



NATH SEEDS®

Nath Bio-Genes (I) Ltd.

(CIN L01110MH1993PLC072842)

30th May 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 Audited Financial Results.

Please find the attached herewith, presentation on Audited financial results for the period ended 31st March 2022.

This is for your information and record purpose

Thanking You

For Nath Bio-Genes (India) Limited

Devinder Khurana
Chief Financial Officer



Q4 & FY22 Performance



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Safe Harbour

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

FY22 Season Update

Cotton packets sold 11.90 Lacs

Non-Cotton; Non-Paddy Field Crop grew by 27%.

Corporate Actions

Dividend declared and ratified in AGM on 27 Aug 2021 @20% for FY21
Dividend recommendation for FY22 at 20%

New Products Developments/Launches

Kharif Season in progress

Field Crop, Vegetable sales lined up

New products launched in Cotton, Paddy and Vegetables

Working Capital

Positive Operational Cash Flow at Rs 171mn

Working capital cycle improved

Inventory level decreased; Debtors decreased

Provision made for doubtful advances given to farmers community.

Strong Operating and Financial Performance

Operating Performance

- Non - cotton, non - paddy portfolio contributed 40% to revenue
- Cotton and Paddy portfolio contribution reduced from 62% to 60%
- Cotton sales maintained YoY

Financial Performance

- Revenue down by 9.50% YoY due to reduced paddy sales
- Contribution margin maintained at 55.45% in FY22
- EBITDA at 13.37% due to enhanced credit passed to trade
- PBT before exceptional items stood at Rs 254mn
- Provision provided for doubtful advances given to farming community for seeds production considered non recoverable. However efforts are being made to recover the same

Managing Headwinds

Impact of Covid

- Certain advances given to farmers during the entire COVID period became non recoverable; As a matter of prudence provisions made for such advances
- Efforts were made to adjust them in future production; Efforts will be continue to recover/adjust advances in future production
- Also production hampered during this period

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 70-75 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)	FY22	FY21	% Change (YoY)	Q4FY22	Q4FY21	% Change (YoY)
Total Revenue	2,783	3,076	-9.5%	272	550	-50.5%
Gross Profit	1,544	1,715	-9.9%	197	310	-36.4%
Gross Margin (%)	55.5%	55.8%	-30bps	72.3%	56.4%	1590bps
EBITDA	373	667	-44.0%	-212	111	-
EBITDA Margin (%)	13.4%	21.7%	-830bps	-78.1%	20.2%	-9830bps
Depreciation	31	28	10.7%	11	8	37.5%
Finance Cost	106	88	20.4%	25	27	-7.4%
Exceptional Item	-888	-	-	-888	-	-
PBT	-634	568	-	-1128	75	-
Tax Rate (%)	-	1.9%	-	-	13.6%	-
PAT	-673	557	-	-1163	71	-
Adjusted PAT	215	557	-61.4%	-240	71	-

Stable Balance Sheet Despite Growth

Assets (INR Mn)	FY22	FY21	Liabilities (INR Mn)	FY22	FY21
Fixed Assets	2,449	2,469	Share Capital	190	190
Financial Assets	51	53	Reserves & Surplus	5,229	5,943
Other Non-current Assets	218	134	Long-Term Borrowings	7	7
Inventories	2,203	2,263	Long-term Provisions	26	26
Trade Receivables	879	1,094	Short Term Borrowings	923	944
Cash & Bank Balances	42	292	Trade Payables	551	452
Loans & Advances	1,502	1,554	Other Current Liabilities	484	329
Other Current Assets	75	36	Short Term Provisions	9	5
Total	7,419	7,895	Total	7,419	7,895

