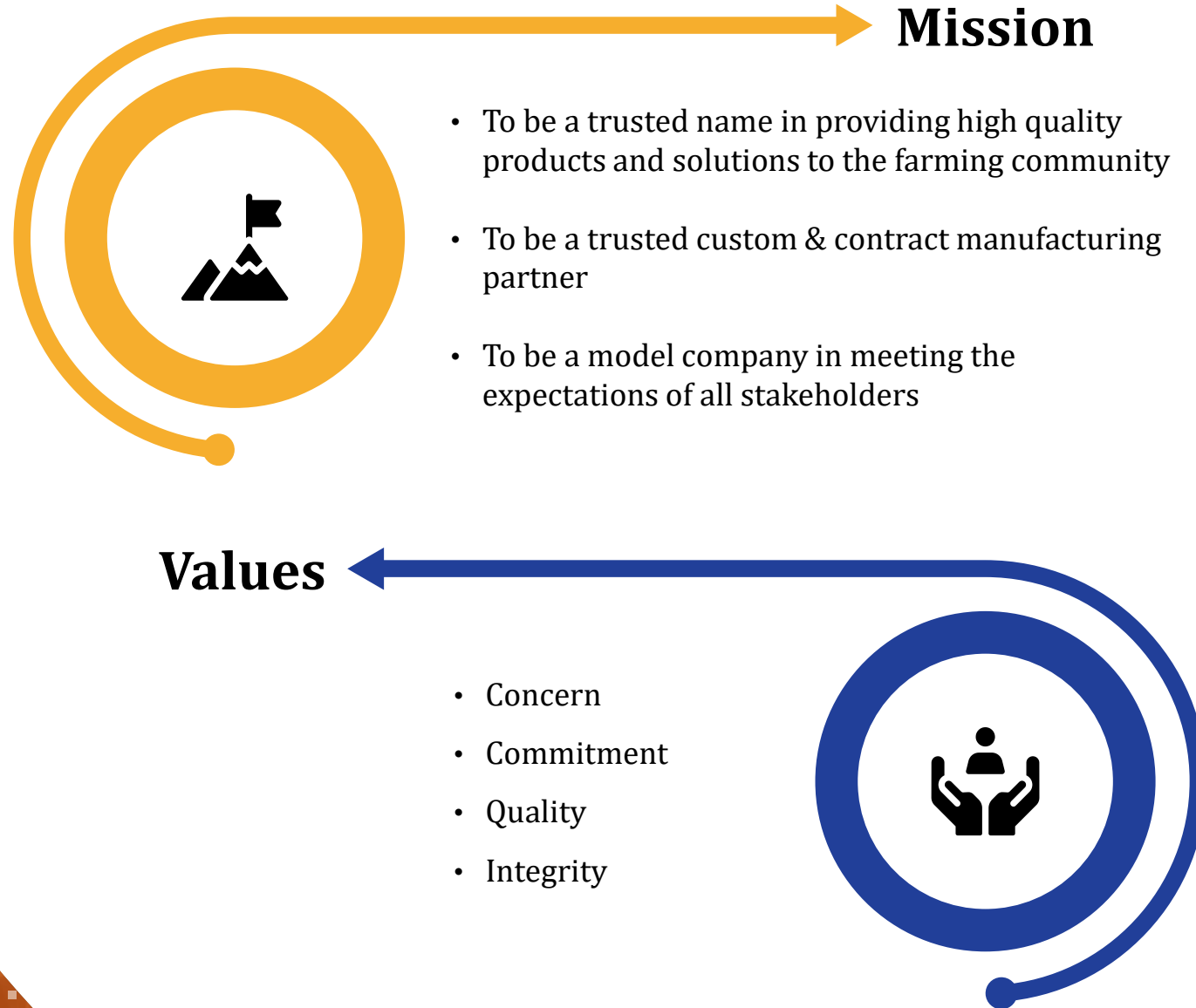
CORPORATE IDENTITY





NACL established itself as an Agrochemical player in 1993. The Company started as an Active Ingredient manufacturer and has built a sizable business in Domestic Retail, B2B and Exports, with many of the customers being large MNCs with long-standing relationships.

The Company has also emerged as a strong player in the formulations business with over 60 products covering all major crops. In formulations, the Company manufactures products in all major categories such as Insecticides, Herbicides, Fungicides and Plant Growth Regulators





1,400+
Employee Strength



31
Geographical
Presence



5
Million Farmers
(Customers)



4
Manufacturing
Units



30
Years of
Experience



66+
Branded Products



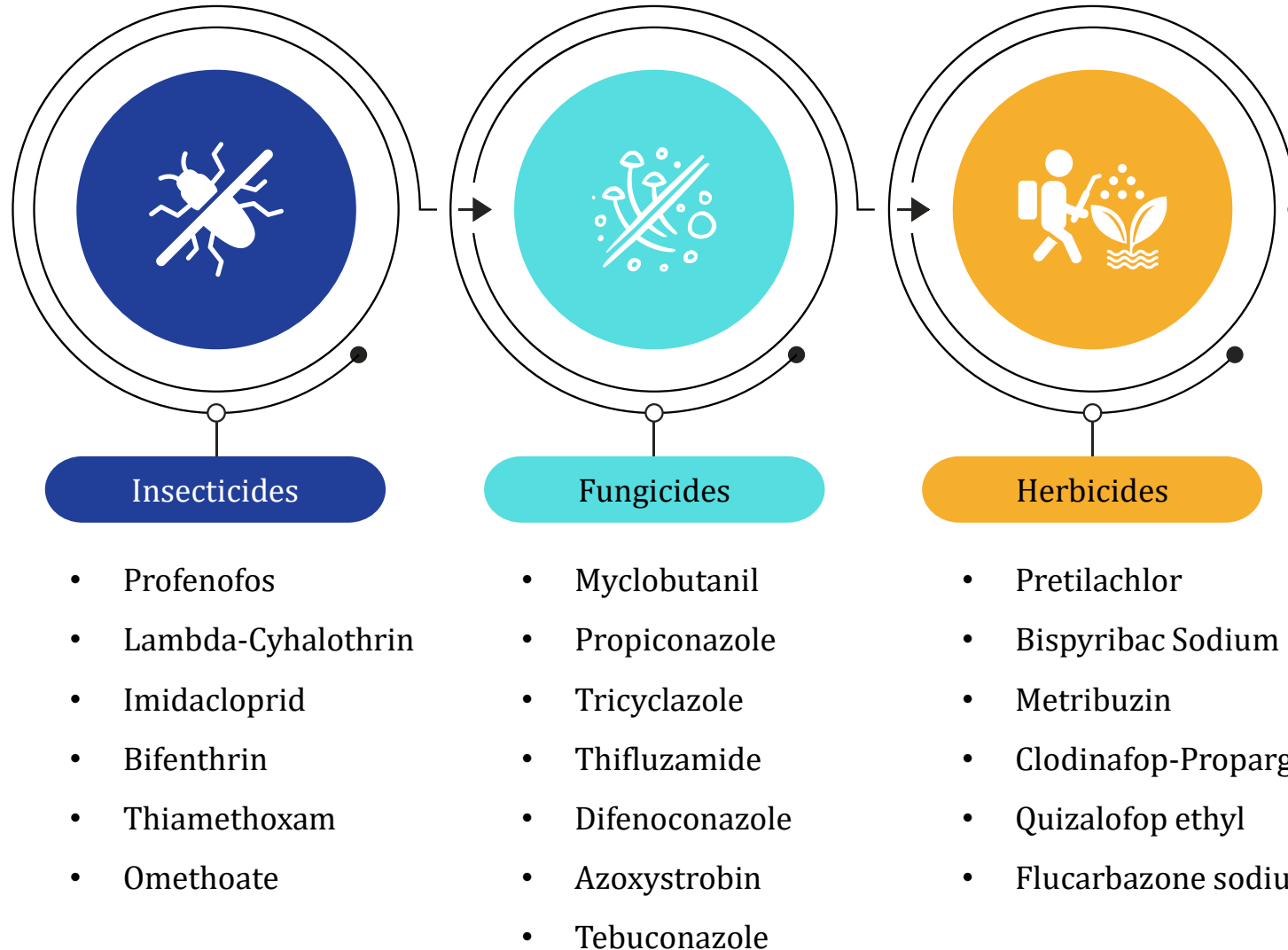
31 - Countries

1,400+ - Employees

04 - Manufacturing Plants

29% - Revenue from International

Technicals



Insecticides



- Bushi
- Cairo
- Cannon
- Dxtar
- Dxtar FS

- Ennova
- Fenny
- Force
- Force Super
- Fury

- Hurricane Plus
- Monocrown
- Nagarjuna 4G
- Nagarjuna Mantle
- Nagarjuna Spice
- Quick SP

