

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



insecticides
(INDIA) LIMITED

Ref: IIL/SE/2021/1108/2

Dated: August 11, 2021

The Manager

Listing Compliance Department BSE Limited (Through BSE Listing Centre) Scip Code: 532851	Listing Compliance Department National Stock Exchange of India Limited (Through NEAPS) Symbol: INSECTICID
---	--

Sub: Earning Presentation Q1FY2022

Dear Sir/Madam,

Please find the enclosed Earning Presentation of the First Quarter ended June 30, 2021.

This is for your information and record.

Thanking You,
Yours Truly
For Insecticides (India) Limited

Sandeep Kumar

INSECTICIDES (INDIA) LTD.
COMPANY SECRETARY
DELHI

Sandeep Kumar
Company Secretary & CCO

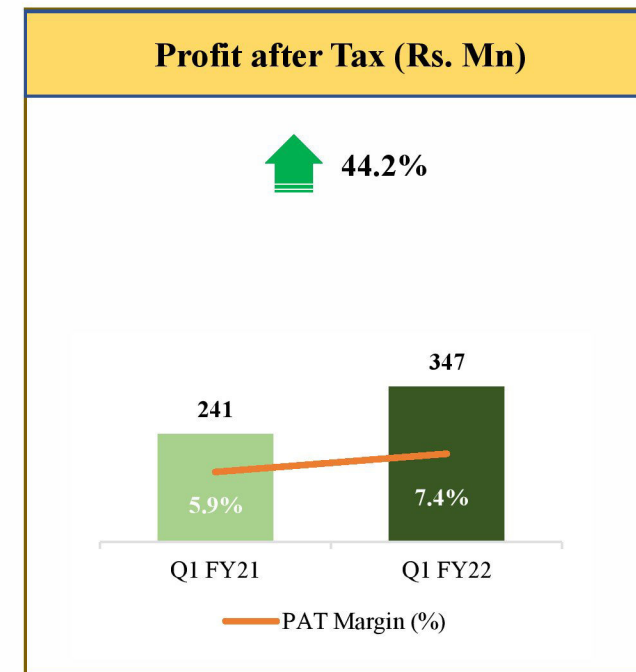
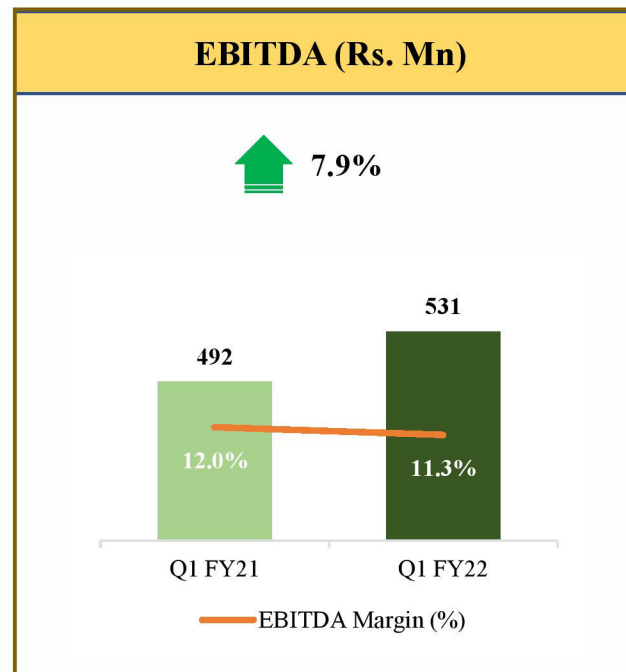
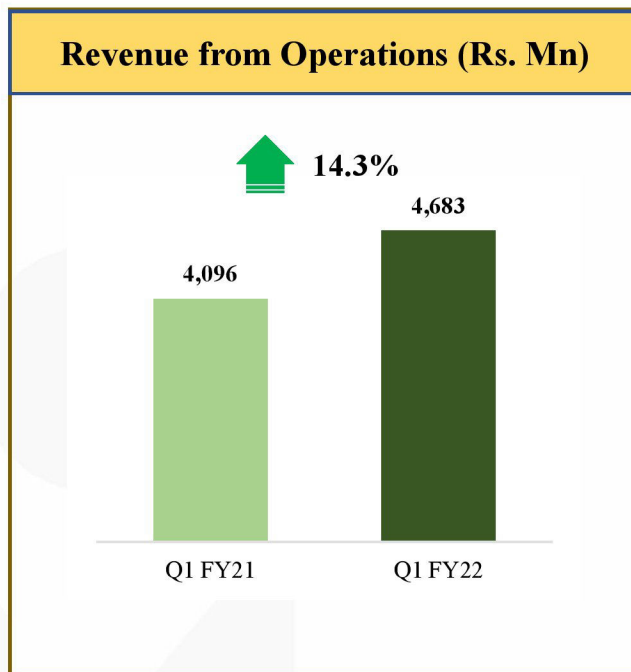
Encl : As Above



(BSE: 532851 NSE: INSECTICID)

Q1 FY2022 Earnings Presentation

Q1 FY2022 Highlights



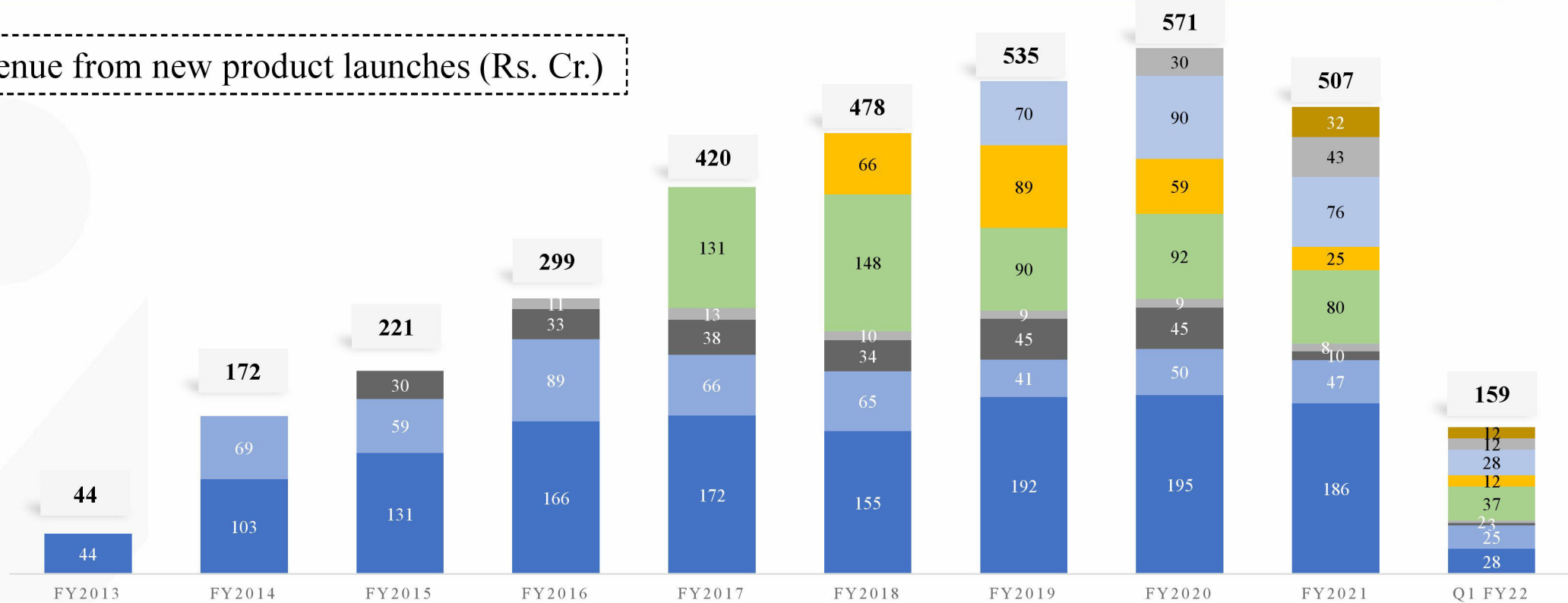
Quarter Highlights:

- Strong growth in Sales in Q1 FY2022 on both sequential and on year-on-year basis
 - Revenue from Operations increased by 14.3% on y-o-y basis driven by increase in Institutional Sales (+28.7% y-o-y) and Exports (+179.4% y-o-y)
 - Branded sales increased by 2.1% y-o-y, led by Maharatna products which grew by 6.4% y-o-y, contributing 41.5% to total Branded Sales. Lethal group of products are receiving positive response in the market as a substitute of Nuvan and Thimet
- Operating margins marginally impacted due to higher contribution of Institutional Sales, however Net Profit margins improved significantly towards pre-Covid level

Products Freshness Index

Proven track record of successful new product launches exhibits IIL's strong R&D capabilities and continues to provide competitive edge

Gross Revenue from new product launches (Rs. Cr.)



New Products launched during the year	5	5	3	2	5	5	8	8	7	-
% of Revenue from Operations	7.1%	19.9%	22.9%	30.3%	37.9%	43.1%	44.8%	41.9%	35.7%	34.0%

Management Commentary

Commenting on the results, Mr. Rajesh Aggarwal, Managing Director, said:



“The first quarter of fiscal year started on a mixed note, while the economy at large was adversely impacted by second wave of Covid-19 disrupting businesses and livelihoods, agriculture sector was able to sail through the challenges with stable demand in domestic market. However, state-wise restrictions continue to impact the operations of dealers and distributors with scattered and delayed monsoon further impacting the agriculture sector.

In Q1 FY2022, IIL delivered a strong growth in sales on both sequential and on year-on-year basis. The company reported Revenue from Operations of Rs. 468 crores, a growth of 14.3% on Y-o-Y basis. Revenue growth was supported by all segments. Institutional Sales increased by 28.7% y-o-y, contributing 26.6% and Exports grew by 179.4% y-o-y contributing 8.2% to total sales. During the same period, Branded Sales increased by 2.1% y-o-y, led by Maharatna products which grew 6.4% y-o-y, and contributed 41.5% to total Branded Sales. Lethal group of products continue to post good growth and are successfully substituting sales of Nuvan.

EBITDA for the quarter stood at Rs. 53 crores, with margins of 11.3% and Net profit for the quarter was Rs. 35 crores, with margins of 7.4%. Operating margins were marginally impacted on y-o-y basis due to increased share of institutional sales, however Net profit margins improved significantly reaching pre-Covid level.

During the quarter, we have received three 9(3) category registrations which will further strengthen and improve our product portfolio. Our total products approved under 9(3) category now stands at 20. I am also pleased to announce that all products launched in the last fiscal year are witnessing positive response from the market, registering sales of Rs. 11.8 Crores during the quarter and are expected to contribute stronger growth in the coming quarters.

Looking ahead, we remain cautiously optimistic about agri-sector, as future outlook will be shaped by how fast the economy recovers from second wave of Covid-19 and the extent of impact of a delayed monsoon on sowing season. However, I would like to assure you that company will be able to deliver strong growth as the temporary setbacks are behind us and new product registration and improving product mix will support company’s next phase of growth.”

Growth Strategy

R& D will results in New product launches in Maharatna Category

- Focus on in-house R&D and international partners to launch new products
- Launched 7 new products in FY21
- Expected 5-6 new products in a full year

Exports

- Working on registration in new countries with 100+ export agreements
- Expanding in new geographies: Exporting to 20+ countries
Expand to 50+ countries and 100+ customers by the end of FY2023

Phase out Generic Products

- Phasing out the Generic Products (high volume-low margin)
- Introduction of new products in the Maharatna category and moving up the value chain

Backward and Forward Integration

- Moving on the strategic path of backward and forward integration
- Capitalize on the Make in India initiative
- Will result in better margins across technicals and formulations

Focussed Approach on Biologicals

- Developed and commercialized VAM (Vascular Arbuscular Mycorrhizae)
- Developed and commercialized soil energizer, Kayakalp
- Developed 3 new biological products

Optimum Capital Structure and Operational Efficiency

- Focus on sustainable generation of cash flows
- Capex of Rs. 1.1 bn in next 2 years in a phased manner for setting up SEZ, synthesis facilities and backward integration plant in the states of Gujarat and Rajasthan
- Out of the above capex half of the amount has already been spent during FY2021

Business Overview



Insecticides India - A Leading Agro Chemicals Manufacturing Company

Engaged in the manufacturing and marketing of crop-protection products
Four product categories: Insecticides, Herbicides, Fungicides, Biologicals and Plant Growth Regulators (PGRs)
Distribution network of 375+ SKUs, 5,000+ distributors and 60,000+ retail networks
Total 20 registration approved under 9(3)
4 R&D centers – Developing a comprehensive range of agro chemical products
State-of-the-art manufacturing facilities in Chopanki (Rajasthan), Samba & Udhampur (Jammu & Kashmir) and Dahej (Gujarat)
Owner of the prestigious Tractor brand, highly popular among the farmers

Rs. 1,420 Cr

FY21 Sales

60,000+

Retail Outlets

100+

Formulation Products

22

Technical Products

21

Maharatna Products

7

FY21 New product launches*

5

Annual Target of New Product launches*

1,250+

Employees

Note: *New products also include new Maharatna Products

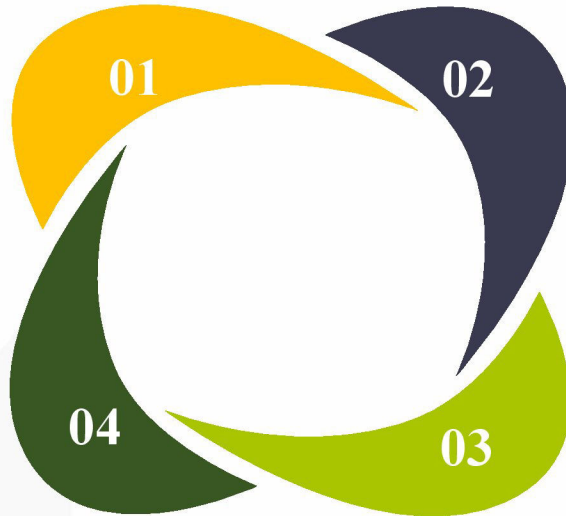
Capabilities and Geographical Presence

R & D

- NABL QC Labs
- In-house R&D Centre
- JV with OAT Agrio Co. Japan for dedicated R&D Centre

