



**SUMITOMO CHEMICAL INDIA LTD.**

Corporate Identity Number (CIN) - L24110MH2000PLC124224

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URL <http://www.sumichem-india.co.in>

SCIL/SEC/2023

19<sup>th</sup> May, 2023

To,  
BSE Limited,  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

The National Stock Exchange of  
India Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex  
Bandra East,  
Mumbai - 400 051

Dear Sirs,

**Sub: Investor Presentation on Financial Results for the  
Quarter and Year ended 31<sup>st</sup> March, 2023**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith investor presentation on the Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March, 2023.

Kindly do the needful to display the same on your website.

Thanking you,

Yours faithfully,  
For Sumitomo Chemical India Limited

Deepika Trivedi  
Company Secretary & Compliance Officer

Encl: a/a



# Investor Presentation

May 2023

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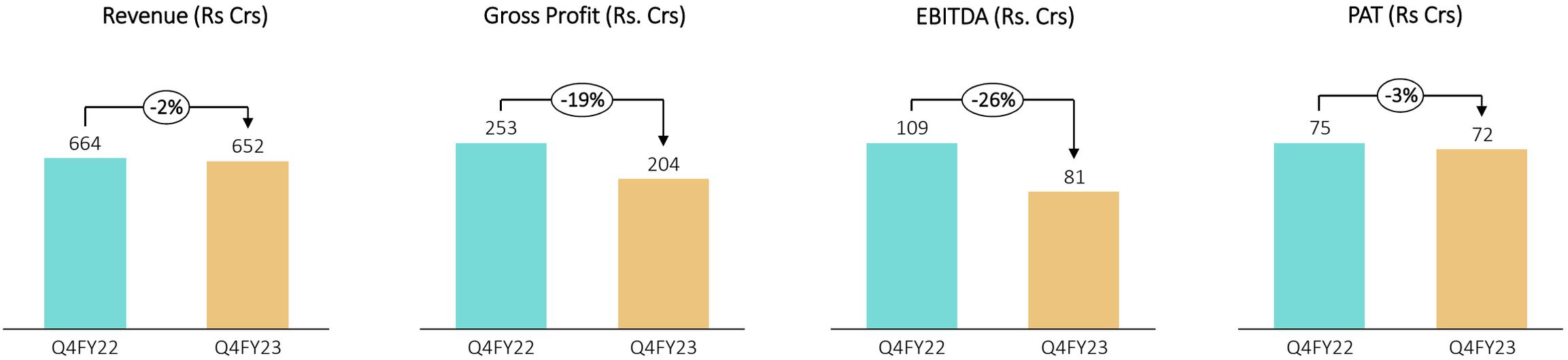
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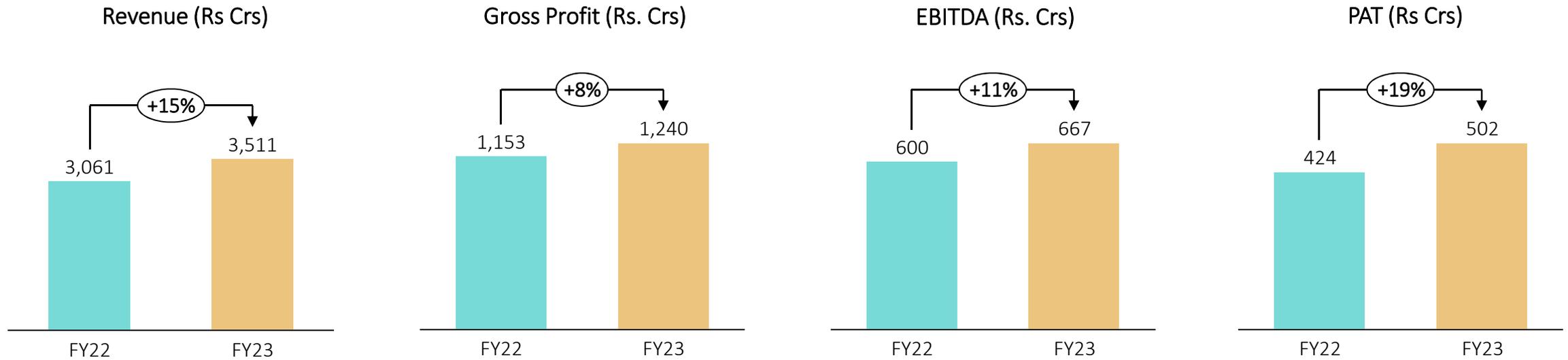
# Financial Performance & Key Highlights

# Performance Highlights – Quarter & YTD

Q4FY23 vs Q4FY22



FY23 vs FY22



Given the seasonality in the business, it is best monitored on an annual basis

# Performance Highlights – FY23

- ✓ FY23 started with a very good first and second quarters : ~25% growth in revenue as well as in profitability vs FY22; the was mainly due to good water reservoir level, pre-monsoon showers, low cost opening inventory, increasing costs wherein industry and trade partners were building up inventories and overall positivity in market in first half of FY23
- ✓ However, the situation turned difficult in second half due to following key factors :
  - ✓ Low insect infestation and limited volume offtake in FY23 caused by weather-related disturbances such as late monsoons, erratic and uneven rain pattern, excess rains towards end of monsoon period; this resulted into higher channel inventory overall in market
  - ✓ Chinese market open-up with relaxation of zero-Covid policy – due to excess supply situation, the market prices started getting softer and softer
  - ✓ The above two factors caused double impact – low demand, higher inventory, excess supply and falling prices; most industry players and channel partners attempted to reduce inventory levels drastically in second half of FY23
  - ✓ The situation was further aggravated due to similar trends in other key export markets like LATAM as some Indian players have sizable exports to LATAM
- ✓ Due to above challenging factors, our domestic volume growth and margins were impacted, especially in second half. Large part of growth was witnessed due to price increases in all our portfolios segments. If we ignore the challenging situation in domestic market in second half, overall it is a reasonable performance in domestic market
- ✓ 4 insecticide, 4 PGR, 1 fungicide and 1 metal phosphide products launched during FY23; several of these are unique 9(3) first time registrations in India after years of efforts and expected to ramp up over next few years
- ✓ Even though exports were lower in second half as compared to our internal estimates, overall we achieved very good growth in exports markets in line with our strategic direction to increase exports.
- ✓ On manufacturing side, while production levels were lower due to lower volumes, especially in second half, our teams expanded our manufacturing capabilities in line with 'Make in India' initiatives
- ✓ Overall, we are proud of all our teams who worked together in this challenging situations and delivered a respectable performance in line with our past trends and overall strategic direction; we look at this situation as a small pause which gave us the opportunity to reflect on our strengths and business fundamentals with a strategic theme 'BACK to CORE'
- ✓ In near short term, our current assumptions are as follows : efforts taken to minimize impact of the above-mentioned challenges are expected to start showing trend reversal in near term; limited adverse impact of El Nino weather situation assuming current projection of ~95% monsoon level and no impact on crop acreages
- ✓ As one of the most diversified platforms in Indian agro-chemical sector and with track record of extra-ordinary year-on-year growth even in challenging situations, we continue on the path towards our strategic ambition of taking leadership position in Indian agro-chemical market

# New Product Launches - PAN India



**Pyclome**  
Insecticide  
Clothianidin 3.5% +  
Pyriproxyfen 8% SE



**Sumiblu Diamond**  
Plant Growth Regulator  
Gibberellic Acid 0.1% GR



**Santana**  
Insecticide  
Clothianidin 0.5% GR



**Danitol® NXT**  
Insecticide  
Fenpropathrin 10% EW



**Promalin**  
Plant Growth Regulator  
6BA 1.8% + GA 1.8% L



**Korko**  
Insecticide  
Emamectin Benzoate 1.5%+  
Profenofos 35% WDG



**Derecho**  
Fungicide  
Ethaboxam 40% SC



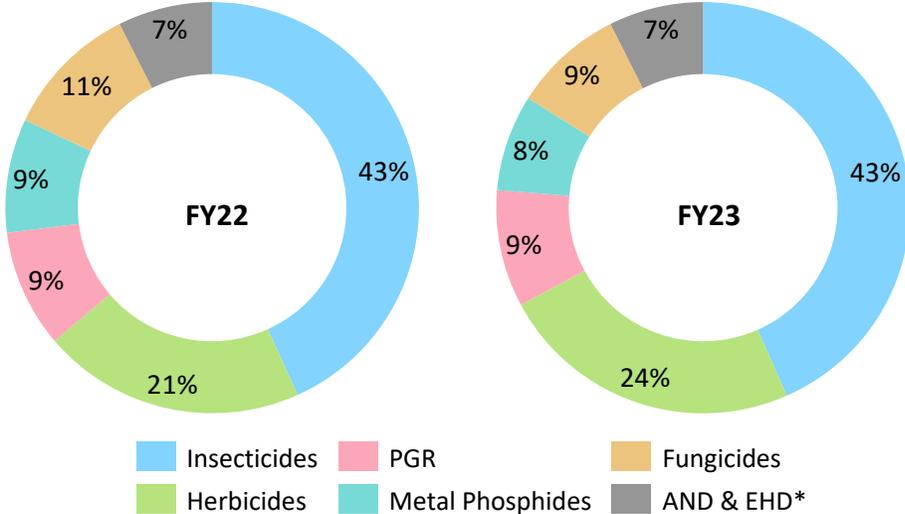
# Consolidated Profit & Loss Account Statement – Quarter & YTD

