



**SUMITOMO CHEMICAL INDIA LTD.**

Corporate Identity Number (CIN) - U24110MH2000PLC124224

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URL <http://www.sumichem-india.co.in>

SCIL/SEC/2019-20/08  
14<sup>th</sup> February, 2020

To,  
BSE Limited,  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

The National Stock Exchange of  
India Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex  
Bandra East,  
Mumbai - 400 051

Dear Sirs,

**Sub: Investor Presentation on Financial Results for the quarter and  
nine months ended 31<sup>st</sup> December, 2019**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith investor presentation on the Financial Results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2019.

Kindly do the needful to display the same on your website.

Thanking you,

Yours faithfully,  
For Sumitomo Chemical India Limited

Sushil Marfatia  
Executive Director



# Sumitomo Chemical India Limited



Investor Presentation

February 2020



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A blue tractor is pulling a long, dark-colored irrigation system through a field of green crops. The scene is captured from a low angle, looking down the length of the irrigation system. The sun is low on the horizon, creating a warm, golden glow over the entire scene. The crops are in neat rows, and the tractor is positioned in the center of the frame, moving away from the viewer.

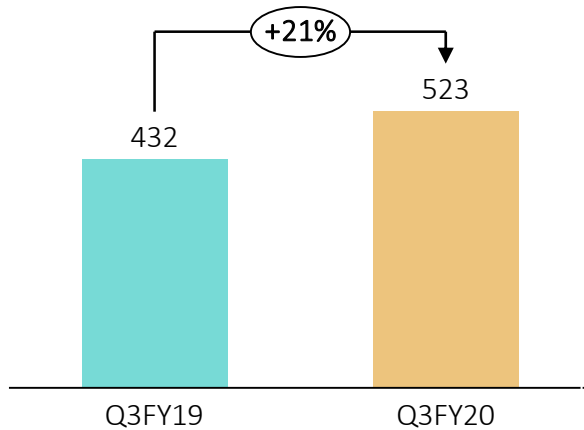
Q3 & 9M  
Results Presentation



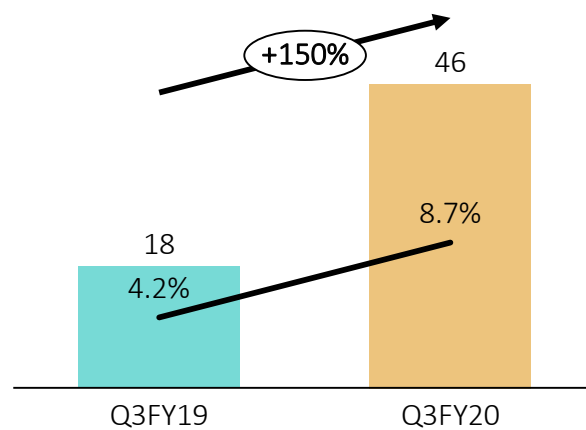


# Performance Highlights – Q3 & 9M FY20

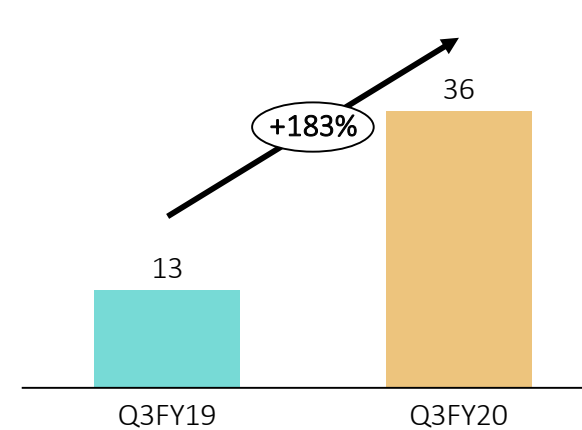
### Revenue (Rs Crs)



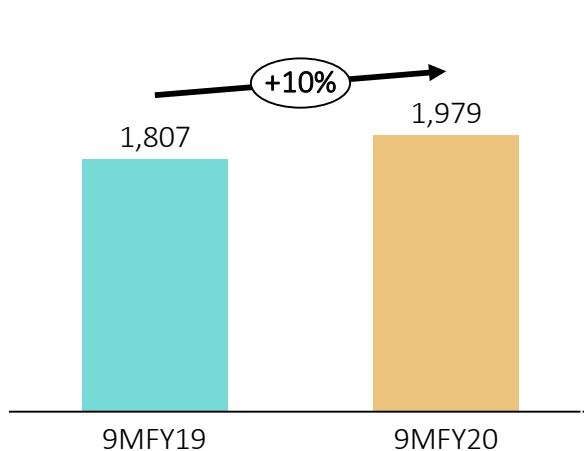
### EBITDA (Rs. Crs) & EBITDA Margin (%)



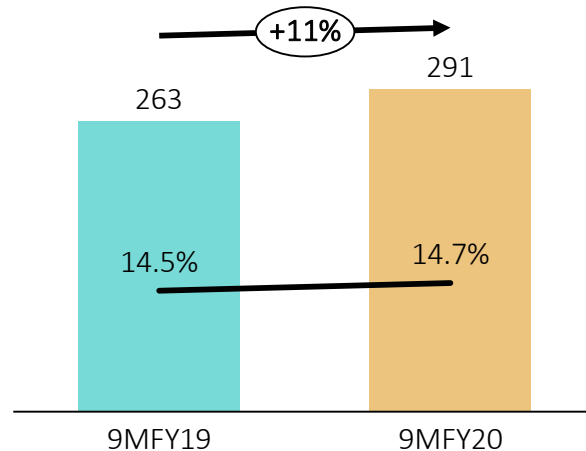
### Adj PBT \* (Rs Crs)



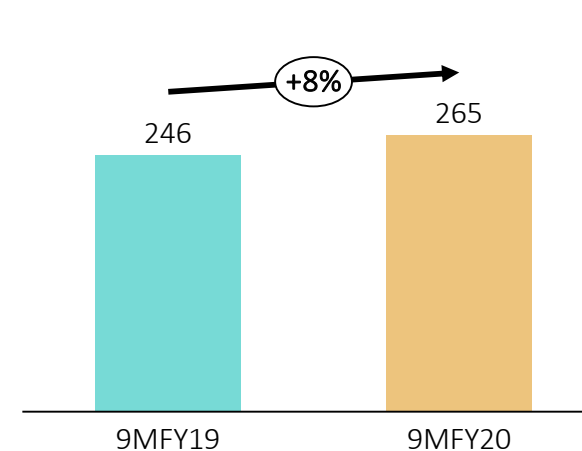
### Revenue (Rs Crs)



### EBITDA (Rs. Crs) & EBITDA Margin (%)



### Adj PBT \* (Rs Crs)



- ✓ Q3 FY20 revenue growth of 21% YoY driven by broad-based volume growth across products, geographies and business segments
- ✓ Good monsoon and availability of water have boosted farmer sentiment and resulted in good growth in current rabi season in the domestic market
- ✓ EBITDA margins improved by 450bps to 8.7% in Q3FY20 lead by Gross Margin expansion and operational efficiencies
- ✓ PBT adjusted for Merger expenses grew 183% Y-o-Y

Given the seasonality in the business, it is best monitored on an annual basis since a significant portion of revenue & PAT is recorded in the first half of the year

\*PBT adjusted for Merger expenses of Rs. 25.3 Crs for Q3FY20 and Rs. 29.7 Crs for 9M FY20



# Consolidated Profit & Loss Account Statement

Particulars (Rs. Crs)	Q3 FY20	Q3 FY19	YoY	9M FY20	9M FY19	YoY
<b>Revenue from Operations</b>	<b>523.0</b>	<b>432.2</b>	<b>21.0%</b>	<b>1,979.0</b>	<b>1,806.7</b>	<b>9.5%</b>
COGS	356.3	296.4		1,317.8	1,173.5	
<b>Gross Profit</b>	<b>166.7</b>	<b>135.7</b>	<b>22.8%</b>	<b>661.2</b>	<b>633.2</b>	<b>4.4%</b>
<b>Gross Profit %</b>	<b>31.9%</b>	<b>31.4%</b>		<b>33.4%</b>	<b>35.0%</b>	
Employee Expenses	44.6	39.2		132.8	120.3	
Other Operating Expenses	76.4	78.3		237.2	250.4	
<b>Operating EBITDA</b>	<b>45.7</b>	<b>18.3</b>	<b>150.1%</b>	<b>291.2</b>	<b>262.6</b>	<b>10.9%</b>
<b>EBITDA Margin</b>	<b>8.7%</b>	<b>4.2%</b>		<b>14.7%</b>	<b>14.5%</b>	
Depreciation	1.3	2.2		5.6	5.8	
Other Income	9.7	7.0		28.0	20.4	
<b>EBIT</b>	<b>37.3</b>	<b>13.5</b>	<b>176.5%</b>	<b>268.8</b>	<b>248.1</b>	<b>8.4%</b>
<b>EBIT Margin</b>	<b>7.1%</b>	<b>3.1%</b>		<b>13.6%</b>	<b>13.7%</b>	
Interest	1.3	0.8		4.2	2.0	
<b>Profit Before Tax &amp; Exceptional</b>	<b>36.0</b>	<b>12.7</b>	<b>183.2%</b>	<b>264.6</b>	<b>246.1</b>	<b>7.5%</b>
Exceptional Item Gain / (Loss)*	-25.3	-0.2		-29.7	-4.2	
<b>Profit Before Tax</b>	<b>10.7</b>	<b>12.5</b>	<b>-14.2%</b>	<b>234.9</b>	<b>241.8</b>	<b>-2.9%</b>
<b>PBT Margin</b>	<b>2.0%</b>	<b>2.9%</b>		<b>11.9%</b>	<b>13.4%</b>	
Tax	10.0	10.9		53.1	74.9	
<b>Net Profit</b>	<b>0.7</b>	<b>1.6</b>	<b>-58.1%</b>	<b>181.8</b>	<b>166.9</b>	<b>8.9%</b>
<b>Net Profit Margin</b>	<b>0.1%</b>	<b>0.4%</b>		<b>9.2%</b>	<b>9.2%</b>	
Other Comprehensive Income	2.1	-2.0		1.6	0.6	
<b>Total Comprehensive income for the period</b>	<b>2.8</b>	<b>-0.4</b>	<b>-822.3%</b>	<b>183.4</b>	<b>167.5</b>	<b>9.5%</b>
<b>EPS</b>	<b>0.01</b>	<b>0.03</b>		<b>3.64</b>	<b>3.34</b>	

