

Regd. & Corporate Office : 401-402, Lusa Tower
Azadpur Commercial Complex, Delhi -110 033
Telefax : + 91 1127679700-05 (6 Lines)
e mail : info@insecticidesindia.com
www.insecticidesindia.com
CIN : L65991DL1996PLC083909



Ref: IIL/SE/2023/3105/1

Dated: May 31, 2023

The Manager

Listing Compliance Department BSE Limited (Through BSE Listing Centre) Scrip Code: 532851	Listing Compliance Department National Stock Exchange of India Limited (Through NEAPS) Symbol: INSECTICID
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Dear Sir/Madam,

Sub: Earning Presentation and Press Release for Q4 FY2023 Results

Please find enclosed the Q4 FY 2023 Earning Presentation on fourth Quarter and financial year ended March 31, 2023 Financial Results of the Company

The same will also be available on the website of the Company at <https://www.insecticidesindia.com/investors-desk/>

This is for information and records.

Thanking You,
For Insecticides (India) Limited

Sandeep Kumar
Company Secretary & CCO

Encl: As above



insecticides
(INDIA) LIMITED

EARNINGS RELEASE & SHAREHOLDERS' LETTER

Q4 FY23 | MAY 31, 2023



In This Report, We Cover

1. About Us
2. Our Capabilities
3. Our Business Strengths
4. Key Financial Performance
5. Product Freshness Index
6. Financial Statements
7. What Next?
8. Recent Notable Developments
9. Business Update
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About us:

- Insecticides (India) Limited (IIL) is one of India's leading manufacturers of Agrochemicals. IIL provides farmers with a range of products for their crop protection requirements and owns the prestigious "Tractor Brand" which has gained great popularity in the farming community.
- IIL's product portfolio comprises of 21+ technical products, 105+ formulation products that includes 35+ Maharatna Products.
- The Company boasts cutting-edge manufacturing facilities strategically situated in Chopanki (Rajasthan), Samba & Udhampur (Jammu & Kashmir), and Dahej (Gujarat). Additionally, IIL possesses technical synthesis plants in Chopanki and Dahej, offering the company a distinct competitive advantage of backward integration. Furthermore, the company operates a toll manufacturing plant in Shamli, Uttar Pradesh, with a specific focus on Biologicals.
- IIL prides of having great R&D capabilities and technical expertise to provide farmers with effective and innovative products.

Our Capabilities:

Marketing & supply chain

- 20,00,000+ Farmers,
- 70,000+ Dealers,
- 6000+ Distributors,
- 380+SKUs.

Product Portfolio

- 21+ Technical Products,
- 105+ Formulations Products which includes
 - 14 Focused Maharatna products
 - 21 Maharatna products.

Facilities

- 2 Technical Synthesis Plants
- 6 Formulation Plants
- 1 Toll Manufacturing Biological Plant
- 4 R&D Centers.

Manufacturing capabilities

- 30,900 KLPA Liquid
- 80,750 MTPA Granules
- 24,770 MTPA Powder
- 13,800 MTPA Active Ingredient and Bulk.

