



# NACL Industries Limited

Ref: NACL/SE/2023-24

January 29, 2024

**1) BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai – 400001.

**Security code:524709**

**2) National Stock Exchange of India Ltd**

Exchange Plaza, 5<sup>th</sup> Floor Plot No. C/1 G  
Block, Bandra –Kurla Complex, Bandra  
(E) Mumbai-400051.

**Symbol: NACLIND**

Dear Sir,

**Sub: Press Release**

**Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Please find enclosed a copy of the communication released to the press.

You are requested to take the same on records.

Thanking you

for **NACL Industries Limited**

**Satish Kumar Subudhi**

Vice President-Legal & Company Secretary

Encl: As above





# NACL Industries Limited

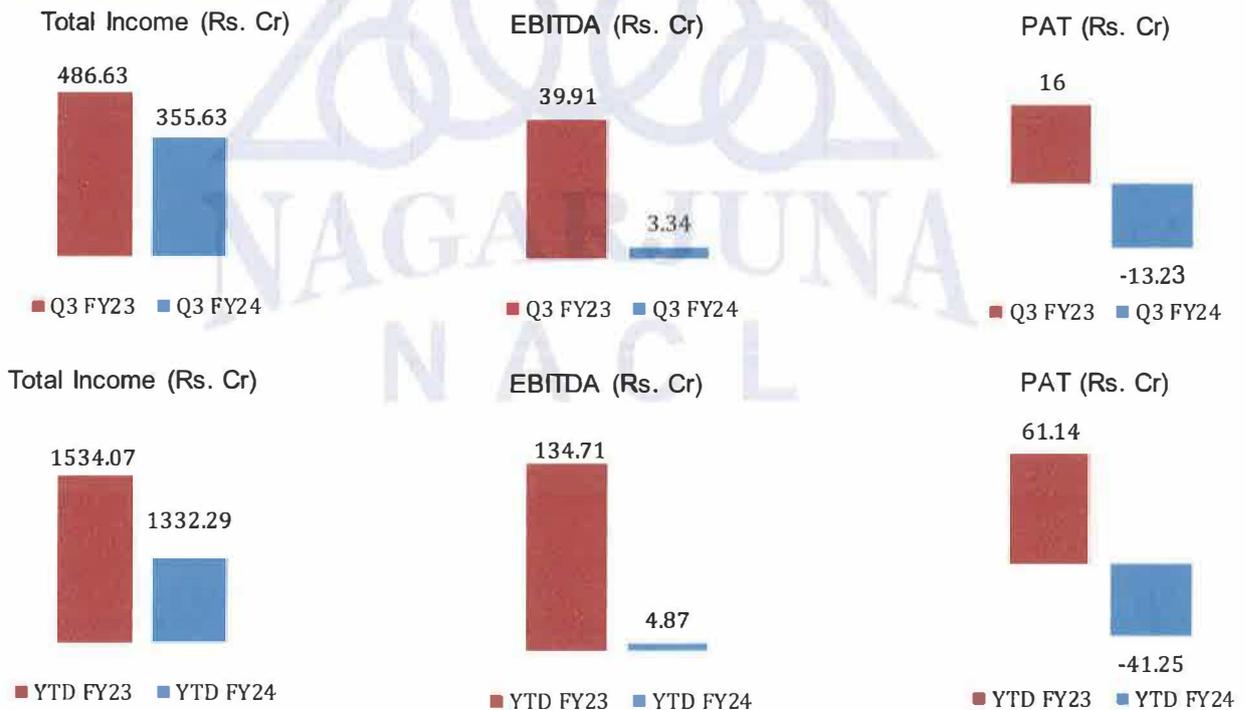
## NACL Industries Limited announces Financial Results for Q3 & 9M FY 2023-24.

Hyderabad, January 29, 2024: NACL Industries Ltd. announced its financial results for the third quarter and nine months ended December 31, 2023.

