



NATH SEEDS®

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

(CIN L01110MH1993PLC072842)

24<sup>th</sup> June 2021

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 Audited Financial Results.

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

This is for your information and record purpose

Thanking You

For Nath Bio-Genes (India) Limited

Devinder Khurana  
Chief Financial Officer

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**NATH**  
**GROUP**



# Q4FY21 Performance



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हर बीज खरा, शक्ति भरा<sup>®</sup>

# 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.

# Delivering on Stated Strategy; Evolved into a Dividend Paying Company

	Actions Taken	Outcome
<b>Diversified and De-Risked Portfolio</b>	<ul style="list-style-type: none"><li>○ Field Crop portfolio growing and performing in line with expectations.</li><li>○ Strengthened Internal Organisation<ul style="list-style-type: none"><li>• Senior Level hiring in Vegetable and Field crops verticals</li></ul></li></ul>	<ul style="list-style-type: none"><li>○ Non Cotton and non paddy revenue growth of 13.89% YOY; revenue contribution of 38%</li><li>○ Vegetable volume grew 13%; However, Value wise the growth was 14.34%</li><li>○ PNS volume grew by 8% in FY21</li><li>○ Cotton growth maintained at 5%</li></ul>
<b>Creating Superior Value</b>	<ul style="list-style-type: none"><li>○ Evolving into a dividend paying company</li><li>○ Maintaining Balance Sheet strength</li><li>○ Improving working capital cycle</li><li>○ Delivering on stated guidance</li></ul>	<ul style="list-style-type: none"><li>○ Declared maiden dividend of 20%</li><li>○ Zero long term debt despite strong growth</li><li>○ Working capital improvement temporary halted due to covid led inventory built up</li><li>○ <b>FY22 Revenue guidance expected to be 15-20% on account of covid. Gross Margins to be maintained at 50%+</b></li></ul>

# Income Statement

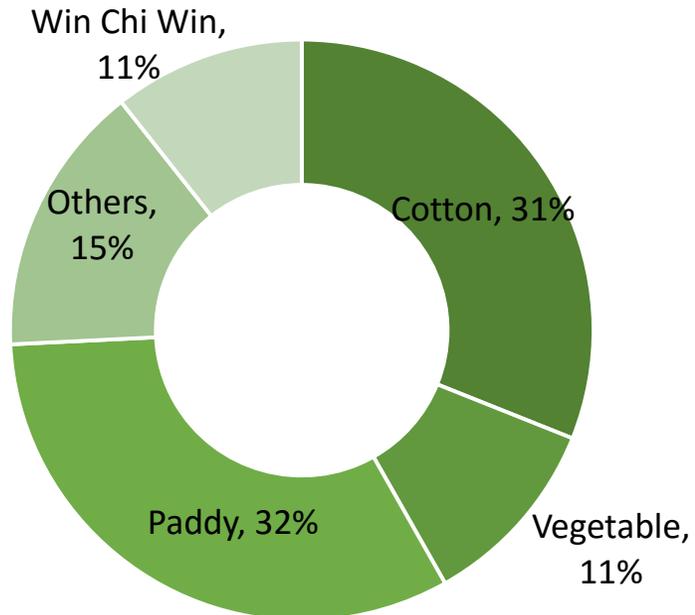
Particulars (INR Mn)	FY21	FY20	% Change (YoY)	Q4FY21	Q4FY20	% Change (YoY)
Total Revenue	3076	2799	10%	550	601	-9%
<b>Gross Profit</b>	1715	1536	12%	310	293	6%
<i>Gross Margin (%)</i>	56%	55%		56%	49%	
<b>EBITDA</b>	667	547	22%	111	67	65%
<i>EBITDA Margin (%)</i>	22%	20%		20%	11%	
Depreciation	28	14	94%	8	4	130%
Finance Cost	88	65	35%	27	17	61%
<b>PBT</b>	568	485	17%	75	52	45%
<i>Tax Rate (%)</i>	2%	-4%		5%	-48%	
<b>PAT</b>	557	505	10%	71	76	-6%
<i>PAT Margin (%)</i>	18%	18%		13%	13%	
EPS	29.3	26.3	11%	3.8	3.8	0%

