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CIN : L65991DL1996PLC083909



insecticides
(INDIA) LIMITED

Ref : IIL/SE/2022/2705/1

Dated : May 27, 2022

The Manager

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

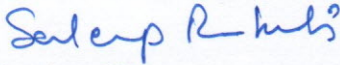
Sub: Earning Presentation and Press Release for Q4 & FY2022 Results

Please find enclosed the Q4 & FY2022 Earning Presentation on the Fourth Quarter and Year ended 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



CIN: L65991DLI996PLC083909

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

Q4 & FY22 – Earnings Update

Revenue from Operations reported at **Rs. 2,779.80 Mn in Q4** and **Rs. 15,039.58 Mn for FY22**

EBITDA stands at **Rs. 338.45 Mn in Q4** and **Rs. 1,696.77 Mn for FY22**

PAT at **Rs. 223.92 Mn in Q4** and **Rs. 1,070.21 Mn for FY22**

Delhi, 26th May, 2022: Insecticides (India) Ltd. (referred to as “IIL”, “The Company”), one of the premier Agrochemical manufacturing companies in India, has announced its 4th Quarter and annual results.

Financial Statement Highlights for Q4 FY22 v/s Q4 FY21

Particulars (INR MN)	Q4 FY22	Q4 FY 21	YoY %
Revenue from Operations	2,779.80	2,556.05	8.75%
Other Income	20.87	21.31	
Total Revenue	2,800.67	2,577.36	8.66%
Total Expenses excluding Depreciation, Amortization & Finance Cost	2,441.35	2,269.11	
EBITDA*	338.45	286.94	17.95%
EBITDA Margin (%)	12.18%	11.23%	
Depreciation & Amortization	67.77	61.90	
Finance Cost	10.60	11.39	
PBT before Exceptional Item	280.95	234.95	
Exceptional Items	-	(2.98)	
PBT	280.95	237.93	18.08%
Current Tax	53.32	58.26	
Deferred Tax	3.71	(39.87)	
Total Tax Expenses	57.03	18.39	
PAT	223.92	219.54	2.00%
Other comprehensive profit / loss	12.01	(11.43)	
Net PAT	235.93	208.11	40.16%
PAT Margin %	8.06%	8.59%	
Diluted EPS	11.35	10.63	6.74%

- EBITDA has been calculated on Operating income only. Other income has been excluded.

Financial Performance Comparison – Q4 FY22 v/s Q4 FY21

- Revenue from Operations has **grown by 8.75%** from Rs. 2,556.05 Mn in Q4 FY21 to Rs. **2,779.80 Mn in Q4 FY22** mainly due to *increase in sales of branded formulation segment & export sales*
- The EBITDA **increased by 17.95%** from Rs. 286.93 Mn in Q4 FY21 to Rs. 338.45 Mn in Q4 FY22 *mainly due to improved product mix and increase in export.*
- **EBITDA margins increased to 12.18%** in Q4 FY22 from 11.23% in Q4 FY21.
- Net profit increased by **2%** from Rs. 219.54 Mn in Q4 FY21 to Rs. 223.92 in Q4 FY22
- **PAT margins have marginally degrown to 8.06%** in Q4 FY22 from 8.59% in Q4 FY21. PAT margin for Q4 FY21 is higher on account of deferred tax asset created on account of Exceptional item in that quarter.