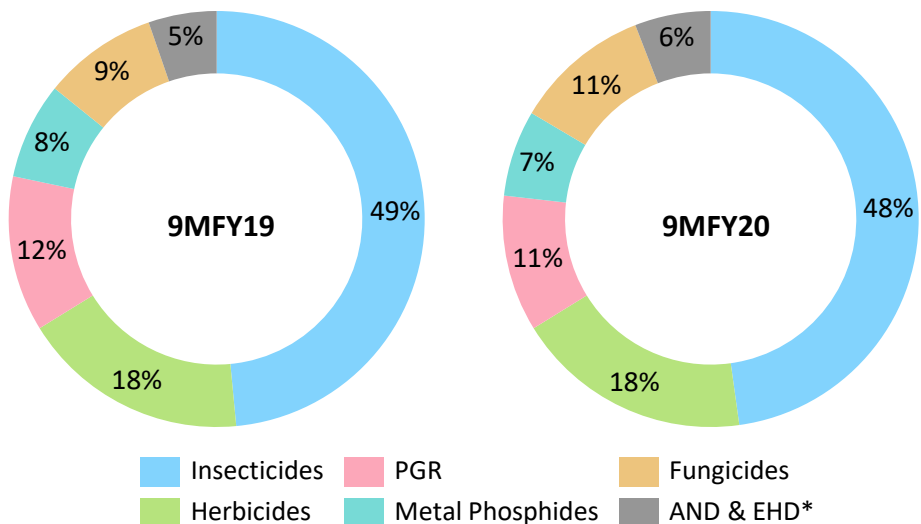
Given the seasonality in the business, it is best monitored on an annual basis since a significant portion of revenue & PAT is recorded in the first half of the year

\* Merger expenses of Rs. 25.3 Crs for Q3FY20 and Rs. 29.7 Crs for 9M FY20

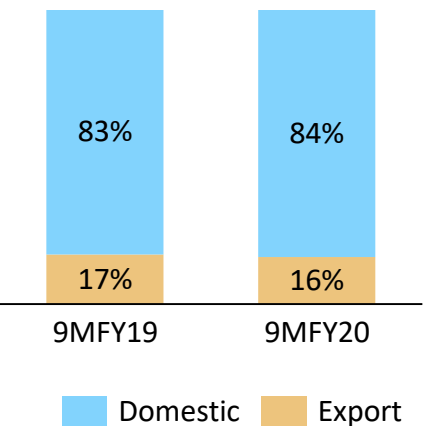


# Revenue Breakup – 9M FY20 Vs 9M FY19

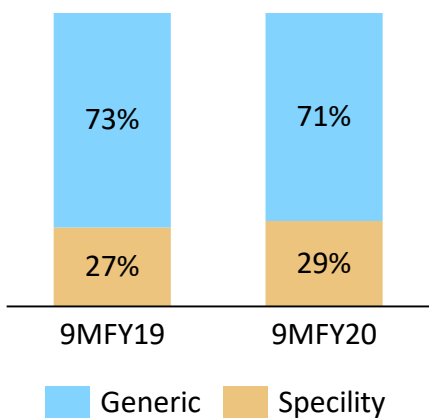
### Product Breakup



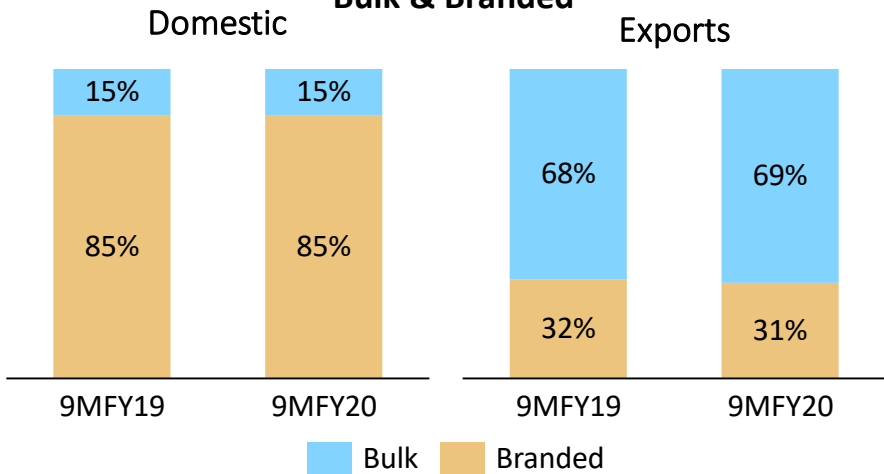
### Geographic Breakup



### Segment Breakup



### Bulk & Branded



\*AND - Animal Nutrition Division; EHD - Environmental Health Division





## Listing

- ✓ Equity shares of SCIL were listed and admitted to dealings on the BSE (542920) and NSE (SUMICHEM) effective from January 27, 2020
- ✓ The outstanding shares post listing stands at 49,91,45,736 of FV of Rs 10
- ✓ The listing follows the successful completion of the merger of Excel Crop Care with the Company effective from August 31, 2019

# Company Overview

Formidable Player in the  
Indian Agrochemicals Space

Journey to 10x Growth  
in India

Merger of Excel Crop Care  
Unlocking Value

Autonomous Board with Vast  
Industry Experience

To Benefit from Strong  
Parentage of SCC Japan





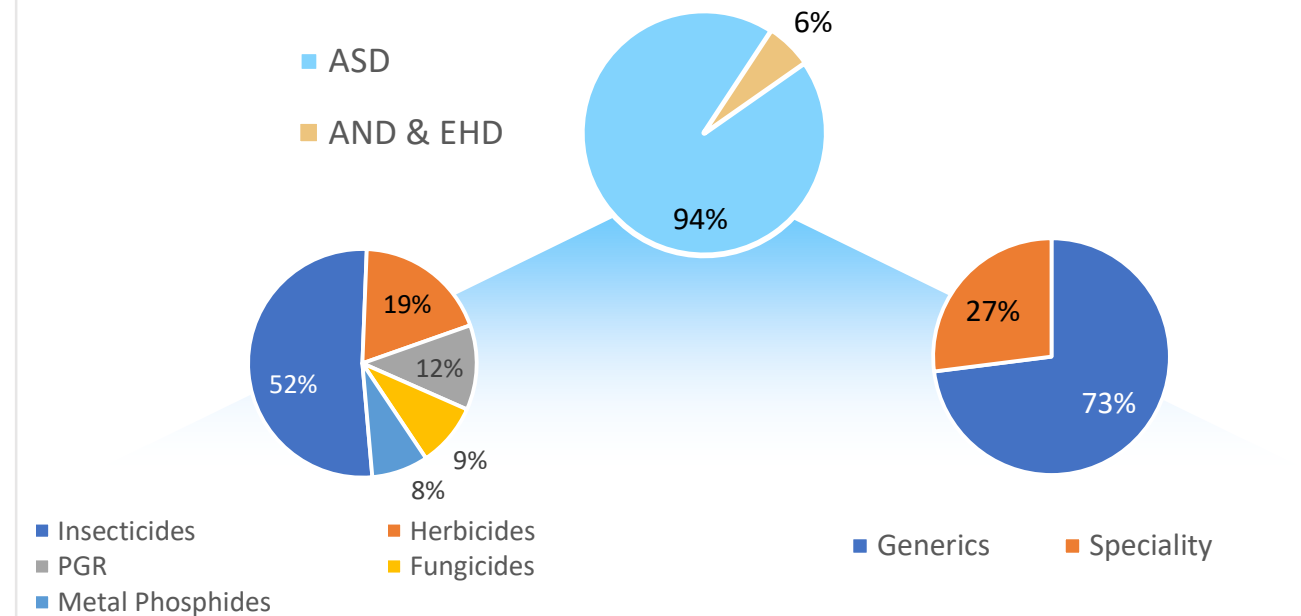
# Leading Agrochemicals Player in India

## Overview

- Incorporated in 2000 as a wholly owned subsidiary of SCC, Japan to drive expansion of its Health & Crop Sciences business in India
- Primarily engaged in manufacture and sale of speciality and generic products under Agrosolutions Division (ASD), Environmental Health Division (EHD) and Animal Nutrition Division (AND)
- Strong R&D capabilities with dedicated pool of **75+** engineers and scientists capable of creating new combinations process developments and improvements
- Recently Excel Crop Care, a leading player engaged in the manufacturing and marketing of Crop Protection, Soil Nutrition, Seed Treatment and Post Harvest products merged with Sumitomo Chemical India Ltd.
- Strong track record of driving growth (11% CAGR over FY11-19 on pro-forma numbers) with strong return ratios (FY19 ROCE of 26%)



## Diversified Product Portfolio & Segment Mix (FY19)



	Product Name	Product Category	Indicative Use
Key Products	Glyphosate	Herbicide	Tea Gardens, non-cropped
	Profenophos	Insecticide	Cotton, Soya bean
	Dantotsu	Insecticides	Vegetables
	Tebuconazole	Fungicides	Wheat, Soya bean, Chilli
	Progibb	Plant Growth Regulator	Citrus Fruits
	Aluminum Phosphide	Fumigant	Warehousing of Food Grains
	Chlorpyriphos	Insecticide	Paddy, Beans, Gram
	DL-Methionine	Animal Nutrition	Poultry