Particulars (Rs. Crs)	Q4 FY23	Q4 FY22	YoY	Q3 FY23	QoQ	FY23	FY22	YoY
<b>Revenue from Operations</b>	<b>651.6</b>	<b>664.1</b>	<b>-2%</b>	<b>753.0</b>	<b>-13%</b>	<b>3,511.0</b>	<b>3,061.2</b>	<b>15%</b>
COGS	447.4	411.3		487.3		2,270.6	1,908.0	
<b>Gross Profit</b>	<b>204.1</b>	<b>252.7</b>	<b>-19%</b>	<b>265.7</b>	<b>-23%</b>	<b>1,240.3</b>	<b>1,153.2</b>	<b>8%</b>
<b>Gross Profit %</b>	<b>31.3%</b>	<b>38.1%</b>	<b>-673 bps</b>	<b>35.3%</b>	<b>-395 bps</b>	<b>35.3%</b>	<b>37.7%</b>	<b>-234 bps</b>
Employee Expenses	54.5	50.5		52.3		218.4	202.0	
Other Operating Expenses	69.1	93.2		92.9		355.4	351.3	
<b>Operating EBITDA</b>	<b>80.6</b>	<b>108.9</b>	<b>-26%</b>	<b>120.4</b>	<b>-33%</b>	<b>666.6</b>	<b>599.9</b>	<b>11%</b>
<b>EBITDA Margin</b>	<b>12.4%</b>	<b>16.4%</b>	<b>-404 bps</b>	<b>16.0%</b>	<b>-363 bps</b>	<b>19.0%</b>	<b>19.6%</b>	<b>-61 bps</b>
Other Income	16.5	7.4		13.2		44.9	26.8	
Depreciation	14.0	11.5		11.4		51.9	44.8	
<b>EBIT</b>	<b>83.0</b>	<b>104.9</b>	<b>-21%</b>	<b>122.2</b>	<b>-32%</b>	<b>659.6</b>	<b>581.9</b>	<b>13%</b>
<b>EBIT Margin</b>	<b>12.7%</b>	<b>15.8%</b>	<b>-305 bps</b>	<b>16.2%</b>	<b>-349 bps</b>	<b>18.8%</b>	<b>19.0%</b>	<b>-22 bps</b>
Interest	1.4	0.7		1.3		5.4	6.2	
<b>Profit Before Tax</b>	<b>81.6</b>	<b>104.1</b>	<b>-22%</b>	<b>120.9</b>	<b>-32%</b>	<b>654.2</b>	<b>575.7</b>	<b>14%</b>
<b>PBT Margin</b>	<b>12.5%</b>	<b>15.7%</b>	<b>-315 bps</b>	<b>16.1%</b>	<b>-353 bps</b>	<b>18.6%</b>	<b>18.8%</b>	<b>-17 bps</b>
Tax	9.5	29.5		30.4		152.0	152.2	
<b>Net Profit</b>	<b>72.1</b>	<b>74.7</b>	<b>-3%</b>	<b>90.5</b>	<b>-20%</b>	<b>502.2</b>	<b>423.5</b>	<b>19%</b>
<b>Net Profit Margin</b>	<b>11.1%</b>	<b>11.2%</b>	<b>-17 bps</b>	<b>12.0%</b>	<b>-95 bps</b>	<b>14.3%</b>	<b>13.8%</b>	<b>47 bps</b>
Other Comprehensive Income	0.6	2.3		-1.2		2.3	2.4	
<b>Total Comprehensive income for the period</b>	<b>72.8</b>	<b>76.9</b>	<b>-5%</b>	<b>89.3</b>	<b>-19%</b>	<b>504.5</b>	<b>425.9</b>	<b>18%</b>

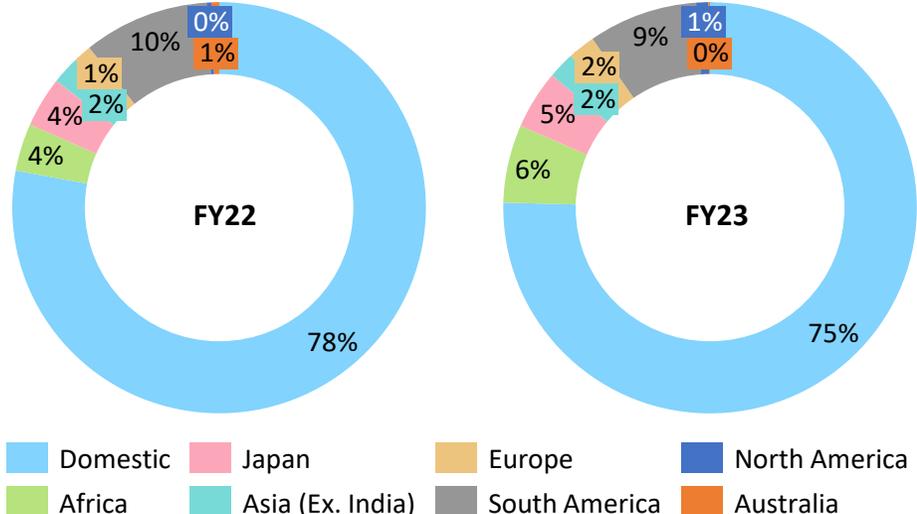
Given the seasonality in the business, it is best monitored on an annual basis

# Revenue Breakup – FY23

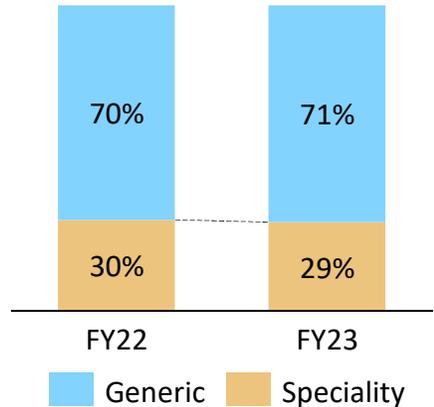
### Product Breakup



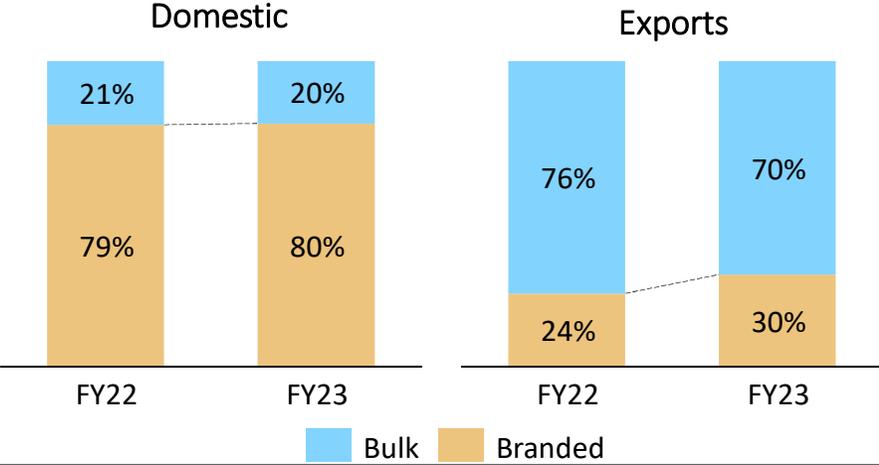
### Geographic Breakup



### Segment Breakup



### Bulk & Branded



Animal Nutrition Division (AND) and Environmental Health Division (EHD)

# Consolidated Working Capital Movement

Particulars (Rs. Crs)	Mar-23*	Dec-22*	Change (Dec-22 to Mar-23)	Mar-22*	Change (Mar-22 to Mar-23)
Inventory (A)	888.7	750.4	138.3	937.8	-49.1
Inventory Days (Inventories/ COGS* No. of days in period) (i)	143	113		179	
<b>Trade Receivables (B)</b>	<b>946.1</b>	<b>1,035.7</b>	<b>-89.6</b>	<b>843.1</b>	<b>103.0</b>
Trade Receivables Days (Trade Receivables / Revenue*No. of days in period) (ii)	98	100		101	
Trade Payables (C)	490.6	473.9	16.7	517.2	-26.6
Trade Payables Days (Trade Payables/ COGS*No. of days in period) (iii)	79	71		99	
Other Financial Liabilities (D)	366.2	436.4	-70.2	399.7	-33.5
Other Financial Liabilities Days (Other Current Liabilities / Revenue*No. of days in period) (iv)	38	42		48	
<b>Net Working Capital (A+B-C-D)</b>	<b>978.0</b>	<b>875.8</b>	<b>102.2</b>	<b>864.0</b>	<b>114.0</b>
Net Working Capital Days (i + ii – iii – iv)	124	99		133	

## Key Highlights

- ✓ Rise in inventory days on account of upcoming Kharif season and fall in payable days on account of higher purchases on immediate payment basis
- ✓ Focused efforts towards improving collections - Collection during FY23 of ~Rs. 3,676 crores as compared to Rs. 3,458 crores during FY22, increased by 6% yoy
- ✓ Cash, Cash Equivalents and Liquid investments of ~Rs. 827 crores as on 31<sup>st</sup> March 2023