- Nagarjuna Mida
- Profex
- Profex Super
- Pymet
- Pest Lock
- Trust

- Status
- Syndicate
- Task Gr
- Task SC
- Warrior
- Warrior Plus

Fungicides



- Combi plus
- Font
- Index

- Kazan
- Teeka
- Mass Plus

- Result
- Sivic
- Slogan

- Subtle
- Trica
- Zeb

- Zen
- Oscar

Herbicides



- Erazе
- Erazе - N
- Erazе Pluse
- Globus

- Globus SG
- Goemon
- Imax
- Twofour

- Nagastra
- Nagastra Strong
- Narilon
- Point

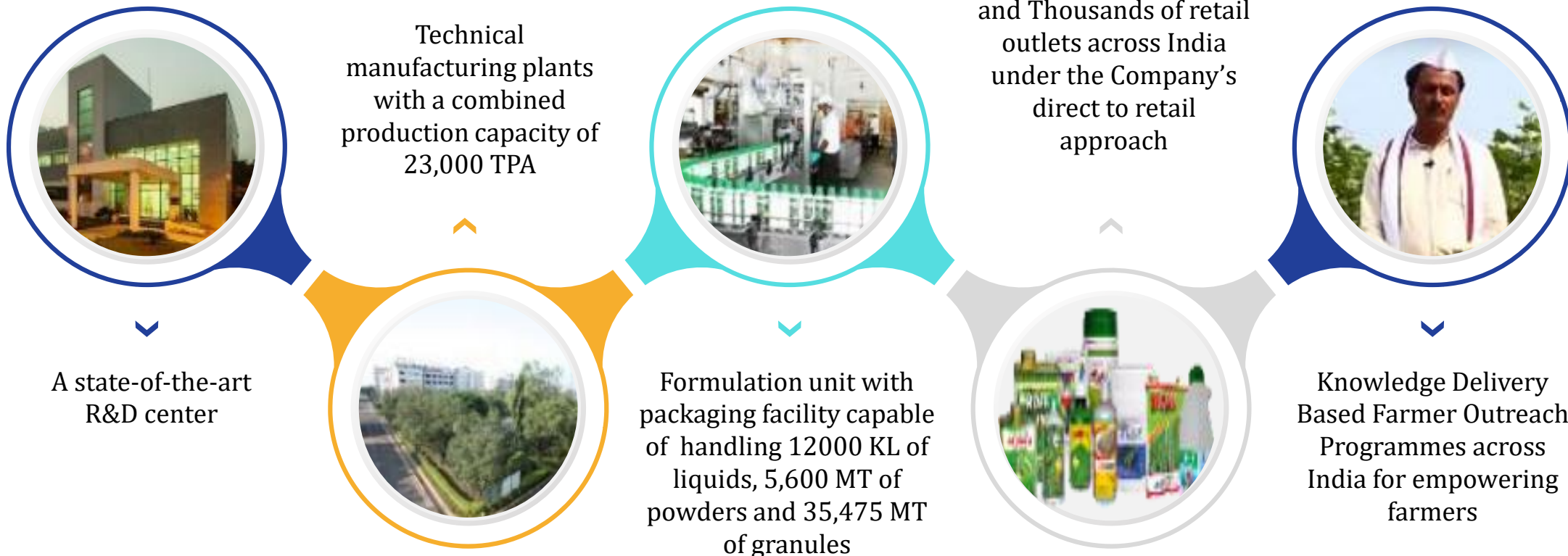
- Nagarjuna Cubit
- Nagarjuna Dicaught
- Nagarjuna Dicaught Plus
- Smash
- Surya
- Temboguard

