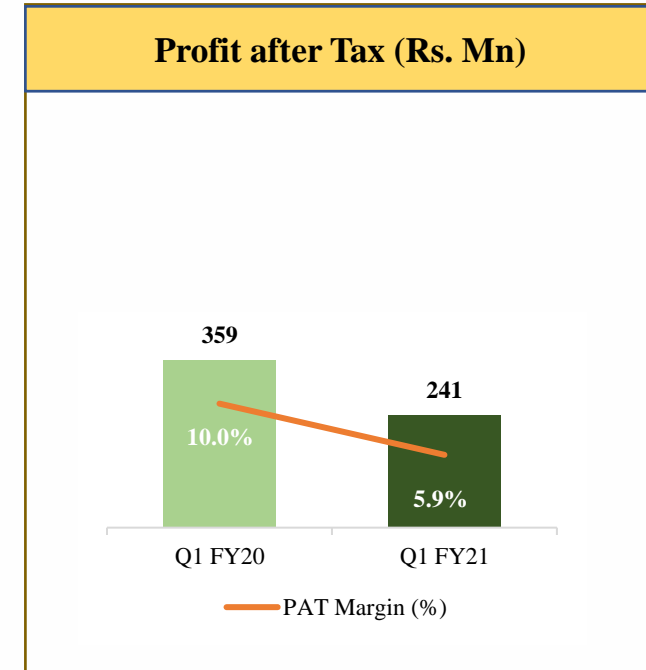
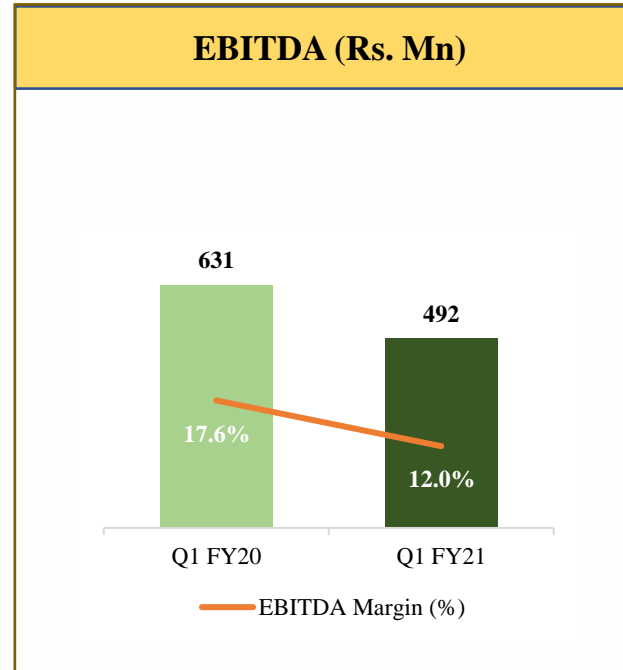
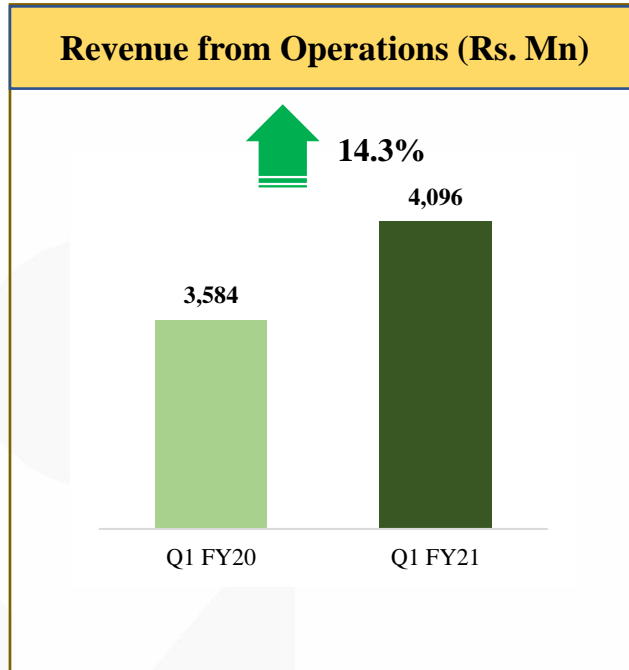




(BSE: 532851 NSE: INSECTICID)