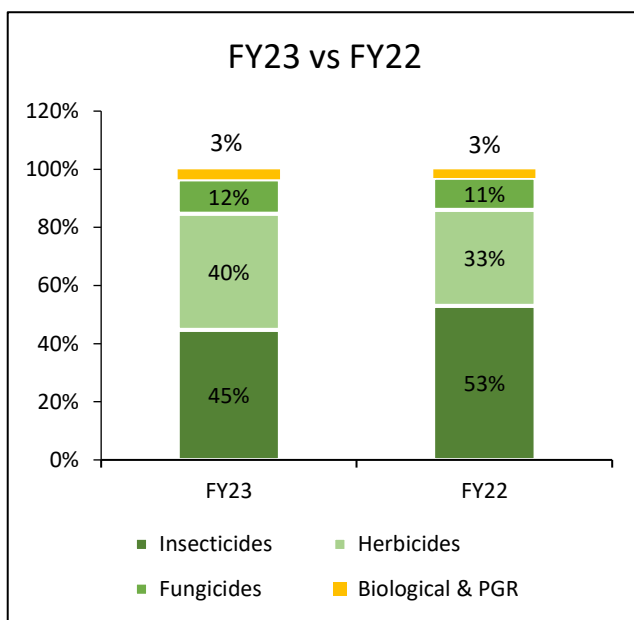
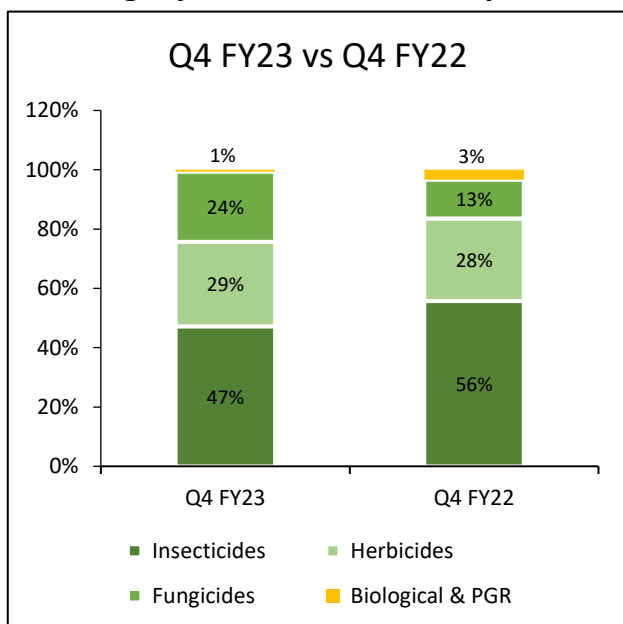
Our Business Strengths:

- With 4 R&D centers, in-house R&D team continue to emphasize on new innovation in technical and formulation to enhance the efficiency and quality of premium maharatna products.
- IIL is strategically positioned to meet the growing demand for sustainable and ecologically responsible crop protection and nutrition solutions through its expertise in biologicals & chemicals.
- The company has a notable intellectual property portfolio, with 19 patents granted and an additional 16 patents pending.

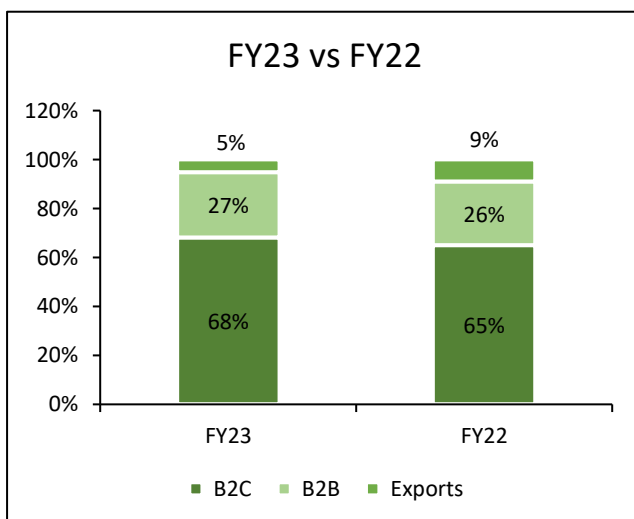
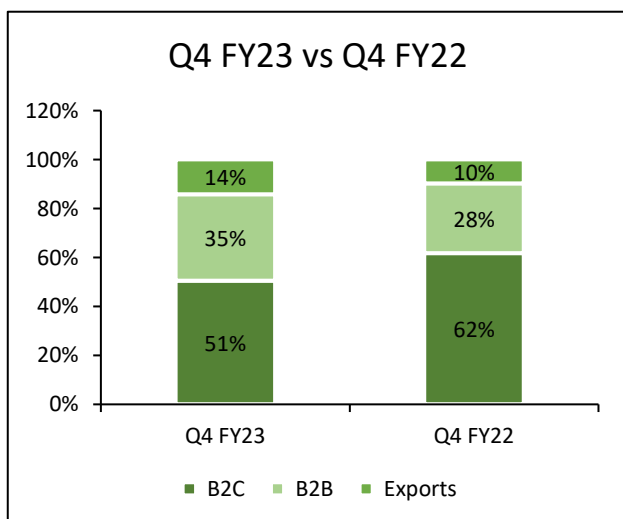
Key Financial Performance:

Revenue Distribution:

