



# CHAIRMAN AND MD'S COMMUNIQUE



Being a global organisation, we continue to focus on the needs of our valued customers to deliver best-in-class quality products globally. Our team is well-positioned to ensure delight of our valued customers by meeting their needs. The Company is on its path to **Explore** and seize the rising opportunities, to **Emerge** stronger globally and deliver value with **Enhanced** performance year after year.

**Dear Shareholders,**

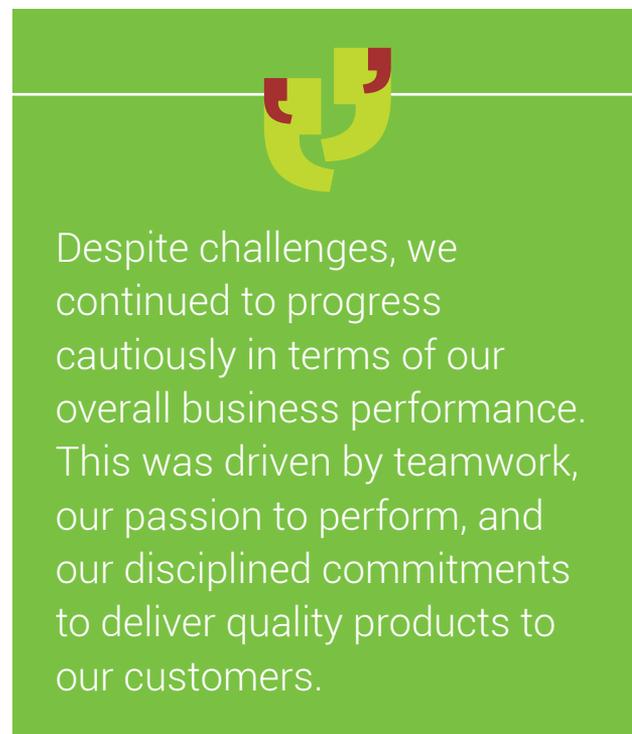
For all of us, the year 2021-22 was another difficult one. The Covid-19 pandemic's devastating waves had a tremendous humanitarian and economic impact. These constraints were aggravated by the rise in socio-political instability in numerous parts of the world, causing global supply chain disruptions and unprecedented volatility in commodities prices. In this uncertain operating environment, our focus remained on our people's health and safety, assuring continuous supply of our products, fulfilling consumer demand, facilitating community wellbeing, safeguarding the environment and protecting our Asset Light Business Model.

We have remained at the forefront of serving our global customers with efficacy and agility. It has further enabled us to become a prominent player in the industry. Our large and expanding library of dossiers and IPRs, gives us a strong platform to deliver our commitments, pursue sustainable growth and create value for stakeholders. This is also supported by our efforts in expanding our global reach, particularly in advanced markets like Europe, NAFTA and LATAM.

**Our Enhanced performance**

Despite challenges, we continued to progress cautiously in terms of our overall business performance. This was driven by teamwork, our passion to perform, and our disciplined commitments to deliver quality products to our customers.

I am happy to report that for the fiscal year 2021-22, our revenues grew to ₹3,580 Cr against ₹2,396 Cr in 2020-21 registering a strong growth of 49% on year-on-year basis. This was majorly driven by strong volume growth of 24% across the geographies, favorable price and product mix to the tune of 25%, coupled with exchange gains 0.9% during the year. The Company's gross margin stood at 30.2% and in line with the global trends and the high freight cost. EBITDA stood at ₹729 Cr against ₹455 Cr in



2020-21 registering a strong growth of 60% year-on-year basis. Profit after tax stood at ₹349 Cr versus ₹229 Cr in 2020-21 recording a growth of 52% year-on-year basis. Moving ahead, we remain optimistic of achieving further progress with focus on registrations, increasing share of registrations, expanding product portfolio and deeper market penetration.

Our Agrochemical business grew by 46% to ₹3,004 Cr whereas non-agrochemical business grew by 71% to ₹576 Cr on a year-on-year basis. In the agrochemical space, our business in Europe grew by 32%, in NAFTA it grew by 59% and in LATAM it grew by 110%, whereas, for the RoW it grew by 10%. In terms of a regional contribution to the total agrochemical business revenue, Europe contributed 46%,



NAFTA contributed 38%, LATAM 11% and RoW 5% of the agrochemical business.