# Segment wise Operating Performance

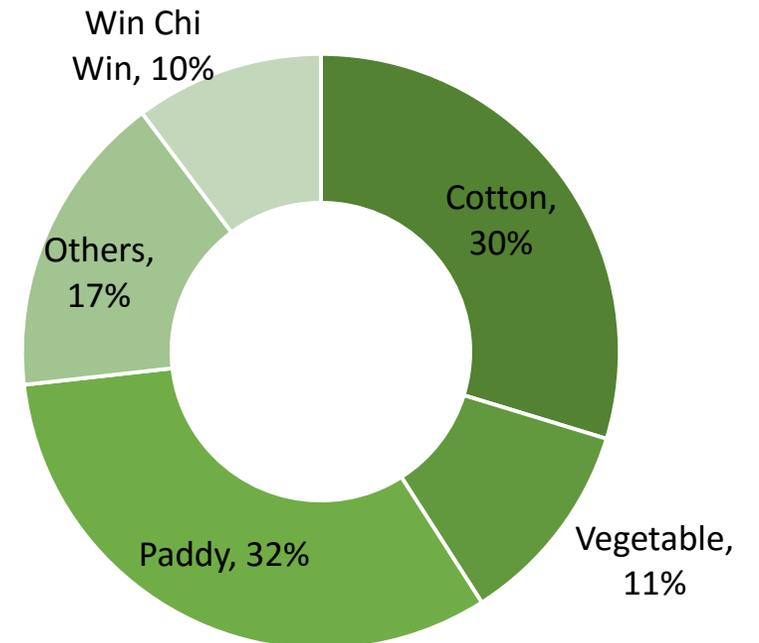
Products	Metric	FY21	FY20	YOY Growth
Cotton	Packets	12,24,240	11,66,566	5%
Vegetable	Quintals	4,606	4,075	13%
Paddy	Quintals	83,839	74,116	13%
Other Crops (Bajra, Maize)	Quintals	34,195	31,041	10%
Win chi Win	Litres	55,429	51,293	8%

# Segmental Revenue Contribution- Cotton+Paddy share reducing

FY20 Revenue  
INR 2,799 Mn



FY21 Revenue  
INR 3,076 Mn



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

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

- Volume growth of 5% in FY21
- Sales return of 27% due to COVID situation
- 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 13% in FY21
- 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 13% in FY21
- 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

- Registered a volume growth of 8% in FY21
- Overall sales effected due to COVID situation
- High Margin segment : 70%+ Margins
- Territories being enhances 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

- 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	FY21	FY20
Revenue	3076	2799
Inventories	2263	2043
Trade Receivables	1094	1070
Trade Payables	452	682
Net Working Capital	2905	2431

	FY21	FY20
Inventory Days	268	266
Receivable Days	130	140
Payable Days	54	89
Working Capital Cycle	344	317

- **Increase in Inventory due to :**
  - Delay in cotton seed procurement due to Covid19 and subsequent stock build up
  - Inventory to normalise over next 2 years. No losses expected

# 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

- **Portfolio Concentration Risk**
  - *Cotton & Paddy seeds portfolio in excess of 30% each*
- **Geographic Risk**
  - *Spatial distribution of rainfall*
- **Regulatory Risk**
  - *Price control on cotton seeds likely to be extended*
- **Seasonal Risk**
  - *Skewed Growth*



### Change in Strategy

- Limiting revenue contribution of any single crop to less than 25%
- Achieve wide Geographical spread to mitigate risks of adverse spatial distribution of monsoon
- Higher resource allocation for other food crops including vegetables
- Concentrate on vegetable & Plant Nutrient Supplement for faster growth and profitability

