

INDIA PESTICIDES LIMITED



An ISO 9001:2015, 14001:2015, 45001:2018 and 10002:2018 Company
CIN No. U24112 UP1984PLC006894

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Date: 23.07.2021

To
The Manager
Department of Corporate Services
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai-400001
Scrip Code: 543311
ISIN:INE0D6701023

To
The Manager
Listing Department,
National Stock Exchange of India Limited.
Exchange Plaza, Bandra- Kurla Complex,
Bandra (East), Mumbai-400051
Symbol: IPL
ISIN:INE0D6701023

Dear Sir/Ma'am,

Sub: Investor Presentation in connection with Unaudited Financial Results for quarter ended 30th June 2021.

Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of Investor Presentation in connection with Unaudited Standalone and Consolidated Financial Results for quarter ended 30th June 2021.

Kindly take the above on record.

Thanking You,

For India Pesticides Limited

AJ Pandey

(AJEET PANDEY)

Company Secretary and Compliance Officer

Membership No.: A42500





India Pesticides Limited

Investor Presentation

Q1 FY22

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India Pesticides Limited

Section I

Company Overview

India Pesticides is an R&D driven agro-chemical manufacturer of Technicals¹ with a growing Formulations² business, and is one of the fastest growing agro-chemical companies in terms of volume of Technicals manufactured³.



- **Products and Competitive Position⁵:** 22 agro-chemical Technicals & 125 Formulations for sale in India⁸, 27 agro-chemical Technicals & 35 Formulations for export⁷ and 2 APIs⁸. In FY21, agro-chemical Technicals were 78.87% of revenue from sale of products, Formulations the balance.
 - Sole Indian manufacturer of five Technicals and among the leading manufacturers globally for Captan, Folpet and Thiocarbamate Herbicide, in terms of production capacity⁴



- **R&D Focus:** Capabilities include two well-equipped in-house laboratories registered with the DSIR. Focus on 1) identification of appropriate complex Technicals that are suitable for commercialization, 2) improving production processes, the quality and purity of present products



- **Manufacturing Facilities:** 2 manufacturing facilities located in Uttar Pradesh (Dewa Road, Lucknow and Sandila, Hardoi) with an aggregate installed capacity of 19,500 MT for agro-chemical Technicals and 6,500 MT for formulations⁶.



- **Customers:** Diverse customer base includes crop protection majors like Syngenta Asia Pacific Pte. Ltd. and UPL Limited. Top 10 customers generated 56.83% of total revenue from operations⁶.



- **Exports:** Exports to over 25 countries including Australia and other countries located in Europe, Africa and Asia⁴. 56.71% of total revenue was generated from exports⁶.



- **Raw Material Sourcing:** Primary raw materials are sourced from within and outside India. 61.96%⁶ of raw materials were sourced locally.

Note: (1) Technicals are defined as 'Commercial form of the active ingredient used for manufacturing formulated pesticide products'; (2) Formulations are defined as 'Product containing technical grade ingredients along with auxiliaries in definite proportion obtaining well-defined target properties'; (3) Source: F&S Reports, (4) as of March 31, 2021, (5) as on the date of the Red Herring Prospectus, (6) As of / In Fiscal 2021, (7) Obtained registrations and license to manufacture from the CIBRC and the Department of Agriculture, Uttar Pradesh, (8) obtained a license for manufacturing two drugs for sale at Dewa Road from the Drug Licensing and Controlling Authority under the Drugs and Cosmetics Rules, 1945,

Major Events & Milestones

1984: Incorporation of the Company as 'India Pesticides Private Limited'

1991: Commencement of commercial production at the manufacturing facility situated at Dewa Road, Chinhat, Uttar Pradesh

2009: Registration of the in-house research and development unit situated at Tiwariganj, Chinhat, Lucknow with the DSIR

2018: Commencement of export of herbicide Technicals manufactured at the Sandila facility

1987: Acquisition of entire assets and liabilities of the partnership firm 'India Pesticides'

2003: Conversion of our Company into a public limited company

2015: Commencement of commercial production at the manufacturing facility situated at Sandila, Hardoi, Uttar Pradesh

2020: Registration of the in-house research and development unit situated at Tiwariganj, Chinhat, Lucknow and Sandila, Hardoi with the DSIR until March 31, 2023

Overview

Technicals⁵

Formulations⁵

22

Agro-chemical
Technicals
for sale in
India³

27

Agro-chemical
Technicals
for
Exports³

2

APIs⁴

125

For sale in
India³

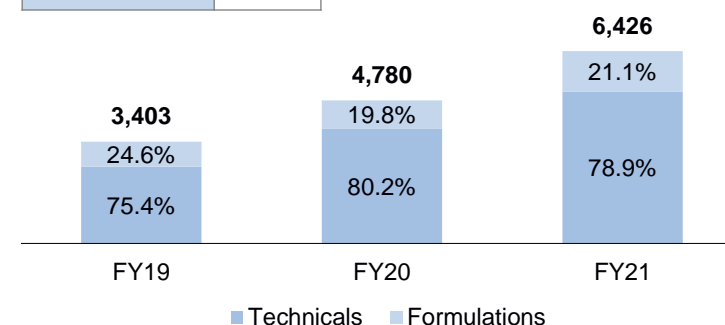
35

For Exports³

Segment Revenues (% and Rs. Mn for Overall)