Given the seasonality in the business, it is best monitored on an annual basis

\* No. of Days in period: Mar-23 – 365 days, Dec-22 – 92 days, Mar-22 – 365 days

# Company Overview

**SCIL – Vision & Mission**

**Formidable Player in the Indian  
Agrochemicals Space**

**Diversified & De-risked Portfolio Across  
the Agro-Chem Value Chain**

**Strong Brand and Well-Entrenched  
Distribution Network**

**Strategically Located Manufacturing  
Facilities**

**Strong Focus on R&D, Process Innovation  
and Safety, Health and Environment (SHE)**

**Autonomous Board with Vast Industry  
Experience**

**Growth Strategies**

# SCIL - Vision & Mission



## Vision & Values

### Vision:

- To be a trusted market leader in Indian crop-protection sector
- To develop a vibrant corporate culture
- Endeavor to achieve success and sustainability through innovation & excellence

### Core Values:

- Innovation
- Excellence
- Integrity
- Respect & value all stakeholders
- Customer focus
- People focus
- Sustainability



## Mission

### Marketing and Sales:

- Further penetration into Indian market & take leadership; expand exports
- Strengthen Sales Force, Distribution and Product Portfolio

### Manufacturing:

- Supplying the most competitive products with safe and stable operation and meet demand
- Strengthen Procurement Power
- Expand Manufacturing Functions

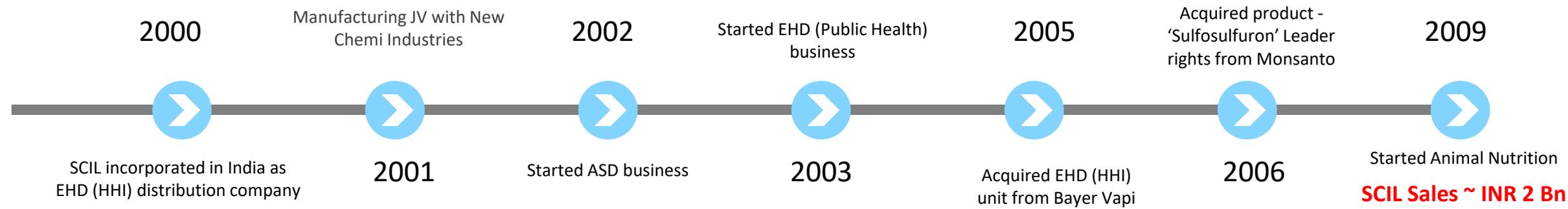
### Management & Support:

- Establishing the most efficient organization to support business growth and alignment with SCC
- Develop administrative efficiency while ensuring internal controls
- Full & Strict Compliances
- Value Creation for all stakeholders

# Journey to 15x Growth in India in last 13 years

## Exploration Phase : 2000 – 2009

*Feasibility study to set-up correct business model to capture potential in Indian market and start aggressive growth phase*



## Aggressive Growth Phase : 2010 – 2021

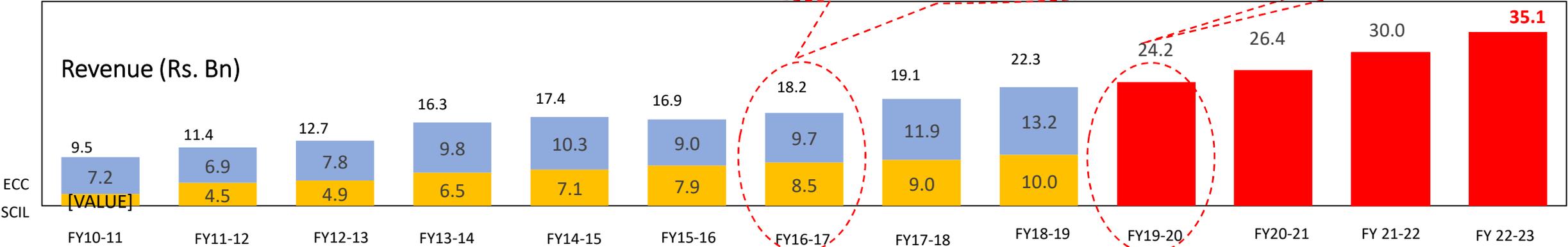
**2018 & 2019 : Legal integration of ECC with SCIL; SCIL converted from private company to listed company**

*2010 : Acquisition of New Chemi Industries and integration with SCIL*

Setting-up new organization, control system, PCO function and innovative sales team

*2016 : Majority stake acquisition of Excel Crop Care Limited (ECC)*

*SCIL 2.0 – 1st full year of integrated operations*



**Robust 15 times growth driven by Organic & In-organic expansion**

# Formidable Player in the Indian Agrochemicals Space

**5**  
Manufacturing  
Facilities

**14**  
Technical  
Actives

**15,000+** Direct  
Distributors &  
60 Depots

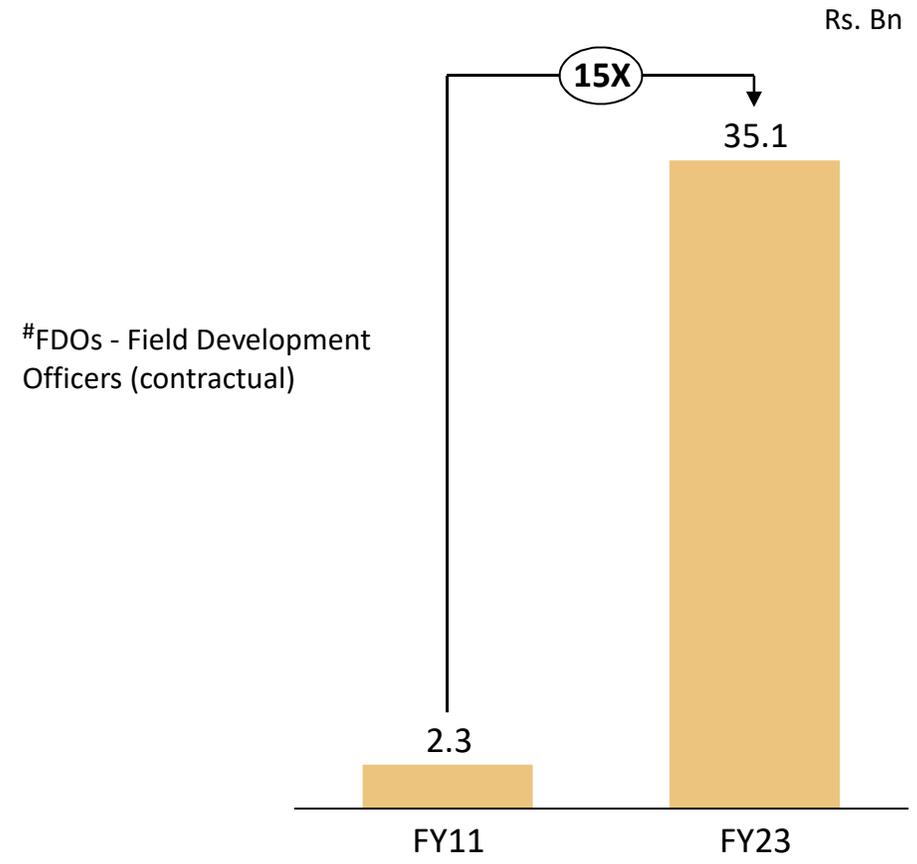


**200+ Brands**  
**700+ SKUs**

**25+ Patents**  
**200+ Registrations**

**1600+ Employees**  
**1500+ FDOs<sup>#</sup>**

Grown 15X+ over FY11-23

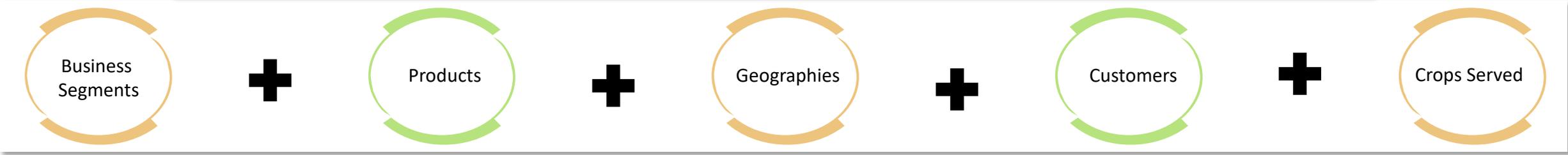


Key Products

Product Name	Product Category	Indicative Use
Fenpropathrin	Insecticide	Paddy, Cotton, F&V
Glyphosate	Herbicide	Tea Gardens, non-cropped
Profenophos	Insecticide	Cotton, Soya bean
Pyriproxyfen	Insecticide	Cotton
Clothianidin	Insecticides	Vegetables
Tebuconazole	Fungicides	Wheat, Soya bean, Chilli
Gibberallic Acid	Plant Growth Regulator	Citrus Fruits
Aluminum Phosphide	Fumigant	Warehousing of Food Grains
Chlorpyriphos	Insecticide	Paddy, Beans, Gram
DL-Methionine	Animal Nutrition	Poultry

