



**HERANBA**  
**INDUSTRIES LIMITED**  
A Govt. Recognised Export House

# INVESTOR Presentation

JANUARY 2022 || Q3FY22

[heranba.co.in](http://heranba.co.in)





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# CONTENTS

01

## **COMPANY OVERVIEW**

**SLIDE 04**

02

## **MANAGEMENT TEAM**

**SLIDE 11**

03

## **QUARTERLY PERFORMANCE**

**SLIDE 14**

04

## **FINANCIAL PERFORMANCE**

**SLIDE 18**

05

## **STRATEGY FOR GROWTH**

**SLIDE 23**







## **HERANBA AT GLANCE**

SLIDE 05

## **OUR JOURNEY**

SLIDE 06

## **VALUE CHAIN**

SLIDE 07

## **INTERMEDIARIES**

SLIDE 08

## **TECHNICALS**

SLIDE 09

## **FORMULATIONS**

SLIDE 10

# **01 | COMPANY** Overview

# HERANBA at a Glance



**4**

Manufacturing Facilities



**60+**

Countries Presence



**650+**

Employees  
(as of FY21)



**71%**

Revenue from Institutional  
customers\*\*  
(as of 9M FY22)



**9400+**

Dealers across India



**41%**

Revenue from Exports  
as % of sales (as of 9M FY22)



**Approx. 25%**

Revenue from Top 10  
customers  
(as of 9M FY22)



**32.38%**

ROE#  
(as of H1 FY22)



# Our Journey



# Value Chain

## Value Chain



HIL over the years, has scaled up the manufacturing of Intermediates, Technicals and Formulations which form part of the entire value chain of the agrochemicals industry

## Manufacturing Process

- HIL manufactures a wide range of products, and each product has its own unique manufacturing process
- The Company specializes in the manufacturing processes that mainly include chemical reactions of:

<b>Ammonolysis</b>	<b>Hydrolysis</b>	<b>Favorski Reaction</b>	<b>Cyanation</b>
<b>Methoxylation</b>	<b>Halogenation</b>	<b>Esterification</b>	<b>Condensation</b>
<b>Isomerisation</b>	<b>Friedel Crafts</b>	<b>Cyclisation</b>	

- The process of manufacturing can be classified broadly into three stages





# Intermediaries

## Intermediates

Cypermethric Acid  
Chloride (CMAC)

High CIS CMA

High CIS CMAC

High Trans CMA

High Trans CMAC

Bromobenzenes

Metaphenoxy  
Benzaldehyde (MPBD)

### End-use

Intermediates manufactured  
are for Company's own captive  
consumption for manufacturing  
various Technicals and  
Formulations





# Technicals

## Insecticides

- Cypermethrin
- Deltamethrin
- Alpha Cypermethrin
- Acephate
- Lambda Cyhalothrin
- Permethrin
- Profenophos
- Temephos
- Theta Cypermethrin
- Thiamethoxam
- Imidacloprid

## Herbicides

- Glyphosate
- Metribuzin
- Clodinofof

## Technicals

## Fungicides

- Tricyclazole
- Hexaconazole



# Formulations

## Insecticides

- Jayam
- Progress Plus
- Param
- Cypraplus
- Dyken
- Mantra
- Astron
- Signor
- Prompt
- Cypra
- Heraban
- Alpha Shakti
- Henoxa

