



NACL Industries Limited

Ref: NACL/SE/2023-24

September 07, 2023

1) BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400001

Stock Code: 524709

2) National Stock Exchange of India Ltd

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

Symbol: NACLIND

Dear Sir,

Sub: Investor Presentation - reg.

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

Kindly take the same into records.

Thanking you

for **NACL Industries Limited**

Satish Kumar Subudhi

Vice President-Legal & Company Secretary

Encl: As above





NACL Industries Limited

Investor Presentation
Q1 FY 2023 -24

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

The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise. While every effort is made to ensure that this presentation conforms with all applicable legal requirements, the company does not warrant that it is complete, comprehensive or accurate, or commit to its being updated. No part of the information provided herein is to be construed as a solicitation to make any financial investment and is provided for information purposes only.

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

OPERATIONAL HIGHLIGHTS



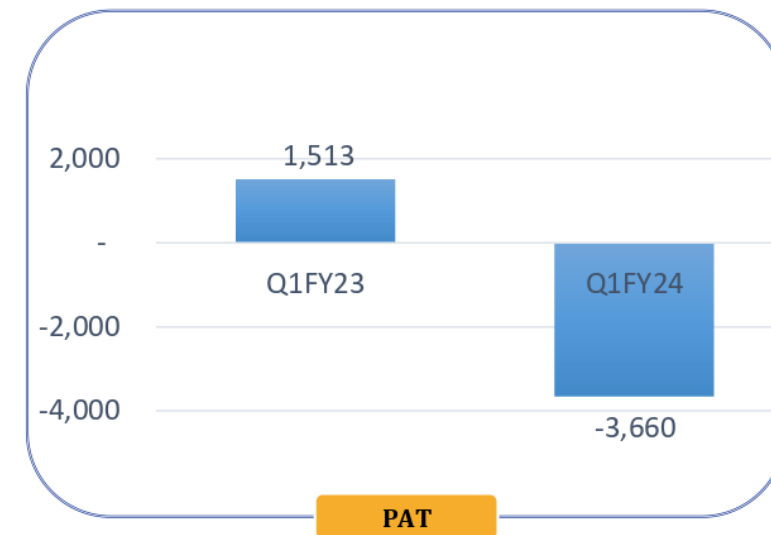
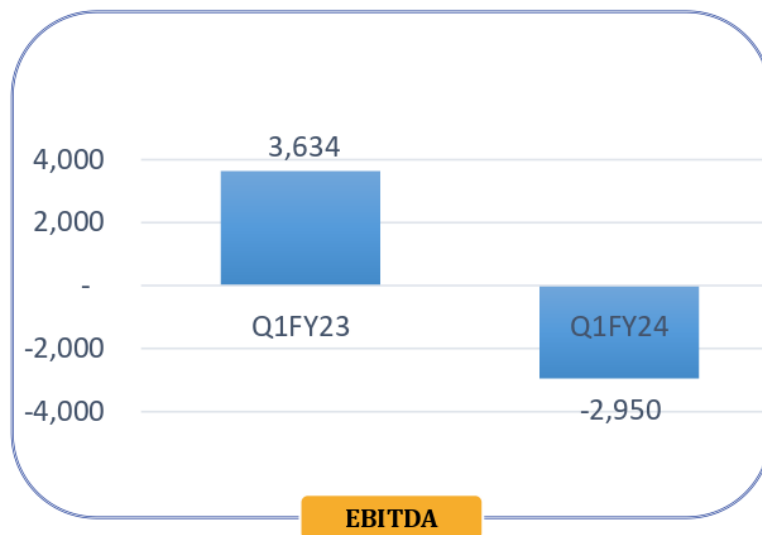
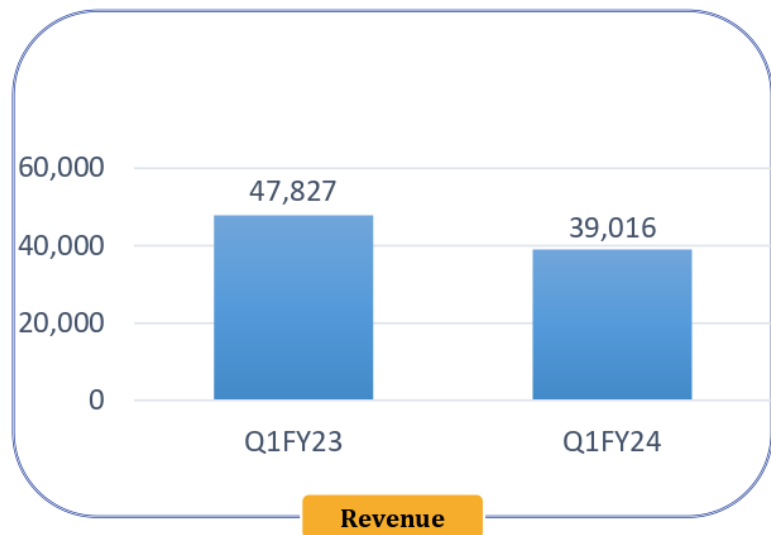


- Exports contributed 29% of the total revenues during the first quarter of FY 2024. For the quarter ended 30.06.2023, there was a decrease of 42% over the corresponding quarter. High inventories in most markets (particularly LATAM), sharp decline in AI prices and continued price pressures have impacted business. Additionally, compulsion to liquidate high value inventory, by a number of companies suggests a challenging outlook for the next quarter, with prospects likely to improve in Q3 FY'24.
- A delay in the onset of monsoons and their slow progress has delayed sowing this Kharif season. This combined with the price erosion in generic molecules presented a challenging environment. Despite these headwinds, domestic retail business was able to perform above expectations and arrest the decrease in sales revenue to 16% over the previous corresponding quarter. Outlook for Q2 FY'24 remains positive, despite the challenges presented by floods in some areas and high inventory.
- The flagship technical plant in Srikakulam (AP) has achieved its highest monthly production in April 23 reaching 1101 MT. Concurrently a new manufacturing line was successfully commissioned for a key “Intermediate” which will facilitate greater backward integration in the production of Active Ingredients. The formulation plant in Ethakota (AP) has started the inhouse production of two formulations, with the potential for significant cost savings.
- The Company’s raw material supply remains largely stable, despite the price crash in few products due to a lack of demand. The declining trend in the prices of raw materials is expected to continue for Q2 FY'24, and no disruptions in supply are anticipated.
- CRISIL has reaffirmed the Company’s credit rating favorably for long term & short-term bank facilities as “CRISIL A/ Stable” and “CRISIL A1” respectively. The long-term credit rating for M/s. NACL Spec-Chem Limited, a wholly owned subsidiary of the Company has been upgraded to CRISIL A-/Stable (Upgraded from 'CRISIL BBB+/Stable'). It was also assigned CRISIL A2+ for short term banking facilities.
- Mr. Santanu Mukherjee, former MD of State Bank of Hyderabad, has been appointed as an Independent Director on the Board of the Company with effect from July 27, 2023.
- The R&D team is working on improving process for the synthesis of emerging AIs and new agrochemical combination (formulations) for overseas and Indian customers. As a result of these efforts, over 100 new registrations across the globe for several Active Ingredients and formulations are currently in progress
- The company continues to invest in improving its sustainability benchmarks, with the recent commissioning of a vacuum distillation-based evaporation unit at Srikakulam, which will reduce effluent discharge by almost 90%.



RESULTS SUMMARY





Revenue Breakup

Insecticides



(31%)

Herbicides



15%

Fungicides



(33%)

Plant Growth Regulators



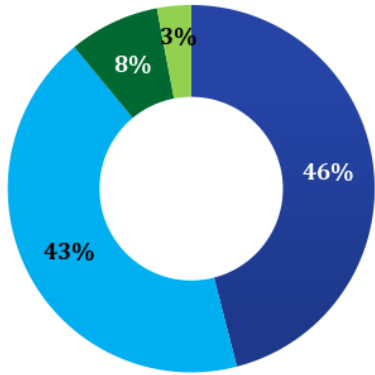
67%

	Insecticides	Herbicides	Fungicides	Plant Growth Regulators
Q1FY24	12,208	10,762	12,043	3,130
Q1FY23	17,665	9,352	17,941	1,872

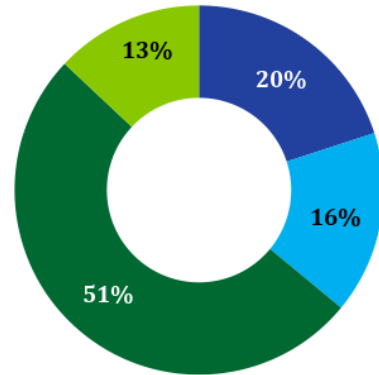
Q1FY24

Product Category-wise (%)

Formulation



Technical



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

Geographical Revenue Split (₹ lakhs)

27,465

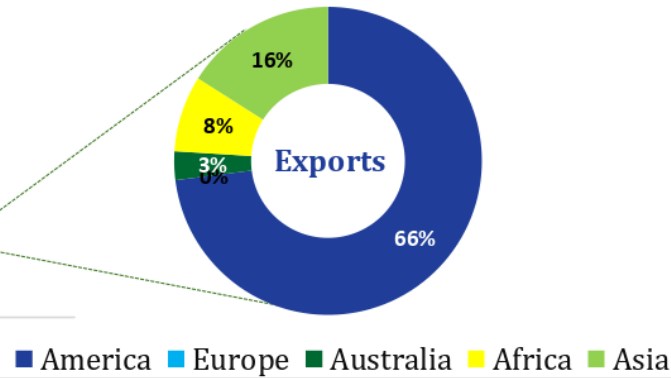


Domestic

11,136



Export

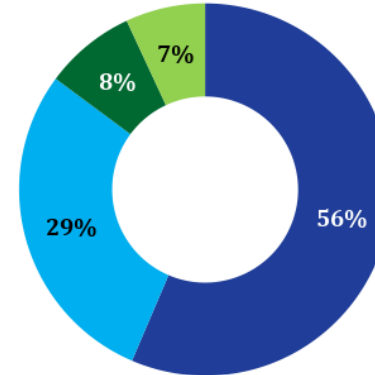


■ America ■ Europe ■ Australia ■ Africa ■ Asia

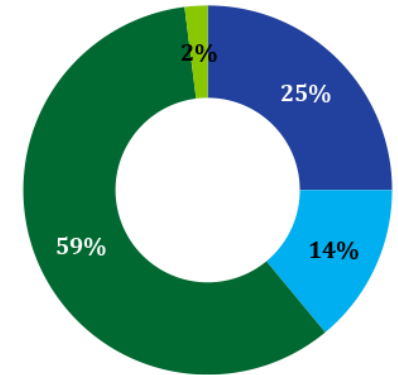
Q1FY23

Product Category-wise (%)

Formulation



Technical



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

Geographical Revenue Split (₹ lakhs)

