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www.insecticidesindia.com  
CIN : L65991DL1996PLC083909



Ref: IIL/SE/2023/1008/2

Dated: August 10, 2023

### The Manager

<b>Listing Compliance Department</b> BSE Limited (Through BSE Listing Centre)	<b>Listing Compliance Department</b> National Stock Exchange of India Limited (Through NEAPS)
<b>Scrip Code: 532851</b>	<b>Symbol: INSECTICID</b>

Dear Sir/Madam,

### Sub: Earning Update for Q1 FY2024

Please find enclosed the Q1 FY 2024 Earning Update for first Quarter ended June 30, 2023. 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*



CIN: L65991DL1996PLC083909

Registered Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi – 110033

### Q1 FY24 – Earnings Update

Revenue from Operations reported at **INR 6,399.53 Mn** in **Q1 FY24**

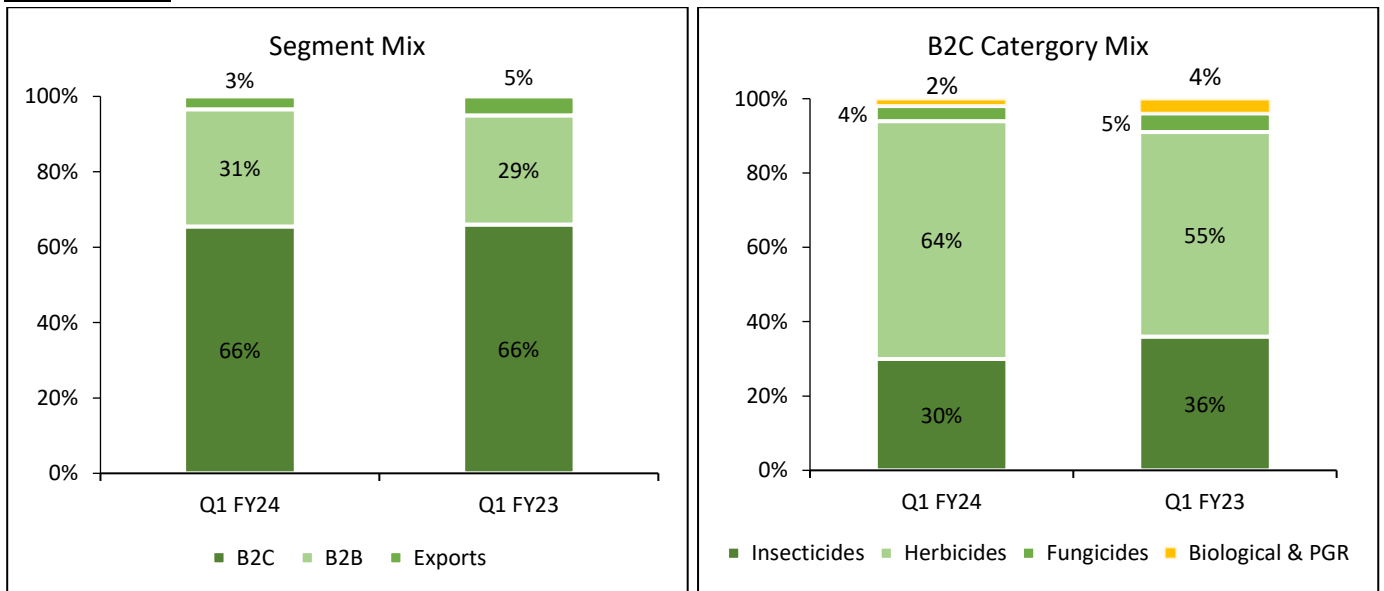
EBITDA stands at **INR 456.48 Mn** in **Q1 FY24**