# Formidable Player in the Indian Agrochemicals Space



**5**  
Manufacturing  
Facilities

**190+**  
Brands

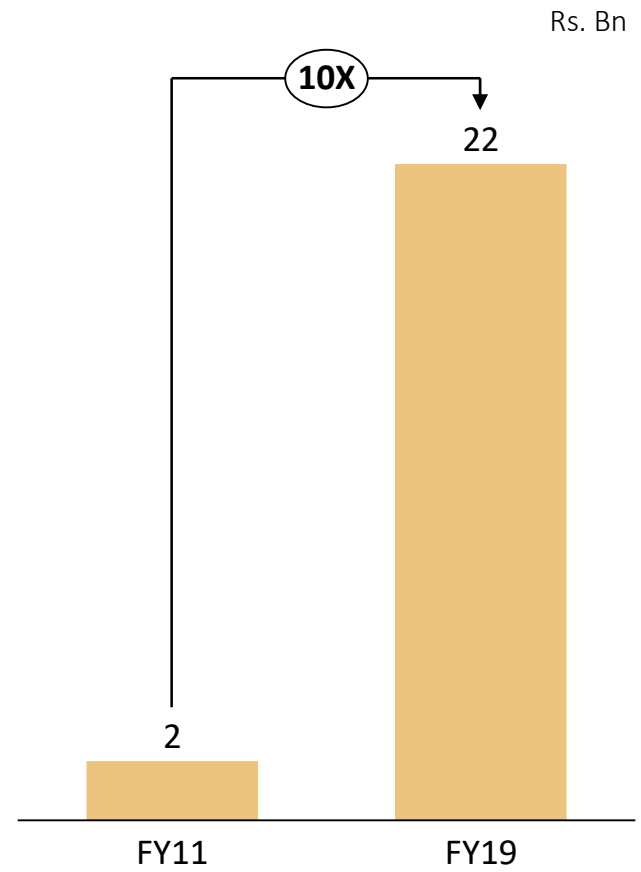
**10+**  
Technical Actives

**25+ / 200+**  
Patents /  
Registrations

**13,000+**  
Distributors

**1,500+**  
Employees

Grown 10X\* over FY11-19

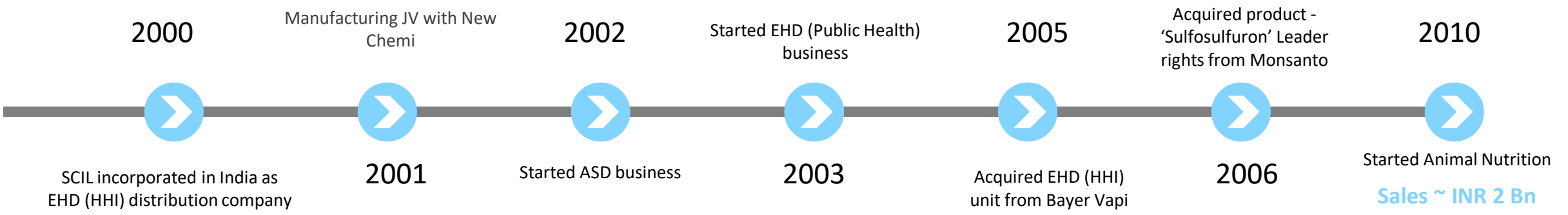


\*On an organic basis, grown 6X



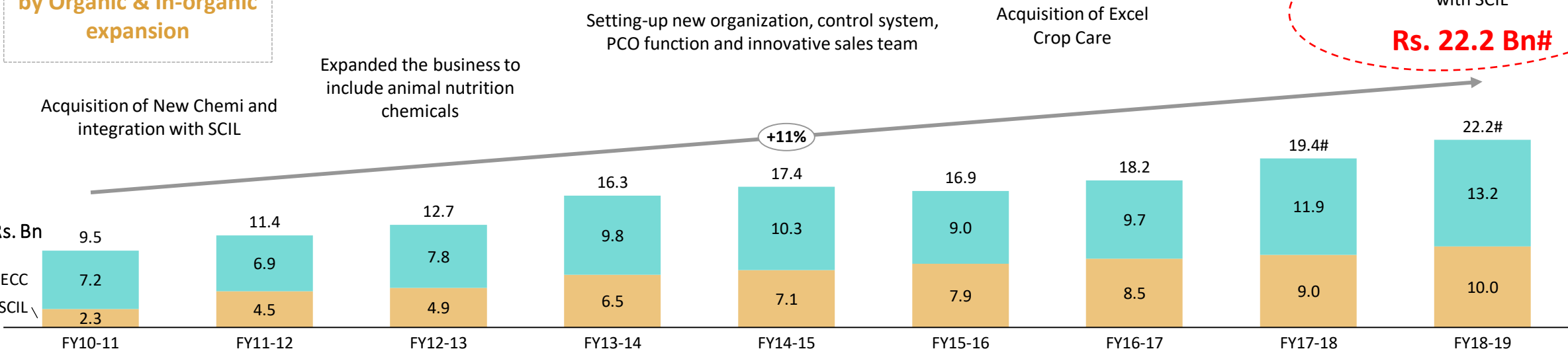
# Journey to 10x Growth in India

## Exploration Phase: 2000 – 2009



**Robust growth driven by Organic & In-organic expansion**

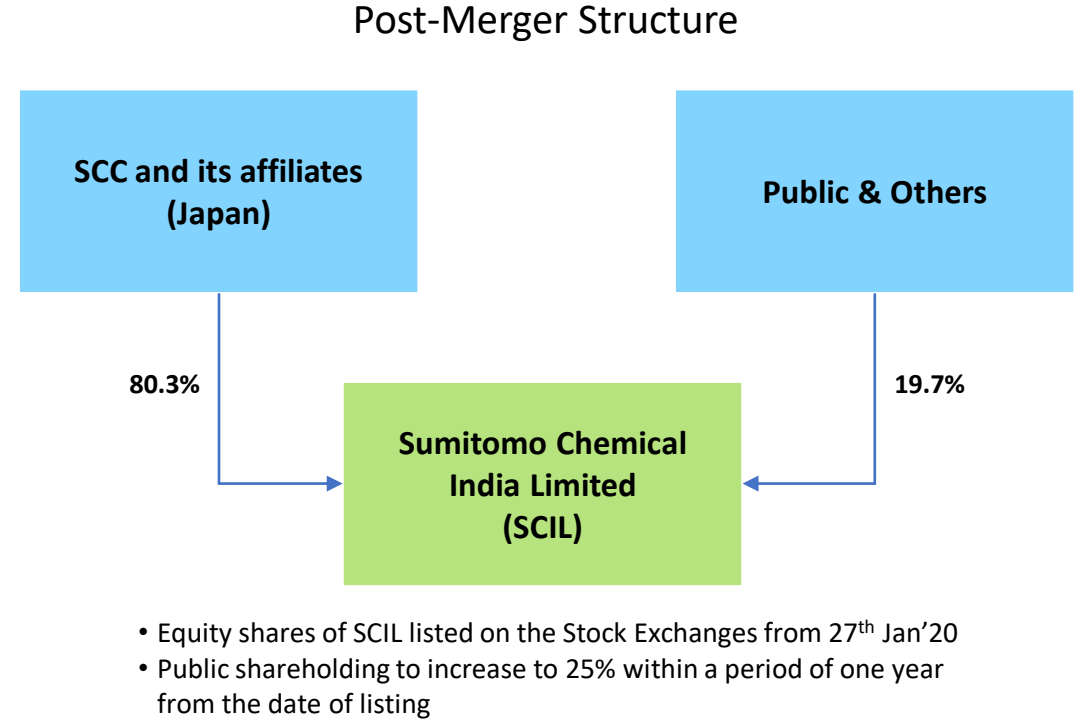
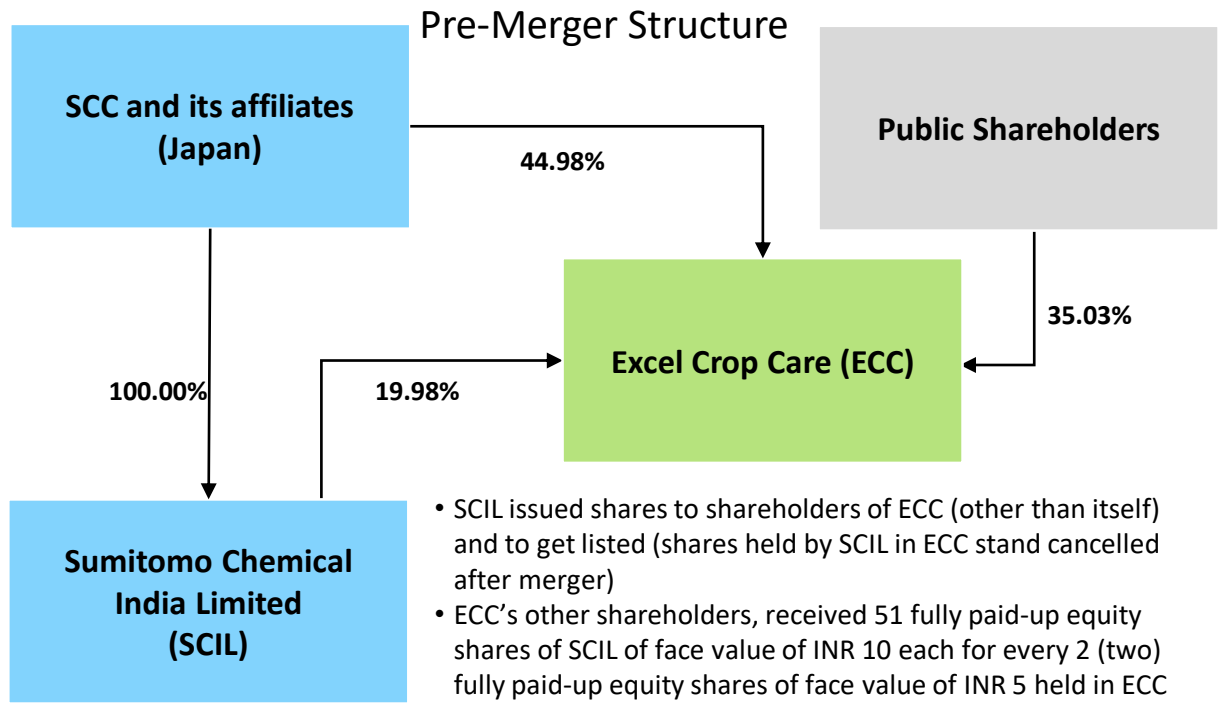
## Aggressive Growth Phase : 2010 – 2019