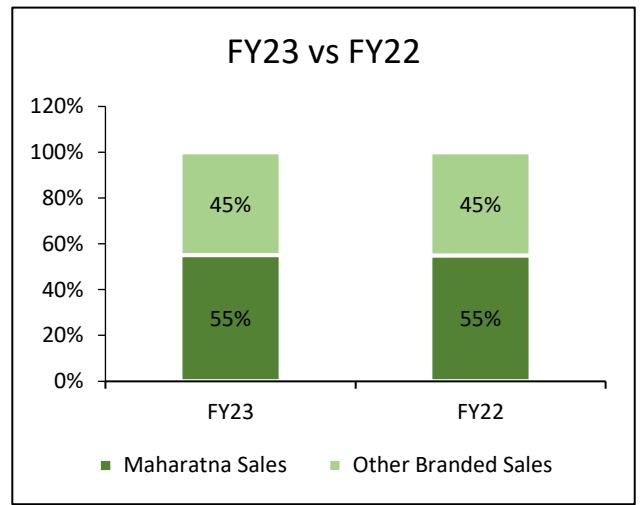
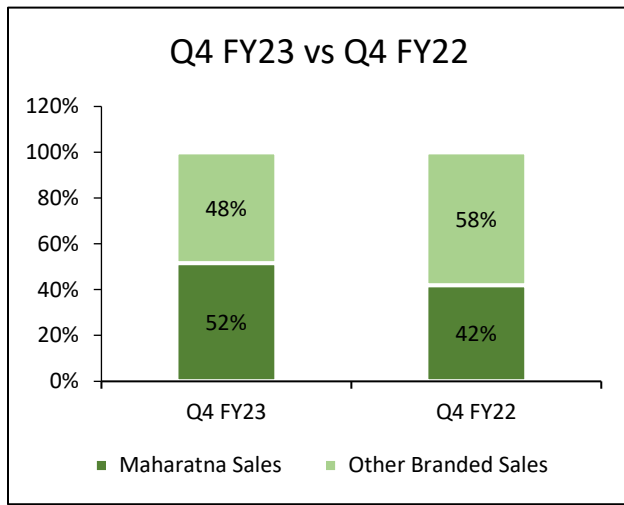
• Category-Wise Sales Breakup