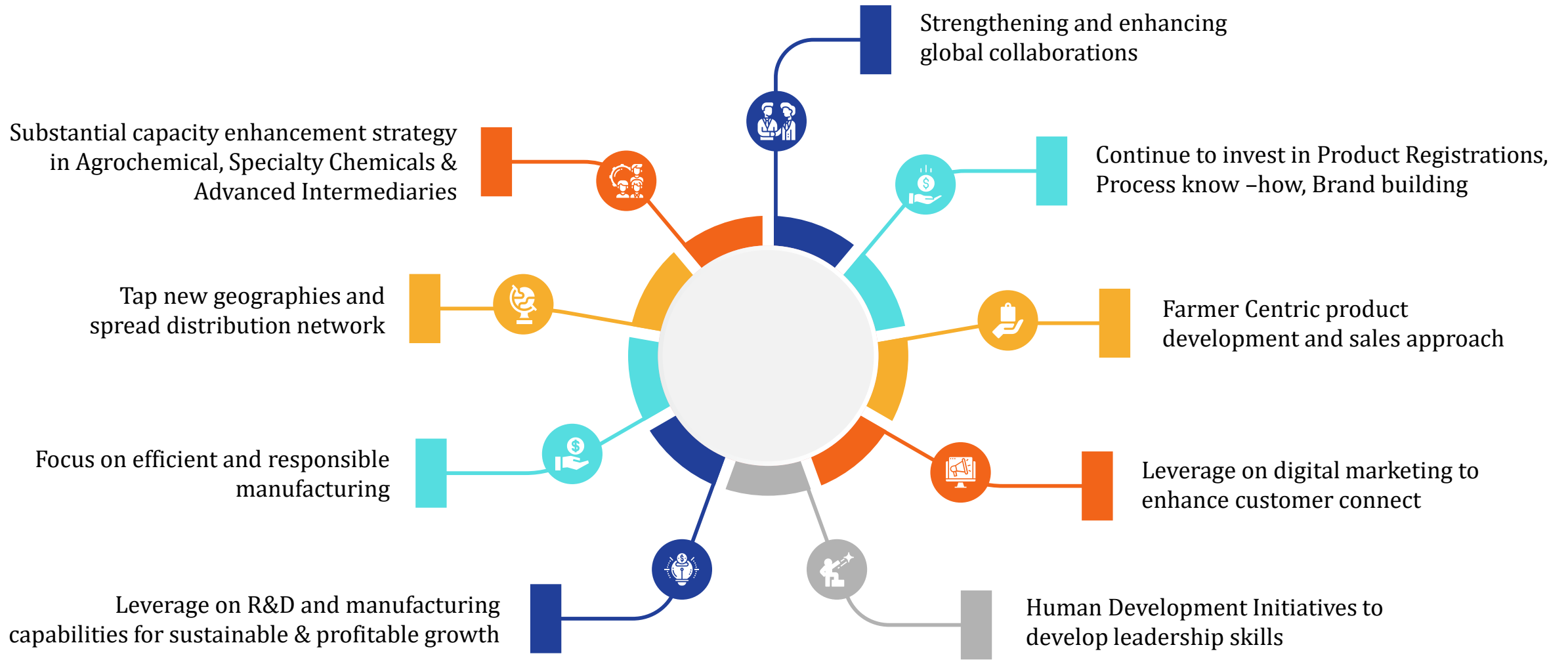
- Rihno
- Rozzer
- Senior
- Sirius

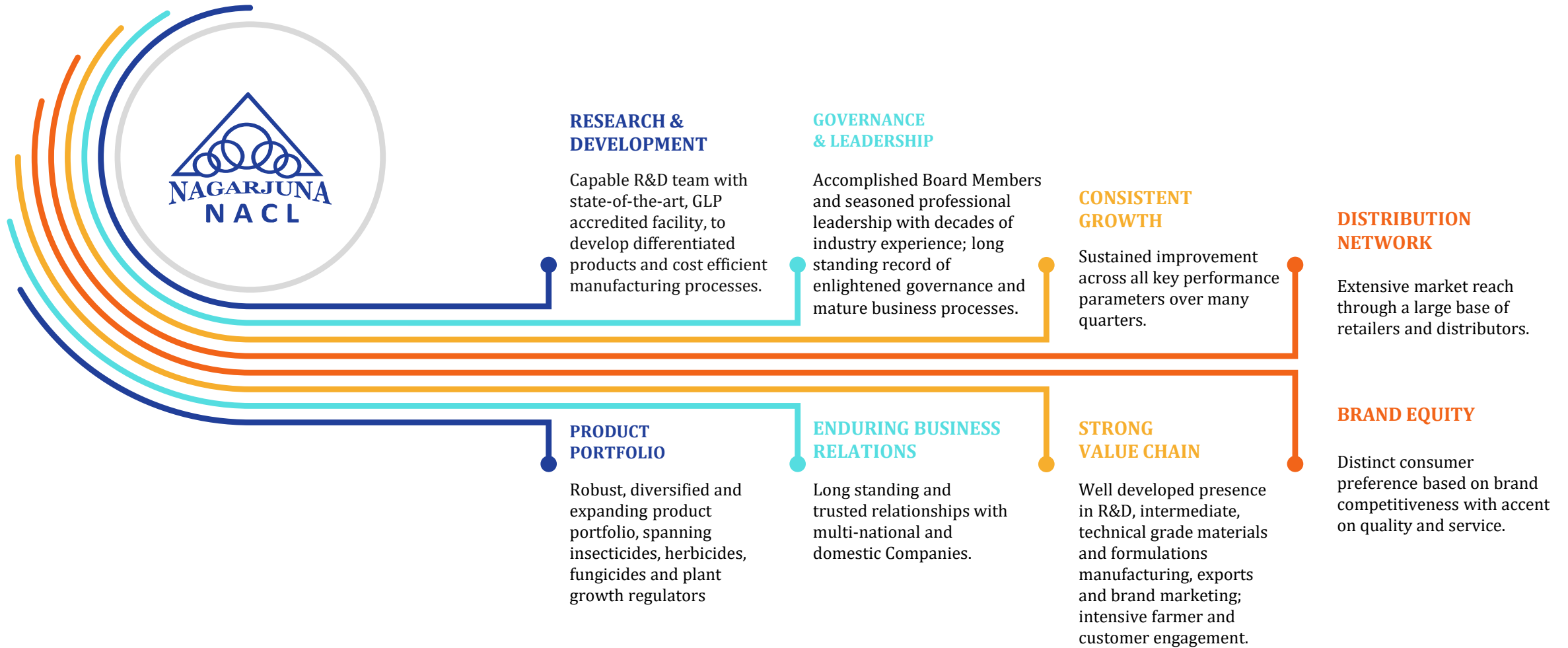
Plant Growth Regulators



- Atonik
- Gallant EG
- Gallant Gold







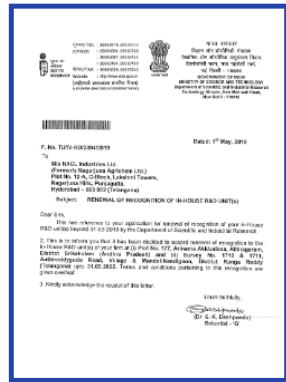
RC certificate



GLP certificate



DSIR



R&D Facility

ISO Accreditations



ISO 45001:2018



ISO 14001:2015



ISO 9001:2015

NABL Accreditations



R&D Facility



Ethakota Unit



Srikakulam Unit



Greentech Award

NACL has bagged the “Greentech Environment Silver Award” for the year 2018 from New Delhi-based Greentech Foundation, for its best efforts towards environment protection and conservation.



Suraksha Puraskar

NACL's Srikakulam Unit has bagged the prestigious “Suraksha Puraskar” Award for the year 2017 from the National Safety Council of India, for its best safety practices.



Certificate of Appreciation

NACL's Ethakota Unit has bagged the prestigious SAFETY AWARD for the year 2018,2019 & 2020 from the National Safety Council of India, for its best safety practices.



Best Management Award

NACL's manufacturing units situated at Srikakulam and Ethakota, Andhra Pradesh have been conferred with “Best Management Award” by the Government of Andhra Pradesh for the years 2015 & 2018.



Water Management Award

Srikakulam won CII National Award in Water management for the year 2019.



Industry Champion Award 2021

NACL's Srikakulam Unit bagged prestigious “Andhra Pradesh Industry Champion Award 2021” from the Government of Andhra Pradesh.



ABSA Company of the Year Award 2022

NACL's received Agri Business Summit Agri (ABSA) award 2022 under the category " Company of the year“ from the Honorable Agriculture Minister for Telangana Mr. S. Niranjana Reddy

Indian Agrochemical Market

India is the fourth-largest producer of agrochemicals in the world after USA, Japan and China. The Indian agrochemical market are expected to continue to grow between 5% and 6% through 2030. Government has identified the agrochemical industry as one of the 12 champion industries where India can play a significant role in the global supply chain, recognising its potential.

01



Food Security

According to an estimate, India would require more than 450 million tonnes of food grains to feed 1.65 billion people by 2050 which will be a very difficult task. Similar challenges the world would face in terms of stepping up food production to meet the growing needs of the world population.

02



Government Initiative

The government's support for agriculture has been remarkable in several respects. Government has invested in several projects to increase farmers' incomes, boost agricultural infrastructure, strengthen Farmer Producer Organisations (FPOs) through aggregation, and facilitate digital infrastructure for agriculture. All of these measures should help to plug gaps in the agricultural ecosystem.

03



Exports

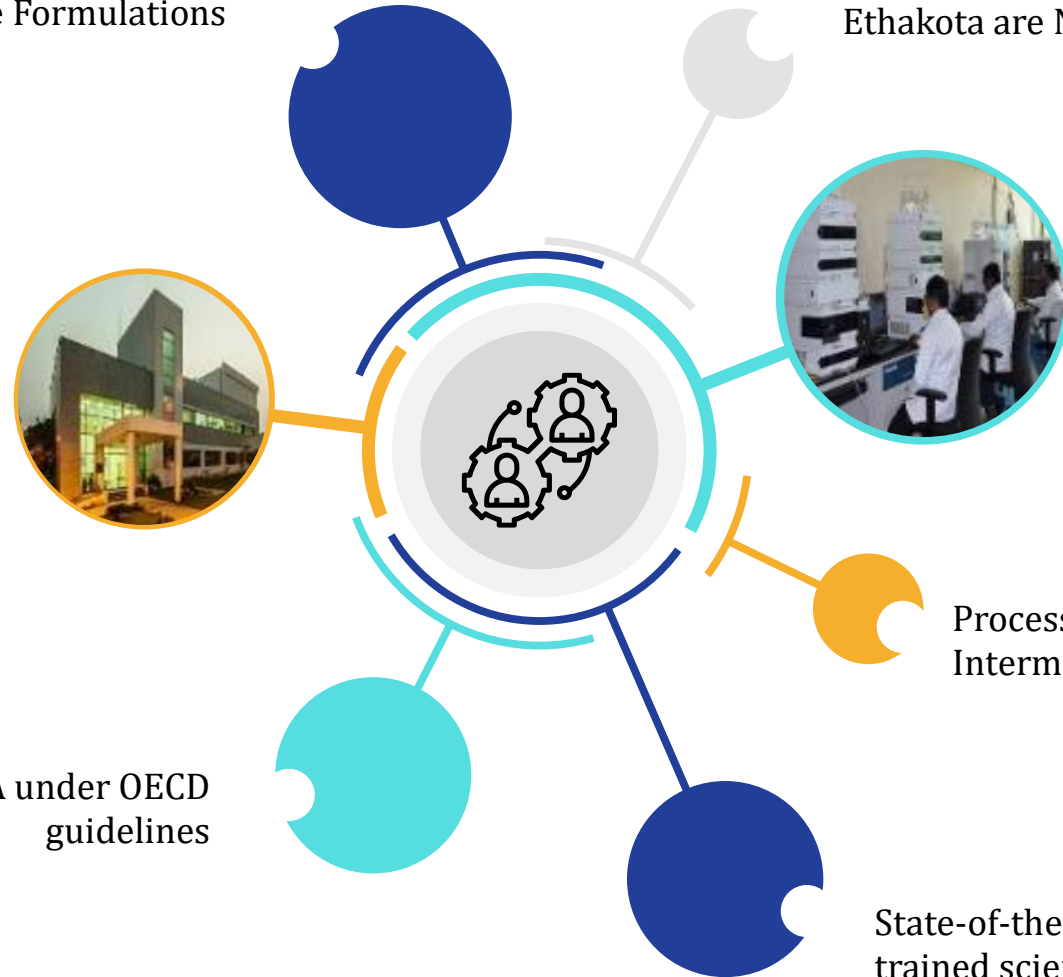
Due to the inherent strength of cost-effective production and qualified manpower, India is one of the leading exporters of crop protection chemicals. Unlike domestic demand growth which fluctuates depending on the rainfall pattern, agrochemicals exports have been increased steadily. Almost 50% of agrochemicals are exported from India to the world.