# Inter-company transactions are eliminated. Other operating income is included  
HHI – Household Insecticides



# Merger of Excel Crop Care to Unlock Value



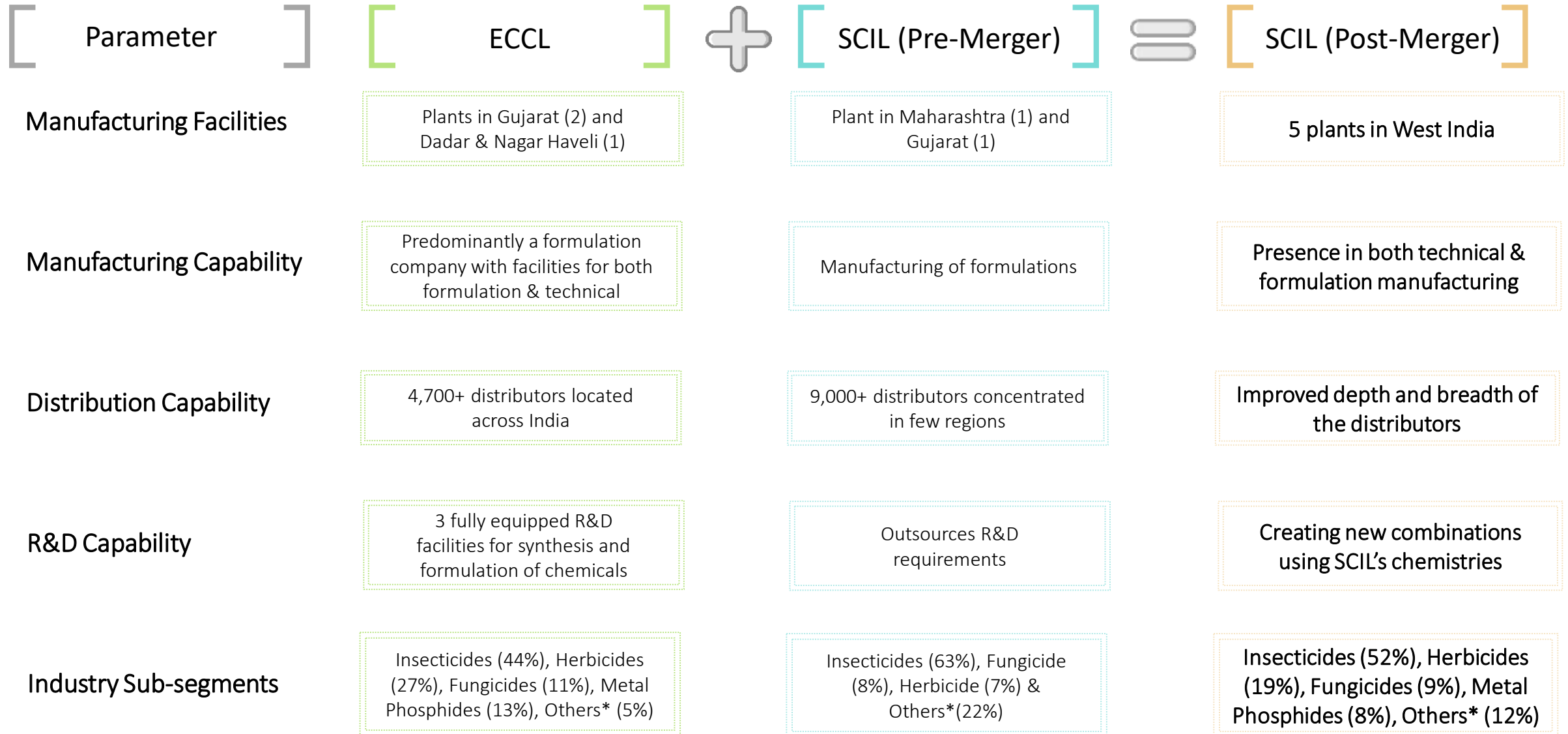
## “Long term Commitment from SCC, Japan”

- 01** De-risked Portfolio  
Presence in both technical & formulation manufacturing and across complete range of products
- 02** Highly Complementary Offerings  
Spread across generics & speciality and to leverage dual brands for offerings across the price spectrum
- 03** Distribution Scale  
Well-entrenched pan-India network and synergies in product marketing
- 04** Operational Synergies  
Continuous improvement in manufacturing efficiencies, location realignment and process efficiencies to lead to margin expansion
- 05** Undivided Parent Focus  
Backing of a well-established parent company with single focused entity of scale to drive India expansion





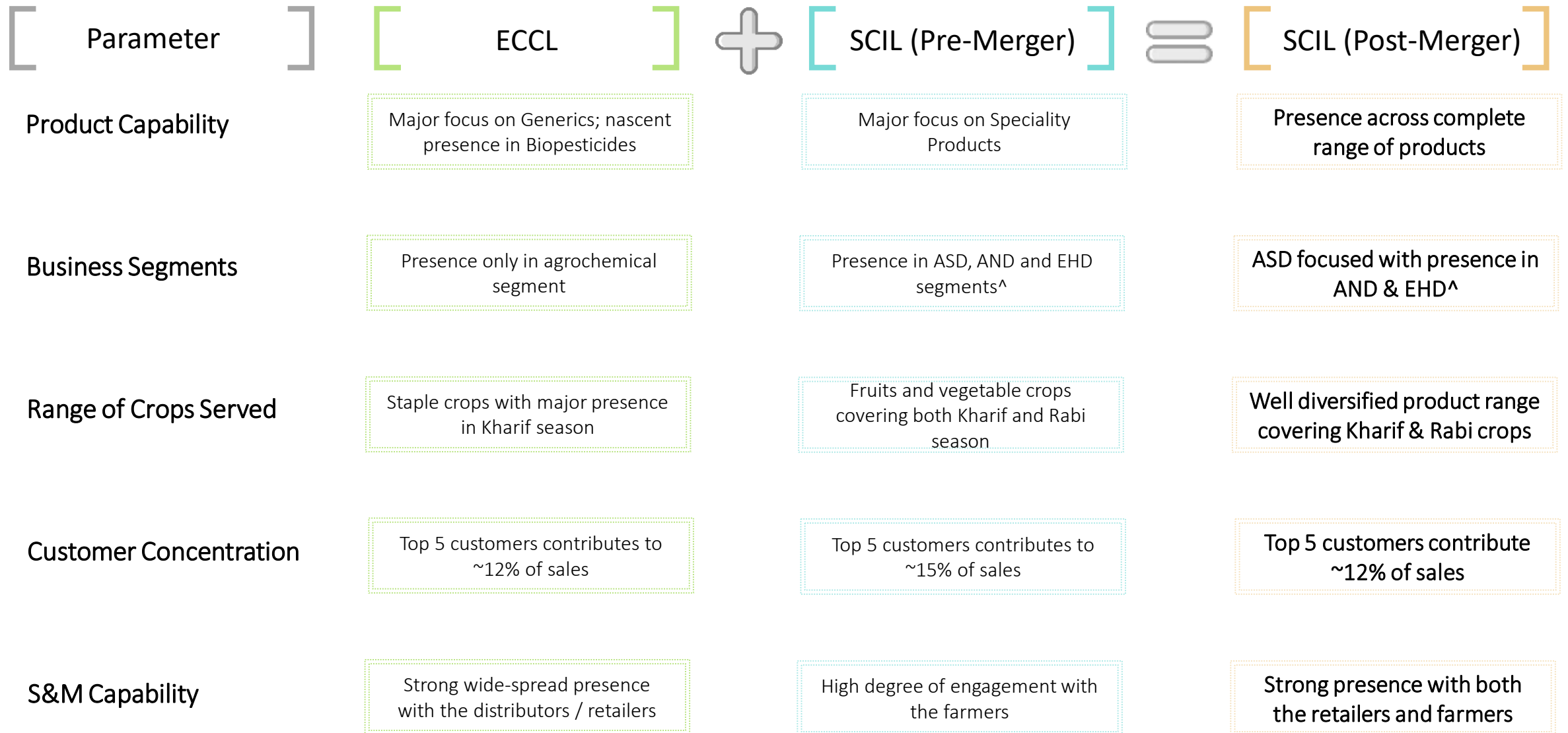
# Well-diversified Platform of Scale (1/2)



\*Others - Soil Nutrition, Biological,PGR etc.



# Well-diversified Platform of Scale (2/2)



<sup>^</sup>ASD – Agro-solutions Division; AND – Animal Nutrition Division; EHD – Environmental health Division



# Autonomous Board with Vast Industry Experience



## **Dr. Mukul Govindji Asher** **Chairman and Independent Director**

- Professorial Fellow at Lee Kuan Yew School of Public Policy at the National University of Singapore
- Advisor to Govts in Asia on tax policy & pension reforms; and to multi-lateral institutions including IMF, Asian Development Bank, PFRDA of India, Govt of Gujarat, & World Bank
- Member of the panel to review Crawford School of Public Policy at Australian National University



## **Chetan Shantilal Shah** **Managing Director**

- Commerce graduate from the University of Mumbai and holds a master's degree in Business Administration from North Roper University in the USA
- Over 43 years of industry experience in various leadership and senior management roles



## **Sushil Champaklal Marfatia** **Executive Director**

- Chartered Accountant with over 42 years of industry experience
- Worked with New Chemi Industries Limited for 33 years which was later merged with the Company



## **Ninad Dwarkanath Gupte** **Non-executive Director**

- Experience of 43 years in management of companies operating in fine chemicals, performance chemicals, industrial chemicals & agrochemicals
- Held senior positions at Excel Industries, BASF India, Herdillia Chemicals and worked as MD of Cheminova India and Agrocel Industries and as Joint MD of Excel Crop Care





# Autonomous Board with Vast Industry Experience



**Bhupendranath Bhargava**  
Independent Non-executive Director

- Experience of over 50 years in areas including banking, project financing and credit rating
- Held directorship in several leading corporates and was on the advisory board of an independent regulatory body set up by the Government of India to work on reforms in telecommunications sector



**Preeti Gautam Mehta**  
Independent Non-executive Director

- 30 years of experience in corporate laws, foreign investment and collaborations, mergers and acquisitions and private equity investments, banking, franchising and hospitality



**Tadashi Katayama**  
Non-executive Director

- MBA from Vanderbilt University, U.S.A. and a Master's degree from Kyoto University in Japan
- Associated with Sumitomo Chemical, Japan since 1992 in the Health and Crop Science business unit in various positions



**Hiroyoshi Mukai**  
Non-executive Director

- Associated with Sumitomo Chemical Group for over 30 years
- Holds a bachelor's degree from the University of Osaka, Japan



# To Benefit from Strong Parentage of SCC Japan

## About SCC, Japan

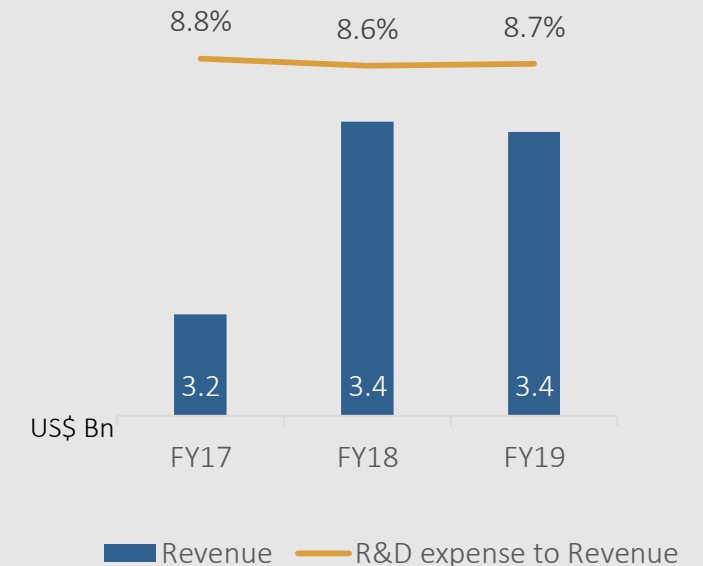
- ✓ SCC is a leading Japanese **research driven diversified chemical company** listed on the Tokyo Stock Exchange with consolidated sales revenue for FY19 of US\$ 20.8 bn and Health & Crop Sciences Sector of US\$ 3.4 bn
- ✓ Offers **diverse range of products** globally in the fields of petrochemicals, energy and functional materials, IT-related chemicals and materials, health and crop sciences products and pharmaceuticals