28,171

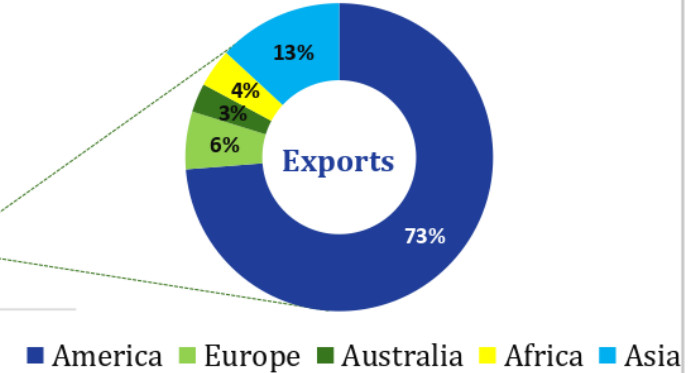


Domestic

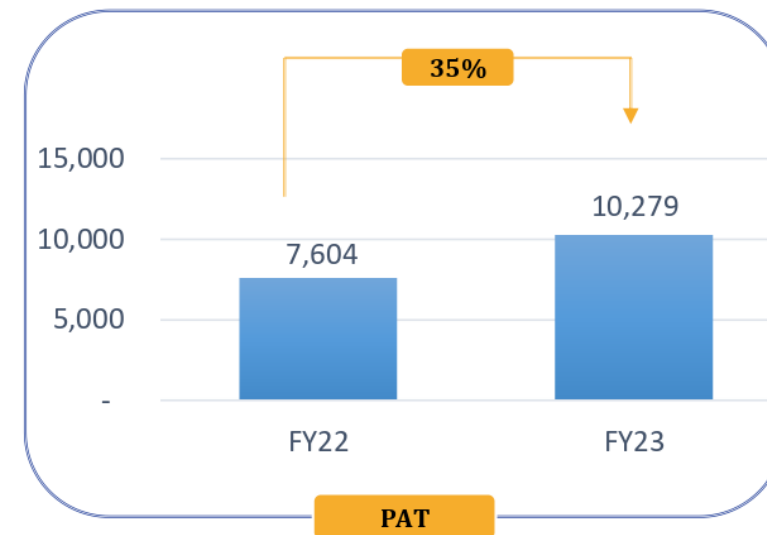
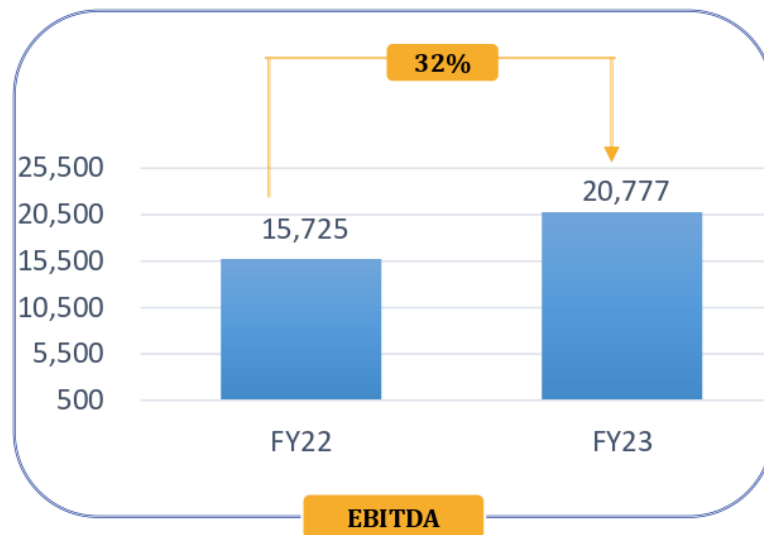
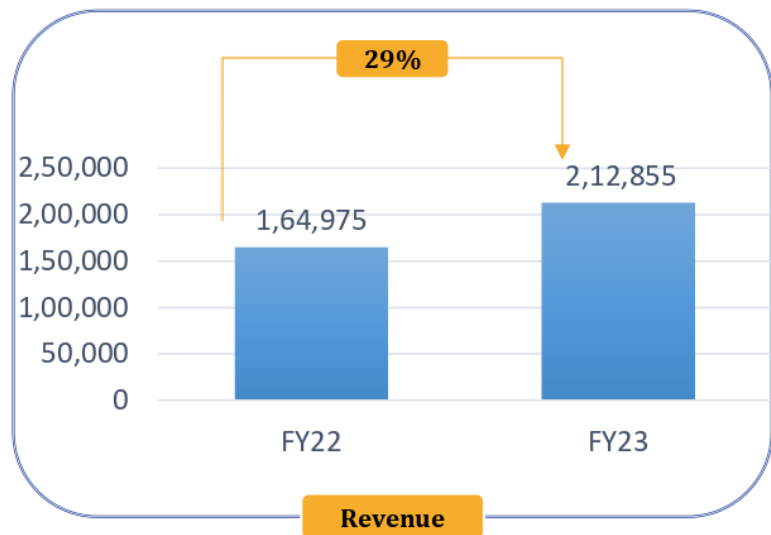
19,363



Export



■ America ■ Europe ■ Australia ■ Africa ■ Asia



Revenue Breakup

Insecticides



22%

Herbicides



22%

Fungicides



39%

Plant Growth Regulators



140%

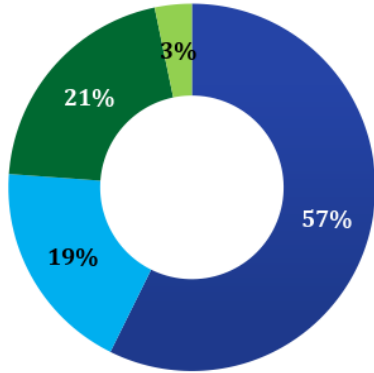
	Insecticides	Herbicides	Fungicides	Plant Growth Regulators
FY23	83,260	32,616	85,106	8,789
FY22	68,276	26,742	61,093	3,669



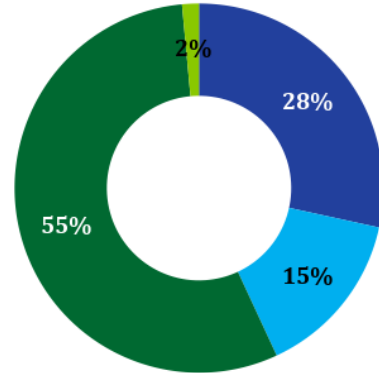
FY23

Product Category-wise (%)

Formulation



Technical

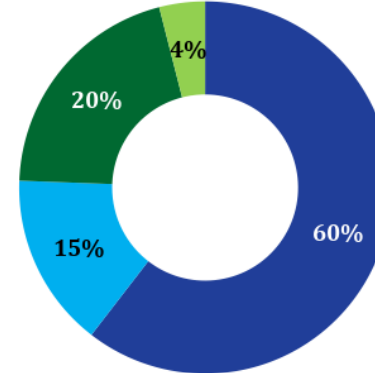


■ Insecticides ■ Herbicides ■ Fungicides ■ Plant Growth Regulators, Nematicides & others

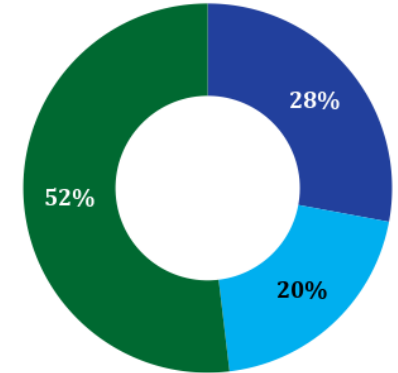
FY22

Product Category-wise (%)

Formulation



Technical



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

Geographical Revenue Split (₹ lakhs)

1,03,967

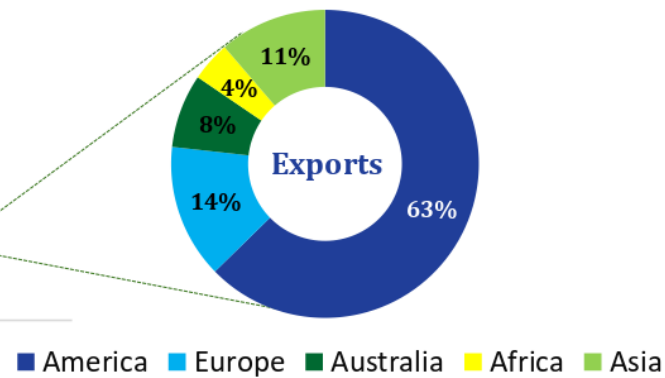


Domestic

60,049



Export



■ America ■ Europe ■ Australia ■ Africa ■ Asia

Geographical Revenue Split (₹ lakhs)

86,129

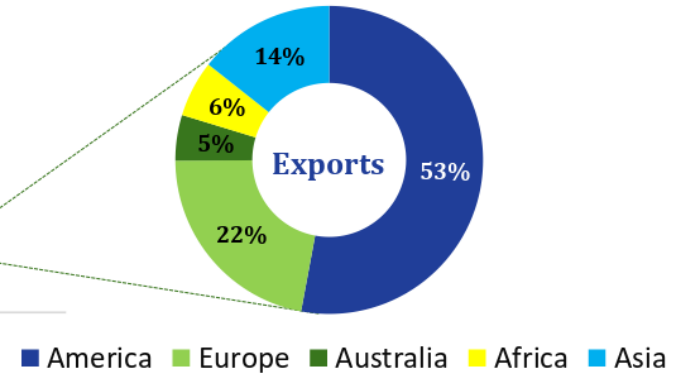


Domestic

33,008



Export



■ America ■ Europe ■ Australia ■ Africa ■ Asia

Profit and Loss – Q1FY24 (Standalone)

Particulars (₹ in lakhs)	Q1FY24	Q1FY23	Y-o-Y (%)	Q4FY23	Q-o-Q (%)	FY23	FY22	Y-o-Y (%)
Revenue from operations	38,601	47,534	(19%)	59,671	(35%)	211,600	163,335	30%
Other income	415	293	42%	336	24%	1,255	1,640	23%
Total Income	39,016	47,827	(18%)	60,007	(35%)	2,12,855	164,975	29%
Expenses:								
(a) Cost of materials consumed	43,861	41,267	6%	44,496	(1)%	1,59,188	123,767	29%
(b) Purchase of stock-in-trade	2,850	1,938	47%	(1,699)	(268%)	4,628	7,540	(39%)
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13,227)	(6,786)	95%	1,458	(1007%)	(3,778)	(10,117)	(63%)
(d) Employee benefits expense	3,053	2,624	16%	3,320	(8%)	11,994	9,993	20%
(e) Finance costs	1,475	936	58%	1,101	34%	4,409	2,984	48%
(f) Depreciation and amortisation expense	438	657	(33%)	640	(32%)	2,594	2,495	4%
(g) Other expenses	5,429	5,150	5%	5,126	6%	20,046	18,067	11%
Total Expenses	43,879	45,786	(4%)	54,442	(19%)	1,99,081	154,729	29%
(Loss)/Profit before tax	(4,863)	2,041	(338%)	5,565	(187%)	13,774	10,246	34%
Tax expense:								
(a) Current tax		544	(100%)	1,424	(100%)	3,573	2,691	33%
(b) Deferred tax (net)	(1,203)	(16)	7419%	(24)	4913%	(78)	(49)	59%
Total Tax Expense	(1,203)	528	(328%)	1400	(186%)	3,495	2,642	32%
(Loss)/Profit for the period	(3,660)	1,513	(342%)	4,165	(188%)	10,279	7,604	35%
Earnings Per Share:								
(a) Basic (in ₹)	(1.84)	0.76		2.10		5.18	3.84	
(b) Diluted (in ₹)	(1.83)	0.76		2.09		5.17	3.83	

Profit and Loss – Q1FY24 (Consolidated)

Particulars (₹ in lakhs)	Q1FY24	Q1FY23	Y-o-Y (%)	Q4FY23	Q-o-Q (%)	FY23	FY22	Y-o-Y (%)
Revenue from operations	37,591	47,534	(21)%	59,870	(37)%	2,11,551	163,335	23%
Other income	413	162	155%	378	9%	999	1,342	(34)%
Total Income	38,004	47,696	(20)%	60,248	(37)%	2,12,550	164,677	23%
Expenses:								
(a) Cost of materials consumed	42,120	41,267	2%	44,701	(6)%	1,59,165	1,23,767	22%
(b) Purchase of stock-in-trade	2,850	1,938	47%	(1,699)	(268)%	4,628	7,540	(63)%
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13,552)	(6,786)	100%	1,184	(1,245)%	(4,052)	(10,117)	(150)%
(d) Employee benefits expense	3,253	2,624	24%	3,503	(7)%	12,177	10,008	18%
(e) Finance costs	1,825	816	124%	1,679	9%	4,733	2,665	44%
(f) Depreciation and amortisation expense	651	658	(1)%	855	(24)%	2,815	2,496	11%
(g) Other expenses	5,903	5,150	15%	5,445	8%	20,381	18,054	11%
Total Expenses	43,050	45,667	(6)%	55,668	(23)%	1,99,847	154,413	23%
(Loss)/Profit before share of profit of associate	(5,046)	2,029	(349)%	4,580	(210)%	12,703	10,264	19%
Share of profit / (loss) from Associate	(5)	(9)	(44)%	(30)	(117)%	138	(280)	303%
(Loss)/Profit before tax	(5,051)	2,020	(350)%	4,610	(210)%	12,841	9,984	22%
Tax expense:								
(a) Current tax		544	(100)%	1,424	(100)%	3,575	2,691	25%
(b) Deferred tax (net)	(1,245)	(16)	7,681%	(167)	646%	(221)	(49)	78%
Total Tax Expense	(1,245)	528	(336)%	1,257	(199)%	3,354	2,642	21%
(Loss)/Profit for the period	(3,806)	1,492	(355)%	3,353	(214)%	9,487	7,342	23%
Earnings Per Share:								
(a) Basic (in ₹)	(1.91)	0.75		1.69		4.78	3.71	
(b) Diluted (in ₹)	(1.91)	0.75		1.68		4.77	3.70	