CAGR (FY19-21)

Technicals	40.5%
Formulations	27.5%



Agro-chemical Technicals

Herbicides

Fungicides

APIs

Installed Capacity (MT)	FY19	FY20	FY21
Dewa Road	2,100	2,100	2,100
Sandila	7,900	12,400	17,400
Total^{1,2}	10,000	14,500	19,500

Formulations

Agrochemical Formulations

Installed Capacity (MT)	FY19	FY20	FY21
Dewa Road	3,000	3,000	3,000
Sandila	3,000	3,500	3,500
Total^{1,2}	6,000	6,500	6,500

Note: (1) as of March 31, 2021, (2) As certified by Amir Husain Rizvi, Chartered Engineer, by certificate dated May 25, 2021, (3) Obtained registrations and license to manufacture from the CIBRC and the Department of Agriculture, Uttar Pradesh, (4) obtained a license for manufacturing two drugs for sale at Dewa Road from the Drug Licensing and Controlling Authority under the Drugs and Cosmetics Rules, 1945, (5) as on the date of the Red Herring Prospectus



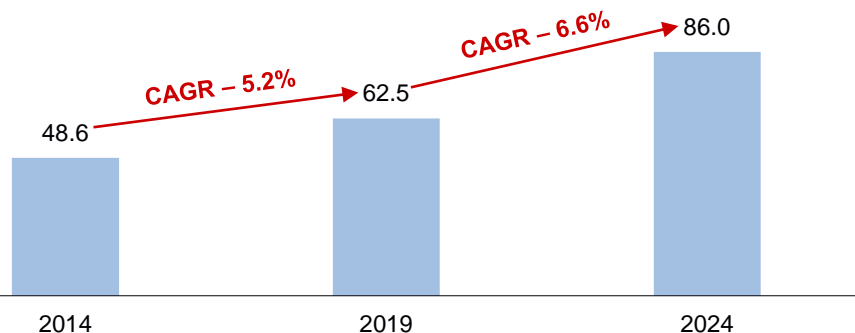
India Pesticides Limited

Section II

Industry Trends

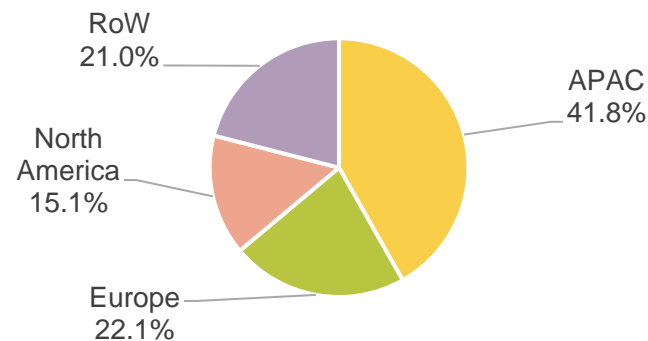
Global Agrochemicals Market Overview

Global Agrochemicals Market (in US\$ billion)



Key growth drivers – limited growth of farm acreage, farmers look to maximize profits, increase in purchasing power of farmers

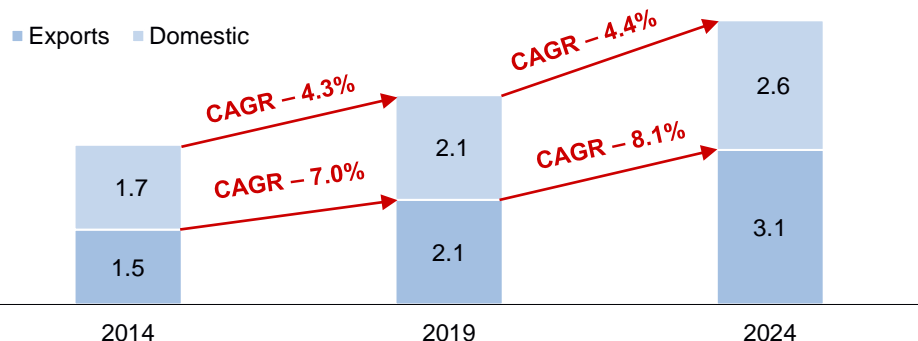
Global Agrochemicals Market Segmentation by Geography (2019)



Countries such as India, China, Indonesia and Australia dominate the usage of crop protection chemicals in Asia Pacific region

India Agrochemicals Market Overview

Indian Crop Protection Chemicals Market by Exports and Domestic Consumption (US\$ billion)



India has been ranked 4th globally in the production of agrochemicals (crop protection chemicals/ pesticides) after the United States, Japan and China

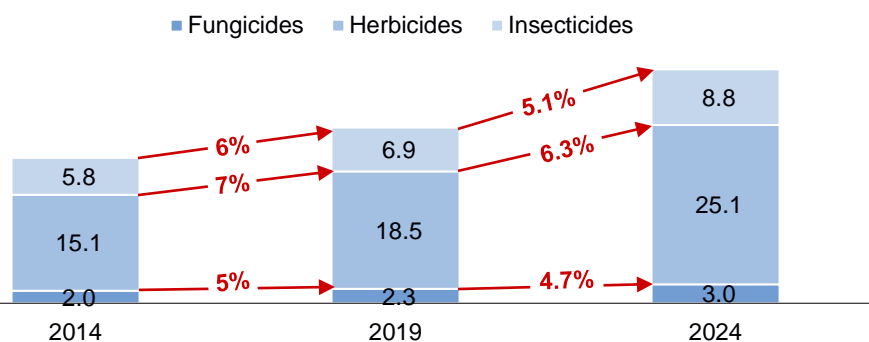
- India has one of the lowest per capita consumption of crop protection chemicals per hectare, which suggests, there is a significant scope of growth for the crop protection chemicals in India.

