

AIMCO PESTICIDES LIMITED

(AN ISO 9001 : 2015, 14001 : 2015, 45001 : 2018 CERTIFIED)

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CIN NO. L 24210MH1987PLC044362



May 31, 2023

Ref.: APL/CO/BSE/10/2023-24

To,
The Manager
The Department of Corporate Services
BSE Limited
P. J. Towers, First Floor,
Dalal Street, Mumbai - 400 001

Dear Sir / Madam,

Subject: Investor Update

Reference: Aimco Pesticides Limited (Scrip Code - 524288)

Please find enclosed herewith the copy of the Investor Update of the Company highlighting the performance and recent developments of the Company.

This is for your information and record.

Thanking You.

For Aimco Pesticides Limited



Samir Dave
Director
DIN. 00184680

Encl.: A/a



AIMCO PESTICIDES LIMITED

Regd. Office : B1/1, M.I.D.C. Industrial Area, Lote Parshuram, P.B. No. 9,

Village Awashi, Dist. Ratnagiri - 415 707, Maharashtra

Phone : (02356) 272136 / 272137 / 272138



A Green Ethos A Golden Harvest

Q4FY23 Earnings Presentation, *May 2023*

AIMCO PESTICIDES LIMITED

BSE : AIMCOPEST | 524288

Bloomberg : AIM:IN



Q4FY23 Financial Statement Summary

Consolidated Profit and Loss Summary

PARTICULARS (IN ₹ CRORES)	Q4FY23 AUDITED	Q3FY23 UNAUDITED	Q4FY22 AUDITED	YOY%
Revenue from Operations	41.51	30.79	76.88	-46%
Total Income	41.65	31.01	77.11	-46%
Total Operating Expenses	45.27	31.91	72.14	-37%
EBITDA	-3.77	-1.12	4.73	-180%
EBITDA Margin (%)	-9.1%	-3.6%	6.2%	-1,523 BPS
Interest Cost	1.67	0.30	0.24	602%
Depreciation and amortisation expenses	0.95	0.95	0.84	13%
Profit Before Taxes	-6.38	-2.38	3.66	-274%
Profit After Tax	-4.75	-1.82	2.63	-281%
EPS	-4.96	-1.90	2.74	-281%

(46%)

Q4FY23 REVENUE FROM OPERATIONS AT ₹ 41.51 CRORE AS COMPARED TO ₹ 76.88 CRORES IN Q4FY22

(180%)

Q4FY23 EBITDA AT (₹ 3.77) CRORES AS COMPARED TO ₹ 4.73 CRORES IN Q4FY22

(274%)

Q4FY23 PAT AT (₹6.38) CRORES AS COMPARED TO ₹ 3.66 CRORES IN Q4FY22

Q4 & FY23 Performance Discussion

Management Commentary

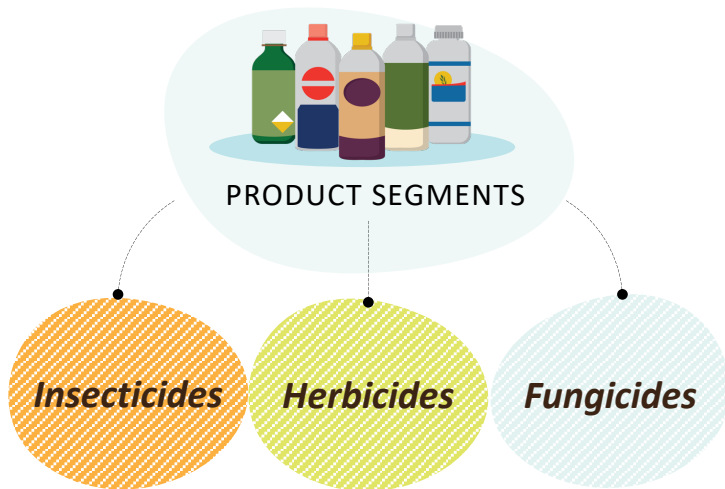
- Q4 and the entirety of FY23 presented significant challenges for the Company. The reasons for this remained consistent throughout each quarter, encompassing factors such as destocking at the customer level, higher inventories within trade channels, declining prices of agrochemicals and raw materials, and subdued demand in various markets.
 - Specifically, Q4 witnessed a decline in profitability due to the liquidation of higher cost inventories from previous quarters, resulting in reduced gross profit margins and thus bottom line. Although this decision had short-term pain, it proved beneficial as we observed further erosion in said material prices in the subsequent months. Additionally, the Finance Cost in Q4 was notably higher due to interest incurred on raw material purchases, while Other Expenses increased due to some foreign exchange losses.
 - As previously communicated, Q1FY24 is anticipated to outperform the preceding two quarters due to the resumption of dispatches in contract manufacturing. While the dispatches have resumed from April, the industry landscape is still not as favorable as initially anticipated at this stage. Price erosion continues due to excessive inventory in trade channels, and there maybe some spillover in demand from Q1 to Q2.
 - Given the current circumstances, we are placing an increased emphasis on Branded Formulations sales for the upcoming year. Branded Formulations did reasonably well given the overall industry situation in FY23. For the coming year, our strategy entails expanding into new regions within our existing domestic markets, exploring opportunities in newer markets in North-East India, and appointing additional dealers and distributors as we have done in the previous year as well.
-

Introduction

1987



INCORPORATED IN 1987 BY OUR FOUNDER MR. PRADEEP P DAVE, AIMCO PESTICIDES LIMITED (APL) IS A KEY PLAYER IN THE INDIAN AGROCHEMICALS SPACE



THE COMPANY IS INTO MANUFACTURING, MARKETING & EXPORTING TECHNICAL GRADE CHEMICALS & FORMULATIONS OF INSECTICIDES, FUNGICIDES AND HERBICIDES.