04



Development of new generation, environment friendly and safe Formulations

R&D labs at Shadnagar and Srikakulam are DSIR recognized. Quality Control labs in the above locations and Ethakota are NABL accredited.



Process development of Active Ingredients and Intermediates

State-of-the-art R&D manned by highly qualified and trained scientists

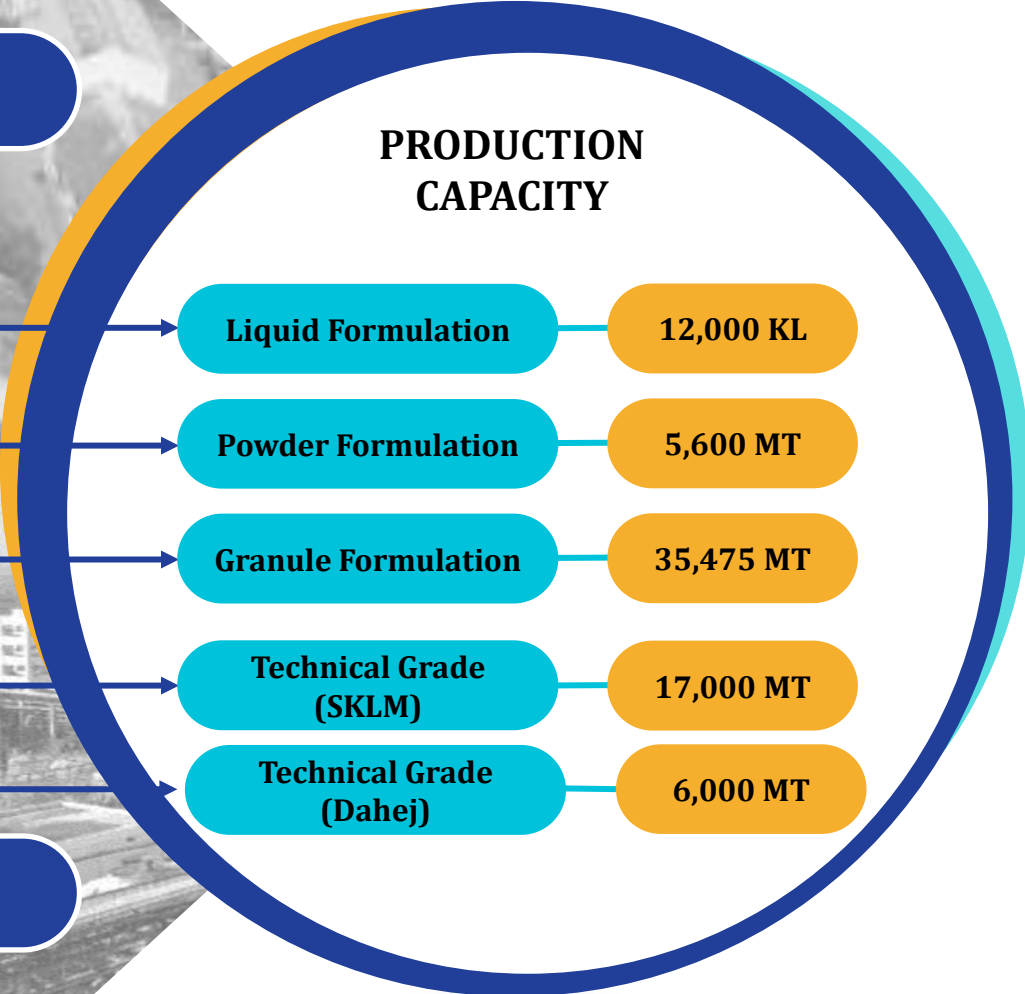
R&D lab is GLP Certified by NGCMA under OECD guidelines



Ethakota Unit 1, AP
Ethakota Unit 2, AP



Srikakulam Unit, AP
Dahej Unit, GJ



PRODUCTION CAPACITY

Liquid Formulation 12,000 KL

Powder Formulation 5,600 MT

Granule Formulation 35,475 MT

Technical Grade (SKLM) 17,000 MT

Technical Grade (Dahej) 6,000 MT

BROWNFIELD PROJECT

**NACL Industries Limited, Srikakulam,
Andhra Pradesh**

Srikakulam Technical Plant is in process of increasing the capacity from **17,000** MT/Annum to **25,000** MT/Annum.

GREENFIELD PROJECTS

**NACL Multichem Private Limited,
Ranastharam Mandal, Srikakulam**

NACL Multichem, a Wholly Owned Subsidiary of NACL is in the advanced stage of acquiring additional land and obtaining necessary approvals/licenses. capacity **38,000 MT/ Annum** in phases



Strong EHS systems, processes, inspection and training who enhance awareness and ensure practices

Manufacturing Plants are certified Integrated Management Systems related to quality, environment, health and safety (ISO) with adequately green belt cover

State-of-the-art Zero Liquid Discharge (ZLD) plants at Srikakulam and Ethakota.

Plants equipped with occupational health facilities, professional trained staff and instituted practices

Efficient equipment for reduced energy consumption.



SHAREHOLDER'S INFORMATION

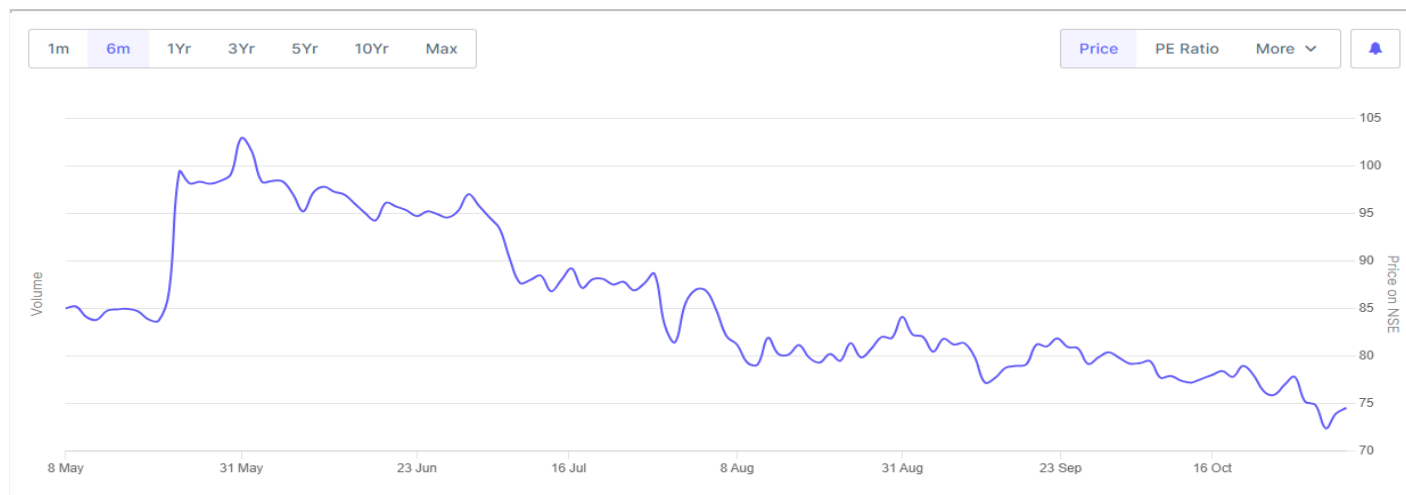


Stock Information (as on September 30, 2023)