### Key Standalone Financial Highlights

- Total income for the Quarter ended December 31, 2023 stood at Rs. 355.63 Cr.
- EBITDA and PAT for the quarter stood at Rs. 3.34 Cr and Rs. (13.23) Cr respectively compared to Rs. 39.91 Cr and Rs. 16.00 Cr in the corresponding period of the previous year
- Total income for the nine months ended Dec 31, 2023 stood at Rs. 1,332.29 Cr.
- EBITDA and PAT for the nine months ended December 31, 2023 stood at Rs. 4.87 Cr and Rs. (41.25) Cr respectively compared to Rs. 134.71 Cr and Rs. 61.14 Cr in the corresponding period of the previous year

### Performance at Glance



### **Key Updates for Q3 & 9M FY24**

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- The quarter and nine-month period witnessed a confluence of challenging factors that hampered performance. Weaker global demand, steep in input prices, supply chain disruptions, continuation of drop in price realisation and other ancillary factors dampened the sales and squeezed margins. Erratic monsoon conditions added another layer of complexity, impacting the overall operations and performance. The Company is actively addressing these challenges by taking cost-reduction measures, optimizing operations and adapting changed market dynamics.
- Exports contributed to 22% of the total revenues during the third quarter of FY 2024. The exports business continued to be challenged due to steep price drop, weaker demand on account of continuing inventory overhang at industry level and El Nino conditions.
- The Domestic retail business performed well and achieved a growth of 18% in Q3 ended 2023 and 15% over the 9 months ended December 31, 2023, despite the demand for agrochemicals was muted due to high Kharif inventory in market, lower acreage of Pulses and delay in Paddy transplanting.
- During Q3 FY24 the supplies of major raw material for Key products in Domestic Market were largely stable. The price trend from China have been falling since Q2 but seem to have stabilized by Q3 end. Rising freight costs and delays due to shipping disruptions in the Red Sea could impact this fragile stability. Despite higher raw material costs, manufacturers face pressure to keep prices down due to excess capacity and weak demand. Existing inventories of finished goods (especially technical products) held by MNCs might further suppress prices for the next 1-2 quarters.
- The R&D team is continuously working on the process development and synthesis of New off-patent generic products and recipe development for various new patentable combinations.
- Dr. M.Lakshmi Kantam, has been appointed as an Additional Director of the Company under the Independent category on the Board of the Company with effect from January 23,2024, subject to approval of shareholders.

### **Comments from Mr. Pavan Kumar, MD & CEO**

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Our revenues for Q3 FY24 were at Rs. 355.63 Cr vis-a-vis Rs. 486.63 Cr in Q3 FY23 but 9M FY24 were at Rs. 1,332.29 Cr vis-a-vis Rs.1,534.07 Cr in 9M FY23 due to adverse market conditions, particularly in Q1.

The Crop Protection industry has been facing significant headwinds in both the domestic as well as export markets, *needing higher inventory provisioning amidst supply chain uncertainties and incessant price drops all coming together to create an unprecedented storm of market challenges.*

In midst of these challenges, NACL is actively implementing measures to strengthen its position and navigate these market conditions carefully and concertedly.

NACL is investing in R&D, optimizing supply chain efficiently and working on cost management, which has to *improve outcomes.* Notwithstanding the current setbacks, NACL remains optimistic of improved profitability in Q4 FY 24 & Q1 FY 25.

**About NACL**

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NACL has been an established, integrated player in the Agrochemical industry, having commenced business in 1993. The Company is reckoned as a reliable manufacturer of quality active Ingredients, intermediates and branded formulations and built sizable businesses in Domestic Retail, Institutional and Export segments. Many of the Company's customers are large MNCs with longstanding relationships. Retail formulations business has a nation-wide distribution footprint with over 50 brands covering all major crops and product-categories such as Insecticides, Herbicides, Fungicides and Plant Growth Regulators.

For more information: visit <https://naclind.com/>

**Investor Relations Contact:**

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**Cautionary Statement:**

*Except for historical information, all of the statements, expectations and assumptions, contained in this presentation may be forward-looking statements that involve a number of risks and uncertainties. Although NACL attempts to be accurate in making these forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based. Other important factors which could cause these statements to differ materially include economic conditions, Government policies, dependence on partnerships, retention of key personnel, technological advances that may make our service offerings less competitive; NACL does not undertake to update any forward-looking statements that may be made from time to time.*