Development & Training

- Emphasis on field activities
- Farmer awareness
- Sales force training

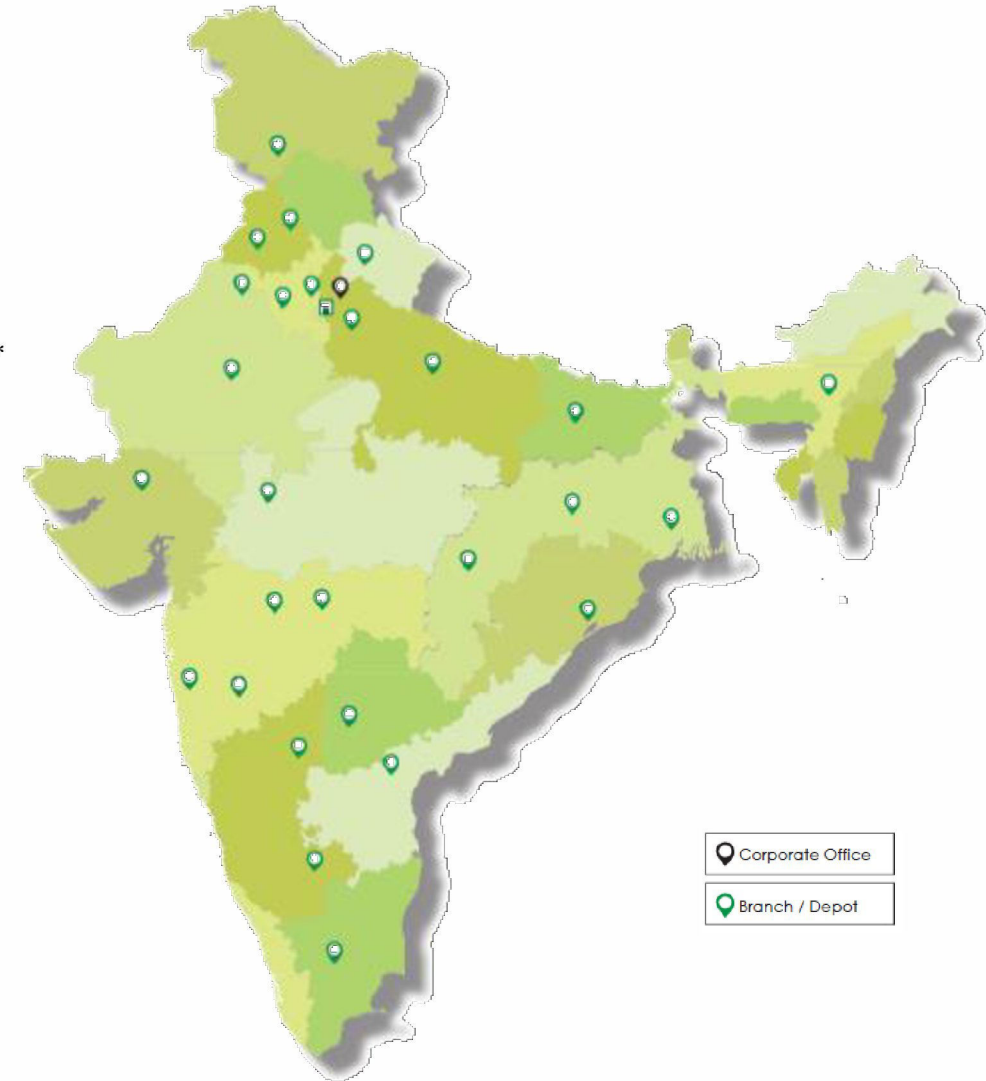


Manufacturing

- 5 Formulations plant
- 2 Technical synthesis plants
- 1 Biological manufacturing plant*

Marketing

- Sale & market development
- Branding
- International tie ups and collaborations
- Evolving media mix



*Under toll arrangement

Research & Development



Short Term: Launch new generic products going off-patent (Reverse Engineering)



Medium Term: To launch latest technology products through international partners; launch new combination products



Long Term: Launch proprietary discovery products (chemicals and biologicals)

State-of-the-art in house R&D centre established in 2005, augmented by product innovation R&D center, formulation R&D centre and biological R&D centre

- Approved by DSIR, Ministry of Science and Technology
- Working on new formulations and new combination products

Formulation R&D Centre

- Development of new generation formulations
- Focus on cost reduction, customer friendly and environment safe products

Biological R&D Centre

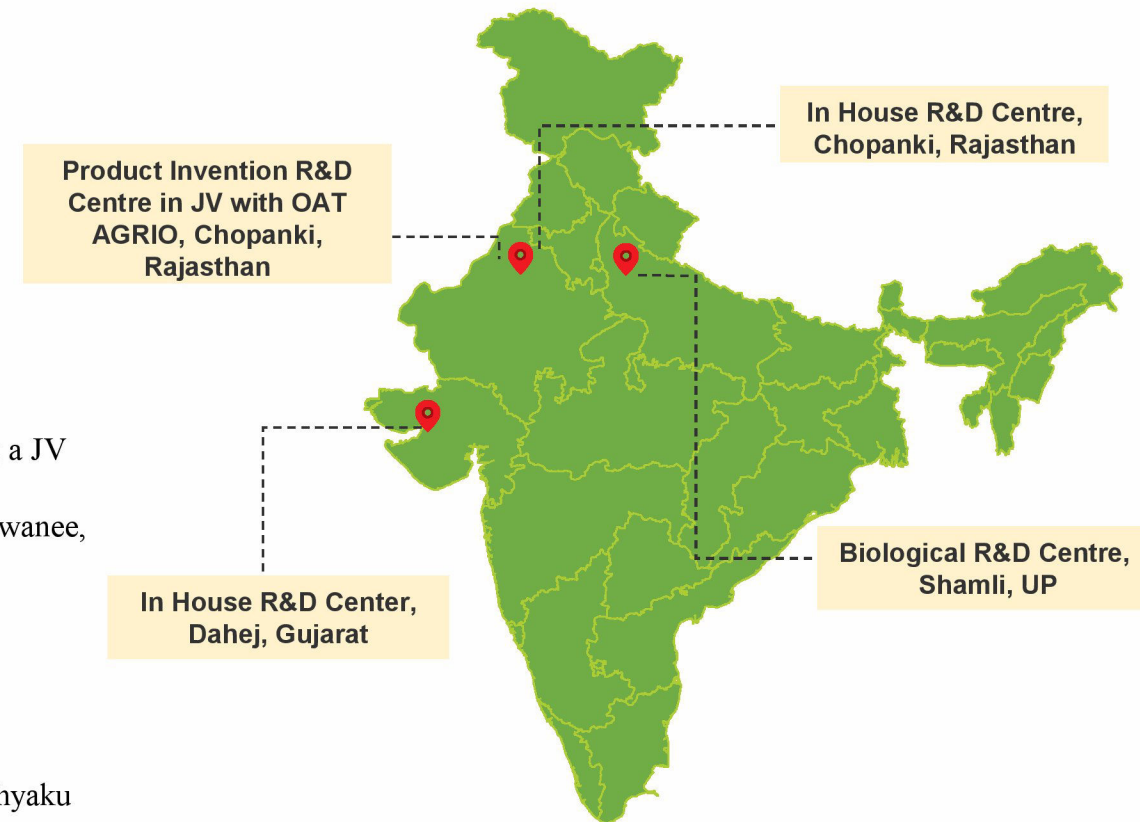
- Equipped with bio assay and product development facilities
- Looking forward to development of 3-4 new biological products

Product invention R&D center: A unique initiative of product discovery in India by forming a JV with Japanese company, OAT Agrio Co. Ltd.