## SCC's Health and Crop Science Sector - Undivided Focus for Leadership in India

- ✓ SCC's Health & Crop Sciences Sector manufactures specialized solutions as crop protection and enhancement products, agricultural materials, and methionine
- ✓ SCC holds **12,600+ Patents** of which **~34% are in Health & Crop Science**
- ✓ **Strong pipeline of Agro-Solutions and Environmental Health products** with business potential of ~US\$1.4 - \$1.8 bn
- ✓ **Current ownership in SCIL: 80.3%** (to reduce to 75% within a period of one year from listing date as prescribed under the applicable regulations)
- ✓ Benefits from Global presence of SCC Japan to boost exports due to global distribution channels and presence across 40 countries
- ✓ Technical expertise, financial strength and market reach to witness strong improvement
- ✓ Inculcate Japanese practices in long term strategic planning, manufacturing proficiencies, work culture, focusing on teamwork
- ✓ Development of active ingredients and broad range of formulation research
- ✓ Introduction of products manufactured globally and which are not currently present in Indian market
- ✓ Access to new active ingredients without additional capex, keeping existing SCIL facilities available for manufacture of other molecules

## Focused on developing proprietary products and technologies

SCC's Health & Crop Sciences Sector is one of the leading R&D Spenders Globally – Key Differentiator





# Sustainable Drivers for Growth

Diversified & De-risked  
Portfolio Across the Agro-  
Chem Value Chain

Strategically Located  
Manufacturing Facilities

Strong Focus on R&D and  
Process Innovation

Strong Brand and Well-  
Entrenched Distribution  
Network

Expanding Brand Visibility  
and Connect using Innovative  
Initiatives

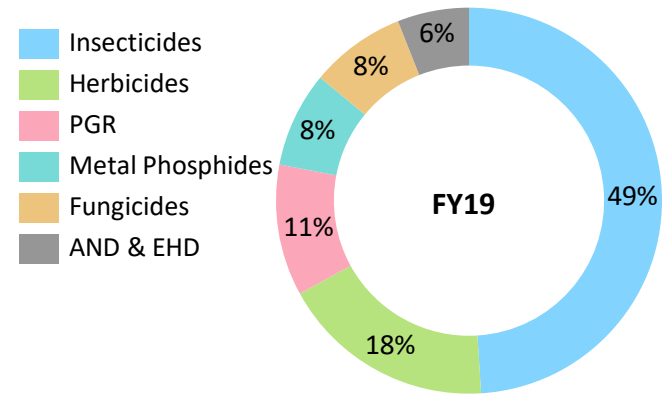
Well placed to benefit from  
Sector Tailwinds

Thrust on Safety, Health and  
Environment (SHE)



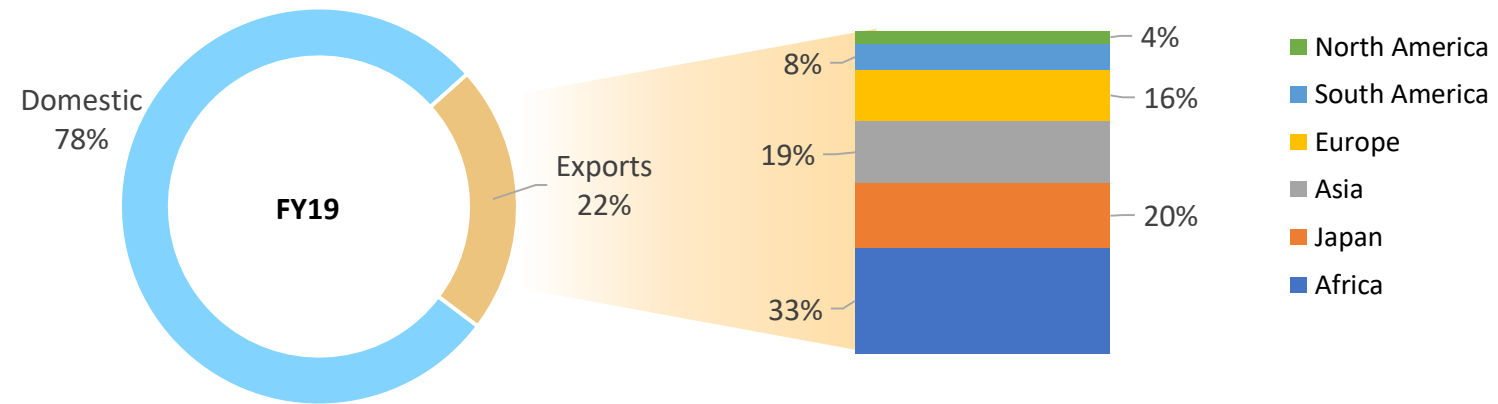
# Diversified & De-risked Portfolio Across the Agro-Chem Value Chain

Balanced Presence Across Key Sub-Segments of the Agro-Chem Value Chain



- ✓ Greater focus on high growth, stable and high profitable segments such as Herbicides, PGR, Bio-rational products
- ✓ Concentrated efforts now on fruits & vegetables, paddy and other high growth segments
- ✓ Increasing contribution from PGR segment and offerings for both Kharif and Rabi crops to reduce seasonality in the business
- ✓ One of the highest proportion of environmentally-friendly products in the Industry

Geographic Diversification with Exports to over 60 countries



Diversified Product Portfolio with low Dependence on Individual Products

- ✓ Top 10 products contributes less than 50% of Total Revenue
- ✓ No product / molecule contributes more than 15% of Total Revenue

## Well-Diversified across multiple dimensions

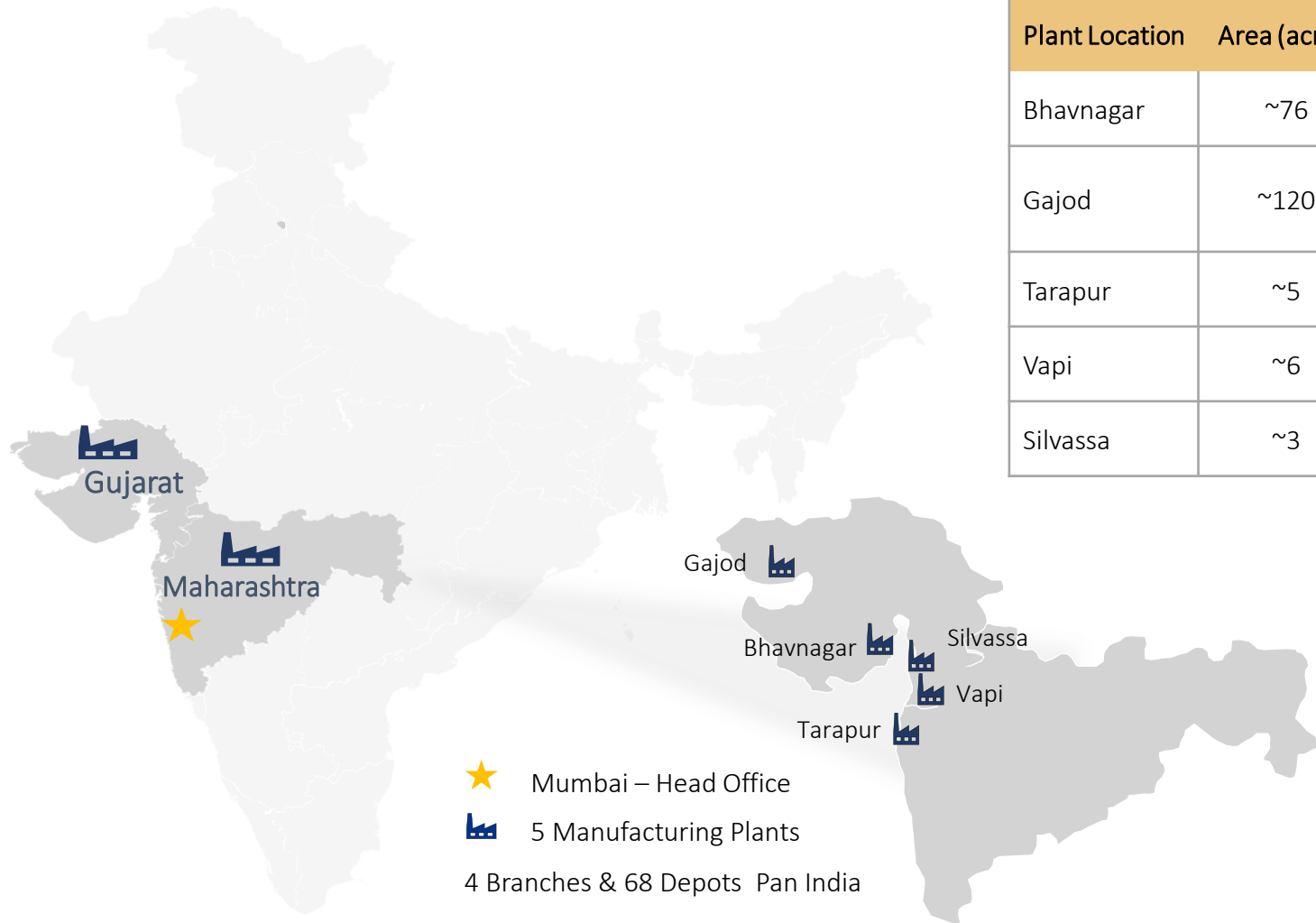






# Strategically Located Manufacturing Facilities

Connectivity to Major Cities and Proximity to Main Highways, Ports Reduces Logistic Time and Costs



