



NATH SEEDS®

**Nath Bio-Genes (I) Ltd.**

(CIN L01110MH1993PLC072842)

14<sup>th</sup> February 2022

The Manager-Listing  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

The Manager-Listing  
National Stock Exchange of India Ltd.,  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E)  
Mumbai-400051

BSE Code-537291

NSE Code-NATHBIOGEN

Dear Sir/Madam,

Subject- Presentation on Unaudited Financial Results.

Please find the attached herewith, presentation on unaudited financial results for the period ended 31<sup>st</sup> December 2021.

This is for your information and record purpose

Thanking You

For Nath Bio-Genes (India) Limited

Devinder Khurana  
Chief Financial Officer

NATH SEEDS  
हर बीज खरा, शक्ति भरा



# 9MFY22 Performance



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## Safe Harbour

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Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements.

Nath Bio Genes (India) Limited will not be in any way 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.

# Strategic Update

## Kharif Season Update

- Cotton packets sold 11.69 Lacs due to excessive sales return (27%)
- Paddy sales maintained over 9M
- Non-Cotton; Non-Paddy grew by 5%
- PNS new products launched

## Capital Structuring/Buyback

- Dividend declared and ratified in AGM on 27 Aug 2021
- Dividend distributed in Sep 2021
- Buy back proposal being deferred due to bank permission

## New Products Developments/Launches

- Rabi Season in progress
- Vegetable Sales lined up
- PNS new products emphasised
- Mustard and Wheat stocked for sales

## Working Capital

- Positive Operational Cash Flow
- Working Capital under control.
- Inventory level increased due to returns, but manageable
- Debtors increased due to sales and are being realised

# Strong Operating and Financial Performance

## Operating Performance

- Non - cotton, non - paddy portfolio contributed 38% to revenue
- Non Cotton and Non Paddy portfolio contribution reduced from 71% to 62%
- Cotton sales reduced by 13% YOY
- Paddy sales maintained

## Financial Performance

- Revenue flat at Rs 2,512mn
- EBITDA up 6% YoY
- PAT flat at Rs 491mn

# Managing Headwinds

## Impact of Covid

- COVID second wave - Rabi sowing hampered
- Processing and logistics have been normalised with extra efforts

## Illegal BT Cotton

- Farmers can grow only BT Cotton, however they have veered towards another hybrid – HT BT in past few years.
- The process saves on labour required to physically remove weeds from cotton fields. But it has not been approved by regulators.
- Record high of 60-70 lakhs packets of illegal cotton seed have been sold this season.
- Industry lobbies have written to the Agriculture Ministry, demanding that action be taken to stop such sales and punish offenders, noting that cultivation of the genetically modified cotton variant has serious environmental and economic consequences.

## Income Statement

Particulars (INR Mn)	9MFY22	9MFY21	% Change (YoY)	Q3FY22	Q3FY21	% Change (YoY)
Total Revenue	2,512	2,525	-1%	217	360	-40%
<b>Gross Profit</b>	1,297	1,404	-8%	144	246	-41%
<i>Gross Margin (%)</i>	51.6%	55.6%	-400bps	66.4%	68.4%	-200bps
<b>EBITDA</b>	585	556	5%	60	64	-6%
<i>EBITDA Margin (%)</i>	23.3%	22.0%	130bps	27.6%	17.7%	990bps
Depreciation	19	20	-5%	6	7	-14%
Finance Cost	81	61	33%	27	21	29%
<b>PBT</b>	496	493	1%	30	45	-33%
<i>Tax Rate (%)</i>	1.0%	1.5%	-50bps	3.3%	6.0%	-270bps
<b>PAT</b>	491	485	1%	29	42	-31%
<i>PAT Margin (%)</i>	19.5%	19.2%	30bps	13.4%	11.8%	160bps
EPS	26.0	26.0		1.4	2.2	