- Equipped with the latest machines and equipment's like NMR, Lab set designed by Kewanee, USA
- Lead by the internationally renowned scientists with more than 25 years of experience
- One of its kind breeding centers, bio assay rooms and spray cabinets

Technical collaboration with international partners for manufacturing and marketing innovative products:

- AMVAC (USA), Momentive (USA), Nissan Chemical Corporation (Japan), Nihon Nohyaku (Japan)



13 Patents Received*

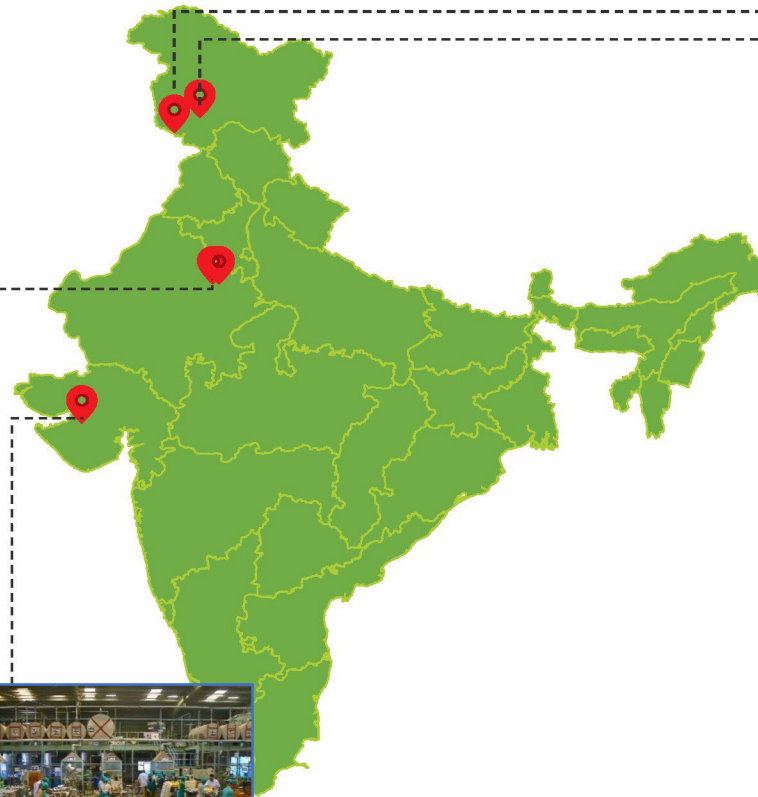
17 Patents Pending

59+ New Processes Developed

60+ Scientists in R&D Centres

*As on June 2021

Manufacturing Sites



Formulation Unit 1: Chopanki, Rajasthan

Technical Unit 1: Chopanki, Rajasthan
(Technical Production started in 2007)



Formulation Unit 2: Chopanki, Rajasthan



Formulation Unit 3: Dahej, Gujarat

Technical Unit 2: Dahej, Gujarat
(Technical Production started in 2011)

SEZ Unit



Formulation Unit 4: Samba, J&K



Formulation Unit 5: Udhampur, J&K

Aggregate Installed Capacity

19,400 KLPA
Liquid

75,750 MTPA
Granules

18,770 MTPA
Powder

13,800 MTPA
Active Ingredient & Bulk

Leading Maharatna Brands



- LETHAL** : Organo-phosphorus group of insecticides; controls insects through contact, stomach and vapour action
- PULSOR** : Systemic fungicide with preventive and curative action; controls Rice Sheath Blight
- HERCULES** : Hercules is a broad-spectrum insecticide for control of sucking pests in crops like Cotton, Chillies etc.
- GREEN LABEL** : Specialist of weed control in paddy; in line with 'Make in India'
- XPLODE** : Naturally derived insecticide; controls all Lepidopteran stages
- HAKAMA** : Post-emergence selective herbicide; controls narrow leaf weeds across leaf crops
- FLITE** : Broad spectrum non-systemic herbicides; effective against annual, perennial and broad leaf / grassy weeds
- SOFIA** : Broad spectrum fungicide which gives complete protection from various diseases in different crops
- HIJACK** : Non-selective systemic herbicide, control annual and perennial weeds
- DOMINANT** : Neonicotinoid group of Insecticides, control brown plant hopper in paddy & sucking pests in Cotton
- AGROSPRED MAX** : Silicone based super spreader, helps increase the bioefficacy of crop protection chemicals, growth promoters and micronutrients

Board of Directors and Management

Board of Directors

- Mr. H.C. Aggarwal, Chairman
- Mr. Rajesh Aggarwal, Managing Director
- Mrs. Nikunj Aggarwal, Whole Time Director
- Mr. Virjesh Kumar Gupta, Independent Director
- Mr. Navin Shah, Independent Director
- Mr. Jayaraman Swaminathan, Independent Director
- Mrs. Praveen Gupta, Independent Director