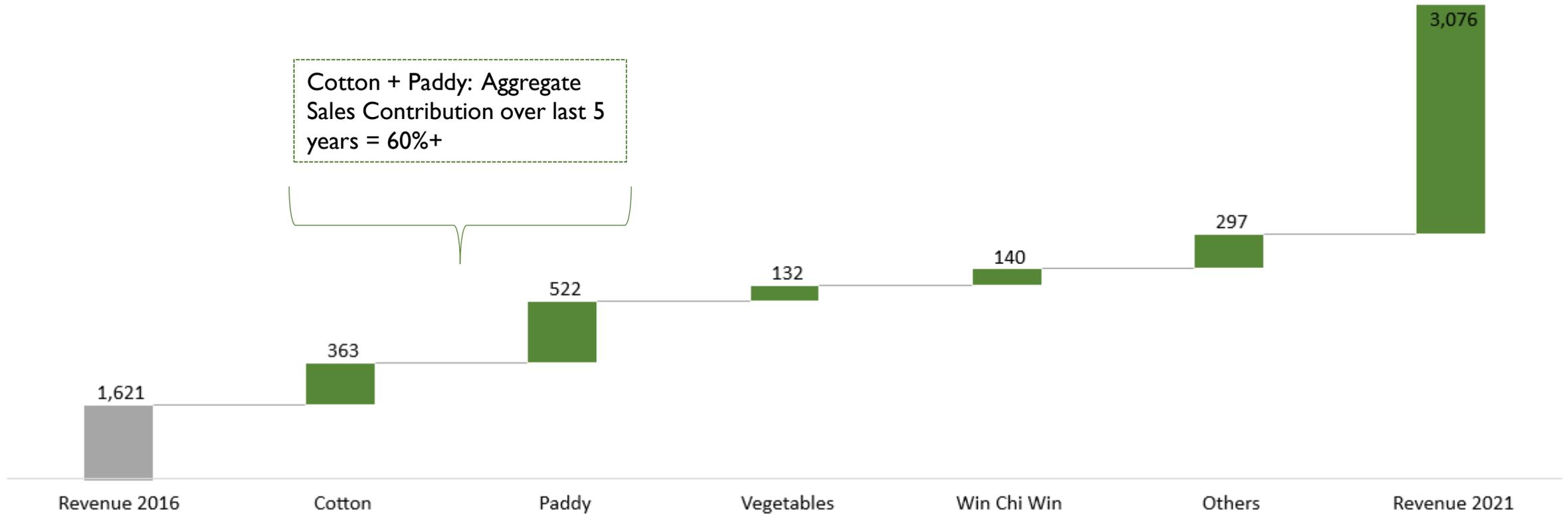


### Action Points

- Developing products in multiple food crops like Maize, Jowar, Bajra etc
- Develop export markets
- Cotton seeds to grow at 20% CAGR in line with overall growth
- Add new products in vegetable segment; Extend product range in Plant Nutrient Supplement Segment