• Sales by Segment

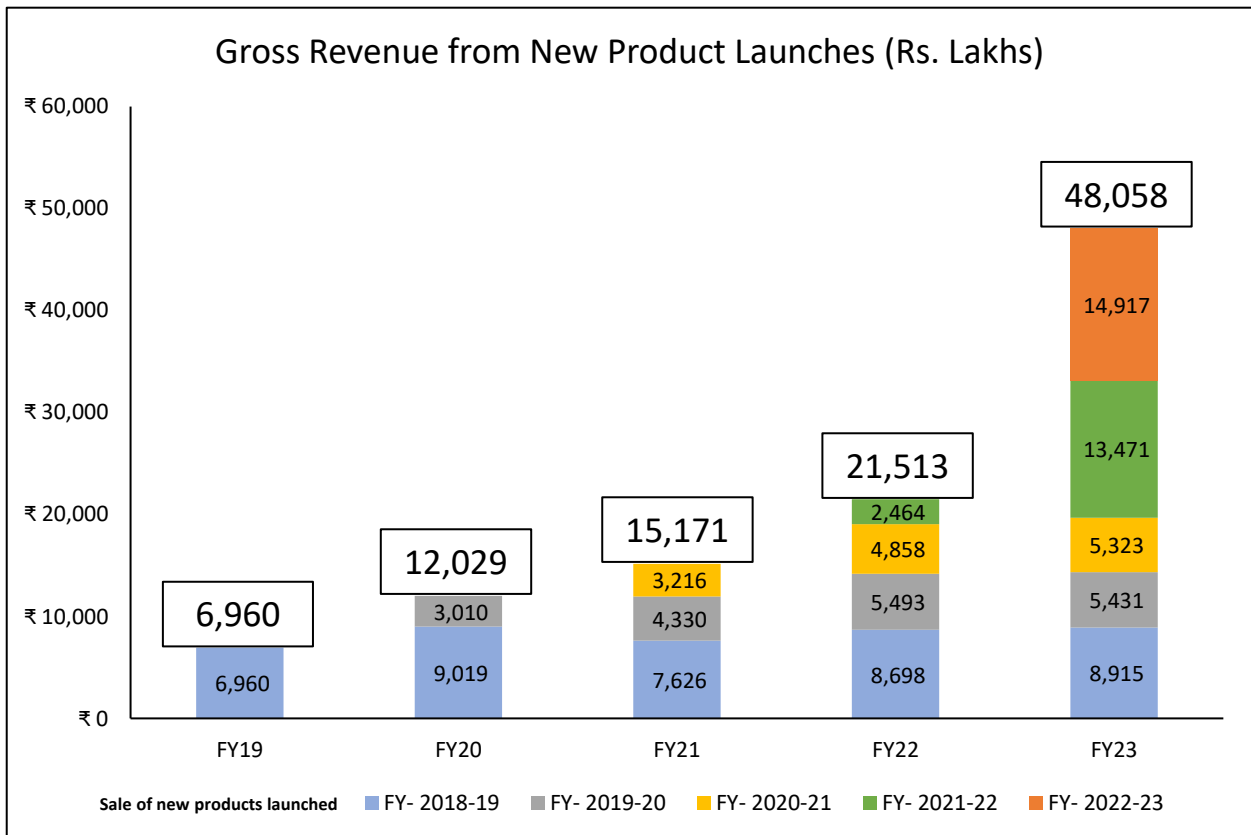


• **Maharatna Products V/S Others**



Product Freshness Index:

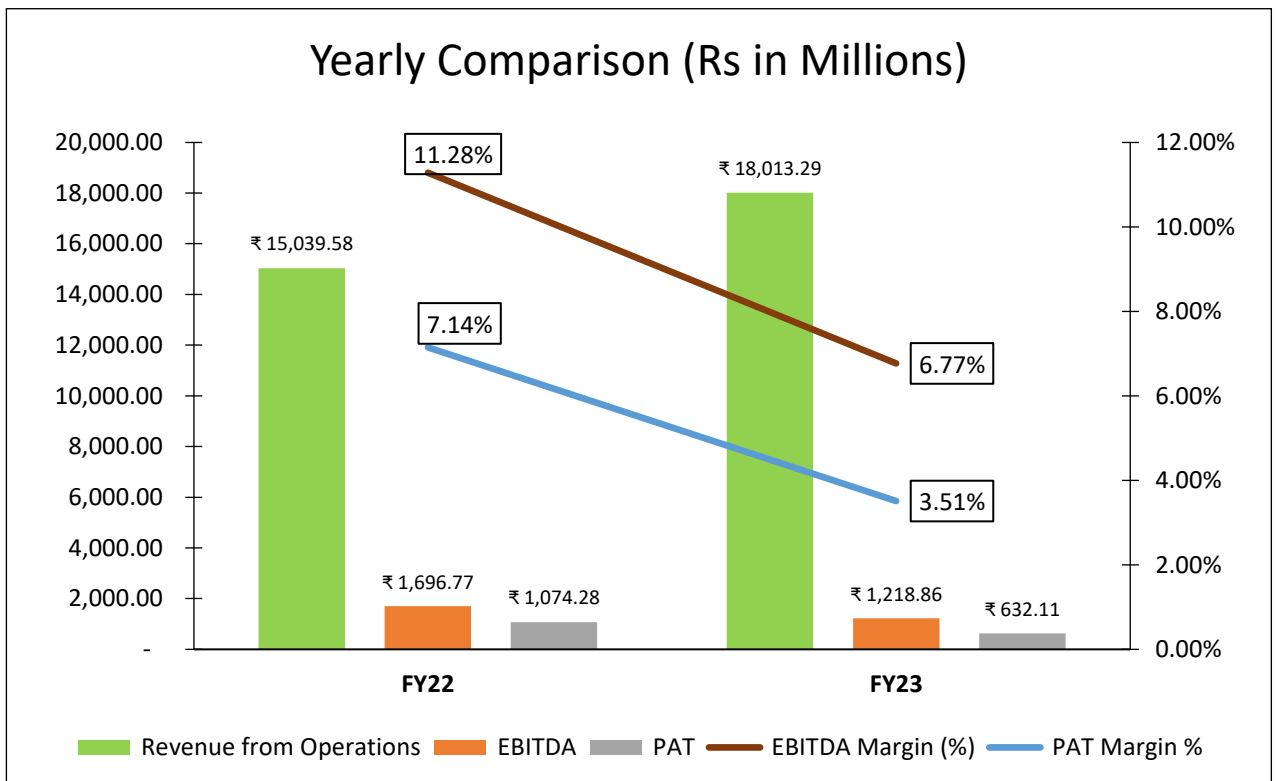
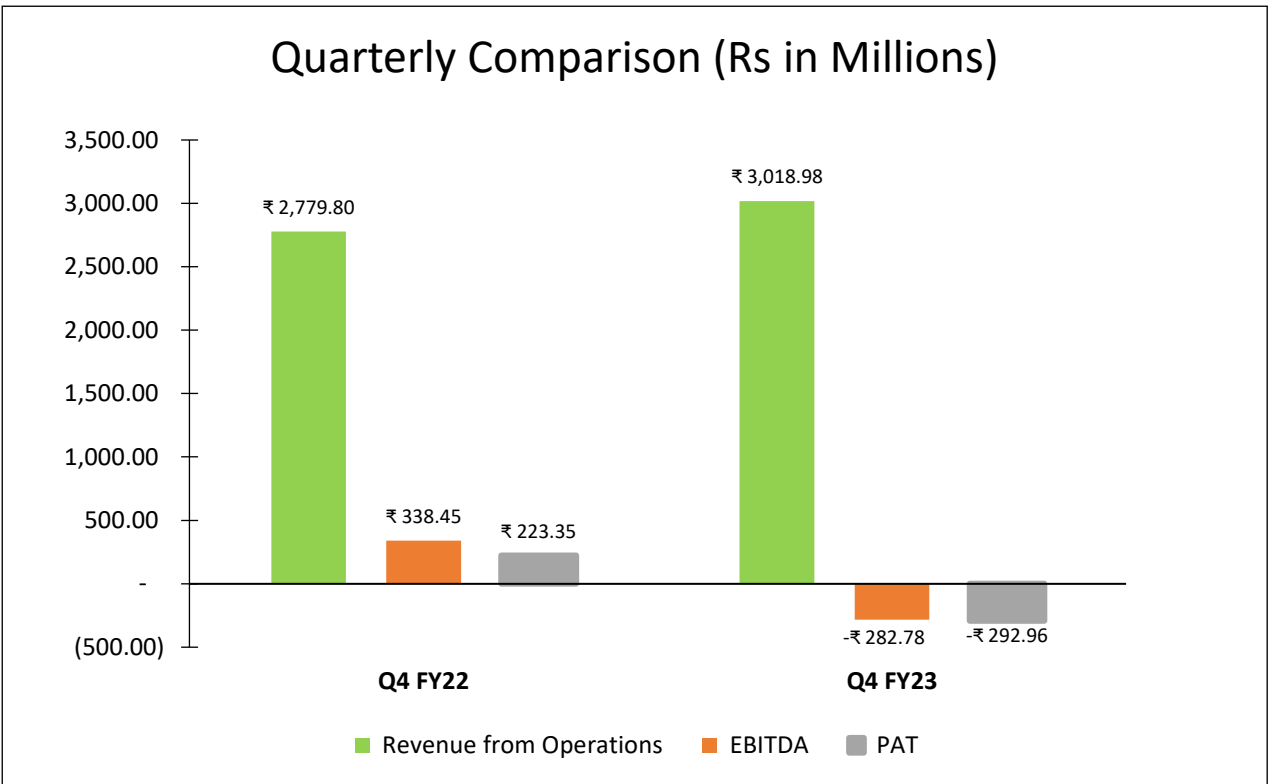
ILL is committed to launching new products to keep in touch with the changing needs of agricultural market. The below graph depicts Revenues from new products launched since FY 13 till date.



*Please note that while the Revenue from new products has been tracked since FY13, for brevity purposes we have depicted graphs starting from FY19. The total Revenue from New products launched from FY13 to FY18 is Rs. 1,62,316 lakhs.

*There is decline in total revenue generated from new products from FY 19-20 onwards, due to Ban in sale of Product "NUVAN" by the government, whose sales revenue has been included in preceding years.