Key Management



H.C. Aggarwal
Chairman



Rajesh Aggarwal
Managing Director



Sandeep Aggarwal
CFO



Sandeep Kumar
CCO & Company Secretary



P C Pabbi
Sr. Vice President



V K Garg
Vice President



M K Singhal
Vice President



Sanjay Vats
Vice President



Shrikant Satwe
Head - International Business



Dr. Arun Kohli
Vice President - Institutional Sales



Sanjeev Aggarwal
Vice President - Operations & IT



Sunil Wason
Vice President - Procurement



Dr. L C Rohela
Senior General Manager - QA



Dr. Mukesh Kumar
General Manager - R&D



Sanjay Singh
GM - Market Development

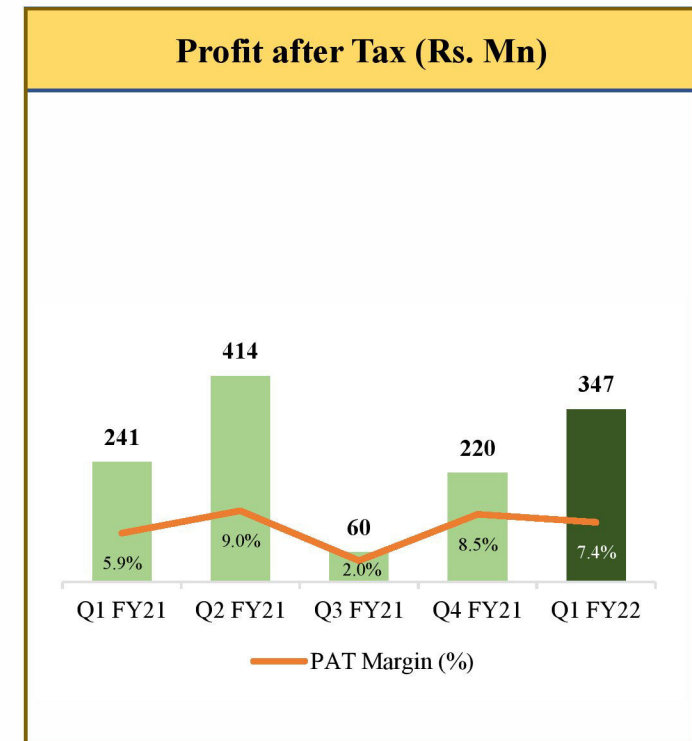
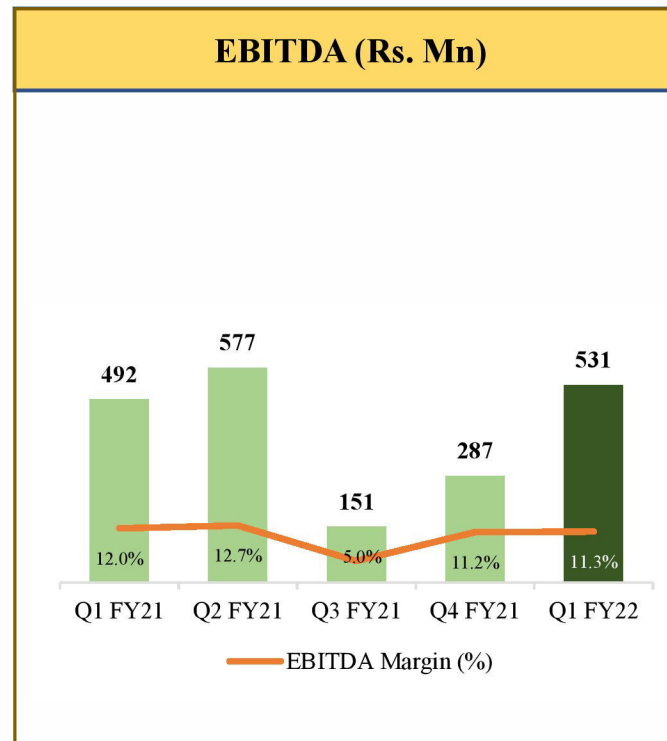
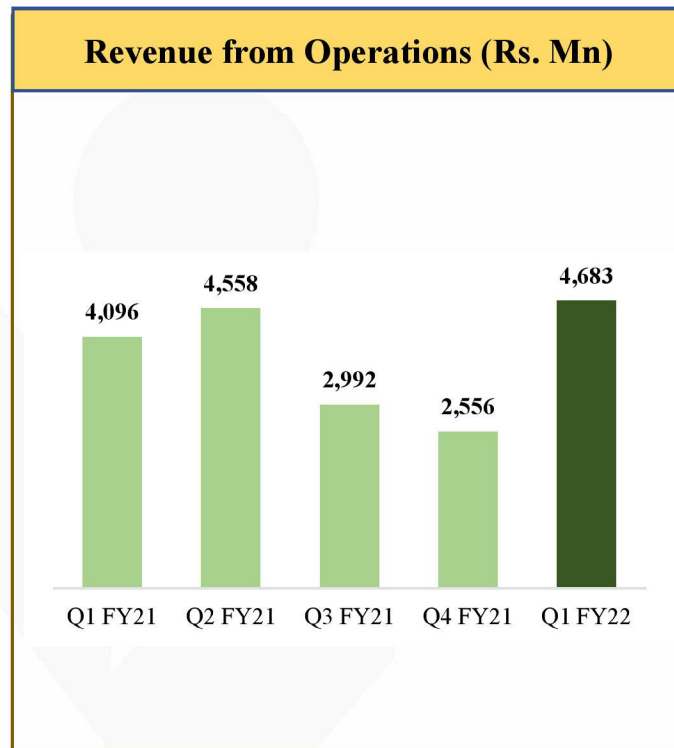
Financial Performance



(Rs. Million)	Q1		Y-o-Y	Q4	Q-o-Q	Full Year		Y-o-Y
	FY2022	FY2021	Growth(%)	FY2021	Growth(%)	FY2021	FY2020	Growth(%)
Operating Revenue	4,683	4,096	14.3%	2,556	83.2%	14,202	13,632	4.2%
Other Income	16	11	45.0%	21	(23.5)%	77	26	201.2%
Total Revenue	4,699	4,107	14.4%	2,577	82.3%	14,280	13,658	4.6%
EBITDA	531	492	7.9%	287	85.0%	1,523	1,559	(2.3)%
<i>EBITDA Margin (%)</i>	<i>11.3%</i>	<i>12.0%</i>		<i>11.2%</i>		<i>10.7%</i>	<i>11.4%</i>	
EBIT	484	442	9.4%	246	96.4%	1,354	1,344	0.8%
<i>EBIT Margin (%)</i>	<i>10.3%</i>	<i>10.8%</i>		<i>9.6%</i>		<i>9.5%</i>	<i>9.8%</i>	
Finance Cost	22	22	(4.1)%	11	89.0%	67	239	(72.2)%
PBT before Exceptional Item	462	420	10.1%	235	96.7%	1,287	1,105	16.5%
<i>PBT before Exceptional Item Margin (%)</i>	<i>9.8%</i>	<i>10.2%</i>		<i>9.1%</i>		<i>9.0%</i>	<i>8.1%</i>	
Exceptional Item	-	100	-	(3)	-	97	-	-
Profit After Tax (PAT)	347	241	44.2%	220	58.1%	934	860	8.6%
<i>PAT Margin (%)</i>	<i>7.4%</i>	<i>5.9%</i>		<i>8.5%</i>		<i>6.5%</i>	<i>6.3%</i>	
Basic EPS	17.59	11.65	51.0%	10.63	65.5%	45.21	41.63	8.6%

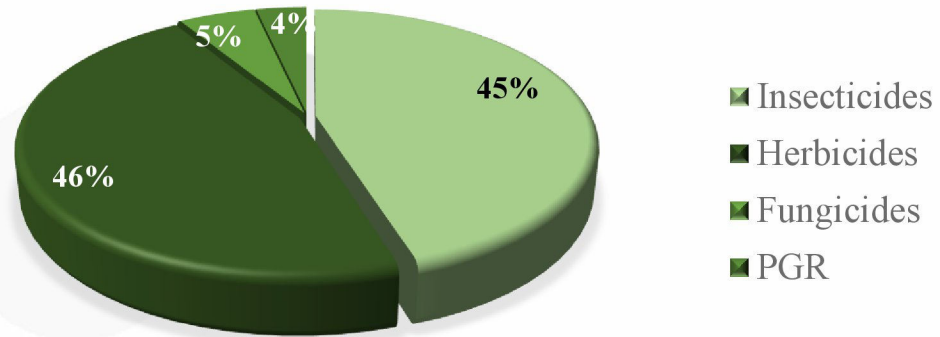
Note: EBITDA Margins are calculated on Operating Revenue
 Exceptional Item represents provision for Trade Receivables