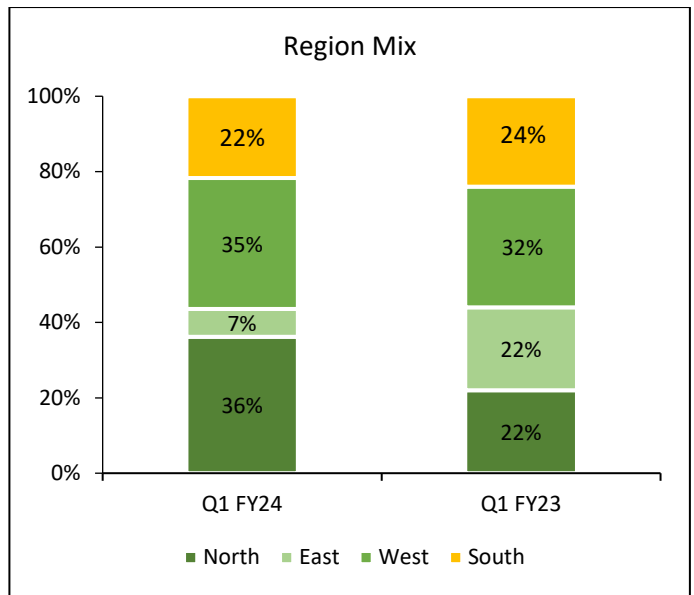
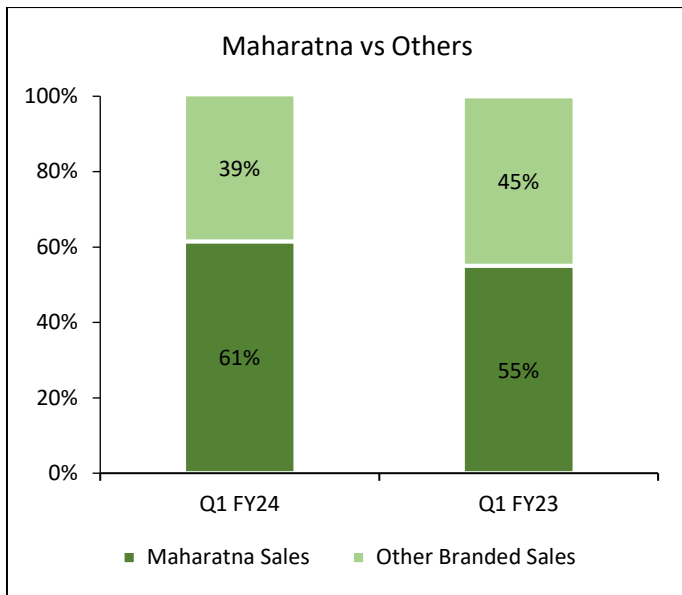
PAT at **INR 291.42 Mn** in **Q1 FY24**

**Delhi, 10<sup>th</sup> August 2023:** Insecticides (India) Limited (referred to as “IIL”, “The Company”) is one of India’s leading manufacturers of Agrochemicals. IIL provides farmers with a range of products for their crop protection requirements. The Company in its board meeting held on 10<sup>th</sup> August 2023 has inter-alia considered and approved the Unaudited Financial Results of the Company for the first quarter ended on 30th June 2023 as one of its agenda.