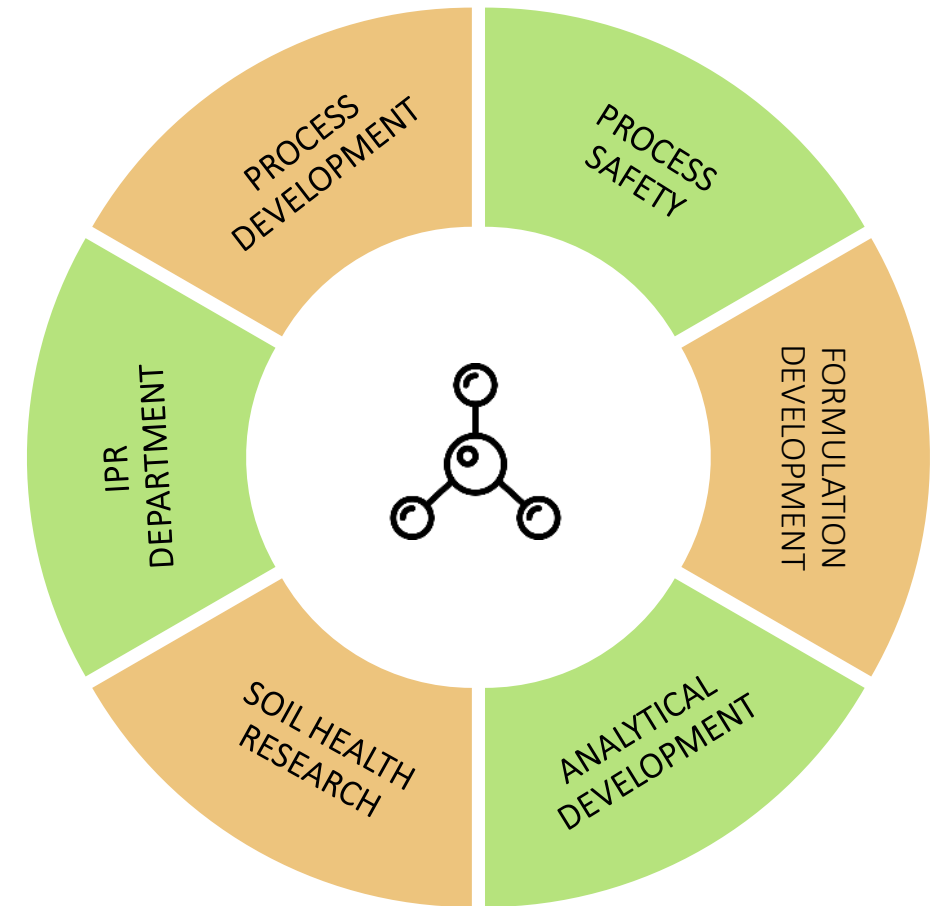
Plant Location	Area (acres)	Segment Served	Product Manufactured
Bhavnagar	~76	Manufacturing of Technical Grade Pesticides and Formulation Development	Chlorpyriphos, Profenophos, Glyphosate, Tebuconazole Tech, Quinalphos, Imidacloprid, Thiacloprid, Acetamiprid, Byspyribac Sodium, Aluminium Phosphide, Zinc Phosphide, Sulphur WDG, Fenpropathrin
Gajod	~120	Production and manufacturing of Metal Phosphides, Sulphur WDG and other WDG formulations	
Tarapur	~5	Production and manufacturing of Active Ingredients	
Vapi	~6	Formulation & Packaging	
Silvassa	~3	Formulation of Glyphosate and Other Speciality Products	



# Strong Focus on R&D and Process Innovation

## End-to-End Product Development Capabilities

- ✓ **3 fully equipped, DSIR approved R&D labs** located at Mumbai, Bhavnagar and Gajod capable of synthesis, technical product and formulation development
- ✓ R&D Team comprises of **75+** qualified and dedicated engineers & scientists of which 10+ are PhDs with more than 15 years of Experience
- ✓ **25+ patents** granted across various geographies; 9 applications filed
- ✓ **Pipeline of 9 new combination products /pre-mixtures** currently under development (5 insecticides, 2 fungicides, 2 PGR) and 2 **Technical products (1 Insecticide & 1 Herbicide)** for manufacturing in India
- ✓ R&D facilities to gain capability for creating new processes and new combinations using **SCC Japan's chemistries** which would help improve production processes and efficiency
- ✓ Feasibility of SCC Japan's new molecule pipeline being studied and evaluated in an Indian context





# Strong Brand and Well-Entrenched Distribution Network

✓ **Strong brand** with market leading position across various product categories

✓ **Dual brand portfolio** can offer products at all price points serving multiple customer sub-segments

✓ **In-depth knowledge** of own research products, **proven go-to-market strategy and deep farmer connect** facilitates launch of Speciality products

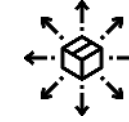
✓ **On-field demonstration of products, training of farmers** in using the products, building awareness among stakeholders in relation to the products

✓ **Pan-India distribution network** ensures strong presence with both retailers and farmers and **on-time feedback mechanism**

✓ **Scale and diversity** of product offerings lead to **superior bargaining power** with distributors and provides **one-stop solution for farmers**



**23** States



**13,000+**  
Distributors



**1 million+**  
Farmer Connect through  
**1,400+**  
Field / Market Development  
Officers



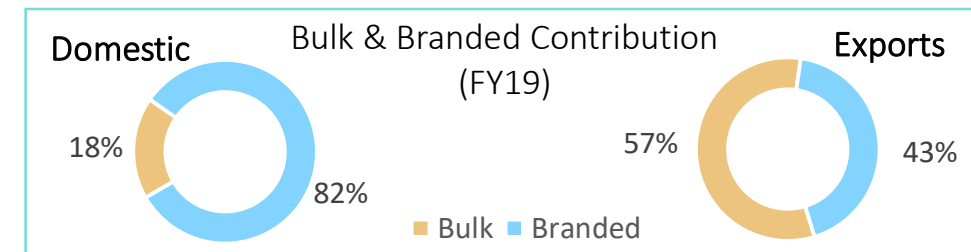
**68** Depots



**~40,000**  
Dealers



**~600**  
Sales Team





# Expanding Brand Visibility and Connect



- ✓ Wide range of **generics and speciality products** for Increased crop presence and providing crop protection solutions
- ✓ More than **1,400+ Relationship managers** connecting to **1 million+ farmers** throughout crop cycle
- ✓ Over **100 brands** covering maximum of crops and pest segments
- ✓ **13,000+ distributors, 70,000+ dealers and 68 Depots** help in expanding brand visibility and connect
- ✓ More than **500+ Qualified and skilled managers** in Sales, Marketing and customer support
- ✓ Company with **20+ mega brands** with high brand recall
- ✓ Healthy geographical Brand coverage **throughout India** including North East and J&K
- ✓ Optimum use of **advertising media** with increased Digital Platforms presence







# Digital Marketing Initiatives

Develop “Digital Marketing” as a parallel support to Traditional marketing system leading to improved sales.

✓ Our Digital Assets : **17 websites**, currently driving about **6,342 visitors** everyday.



<http://www.danitolindia.com/>



<http://www.naturedeep.in/>



<http://danzapower.com/>



<http://progibbeasy.com/>

- ✓ Successful campaign to introduce the QR codes of <http://www.sumitomoproducts.com/> to the retailers and farmers.
- ✓ The campaign drove **44.44%** of the website visitors through QR codes.

## YouTube - Advantage



**Informative Video on Fall armyworm in Maize**  
 48,251 views (since Jun 2019) and counting  
[Youtube Link](#)



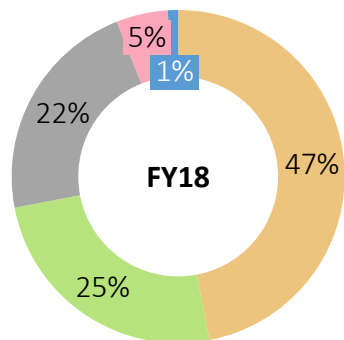
**Informative and Testimonial Combined Video on Pink Bollworm in Cotton and Danitol as Remedy**  
 55,360 views (since May 2019) and counting  
[Youtube Link](#)

- ✓ Videos in 9 major regional languages
- ✓ 10 channels on YouTube with informative and testimonial videos



# Well Placed to Benefit from Sector Tailwinds

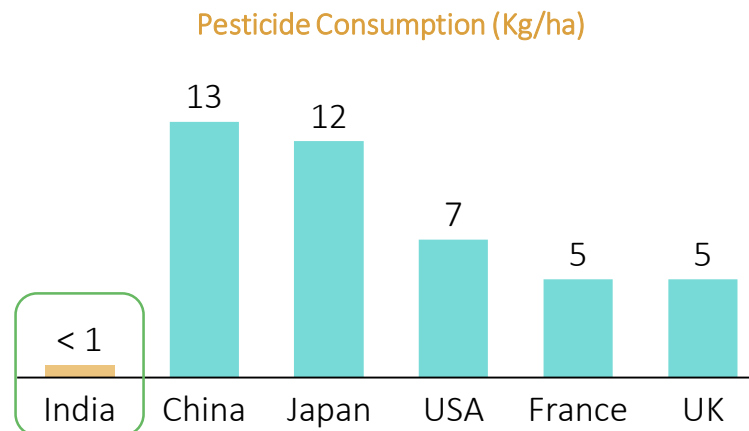
### Pesticides: Market Share by Segment



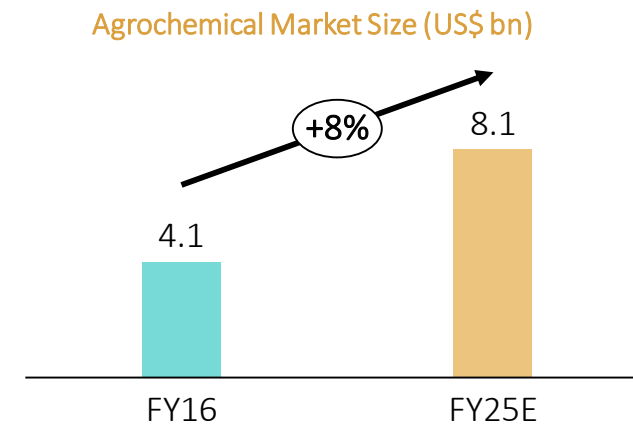
- Insecticides
- Fungicides
- Herbicides
- PGR
- Seed Treatment

Source: Data from CLI 2018

### Highly Underpenetrated Market



### Significant growth opportunity for Indian Players



Yield improvement is critical for increasing food production to feed growing population and hence crop protection products are critical to reduce crop losses

## Advantage India

- ✓ Technically Trained Manpower
- ✓ Supportive Government Policies
- ✓ Strong Safety, Health & Environment
- ✓ Legal & Regulatory Compliance
- ✓ Strong R&D
- ✓ Customer Relations Management
- ✓ Operating Efficiencies

- ✓ Rising Population
- ✓ Increasing Food Demand
- ✓ Increasing demand of Horticulture & Floriculture

## Policy Initiatives

- ✓ Increasing MSP's
- ✓ Water management and rain-water harvesting
- ✓ Enhancing exports of rice and wheat
- ✓ M-Kisan
- ✓ National e-Governance Plan
- ✓ Pradhan Mantri Fasal Bima Yojana
- ✓ Amending the Insecticides Act, 1968, to be replaced by Pesticides Management Act
- ✓ Government's plan to double farmer's Income












## China's Competitiveness Eroding

- ✓ Increased Capital Costs
- ✓ Currency Appreciation
- ✓ Stricter Environment Regulations
- ✓ Reduction in government subsidies
- ✓ Global players diversifying supplier risk