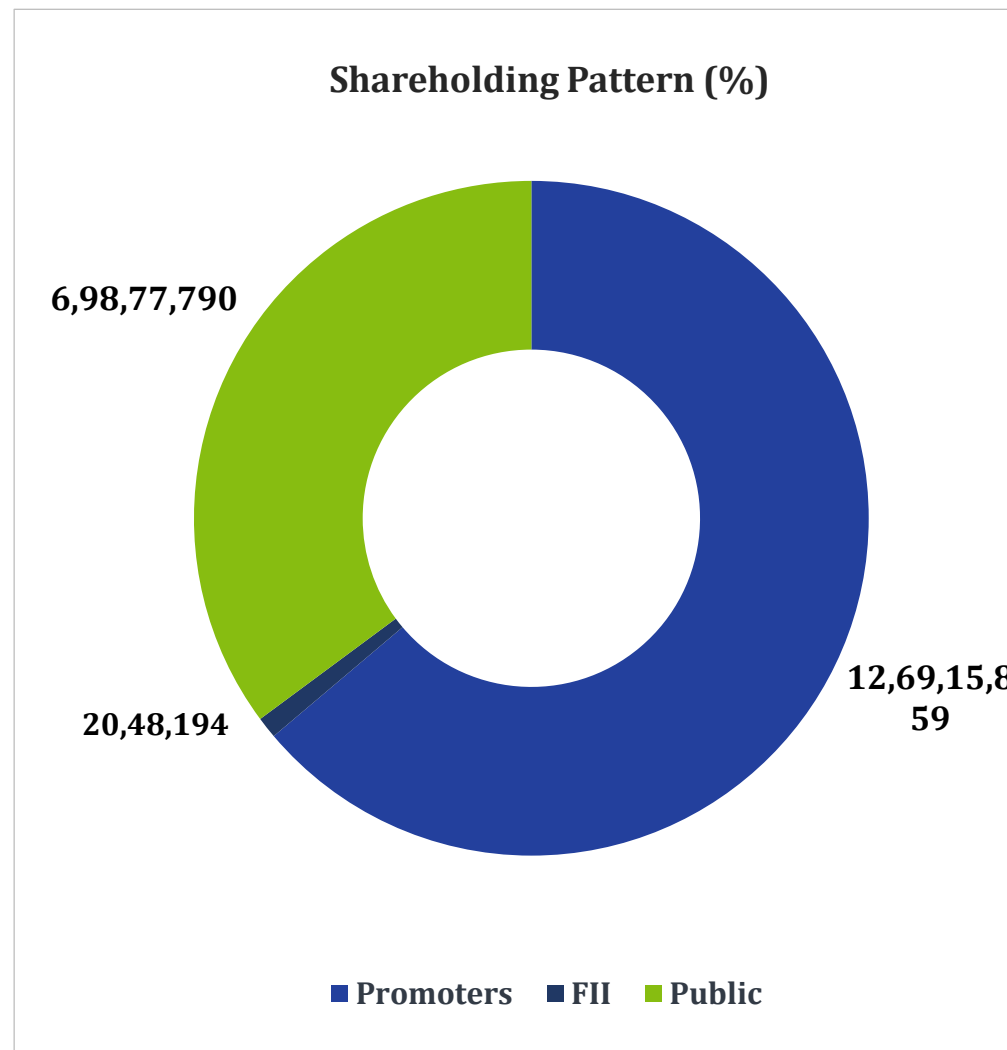
Market Capitalization (₹)	1,60,371.96 Lakhs
Shares Outstanding	19,88,41,843
Symbol (BSE) / (NSE)	524709 / NACLIND

(As on September 30, 2023)

Stock Performance Chart (as of August, 2023)



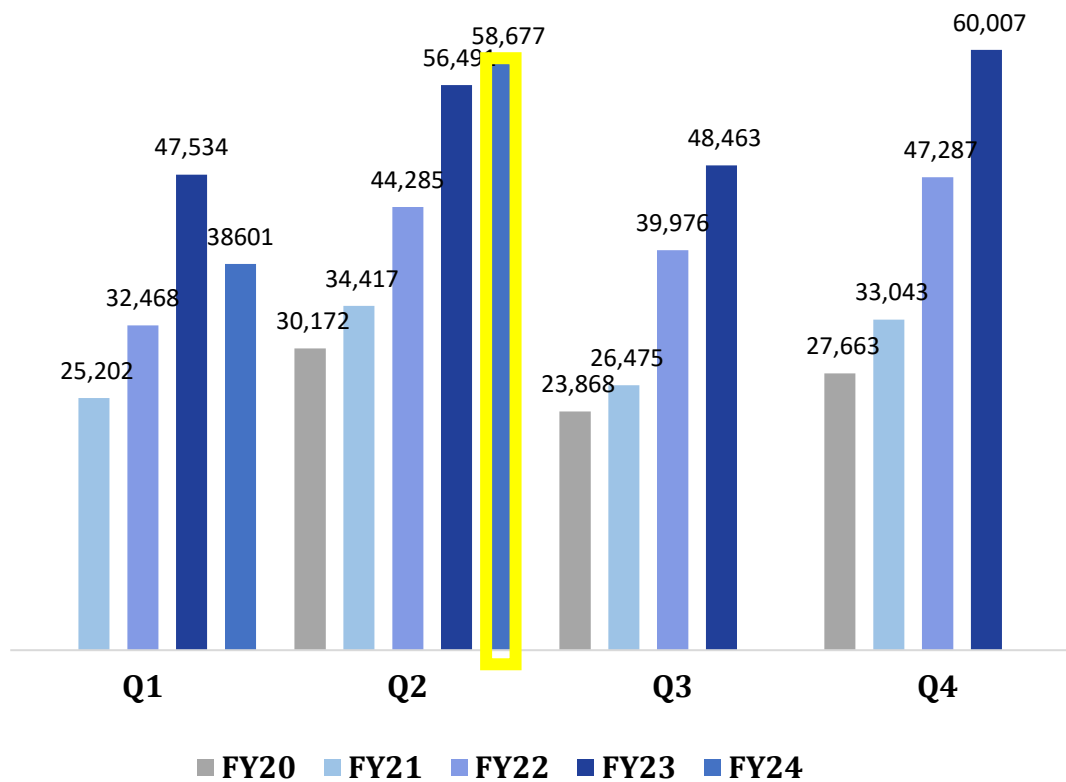
Shareholding Pattern (%)