Q1 FY2021 Earnings Presentation

Q1 FY2021 Highlights



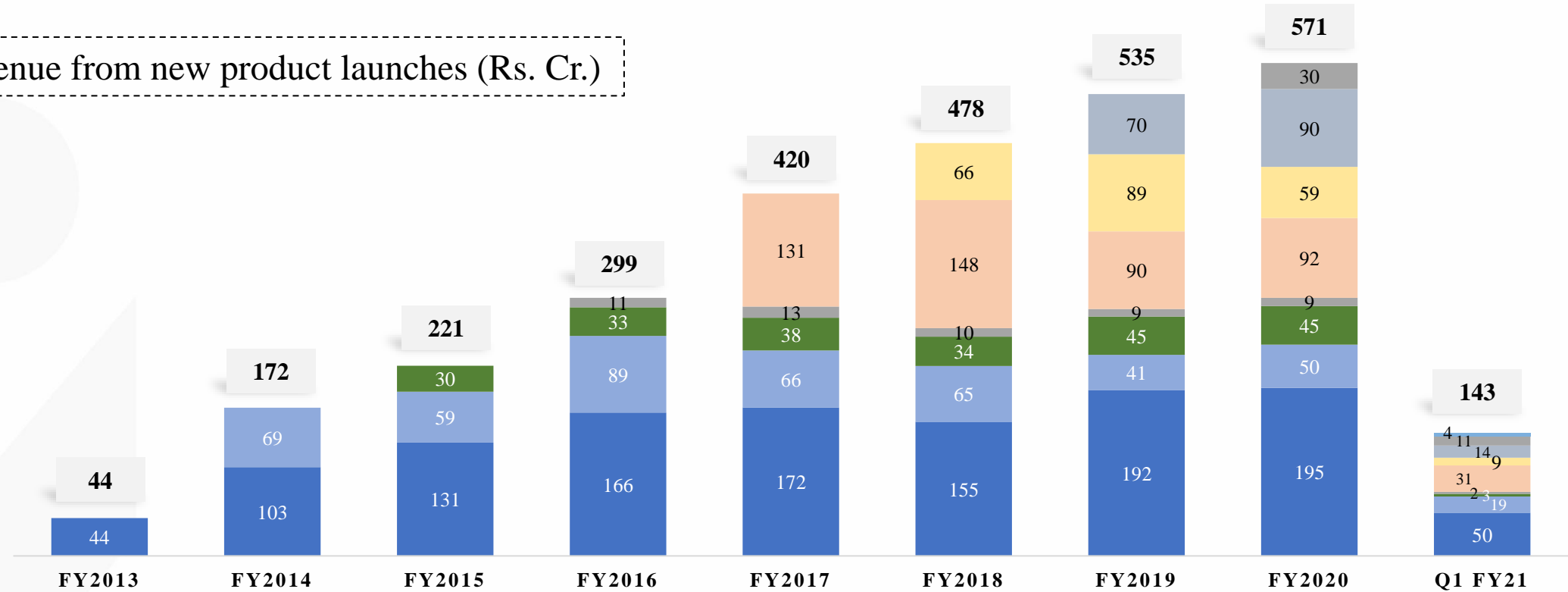
Quarter Highlights:

- Total branded sales increased by 16%, contributing 73% to the total quarter sales. Maharatna sales grew marginally by 3% whereas other branded sales increased by 27% y-o-y
- Institutional and Exports sales also increased by 5% and 53% y-o-y respectively
- Profitability for the quarter was subdued due to:
 - Covid-19 challenges such as raw/ packing material availability constraint, transportation challenges, shortage of labor and liquidity crunch in the market
 - Higher contribution from other branded products
 - Provision of Rs. 100 mn for trades receivables from Chattisgarh

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	2
% of Revenue from Operations	7.1%	19.9%	22.9%	30.3%	37.9%	43.1%	44.8%	41.9%	34.8%

Management Commentary



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

“FY2021 started on an unprecedented note with the outbreak of Covid-19 followed by extended lockdowns in the country adversely affecting the economy in Q1 FY21. The pandemic turned into an economic crisis impacting all industries and businesses. The silver lining in the crisis is that the agriculture sector which supports over 60% of the populations was less impacted and continue to see a reasonable level of demand. Timely monsoon with good water reservoir levels have supported the agricultural sector and provided strong foundation to the economy in these turbulent times.



The Company recorded revenue from operations of Rs. 410 crores in Q1 FY21, representing a robust growth of 14.3% on a Y-o-Y basis. Revenue growth was driven by all segments; branded sales increased by 16% and contributed 73% to the total revenue, exports increased by 53.3% and institutional sales increased by 5.3%. The Company delivered EBITDA of Rs. 49 crores in Q1 FY21, margins of 12.0%. Net profit for the quarter was Rs. 24 crores, margins of 5.9%.

Growth in revenue was on expected lines and it should be noted that sale of herbicide products saw a significant growth. Profitability for the quarter was impacted due to challenges caused by the pandemic such as raw/ packing material availability constraint, transportation challenges, shortage of labor and liquidity crunch in the market resulting in sale available products. Furthermore, we made a provision for trades receivables amounting to Rs. 10 crores.

Our continued focus on developing R&D based innovative products have resulted in the launch of two new products in Q1 FY21 - Milstim Max and Hakama Super. The new product launches contributed Rs. 4 crores to net sales in their short span of time and demonstrated high acceptability in the market due to strong value proposition. We currently have 13 products approved under 9(3) category and our plan to launch total of 10 news products in the fiscal year remains on track.

Looking forward, the forecast of a normal monsoon has created prospects of a healthy crop season and support of government through fiscal and monetary reforms for agriculture sector during the crisis will go a long way in augmenting the sector’s growth. Management teams remain fully committed to drive growth through new innovative products, improving product mix, increasing brand business and enhancing profitability.”