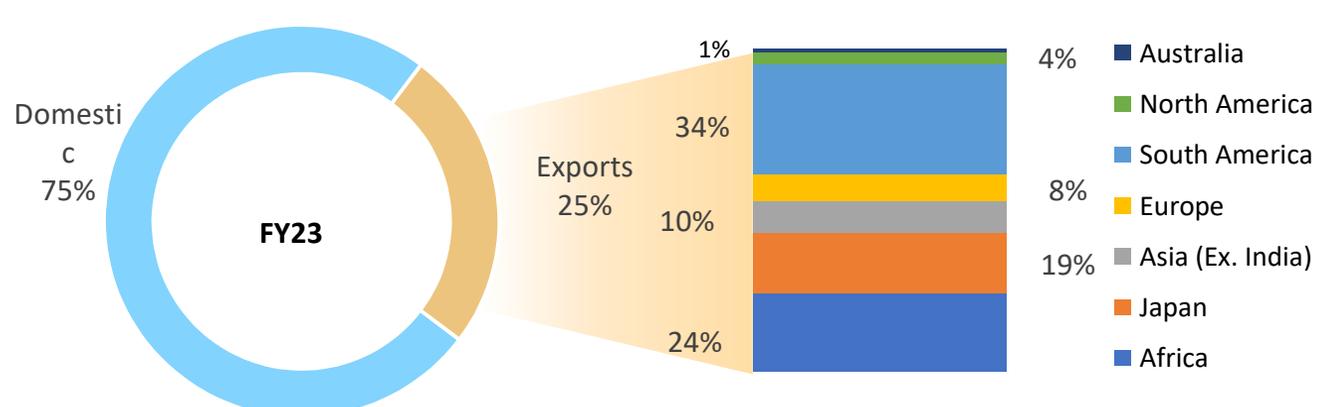
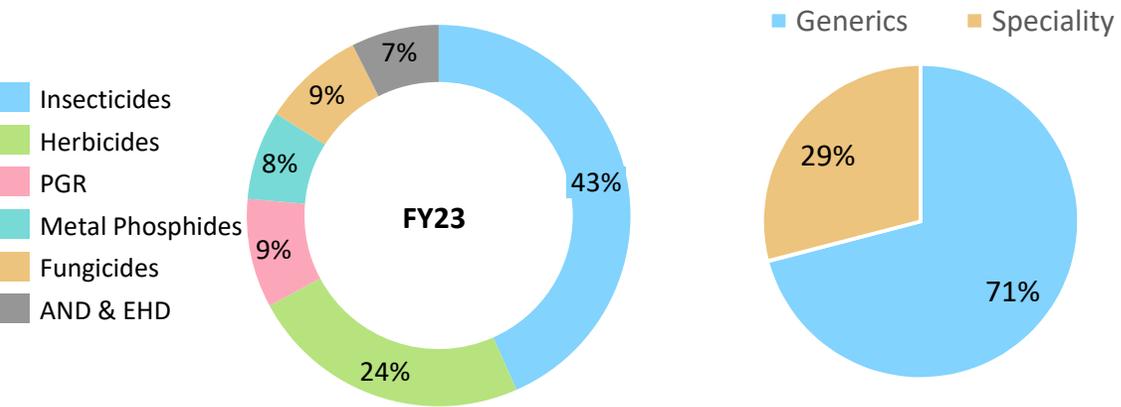
# Diversified & De-risked Portfolio Across the Agro-Chem Value Chain

Well-Diversified across multiple dimensions



Diversified Portfolio Across Segments

Geographic Diversification with Exports to ~50 countries



- ✓ Greater focus on high growth, stable and high profitable segments such as **Herbicides, PGR, Bio-rational products**
- ✓ Increasing contribution from PGR segment and offerings for both Kharif and Rabi crops to reduce seasonality in the business
- ✓ One of the highest proportion of environmentally-friendly products in the Industry

- ✓ **Top 10 products contributes less than 47% of Total Revenue**
- ✓ **No product / molecule contributes more than ~18% of Total Revenue**
- ✓ **Diversified across key crops - Concentrated efforts now on fruits & vegetables, paddy and other high growth segments**

# Strong Brand and Well-Entrenched Distribution Network

✓ **Strong brand** with market leading position across various product categories

✓ **Dual brand portfolio** can offer products at all price points serving multiple customer sub-segments

✓ **In-depth knowledge** of own research products, **proven go-to-market strategy and deep farmer connect** facilitates launch of Speciality products

✓ **On-field demonstration of products, training of farmers** in using the products, building awareness among stakeholders in relation to the products

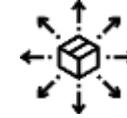
✓ **Pan-India distribution network** ensures strong presence with both retailers and farmers and **on-time feedback mechanism**

✓ **Scale and diversity** of product offerings lead to **superior bargaining power** with distributors and provides **one-stop solution for farmers**

✓ Expanded teams for **strategic marketing, demand generation, product development and regulatory affairs** to focus on future growth



**26** States



**15,000+**  
Distributors



**4.4 million+**  
Farmer Connect through  
physical meetings  
**20 million+**  
Digital Connect



**60** Depots



**~40,000**  
Dealers



**~600**  
Sales Team



# Expanding Brand Visibility and Connect



- ✓ Wide range of generics and speciality products for Increased crop presence and providing crop protection solutions
- ✓ More than 1,500+ Relationship managers connecting to 4.4 million+ farmers throughout crop cycle
- ✓ Over 200 brands covering maximum of crops and pest segments
- ✓ 15,000+ distributors; 40,000+ dealers and 60 Depots help in expanding brand visibility and connect
- ✓ More than 600+ Qualified and skilled managers in Sales, Marketing and customer support
- ✓ Company with 20+ mega brands with high brand recall
- ✓ Healthy geographical Brand coverage throughout India including North East and J&K
- ✓ Optimum use of advertising media with increased Digital Platforms presence



# Digital Marketing Initiatives

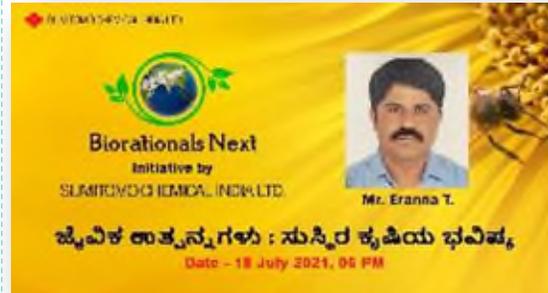
Develop “Digital Marketing” as a parallel support to Traditional marketing system leading to improved sales.

✓ Our Digital Assets : **23 websites** (9 local languages), engaged with **20 million consumers** in FY23



YouTube - Advantage

**More than 53,000 subscribers**



Conducted 100s of YouTube, Facebook, Google, Zoom Video Live sessions in 2022-23



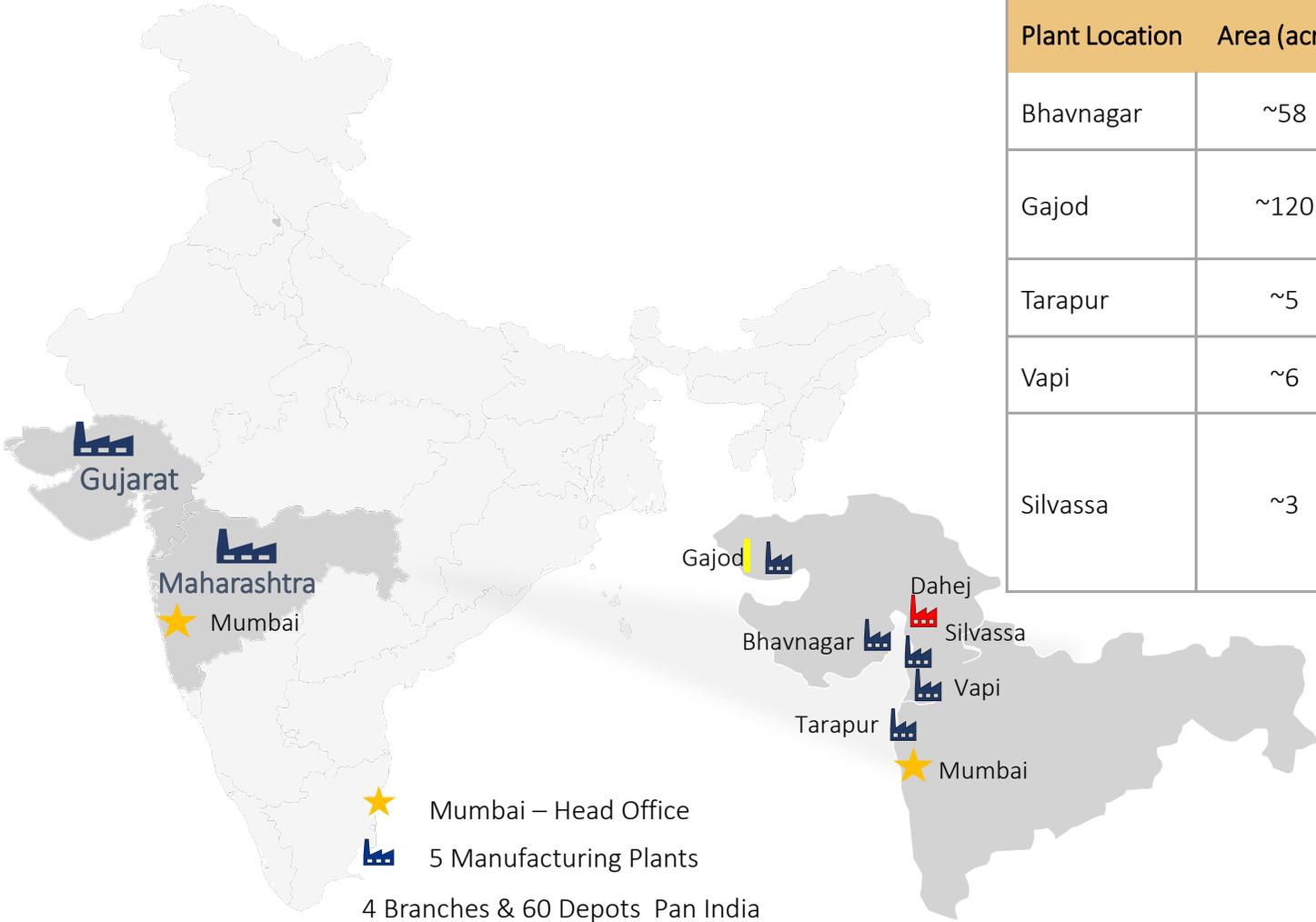
- ✓ Successful campaign to introduce the QR codes of <http://www.sumitomoproducts.com/> to the retailers and farmers.
- ✓ Create Interest and real experience Digital + Physical = **PHYGITAL**