Financial Statement Highlights for FY22 v/s FY21

Particulars (INR MN)	FY22	FY21	YoY %
Revenue from Operations	15,039.58	14,202.26	5.90%
Other Income	42.72	77.28	
Total Revenue	15,082.30	14,279.54	5.62%
Total Expenses excluding Depreciation, Amortization & Finance Cost	13,342.81	12,678.95	
EBITDA	1,696.77	1,523.31	11.39%
EBITDA Margin (%)	11.28%	10.73%	
Depreciation & Amortization	263.49	246.71	
Finance Cost	66.34	66.51	
PBT before Exceptional Item	1,409.65	1,287.36	
Exceptional Items	-	97.01	
PBT	1,409.65	1,190.36	18.42%
Current Tax	348.01	305.11	
Earlier Years	-	-	
Deferred Tax	(8.57)	(49.09)	
Total Tax Expenses	339.44	256.02	
PAT	1,070.21	934.33	14.54%
Other comprehensive profit / (loss)	9.87	(11.35)	
Net PAT	1,080.08	922.99	17.02%
PAT Margin %	7.12%	6.58%	
Diluted EPS	53.97	45.21	19.37%

Financial Performance Comparison – FY22 v/s FY21

- Revenue from Operation recorded a growth by 5.90% from Rs. 14,202.26 Mn in FY21 to Rs. 15,039.58 Mn in FY22 mainly driven by *the institutional sales segment and more than 2X growth in export turnover.*
- The EBITDA increased by 11.39% from Rs. 1,532.31 Mn in FY21 to Rs. 1,696.77 Mn in FY22 and a gain in the EBITDA margins from 10.73% in FY21 to 11.28% in FY22.
- Net profit stood at Rs. 1,070.21 Mn in FY22, compared to Rs. 934.34 Mn in FY21 recorded a growth of 14.54%

CASH FLOW & BALANCE SHEET ANALYSIS

Particulars (Rs. Lakhs)	FY22	FY21
Net Cash Generation from operation	1,348.49	1,553.56
Net Cash Generated/ (Used in) investing activity	93.09	(1,125.97)
Net Cash Generated/ (Used) from Financing activity	(1,146.39)	(1,040.27)
Net Increase in Cash and Cash Equivalents	295.19	(612.68)

Particulars (INR MN)	FY22	FY21	Particulars (INR MN)	FY22	FY21
Assets			Liabilities		
Non-Current Assets	3,910.58	3,378.85	Shareholders Fund	8,672.12	8,183.98
Property, Plant and Equipment	3,325.86	2,862.53	Equity Share Capital	197.32	206.68
Intangible Assets	113.68	111.94	Other Equity	8,474.80	7,977.30
Investments	131.53	115.70	Non-Current Liabilities	187.96	210.55
Other Financial assets	26.16	28.05	Borrowings	18.50	23.96
Other Non-Current Assets	313.35	260.64	Deferred Tax Liabilities	127.92	133.57
			Other Non-Current Liabilities	41.54	53.01
Current Assets	10,027.41	10,860.84	Current Liabilities	5,077.90	5,845.17
Inventories	6,302.24	6,608.73	Borrowings	475.43	916.09
Trade Receivables	2,889.12	2,545.87	Trade Payables	3,237.89	3,620.35
Cash, Bank and Cash Equivalents	361.39	832.93	Other Financial Liabilities	309.54	279.10

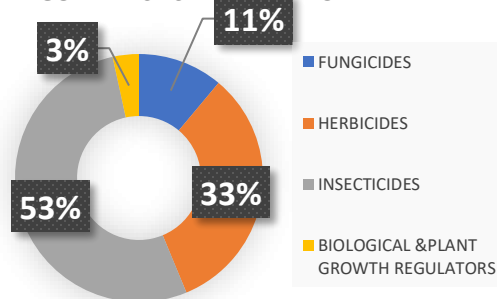
Other Current Assets	474.66	873.32	Other Current Liabilities	1,055.05	1,029.64
TOTAL ASSETS	13,937.98	14,239.69	TOTAL LIABILITIES	13,937.98	14,239.69