Particulars (₹ in lakhs)	Standalone		Consolidated	
	FY23	FY22	FY23	FY22
ASSETS				
Non-current assets				
(a) Property, plant and equipment	20,760	20,160	36,924	20,381
(b) Right-to-use assets	286	487	3,125	3,331
(c) Capital work-in-progress	2,417	1,156	5,526	10,456
(d) Intangible assets	109	239	190	109
(e) Intangible assets under development	1,542	1,149	1,542	1,179
(f) Investments accounted for using the equity method			1,403	1,262
(g) Financial assets				
(i) Investments	10,652	5,974	1	1
(ii) Other financial assets	520	479	694	412
(h) Deferred tax assets (net)			144	
(i) Income tax assets (net)	459	469	466	474
(j) Other non-current assets	356	1,810	356	929
Total non-current assets	37,182	31,923	50,371	38,534
Current assets				
(a) Inventories	48,418	52,341	49,101	41,071
(b) Financial assets				
(i) Trade receivables	77,054	57,275	77,151	52,897
(ii) Cash and cash equivalents	3,993	2,788	4,148	6,994
(iii) Other bank balances	3,197	3,569	3,197	3,283
(iv) Other financial assets	301	350		541
(c) Other current assets	5,039	10,522	7,559	8,231
Total current assets	1,38,002	1,26,845	1,41,156	1,13,017
TOTAL ASSETS	1,75,184	1,58,768	1,91,527	1,51,551

Particulars (₹ in lakhs)	Standalone		Consolidated	
	FY23	FY22	FY23	FY22
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	1,988	1,984	1,988	1,983
(b) Other equity	55,753	47,979	55,406	46,854
Total equity	57,741	49,963	57,394	48,837
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	8,131	7,832	20,345	17,243
(ii) Lease liabilities	43	248	43	261
(iii) Other financial liabilities	107	215		24
(b) Provisions	1,312	1,078	1,323	1,039
(c) Deferred tax liabilities (net)	915	997	915	1,013
Total non-current liabilities	10,508	10,370	22,626	19,580
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	49,534	40,639	51,739	35,363
(ii) Lease liabilities	271	275	271	238
(iii) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises	3,685	2,373	5,029	1,891
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	43,205	47,013	43,422	35,470
(iv) Other financial liabilities	6,836	4,909	7,623	7,839
(b) Other current liabilities	1,720	2,588	1,738	1,654
(c) Income tax liabilities (net)	400	270	401	281
(d) Provisions	1,284	368	1,284	398
Total current liabilities	1,06,935	98,435	1,11,507	83,134
Total equity and liabilities	1,75,184	1,58,768	1,91,527	1,51,551

CORPORATE IDENTITY





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

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



Mission



- To be a trusted name in providing high quality products and solutions to the farming community
- To be a trusted custom & contract manufacturing partner
- To be a model company in meeting the expectations of all stakeholders

Values




- Concern
- Commitment
- Quality
- Integrity



1,350+

Employee Strength



31

Geographical
Presence



5

Million Farmers
(Customers)



4

Manufacturing
Units



30

Years of
Experience



63

Branded Products



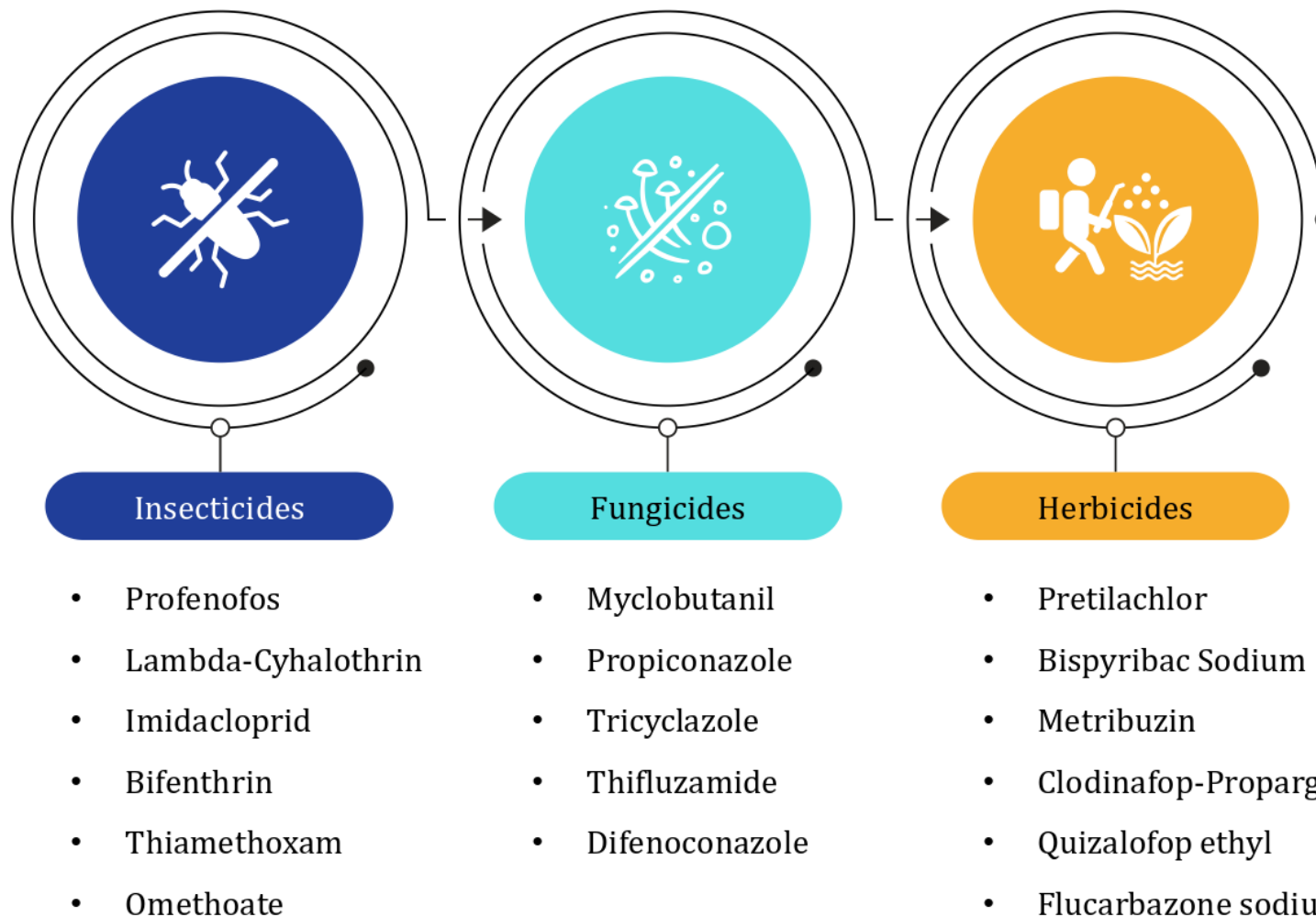
31 - Countries

1,350+ - Employees

04 - Manufacturing Plants

39% - Revenue from International

Technicals



Insecticides



- Cairo
- Cannon
- Dxtar
- Dxtar FS
- Ennova

- Fenny
- Fury
- Force Super
- Hurricane Plus
- Monocrown

- Nagarjuna 4G
- Nagarjuna Mida
- Nagarjuna Mantle
- Nagarjuna Spice
- Nagarjuna Trust