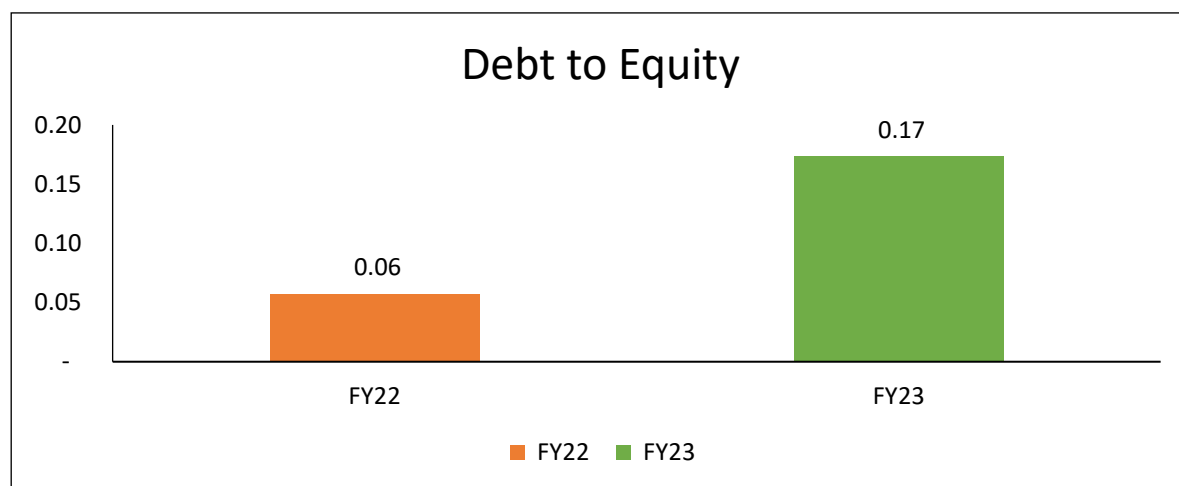
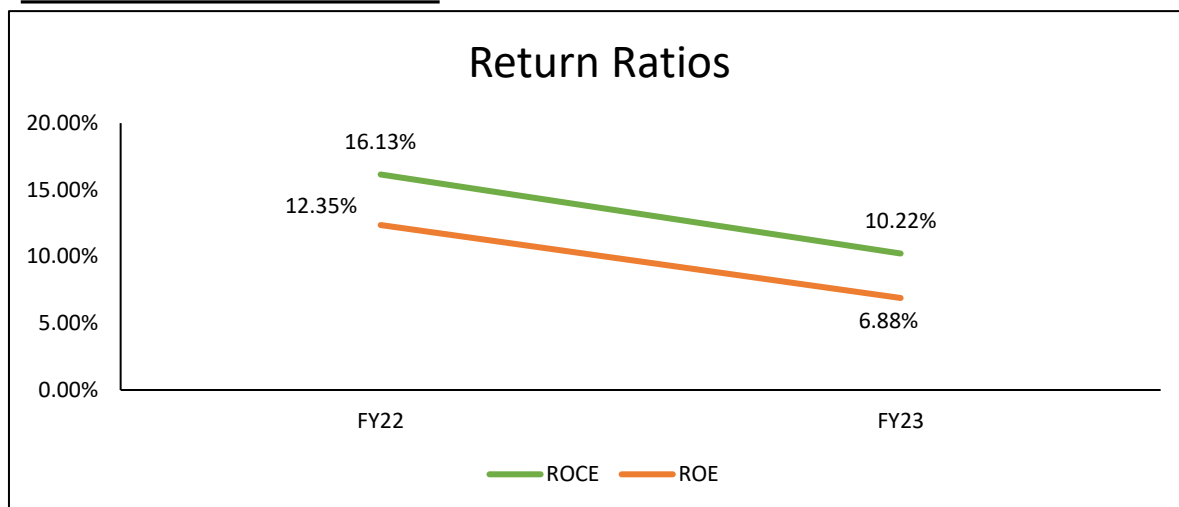
Financial Snapshot:



Highlights of Q4 FY23:

- Increase in Revenue is attributed to growth in the volume of sales despite price corrections in the market.
- EBITDA margin is negative mainly due to liquidation of the higher cost inventory.
- South region dominated, accounting for impressive 58% of Branded Product Sales.