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 2 new products during Q1FY21
- Expected 10 new products in full year FY2021

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

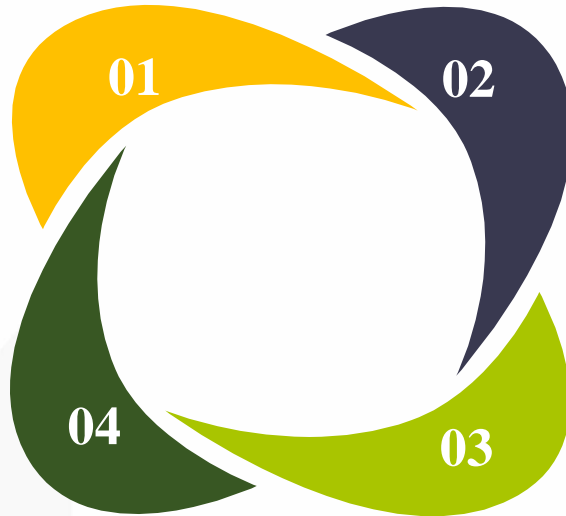
Capabilities and Geographical Presence

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

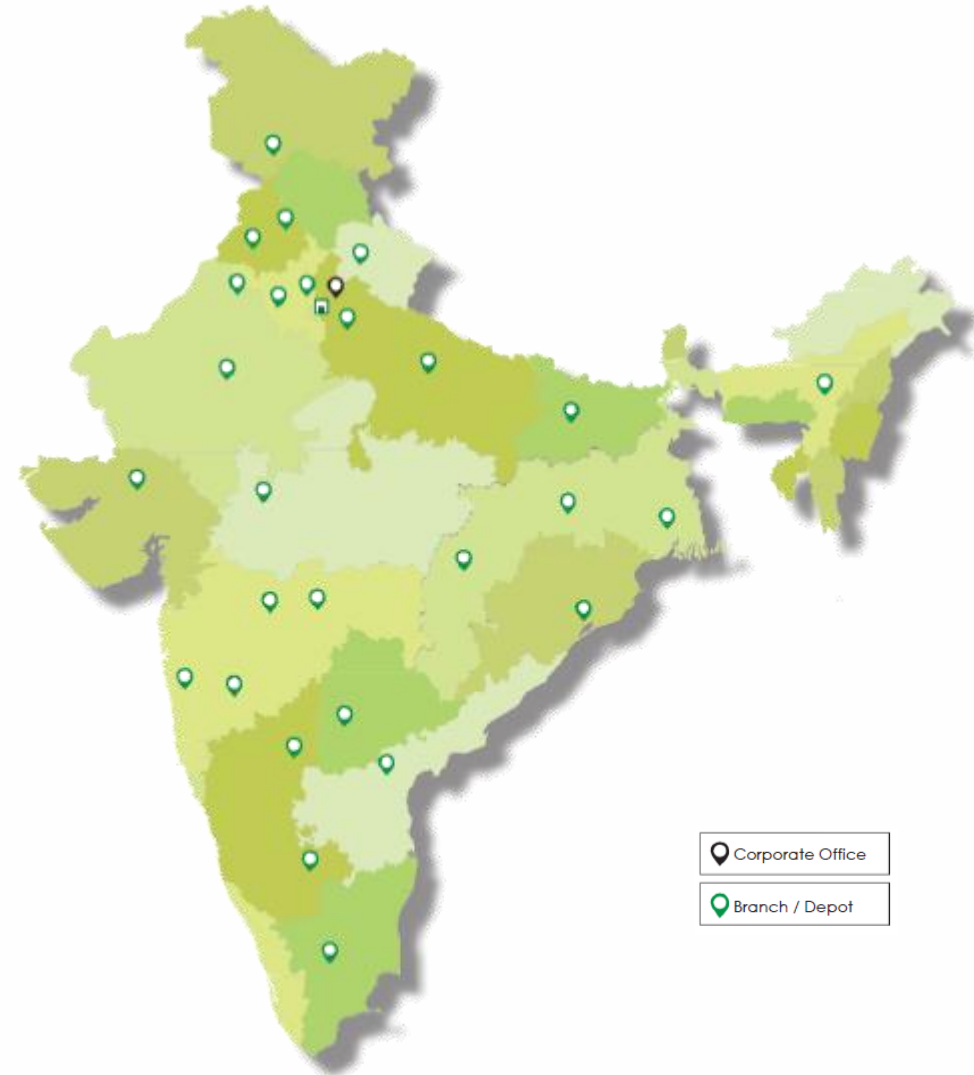


Manufacturing

- 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

Leading Maharatna Brands



- PULSOR** : Systemic fungicide with preventive and curative action; controls Rice Sheath Blight
- GREEN LABEL** : Specialist of weed control in paddy; in line with 'Make in India'
- LETHAL** : Organo-phosphorus group of insecticides; controls insects through contact, stomach and vapour action
- HERCULES** : Hercules is a broad-spectrum insecticide for control of sucking pests in crops like Cotton, Chillies etc.
- HAKAMA** : Post-emergence selective herbicide; controls narrow leaf weeds across leaf crops
- XPLODE** : Naturally derived insecticide; controls all Lepidopteran stages
- SOFIA** : Broad spectrum fungicide which gives complete protection from various diseases in different crops
- MYCORAJA** : Bio product equipped to promote healthy growth and greater nutrient absorption in a wide range of crops, oilseeds and cotton
- FLITE** : Broad spectrum non-systemic herbicides; effective against annual, perennial and broad leaf / grassy weeds
- HIJACK** : Non-selective systemic herbicide, control annual and perennial weeds
- AIKIDO** : Launched in technical collaboration with Nihon Nohyaku, Japan, providing complete protection from brown plant hoppers, white plant hoppers and leaf folder to paddy crop

Aggregate Installed Capacity

19,400 KLPA
Liquid

75,750 MTPA
Granules

18,770 MTPA
Powder

13,800 MTPA
Active Ingredient & Bulk

Research & Development



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:

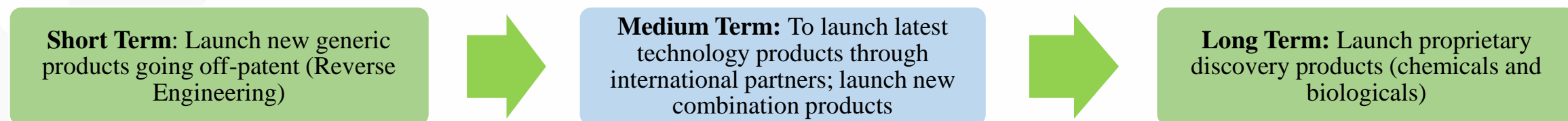
- AMVAC (USA), Momentive (USA), Nissan Chemical Corporation (Japan), Nihon Nohyaku (Japan)

9 Patents Received

21 Patents Pending

59+ New Processes Developed

60+ Scientists in R&D Centres



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 13 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. 410 Cr
Q1 FY21 Sales

60,000+
Retail Outlets

100+
Formulation Products

22
Technical Products

21+
Maharatna Products

2
Q1 FY21 New product launches*

10
Full Year Target of New Product launches*

1,250+
Employees

Note: *New products also include new Maharatna Products

Financial Performance

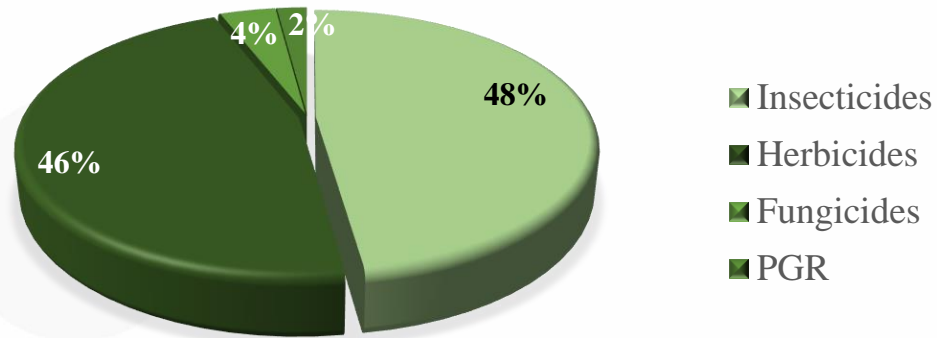


(Rs. Million)	Q1		Y-o-Y	Q4	Q-o-Q	Full Year		Y-o-Y
	FY2021	FY2020	Growth(%)	FY2020	Growth(%)	FY2020	FY2019	Growth(%)
Operating Revenue	4,096	3,584	14.3%	2,387	71.6%	13,632	11,935	14.2%
Other Income	11	12	(4.0)%	(9)	-	26	7	245.0%
Total Revenue	4,107	3,595	14.2%	2,378	72.8%	13,658	11,943	14.4%
EBITDA	492	631	(22.0)%	(25)	-	1,559	1,872	(16.7)%
<i>EBITDA Margin (%)</i>	<i>12.0%</i>	<i>17.6%</i>		<i>(1.0)%</i>		<i>11.4%</i>	<i>15.7%</i>	
EBIT	442	584	(24.3)%	(95)	-	1,344	1,682	(20.1)%
<i>EBIT Margin (%)</i>	<i>10.8%</i>	<i>16.2%</i>		<i>(4.0)%</i>		<i>9.8%</i>	<i>14.1%</i>	
Finance Cost	22	69	(67.4)%	51	(56.3)%	239	152	56.9%
PBT before Exceptional Item	420	515	(18.5)%	(147)	-	1,105	1,530	(27.8)%
<i>PBT before Exceptional Item Margin (%)</i>	<i>10.2%</i>	<i>14.3%</i>		<i>(6.2)%</i>		<i>8.1%</i>	<i>12.8%</i>	
Exceptional Item	100	-	-	-	-	-	-	-
Profit After Tax (PAT)	241	359	(33.0)%	(73)	-	860	1,224	(29.7)%
<i>PAT Margin (%)</i>	<i>5.9%</i>	<i>10.0%</i>		<i>(3.1)%</i>		<i>6.3%</i>	<i>10.2%</i>	
Basic EPS	11.65	17.39	(33.0)%	(3.54)	-	41.63	59.23	(29.7)%

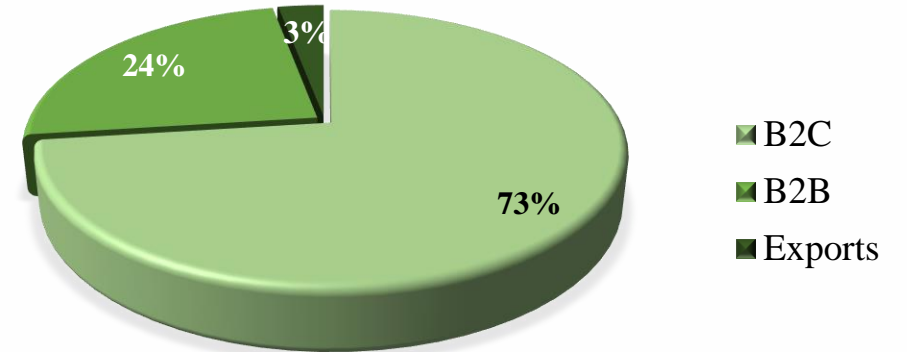
Note: EBITDA Margins are calculated on Operating Revenue
Exceptional Item represents provision for Trade Receivables