Financial Performance Comparison – FY22 v/s FY21

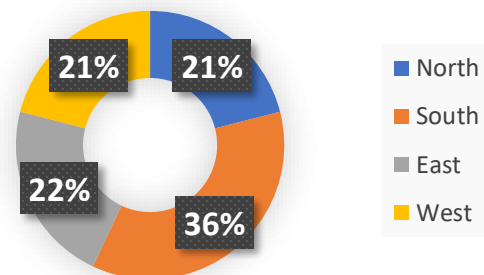
- Total Property, plant and equipment grew by **16.19%** from **Rs. 2,862.53 MN** in **FY21** to **Rs. 3,325.86 MN** in **FY22**
- Current Asset stood at **Rs. 10,027.41 MN** in **FY22**, compared to **Rs. 10,860.84 MN** in **FY21**.
- Long term borrowings stood at **Rs. 18.50 MN** in **FY22**, compared to **Rs. 23.96 MN** in **FY21** and Short-term borrowings at **Rs. 475.43 MN** in **FY22**, compared to **Rs. 916.09 MN** in **FY21**. The company projects to be debt free by end of QX FY23
- Inventory Holding Period has decreased to **208 days** in **FY22** compared to **226 days** in **FY21** due to better inventory management policies.
- Debt Equity ratio improved to **0.06x** in **FY22** compared to **0.11x** in **FY21** due to **repayment of long term debt by the company**.
- Cash flow from operations stands at **Rs. 1,348.49 MN** for **Q4 FY22** and **1,553.56 MN** for **FY21**.