Financial Trends - Quarterly

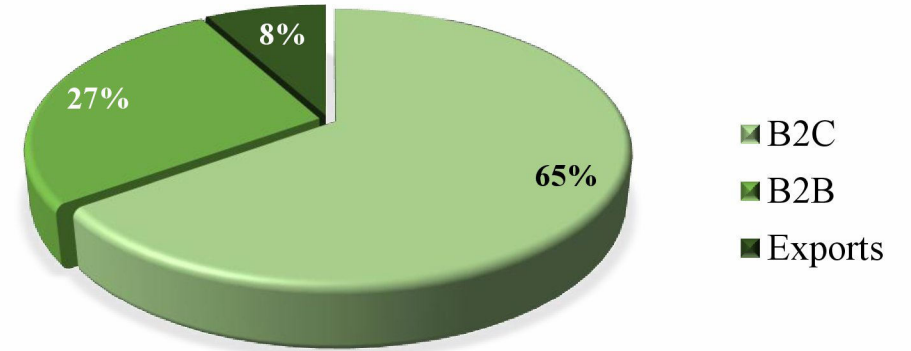


Segment Reporting – Q1FY2022

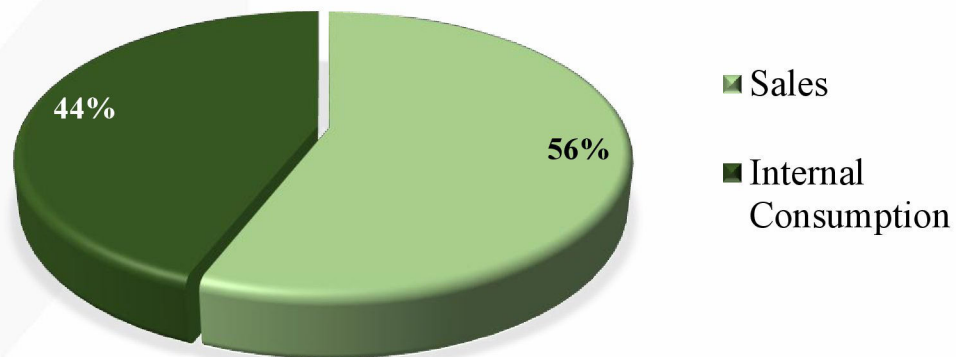
Net Sales by Product Category



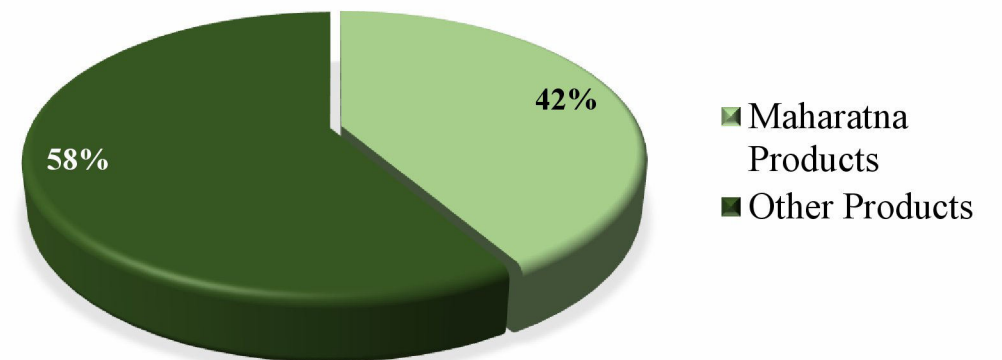
Net Sales by Segment



Net Sales vs Internal Consumption

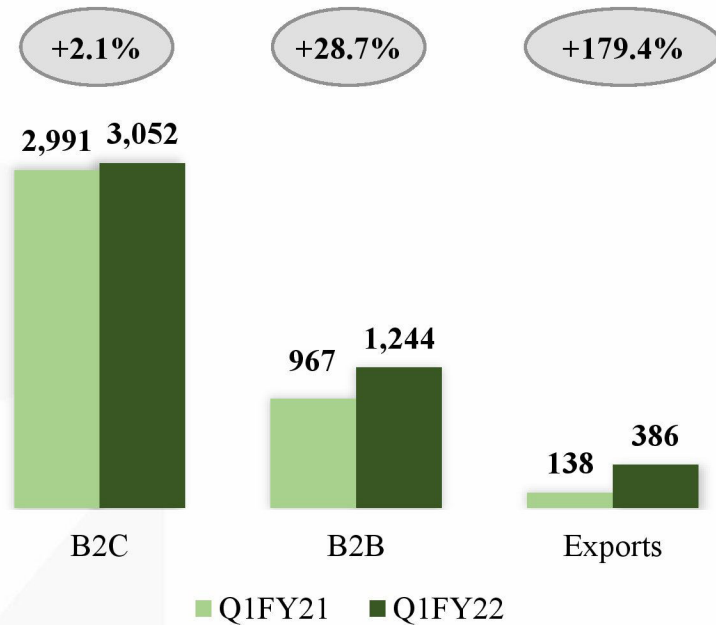


Breakdown of Top Seller Range in B2C



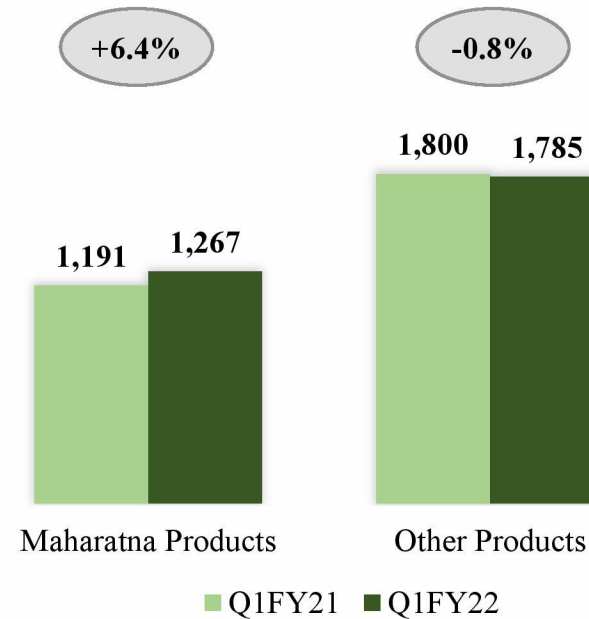
Segment Reporting – Q1FY2022

Net Sales by Segment (Rs. Mn)



- Growth across all segments – B2C, B2B and Exports supported the revenue growth
- B2C segment increased by 2.1% to Rs. 3,052 Mn, B2B by 28.7% to Rs. 1,244 Mn and Exports by 179.4% to Rs. 386 Mn in Q1 FY22