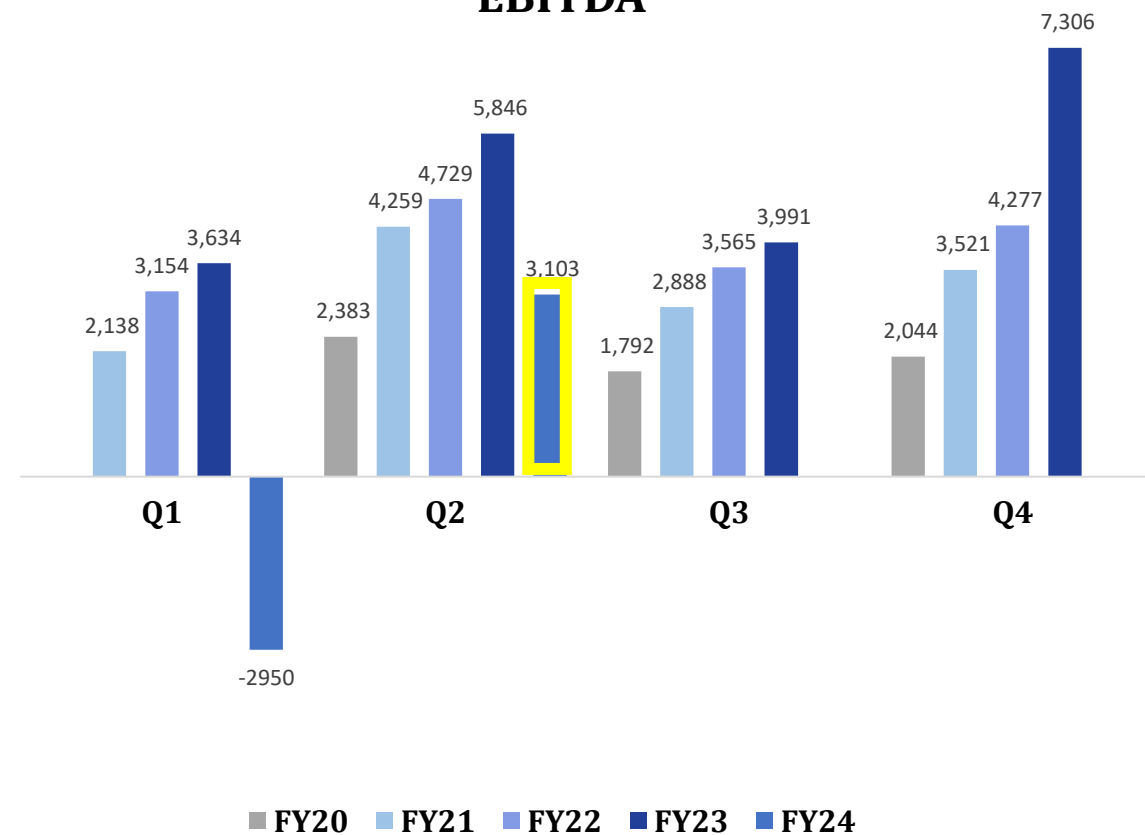
PERFORMANCE TRACK RECORD

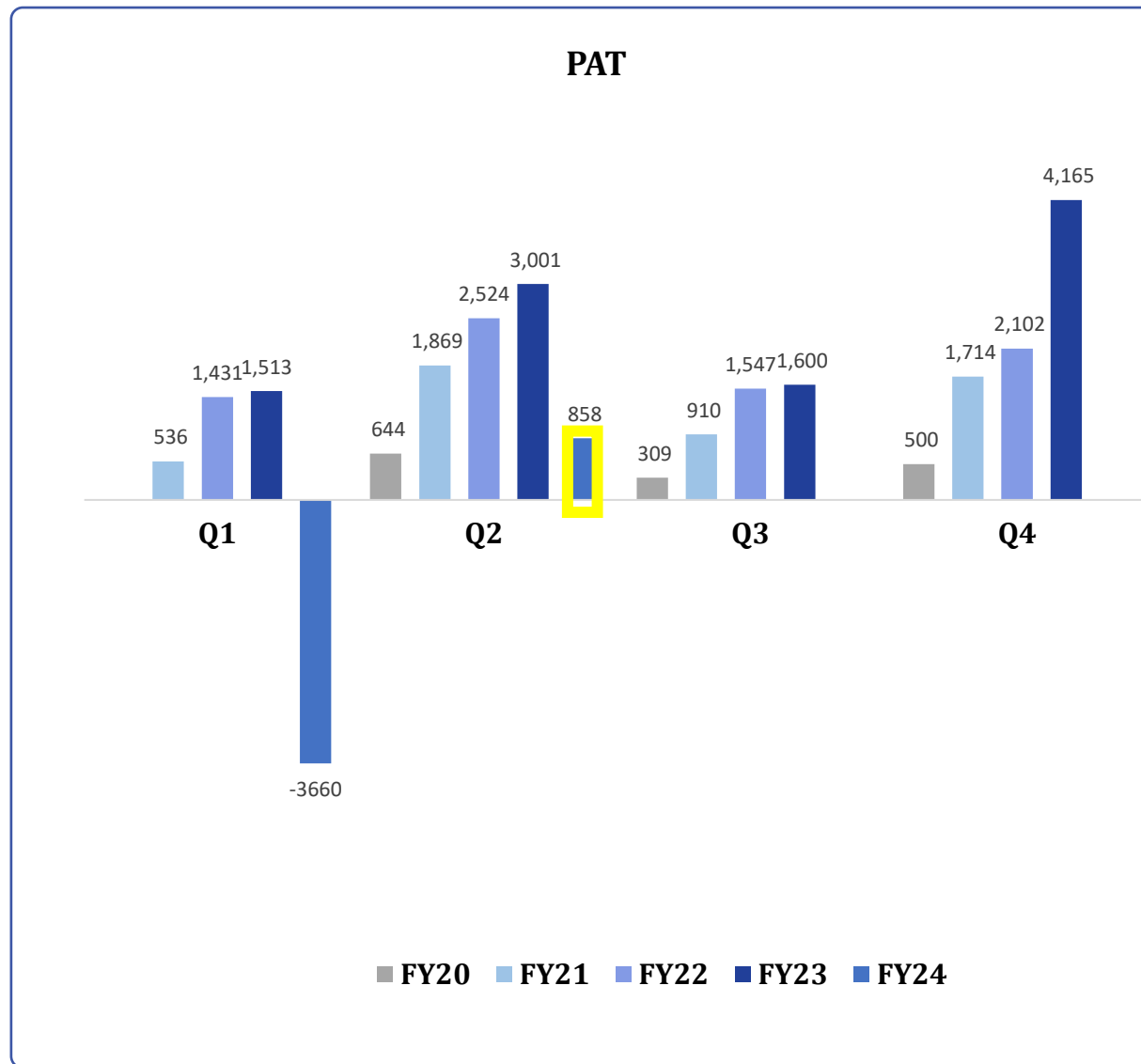
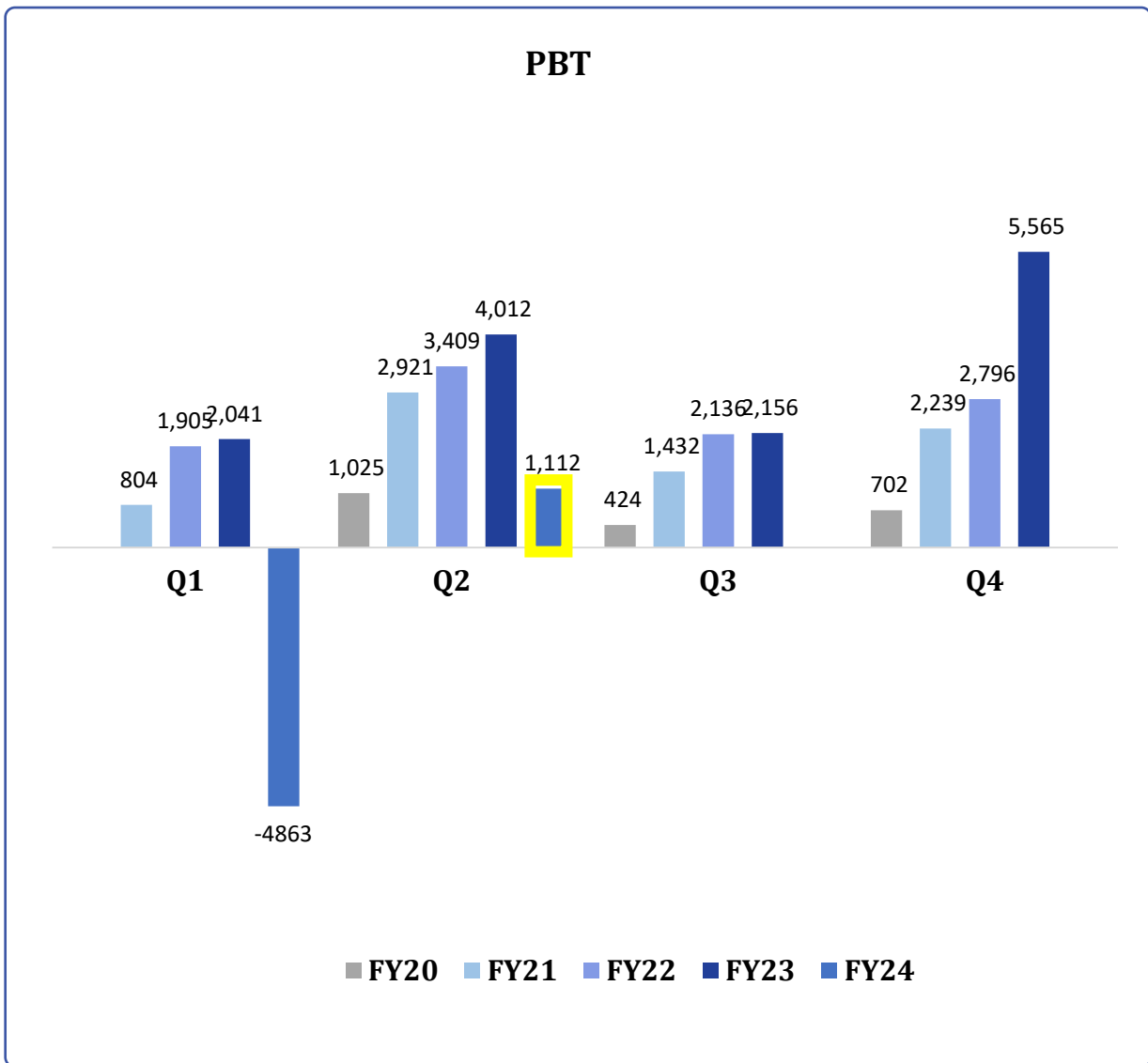