- Pest Lock
- Profex
- Profex Super
- Pymet
- Quick 50% SP

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

Fungicides



- Combi plus
- Font
- Index

- Kazan
- Mass
- Mass Plus

- Result
- Sivic
- Slogan

- Subtle
- Trica
- Zeb

- Zen
- Rhizostar
- Oscar

Herbicides



- Font
- Zeb M-45
- Zen

- Slogan
- Oscar
- Sivic

- Nagarjuna Combi plus
- Nagarjuna Index
- Nagarjuna Mass

- Nagarjuna Mass Plus
- Nagarjuna Result
- Kazan
- Trica

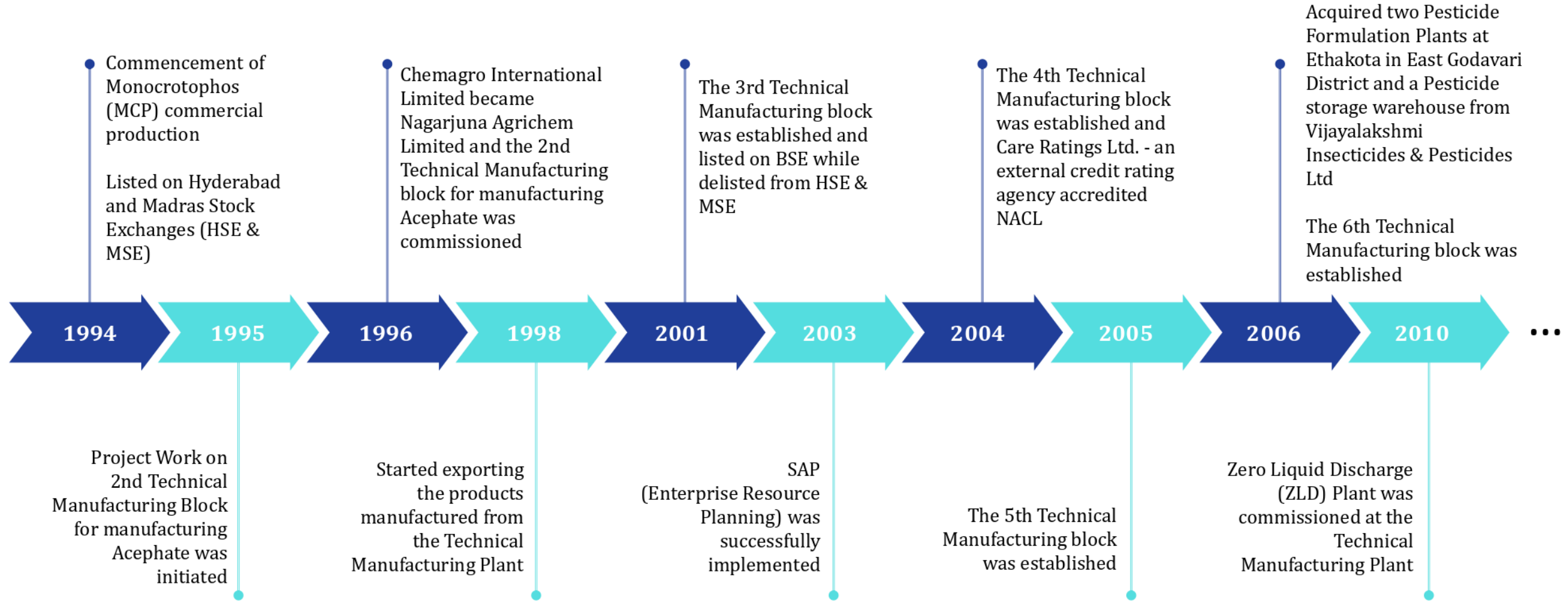
Plant Growth Regulators

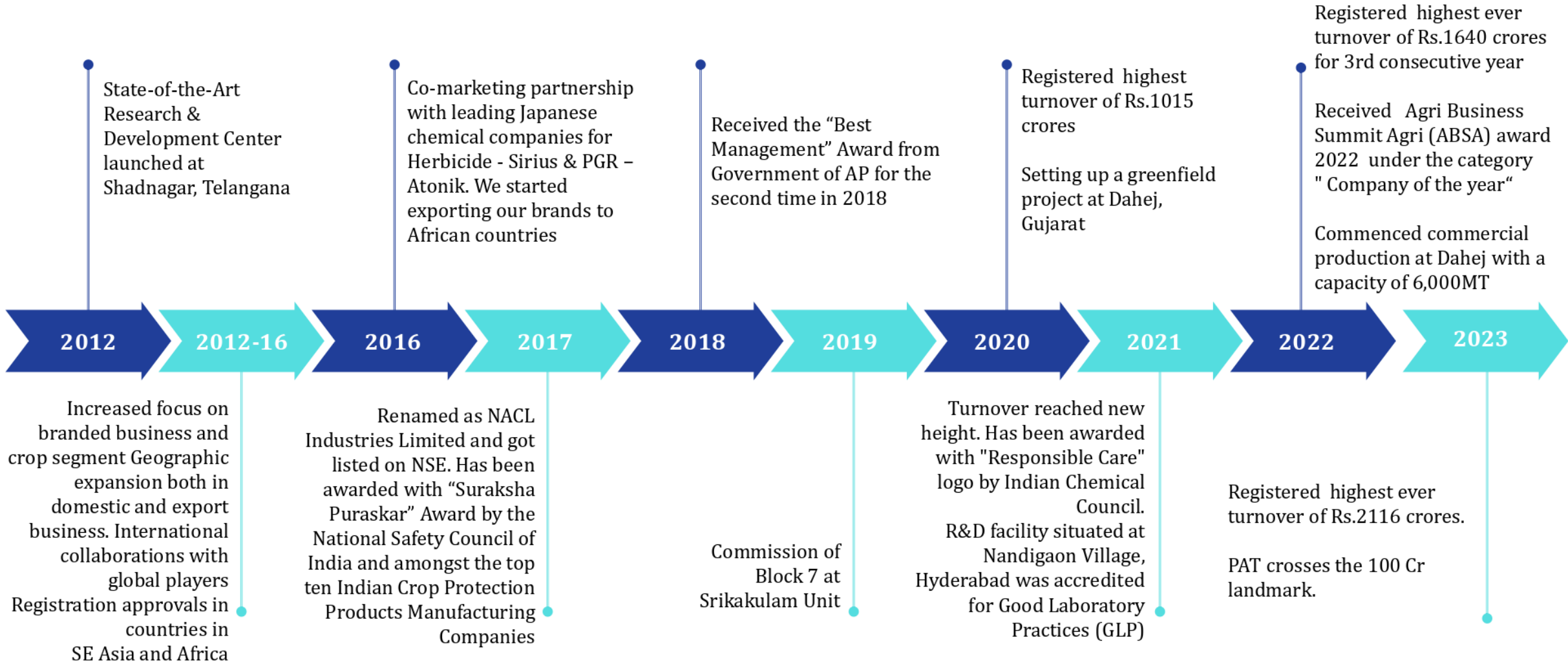


- Atonik
- Gallant EG
- Gallant Gold



Timeline (1/2)







Mrs. K Lakshmi Raju
Chairperson &
Non-Executive Director



Mr. M Pavan Kumar
Managing Director &
CEO



Mr. N Vijayaraghavan
Independent Director



Mr. Sudhakar Kudva
Independent Director



Mr. Raghavender Mateti
Independent Director



Mr. Ramkrishna Mudholkar
Independent Director



Mr. N Sambasiva Rao
Independent Director



Ms. Veni Mocherla
Independent Director



Mr. Raj Kaul
Non-Executive &
Non-Independent
Director



**Mr. C. Varada
Rajulu**
Non-Executive &
Non-Independent
Director



**Mr. Santanu
Mukherjee**
Independent
Director(Additional
Director)



Mr. Atul Churiwal
Investor Nominee
Director



**Mr. Rajesh Kumar
Agarwal**
Investor Nominee
Director



Mr. M Pavan Kumar
Managing Director &
CEO



Mr. G. Jagannadha Rao
President –
International key
accounts



Mr. R.K.S Prasad
Executive VP –Finance
& CFO



Mr. Amit Taparia
Senior VP – SCM, Procurement,
IT, Registrations & RA and
Head of Operations



**Mr. Harish Chandra
Bijlwan**
Senior VP –Operations
& Technology



**Mr. Satish Kumar
Subudhi**
Vice President –Legal &
Company Secretary



Mr. Roshan Mammen
Vice President –Exports



Mr. Seshagiri Rao
Vice President- Plant
Operations
(Technical Plant)



Mr. Kannan Upadhyaya
Vice President – Domestic Retail
Sales & Marketing



Mr. Srinivasa Rao Bitra
Senior General Manager &
Head - Plant Operations
(Formulations Unit)



Mr. S. Mani Prasad
Head – Human Potential
Development



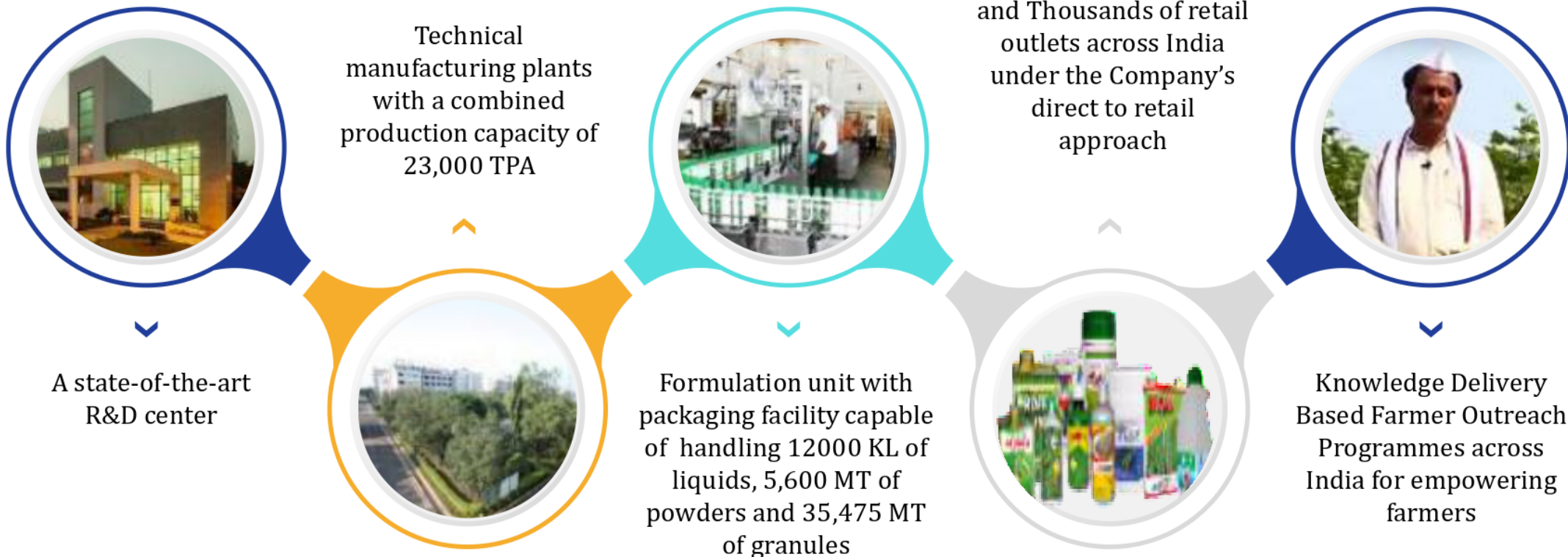
Dr. Kuppusamy A
Senior General Manager &
Head - Regulatory Affairs &
Product Development