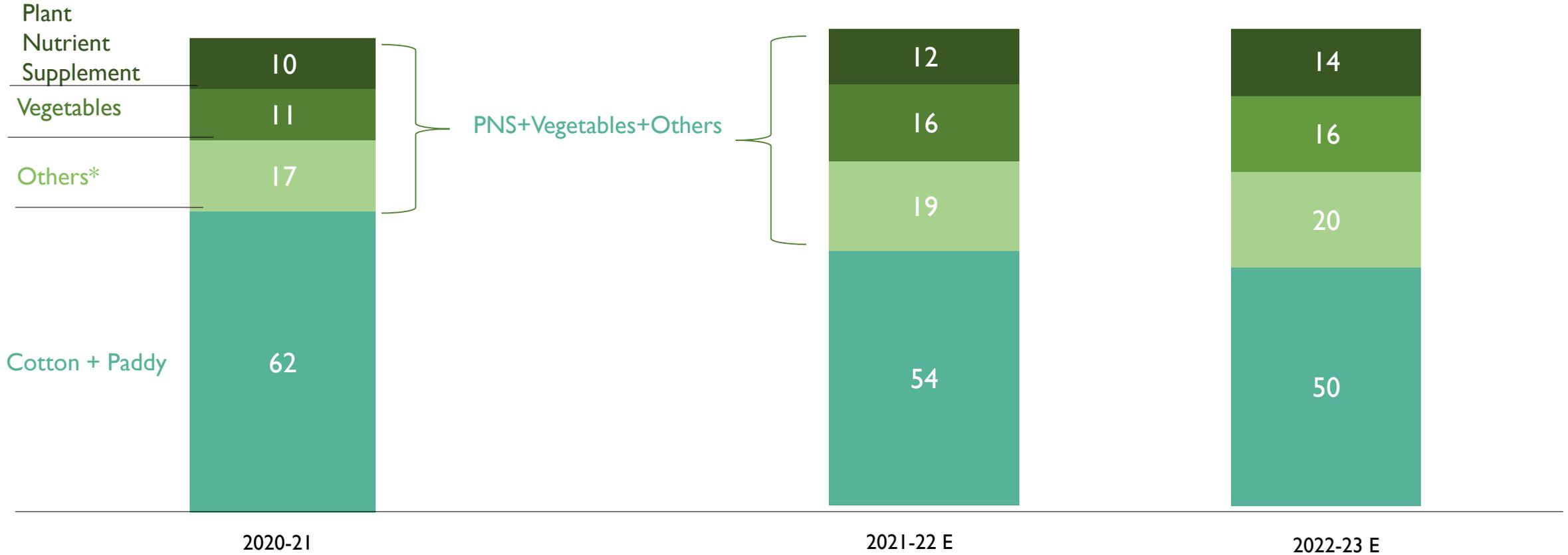
# Last 5 Years: Cotton & Paddy Driven Growth

## Revenue Growth Contributors (INR Mn)



# Next 5 Year: Multiple Growth Drivers

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



\* include: Jowar, 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

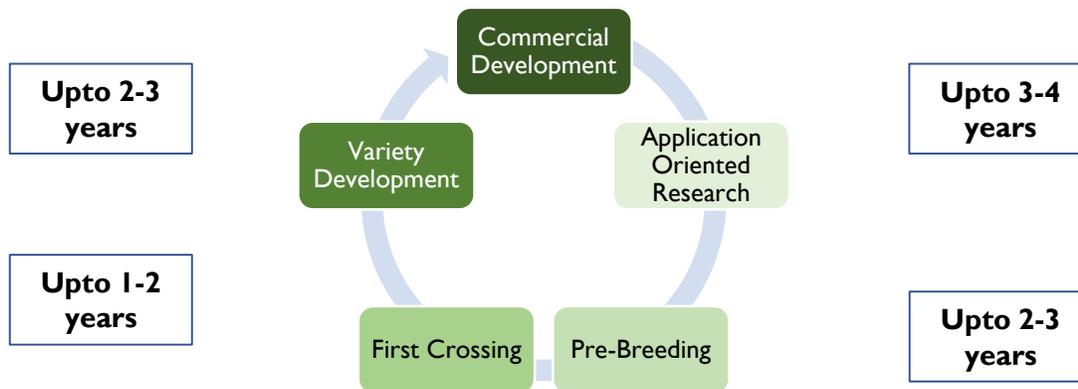
**150+**  
New Employees Hired in Last 3 Years