Segment wise Operating Performance

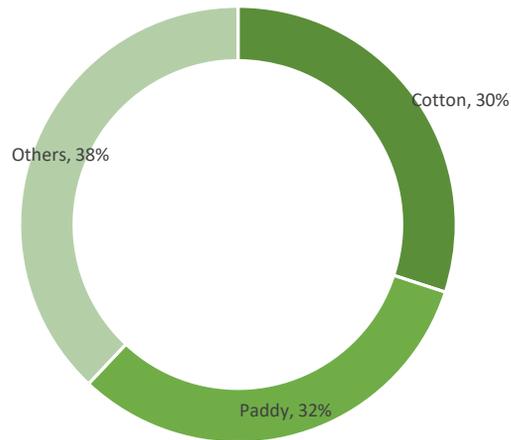
Products	Metric	FY22	FY21	YOY Growth	FY20
Cotton	Packets in lakhs	11.90	12.24	-2.8%	11.66
Paddy	Quintals	59,176	83,839	-29.4%	74,116
Other Crops (Bajra, Maize,)	Quintals	29,963	34,195	-12.4%	31,041

- Cotton sales maintained on YoY basis
- Paddy quantity reduced by 29% YoY however value down only by 18% due to change in product mix with better margins
- Other Field Crops reduced by 12% YoY however the value increased by 27% with the help of better product mix.

Segmental Revenue Contribution- Cotton + Paddy share reducing

FY21 Revenue
INR 3,076Mn

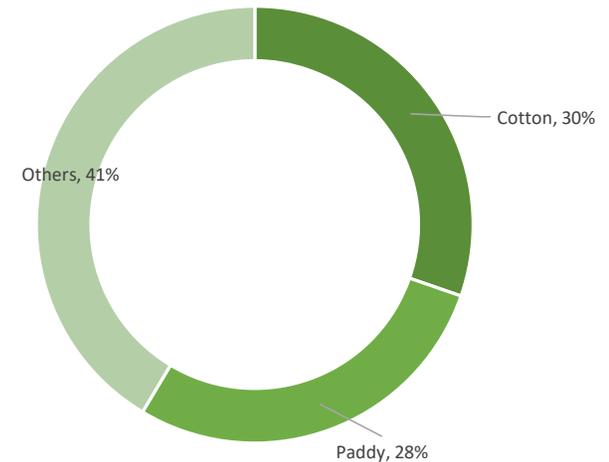
FY21



■ Cotton ■ Paddy ■ Others

FY22 Revenue
INR 2,784 Mn

FY22



■ Cotton ■ Paddy ■ Others



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

Highly Ranked Cotton Products – Aim to Gain Market Share

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

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

9

Cotton Products launched in last 5 years

8-12

Products in Pipeline

Paddy: Strong Outlook

- 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 FY23.
- 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]

45%

Revenue Growth

2.3x

EBITDA Growth till FY21

3.45x

PAT Growth till FY21

PBT before exceptional items at
Rs 254mn

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

All figures in INR mn	FY22	FY21
Revenue	2,783	3,076
Inventories	2,203	2,263
Trade Receivables	879	1,094
Trade Payables	551	452
Net Working Capital	2,532	2,905

	FY22	FY21
Inventory Days	289	268
Receivable Days	115	130
Payable Days	72	54
Working Capital Cycle	332	344

- **Increase in Inventory due to :**
 - Carried forward stock of cotton seed and seed stock for sales in Kharif 2022
 - Inventory to normalise over next 2 seasons; no losses expected