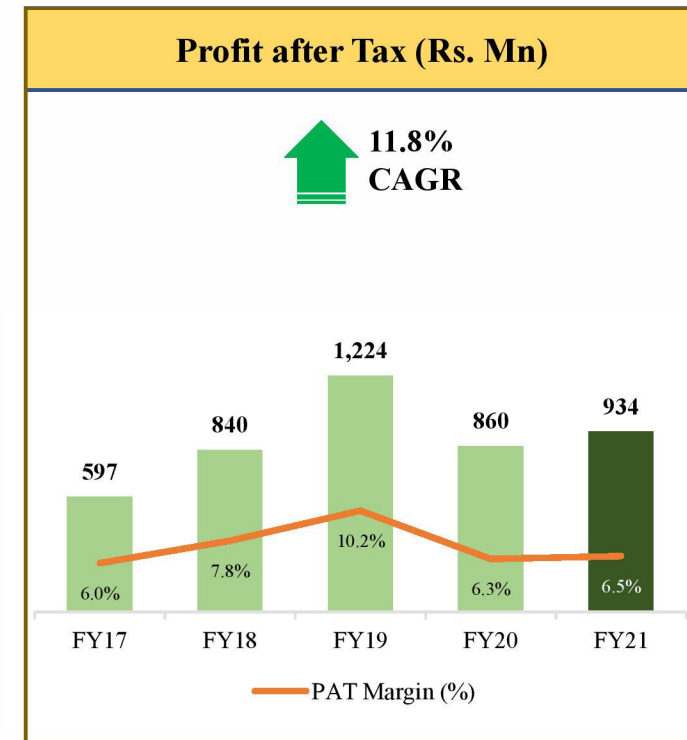
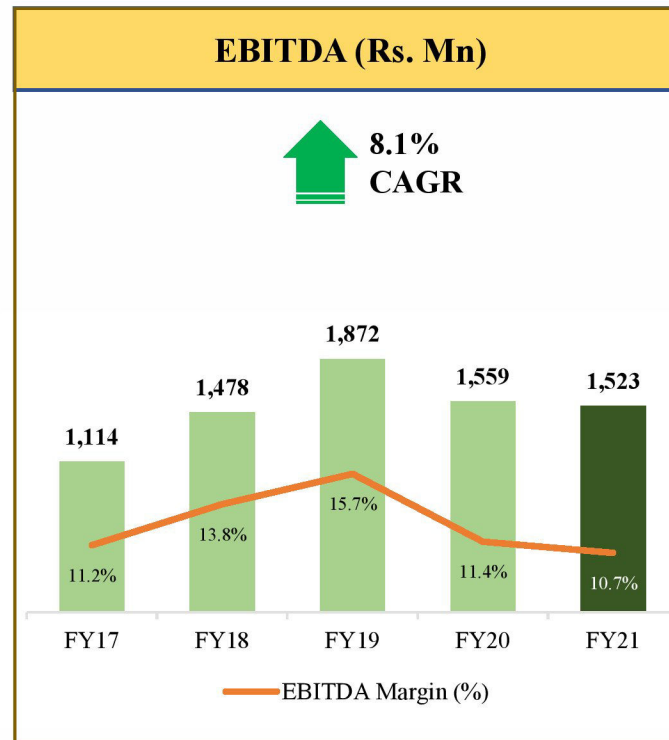
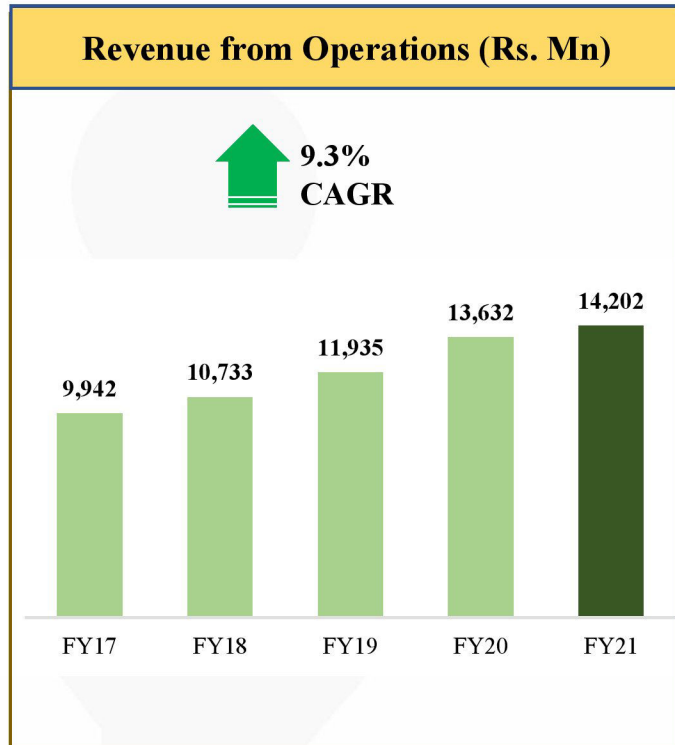
Net Sales by Emphasized Product Category (Rs. Mn)



- Maharatna products sales increased by 6.4% and other products decreased marginally by 0.8% on Y-o-Y basis
- Lethal Granules, Lethal Super, Flite 71 and Xplode contributed to growth of Maharatna category

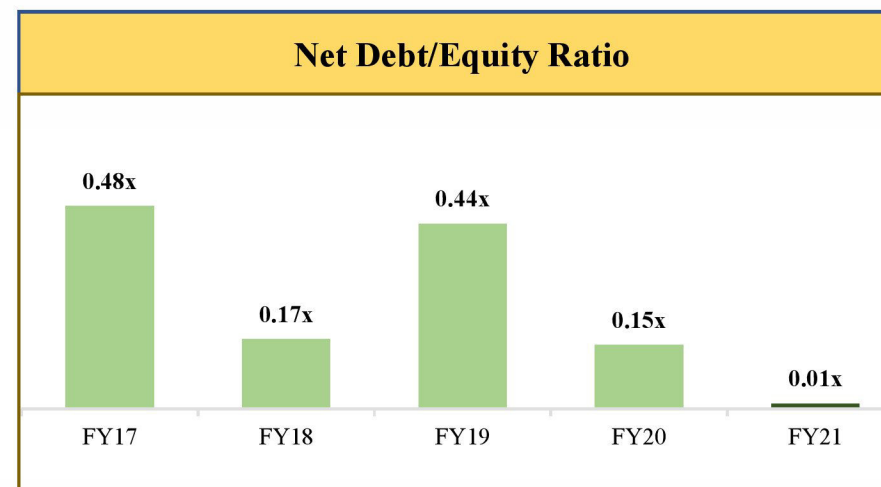
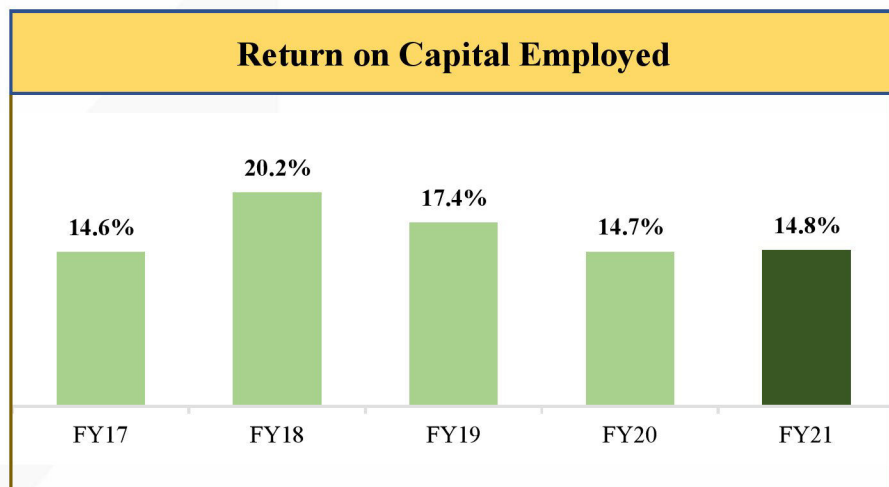
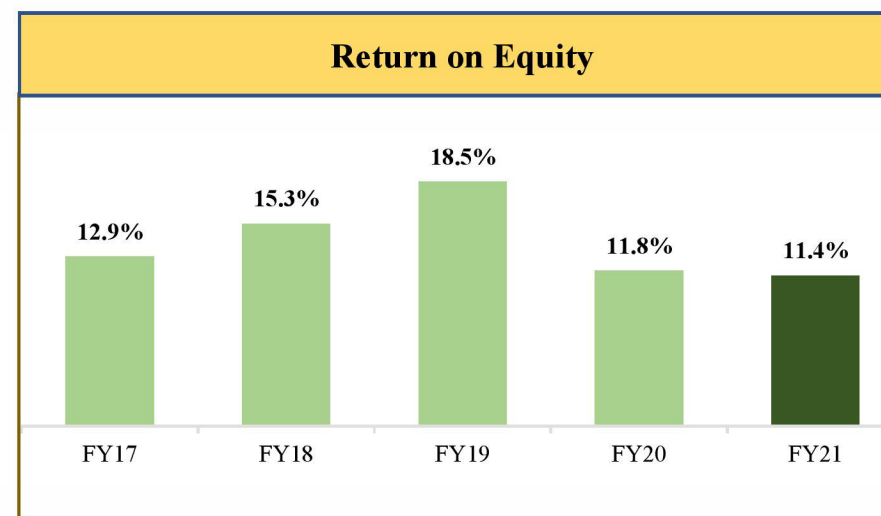
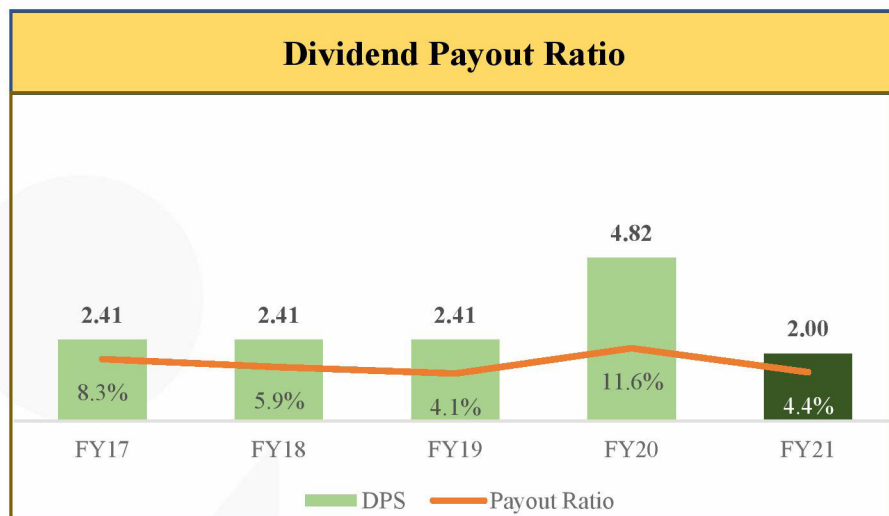
Financial Trends - Annual