## Herbicides

- Glory
- Chakde
- Heraquat
- Zinta
- Glory 71
- Shera
- Pendant
- Atria

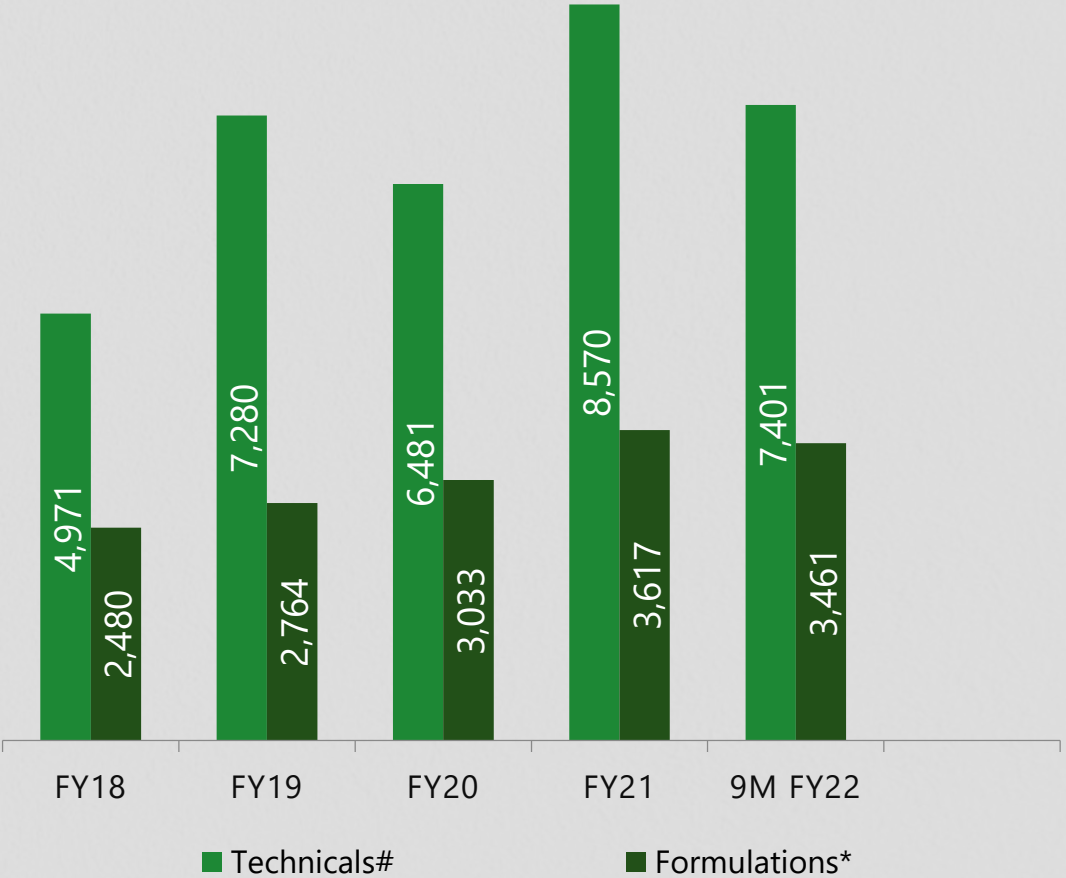
## Formulations

## Fungicides

- Macamba
- Sulphy
- Mask
- Mandy
- Propizole
- Vintage
- Exort
- Tulip
- Silicon Plus

## Revenue from Technical and Formulations

(₹ IN MILLION)







**ABOUT PROMOTERS**

SLIDE 12

**LEADERSHIP TEAM**

SLIDE 13

## 02 | **MANAGEMENT** Team

# Experienced Promoters with Domain Knowledge

Promoters having a cumulative experience of more than six decades



**Mr. Sadashiv K. Shetty**

CHAIRMAN AND EXECUTIVE DIRECTOR

- Holds a bachelor's (physics and chemistry) and master's (chemistry) degree in science from University of Mysore
- Has experience of more than three decades in agrochemicals industry
- Has been on Board since September, 1994 and is responsible for the overall supervision, direction and management of the Company
- He has been instrumental in new products development and addition of capacities
- Has previously worked with Sudarshan Chemical Limited, Gharda Chemical Limited, Hoechst Pharmaceuticals and Nirlon Limited



**Mr. Raghuram K. Shetty**

MANAGING DIRECTOR

- Holds a bachelor's degree in economics from University of Mysore
- Subsequently, pursued government commercial diploma from the Department of Education, Bureau of Government Examinations, Maharashtra and completed diploma in export and import management from the India International Trade Centre, Mumbai
- Has experience of more than three decades in agrochemicals industry
- Has been on Board since September, 1994 and is fully involved in day-to-day affairs of the Company
- He has been instrumental in developing export business for the Company





#### **FINANCIAL HIGHLIGHTS**

SLIDE 15

#### **KEY RATIOS**

SLIDE 16

#### **FINANCIAL SUMMARY**

SLIDE 17

## **03 | QUARTERLY** Performance



# Q1FY22 Financial Highlights

Revenue from Operations at ₹3,953.94 million in Q3FY22 as compared to ₹3324.73 million in Q3FY21 – growth of 18.93% Y-o-Y and growth of 11.87% Q-o-Q.