## Stable Balance Sheet Despite Growth

Assets (INR Mn)	H1FY22	H1FY21	Liabilities (INR Mn)	H1FY22	H1FY21
Fixed Assets	2,461	2,452	Share Capital	190	190
Financial Assets	55	59	Reserves & Surplus	6,366	5,829
Other Non-current Assets	132	10	Long-Term Borrowings	6	7
Inventories	2,281	1,742	Long-term Provisions	27	32
Trade Receivables	1,297	1,216	Short Term Borrowings	950	788
Cash & Bank Balances	200	204	Trade Payables	64	146
Loans & Advances	1,308	1,331	Other Current Liabilities	173	115
Other Current Assets	50	97	Short Term Provisions	8	4
<b>Total</b>	<b>7,783</b>	<b>7,111</b>	<b>Total</b>	<b>7,783</b>	<b>7,111</b>



## Segment wise Operating Performance

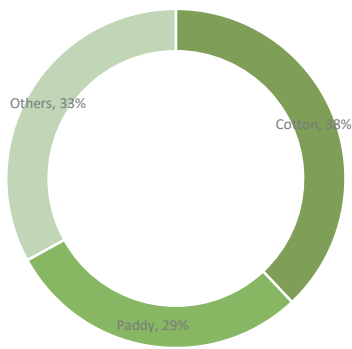
Products	Metric	9MFY22	9MFY21	YOY Growth	FY21
Cotton	Packets in lakhs	11.69	13.18	-11.3%	12.24
Paddy	Quintals	56,106	66,089	-15.1%	83,839
Other Crops (Bajra, Maize)	Quintals	34,730	36,425	-4.7%	34,195

- Cotton sales reduced due to excessive sales return of 28%
- Revenue from Paddy maintained

## Segmental Revenue Contribution- Cotton + Paddy share reducing

9MFY21 Revenue  
INR 2,525Mn

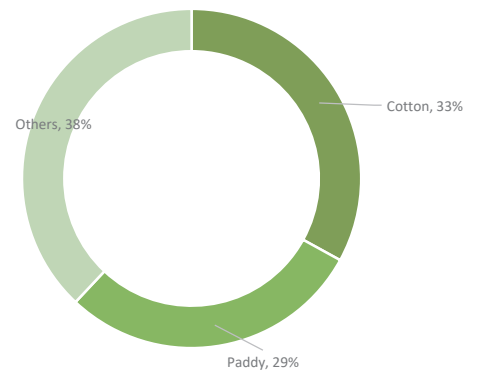
9MFY21



■ Cotton ■ Paddy ■ Others

9MFY22 Revenue  
INR 2,512 Mn

9MFY22



■ Cotton ■ Paddy ■ Others



• include: Jowar, Bajra, Maize, Mustard, Wheat

## Highly Ranked Cotton Products – Gaining market share in declining market

- Volume growth of 10-15% projected for FY23
- Special Campaign being undertaken to educate farmers

✓ Progress of Acreage under COTTON BT (in Lk Hectare) - STATE-WISE

STATE	2020-21	2019-20	% Change (YoY)
AP	4.19	2.28	84%
Telangana	21.49	15.56	38%
Gujarat	19.95	20.25	-2%
Haryana	7.30	6.69	9%
Karnataka	4.59	2.62	75%
MP	5.91	5.70	4%
Maharashtra	39.13	38.60	1%
Odisha	1.66	0.00	-
Punjab	4.96	3.94	26%
Rajasthan	6.40	5.41	18%
Tamil Nadu	0.05	0.03	56%
Others	0.22	0.24	-10%
<b>All India</b>	<b>115.85</b>	<b>101.32</b>	<b>14%</b>

Source: Ministry of Agriculture, Data updated till 31 July, 2020



**3 YEAR OUTLOOK:  
20% + Growth CAGR**

**9**

Cotton Products launched in last 5 years

**8-12**

Products in Pipeline

## Paddy: Strong volume growth

- Volume growth projected at 15-20% in FY23
- Research Efforts underway for new products