# Thrust on Safety, Health and Environment (SHE)

## Quality Certifications Ensure Consistent product quality and healthy working environment at manufacturing sites

-  ISO:9001:2015, ISO-14001:2015 and OHSAS18001:2007 for the manufacturing sites at Bhavnagar, Gajod, Tarapur and Silvassa; ISO:9001:2015 at Vapi
-  A8000 Certification for Social Accountability in Bhavnagar and Gajod
-  Efforts focused on reducing effluent load and effluent treatment cost, for staying innovative and competitive in the market
-  The quality of the products is maintained and upgraded to the applicable national and international standards through rigorous pursuit of Six Sigma initiative
-  Focused on energy conservation and energy cost reduction: 50% of total power requirement through wind and solar power generation plants
-  Expanding solar power plant capacity in line with towards green energy would also help in reducing dependence on outsourced power as well as in energy cost reduction
-  3R Principle: Recovery – Recycle – Reuse
-  Safety audit, training programmes and other safety management processes and programmes are carried out/conducted at regular intervals
-  All the manufacturing and warehousing sites of the Company are covered by safety audit



## Abiding by SCC Japan's EHS Policies



Dr. Vikram Sarabhai award for developing green technology from department of Science and Technology, Government of Gujarat



Certificates of appreciation received ten times from jointly by Gujarat Safety Council and Dish



Government of Gujarat for achieving 10 lakh accident free man-hours



Certificates of merits received from jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 20 lakh accident free man-hours



Certificates of honour received two times jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 30 lakh accident free man-hours

**Focus on purity, quality and timely delivery of products to the customer**



Growth Strategies  
&  
Financial Performance

Growth Strategies

Performance Highlights

Profit & Loss Account

Balance Sheet

Cash Flow





# Growth Strategies



## Continued Investment in R&D and Pipeline

- Aim to invest in seamless integration of R&D between SCIL and SCC units which would help improve our production processes, enhancing yields and efficiency
- Introduce new products as per market demand



## Capacity Expansion

- Driving operational efficiencies maintaining highest safety standards and Responsible Care compliances
- Invest ~15% of consolidated EBITDA every year for upgradation of manufacturing facilities and capacity expansion to cater to strong domestic/global demand



## Further Brand Development

- Investments for marketing of new and existing products and brands
- On-field demonstrations, training of farmers for building ground-level demand generation supported by digital marketing
- Focus on high margin brands
- 11 products registration in process to further improve capacity utilization including product level expansion



## Development of Combination Products

- Pipeline of **9 new** combination products / pre-mixtures currently under development (5 insecticides, 2 fungicides, 2 PGR) & **2 Technical products** (1 Insecticide & 1 Herbicide) for manufacturing in India
- Introduction of new molecules in speciality segment leveraging SCC's support



## Expand Export Business

- Enhance exports in regions like Africa and Europe
- Leverage SCC's Global supply chain and marketing network to drive exports

## Achieving Market Leadership in India

- Balanced portfolio of generic and speciality products
- Consolidate position as best agro-chemical marketer in India
- Strive for manufacturing excellence
- Set-up a strong management & team
- Lay the foundation for next generation leadership

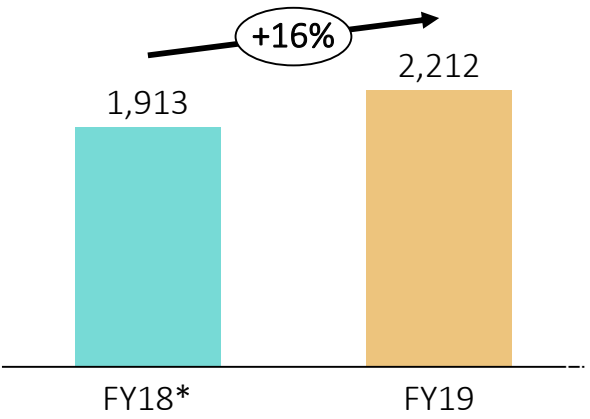
Leverage expertise in successful product launches and capacity expansions to fuel future growth



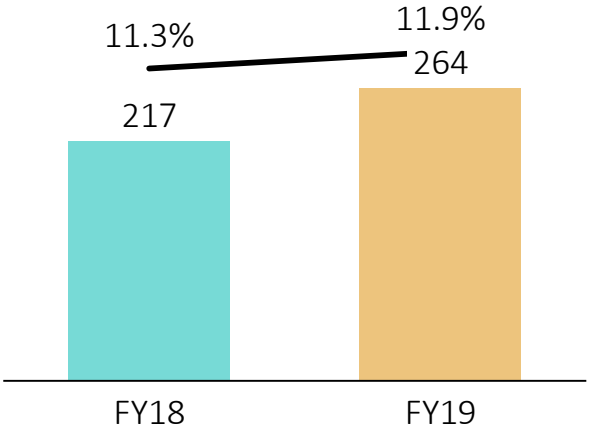


# Performance Highlights

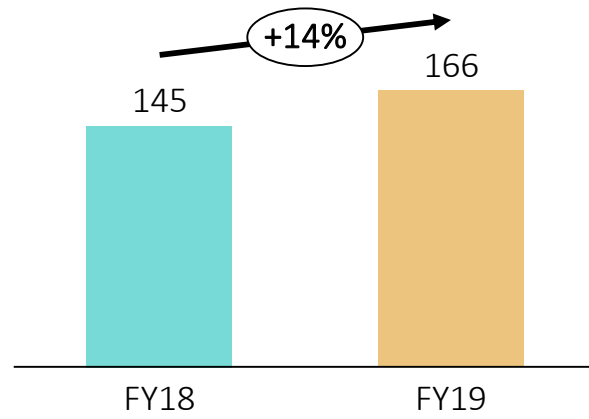
Revenue (Rs Crs)



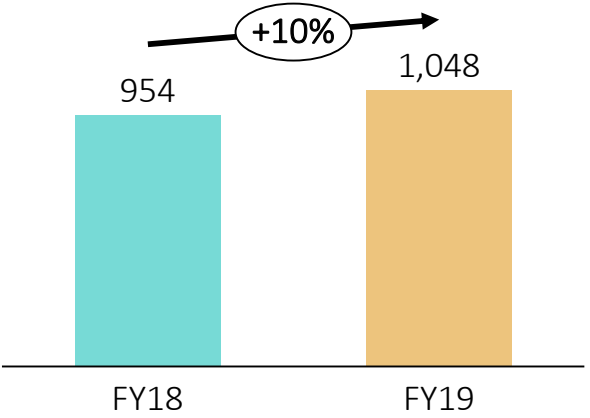
EBITDA (Rs. Crs) & EBITDA Margin (%)



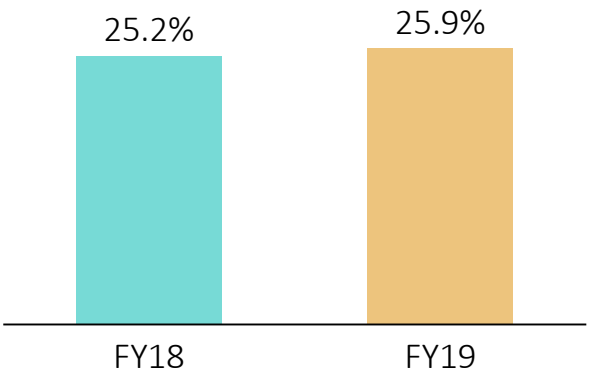
PAT (Rs Crs)



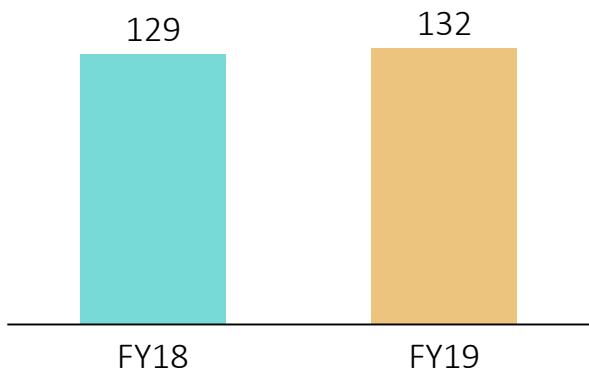
Networth (Rs Crs)



RoCE (%)^



Net Working Capital Days



- ✓ Combined entity ~2x in size
- ✓ Net debt free balance sheet
- ✓ Strong margin profile maintained
- ✓ Additional upside to be realized on account of synergies

1. Given the seasonality in the business, it is best monitored on an annual basis since a significant portion of revenue & PAT is recorded in the first half of the year

2. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18

\*Revenue is Net of Excise Duty. ^ ROCE = {EBIT / (Net Worth + Borrowings - Cash)}



# Consolidated Profit & Loss Account Statement

Particulars (Rs. Crs)	FY19	FY18	YoY
<b>Net Revenue from Operations</b>	<b>2,211.7</b>	<b>1,912.9**</b>	<b>15.6%</b>
COGS	1,458.9	1,238.7	
<b>Gross Profit</b>	<b>752.8</b>	<b>674.2</b>	<b>11.7%</b>
<b>Gross Profit %</b>	<b>34.0%</b>	<b>35.2%</b>	
Employee Expenses	161.5	147.5	
Other Operating Expenses	327.7	309.6	
<b>Operating EBITDA</b>	<b>263.5</b>	<b>217.1</b>	<b>21.4%</b>
<b>EBITDA Margin</b>	<b>11.9%</b>	<b>11.3%</b>	
Depreciation	27.8	23.7	
Other Income	27.8	30.5	
<b>EBIT</b>	<b>263.5</b>	<b>223.8</b>	<b>17.7%</b>
<b>EBIT Margin</b>	<b>11.9%</b>	<b>11.7%</b>	
Interest	3.7	2.8	
<b>Profit Before Tax</b>	<b>259.8</b>	<b>221.0</b>	
<b>PBT Margin</b>	<b>11.7%</b>	<b>11.6%</b>	
Tax	94.0	75.8	
<b>Net Profit</b>	<b>165.8</b>	<b>145.1</b>	<b>14.2%</b>
<b>Net Profit Margin</b>	<b>7.5%</b>	<b>7.6%</b>	
Other Comprehensive Income	0.0	5.1	
<b>Total Comprehensive income for the period</b>	<b>165.8</b>	<b>150.2</b>	
<b>EPS</b>	<b>3.3</b>	<b>2.9</b>	

1. Given the seasonality in the business, it is best monitored on an annual basis since a significant portion of revenue & PAT is recorded in the first half of the year

2. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18

\* H1 FY19 consolidated figures are based on management accounts; \*\*Revenue net of Excise Duty