EBITDA (incl. other income) at ₹763.49 million in Q3FY22 as compared to ₹651.79 million in Q3FY21 – growth of 17.14% Y-o-Y and growth of 15.07% Q-o-Q.

EBITDA (incl. other income) Margins were at 19.31% in Q3FY22 as compared to 19.60% in Q3FY21 – de-growth of approx. 29 bps Y-o-Y and a growth of 54 bps Q-o-Q.

Profit After Tax at ₹534.85 million in Q3FY22 as compared to ₹447.26 million in Q3FY21 – growth of 19.58% Y-o-Y and growth of 17.21% Q-o-Q.





# Quarterly Performance

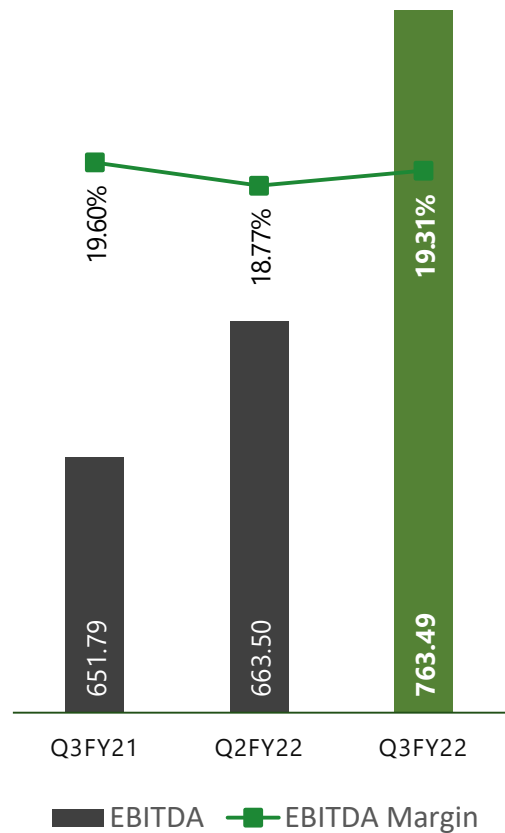
## Net Revenue from Operations

(₹ IN MILLION)



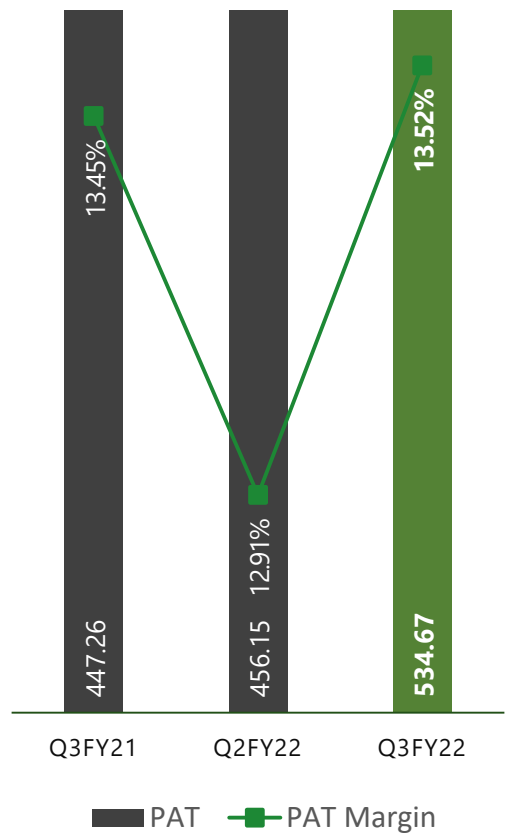
## EBITDA(incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