15 Digital Launch programs of Taboli across India to introduce the product to distributors & retailers

- ✓ More than 5,000 downloads
- ✓ Rating – 4.5

# Strategically Located Manufacturing Facilities

Connectivity to Major Cities and Proximity to Main Highways, Ports Reduces Logistic Time and Costs

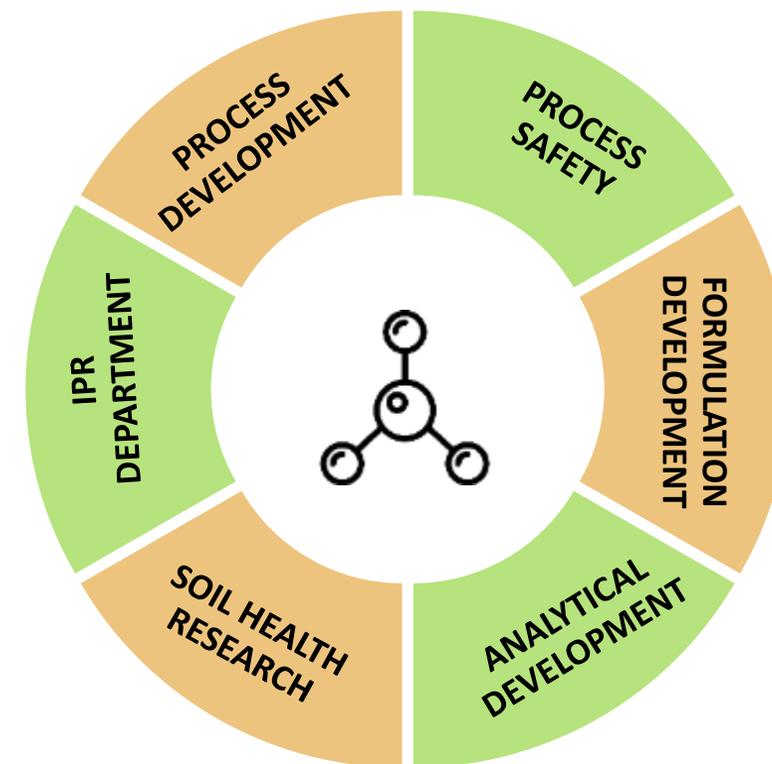


Plant Location	Area (acres)	Segment Served	Product Manufactured
Bhavnagar	~58	Manufacturing of Technical Grade Pesticides and Formulations	<b>Technical Grade Products:</b> Chlorpyrifos, Profenophos, Glyphosate, Tebuconazole Tech, Quinalphos, Imidacloprid, Thiocloprid, Acetamiprid, Byspyribac Sodium, Fluroxypyr, Aluminium Phosphide, Zinc Phosphide, Sulphur WDG, Fenpropathrin  Formulations for above TG products and several other speciality and generic products
Gajod	~120	Production and manufacturing of Metal Phosphides, Sulphur WDG and other WDG formulations	
Tarapur	~5	Production and manufacturing of Active Ingredients	
Vapi	~6	Formulation & Packaging	
Silvassa	~3	Formulation of Glyphosate and Other Speciality Products	

- **Overall Optimal capacity utilization ~ 80% to 90% for TGAi's**
- **Bought 2 additional private owned land parcels for future expansion:**
  - **~20 acre adjoining our existing Bhavnagar site**
  - **~50 acre at a prime location at Dahej within Chemical Zone**

# R&D: End-to-End Product Development Capabilities

- ❑ **3 fully equipped, DSIR approved R&D labs** located at Mumbai, Bhavnagar and Gajod capable of synthesis, technical product and formulation development; Soil Health Research Laboratory and in-house field trials
- ❑ R&D Team comprises of **75+** qualified and dedicated engineers & scientists of which **10+** are PhDs with more than **15 years** of Experience
- ❑ **25+ patents** granted across various geographies; 9 applications filed
- ❑ R&D facilities to gain capability for creating new processes and new combinations using **SCC Japan's chemistries** which would help improve production processes and efficiency



Bhavnagar, Synthesis Lab



Bhavnagar, R&D Analytical lab



Bhavnagar, Soil Health Research Lab



Bhavnagar, Biopesticides Unit

# Capex Plans

## Regular Capex Rs. 70-75 crore p.a.

Maintenance capex

Capacity enhancements for existing products in line with projected demand

Infrastructure enhancements for supporting future growth

Efficiency improvement projects and safety enhancement

Sustainability initiatives, full compliance with environmental norms & renewable energy projects

Trials and registrations for future pipeline products



## Additional Capex Rs. 120 crore over 2 years for 5 products

To manufacture additional proprietary technical grade active ingredients products for our parent company SCC Japan and our global affiliates

**5 products have been approved** in-principle for supply to SCC and several others are in pipeline

Projects are being set-up at our existing sites.  
**Target commercialization over next 1 year**

**Revenue potential of these 5 products on the above capex is Rs. 200 crore to Rs. 250 crore p.a.**

Estimated **margins are in line with current margins** earned by SCIL for similar projects

These products have growing global demand. Potential to add further capacities and additional products in medium to long term

## Research & Development



Indian R&D team is working on manufacturing several off-patent products for Domestic as well as Exports to global affiliates including high growth regions such as Latin America, Africa and Asia Pacific which will entail additional capex and is under evaluation

## Future Expansion Plans



Signed and registered agreements to buy 2 additional land parcels and transfer process is expected to be completed soon

- ~20 acre privately owned land parcel adjoining our existing Bhavnagar site
- ~50 acre privately owned land parcel at a prime location at Dahej within PCPIR Zone

One project for a very important global proprietary product began commercial production recently and the second project involving multiple products is expected to begin commercial production in Q1 FY23-24

# Thrust on Safety, Health and Environment (SHE)

## Quality Certifications Ensure Consistent product quality and healthy working environment at manufacturing sites

-  ISO:9001:2015, ISO-14001:2015 and OHSAS18001:2007 for the manufacturing sites at Bhavnagar, Gajod, Tarapur and Silvassa; ISO:9001:2015 at Vapi
-  A8000 Certification for Social Accountability in Bhavnagar and Gajod
-  Efforts focused on reducing effluent load and effluent treatment cost, for staying innovative and competitive in the market
-  The quality of the products is maintained and upgraded to the applicable national and international standards through rigorous pursuit of Six Sigma initiative
-  Focused on energy conservation and energy cost reduction: 65% of total power requirement through wind and solar power generation plants
-  Expanding solar power plant capacity in line with towards green energy would also help in reducing dependence on outsourced power as well as in energy cost reduction
-  3R Principle: Recovery – Recycle – Reuse
-  Safety audit, training programmes and other safety management processes and programmes are carried out/conducted at regular intervals



## Abiding by SCC Japan's EHS Policies



Dr. Vikram Sarabhai award for developing green technology from department of Science and Technology, Government of Gujarat



Certificates of appreciation received ten times from jointly by Gujarat Safety Council and Dish



Government of Gujarat for achieving 10 lakh accident free man-hours



Certificates of merits received from jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 20 lakh accident free man-hours



Certificates of honour received two times jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 30 lakh accident free man-hours

Focus on **purity, quality and timely delivery** of products to the customer

## Quality Certifications Ensure Consistent product quality and healthy working environment at manufacturing sites

-  Jamnalal Bajaj Award for “Fair Business and Practices”
-  Chemexcil Best Exporter's award: 2017-18 received in 2023
-  First award for export of organic and inorganic chemicals
-  ICMA award for innovation and purposeful programs for social progress
-  First Sir P.C. Ray award for development of products and process with indigenous technology
-  Punjab Haryana Delhi Chamber of Commerce and Industries award for ethical business
-  Winner active ingredient trophy and certificate from M/s. Bayer
-  Trishul award for the excellent performance for exports in international markets
-  Global CSR award from SCC for one of our Integrated Village Development Programme
-  ICMA award for innovation and purposeful programs for social progress
-  Shramveer award for improvement of product efficiency received from national level Delhi
-  Vishwakarma Rashtriya Puraskar received for process development
-  National Safety Award by Labour Ministry, Government of India for safety performance
-  Shramveer Award to employees from Labour Ministry, state level received six times
-  Shram Bhushan Award to employees received five times
-  Shram Ratna to employees, received seven times
-  Shram Shri award to employees received three times
-  Gujarat State Safety Certificate for safety commitment
-  CSR Award from Federation of Gujarat Industries

Focus on **purity, quality and timely delivery** of products to the customer

# Autonomous Board with Vast Industry Experience



## **Dr. Mukul Govindji Asher** Chairman and Independent Director

- Professorial Fellow at Lee Kuan Yew School of Public Policy at the National University of Singapore
- Advisor to Govts in Asia on tax policy & pension reforms; and to multi-lateral institutions including IMF, Asian Development Bank, PFRDA of India, Govt of Gujarat, & World Bank
- Member of the panel to review Crawford School of Public Policy at Australian National University