# Consolidated Balance Sheet

Assets (Rs. Crs)	Sep-19	Mar-19	Mar-18
<b>Non-Current Assets</b>	<b>359.1</b>	<b>318.6</b>	<b>312.7</b>
Property, Plant and Equipment	283.7	277.2	264.8
Capital work-in-progress	4.5	3.2	4.5
Right to use an Asset	30.9	-	-
Other Intangible Assets	1.6	2.1	1.9
Intangible Assets under Development	4.9	4.9	4.3
<b>Financial Assets</b>			
(i) Investments	0.1	0.1	0.1
(ii) Loans	8.6	7.8	7.3
Non-Current tax Assets (net)	19.5	18.8	24.8
Other non-current Assets	5.3	4.4	5.1
<b>Current Assets</b>	<b>1,805.8</b>	<b>1,541.4</b>	<b>1,345.7</b>
Inventories	546.7	680.6	609.3
<b>Financial Assets</b>			
(i) Investments	68.8	-	-
(ii) Trade receivables	1,039.0	671.0	551.8
(iii) Cash and cash equivalents	92.6	50.5	73.5
(iv) Bank balances other than (iii) above	0.9	0.9	0.8
(v) Loans	4.8	3.3	3.7
(vi) Other financial assets	11.2	17.0	10.4
Other Current Assets	41.9	118.1	96.3
<b>Total Assets</b>	<b>2,164.9</b>	<b>1,860.0</b>	<b>1,658.4</b>

Equity & Liabilities (Rs. Crs)	Sep-19	Mar-19	Mar-18
<b>EQUITY</b>	<b>1,214.8</b>	<b>1,048.4</b>	<b>954.0</b>
Equity Share Capital	274.6	274.6	274.6
Other Equity	940.2	773.8	679.4
<b>Non-current liabilities</b>	<b>41.8</b>	<b>35.4</b>	<b>32.5</b>
<b>Financial liabilities</b>			
Financial Liability	17.8	-	-
Provisions	16.7	15.6	12.7
Deferred tax liabilities (net)	1.5	14.6	18.1
Non-current Tax Liabilities	5.8	5.2	1.7
<b>Current liabilities</b>	<b>908.2</b>	<b>776.1</b>	<b>671.9</b>
<b>Financial liabilities</b>			
(i) Borrowings	-	19.7	10.1
(ii) Trade Payables	759.4	596.8	527.3
(iii) Other financial liabilities	78.6	63.2	55.6
Other current liabilities	38.6	87.1	70.1
Provisions	5.0	2.6	2.3
Current tax liabilities	26.6	6.8	6.6
<b>Total Equity &amp; Liabilities</b>	<b>2,164.9</b>	<b>1,860.0</b>	<b>1,658.4</b>

1. Given the seasonality in the business, it is best monitored on an annual basis since a significant portion of revenue & PAT is recorded in the first half of the year
2. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18





# Consolidated Cash Flow Statement

Cash Flow Statement (Rs. Cr)	Sep-19	Mar-19	Mar-18
<b>Net Profit Before Tax</b>	<b>224.2</b>	<b>259.8</b>	<b>221.0</b>
Adjustments for: Non-Cash Items / Other Investment or Financial Items	21.0	18.6	9.6
<b>Operating profit before working capital changes</b>	<b>245.2</b>	<b>278.5</b>	<b>230.6</b>
Changes in working capital	-42.0	-112.7	-100.0
<b>Cash generated from Operations</b>	<b>203.3</b>	<b>165.8</b>	<b>130.6</b>
Direct taxes paid (net of refund)	36.0	88.1	83.1
<b>Net Cash from Operating Activities</b>	<b>167.3</b>	<b>77.7</b>	<b>47.4</b>
<b>Net Cash from Investing Activities</b>	<b>-87.8</b>	<b>-35.3</b>	<b>-39.6</b>
<b>Net Cash from Financing Activities</b>	<b>-36.9</b>	<b>-65.4</b>	<b>7.2</b>
<b>Net Decrease in Cash and Cash equivalents</b>	<b>42.6</b>	<b>-23.1</b>	<b>15.0</b>
Add: Cash & Cash equivalents at the beginning of the period	50.5	73.5	58.6
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>93.0</b>	<b>50.5</b>	<b>73.6</b>

1. Given the seasonality in the business, it is best monitored on an annual basis since a significant portion of revenue & PAT is recorded in the first half of the year  
 2. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18



# Awards & Accolades



Jamnalal Bajaj Award for “*Fair Business and Practices*”



First ever president’s gold shield for import substitution



First award for export of organic and inorganic chemicals



ICMA award for innovation and purposeful programs for social progress



First Sir P.C. Ray award for development of products and process with indigenous technology



Punjab Haryana Delhi Chamber of Commerce and Industries award for ethical business



Winner active ingredient trophy and certificate from M/s. Bayer



Trishul award for the excellent performance for exports in international markets



Shramveer award for improvement of product efficiency received from national level Delhi



Vishwakarma Rashtriya Puraskar received for process development



National Safety Award by Labour Ministry, Government of India for safety performance



Shramveer Award to employees from Labour Ministry, state level received six times



Shram Bhushan Award to employees received five times



Shram Ratna to employees, received seven times



Shram Shri award to employees received three times



Gujarat State Safety Certificate for safety commitment



# Key Takeaways

## Formidable Player in the Indian Agro-chem Space

- Strong / leadership position across products and processes
- Ability to develop new combination products (9 under registrations and additional under development)

## Experienced Management Team and Board of Directors

- Strong management and autonomous Board with vast experience and domain expertise
- Localized experience enables better understanding of market needs to drive growth

## Well-diversified Product Portfolio Across Agro-Chem Value Chain

- Multi-product, multi-geography, multi-customer de-risking
- Access to an impressive range of own actives along with significant exposure towards speciality products resulting in product offerings at all price points serving multiple customers sub-segment

## Strong Brand and Well-Entrenched Distribution Network

- 23 states, 68 depots, 13,000+ distributors, 40,000+ dealer network
- High credibility and brand recall amongst farmers and the trade on account of transparent and ethical business dealings

## To Benefit from Strong Parentage of SCC Japan

- Benefits from international standing of SCC Japan; most well revered brand renowned for its quality
- Access to SCC's global supply chain and global R&D activities (one of the largest spenders) resulting in development of actives and broad range of formulation research

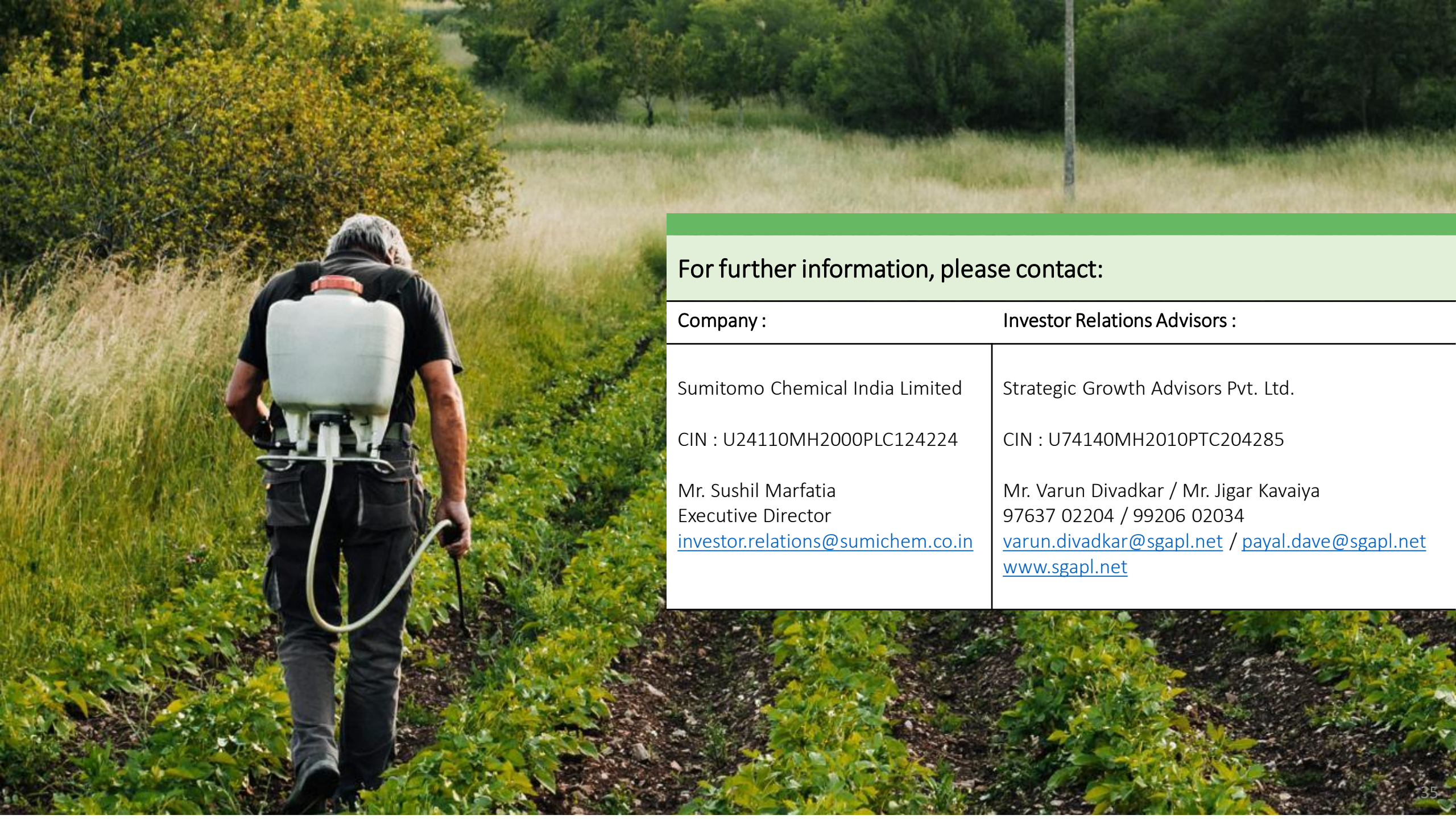
## State-of-the-art Manufacturing and R&D Facilities

- Operates five manufacturing facilities with state-of-the-art plants at strategic location which helps reduce logistic time and costs
- Capacity not a constraint allowing for significant growth on existing investments
- Holds 27 patents and further 9 applications filed

## Strong Track Record of Driving Growth

- Grown 10X over FY11-19 driven by organic and inorganic expansion; 11% CAGR for merged entity (including Excel Crop Care) over the same period
- Debt free balance sheet with strong return ratios





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