**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: 7-10 Year Cycle



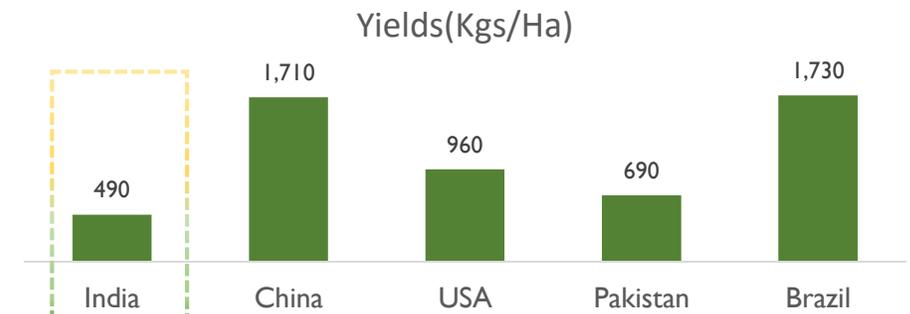
## Holistic Products to Address Problems of

Low Yields

Climate Change

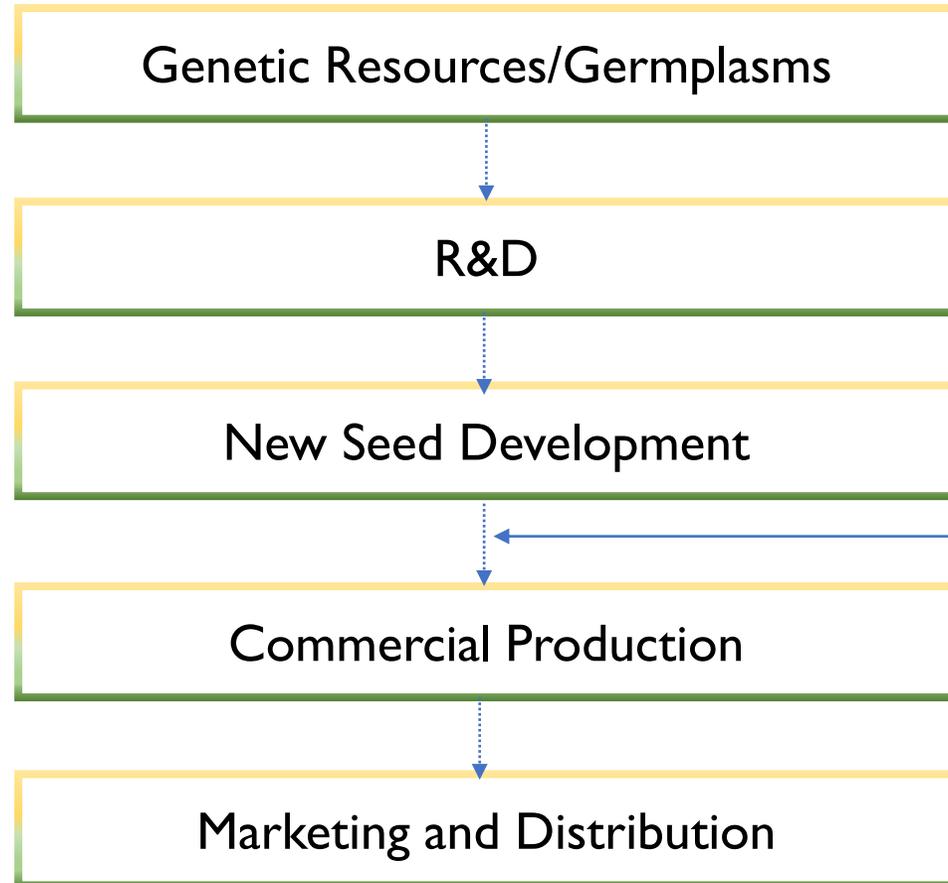
Pest Infestations

India: Amongst the Lowest Cotton Yield



Source: OECD-FAO Agricultural Outlook 2019-2028

# Strategic Presence Across the Seed Value Chain



ICAR Trials  
done at  
this stage

**18,000+**  
Germplasm Library

**100+ years**  
R&D Team experience

**36**  
Seed varieties launched in last 3 years

**50,000**  
Contract Farmers



# 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

## Research & Product Development



**Mr. Devinder Khurana  
CFO**