### Presence of Paddy across India

#### Key Products

Loknath

Gorakhnath

Super Duper

Tehelka

#### Key Markets

Bihar

Jharkhand

UP

Haryana

**3 YEAR OUTLOOK:**  
**20% + Growth**

**10+**

Paddy Products launched in last 5 years

**8-10**

Products in Pipeline

## Highly diversified vegetable Portfolio

- Volume growth of 25-30% projected in FY23
- High Margin segment : 60%+ margins
- New products being launched
- Vegetable vertical achieving results

**3 YEAR OUTLOOK:**  
**30% + Growth**



**Hybrid Vegetable Market Size: INR 25 – 30 Bn**

### Hybrid Vegetable Industry: Market Break-up

Okra	14%
Chilli	9%
Tomato	10%
Onion	9%
Gourds	9%
Cucumber	6%

**30+**  
Vegetable Products launched in last 5 years

**20+**  
Products in Pipeline

## Win Chi Win : Major growth booster

- Volume growth of 15% projected in FY22.
- Overall sales effected due to COVID situation
- High Margin segment : 70%+ Margins
- Territories enhanced to sustain growth



- A growth enhancer for Cereals, Fruits, Vegetable Crops, etc
- A foliar spray containing essential elements required for regulation of growth like Manganese, Zinc, Boron, etc

**3 YEAR OUTLOOK:  
30% + Growth**

- Concentrate on Plant Nutrient Segment for more growth and profitability
- Extend Product range in Plant Nutrient Segment

# Innovate, Help, Grow

## Innovate

**45**

New Seeds Developed in last 5 years

**100+ years**

R&D Team experience

**#1-3**

ICAR Trials

**15+**

Products in Pipeline

## Help

**150,000**

Employment Generated

**50,000**

Contract Farmers

**20,000+**

Direct Retailers

**15,000**

Villages

## Grow

(5 Year Performance]

**81%**

Revenue Growth

**2.3x**

EBITDA Growth

**3.4x**

PAT Growth

**465 bps**

EBITDA Margin Expansion

## Focussed on Shareholder Value Creation

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- 1 Building A Strong Organisation; Evolved into a Dividend Paying Company
- 2 Developing Innovative Products
- 3 Making the Portfolio more Balanced
- 4 Balance Sheet becoming Stronger
- 5 Strategic Presence across Seed Value Chain
- 6 Delivering strong growth despite an uncertain environment



## Working Capital Cycle – Impacted by higher inventory due to Covid

All figures in INR mn	H1FY22	FY21
Revenue	2,295	3,076
Inventories	2,281	2,263
Trade Receivables	1,297	1,094
Trade Payables	64	452
Net Working Capital	3,514	2,905

	H1FY22	FY21
Inventory Days	362	268
Receivable Days	206	130
Payable Days	10	54
Working Capital Cycle	558	344

- **Increase in Inventory due to :**
  - Enhanced sales return and FY 23 production. Cotton seed has long shelf life so no issue in that.
  - Inventory to normalise over next 2 years. No losses expected

## Historical Stable Balance Sheet Despite Growth

Assets (INR Mn)	FY21	FY20	Liabilities (INR Mn)	FY21	FY20
Fixed Assets	2469	2460	Share Capital	190	190
Financial Assets	53	52	Reserves & Surplus	5943	5386
Other Non-current Assets	134	15	Long-Term Borrowings	7	3
Inventories	2263	2043	Long-term Provisions	26	24
Trade Receivables	1094	1070	Short Term Borrowings	944	695
Cash & Bank Balances	292	220	Trade Payables	452	682
Loans & Advances	1554	1346	Other Current Liabilities	328	285
Other Current Assets	36	93	Short Term Provisions	5	34
<b>Total</b>	<b>7895</b>	<b>7299</b>	<b>Total</b>	<b>7895</b>	<b>7299</b>