Segment Reporting – Q1 FY2021

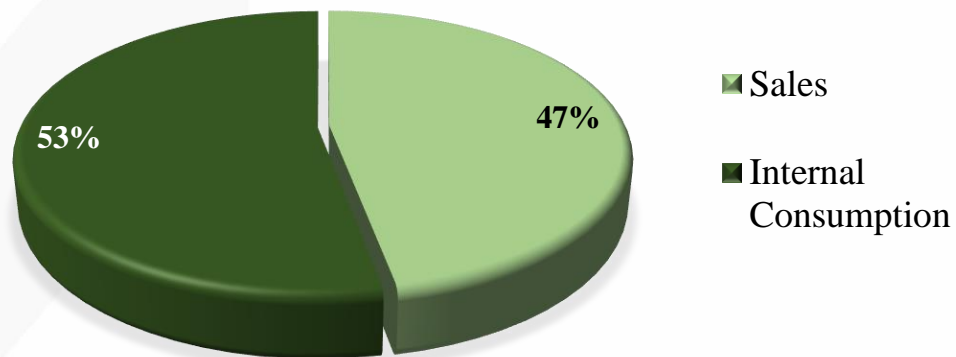
Net Sales by Product Category



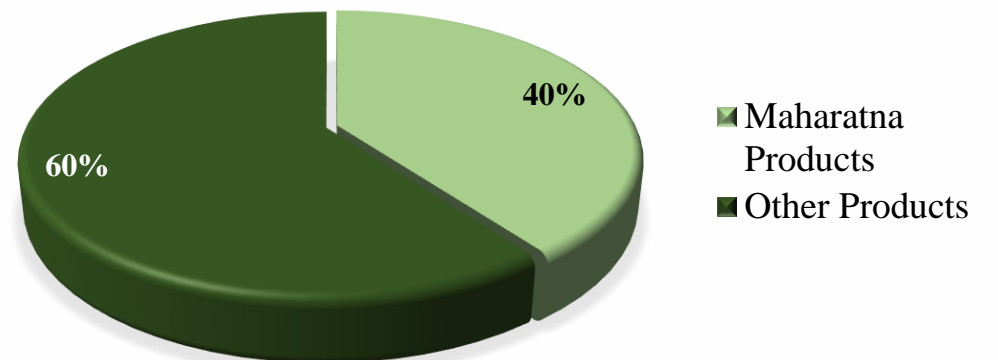
Net Sales by Segment



Net Sales vs Internal Consumption



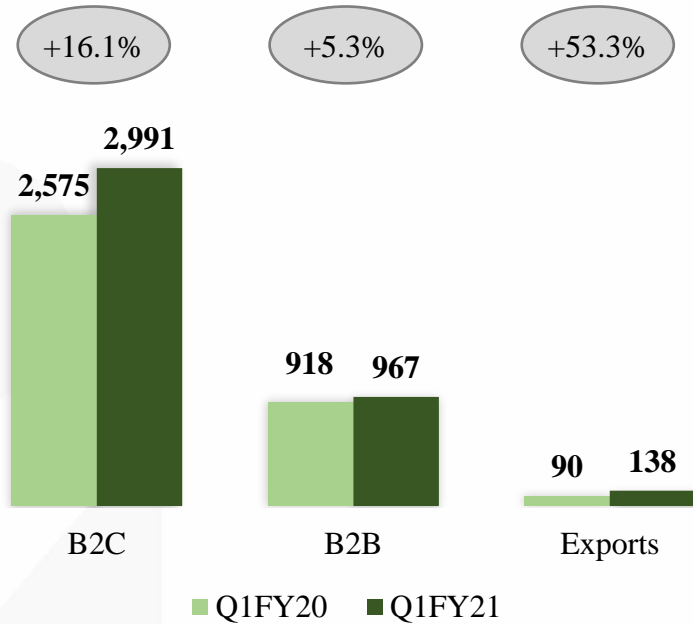
Breakdown of Top Seller Range in B2C



Segment Reporting – Q1 FY2021

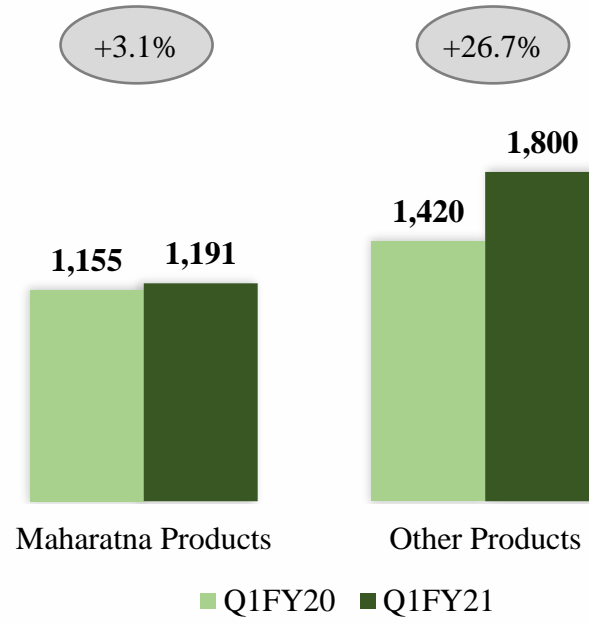


Net Sales by Segment (Rs. Mn)