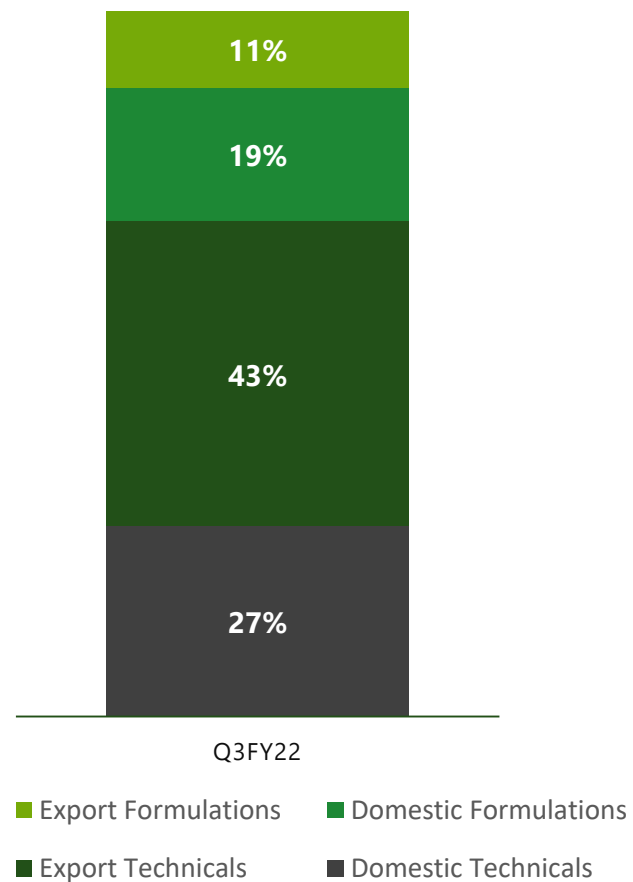
## PAT and PAT Margin

(₹ IN MILLION & %)



## Business Mix

(IN %)



# Profit & Loss Summary

(Quarterly)

(₹ IN MILLION)

PARTICULARS	Q3FY21	Q2FY22	Q3FY22
Revenue from Operations	3,324.73	3,534.35	3,953.94
Other Income	8.18	51.70	51.28
Total Revenue	3,332.91	3,586.05	4,005.22
Total Expenses	2,728.42	2,971.97	3,292.54
Profit Before Tax	604.49	614.08	712.68
Total Tax Expense	157.23	157.93	177.82
Profit After Tax	447.26	456.15	534.85
EPS Basic (₹)	11.45	11.40	13.37
EPS Diluted (₹)	11.45	11.40	13.37
EBITDA (incl. Other income)	651.79	663.50	763.49
EBITDA (incl. Other income) Margin	19.60%	18.77%	19.31%





**KEY RATIOS**

SLIDE 19

**FINANCIAL SUMMARY**

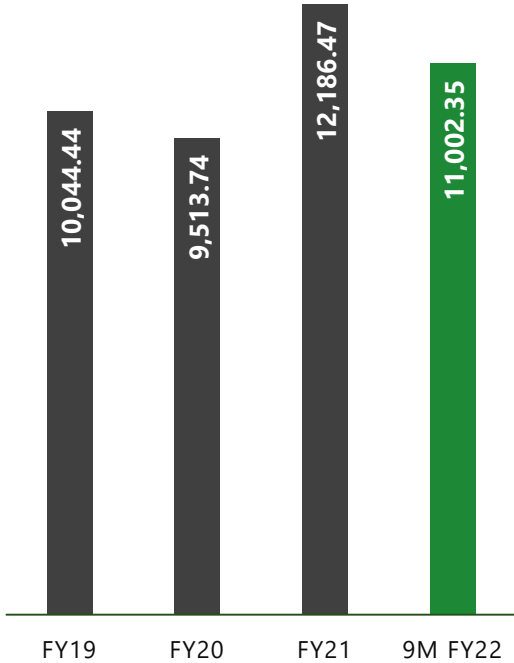
SLIDE 21

## 04 | **FINANCIAL** Performance

# KEY Ratios

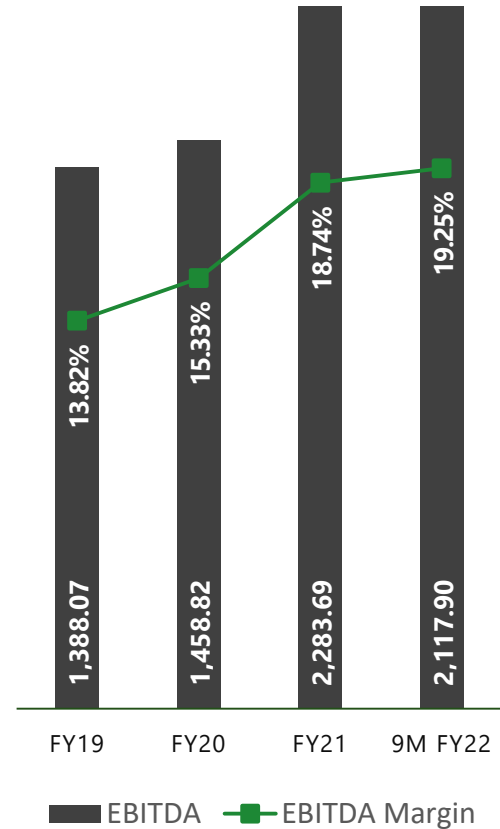
## Net Revenue from Operations

(₹ IN MILLION)