# Corporate Overview






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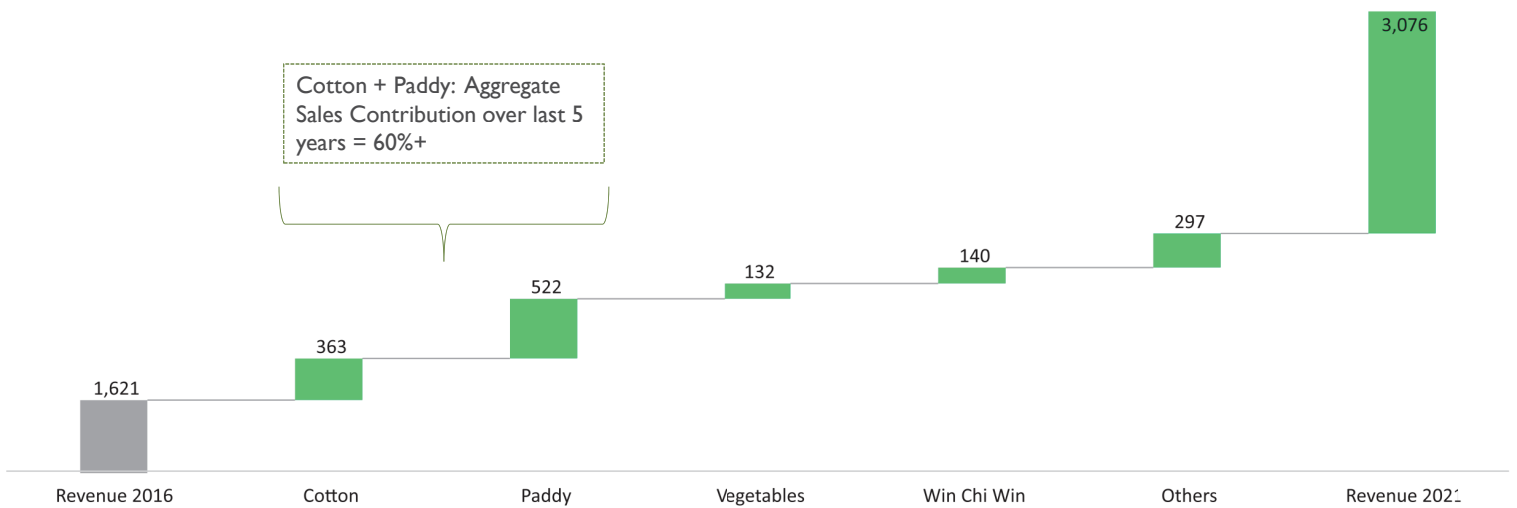
# Strategy 4.0

## Altering strategy to create a more robust & de-risked business model

 Risks	 Change in Strategy	 Action Points
<ul style="list-style-type: none"> <li>○ Portfolio Concentration Risk</li> <li>○ Cotton &amp; Paddy seeds portfolio in excess of 30% each</li> </ul>	<ul style="list-style-type: none"> <li>○ Limiting revenue contribution of any single crop to less than 25%</li> </ul>	<ul style="list-style-type: none"> <li>○ Developing products in multiple food crops like Maize, Jowar, Bajra etc</li> </ul>
<ul style="list-style-type: none"> <li>○ Geographic Risk</li> <li>○ Spatial distribution of rainfall</li> </ul>	<ul style="list-style-type: none"> <li>○ Achieve wide Geographical spread to mitigate risks of adverse spatial distribution of monsoon</li> </ul>	<ul style="list-style-type: none"> <li>○ Develop export markets</li> </ul>
<ul style="list-style-type: none"> <li>○ Regulatory Risk</li> <li>○ Price control on cotton seeds likely to be extended</li> </ul>	<ul style="list-style-type: none"> <li>○ Higher resource allocation for other food crops including vegetables</li> </ul>	<ul style="list-style-type: none"> <li>○ Cotton seeds to grow at 20% CAGR in line with overall growth</li> </ul>
<ul style="list-style-type: none"> <li>○ Seasonal Risk</li> <li>○ Skewed Growth</li> </ul>	<ul style="list-style-type: none"> <li>○ Concentrate on vegetable &amp; Plant Nutrient Supplement for faster growth and profitability</li> </ul>	<ul style="list-style-type: none"> <li>○ Add new products in vegetable segment; Extend product range in Plant Nutrient Supplement Segment</li> </ul>