Key Demand Drivers

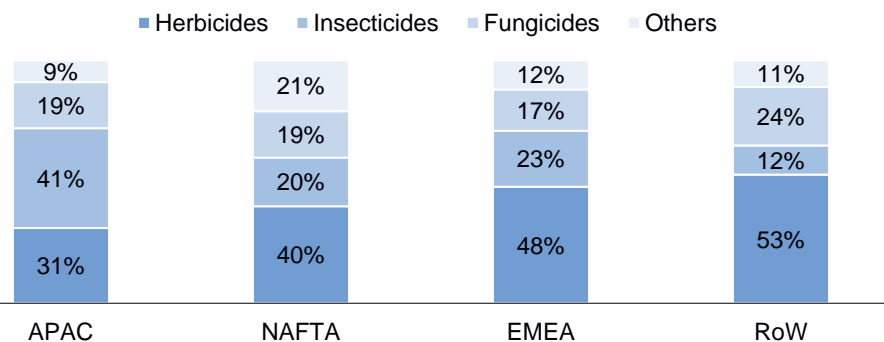
- ✓ Government initiative to double farmer's income
- ✓ Increase in horticulture and floriculture production
- ✓ Increasing shortage of labour
- ✓ Increasing food demand due to increasing population
- ✓ Shrinking agriculture land
- ✓ Increased usage of bio-pesticides

Global Technicals Market Overview

Global Agrochemicals Active Ingredients Market by Value (US\$ billion)



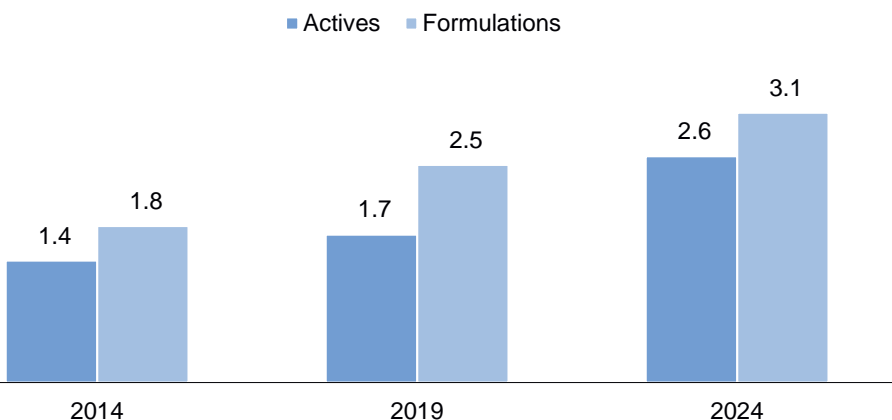
Global Agrochemicals Active Ingredients Market by Regions (Volumetric, 2019)



Fungicides & Herbicides are more prominent globally compared to the Asia Pacific region. Global trend suggests that herbicides & fungicides are going to record higher growth internationally due to factors such as farm labor shortage.

India Technicals Market Overview

India Crop Protection Chemicals Market Split by Business Segments (US\$ billion)



- Agrochemical technical manufacturing in India is strongly driven by export led demand and contract manufacturing in India

Key Demand Drivers for technicals market

- ✓ Supply chain interruptions with China on account of Covid-19 crisis
- ✓ Incentive program by the Government of India for manufacturing of actives
- ✓ Increase in export led demand
- ✓ Need for increase in crop yield and crop mix



India Pesticides Limited

Section III

Key Strengths and Strategies

Strategic R&D Focus on Product Development

- ✓ Significant emphasis on
 - identification of appropriate complex Technicals that are suitable for commercialization,
 - improving production processes and the quality and purity of present products and
 - manufacturing of new off-patent products
- ✓ Undertake pilot studies of new technologies, evaluate and incorporate feedback from customers to manufacture Technicals
- ✓ Conduct extensive R&D on Technicals at a laboratory scale to generate necessary analytical information
- ✓ R&D enables us to identify higher margin products that require specialized manufacturing and handling capabilities
 - Since 2018, the R&D efforts have resulted in **development of processes** for products that are not highly toxic and **commercialization of 3 Technicals which contributed 42.13% of revenue** from operations in Fiscal 2021

Analytical Capabilities



R&D Capabilities

- R&D team comprises PhDs, masters graduates in chemistry and biotechnological engineer
- 2 well-equipped R&D laboratories, each registered with DSIR
- Currently in the process of developing processes for certain Technicals, including 2 fungicides, 2 herbicides, 2 insecticides and 2 intermediates
- Commenced construction of 2 manufacturing units at the Sandila facility that are proposed to be used for herbicide Technicals