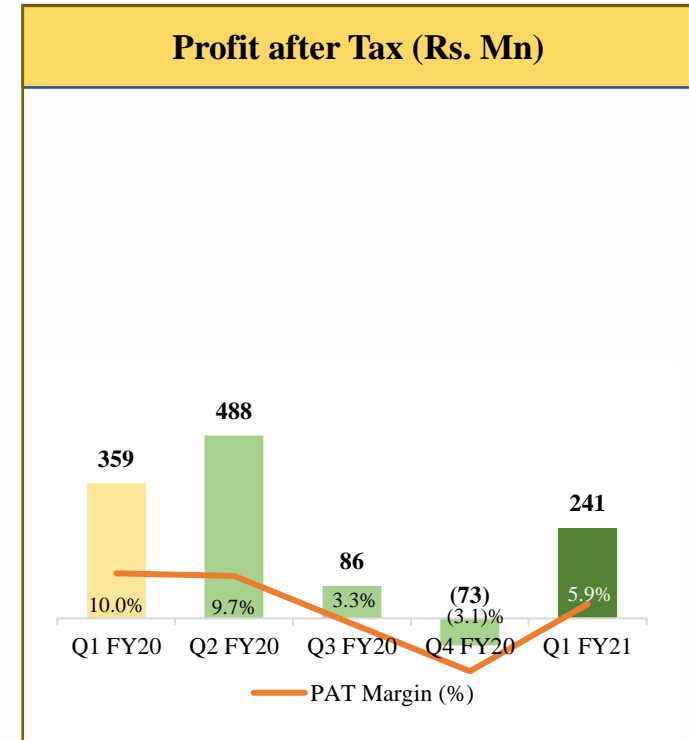
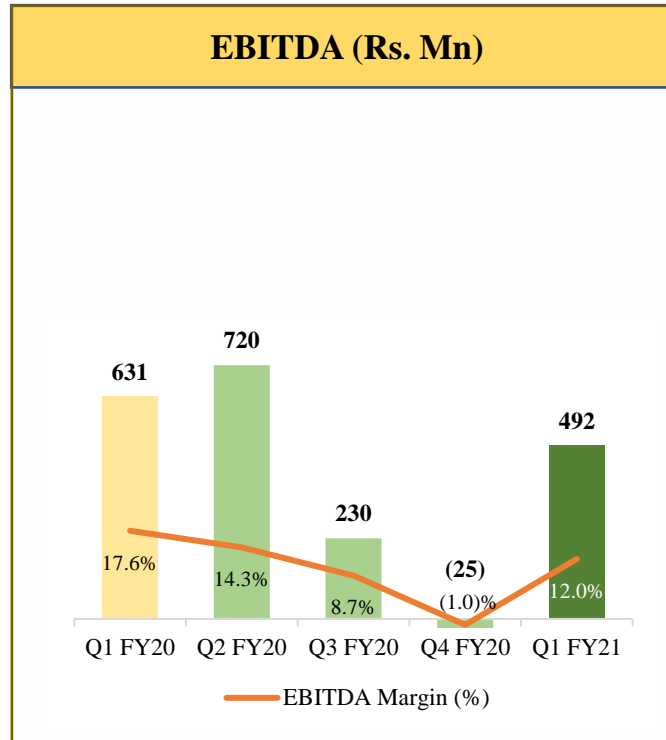
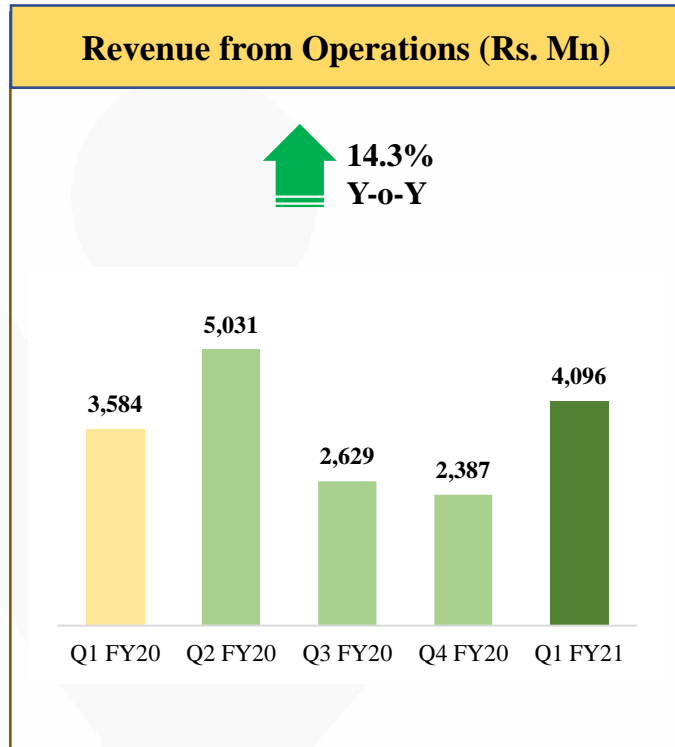
- Growth across all segments - B2C, B2B and Exports supported the revenue growth
- B2C increased from Rs. 2,575 Mn in Q1FY20 to Rs. 2,991 Mn in Q1FY21, a growth of 16% on Y-o-Y basis

Net Sales by Emphasized Product Category (Rs. Mn)