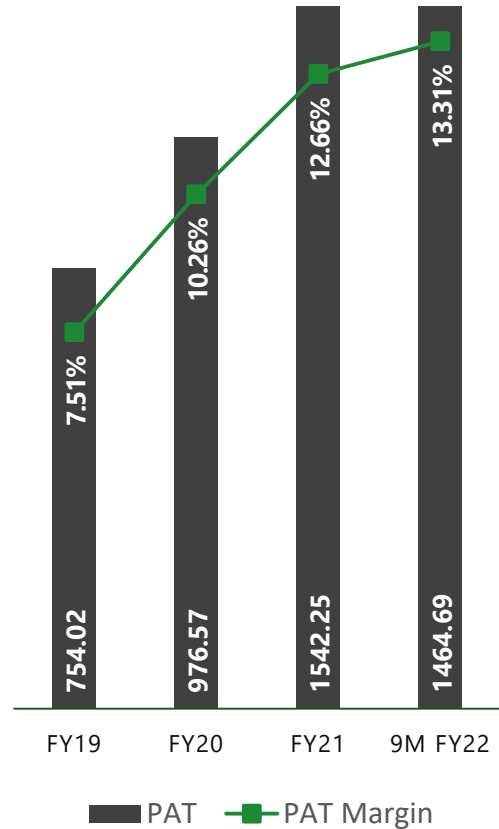
## EBITDA(incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



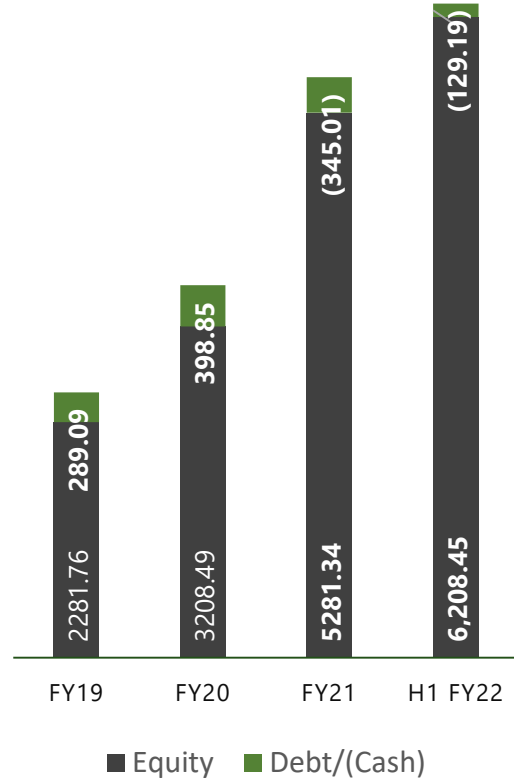
## PAT and PAT Margin

(₹ IN MILLION & %)



## Net Debt/(Cash) and Equity

(₹ IN MILLION)