Strong Export Presence

STRONG EXPORT PRESENCE WITH BUSINESS IN ~45 COUNTRIES GLOBALLY

3

START GOVERNMENT RECOGNIZED EXPORT HOUSE

Recognised

FOR ITS ACUMEN IN TECHNICAL GRADE CHEMICALS



IN ITS VAST HISTORY SPANNING OVER 4 DECADES, THE COMPANY HAS BEEN

CREDITED WITH INTRODUCING AND COMMERCIALIZING MANY AGROCHEMICALS IN INDIA.

FIRST INDIAN COMPANY TO MANUFACTURE CHLORPYRIFOS & TRICLOPYR

SECOND INDIAN COMPANY TO MANUFACTURE IMIDACLOPRID AFTER BAYER INDIA

Corporate Ethos

Vision

To serve farmers on the grass root level by improving agricultural yields via our understanding and respect for natural ecological processes.

Environmentally Conscious

The Company has pledged to attain Zero Liquid Effluent discharge status in the next three years.

Mission

To be unparalleled in the agrochemical industry by providing farmers with the finest agro inputs via continual innovation and custom-made solutions that sustainably deliver the greatest levels of customer satisfaction.



Aimco as of Today

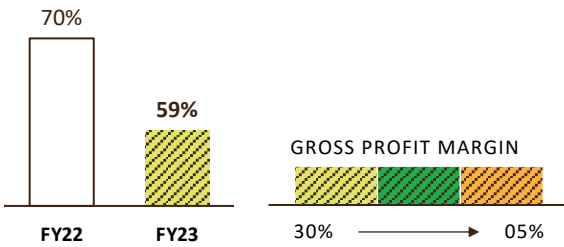
- 09** Business Segments
- 10** Revenue Mix
- 11** Product Portfolio
- 12** Domestic Branded Business
- 13** Branded Formulations
- 14** Manufacturing Facility
- 15** Manufacturing Capacity
- 16** Geographical Footprint
- 17** Aimco's Value Chain
- 18** Research & Development
- 19** Management Team
- 20** Board of Directors

Business Segments

Technical



BUSINESS CONTRIBUTION



PRIMARY REVENUE STREAM

Captive use to develop formulations & sales to formulators in India & abroad

GEOGRAPHICAL PRESENCE

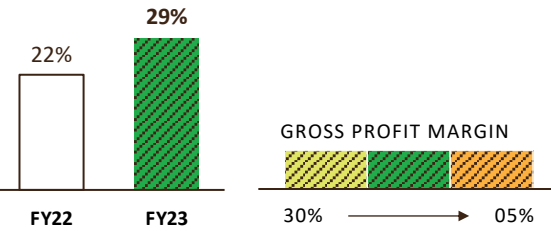


Primarily in Australia, USA

Branded Formulations



BUSINESS CONTRIBUTION



SECONDARY REVENUE STREAM

Domestic sales of branded formulation directly to end-consumers (B2C) through our own distribution network

GEOGRAPHICAL PRESENCE

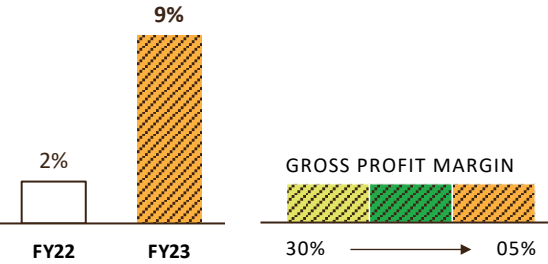


Primarily in West Bengal, Gujarat, Orrisa, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Maharashtra etc.

B2B Formulations



BUSINESS CONTRIBUTION



SECONDARY REVENUE STREAM

Formulations either sold in bulk packaging or in retail packaging

GEOGRAPHICAL PRESENCE

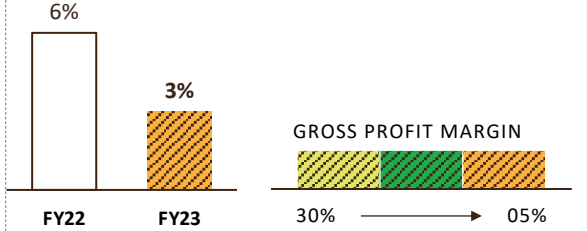


Primarily in Brazil, Africa and Gulf Markets

Trading



BUSINESS CONTRIBUTION



SECONDARY REVENUE STREAM

Trading business in our product categories

Business Segments (continued)

Technical



STRATEGIES GOING FORWARD

- Expand production of existing products through debottlenecking in current facility
- Commercialise new products with better margin profile, competitive dynamics and opportunity size
- Drive major growth at Company level through technicals to pursue higher-blended operating margins

Branded Formulations



STRATEGIES GOING FORWARD

- Pursue steady and cautious growth
- Grow without stretching the working capital needs of this vertical

B2B Formulations



STRATEGIES GOING FORWARD

- Limit bulk formulations business, and focus on profitability margin assertive business verticals
- Maintain some level of business for continuity and access to certain strategically important markets