Equipment

- ✓ Gas chromatography – mass spectrometry and high-performance liquid chromatography machines
- ✓ Karl Fischer titrators
- ✓ PH meters
- ✓ Melting point apparatus
- ✓ Conductivity meters
- ✓ Particle size analyzers
- ✓ Water purification system

R&D efforts focus on determining optimal production process for the Technicals we manufacture and the reduction of energy consumption

2 Diversified Portfolio of Niche and Quality Specialized Products

Diverse Product Portfolio

Technicals

Fungicides

Herbicides

APIs for Dermatological products

Formulations

Insecticides

Fungicides

Herbicides

Growth regulators

Acaricides

Technicals²

22

Agro-chemical
Technicals
for sale in
India³

27

Agro-chemical
Technicals
for Exports³

2

APIs⁴

Formulations²

125

For sale
in India³

35

For
Exports³



Product portfolio has been diversified over the years and the Company has grown into a **multi-product manufacturer** of Formulations, herbicides and fungicides Technicals as well as APIs



Diversification across products and sectors has allowed **de-risking** of business operations



Products are **exported to regulated markets** such as Australia and countries in Europe, Africa and Asia; Product registrations are received through customers or by the Company



Diversified product portfolio allows for limited dependence on individual products and helps **counter seasonal trends**, that are a challenge for agriculture industry in India

Key Characteristics

- ✓ Quality
- ✓ Levels of toxicity that are not high
- ✓ None of the key products in the Technicals segment are classified in the "red triangle" category
 - Helps avoid uncertainties associated with products including the use or import of such products being banned by regulators in India and abroad

IPL is the sole Indian manufacturer of five Technicals and among the leading manufacturers globally for Captan, Folpet and Thiocarbamate Herbicide, in terms of production capacity¹

Note: (1) Source: F&S Reports, (2) as on the date of the Red Herring Prospectus, (3) Obtained registrations and license to manufacture from the CIBRC and the Department of Agriculture, Uttar Pradesh, (4) obtained a license for manufacturing two drugs for sale at Dewa Road from the Drug Licensing and Controlling Authority under the Drugs and Cosmetics Rules, 1945

Customer base including crop protection product manufacturing companies



Strong and long term relationships with various multinational corporations has helped expand product offerings and geographic reach of the Technicals business

Major customers include MNCs that look to collaborate with active ingredient manufacturers in India, leveraging their cost effective manufacturing, cheap labour force and stronger R&D capabilities¹

Customer relationships are led by the ability to manufacture complex off-patent Technicals in a cost effective, safe & environmentally conscious manner as well as meet stringent quality specifications

In case of exports, products are registered with the relevant regulatory authority by the customer or the Company, with the name of the company appearing on the package of product as the "source" or "manufacturer"

Long term relationships have allowed us to

- ✓ Plan capital expenditure (including through provisions in customer agreements entitling us to an enhancement in price for future off-take by the customer if stipulated minimum quantities are not purchased)
- ✓ Benefit from increasing economies of scale with stronger purchasing power for raw materials & lower cost base

➤ Key customers include crop protection product manufacturing companies

➤ 57% of FY21 revenue from operations are from Top 10 customers

➤ Company has been manufacturing products for certain customers for over 10 years

Manufacturing infrastructure

Manufacturing units¹

Facility	Installed Capacity (MT) as on			Capacity Utilisation as on		
	FY19	FY20	FY21	FY19	FY20	FY21
Agro-chemicals Technicals						
Dewa Road	2,100	2,100	2,100	91%	86%	95%
Sandila	7,900	12,400	17,400	77%	74%	75%
Formulations						
Dewa Road	3,000	3,000	3,000	64%	71%	89%
Sandila	3,000	3,500	3,500	54%	47%	58%

Features

- Aggregate installed capacity of **19,500 MT of Technicals** and **6,500 MT of Formulations³**
- Further permissions from MoEF in place to **expand Sandila facility up to 30,000 MT**
- Both facilities are equipped with **sophisticated equipment and machinery** to manufacture quality technical grade products & formulations
- Both facilities have ability to manufacture a **wide range** of products
- Technological processes utilized at the facilities have been developed through R&D efforts

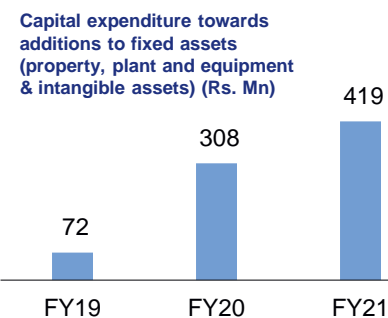
Manufacturing footprint²



Certifications



Capital Expenditure Trend



Currently in the process of constructing 2 units at Sandila to be used for herbicide Technicals

EHS Measures

- Dedicated team for pollution prevention & recovery of by-products.
- Manufacturing processes contribute towards reducing raw material, solvent & water consumption, resulting in reduced effluent & solid hazardous waste
- Implemented water recycling and zero discharge systems
- Periodic preventive maintenance of equipment to ensure safety of employees
- Employees and workers whose duties involve the handling of chemicals are educated on safety methods for handling chemicals

Promoters and KMP



Anand Swarup Agarwal

Chairman, Founder and non-executive Director

- Holds a bachelor's degree in law from the University of Lucknow.
- Over 35 years of experience in agrochemical manufacturing.
- Nominated as a part time non-official director on the board of directors of Punjab National Bank. Also been a director on the board of directors of PNB Gilts Limited.
- He has been awarded with the UP Ratan award in the year 2013 by the All India Conference of Intellectuals.