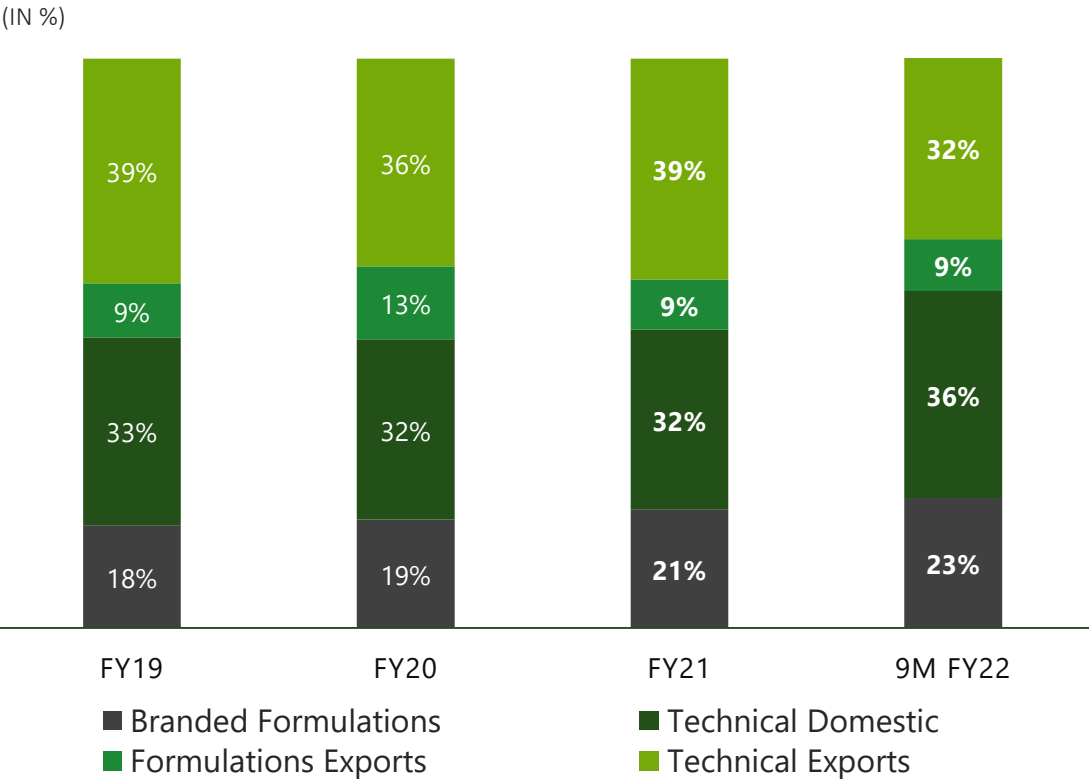




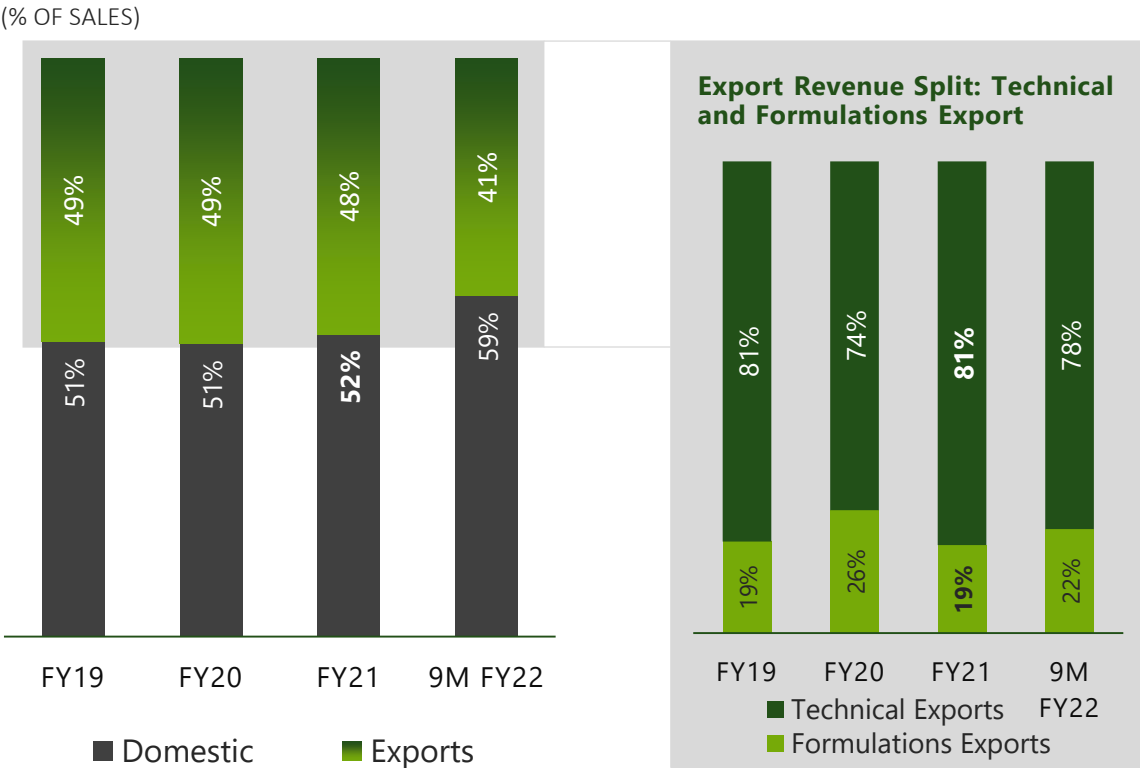
# Business Mix

Diversified customers base across geographies helps to mitigate risks and benefit from expected growth in agrochemical market

## Revenue from Operations



## Revenue from Exports



# Profit & Loss Summary

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	9M FY22
Revenue from Operations	10,044.44	9,513.74	12,186.47	11,002.35
Other Income	73.94	165.32	70.30	145.71
Total Revenue	10,118.38	9,679.06	12,256.77	11,148.06
Total Expenses	8,897.18	8,390.64	10,173.92	9,178.20
Profit Before Tax	1,221.2	1,288.42	2,082.85	1,969.86
Total Tax Expense	467.18	311.85	540.59	504.99
Profit After Tax	754.02	976.57	1,542.26	1,464.87
EPS Basic (₹)	19.31	25.00	39.41	36.61
EPS Diluted (₹)	19.31	25.00	39.41	36.61
EBITDA (incl. Other Income)	1,388.07	1,458.82	2,283.69	2,117.90
EBITDA (incl. Other Income) Margin	13.82%	15.33%	18.74%	19.25%



# Balance Sheet <sup>(1/2)</sup>

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	H1 FY22
<b>Non-Current Assets</b>				
Property, plant and equipment	511.39	954.41	1,334.35	1,388.88
Capital work-in-progress	159.70	377.72	96.95	209.76
<b>Financial Assets:</b>				
(i) Investments	0.24	37.31	100.98	20.86
(ii) Other Financial Assets	71	84.27	241.71	74.12
Current tax assets (Net)	1.48		10.20	33.00
Other non-current assets	344.58	80.66	97.01	231.28
<b>Total Non-Current Assets (I)</b>	<b>1,088.39</b>	<b>1,534.37</b>	<b>1,881.20</b>	<b>1,957.90</b>
<b>Current Assets</b>				
Inventories	1,138.94	1,455.18	1,659.86	2,468.08
<b>Financial Assets:</b>				
(i) Trade Receivables	2,532.72	2,584.67	3,417.62	4,394.76