Revenue Mix for FY 22

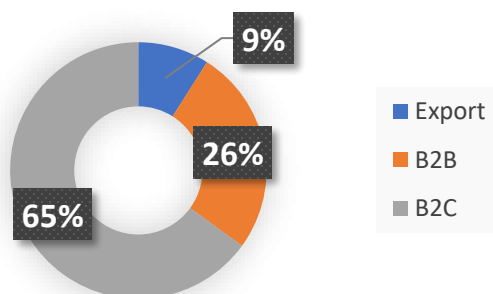
CATEGORY-WISE SALES BREAKUP



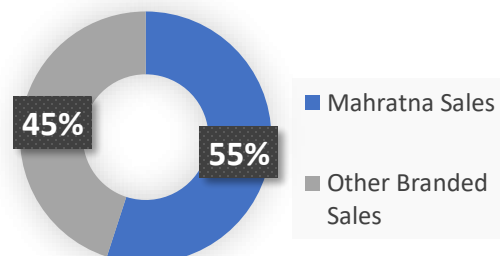
REGION-WISE BRANDED SALES



NET SALES BY SEGMENT



MAHARATNA PRODUCTS VS OTHER BRANDED PRODUCTS

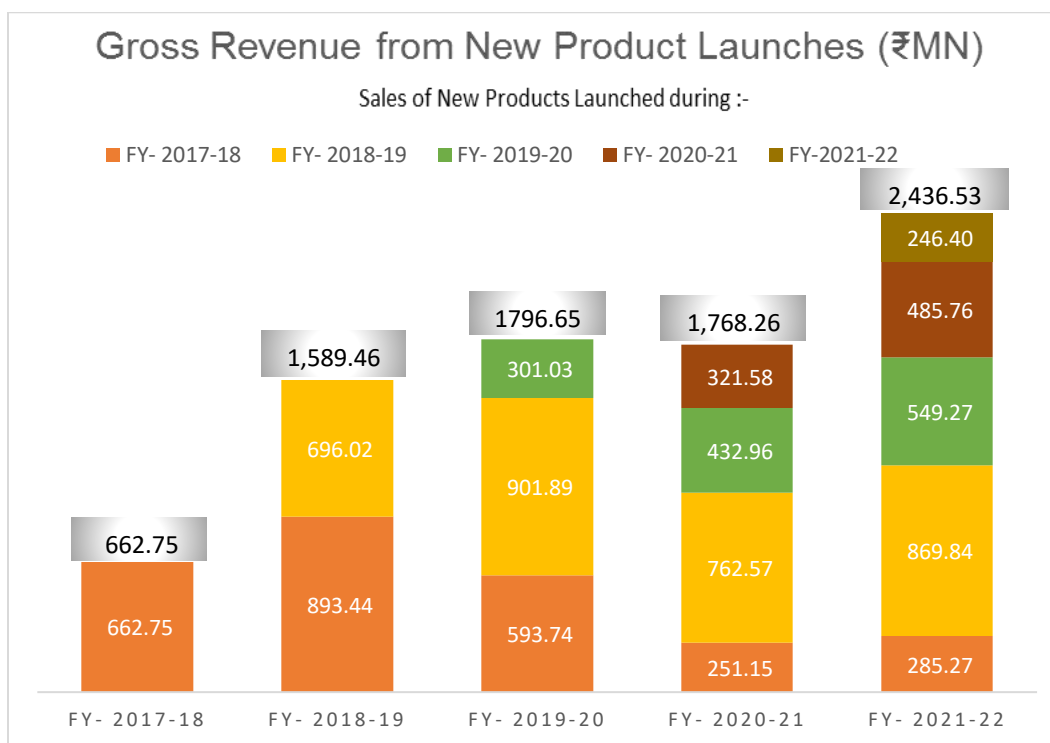


Key Performance Indicators



Product Freshness Index

IIL is committed to launching new products to keep in touch with the changing needs of the Indian Agricultural market. The below graph depicts Revenues from new products launched till date since FY18.



*Please note that while the Revenue from new products has been tracked since FY13, for brevity purposes we have depicted graphs starting from FY18. The total Revenue from New products launched from FY13 to FY17 is INR 11,440 MN

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

Recent Notable Developments for Q4 FY22 and FY 22

Commercial Update:

a. Update on Capex-

- IIL entered into a major planned expansion programme spanning over 2 fiscal years that commenced in FY 21 with a budget of Rs 1,100 Mn. A total of Rs 420 Mn was deployed in

FY21, with the balance 680 Mn deployed in the current fiscal year.

- The expansions are aimed to increase capabilities at both technical and formulation units in Chopanki (Rajasthan), Dahej and Dahej- SEZ (Gujarat). Major capacity expansion took place at the Technical Synthesis plant located at Dahej (Gujarat) that is expected to commence operations in the first half of FY 23. The company plans to manufacture new intermediates with this capacity expansion that will be used for captive consumption going forward.
- An incremental Rs 30 Mn was spent over and above the planned capex of Rs 680 Mn in FY 22.

b. New product Development/Launches

- **The Company has launched novel patented insecticide “Shinwa” of Nissan Chemical Corporation, Japan during Q4 FY22**

Shinwa is a Novel insecticide that effectively controls the lepidopteran pests and Thrips, in variety of crops. Shinwa provides a better control by quick knockdown effect and the duration of control is also better than other available insecticides. Shinwa is a promising product for IIL as this will open avenues to a larger market in variety of crops like brinjal, okra, chilli, tomato, cabbage and red gram etc. The revenue contributed by Shinwa was Rs. 77.75 Lakhs in Q4 FY22.

- **Performance of “Hachiman” & “Oxim” launched in FY 22**

The company launched 2 new herbicides “Hachiman” & “Oxim” in technical collaboration with Nissan Chemical Corporation, Japan during Q2 FY 22. The company is pleased to state that the products have been very well received by the market and are exhibiting greater prospects for growth. The revenue contributed by Hachiman & Oxim is Rs. 215.54 MN and Rs. 23.08 MN in FY 22 respectively.

Management Comments:

Commenting on the performance, Mr. Rajesh Aggarwal, Managing Director, said: “The Company has reported a strong financial & operational performance, spearheaded by its export sales repertoire and backward integration initiatives.