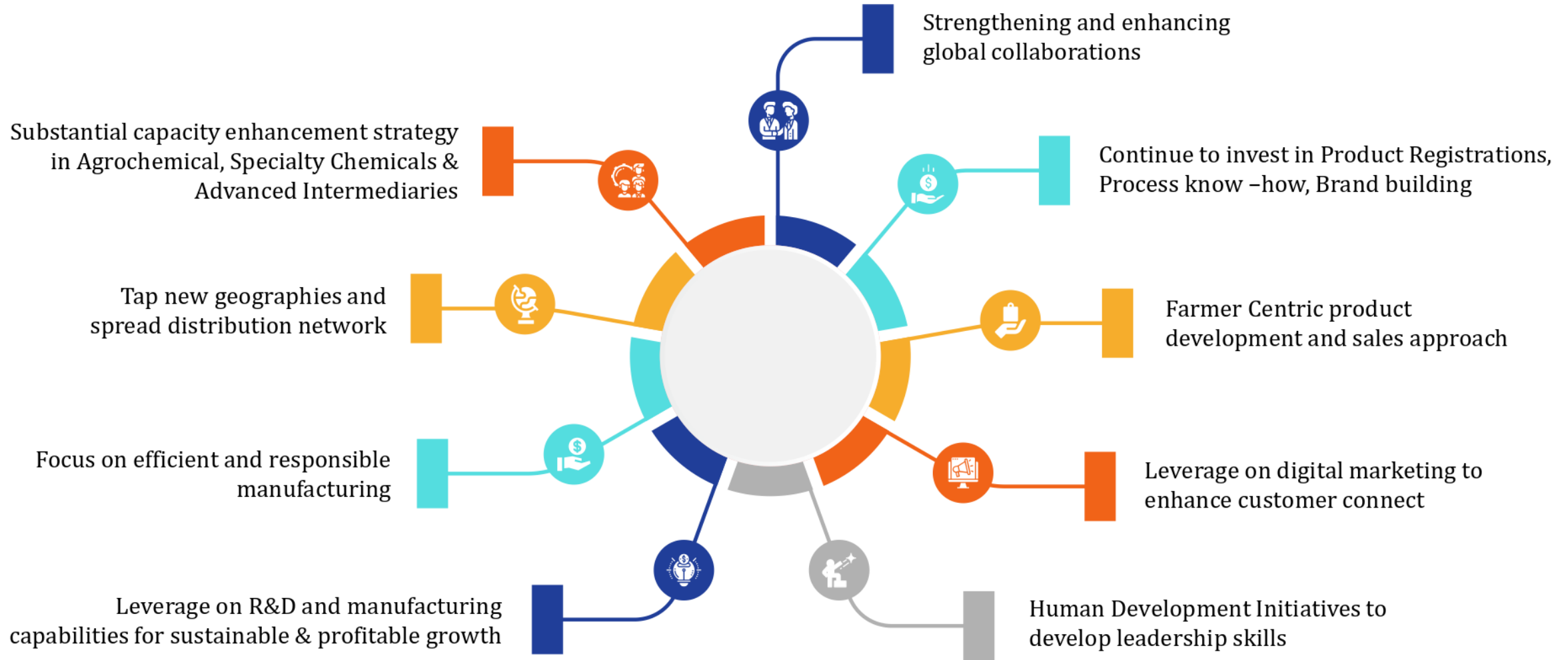


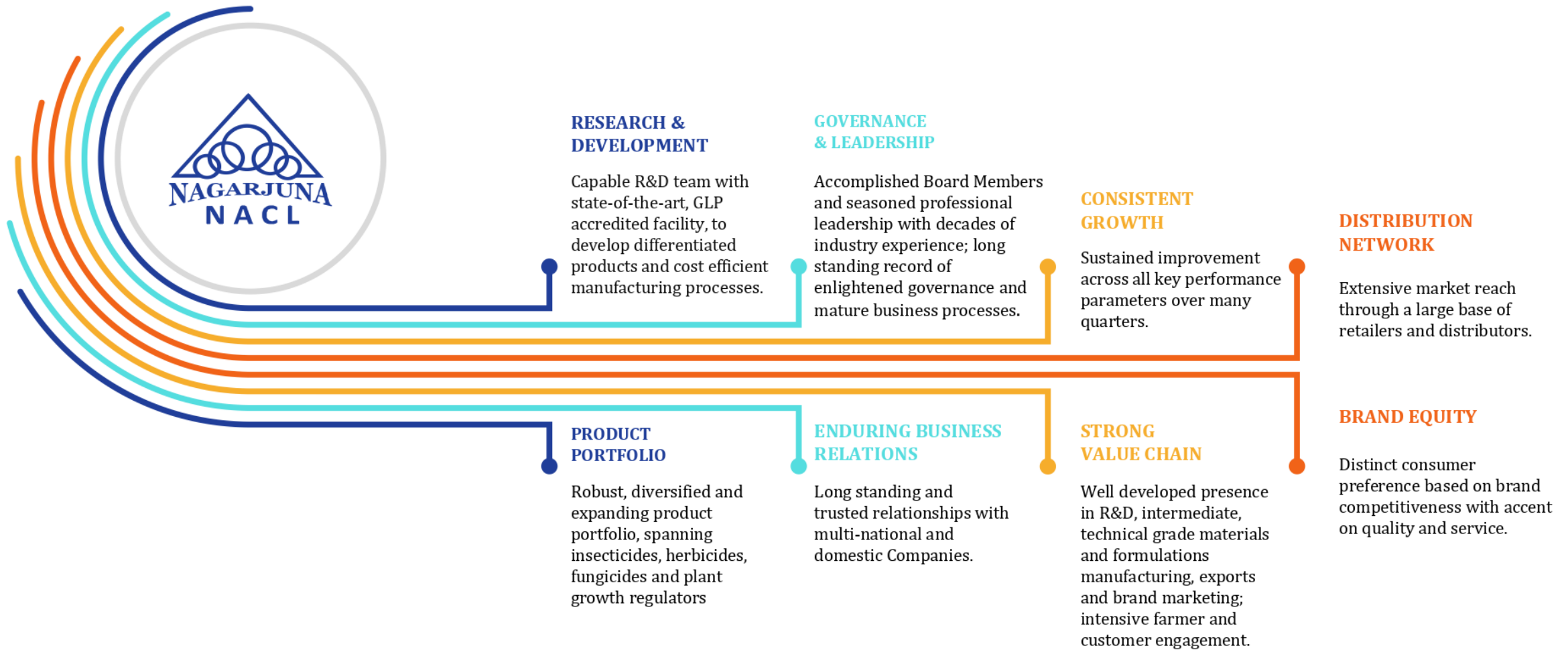
Mr. Praveen Dubey
Senior General Manager & Head -
Institutional Business & Strategic
Sourcing



Mr. Rajesh Iyer
General Manager –
Procurement







RC certificate



GLP certificate



DSIR



R&D Facility

ISO Accreditations



ISO 45001:2018



ISO 14001:2015

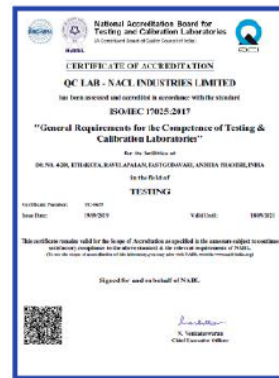


ISO 9001:2015

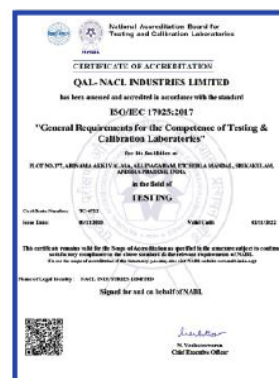
NABL Accreditations



R&D Facility



Ethakota Unit



Srikakulam Unit



Greentech Award

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



Suraksha Puraskar

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



Certificate of Appreciation

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



Best Management Award

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



Water Management Award

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



Industry Champion Award 2021

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



ABSA Company of the Year Award 2022

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

Indian Agrochemical Market

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

01



Food Security

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

02



Government Initiative

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

03



Exports

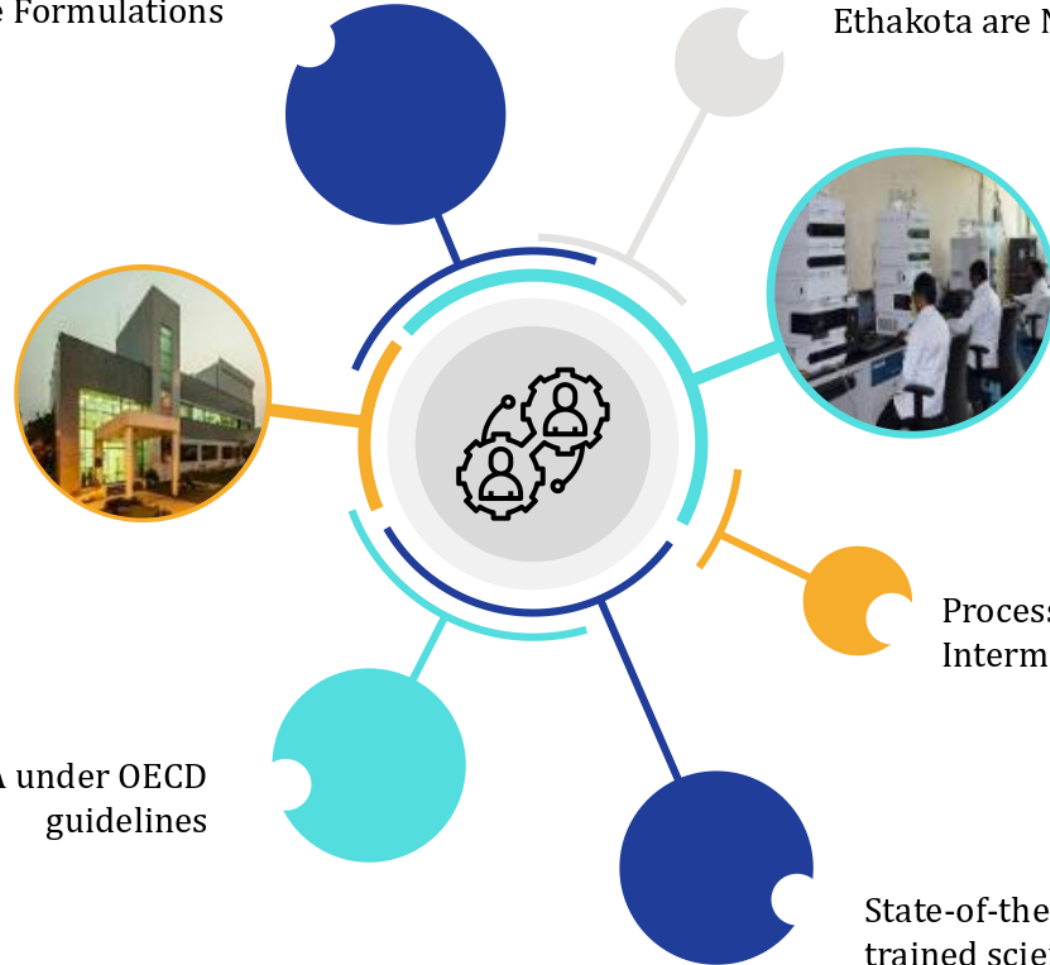
Due to the inherent strength of cost-effective production and qualified manpower, India is one of the leading exporters of crop protection chemicals. Unlike domestic demand growth which fluctuates depending on the rainfall pattern, agrochemicals exports have been increased steadily. Almost 50% of agrochemicals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

04



Development of new generation, environment friendly and safe Formulations

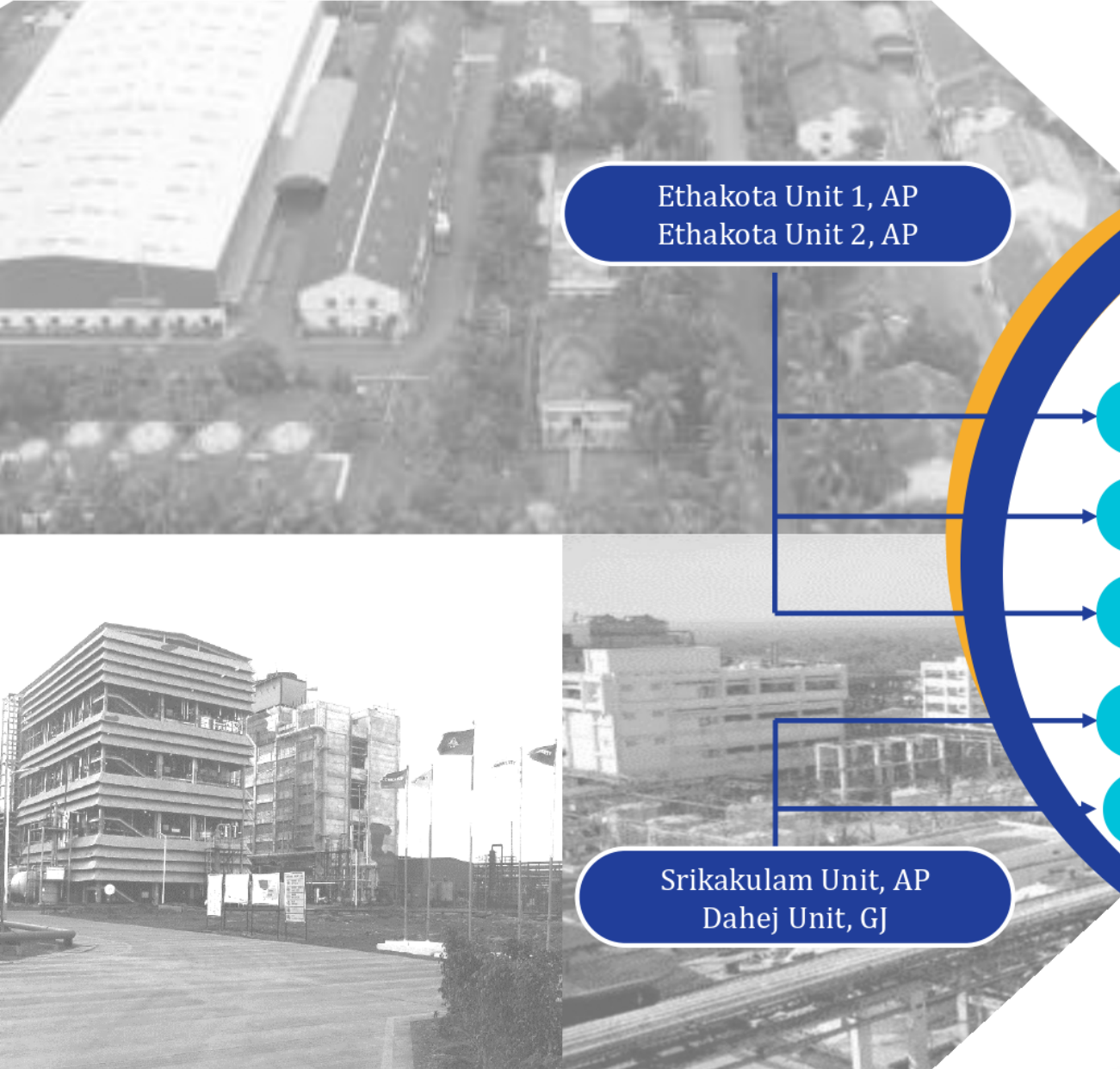
R&D labs at Shadnagar and Srikakulam are DSIR recognized. Quality Control labs in the above locations and Ethakota are NABL accredited.