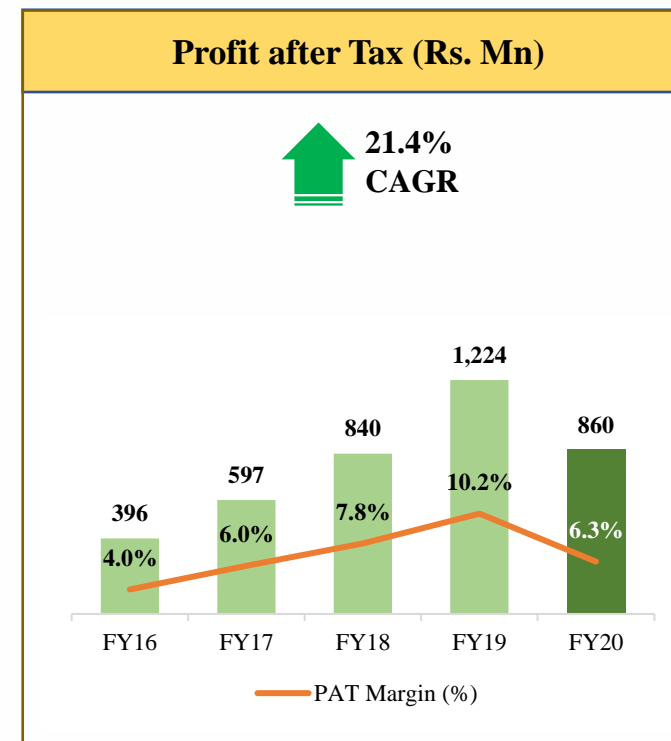
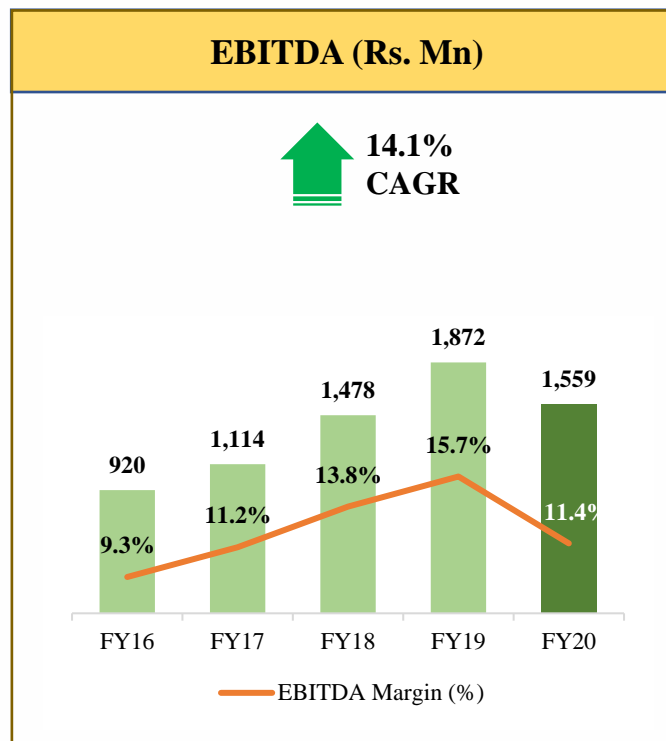
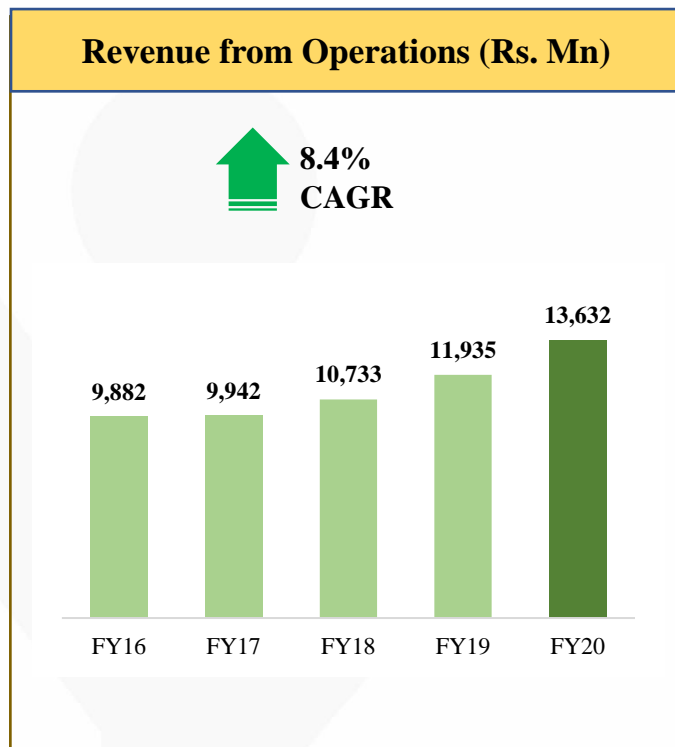
- Higher contribution from low-margin generic products
- New products launched in Q1FY21 – Milstim Max and Hakama Super
- All product categories registered strong growth with Maharatna products sales increasing by 3% and other products by 27% on Y-o-Y basis