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

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

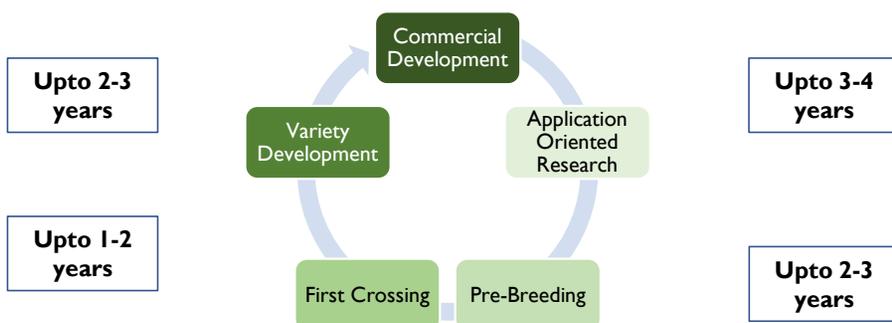
20+

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



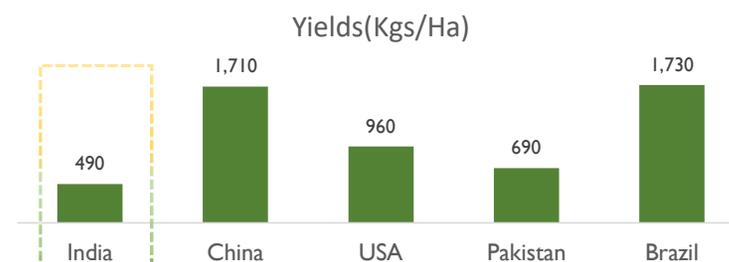
Holistic Products to Address Problems of

Low Yields

Climate Change

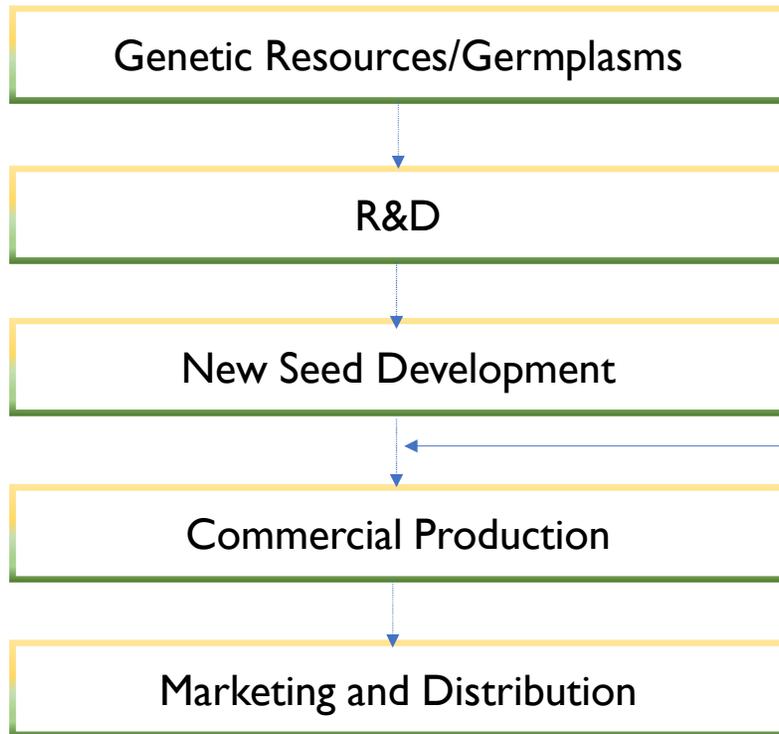
Pest Infestations

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



NATH SEEDS®

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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**