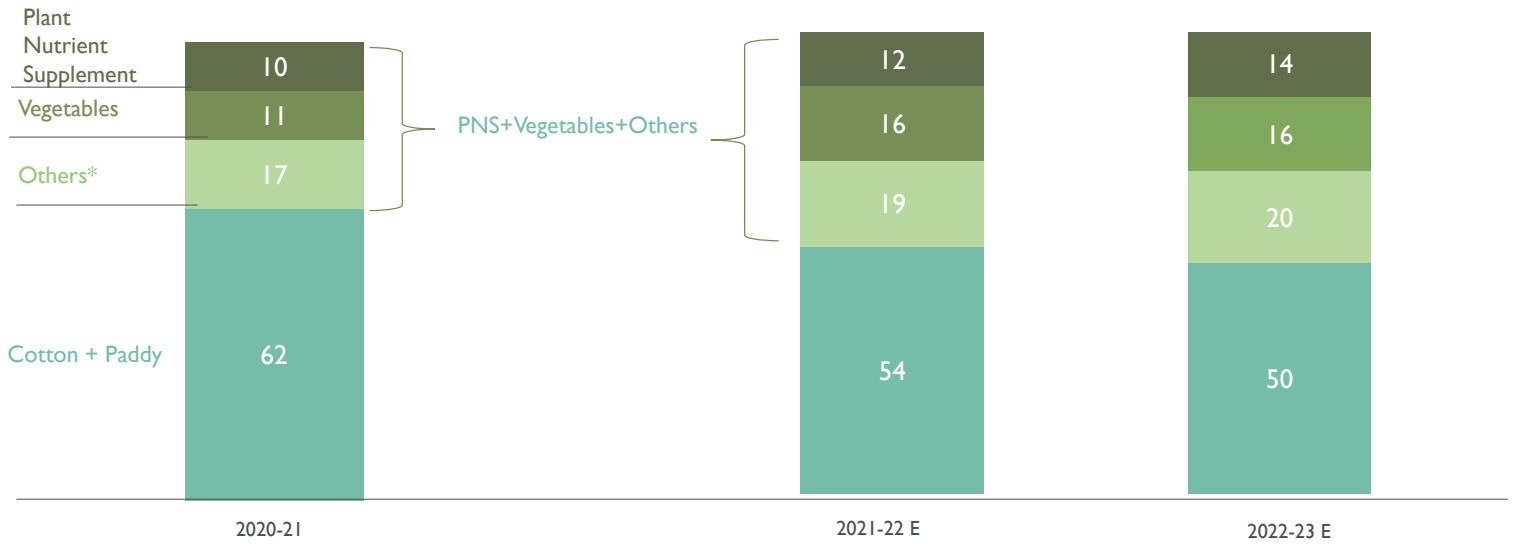
# Last 5 Years: Cotton & Paddy Driven Growth

Revenue Growth Contributors (INR Mn)



# Next 5 Year: Multiple Growth Drivers

## Moving towards a Diversified and De-Risked Portfolio (% Sales)



\* include: Jawar, Bajra, Maize, Mustard, Wheat



## Building a Strong Organisation

- Imbibing a culture of continuous growth and strong governance
- Hiring industry experts in each key area of operations – R&D, Finance, Supply-Chain
- Empowered teams, well-aligned with organisation vision
- Strong risk management framework

**500+**  
Employees

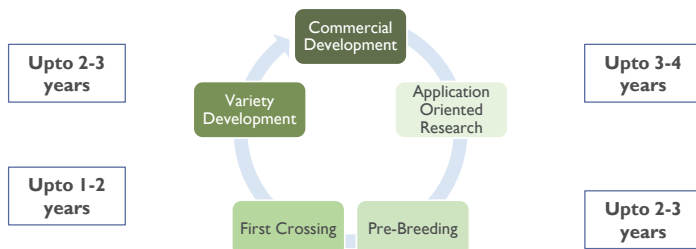
**150+**  
New Employees Hired in Last 3 Years