Trading

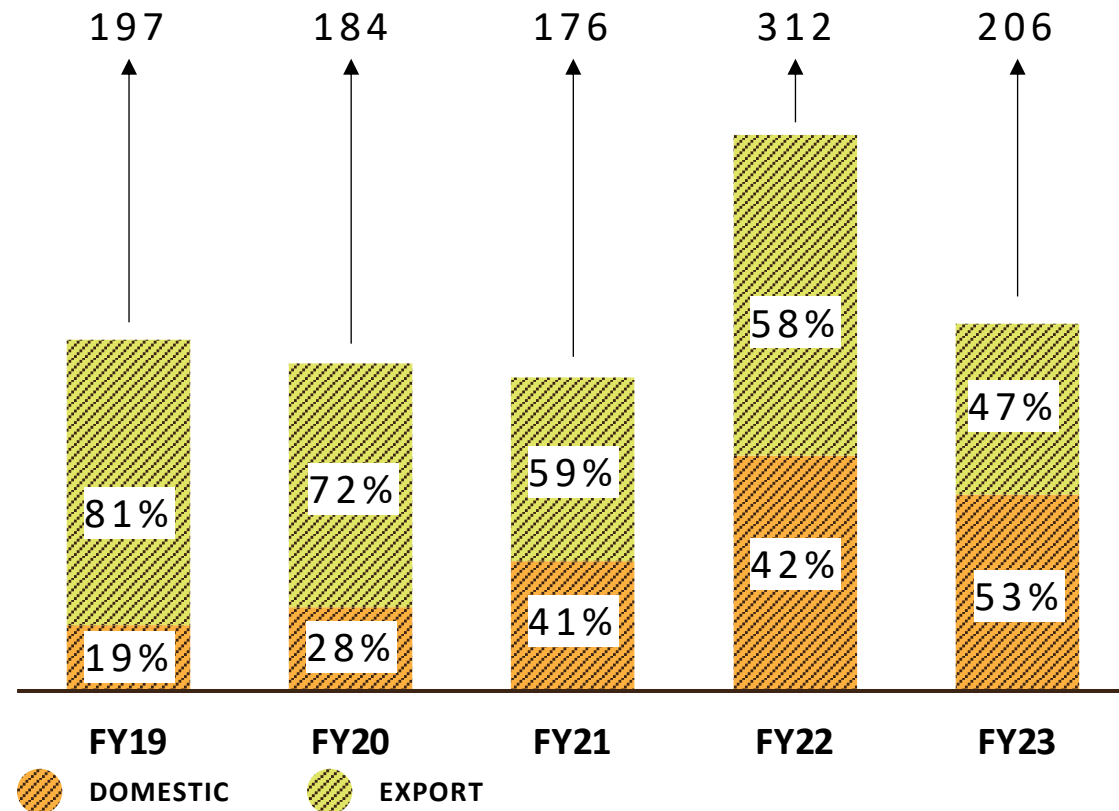


STRATEGIES GOING FORWARD

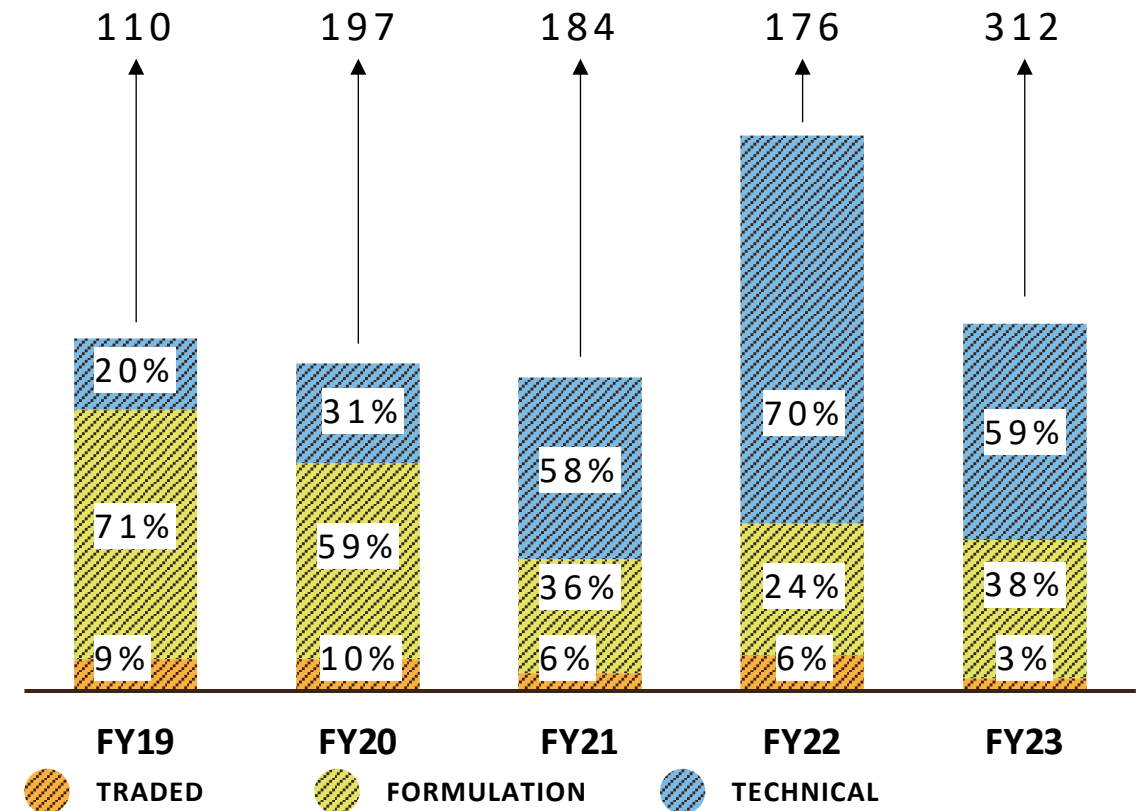
- Minimal opportunistic trading business
- Limit trading to a small portion of the Company's overall business

Revenue Mix

GEOGRAPHY WISE (IN ₹ CRORES)



PRODUCT CATEGORY WISE (IN ₹ CRORES)