(ii) Cash and cash equivalents	209.65	31.94	847.80	585.83
(iii) Loans	0	8.95		
(iv) Other financial assets	15.4	17.17	19.97	20.79
Other current assets	619.33	615.35	606.68	463.33
<b>Total Current Assets (II)</b>	<b>4,516.04</b>	<b>4,713.26</b>	<b>6,551.93</b>	<b>7,932.79</b>
<b>Total Assets (I + II)</b>	<b>5,604.43</b>	<b>6,247.63</b>	<b>8,433.13</b>	<b>9,890.69</b>

# Balance Sheet (2/2)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	H1 FY22
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	390.56	390.56	400.13	400.13
Other equity	1891.2	2817.93	4881.21	5808.32
<b>Total Equity</b>	<b>2281.76</b>	<b>3208.49</b>	<b>5281.34</b>	<b>6208.45</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings				
(ii) Other Financial Liabilities	57.27	61.46	66.41	69.6
Provisions	4.22	6.49	22.43	31.7
Other Non-current liabilities		2.28	11.71	10.71
Deferred Tax balances (net)	41.27	16.09		
<b>Total Non-Current Liabilities (I)</b>	<b>102.76</b>	<b>86.32</b>	<b>100.55</b>	<b>112.01</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	498.74	430.79	502.79	456.64
(ii) Trade payables	2352.07	2124.68	1955.82	2428.85
(iii) Other Financial Liabilities	121.89	139.30	283.27	265.01
Current tax Balances (net)	101.68	37.46	88.37	113.28
Other current liabilities	96.46	163.19	159.73	230.33
Provisions	49.07	57.40	61.25	76.12
<b>Total Current Liabilities (II)</b>	<b>3219.91</b>	<b>2952.82</b>	<b>3051.24</b>	<b>3570.23</b>
<b>Total Liabilities (I + II)</b>	<b>3322.67</b>	<b>3039.14</b>	<b>3151.79</b>	<b>3682.24</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5604.43</b>	<b>6247.63</b>	<b>8433.13</b>	<b>9890.69</b>