Rajendra Singh Sharma

Whole-time Director

- Holds a bachelor's degree of science in agriculture from the University of Meerut.
- Has been associated with the Company since last 22 years and was initially appointed as a director of the Company on June 10, 1998.
- Extensive experience in agro-chemical manufacturing.



Dheeraj Kumar Jain

Chief Executive Officer

- Holds a bachelor's degree and a master's degree in chemical engineering from Osmania University, Hyderabad India.
- Over 25 years of experience with the Company and has been responsible for product development, international business development and project engineering.
- Prior to joining the Company he has worked with Indian Institute of Chemical Technology, Hyderabad.



Satya Prakash Gupta

Chief Financial Officer

- Holds a bachelor's degree in commerce from the University of Allahabad.
- Associate member of the Institute of Cost Accountants of India and an associate of the Institute of Chartered Accountants of India.
- Over 27 years of experience in the field of finance and over 25 years of experience with the Company
- Prior to joining the Company, he has worked at Delite Commercial Limited and Trimurtee Fertilisers Limited.

Other Directors



Adesh Kumar Gupta

Independent Director

- Holds a bachelor's degree in commerce from the University of Jodhpur and is a qualified chartered accountant.
- Registered insolvency professional with the Insolvency and Bankruptcy Board of India.
- Previously held the position of whole time director and chief financial officer at Grasim Industries Limited and has also been a director at Ultra Tech Cement Limited.



Mohan Vasant Tanksale

Independent Director

- Member of the Institute of Cost and Works Accountants of India.
- Previously the chairman and managing director of Central Bank of India and was an executive director on the board of Punjab National Bank till June 2011.



Madhu Dikshit

Independent Director

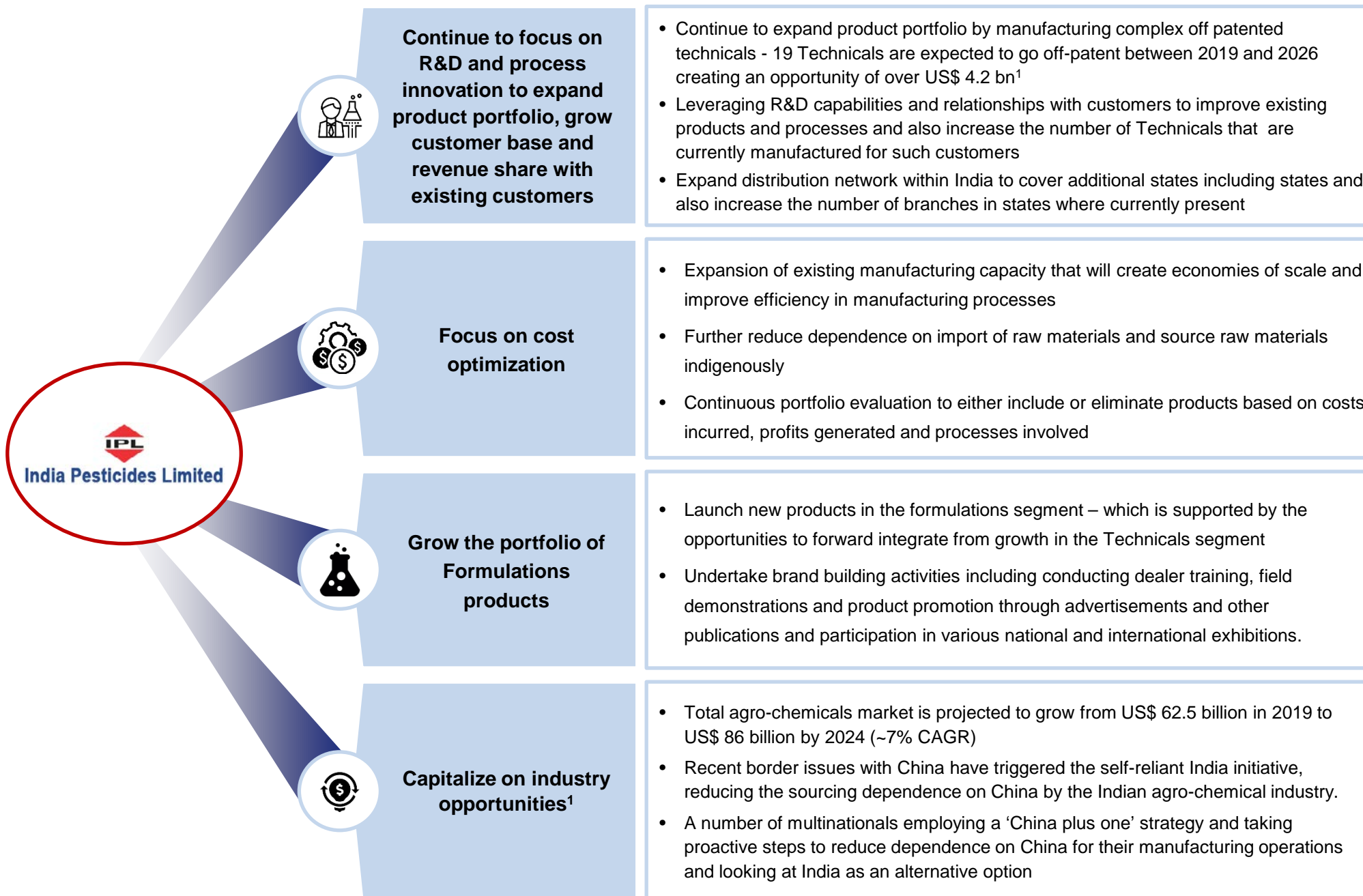
- Holds a master's degree in science (bio chemistry) from the University of Allahabad and a PhD in chemistry from the Chhatrapati Shahuji Maharaj University, Kanpur.
- Previously associated with the CSIR – Central Drug Research Institute, Lucknow as a director and has been a visiting professor of Indian Institute of Technology, Jodhpur.
- Also been appointed as the national chair of the Transitional Health Science and Technological Institute, Faridabad.