Product Portfolio

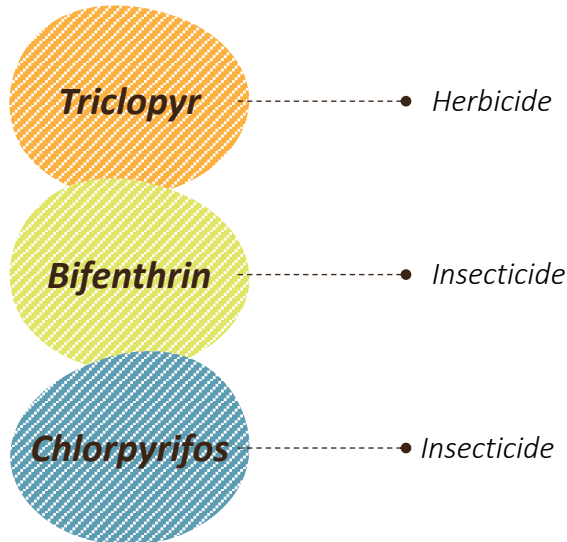
Technical

11

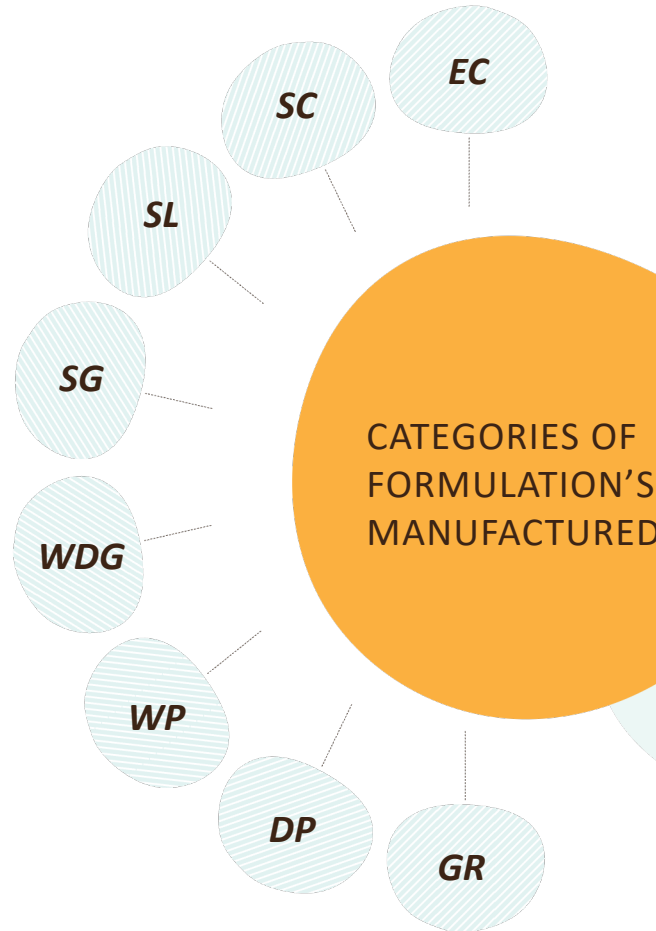
TECHNICAL MANUFACTURED

Manufacturing about a dozen technical grade chemicals in Insecticides, Fungicides and Herbicides categories

KEY TECHNICAL GRADE CHEMICALS MANUFACTURED



Formulations



90+

FORMULATIONS MANUFACTURED

Manufacturing about 90 formulations for internally manufactured & procured technical grade chemicals



Domestic Branded Business

300+

SKU's



**Age Group of brands
– 2+ Decade**

TOP SELLING BRANDS

- ANACONDA
- PYRIBAN

Presence in branded formulations since 1995 with a brief pause between 2000-04

Strategy

THE COMPANY IS WORKING TOWARDS ADDING NEW MOLECULES IN ITS PORTFOLIO WHILE ALSO EXPANDING ITS GEOGRAPHICAL REACH, WITH A STRICT FOCUS ON RECEIVABLES



UNDERTAKING RESPONSIBLE & CAUTIOUS GROWTH IN THIS SEGMENT

MODE OF OPERATION

- BUILDING SALES OFFICES
- APPOINTING DISTRIBUTORS
- ACTIVELY MARKETING PRODUCTS

43

DEDICATED TEAM STRENGTH FOR MARKETING & SALES OF DOMESTIC BRANDED BUSINESS



Expanding Geographical Reach

THE COMPANY IS WORKING TOWARDS ADDING NEW MOLECULES IN ITS PORTFOLIO WHILE ALSO EXPANDING ITS GEOGRAPHICAL REACH, WITH A STRICT FOCUS ON RECEIVABLES

Branded Formulations



BYKILL

Bifenthrin 2 EC, 2 G, 10 EC



AIMCOPRO

Fipronil 5% SC



PYRIBAN

Chlorpyrifos 20% EC



PROFENOTOX

Profenofos 50% EC



AIMCO-DDVP

Dichlorvos 6% EC



ANACONDA 50S

*Chlorpyrifos 50%,
Cypermethrin 5 EC*

Manufacturing Facility



The company operates out of one manufacturing facility located at **Lote Parshuram, Ratnagiri, Maharashtra**



MANUFACTURING BOTH TECHNICAL GRADE CHEMICALS AND FORMULATIONS.

~250

PERSONNEL

SET UP IN

1993

THIS UNIT WAS SET UP IN 1993, AS A MEASURE TO CENTRALIZE THE MANUFACTURING OPERATIONS & ENTER TECHNICAL MANUFACTURING. PRIOR TO 1993, THE COMPANY HAD 4 FORMULATIONS PLANT SPREAD THROUGHOUT THE COUNTRY.

23,000 Sq. Mt.

THIS FACILITY IS LOCATED ON A PLOT ADMEASURING ~23,000 SQ. MT., WITH ~30% LAND AVAILABLE FOR FURTHER DEVELOPMENT

Fully equipped

Fully equipped manufacturing facility.

Pilot Plant facilities with capability to carry out various reactions such as - distillation, dehydration, filtration, washing, etcetera.

Manufacturing Capacity

Largest Triclopyr manufacturing capacity in India and Number 3 globally.