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

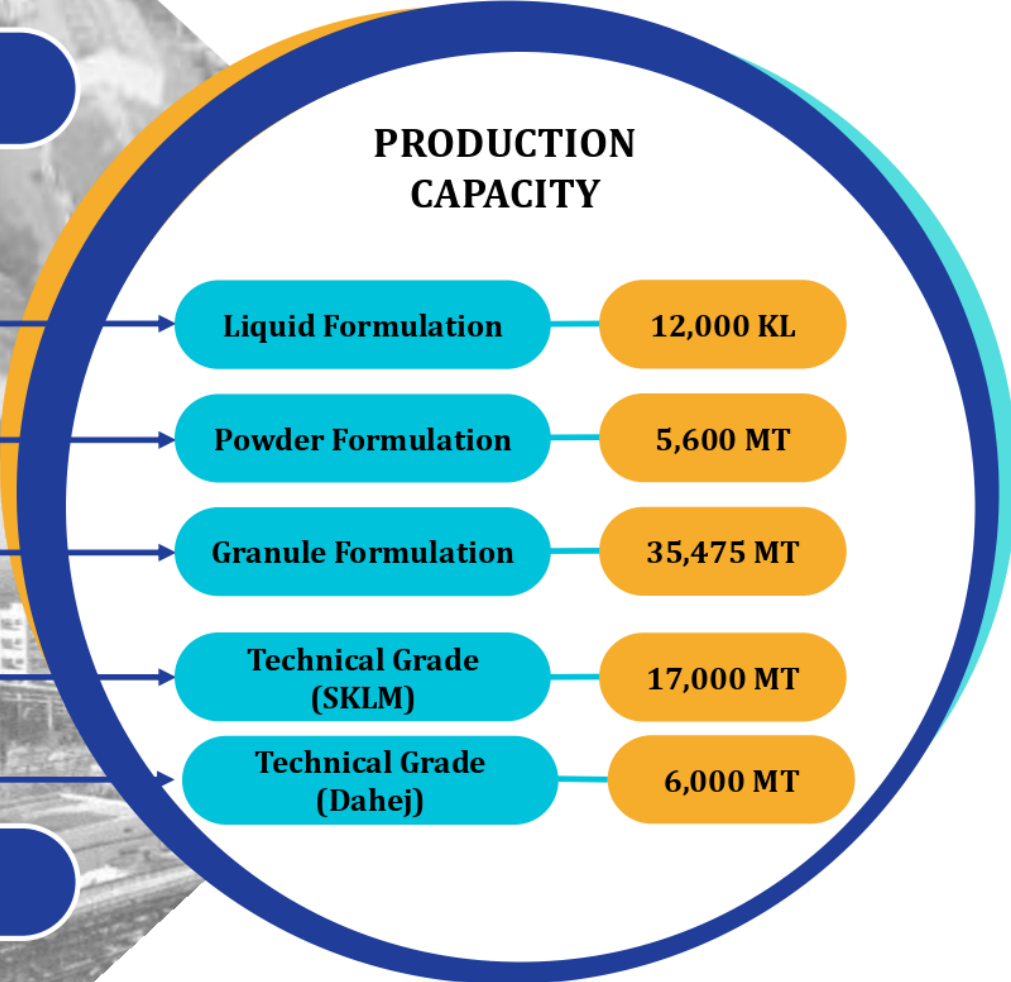
Process development of Active Ingredients and Intermediates

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



Ethakota Unit 1, AP
Ethakota Unit 2, AP

Srikakulam Unit, AP
Dahej Unit, GJ



BROWNFIELD PROJECT

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

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

GREENFIELD PROJECTS

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

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



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

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

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

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

Efficient equipment for reduced energy consumption.



SHAREHOLDER'S INFORMATION



Stock Information (as on 30th June, 2023)

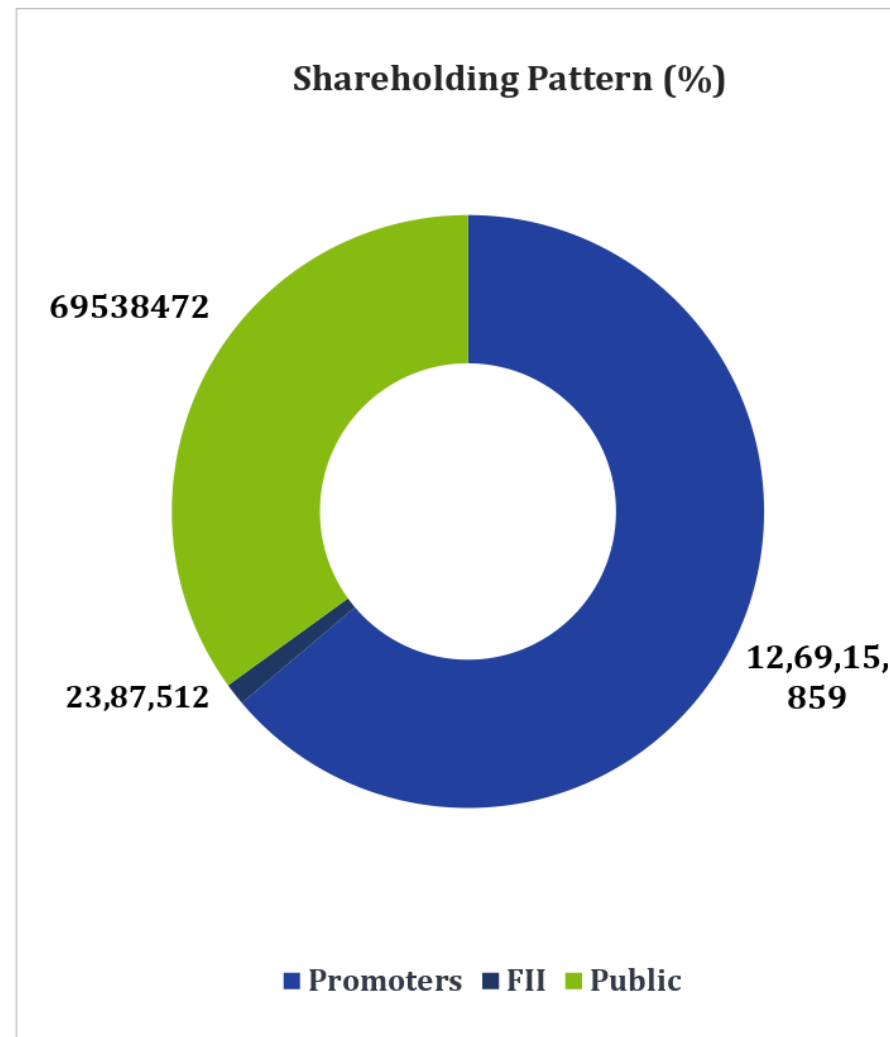
Market Capitalization (₹)	1879.06 Cr
Shares Outstanding	19,88,41,843
Symbol (BSE) / (NSE)	524709 / NACLIND

(As on 30th June, 2023)

Stock Performance Chart (as of August, 2023)



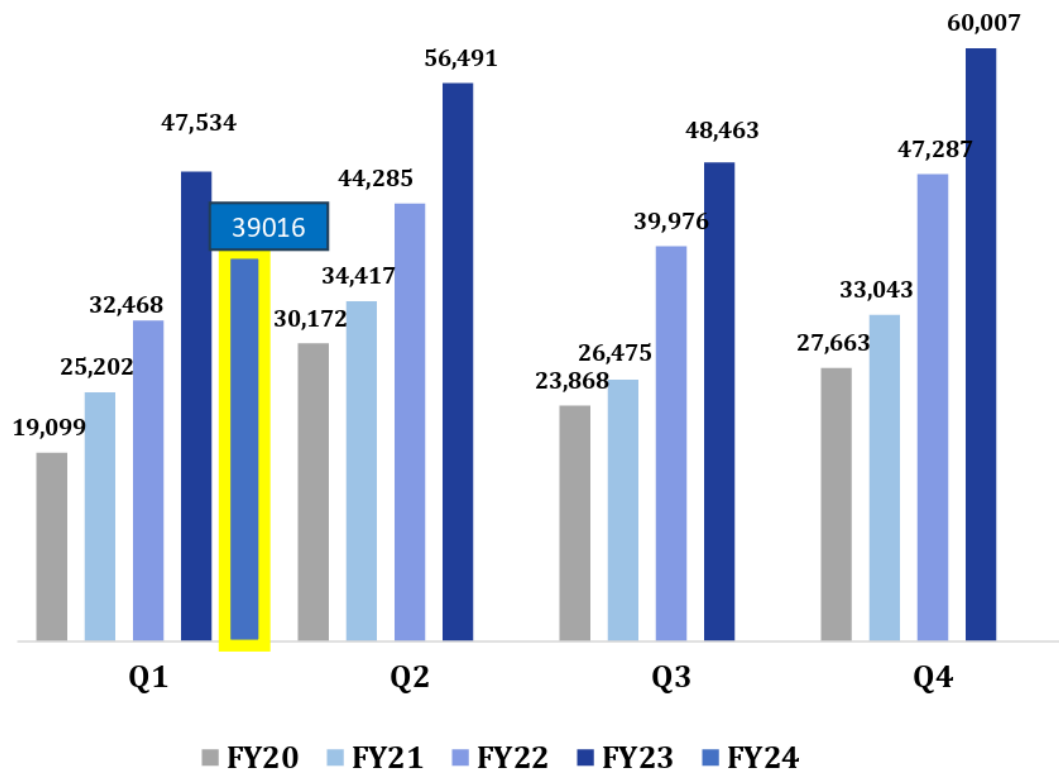
Shareholding Pattern (%)