Rahul Arun Bagaria

Non-Executive Director

- Holds a bachelor's degree in commerce from University of Mumbai and is a Qualified Chartered Accountant.
- Extensive professional experience and expertise in corporate law and taxation.



Note: (1) Source: F&S Reports

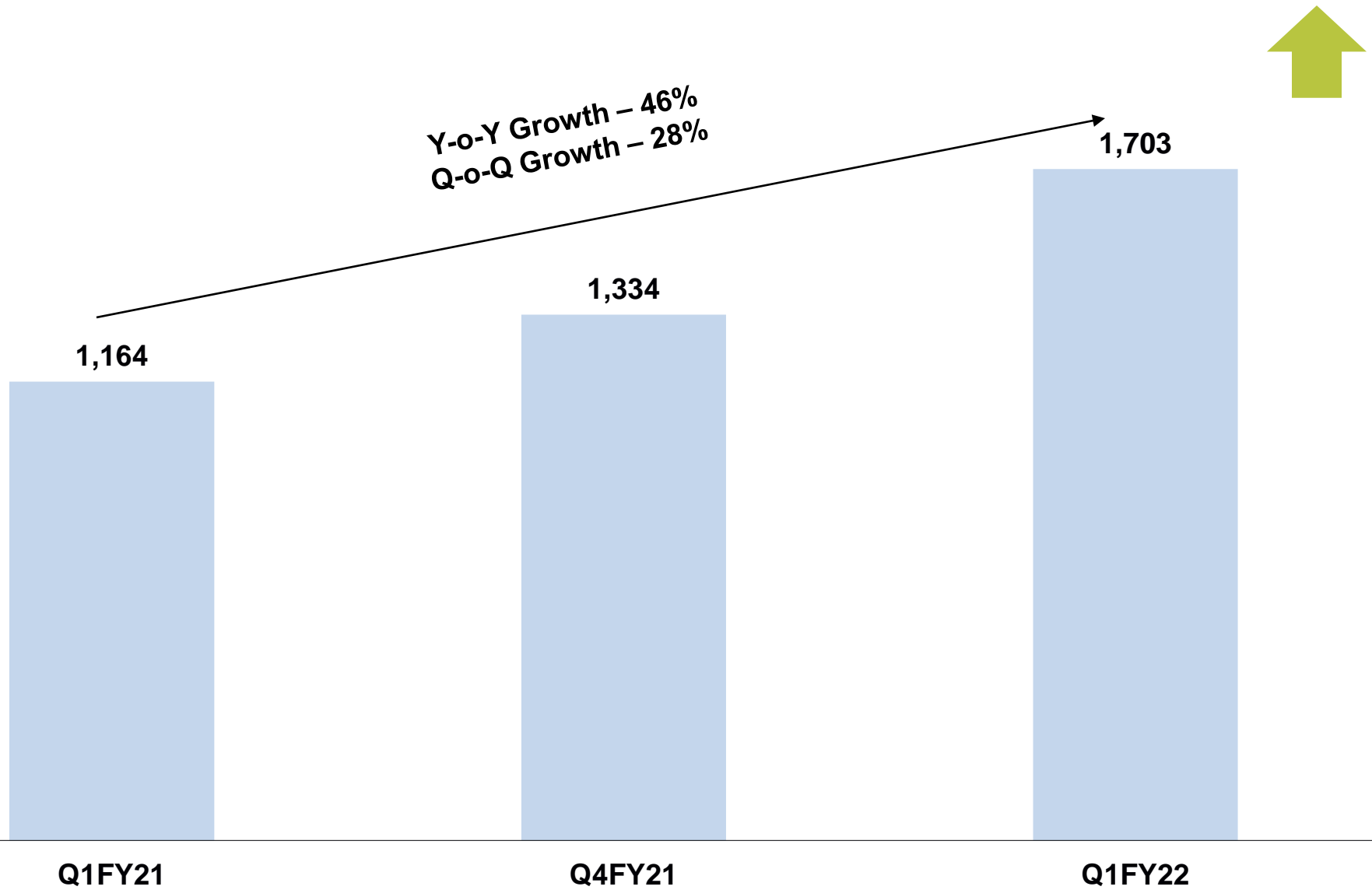


India Pesticides Limited

Section IV

Financials

Rs. Million, %



Profitability Performance – Margins

Rs. In Million, %

EBITDA %

30%

29%

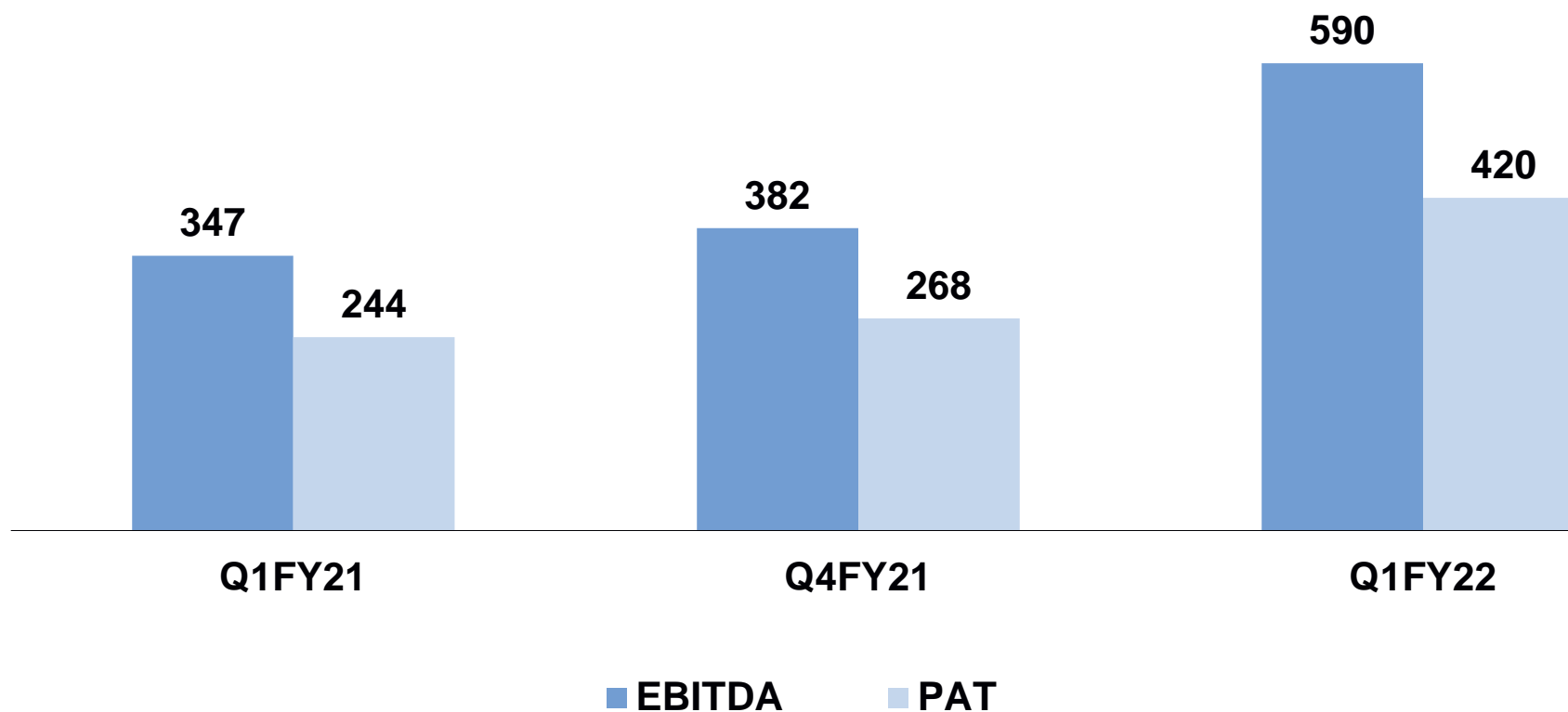
35%

PAT %

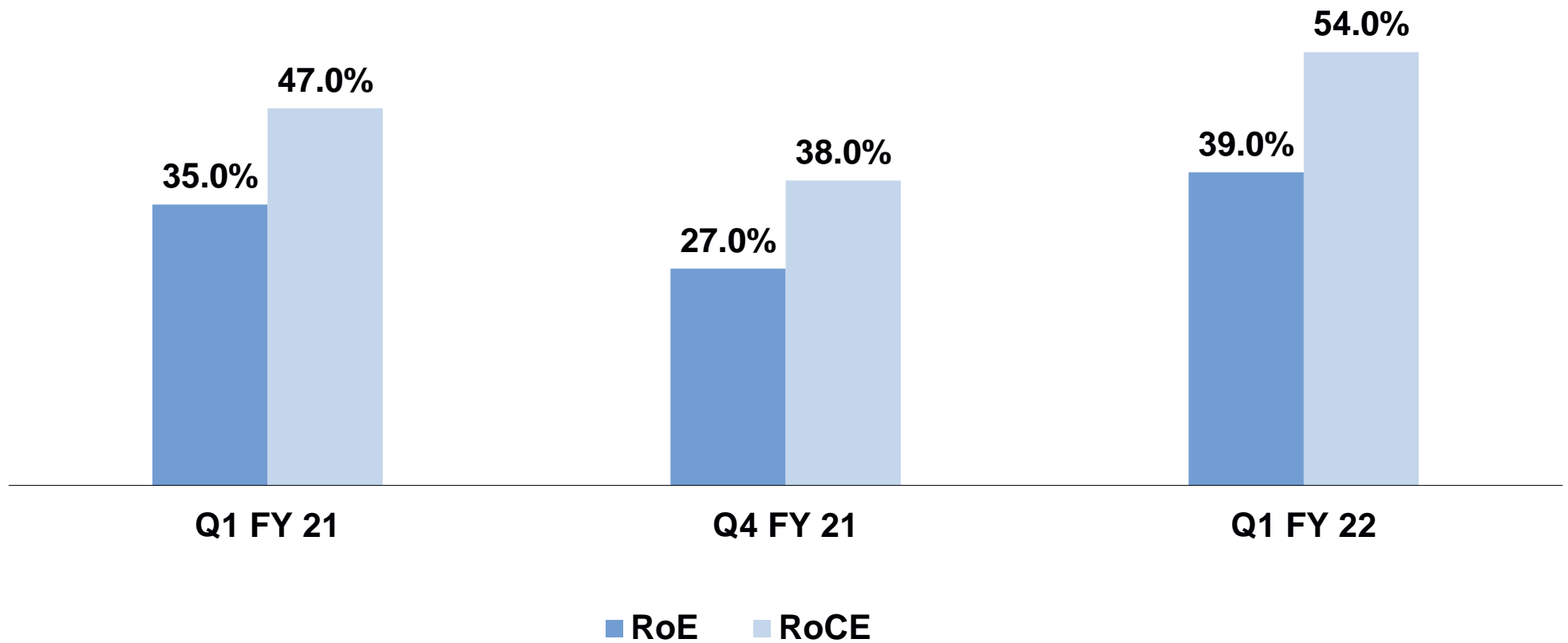
21%

20%

25%



Return Ratios %



Profit and Loss Summary



Rupees in million, %

Particulars	Quarter Ended			Previous Year Ended
	Q1 FY 22	Q4 FY 21	Q1 FY 21	31st March, 2021
INCOME				
Revenue from Operations	1,702.94	1,333.83	1,163.82	6,489.54
Total Revenue Growth (YoY)	146%			
Other Income	37.86	17.68	11.28	64.23
TOTAL INCOME	1,740.80	1,351.51	1,175.10	6,553.77
EXPENSES				