### Performance Highlights

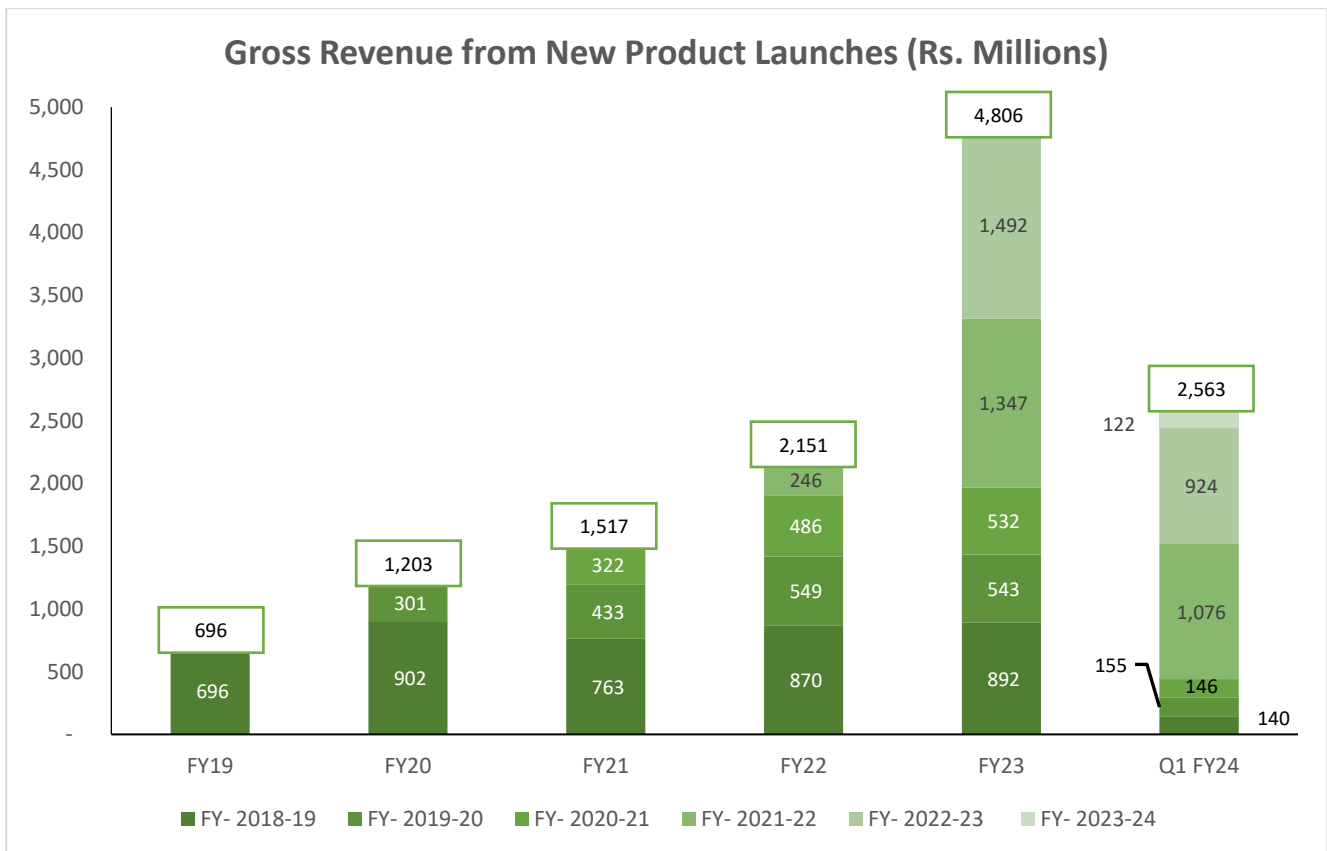
#### Revenue Mix:





**Product Freshness Index:**

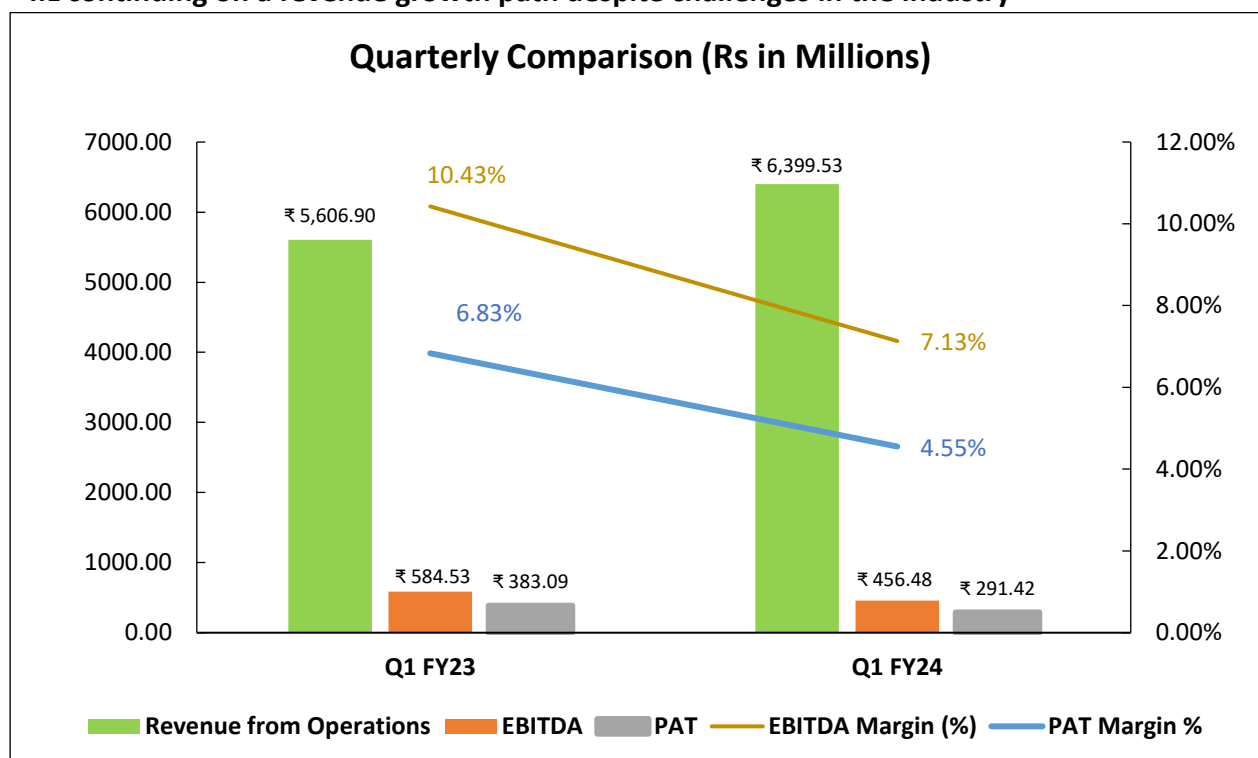
ILL through its extensive R&D capabilities is committed to developing and launching new products to meet the changing needs of the agricultural market. The below graph depicts Revenues from new products launched since FY 19 till date.



\*There is decline in total revenue generated from new products from FY 19-20 onwards, due to ban of product “NUVAN” by the government, whose sales revenue has been included in preceding years.

## Financial Snapshot:

ILL continuing on a revenue growth path despite challenges in the industry



## Consolidated Financial Statement Highlights for Q1 FY24 v/s Q1 FY23

### Consolidated Income Statement

Particulars (Rs. Mn)	Q1 FY24	Q1 FY23	YoY%
Revenue from Operations	6,399.53	5,606.90	14.14%
Other Income	38.87	1.94	
<b>Total Revenue</b>	<b>6,438.41</b>	<b>5,608.84</b>	
Total Expenses excluding Depreciation, Amortization & Finance Cost	5,943.05	5,022.37	
<b>EBITDA*</b>	<b>456.48</b>	<b>584.53</b>	
<b>EBITDA Margin (%)</b>	<b>7.13%</b>	<b>10.43%</b>	<b>(329 bps)</b>
Finance Cost	31.66	14.08	
Depreciation & Amortization	68.81	66.24	
<b>PBT before share of joint venture profit</b>	<b>394.89</b>	<b>506.15</b>	
Share of net profit of joint venture accounted for using the equity method	1.11	3.12	
<b>PBT</b>	<b>396.00</b>	<b>509.28</b>	
Tax	104.58	126.19	
<b>PAT</b>	<b>291.42</b>	<b>383.09</b>	
<b>PAT Margin %</b>	<b>4.55%</b>	<b>6.83%</b>	<b>(228 bps)</b>
Other comprehensive profit / loss	14.99	12.50	
<b>Net PAT</b>	<b>306.41</b>	<b>395.59</b>	
<b>Diluted EPS</b>	<b>9.85</b>	<b>12.94</b>	

\*EBITDA is calculated excluding other income.