# Cashflow Statement

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	H1 FY22
Cash Flow from Operations	877.02	542.11	603.98	-81.77
Cash Flow from Investing Activities	-373.79	-520.39	-407.13	-305.24
Cash Flow from financing Activities	-411.35	-199.43	619.01	-72.08
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>91.88</b>	<b>-177.71</b>	<b>815.86</b>	<b>-459.09</b>
Cash and cash equivalents at beginning of the year	117.77	209.65	31.94	847.80
<b>Cash and cash equivalents at end of the year</b>	<b>209.65</b>	<b>31.94</b>	<b>847.80</b>	<b>388.71</b>





## **COMPETITIVE STRENGTHS**

SLIDE 26

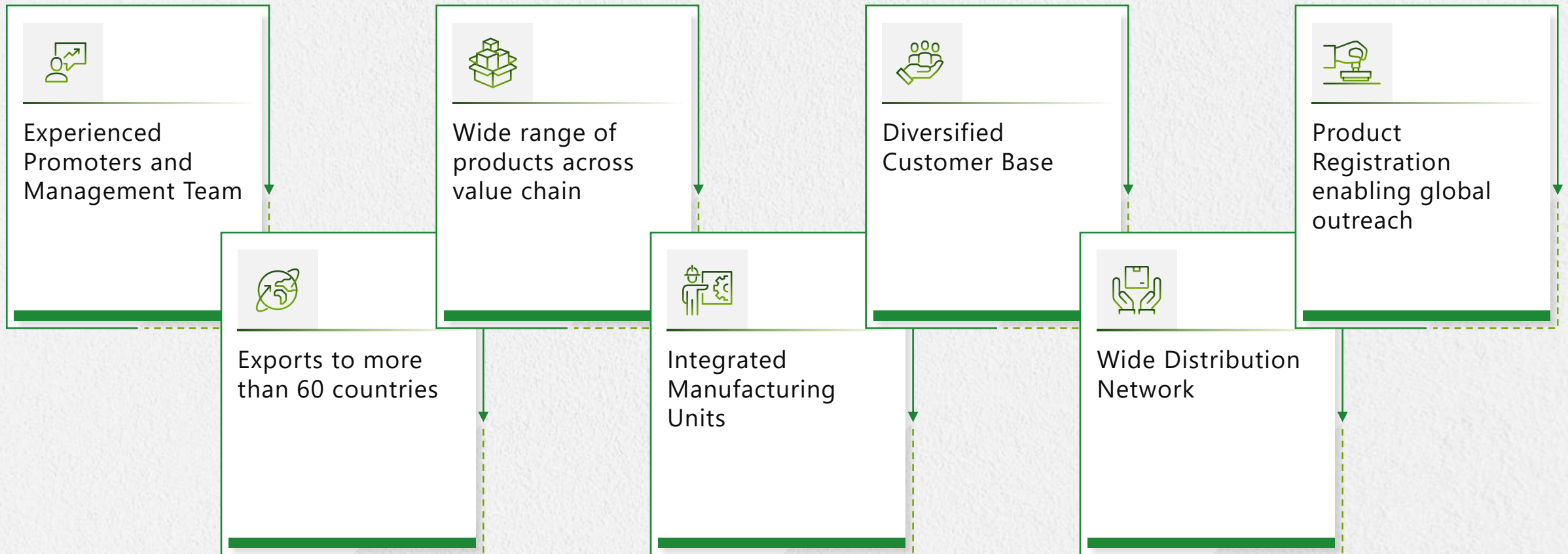
## **BUSINESS STRATEGY**

SLIDE 27

# 05 | **Strategy** for Growth



# Competitive Strengths



# Business Strategy

Well positioned to exploit opportunities offered by growth in Agrochemicals.



**Entering Highly Regulated USA and Europe markets**



**Strengthening of R&D Facility**



**Enhancing Production Capabilities**



**Enhancing Formulation & Technicals in International Markets**



**Branded Formulations and Public Health**



# THANK YOU

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