Consistent Revenue and profitability growth in last 5 years



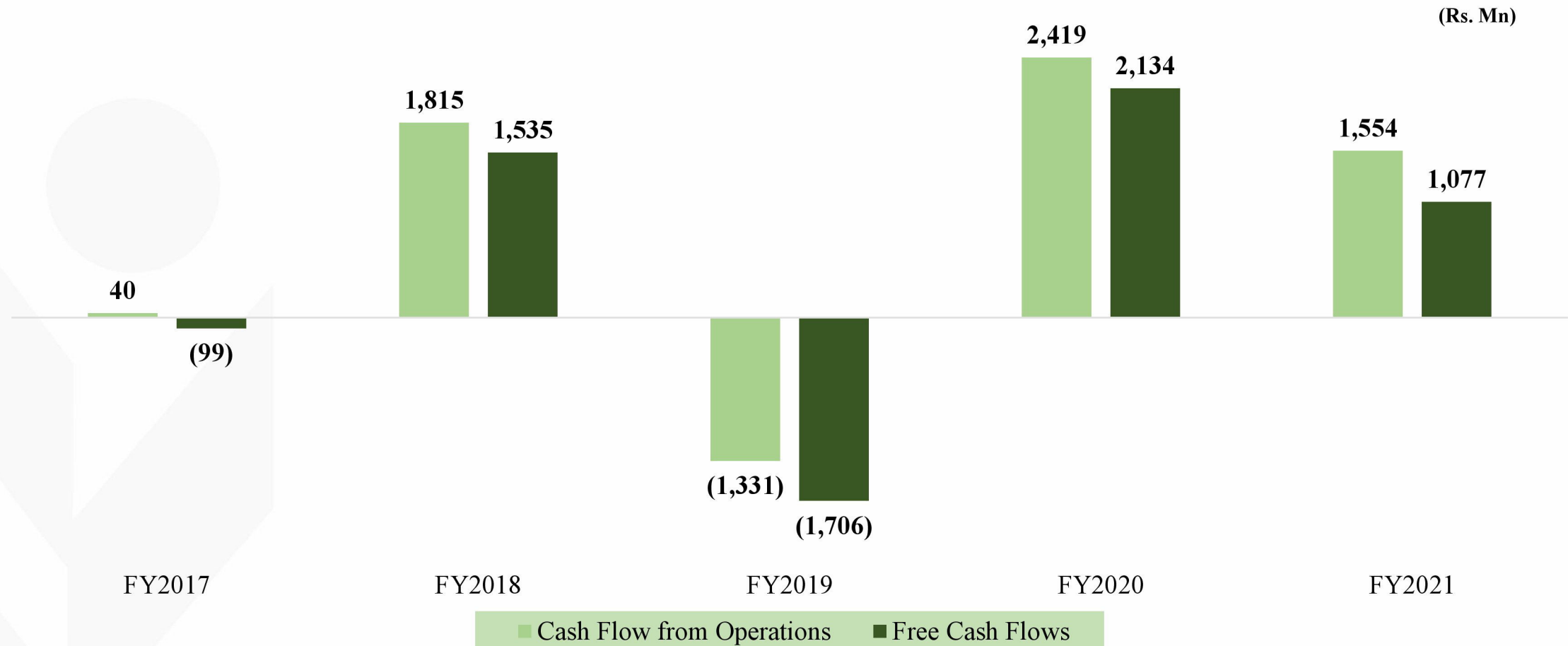
Key Ratios

Consistently high returns to shareholders and strong capital structure



Cash Flow from Operations vs Free Cash Flows

Generated strong cash flows to support growth plans and mitigate potential risk



2021 Outlook



Opportunities

India is currently the world's fourth largest producer of agrochemicals. Normal monsoon and improved kharif performance should drive growth. India's current consumption of pesticides stands at 0.3 kg/ha and one of the lowest levels as compared to other countries



Quarterly Outlook

Spatial rainfall affected sowing of Kharif with total acreage of the summer crops lower compared to corresponding period last year. Expectation of monsoon revival will support demand for agrochemicals



Monsoon

IMD forecasted normal to above monsoon for the year, augur well for oilseeds, pulses and coarse cereals farmers



Exports Surge

Representation made by industry on announcement to ban 27 pesticides have led to the government constituting an experts' committee to consider the suggestions



Public Policy

Government announced new initiatives in Union Budget 2021 through allocation for agricultural infrastructure development, enhanced agricultural credit access, integrate more mandis with e-NAM which will help modernize agricultural sector