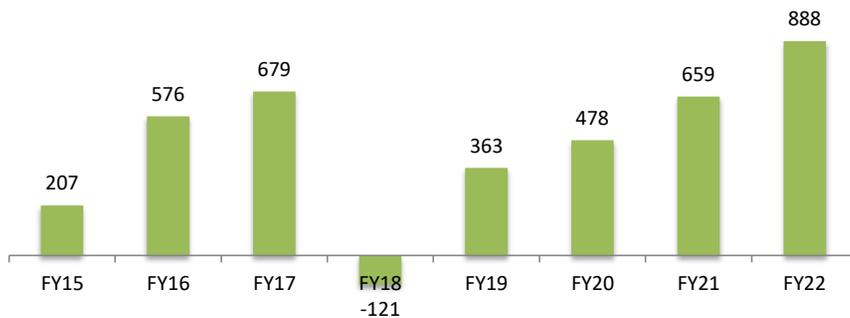
**Ram Pandey
VEG**



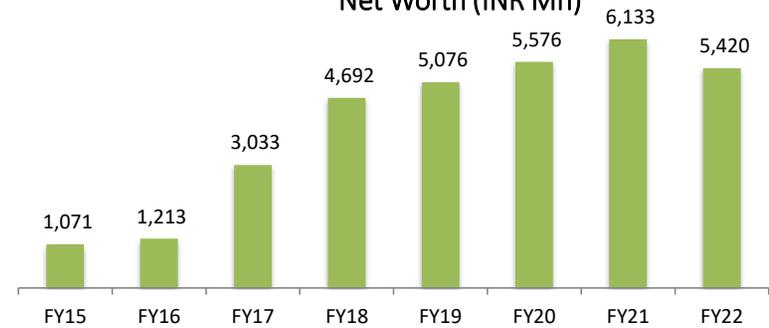
**Mr K Reddy Head
- Supply Chain**

Maintaining Profitability; Strong Balance Sheet

Net Debt (INR Mn)



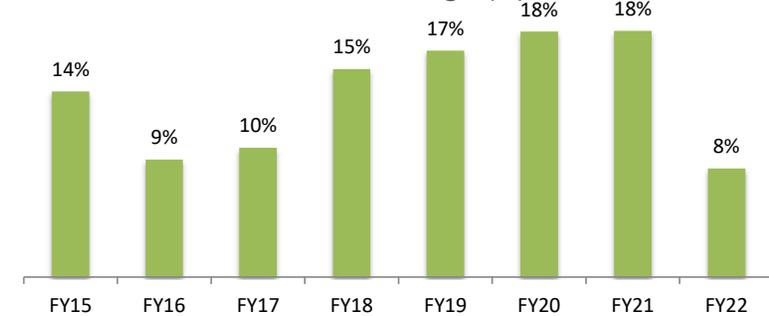
Net Worth (INR Mn)



EBITDA Margin (%)



PAT Margin (%)



* PAT margin calculated on adjusted PAT

Historical Income Statement

Nath Bio-Genes' P&L Statement				
Particulars (INR Mn)	FY22	FY21	FY20	FY19
Total Revenue	2,783	3076	2799	2,309
Gross Profit	1,544	1715	1536	1,253
<i>Gross Margin (%)</i>	56%	56%	55%	54%
EBITDA	373	667	547	433
<i>EBITDA Margin (%)</i>	13%	22%	20%	19%
Depreciation	31	28	14	14
Finance Cost	106	88	65	52
PBT (before exceptional)	254	568	485	389
Adjusted PAT	215	557	505	386
<i>PAT Margin (%)</i>	9%	18%	18%	17%
EPS	11.3	29.3	26.3	20.3

Historical Balance Sheet

Assets (INR Mn)FY	FY22	FY21	FY20	FY19	Liabilities	FY22	FY21	FY20	FY19
Fixed Assets	2,449	2,469	2,460	2,317	Share Capital	190	190	190	190
Financial Assets	51	53	52	52	Reserves & Surplus	5,229	5,943	5,386	4,885
Other Non-current Assets	218	134	15	20	Long-Term Borrowings	7	7	3	5
Inventories	2,203	2,263	2,043	1,554	Long-term Provisions	26	26	24	19
Trade Receivables	879	1,094	1,070	1,080	Short Term Borrowings	923	944	695	572
Cash & Bank Balances	42	292	220	214	Trade Payables	551	452	682	502
Loans & Advances	1,502	1,554	1,346	1,187	Other Current Liabilities	484	328	310	278
Other Current Assets	75	36	93	37	Short Term Provisions	9	5	10	9
Total	7,419	7,895	7,299	6,460	Total	7,419	7,895	7,299	6,460

Thank You

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For further information, please get in touch with:

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