6,000 Tonnes

ANNUAL CAPACITY OF TECHNICAL GRADE CHEMICALS

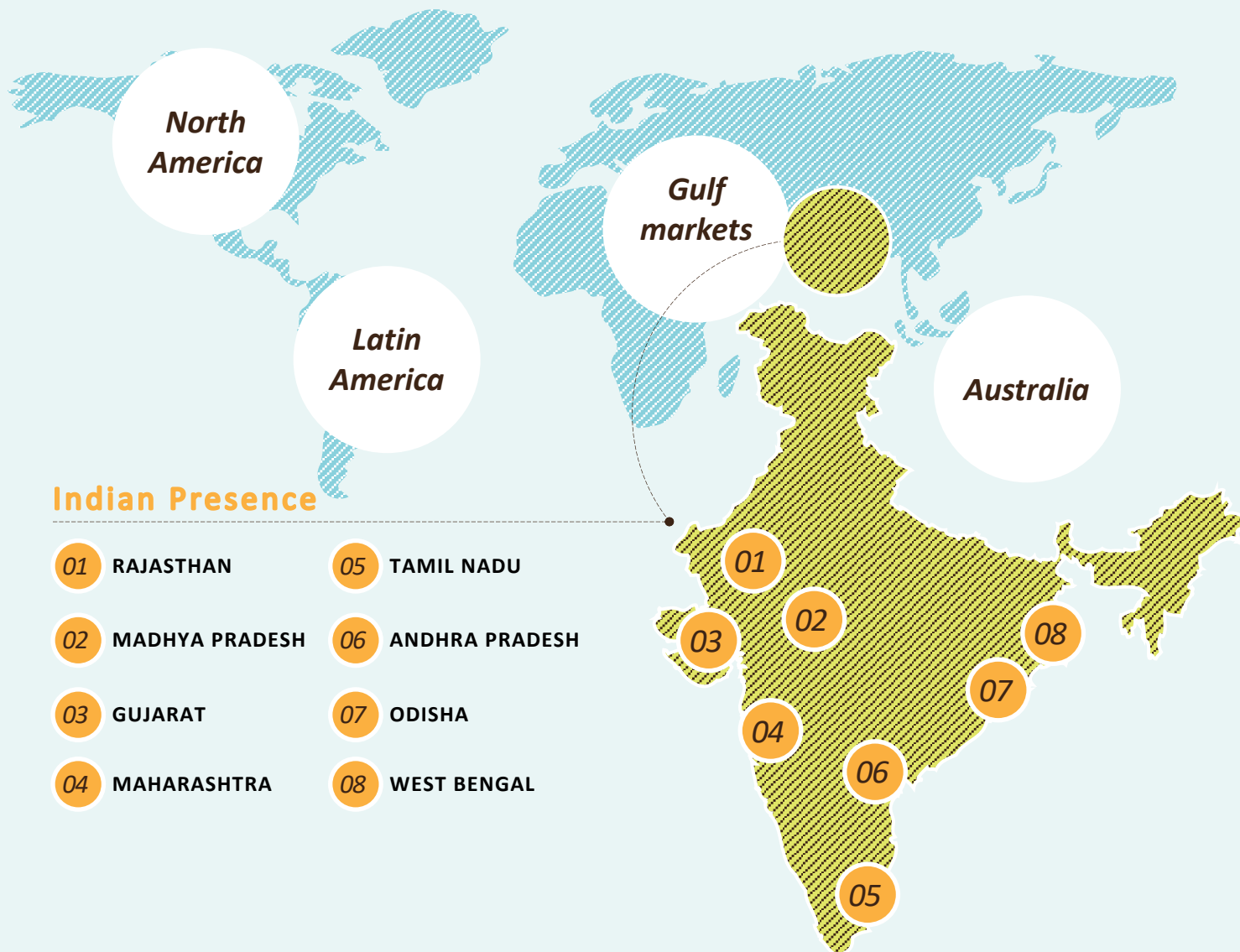
7,000 Kilo Liters

ANNUAL MANUFACTURING CAPACITY OF LIQUID FORMULATIONS

7,000 Tonnes

ANNUAL MANUFACTURING CAPACITY OF GRANULES FORMULATIONS

Geographical Footprint



Global

~45

EXPORTING TO ~45 COUNTRIES IN BOTH DEVELOPED AND DEVELOPING MARKETS

1

INTERNATIONAL SALES OFFICE

Domestic

5

DOMESTIC BRANCH OFFICES

~925

ACTIVE DISTRIBUTORS (DOMESTIC & ABROAD)

Aimco's Value Chain

01 Product & Process Identification

- To start with, Aimco seeks patented compounds near expiration that fall within its area of competence
- For future product additions (technical grades of chemicals), the Company aims for at least 30 to 40% sustainable gross margins.
- The second preference is allocated to the overall & addressable market size of the product & its acceptance in the Company's strongholds globally.
- The product is selected for further study & development, provided preliminary criteria's are met.

02 Pilot Manufacturing & Data Collection

- Lote Parshuram site is equipped with a Department of Scientific & Industrial Research, Government of India recognized Pilot Plant facility to assess the techno-commercial viability of potential products.
- The Company undertakes data generation, and if necessary, GLP data is also generated according to the requirements of the country in which the product is to be registered.

03 Product Registration

- Registration either of the technical, formulation or both depending upon the requirement of the market.
- Product registration may take anywhere between 6 months to 5 years depending upon the country.

04 Setting up Manufacturing Infrastructure

- May take anywhere between 12 to 24 months depending upon the complexity of the product.

05 Manufacturing

- Technical
- Formulation

06 Marketing & Distribution



Research & Development

Department Head

R&D department headed by Dr. Samir Dave

Certified R&D Centre

Department of Science & Technology, GOI certified R&D Centre at Lote Parshuram factory site, since 1996.