Revenue from operations

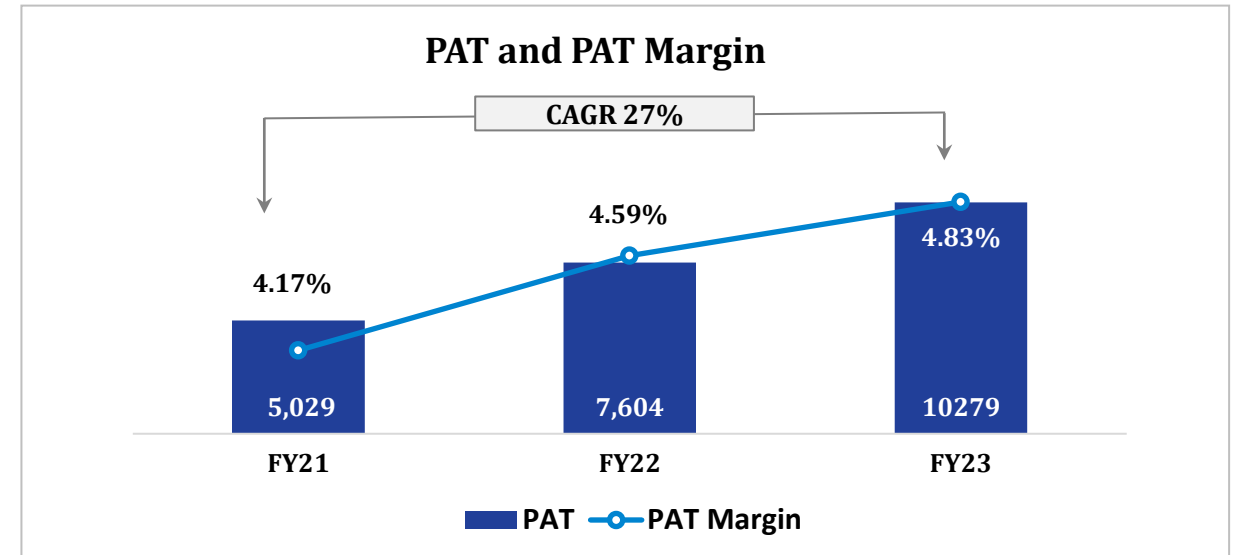
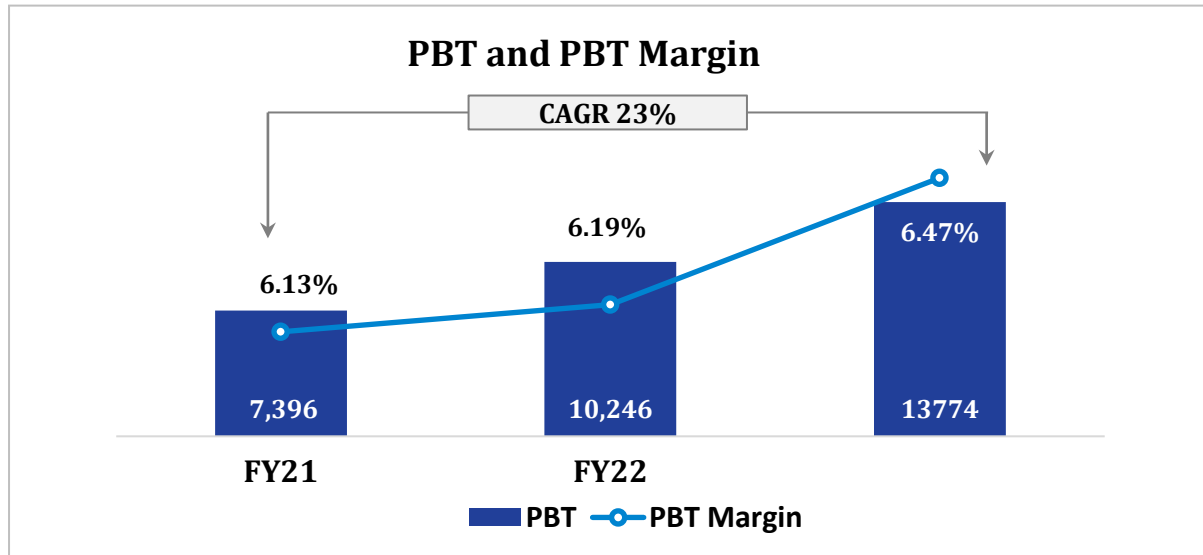
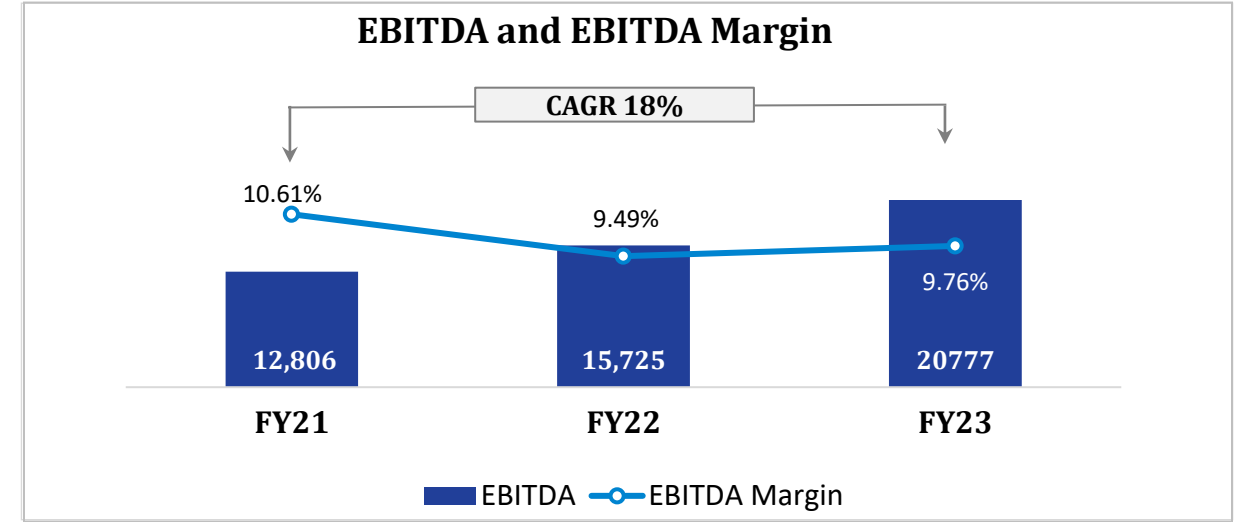
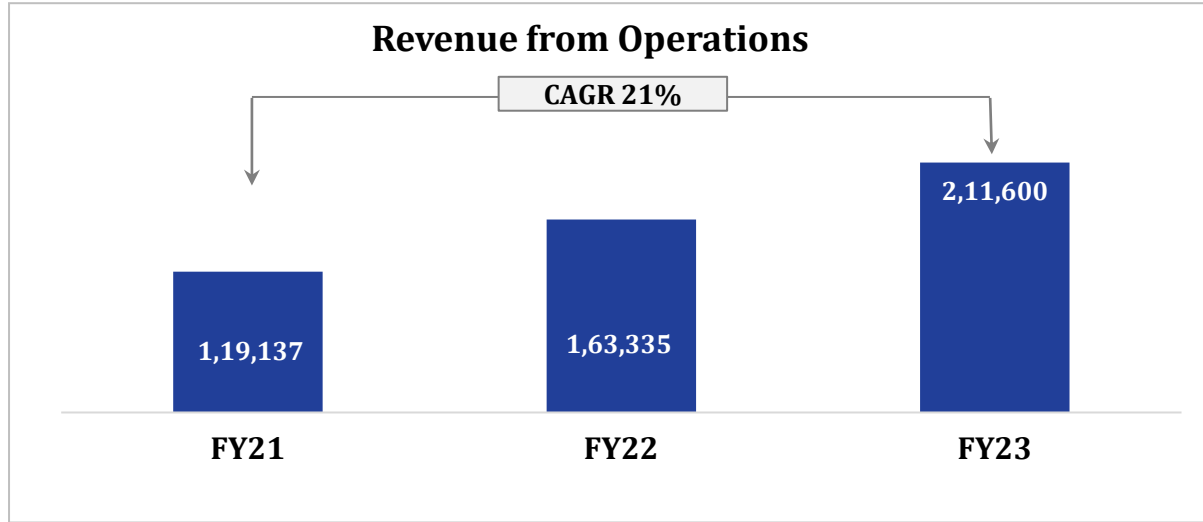