Balance Sheet Ratios:



Income Statement:

Particulars (Rs. Mn)	Q4 FY23	Q4 FY22	Q3 FY23	FY23	FY22	YoY%
Revenue from Operations	3,018.98	2,779.80	3,565.32	18,013.29	15,039.58	19.77%
Other Income	4.12	20.87	3.74	12.64	42.72	
Total Revenue	3,023.09	2,800.67	3,569.07	18,025.92	15,082.30	
Total Expenses excluding Depreciation, Amortization & Finance Cost	3,301.75	2,441.35	3,332.75	16,794.42	13,342.81	
EBITDA*	(282.78)	338.45	232.57	1,218.86	1,696.77	-28.17%
EBITDA Margin (%)		12.18%	6.52%	6.77%	11.28%	
Depreciation & Amortization	66.47	67.77	64.32	261.02	263.49	
Finance Cost	44.66	10.60	48.38	134.51	66.34	
Share of net profit of joint venture accounted for using the equity method	(3.38)	(0.58)	0.88	2.32	4.07	
Profit Before Tax and Exceptional Items	(393.17)	280.38	124.49	838.29	1,413.72	
Exceptional Items	-	-	-	-	-	
PBT	(393.17)	280.38	124.49	838.29	1,413.72	
Tax	(100.21)	57.03	30.84	206.18	339.44	
PAT	(292.96)	223.35	93.66	632.11	1,074.28	-41.16%
PAT Margin %		8.03%	2.63%	3.51%	7.14%	
Diluted EPS	(9.90)	7.55	3.16	21.36	36.17	

*EBITDA is calculated excluding Other Income

Balance Sheet:

Particulars (Rs. Mn)	As on 31.03.23	As on 31.03.22
Assets		
Non-current assets		
Property, plant and equipment	2,298.06	2,208.58
Capital WIP	1,174.54	857.70
Investment Properties	8.68	-
Intangible Assets	69.52	61.62
Intangible Assets under development	56.08	52.06
Investment in Joint Venture	106.12	103.49
Right of use assets	249.73	259.58
Financial Assets		
-Investments	63.18	52.03
-Other Financial Assets	20.57	26.16
Non current Tax Assets (Net)	262.88	168.63
Other non-current assets	331.69	144.72
Total non current assets	4,641.06	3,934.57
Inventories	8,617.21	6,302.24
Financial Assets		
-Trade Receivables	2,962.44	2,889.12
-Cash & Cash equivalents	186.28	359.83
-Other Bank Balances	10.66	1.56
-Loans	1.92	1.29
-Other financial assets	8.94	20.75
Other current assets	534.62	452.62
Total current assets	12,322.08	10,027.41
TOTAL ASSETS	16,963.14	13,961.98

Particulars (Rs. Mn)	As on 31.03.23	As on 31.03.22
Equity & liabilities		
Equity		
Equity share capital	295.98	197.32
Other equity	8,886.92	8,498.79
NCI	-	-
Total equity	9,182.90	8,696.11
Financial Liabilities		
-Borrowings	18.59	18.50
-Lease Liabilities	21.69	25.43
Other financial liabilities	-	-
Provisions	18.32	16.11
Deferred tax liabilities	126.51	127.92
Total non-current liabilities	185.11	187.96
Financial Liabilities		
-Borrowings	1,572.10	475.43
-Lease Liabilities	14.59	20.14
-Trade Payable	4,482.68	3,237.89
Other Financial Liabilities	315.01	289.40
Other Current Liabilities	1,185.92	1,033.59
Current tax liabilities (net)	-	3.79
Provisions	24.84	17.67
Total current liabilities	7,595.13	5,077.90
TOTAL EQUITY & LIABILITIES	16,963.14	13,961.98

What Next?

❑ R&D'S ENDEAVOURS TO LAUNCH NEW PRODUCTS IN THE FOCUSED MAHARATNA &" MAHARATNA CATEGORY

- IIL launched 6 new products in FY23. Company will continue their efforts on in-house R&D and international partners to launch new products and expects to launch 4 to 5 new generation products in FY24.

❑ INCREASING EXPORT PENETRATION & EXPANDING GLOBAL FOOTPRINTS

- Working on registration in new countries with 100+ Export agreements.
- Working towards increasing Exports to 25+ countries, serving 100+ clients by FY24.

❑ STRENGTHENING BALANCE SHEET AND IMPROVING OPERATIONAL EFFICIENCY

- Company will focus on sustainable generation of cash flows.
- CAPEX plan completed in Q3 FY23 will enable the Company to reduce its dependency on China for raw materials, achieve cost reductions, and facilitate backward integration. Further, IIL is also increasing its' capacities in the Biological Segment.