**20+**  
Senior Level Hiring in Last 3 Years

# Developing Innovative Products

- World Class R&D Infrastructure
- Launched 36 Innovative Products Developed across Segments
- 8-10 new products in pipeline in cotton
- 20+ new products in pipeline in Vegetables

Seed Development: 7-10Year Cycle



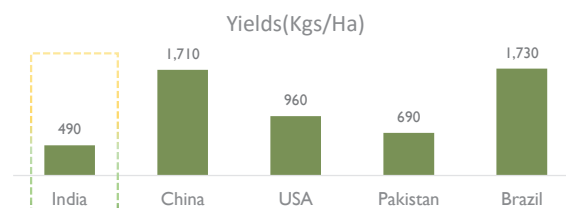
## Holistic Products to Address Problems of

Low Yields

Climate Change

Pest Infestations

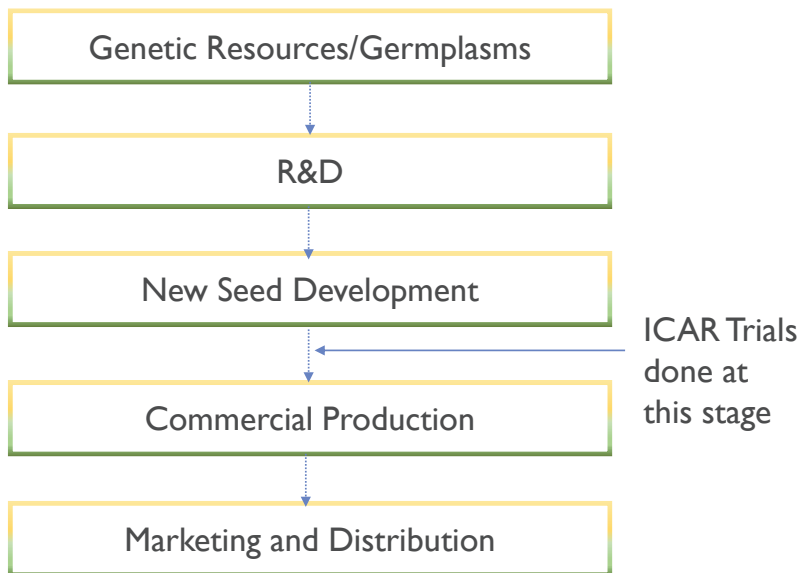
India: Amongst the Lowest Cotton Yield



Source: OECD-FAO Agricultural Outlook 2019-2028



## Strategic Presence Across the Seed Value Chain





# Appendix



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# Visionary Leadership; Attracting the Best Talent



**Mr. N  
Kagliwal  
Chairman**



**Mr. Satish  
Kagliwal MD**

Nath Promoters are committed to sustainable growth and are working towards making Nath one of the best seeds company globally.

## Leadership Team



**Mr. Devinder Khurana  
CFO**

## Research & Product Development



**Dr S Raina  
Head - Cotton**



**Dr Ish Kumar  
Head - Paddy**



**Dr VN  
Kulkarni**



**Dr C Pathak  
Head - VEG**

Nath leadership team shares the same passion as its promoters. The leadership team comprises of the best talent in Industry.