## **Preeti Gautam Mehta** Independent Non-executive Director

- 30 years of experience in corporate laws, foreign investment and collaborations, mergers and acquisitions and private equity investments, banking, franchising and hospitality



## **Bhupendranath Bhargava** Independent Non-executive Director

- Experience of over 50 years in areas including banking, project financing and credit rating
- Held directorship in several leading corporates and was on the advisory board of an independent regulatory body set up by the Government of India to work on reforms in telecommunications sector



## **Ninad Dwarkanath Gupte** Non-executive Director

- Experience of 43 years in management of companies operating in fine chemicals, performance chemicals, industrial chemicals & agrochemicals
- Held senior positions at Excel Industries, BASF India, Herdillia Chemicals and worked as MD of Cheminova India and Agrocel Industries and as Joint MD of Excel Crop Care

# Autonomous Board with Vast Industry Experience



**Tadashi Katayama**  
Non-executive Director

- MBA from Vanderbilt University, U.S.A. and a Master's degree from Kyoto University in Japan
- Associated with Sumitomo Chemical, Japan since 1992 in the Health and Crop Science business unit in various positions



**Masanori Uzawa**  
Non-executive Director

- MBA from University of Virginia, USA and a Bachelor's degree from the University of Tokyo in Japan
- Associated with Sumitomo Chemical, Japan and has experience of over 19 years in the areas of strategy, planning and business development for crop protection & other chemical businesses.



**Chetan Shantilal Shah**  
Managing Director

- Commerce graduate from the University of Mumbai and holds a master's degree in Business Administration from North Rope University in the USA
- Over 43 years of industry experience in various leadership and senior management roles



**Sushil Champaklal Marfatia**  
Executive Director

- Chartered Accountant with over 42 years of industry experience
- Worked with New Chemi Industries Limited for 33 years which was later merged with the Company



**Dr Suresh Ramachandran**  
Whole Time Director\* &  
Chief Commercial Officer (CCO)

- Ph.D. in Entomology from The University of Georgia, USA
- 25 years of expertise - Sales and Distribution, Product Management, Regulatory, Business Management, R&D, Six Sigma & Enterprise Resource Planning, in Crop Protection & Seeds Business.

\*Effective from 1<sup>st</sup> June 2023

Board is supported by a strong and experienced management team associated with Company since long

# Growth Strategies



## Continued Investment in R&D and Pipeline

- Aim to invest in seamless integration of R&D between SCIL and SCC units which would help improve our production processes, enhancing yields and efficiency
- Introduce new products as per market demand



## Capacity Expansion

- Driving operational efficiencies maintaining highest safety standards and Responsible Care compliances
- Invest ~15% of consolidated EBITDA every year for upgradation of manufacturing facilities and capacity expansion to cater to strong domestic/global demand



## Further Brand Development

- Investments for marketing of new and existing products and brands
- On-field demonstrations, training of farmers for building ground-level demand generation supported by digital marketing
- Extraordinary preparations for new product launches underway



## Product Pipeline

- Multiple products coming from initiatives
- Global Speciality Proprietary products to be launched in India
- New combination products / pre-mixtures currently under development for domestic and exports
- Off-patent products under development for domestic and exports
- Technical products for manufacturing and exports



## Expand Export Business

- Enhance exports in regions like Africa Leverage SCC's Global supply chain and marketing network to drive exports in Latin America, Asia and Europe

## Achieving Market Leadership in India

- Balanced portfolio of specialty products (including futuristic green products) and off-patent products
- Consolidate position as best agro-chemical marketer in India
- Strive for manufacturing excellence & expand Make in India Projects
- Making organization ready to handle future challenges (Transform)
- Sustainable and healthy financial results (Harvest)

Leverage expertise in successful product launches, demand generation and manufacturing capacity expansions to fuel future growth



# Financial Performance & Key Takeaways

# Consolidated Balance Sheet

Assets (Rs. Crs)	Mar-23	Mar-22
<b>Non-Current Assets (A)</b>	<b>581.2</b>	<b>487.6</b>
Property, Plant and Equipment	392.8	349.6
Capital work-in-progress	53.5	21.1
Right to use an Asset	33.2	36.4
Other Intangible Assets	3.8	4.3
Intangible Assets under Development	17.7	14.1
<b>Non-Current Financial Assets</b>		
(i) Investments	0.1	0.1
(ii) Loans & other financial assets	36.4	30.8
Deferred tax Asset (net)	-	-
Non-Current tax Assets (net)	34.9	21.6
Other non-current Assets	8.7	9.5
<b>Current Assets (B)</b>	<b>2,787.9</b>	<b>2,522.0</b>
Inventories	888.7	937.8
<b>Current Financial Assets</b>		
(i) Investments	238.8	356.0
(ii) Trade receivables	946.1	843.1
(iii) Cash and cash equivalents	46.9	57.2
(iv) Bank balances other than (iii) above	256.0	21.9
(v) Loans	0.5	0.5
(vi) Other financial assets	284.9	174.5
Other Current Assets	126.1	131.0
<b>Total Assets (A+B)</b>	<b>3,369.1</b>	<b>3,009.6</b>

Equity & Liabilities (Rs. Crs)	Mar-23	Mar-22
<b>EQUITY (A)</b>	<b>2,381.8</b>	<b>1,927.2</b>
Equity Share Capital	499.1	499.1
Other Equity	1882.6	1428.1
<b>Non-current liabilities (B)</b>	<b>53.9</b>	<b>61.0</b>
<b>Non-Current Financial liabilities</b>		
Lease Liabilities	17.7	24.7
Provisions	22.6	22.3
Deferred tax liabilities (net)	13.6	13.9
Non-current Tax Liabilities	-	-
<b>Current liabilities (C)</b>	<b>933.4</b>	<b>1,021.4</b>
<b>Current Financial liabilities</b>		
(i) Borrowings	-	-
(ii) Trade Payables	490.6	517.2
(iii) Lease Liabilities	16.2	12.9
(iii) Other financial liabilities	366.2	399.7
Other current liabilities	51.2	79.8
Provisions	6.3	7.2
Current tax liabilities	2.8	4.7
<b>Total Equity &amp; Liabilities (A+B+C)</b>	<b>3,369.1</b>	<b>3,009.6</b>

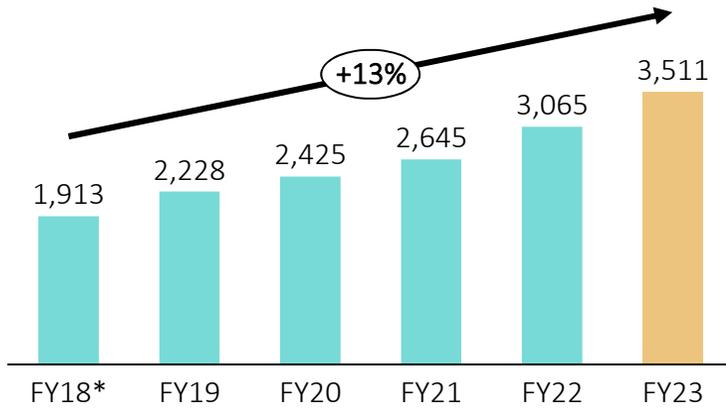
**NIL borrowings**  
**Cash, Cash Equivalents & Liquid Investments of ~Rs. 827 Crs as on 31<sup>st</sup> March 2023**

# Consolidated Cash Flow Statement

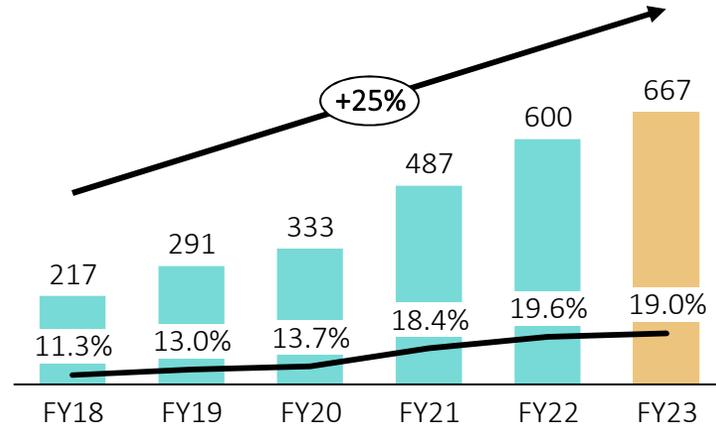
Cash Flow Statement (Rs. Crs)	Year ended 31-Mar-23	Year ended 31-Mar-22
<b>Net Profit Before Tax</b>	<b>654.2</b>	<b>575.7</b>
Adjustments for: Non-Cash Items / Other Investment or Financial Items	38.5	46.3
<b>Operating profit before working capital changes</b>	<b>692.7</b>	<b>622.0</b>
Changes in working capital	-135.2	-257.6
<b>Cash generated from Operations</b>	<b>557.5</b>	<b>364.4</b>
Direct taxes paid (net of refund)	168.1	142.6
<b>Net Cash from Operating Activities</b>	<b>389.4</b>	<b>221.8</b>
<b>Net Cash from Investing Activities</b>	<b>-327.2</b>	<b>-290.2</b>
<b>Net Cash from Financing Activities</b>	<b>-72.5</b>	<b>-62.6</b>
<b>Net Increase /(Decrease) in Cash and Cash equivalents</b>	<b>-10.4</b>	<b>-131.1</b>
Add: Cash & Cash equivalents at the beginning of the period	57.2	188.3
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>46.9</b>	<b>57.2</b>