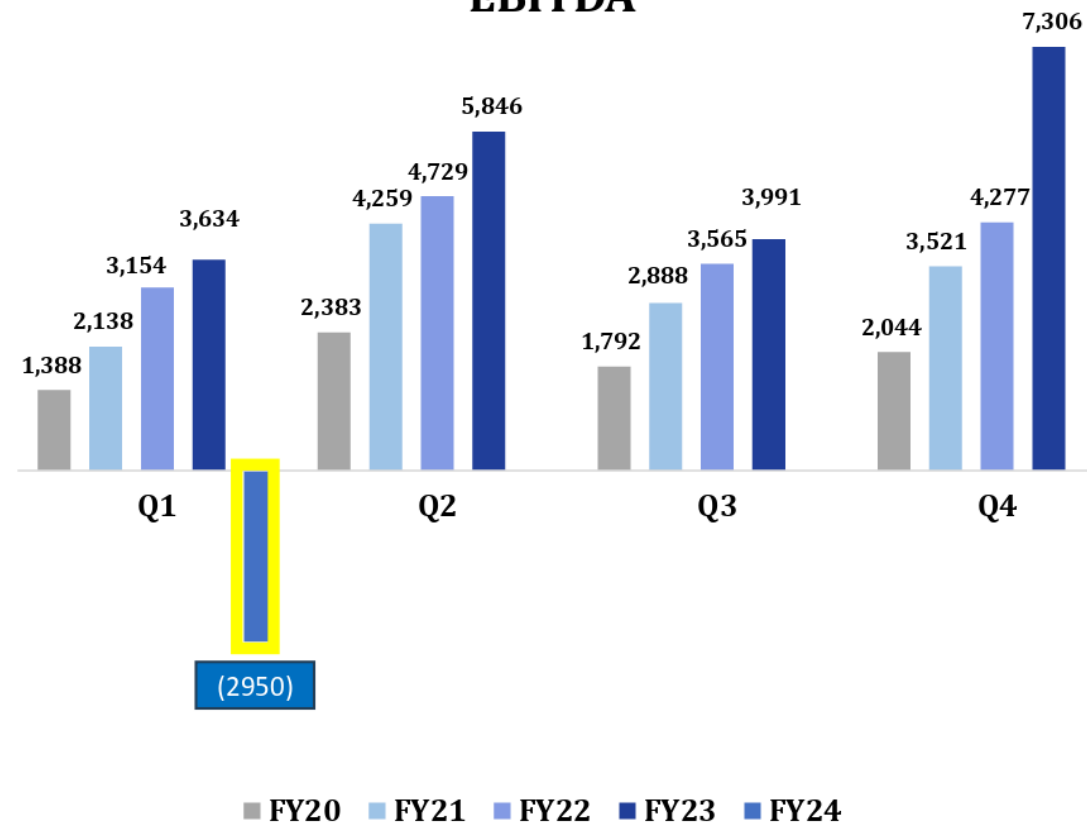
PERFORMANCE TRACK RECORD

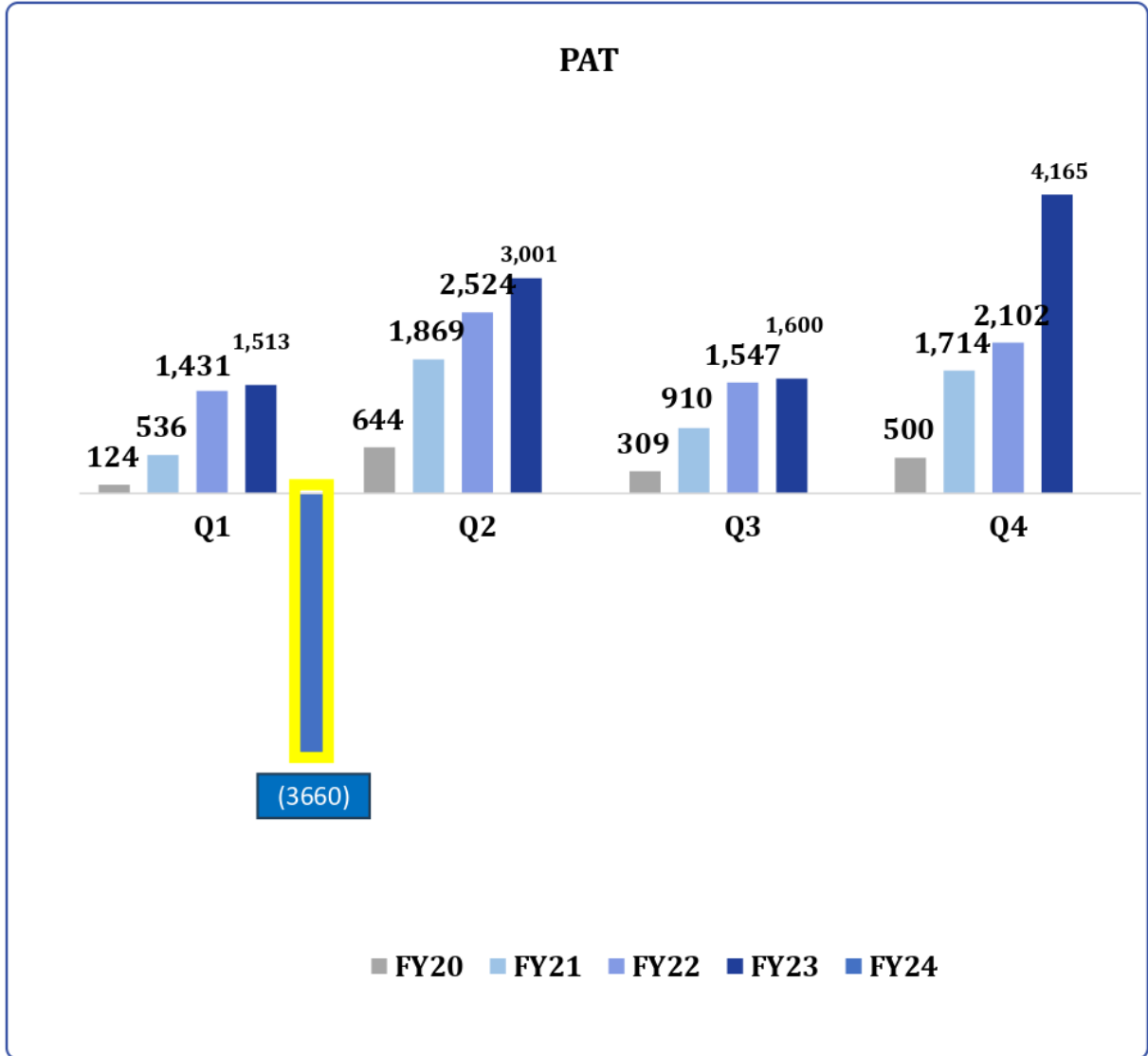
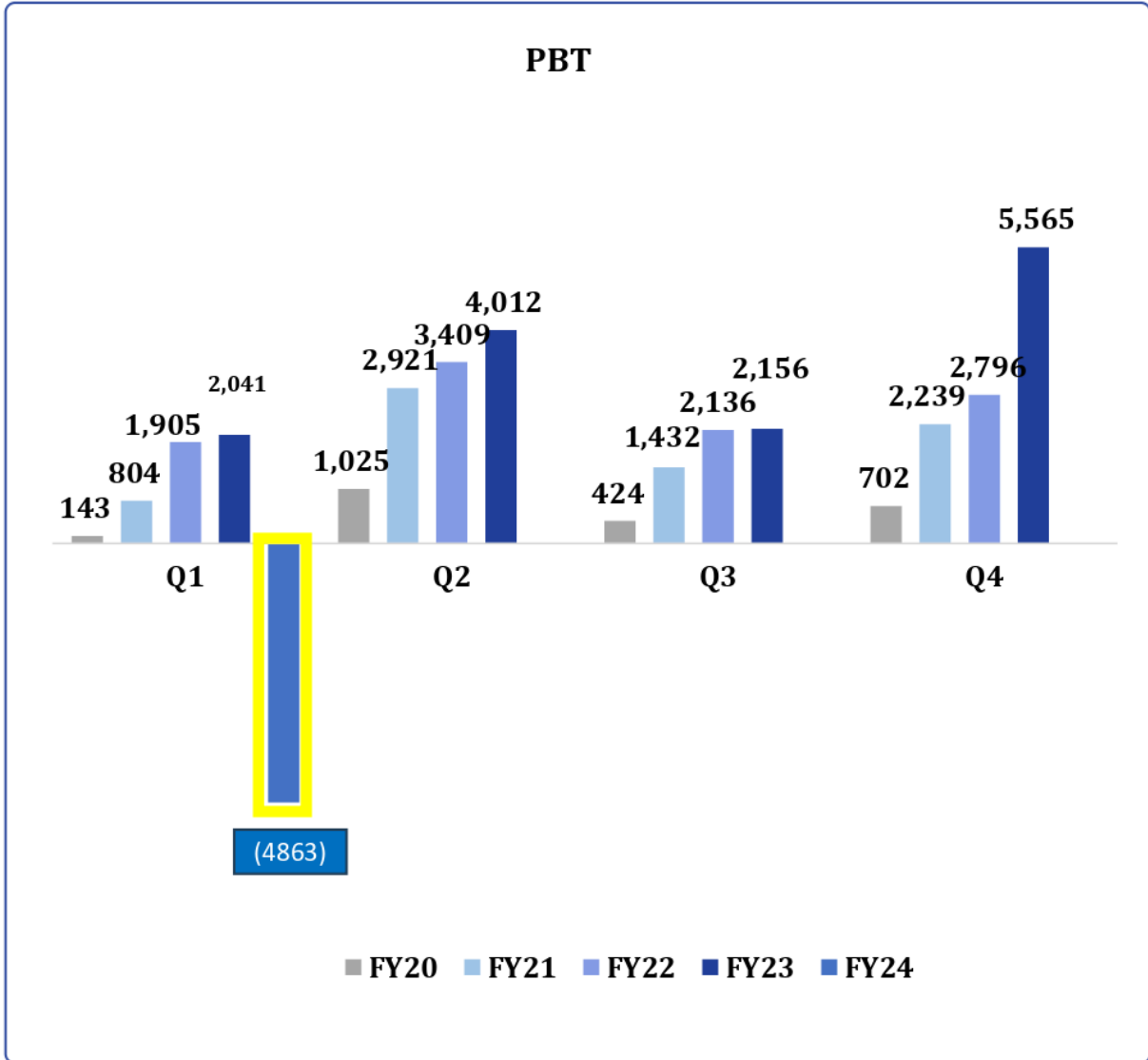


Revenue from operations

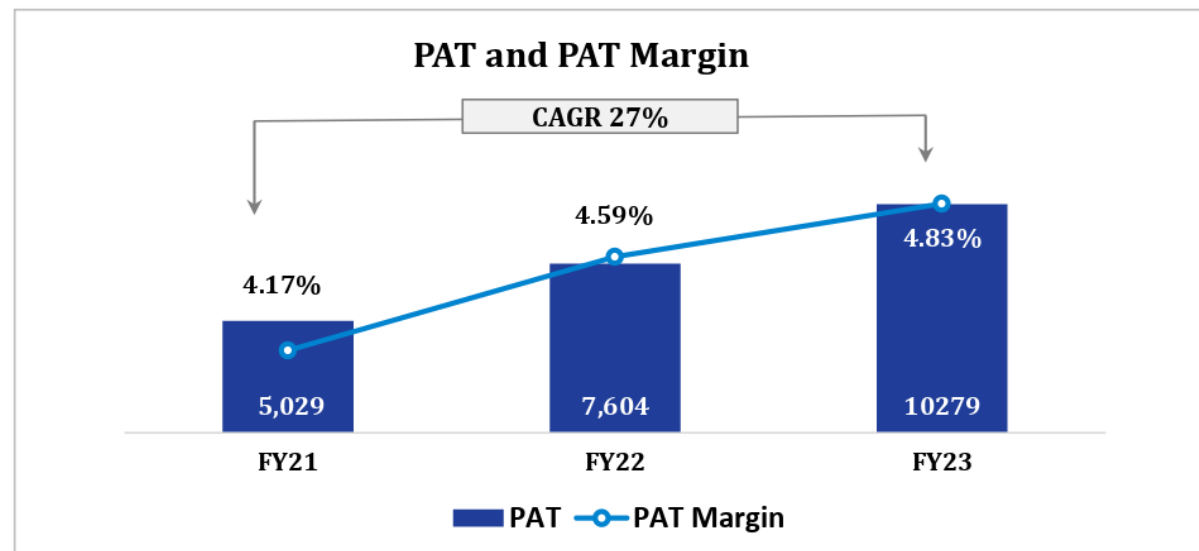
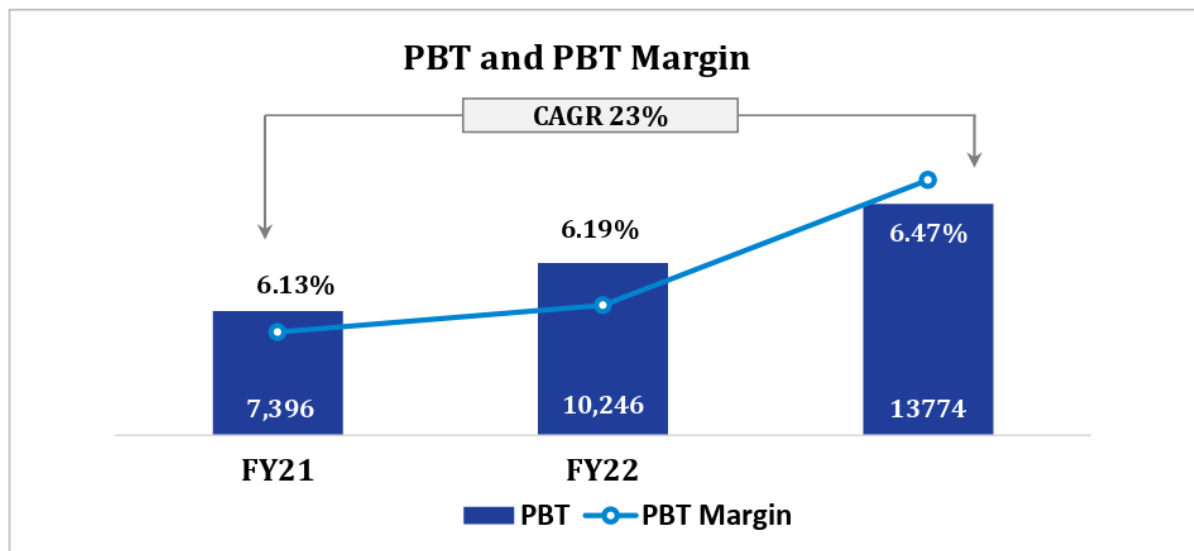
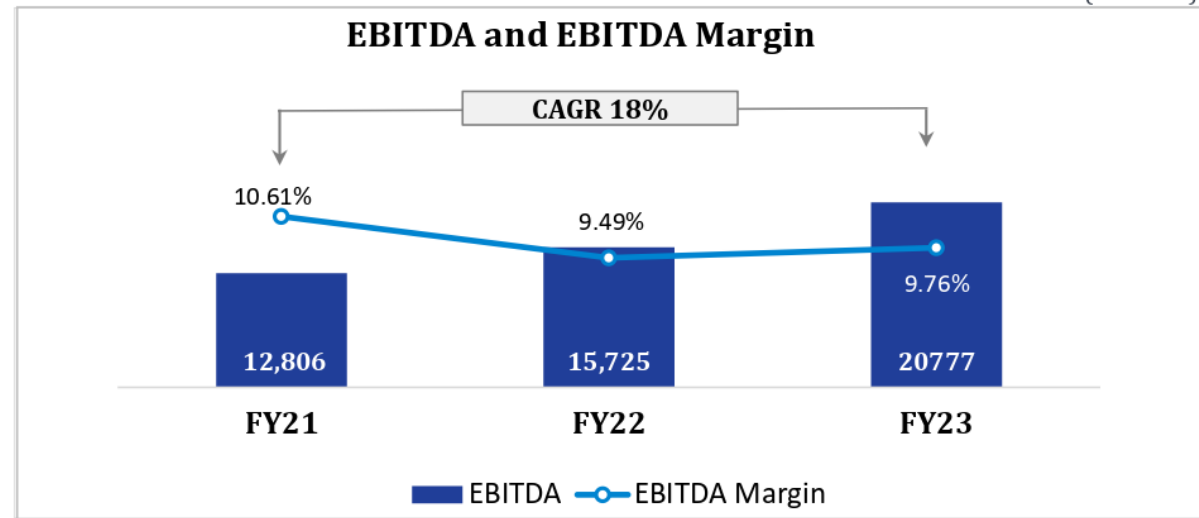
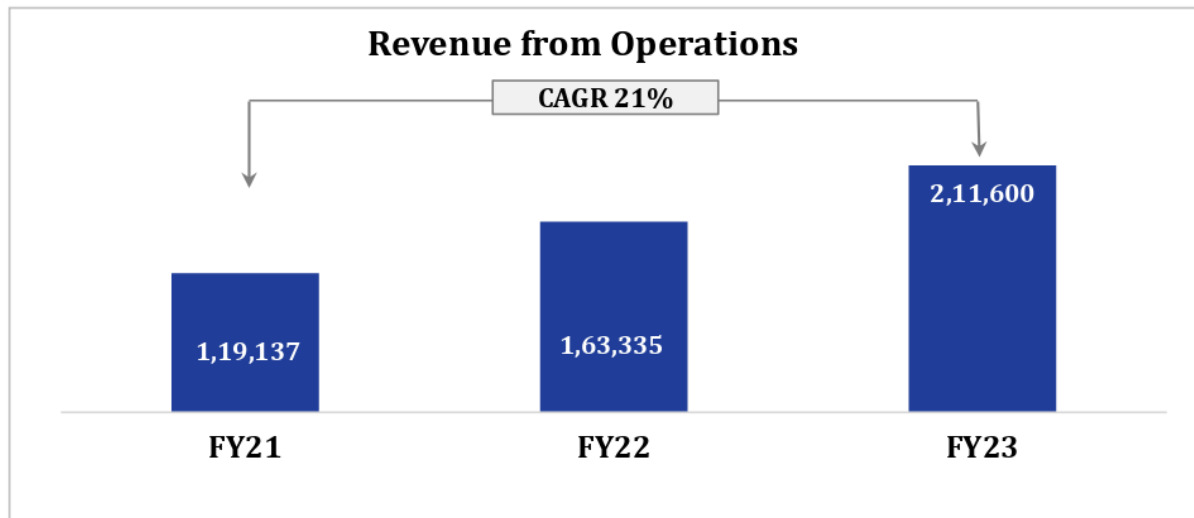