In-House R&D

Entirely in-house R&D developed product processes – Triclopyr Acid & Esters, Neo Nicotinoids Pesticides, among others.

Each of Aimco's current commercial product is developed & commercialized using in-house R&D.

Team of 16+

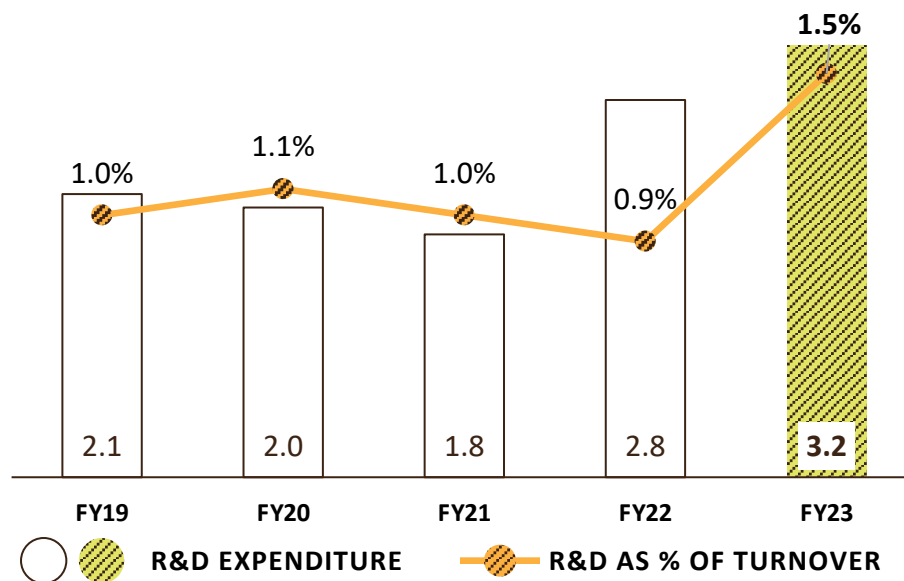
A team of 16+ chemists, scientists, and staff working in the R&D Department.

Expanding Portfolio

Actively working towards adding molecules and expanding Aimco's technical grade chemicals portfolio.

Newer Formulations

Additionally, working on developing newer & innovative formulations.



R&D Focus

- Process development
- Developing technology to manufacture near patent expiry molecules
- Improvement in process efficiency, productivity and cost reductions
- Customized formulations and product development



Management Team



Mr. Pradeep Dave
FOUNDER & EXECUTIVE DIRECTOR

B.Sc. (Chemistry) from MU

- Serves as the President of the Pesticides Manufacturers & Formulators Association of India (PMFAI) for 24+ years
- Chairman of the confederation of All India Small & Medium Pesticides Manufacturers Association (CAPMA)
- Under his leadership, APL became the first Indian company to manufacture Chlorpyrifos & Triclopyr technical



Mrs. Elizabeth Srivastav
MANAGING DIRECTOR

Qualified in M.Sc. In Biochemistry from MU

- Associated with the Company for long, and appointed as Managing Director in 2013
- More than 30 years of experience in Agrochemicals industry
- Handles International Business at APL



Dr. Samir Dave
EXECUTIVE DIRECTOR

Qualified Ph.D. in Synthetic Organic Chemistry from MU

- 20+ years of extensive experience in organic synthesis, research and process development.
- Founder & Director of Agrocare – a global Agrochemical Association registered in Belgium. Also a board member of “Agriculture Skill Council of India”
- Instrumental in introducing new molecules over the last decade.
- Handles Production, Product Development, and Research & Development



Mr. Ashit Dave
EXECUTIVE DIRECTOR & CFO

Qualified B.Com, MEP – IIM Ahmedabad

- Business executive with wide expertise in the chemicals & agrochemicals industry
- Looks after Finance, Administration, and Commercial Aspects of Business

Board of Directors

Mr. Dushyant Patel

CHAIRMAN & NON-EXECUTIVE
INDEPENDENT DIRECTOR

Mr. Dushyant D. Patel, aged 60 years, holds a degree in Electrical Engineering and possesses more than 25 years of experience in the various areas of business including investment, finance and marketing.

Mr. Ram Gopal Kaja

NON-EXECUTIVE & INDEPENDENT
DIRECTOR

Mr. Kaja is a Chartered Accountant with wide experience in Finance and Corporate Legal matters.

Mr. Mayoora Amin

NON-EXECUTIVE & INDEPENDENT
DIRECTOR

Mr. Amin has diversified work experience of more than 45 years in various areas like manufacturing and marketing of electronics, medical equipment, defence instruments, textiles in India as well as abroad. Mr. Amin had been a president of Bombay Industries Association in the year(s) 1995-96 and Rotary Club of Bombay Airport in the year(s) 2013- 14. Mr. Amin was an honorary faculty of Bio-Medical Engineering at Bhagubhai Polytechnic, for a decade.

Mr. Suresh Bhatt

NON-EXECUTIVE & INDEPENDENT
DIRECTOR

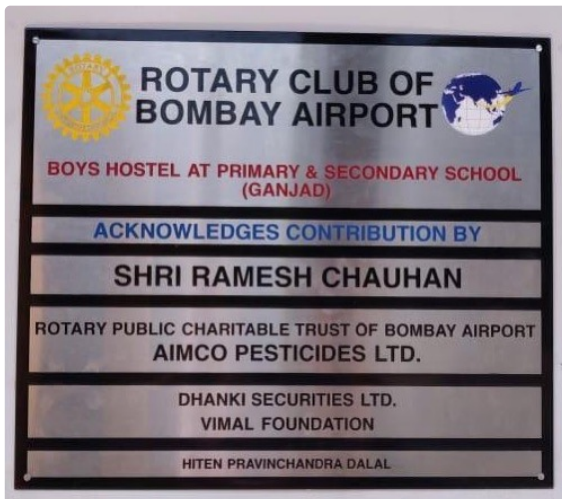
Mr. Bhatt has work experience of more than 50 years in the Agrochemical Industry. He is the Managing Director of Dinkal Agro Products Private Limited, a company that specializes in crop organic nutrition technologies and veterinary supplements. Mr. Bhatt is an esteemed executive leader who has been awarded the Udyog Rattan (1984) and Udyog Shree (1986) by the Government of India for his contributions to the industry. Mr. Bhatt has also served in various capacities on the Pesticides Manufacturer's Association of India (PMFAI), one of India's premier agrochemical associations.