# Historical Performance Highlights

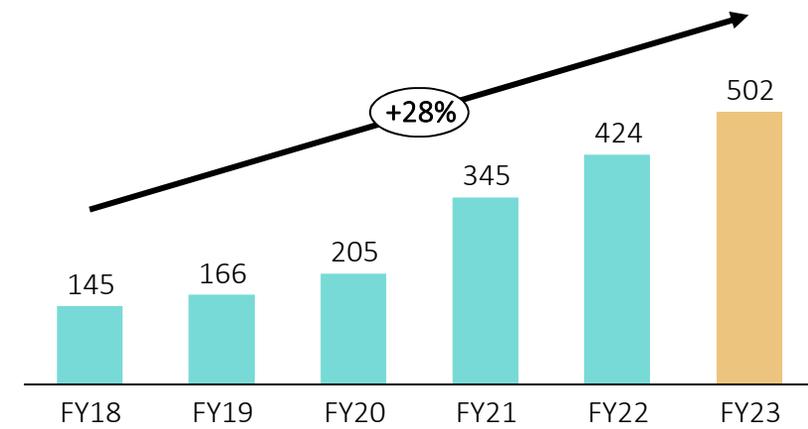
Revenue (Rs Crs)



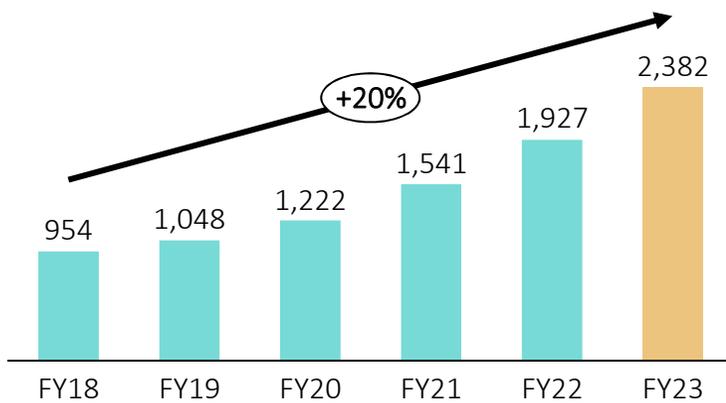
EBITDA (Rs. Crs) & EBITDA Margin (%)



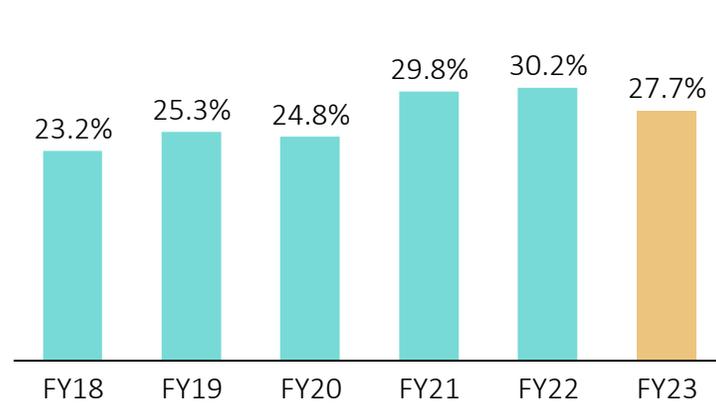
PAT (Rs Crs)



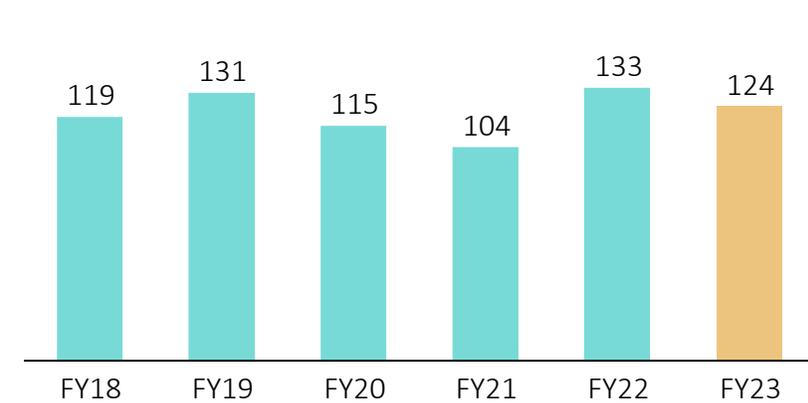
Networth (Rs Crs)



RoCE (%)^



Net Working Capital Days



1. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18

\*Revenue is Net of Excise Duty. ^ ROCE = {EBIT / (Net Worth + Borrowings)}

# Consolidated Profit & Loss Account Statement

Particulars (Rs. Crs)	FY23	FY22	FY21	FY20	FY19	FY18
<b>Net Revenue from Operations</b>	<b>3,511.0</b>	<b>3,061.2</b>	<b>2,644.9</b>	<b>2,424.8</b>	<b>2,228.4</b>	<b>1,912.9*</b>
COGS	2,270.6	1,908.0	1,655.4	1,607.6	1,458.9	1,238.7
<b>Gross Profit</b>	<b>1,240.3</b>	<b>1,153.2</b>	<b>989.5</b>	<b>817.2</b>	<b>769.6</b>	<b>674.2</b>
<b>Gross Profit %</b>	<b>35.3%</b>	<b>37.7%</b>	<b>37.4%</b>	<b>33.7%</b>	<b>34.5%</b>	<b>35.2%</b>
Employee Expenses	218.4	202.0	194.3	179.3	158.4	147.5
Other Operating Expenses	355.4	351.3	308.4	304.7	320.5	309.6
<b>Operating EBITDA</b>	<b>666.6</b>	<b>599.9</b>	<b>486.9</b>	<b>333.2</b>	<b>290.7</b>	<b>217.1</b>
<b>EBITDA Margin</b>	<b>19.0%</b>	<b>19.6%</b>	<b>18.4%</b>	<b>13.7%</b>	<b>13.0%</b>	<b>11.3%</b>
Other Income	44.9	26.8	18.6	10.7	7.6	30.5
Depreciation	51.9	44.8	46.6	41.0	27.8	23.7
<b>EBIT</b>	<b>659.6</b>	<b>581.9</b>	<b>458.9</b>	<b>302.9</b>	<b>270.5</b>	<b>223.8</b>
<b>EBIT Margin</b>	<b>18.8%</b>	<b>19.0%</b>	<b>17.3%</b>	<b>12.5%</b>	<b>12.1%</b>	<b>11.7%</b>
Interest	5.4	6.2	5.6	5.5	3.7	2.8
<b>Profit Before Tax &amp; Exceptional</b>	<b>654.2</b>	<b>575.7</b>	<b>453.3</b>	<b>297.4</b>	<b>266.8</b>	<b>221.0</b>
Exceptional Item Gain / (Loss)**	0.0	0.0	-	-30.9	-7.0	-
<b>Profit Before Tax</b>	<b>654.2</b>	<b>575.7</b>	<b>453.3</b>	<b>266.5</b>	<b>259.8</b>	<b>221.0</b>
<b>PBT Margin</b>	<b>18.6%</b>	<b>18.8%</b>	<b>17.1%</b>	<b>11.0%</b>	<b>11.7%</b>	<b>11.6%</b>
Tax	152.0	152.2	107.9	61.8	94.0	75.8
<b>Net Profit</b>	<b>502.2</b>	<b>423.5</b>	<b>345.4</b>	<b>204.7</b>	<b>165.8</b>	<b>145.1</b>
<b>Net Profit Margin</b>	<b>14.3%</b>	<b>13.8%</b>	<b>13.1%</b>	<b>8.4%</b>	<b>7.4%</b>	<b>7.6%</b>
Other Comprehensive Income	2.3	2.4	1.6	-5.1	0.1	5.1
<b>Total Comprehensive income for the period</b>	<b>504.5</b>	<b>425.9</b>	<b>347.0</b>	<b>199.6</b>	<b>165.9</b>	<b>150.2</b>
<b>EPS</b>	<b>10.06</b>	<b>8.49</b>	<b>6.9</b>	<b>4.1</b>	<b>3.3</b>	<b>2.9</b>