❑ NEW TECH INITIATIVE

- IIL has started with the testing of the new generation Drone Technologies for spraying chemicals in the field. This will increase the demand for our products in the near future.

Recent Notable developments for Q4 FY23:

New Products Launched:

- IIL launched the granule insecticide “Mission” used for paddy and sugarcane in Q4 FY23. Liquid version of Mission will be introduced in Q1 FY24 intended for use on multiple crops.

CapEx Update:

- In Q3 FY23, IIL successfully completed a significant expansion program, enhancing the technical and formulation capacities at its facilities in Chopanki (Rajasthan). As a result, IIL has now commenced production at these upgraded unit, further strengthening its operational capabilities.
- Company acquired new site in Rajasthan to expand the manufacturing capacity and capability.

Business Update:

- Interim Dividend of Rs. 3 per share was approved by board during the quarter and record date was noted on 24th February 2023.

Management Commentary:

Reflecting on the performance of Q4 and FY23, Mr. Rajesh Aggarwal (MD) and the management team stated:

“We witnessed a challenging period in Q4 FY23 as we experienced a YoY growth of 8.60% with revenue from operations scaling to Rs. 3,018.98 Mn for Q4FY23. Despite price corrections resulting from an oversupply of products from China, healthy demand for our product resulted in higher volumes. The company's EBITDA margins turned negative and stood at (-)9.37%, primarily due to liquidation of high cost inventory. Despite sluggish quarter, the Company's annual revenue grew by 19.77% in FY23, and EBITDA stood at Rs. 1,218.86 Mn. However, the EBITDA margin was affected by the performance in Q4FY23, resulting in a margin of 6.77% compared to 11.28% in FY22. PAT stood at Rs. 632.11 Mn with PAT margins at 3.51%. Increase in revenue was largely driven by following:

- Our focus on increasing the share of Maharatna Products has resulted into increase revenue for FY23. Healthy contribution of Maharatna Products highlights the strength of our marketing team and sales partners to sell our premium products. Among them, Hachiman and Japanese patented Shinwa are the biggest contributor to our product sales and we expect it to further grow in FY24.

- Our EBITDA Margins and PAT Margins were impacted due to the high-cost inventory purchased before price corrections and forex losses from foreign transactions. This effect will spill over into Q1 of FY24, but we are actively liquidating the high-cost inventory and implementing measures to stabilize our margins from Q2 onwards. Our focus on efficient inventory management, cost optimization, and risk mitigation will play a key role in restoring and enhancing our profitability.

We launched total 6 products in FY23 and we expect an increase in contribution from new generation products in FY24. Our R&D team continue to work on technical and formulation to expand our premium product offerings and increase our ability to manufacture the raw materials inhouse. We also plan to launch 4-5 number of products in FY24.

We are pleased to inform that plant at Chopanki commenced operations in this quarter. This will be a boost to EBITDA margins in upcoming years. We also expect our B2B business to strengthen in FY24 on account of new products and molecules that we plan to introduce through our new plant.

ILL has recently acquired a new site in Rajasthan and is further planning to invest in new sites. The location of the site is advantageous as it increases proximity to major demand centers. This will enhance the capacity of formulation facilities and also present an opportunity to establish new R&D centers. This newly acquired site is large, covering more than 15 acres of land.

At IIL, we continue to move forward on our mission to grow responsibly towards a sustainable future through continuous support of our employees and other stakeholders. I would like to conclude by thanking all our stakeholders for helping us move in the right direction.”

Management Guidance:

- The management expects the top line to grow by **10%-12%** in FY24, mainly driven by commencement of new facilities, addition of new generation products and adding significant number of product registrations in the export market. The new generation products will not only help in top line growth but also in margin accretion.
- EBITDA Margin is expected to stay within a corridor of **9%-10%**.

Disclaimer:

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. Insecticides (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 circumstance

Contact Details:

Sandeep Aggarwal (CFO)

INSECTICIDES INDIA LIMITED

Contact: +91 11 2767 9700

Email: sandeep@insecticidesindia.com

Krunal Shah/Naman Maheshwari

Captive IR Strategic Advisors Pvt. Ltd.

Contact: +919372467194

Email: krunal@cap-ir.com/naman@cap-ir.com