CSR Activities



As part of its CSR Program, Aimco Pesticides Limited has funded the construction of a new school building with superior infrastructure and advanced facilities for a Primary & Secondary Ashram School – Village Ganjad, Taluka Dahanu, District Palghar.

Recent CSR Activities



- Contribution at Boys Hostel run by Rotary Club of Bombay Airport
- Contribution and Felicitation by Chiplun Municipal Coporation for AIMCO's efforts towards combating Covid-19 pandemic
- Disinfectant Powder, Face Mask and other necessary contributions made by AIMCO.



Aimco Going Forward

- 22** Long Term Strategies
- 23** Outlook

Long Term Strategies



Identifying products for commercial development

In the last few years, since our operational turnaround, the company has been constantly focusing on adding newer molecules to its product portfolio.



Identifying products for commercial development

After the initial development phase, the company is investing in data collection and product registration globally, which is a time and capital-intensive procedure.



Expanding technical portfolio

The company has a principal focus on expanding its competencies in its technical grade portfolio. That is the domain in which its strength lies.

Aimco is making continuous efforts to add:

- Products which would prove to be profitability margin assertive and
- Have an opportunity size bigger than our existing products



Outlook

Existing Technical Products

The company is ramping up production and capacities for existing products. The contract manufacturing deal in 2021 was a big success on this front. The Company has increased up capacity to 6,000 tonnes in FY23 from earlier 4,500 tonnes.

Additions in Technical Portfolio

There are a few products under development in various categories such as Herbicides, Insecticides, and Plant Growth Regulators (PGR).

CAPEX

The Company plans to ramp up capital expenditure towards capacity additions

Branded Domestic Formulations

FY23 performance of Branded Formulations business was better than rest of the verticals. The Company is working on scaling this business in the coming year, with additional markets, and expanding its distribution network.

Profitability

Aimco is focusing on improving its blended profitability margins by increasing scale of operations in the technicals vertical, commercializing new molecules with better competitive dynamics, and increasing scale of overall operations.



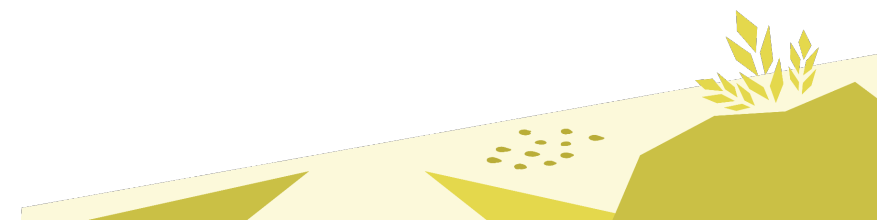
Financial Statements and Market Statistics

- 25** Consolidated Profit and Loss Summary
- 26** Consolidated Balance Sheet Summary
- 27** Consolidated Cash Flow Summary
- 28** Market Statistics

Financial Statement Summary

Consolidated Profit and Loss Summary

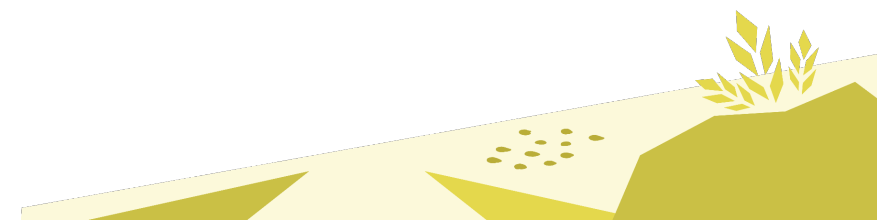
PARTICULARS (IN ₹ CRORES)	FY23	FY22	FY21	FY20	FY19
Revenue from Operations	206.19	311.99	175.69	185.24	197.25
Total Income	207.31	312.83	178.74	188.99	203.98
Total Operating Expenses	202.97	293.26	165.91	171.34	183.85
EBITDA	3.22	18.73	9.78	13.89	13.40
EBITDA Margin (%)	1.6%	6.0%	5.6%	7.5%	6.8%
Interest Cost	2.41	1.47	4.39	1.99	0.63
Depreciation and amortisation expenses	3.61	2.74	2.20	2.66	1.73
Profit Before Taxes	-2.80	14.52	3.19	9.24	11.04
Profit After Tax	-2.19	10.66	2.10	6.65	7.72
EPS	-2.28	11.12	2.19	6.94	8.05



Financial Statement Summary

Consolidated Balance Sheet Summary

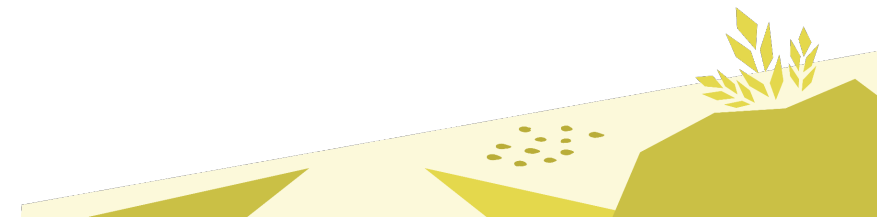
PARTICULARS (IN ₹ CRORES)	FY23	FY22	FY21	FY20	FY19
Shareholder's Fund	46.28	50.49	40.80	38.66	35.09
Non Current Liabilities	3.02	2.31	4.73	4.44	2.25
Current Liabilities	96.34	114.19	87.39	87.05	63.02
Total	145.65	166.99	132.92	130.15	100.36
Non Current Assets	33.58	30.05	28.65	24.73	21.06
Current Assets	112.07	136.95	104.27	105.42	79.30
Total	145.65	166.99	132.92	130.15	100.36