The Company has recorded revenue from operations of Rs. 2,779.80 Mn in Q4 FY22, and Rs. 15,039.58 Mn on an annual basis, delivering a growth of 8.75% on a quarterly basis & 5.90 % on an annual basis. Revenue growth was driven by following:

- **Our export sales segment has grown by more than 2x (YoY) and by 44.24% on quarterly basis**
- **Growth in formulation business is driven by B2B - Institutional Channel**

- On a quarterly basis, The 'Maharatna' category of branded products grew by 20.57% from Rs 673.15 Mn in Q4 FY21 to Rs 811.61 Mn in Q4 FY22 however institutional sales degrew by 14.08% on a quarterly basis.

We are extremely pleased to announce that we have surpassed our export target for FY22 by leaps and bounds and closed the fiscal year with an export revenue tally of Rs. 1307.57 Mn. The Company delivered EBITDA of Rs. 338.45 Mn in Q4 FY22 with margins of 12.18%, and Rs 1696.77 Mn. for FY 22 with margins of 11.28% annually.

We expect a very positive performance from our export segment in the coming fiscal year wherein we expect our export turnover of ~Rs. 1,307 Mn in the current Fiscal year to grow to 1.5X in FY 23. The company plans to capitalize on the strong demand for its products in export market mainly by establishing its footprints into new geographies like Europe & NAFTA markets and strengthening its hold over existing markets in Asia, Africa and Middle East. We are also in process of generating data and initiating registration processes for our products in some of the highly regulated markets like Brazil, USA & Europe. We are extremely optimistic about the introduction & growth potential of our products in the existing markets as well as new geographies and plan to use our incremental capacities for catering to the rapidly growing export demand.

The Company's sustained efforts in backward integration to reduce dependencies on sourcing of technicals from China has started to yield benefits. The Company plans to add new intermediates in its newly developed technical synthesis plant at Dahej, Gujarat. These intermediates will be used to manufacture technicals which will act as a substitute for several imported inputs. The manufacture of in-house technicals will lead to a reduction in dependency on imported inputs & subsequent margin expansion.

Backed by the company's strong R&D capabilities, we are in the continuous process of developing new generation molecules to replace old generics with new, safe & more effective molecules. We are also working on developing certain combination/mixture products for the farmers. As we continually innovate, we are in the process of improving our existing biological products and adding new biological products, keeping in mind the rising demand for organic farming. We expect to make considerable progress in these segments in FY 23.

In the course of the next fiscal year, the Management of IIL remains committed to achieve a sustainable growth in the company's revenue and margins, consolidate all backward integration efforts to yield efficiencies in production and take other strategic measures so as to increase the long-term value for all its stakeholders."

Management Guidance:

- The management expects the top line to grow by a double digit in FY23, mainly driven by expansion of facilities, addition of new generation products and adding significant

number of product registrations in the current fiscal. The new generation products will not only help in top line growth but also help in margin accretion.

- The management expects the EBITDA margins to improve by 100 bps in FY 23 from 11.28% in FY22 attributable to better product mix, cost optimization measures and backward integration for certain raw materials.
- The management has a target of achieving more than Rs. 2,000 Mn of revenue through exports. This will be achieved by penetrating in new geographies, obtaining a higher number of product registrations in existing countries & adding new relationships with overseas players through contract manufacturing.
- The management expects to launch 5 to 6 new generation products in FY23.

About Insecticides (India) Limited

Insecticides (India) Ltd. (IIL) is one of India's leading manufacturers of Agrochemicals. It provides farmers with a range of products for their crop protection requirements. It also owns the prestigious "Tractor Brand" which has gained great popularity in the farming community. It has state-of-art manufacturing facilities located at Chopanki (Rajasthan), Samba & Udampur (Jammu & Kashmir) and Dahej (Gujarat). It also has technical synthesis plants at Chopanki and Dahej which provides the company with competitive advantage by backward integration. The company also prides of having great R&D capabilities and technical expertise to provide farmers with effective and innovative products. IIL foundation, an initiative by IIL, is involved in imparting knowledge to farmers regarding modern agricultural practices to improve their crop output.

For further information on the Company, please visit www.insecticidesindia.com

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