**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



**Mr K Reddy Head –  
Supply Chain**



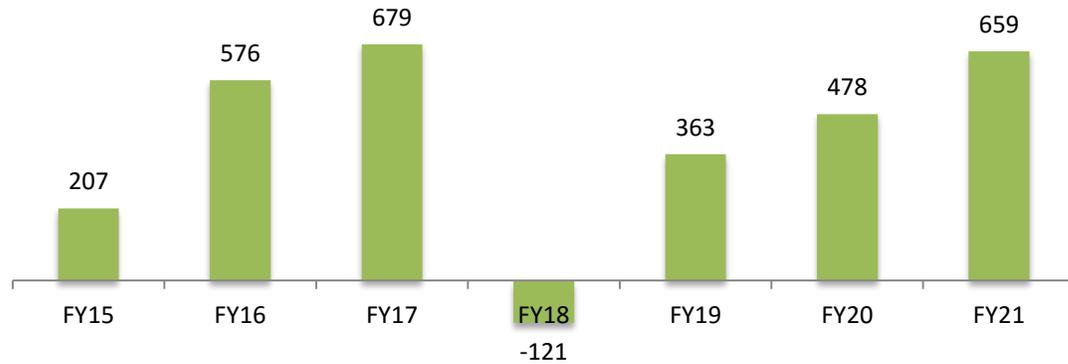
**Mr R Pandey  
Head - VEG**



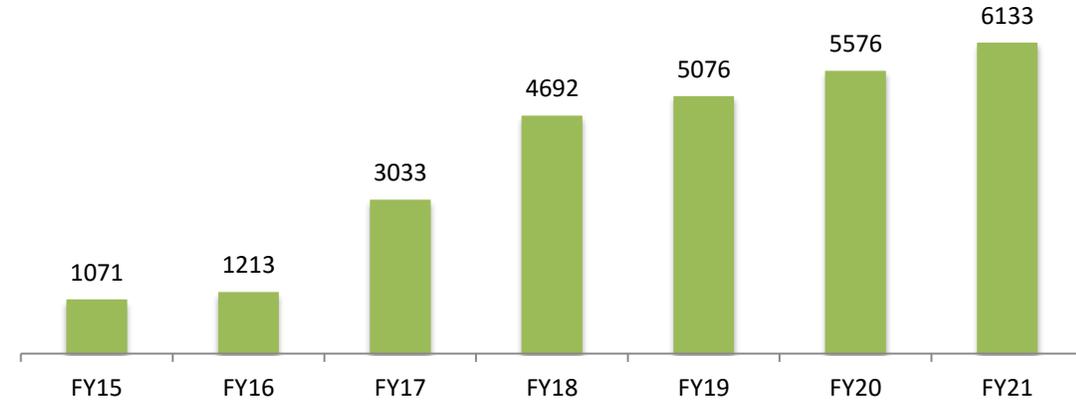
**Mr Sachin  
Kamajdar - PNS**

# Improving Profitability; Strong Balance Sheet

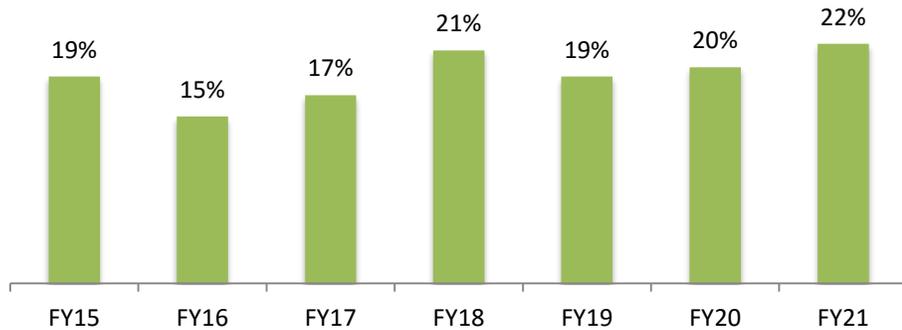
Net Debt (INR Mn)



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	29.3	26.3	20.3

# 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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For further information, please get in touch with:

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