**Combined work experience of 250  
Years**

**Combined R&D experience of 100  
Years**

## Marketing Heads



**Harish Pandey  
FC**



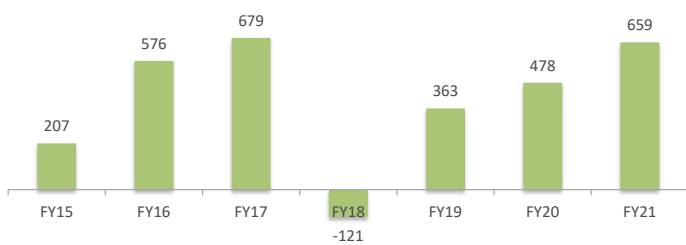
**Ram Pandey  
VEG**



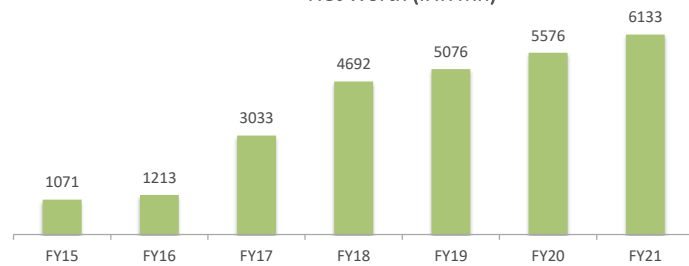
**Mr K Reddy Head  
- Supply Chain**

# Improving Profitability; Strong Balance Sheet

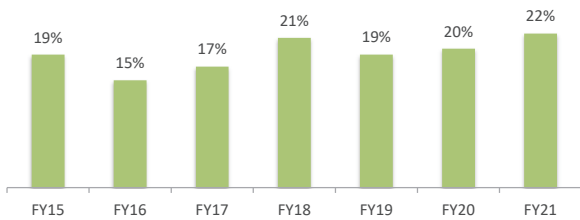
Net Debt (INR Mn)



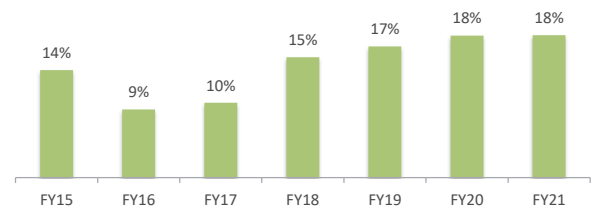
Net Worth (INR Mn)



EBITDA Margin (%)



PAT Margin (%)



## Historical Income Statement

Nath Bio-Genes' P&L Statement			
Particulars (INR Mn)	FY21	FY20	FY19
Total Revenue	3076	2799	2,309
<b>Gross Profit</b>	1715	1536	1,253
<i>Gross Margin (%)</i>	56%	55%	54%
<b>EBITDA</b>	667	547	433
<i>EBITDA Margin (%)</i>	22%	20%	19%
Depreciation	28	14	14
Finance Cost	88	65	52
<b>PBT</b>	568	485	389
<b>PAT</b>	557	505	386
<i>PAT Margin (%)</i>	18%	18%	17%
EPS	<b>29.3</b>	<b>26.3</b>	<b>20.3</b>

## Historical Balance Sheet

Assets (INR Mn)	FY21	FY20	FY19	Liabilities	FY21	FY20	FY19
Fixed Assets	2469	2,460	2,317	Share Capital	190	190	190
Financial Assets	53	52	52	Reserves & Surplus	5943	5,386	4,885
Other Non-current Assets	134	15	20	Long-Term Borrowings	7	3	5
Inventories	2263	2,043	1,554	Long-term Provisions	26	24	19
Trade Receivables	1094	1,070	1,080	Short Term Borrowings	944	695	572
Cash & Bank Balances	292	220	214	Trade Payables	452	682	502
Loans & Advances	1554	1,346	1,187	Other Current Liabilities	328	310	278
Other Current Assets	36	93	37	Short Term Provisions	5	10	9
<b>Total</b>	<b>7895</b>	<b>7,299</b>	<b>6,460</b>	<b>Total</b>	<b>7895</b>	<b>7,299</b>	<b>6,460</b>

# Thank You

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CIN\_NBIL\_L01110MH1993PLC072842

For further information, please get in touch with:

Sheetal Khanduja  
[sheetal@GoIndiaadvisors.com](mailto:sheetal@GoIndiaadvisors.com)  
M:+91 97693 64166

Monali Jain  
[monali@GoIndiaadvisors.com](mailto:monali@GoIndiaadvisors.com)  
M:+917597304020

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