In the non-agrochemical space our business in Europe grew by 67%, NAFTA grew by 93%, LATAM grew by 14% and RoW 44%. In terms of a contribution of non-agro business by the different regions, Europe contributed 31%, NAFTA 50%, LATAM 5%, RoW 14% of the non-agrochemical business for full year FY 2021-22. We have also improved on the net working capital which stood at 89 days in FY 2021-22.

During the year, Board of Directors declared interim dividend of ₹3.00 per equity share and recommended final dividend of ₹3.00 per equity share subject to approval of shareholders. The aggregate amount of dividend including final dividend is ₹5,413.23 lakhs, subject to TDS as applicable.

### **The way we are Exploring and Emerging**

Our continued focus on product registrations is aligned to support our customers innovatively, globally. Our team is continuously working on developing new generic molecules to seize newer opportunities.

Endeavouring to emerge higher, we have extended our reach in the advanced markets of Europe and US by building an extensive distribution network. Our core competencies lie in developing product dossiers and seeking product registrations. Our total registrations stand at 2,686 as at 31 March 2022, with 1,130 applications in the pipeline.

We are placing special emphasis on expanding Biocide registrations. Our healthy relationship with our approved agrochemical industry manufacturers, mainly in China is enabling us to offer quality products at optimal price and also helps us to de-risk our sourcing capabilities.

### **Our competitive strength**

We facilitate and increase our competitiveness in identifying generic molecules, developing dossiers, seeking



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registrations, marketing, and distributing formulations through third-party distributors and our own sales force by pursuing a unique asset-light business model. With our asset-light business approach, we're bolstering our generic active ingredient registrations portfolio by strategically focusing and spending our limited resources. With this, we are able to source at competitive price supported by strong relationships with business partners. This reduces the risk of our sourcing capabilities while also allowing us to deliver formulations or generic active ingredients at competitive market pricing.

### **Our Future Outlook**

Over the years, we have built a good brand franchise within our global markets. We are benefiting through scale of economics in our portfolio and leveraging value of our supply chain. We have mastered flexibility to pursue consistent progression even in the face of adversity.

Currently, we have presence in 80+ countries having a sales force of 400+ and 500+ distributors. Going ahead, we plan to leverage our market presence and execution capabilities while adopting the factory-to-farmer approach in our pursuit of being a one-stop solution provider. To achieve this, we have been focusing on developing best-in-class solutions to emerge as a competitive brand in the industry. Envisaging the development in food protection in the domestic as well as global markets, we remain focused on developing marketing and distributing more dossiers of high value and margins.

#### Opportunities of tomorrow

Being a generic agrochemical company, we enjoy the benefit of proceeding directly with the development and registrations of dossiers after discovering potential opportunities in generic molecules. Our reach, extensive product portfolio and asset light model helps us to identify and keep a tap of products getting off-patent in the regulated markets.



Furthermore, there will be more opportunities for the Company, as the demand for food is growing driven by increase in the population globally.

Our strong product pipeline and the right set of strategies will help us to keep the growth momentum going. Furthermore, the growing population and subsequent rise in demand for food are likely to provide us better growth prospects. This gives us an opportunity to supply quality agrochemical products across the globe. We are fortunate and embrace our presence in an essential industry, in the agrochemicals space, being able to support and contribute to providing food security globally.

#### Note of Thanks

We believe community becomes a vital part of the whole value creation journey. CSR programmes fulfill our commitment to nurturing community development and giving back to the society we operate in. We take initiatives in the areas of education, healthcare, hunger eradication, women empowerment, animal welfare, sports promotion, and rural development projects. Our future growth trajectory is aligned to the environmental sustainability and socio-economic progress.

We express our heartfelt gratitude toward all our stakeholders, primarily our human resources, that enabled us to march ahead in the industry with resilience. Your unwavering faith, support, and inspiration have gone a long way toward assisting us in building a value generating organisation. I would also like to express my gratitude to all of our shareholders for their continuing faith and look forward to their support on our way ahead to add on to our successful journey.

Sincerely,  
**R. V. Bubna**  
Chairman & Managing Director