Financial Statement Summary

Consolidated Cash Flow Summary

PARTICULARS (IN ₹ CRORES)	FY23	FY22	FY21	FY20	FY19
Operating profit/(loss) before working capital changes	3.17	18.67	9.99	14.09	15.18
Net Cash (used in)/generated from operating activities	-11.13	22.59	7.82	3.52	14.34
Net Cash (used in)/generated from investing activities	-2.29	-8.90	(6.03)	(5.07)	(6.46)
Net Cash (used in)/generated from financing activities	10.51	-13.48	(3.64)	3.98	(1.78)
Net Increase/(decrease) in cash and cash equivalents	-2.91	0.21	(1.85)	2.13	1.74
Cash and Cash equivalents at the beginning of the year	4.07	3.86	5.71	3.58	1.84
Cash and Cash Equivalents at the end of the year	1.17	4.07	3.86	5.71	3.58

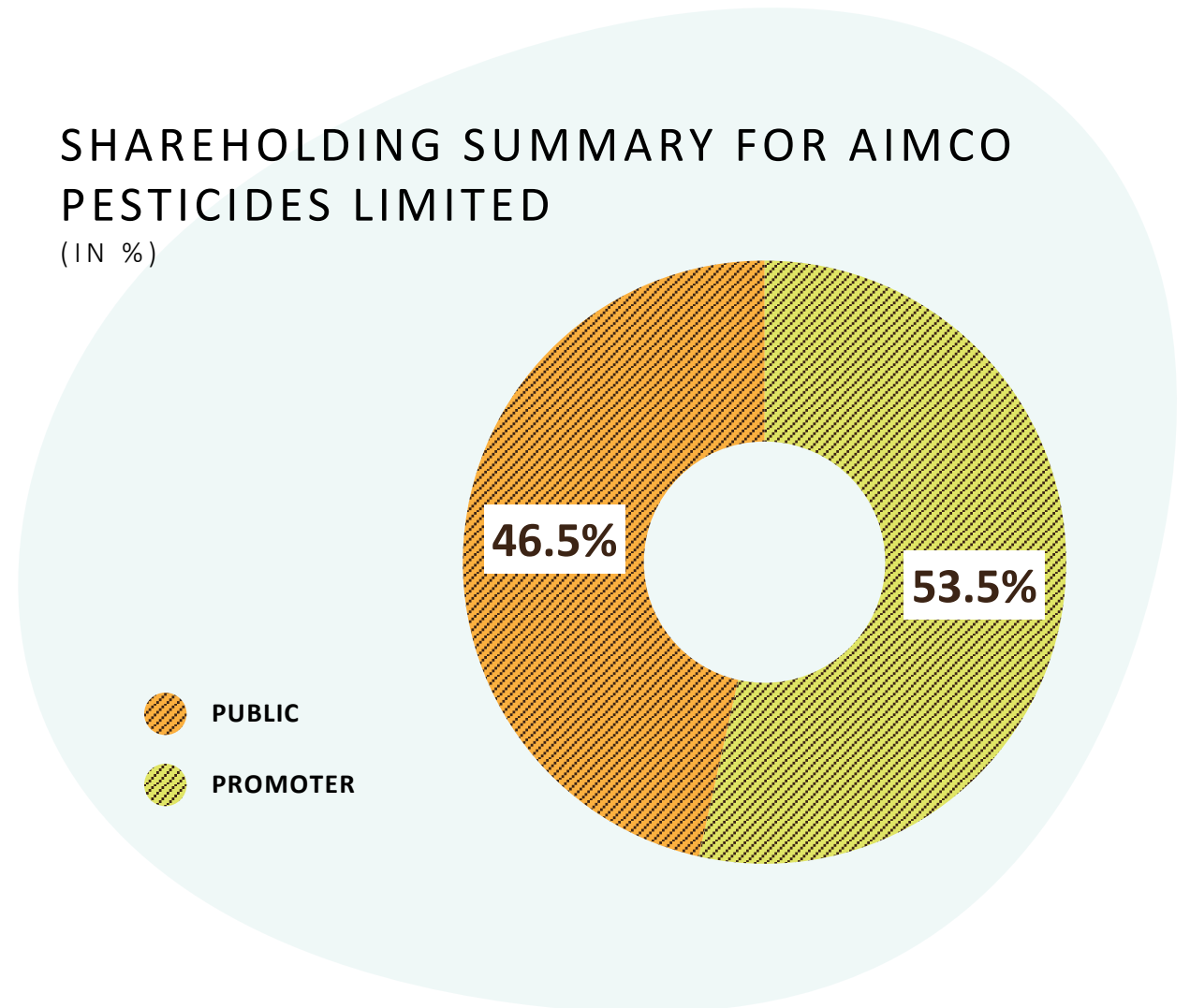


Market Statistics

CURRENT MARKET PRICE	₹ 107
52 WEEK HIGH/LOW	₹ 249/97
MARKET CAPITALIZATION	₹ 103 Cr
SHARES OUTSTANDING	0.96 Cr
BSE SCRIP CODE	524288

SHAREHOLDING SUMMARY FOR AIMCO PESTICIDES LIMITED

(IN %)



Get in Touch



AIMCO PESTICIDES LTD.

Anuradha Matkar

COMPANY SECRETARY & COMPLIANCE OFFICER

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Safe Harbour

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