EBITDA



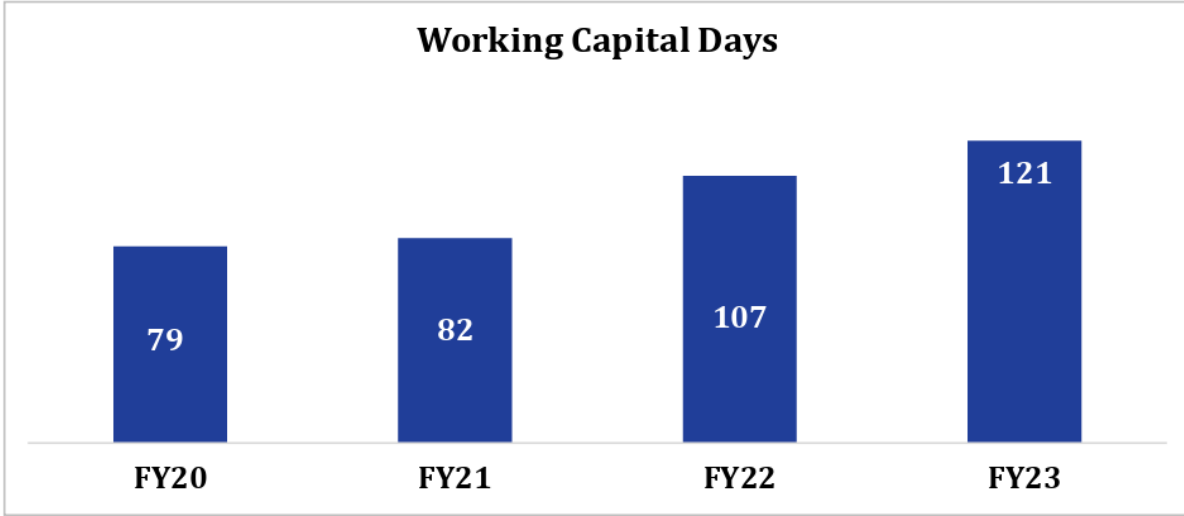


(₹ in lakhs)

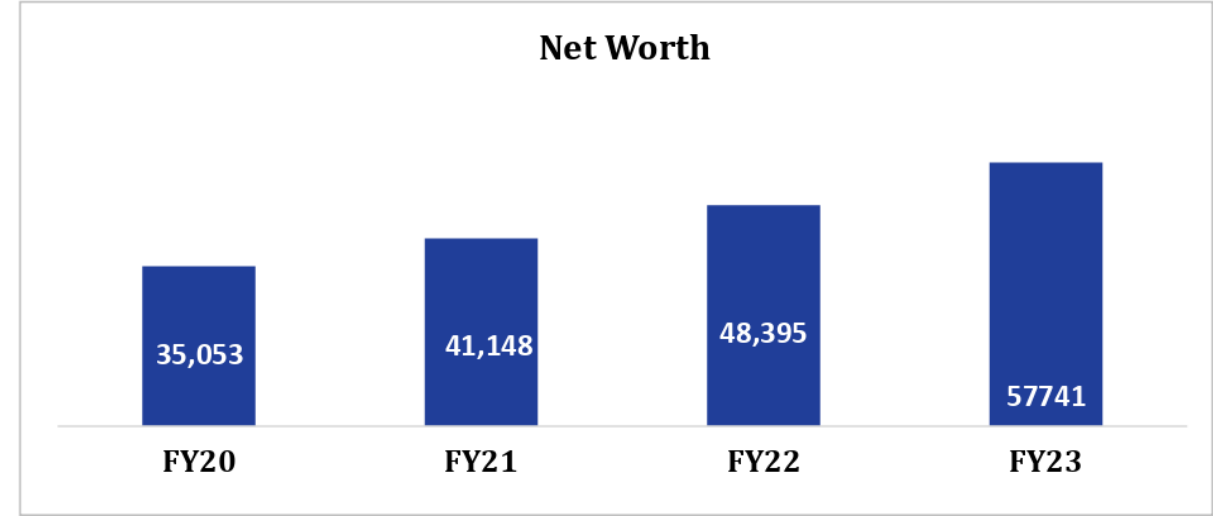


(₹ in lakhs)

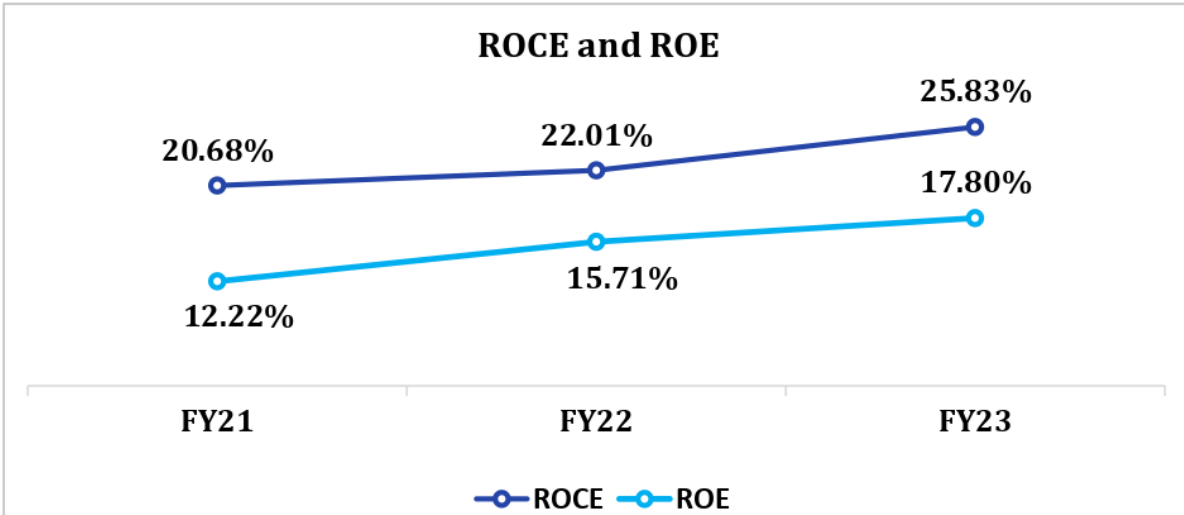
Working Capital Days



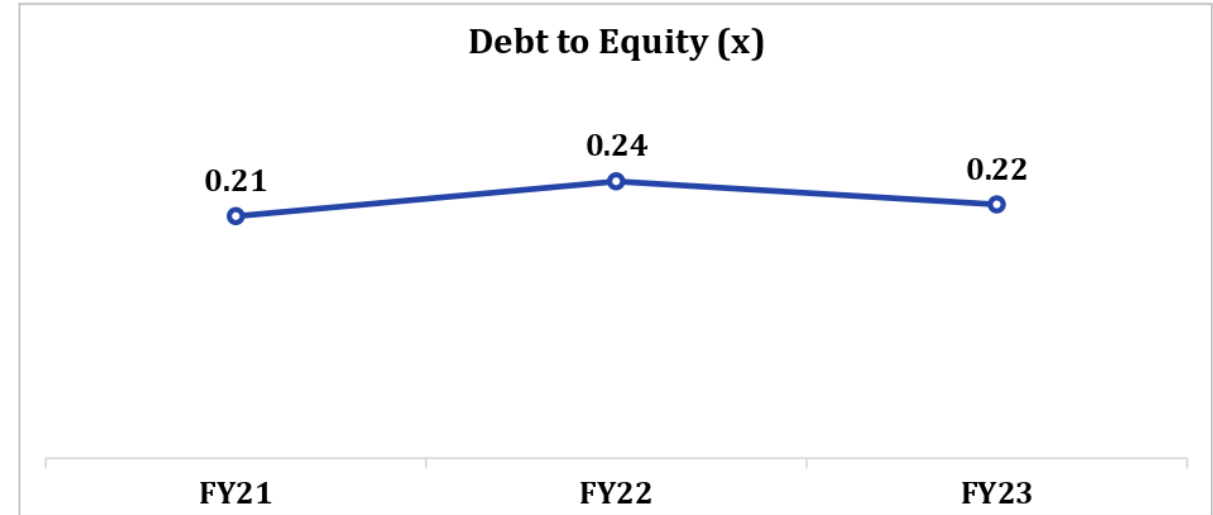
Net Worth



ROCE and ROE





Debt to Equity (x)




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THANK YOU