### **Consolidated Financial Performance Comparison – Q1 FY24 v/s Q1 FY23**

- Revenue from operations increased by **14.14%** to ₹ **6,399.53 Mn** in **Q1 FY24** from ₹ **5,606.90 Mn** in **Q1 FY23** on account of **favourable monsoon conditions** and increasing share of **Focused Maharatna** products like **Hachiman, Shinwa** and **Torry** as a result of our step ahead go-to-market strategies.
- EBITDA margins stood at **7.13%** in **Q1 FY24**, a decrease of **329 BPS** on account of liquidation of high-cost inventory from previous year. The high-cost inventory is significantly liquidated from the balance sheet.
- PAT stood at ₹ **291.42 Mn** in **Q1 FY24**, compared to ₹ **383.09 Mn** in **Q1 FY23**, margins reduced from **6.83%** in **Q1 FY23** to **4.55%** in **Q1 FY24**.

### **Notable Developments in Q1 FY24:**

- IIL launched liquid version of insecticide “Mission” that will be used in cotton, ground nut, soya bean, sugarcane, paddy and various vegetables.
- The Patent Office, Government of India has granted patent to Insecticides (India) Limited and OAT Agrico Co. Ltd entitled “Substituted Pyrazole Derivatives and Insecticides and Fungicides” for the term of 20 years starting from 28<sup>th</sup> June 2019.
- Capex on a new site acquired in Rajasthan will commence in early FY25. The Capex will be divided into multiple phases with first phase being formulation plant and later phases will cover Biologicals and Technicals.
- Expansion at Dahej facility is delayed and expected to be operational by November 2023.

### **Management Comments:**

**Commenting on the performance the management team of Insecticides (India) Limited stated:**

*“We had a strong quarter to start the year in terms of revenue growth as we witnessed a robust demand for our products owing to favourable monsoon. Although there was an initial delay in rains in certain regions of the country, our widespread presence across India mitigated the impact of this factor and helped us achieve a growth of **14.14% YoY** in Revenue from Operations. However, spillover impact of high-cost inventory from previous year and pricing pressure impacted EBITDA & PAT Margins which stood at **7.13%** and **4.55%** respectively for Q1 FY24.*

*We took proactive measures to address the challenges by optimizing our inventory management, ensuring that we maintain a healthy stock level while minimizing the accumulation of high-cost inventory. Furthermore, we are closely monitoring weather patterns and market dynamics to anticipate any potential disruptions to our business operations. By staying agile and responsive, we aim to minimize the impact of external factors on our performance and maintain a sustainable growth trajectory.*

*Looking ahead, we anticipate a sustainable growth trajectory in the market driven by favourable monsoon conditions, an array of Maharatna product launches and stabilisation of prices.*

*We recently launched promising products in the form of Mission granule and Mission liquid, both of which have received very positive response from the market and contributed in our topline. Products launched in last few years like Torry, Hachiman, Shinwa, Green Label, Izuki, Dominant and Kunoichi have started yielding positive results, gaining massive tractions as a result of our concentrated marketing efforts on the entire Focused Maharatna range. We are at a turnaround point where micro-go-to-market strategies have played a vital role to spread brand awareness at ground level to educate the farmers. Additionally, we are expecting to launch three herbicide Maharatna combination products under 9(3) and one insecticide Maharatna product under 9(4) in Q2 and Q3 usage will be across multiple crops.*

*Export markets were impacted in FY23 and Q1FY24 by the EL Nino impact in major export markets like North America, Europe, LatAm, and Africa which led to lower demand for agro inputs and consequently to lower prices. In addition to above, currency fluctuations and precarious levels of forex reserves with several importing countries led to delay in recovery of dues for the entire industry which prompted us to deploy a calibrated approach for exports. However, we have now started witnessing positive signs from the export market such as receiving multiple orders from the dealers, stabilization and upward movement in prices of raw material.*

*Further, to stay relevant and expand our international footprints, we are actively seeking more than 300 registrations in Europe, Latin America and USA markets. We expect to further increase our registrations in upcoming years.*

*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:**

- Management expects increase in topline by **10%-12%** in FY24 driven by addition of new generation products and adding significant number of product registrations in the export market.
  - EBITDA Margin is expected to stay within a corridor of **9%-10%**.
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**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.*

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