1. Appointed date for merger of ECC and SCIL is 1st Apr'18

\* Revenue net of Excise Duty; \*\* Merger expenses

# Consolidated Balance Sheet

Assets (Rs. Crs)	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
<b>Non-Current Assets (A)</b>	<b>581.2</b>	<b>487.6</b>	<b>367.6</b>	<b>360.6</b>	<b>318.3</b>	<b>312.7</b>
Property, Plant and Equipment	392.8	349.6	277.6	282.9	277.2	264.8
Capital work-in-progress	53.5	21.1	4.3	6.5	3.2	4.5
Right to use an Asset	33.2	36.4	31.1	34.9	-	-
Other Intangible Assets	3.8	4.3	0.6	1.7	2.1	1.9
Intangible Assets under Development	17.7	14.1	10.0	3.8	4.9	4.3
<b>Non-Current Financial Assets</b>						
(i) Investments	0.1	0.1	0.1	0.1	0.1	0.1
(ii) Loans & other financial assets	36.4	30.8	6.0	5.3	7.6	7.3
Deferred tax Asset (net)	-	-	-	1.1	-	-
Non-Current tax Assets (net)	34.9	21.6	20.4	20.2	18.8	24.8
Other non-current Assets	8.7	9.5	17.6	4.2	4.4	5.1
<b>Current Assets (B)</b>	<b>2,787.9</b>	<b>2,522.0</b>	<b>2,304.3</b>	<b>1,745.6</b>	<b>1,541.7</b>	<b>1,345.7</b>
Inventories	888.7	937.8	754.4	588.0	680.6	609.3
<b>Current Financial Assets</b>						
(i) Investments	238.8	356.02	290.2	86.0	-	-
(ii) Trade receivables	946.1	843.13	848.2	849.8	671.0	551.8
(iii) Cash and cash equivalents	46.9	57.25	213.3	92.6	50.5	73.5
(iv) Bank balances other than (iii) above	256.0	21.88	28.8	0.9	0.9	0.8
(v) Loans	0.5	0.47	7.7	7.9	5.1	3.7
(vi) Other financial assets	284.9	174.50	11.4	21.8	15.8	10.4
Other Current Assets	126.1	131.03	150.3	98.6	117.8	96.3
<b>Total Assets (A+B)</b>	<b>3,369.1</b>	<b>3,009.6</b>	<b>2,671.9</b>	<b>2,106.2</b>	<b>1,860.0</b>	<b>1,658.4</b>

Equity & Liabilities (Rs. Crs)	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
<b>EQUITY (A)</b>	<b>2,381.8</b>	<b>1,927.2</b>	<b>1,541.3</b>	<b>1,221.8</b>	<b>1,048.4</b>	<b>954.0</b>
Equity Share Capital	499.1	499.1	499.1	499.1	274.6	274.6
Other Equity	1882.6	1428.1	1,042.2	722.6	773.8	679.4
<b>Non-Current liabilities (B)</b>	<b>53.9</b>	<b>61.0</b>	<b>49.6</b>	<b>44.5</b>	<b>30.2</b>	<b>32.5</b>
<b>Non-current Financial liabilities</b>						
Lease Liabilities	17.7	24.7	15.3	19.4	-	-
Provisions	22.6	22.3	29.2	25.1	15.6	12.7
Deferred tax liabilities (net)	13.6	13.9	5.0	-	14.6	18.1
Non-current Tax Liabilities	-	-	-	-	-	1.7
<b>Current liabilities (C)</b>	<b>933.4</b>	<b>1,021.4</b>	<b>1,081.0</b>	<b>839.9</b>	<b>781.4</b>	<b>671.9</b>
<b>Current Financial liabilities</b>						
(i) Borrowings	-	-	-	-	19.7	10.1
(ii) Trade Payables	490.6	517.2	591.2	490.9	480.8	527.3
(iii) Lease Liabilities	16.2	12.9	17.3	16.2	-	-
(iii) Other financial liabilities	366.2	399.7	356.8	235.4	179.2	55.6
Other current liabilities	51.2	79.8	108.2	80.2	87.2	70.1
Provisions	6.3	7.2	5.6	9.7	2.5	2.3
Current tax liabilities	2.8	4.7	1.9	7.4	12.0	6.6
<b>Total Equity &amp; Liabilities (A+B+C)</b>	<b>3,369.1</b>	<b>3,009.6</b>	<b>2,671.9</b>	<b>2,106.2</b>	<b>1,860.0</b>	<b>1,658.4</b>

1. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18

# Consolidated Working Capital Movement

Particulars (Rs. Crs)	Mar-23	Mar-22	Mar-21	Mar-20	Mar-19
Inventory (A)	888.7	937.8	754.4	588.0	680.6
<i>Inventory Days (Inventories/ COGS*365) (i)</i>	143	179	166	134	170
<b>Trade Receivables (B)</b>	<b>946.1</b>	<b>843.1</b>	<b>848.2</b>	<b>849.8</b>	<b>671.0</b>
<i>Trade Receivables Days (Trade Receivables / Revenue*365) (ii)</i>	<b>98</b>	<b>100</b>	<b>117</b>	<b>128</b>	<b>110</b>
Trade Payables (C)	490.6	517.2	598.3	490.9	480.8
<i>Trade Payables Days (Trade Payables/ COGS*365) (iii)</i>	79	99	132	111	120
Other Financial Liabilities (D)	366.2	399.7	349.8	235.4	179.2
<i>Other Financial Liabilities Days (Other Current Liabilities / Revenue*365) (iv)</i>	38	48	48	35	29
<b>Net Working Capital (A+B-C-D)</b>	<b>978.0</b>	<b>864.0</b>	<b>654.5</b>	<b>711.4</b>	<b>691.6</b>
<i>Net Working Capital Days (i + ii – iii – iv)</i>	124	133	103	115	131

# Consolidated Cash Flow Statement

Particulars (Rs. Crs)	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar19	Year ended 31-Mar-18
<b>Net Profit Before Tax</b>	<b>654.2</b>	<b>575.7</b>	<b>453.3</b>	<b>266.5</b>	<b>259.8</b>	<b>221.0</b>
Adjustments for: Non-Cash Items / Other Investment or Financial Items	38.5	46.3	54.5	45.7	18.6	9.6
<b>Operating profit before working capital changes</b>	<b>692.7</b>	<b>622.0</b>	<b>507.8</b>	<b>312.2</b>	<b>278.5</b>	<b>230.6</b>
Changes in working capital	-135.2	-257.6	25.6	-9.4	-112.7	-100.0
<b>Cash generated from Operations</b>	<b>557.5</b>	<b>364.4</b>	<b>533.4</b>	<b>302.8</b>	<b>165.8</b>	<b>130.6</b>
Direct taxes paid (net of refund)	168.1	142.6	107.9	81.4	88.1	83.1
<b>Net Cash from Operating Activities</b>	<b>389.4</b>	<b>221.8</b>	<b>425.4</b>	<b>221.4</b>	<b>77.7</b>	<b>47.4</b>
<b>Net Cash from Investing Activities</b>	<b>-327.2</b>	<b>-290.2</b>	<b>-282.7</b>	<b>-117.9</b>	<b>-35.3</b>	<b>-39.6</b>
<b>Net Cash from Financing Activities</b>	<b>-72.5</b>	<b>-62.6</b>	<b>-47.1</b>	<b>-61.4</b>	<b>-65.4</b>	<b>7.2</b>
<b>Net Increase /(Decrease) in Cash and Cash equivalents</b>	<b>-10.4</b>	<b>-131.1</b>	<b>95.7</b>	<b>42.2</b>	<b>-23.1</b>	<b>15.0</b>
Add: Cash & Cash equivalents at the beginning of the period	57.2	188.3	92.6	50.5	73.5	58.6
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>46.9</b>	<b>57.2</b>	<b>188.3</b>	<b>92.6</b>	<b>50.5</b>	<b>73.6</b>

1. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18

# Key Takeaways

## Formidable Player in the Indian Agro-chem Space

- Strong / leadership position across products and processes
- Ability to develop new combination products (9 under registrations and additional under development)

## Experienced Management Team and Board of Directors

- Strong management and autonomous Board with vast experience and domain expertise
- Localized experience enables better understanding of market needs to drive growth

## Well-diversified Product Portfolio Across Agro-Chem Value Chain

- Multi-product, multi-geography, multi-customer de-risking
- Access to an impressive range of own actives along with significant exposure towards speciality products resulting in product offerings at all price points serving multiple customers sub-segment

## Strong Brand and Well-Entrenched Distribution Network

- 26 states, 60 depots, 15,000+ distributors, 40,000+ dealer network
- High credibility and brand recall amongst farmers and the trade on account of transparent and ethical business dealings

## To Benefit from Strong Parentage of SCC Japan

- Benefits from international standing of SCC Japan; most well revered brand renowned for its quality
- Access to SCC's global supply chain and global R&D activities (one of the largest spenders) resulting in development of actives and broad range of formulation research

## State-of-the-art Manufacturing and R&D Facilities

- Operates five manufacturing facilities with state-of-the-art plants at strategic location which helps reduce logistic time and costs
- Capacity not a constraint allowing for significant growth on existing investments
- Holds 27 patents and further 9 applications filed

## Strong Track Record of Driving Growth

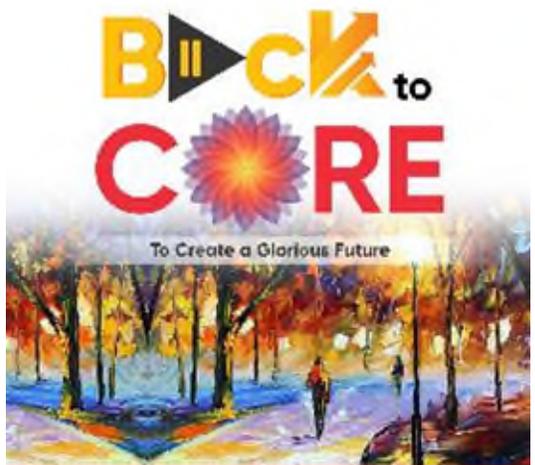
- Grown 15X over FY11-23 driven by organic and inorganic expansion; 10.6% CAGR for merged entity (including Excel Crop Care) over the same period
- Debt free balance sheet with strong return ratios



## Annexures

**Glance of various events to  
bring people together**

# Glance of various events to bring people together





















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