EBITDA

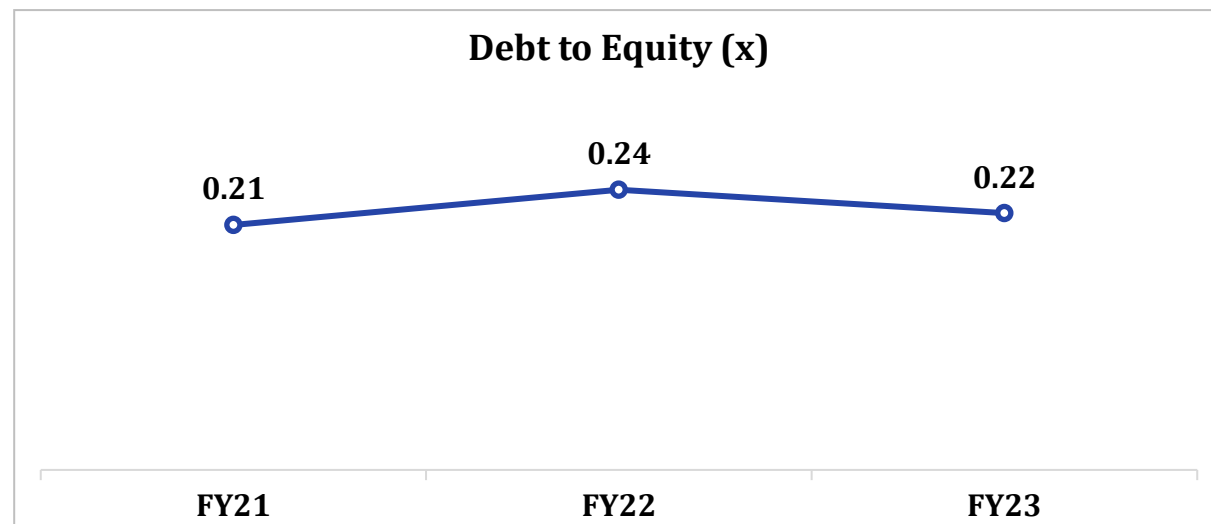
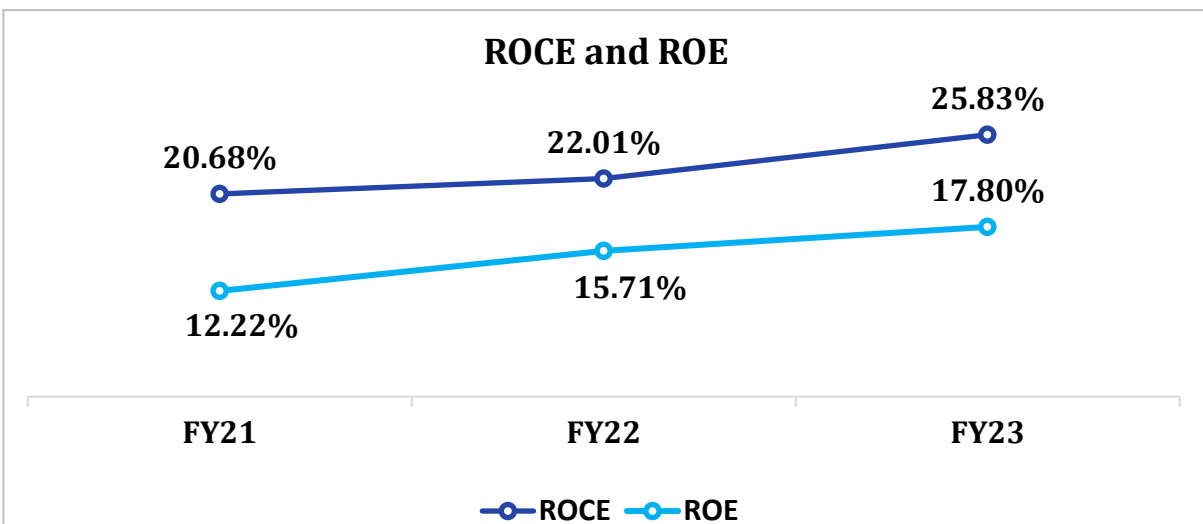
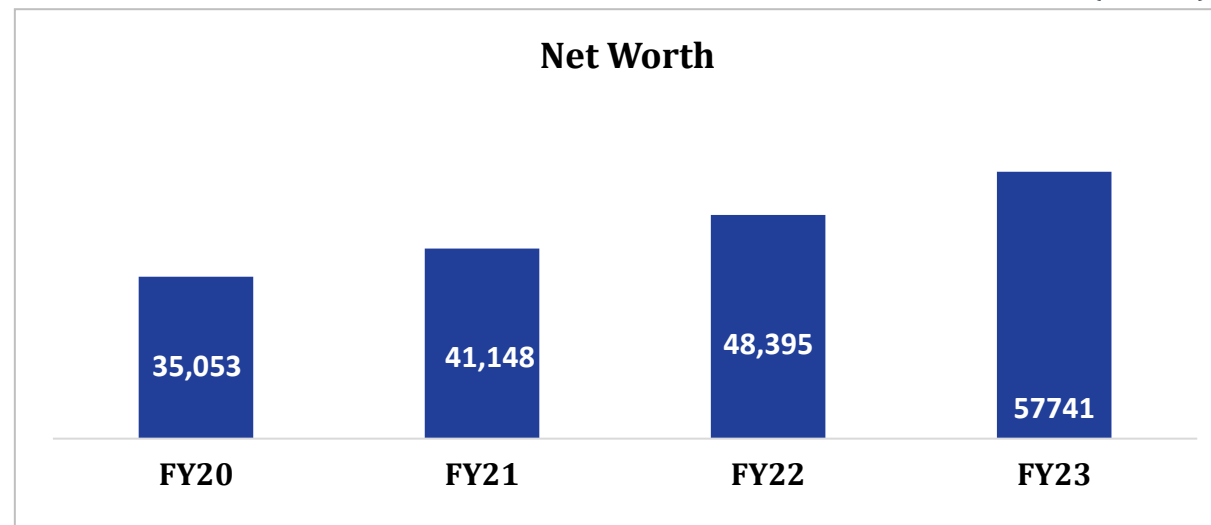
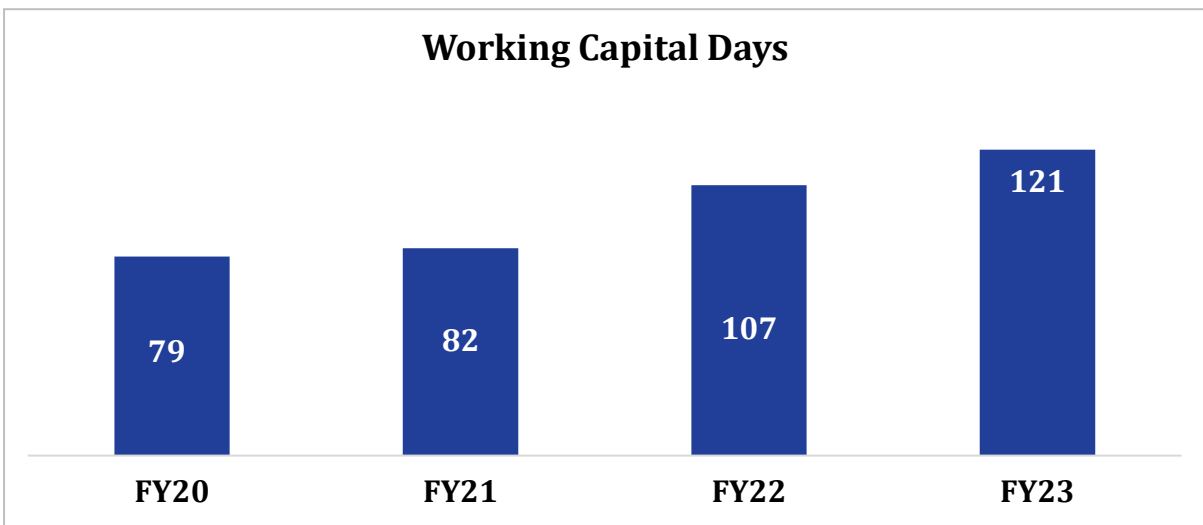




(₹ in lakhs)



(₹ in lakhs)



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THANK YOU