Net Cost of Materials consumed	778.53	608.95	528.17	3,104.14
Gross Profit	962.27	742.56	646.93	3,449.63
Gross Margins (%)	57%	56%	56%	53%
Gross Margins Growth (%) (YoY)	149%			
Employees benefits expenses	69.89	63.48	47.99	227.42
Other Expenses	301.95	297.13	252.28	1,326.89
EBITDA	590.43	381.95	346.66	1,895.32
EBITDA Margins (%)	35%	29%	30%	29%
EBITDA Growth (%) (YoY)	170%			
Finance Cost	11.00	7.12	6.27	34.33
Depreciation and amortization expenses	17.54	15.17	15.15	61.35
PROFIT BEFORE TAX	561.89	359.66	325.23	1,799.65
TAX EXPENSE	141.67	92.16	81.16	454.21
PROFIT AFTER TAX	420.22	267.50	244.07	1,345.44
PAT Margins (%)	25%	20%	21%	21%
PAT Growth (%) (YoY)	157%			

Notes: (1) Numbers have been rounded off to two decimal places

Rs./Rupees	Indian Rupees
APAC	Asia-Pacific
APIs	Active pharmaceutical ingredients
Bn	Billion
CAGR	Compound Annual Growth Rate
CFO	Chief Financial Officer
CIBRC	Central Insecticides Board and Registration Committee
DSIR	Department of Scientific and Industrial Research, Ministry of Science & Technology, Government of India
EBITDA	Net profit after tax + Finance cost + Depreciation, amortization & impairment expenses + Tax expense - Other income
EBITDA Margin	EBITDA divided by Revenue from Operations
EHS	Environment, Health and Safety
EMEA	Europe, the Middle East and Africa
EPS	Earnings per Share

ERP	Enterprise Resource Planning
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
MoEF	Ministry of Environment, Forest and Climate Change, Government of India
Mn	Million
MNC	Multi-national corporation
MT	Metric tonne
NAFTA	Members of the North American Free Trade Agreement
PAT	Profit After Tax
R&D	Research and development
RoW	Rest of the World
UPSIDC	Uttar Pradesh State Industrial Development Corporation
UK	United Kingdom
USA	United States of America
WC	Working Capital

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

THANK YOU

Contact us :

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