Financial Trends - Quarterly



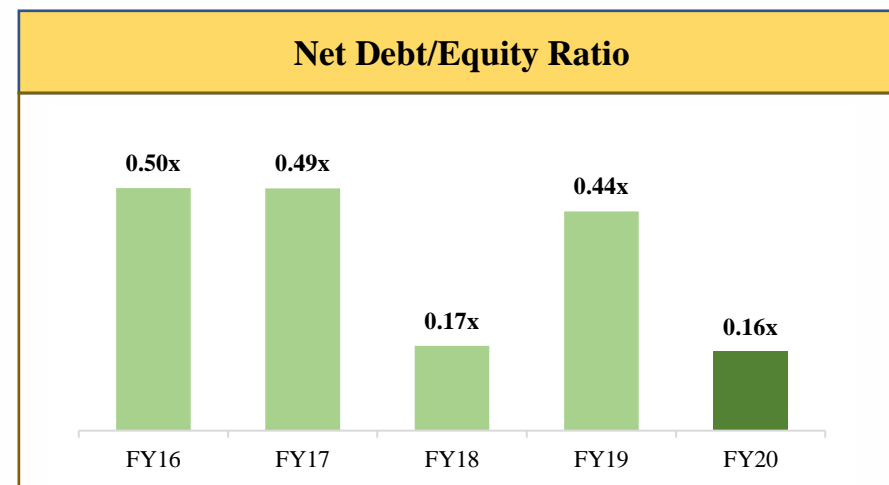
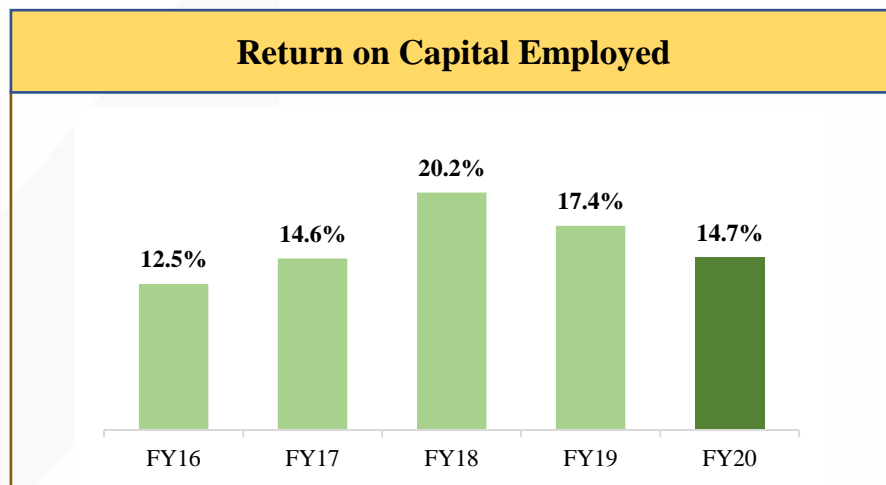
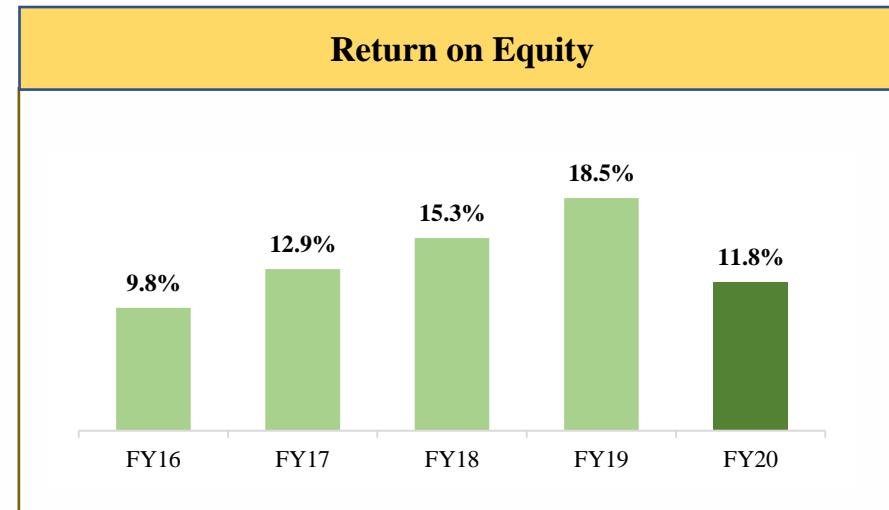
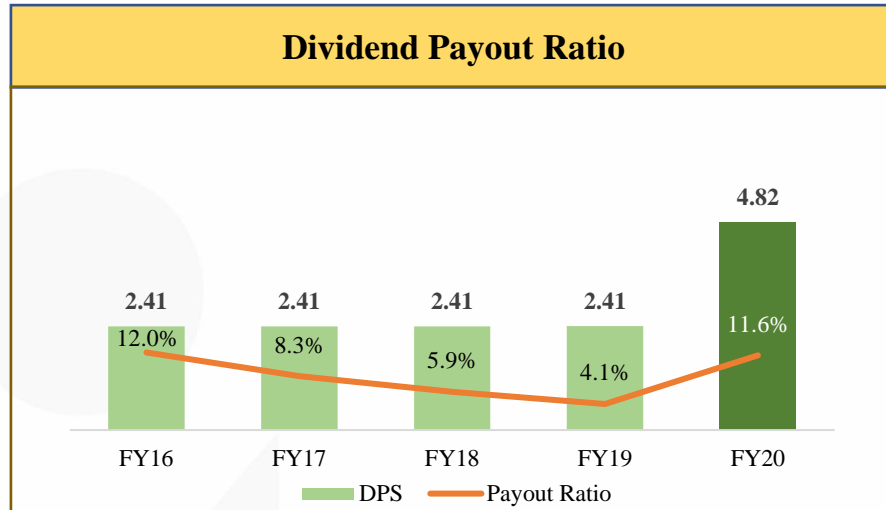
Financial Trends - Annual

Strong Revenue and profitability growth in last 5 years



Key Ratios

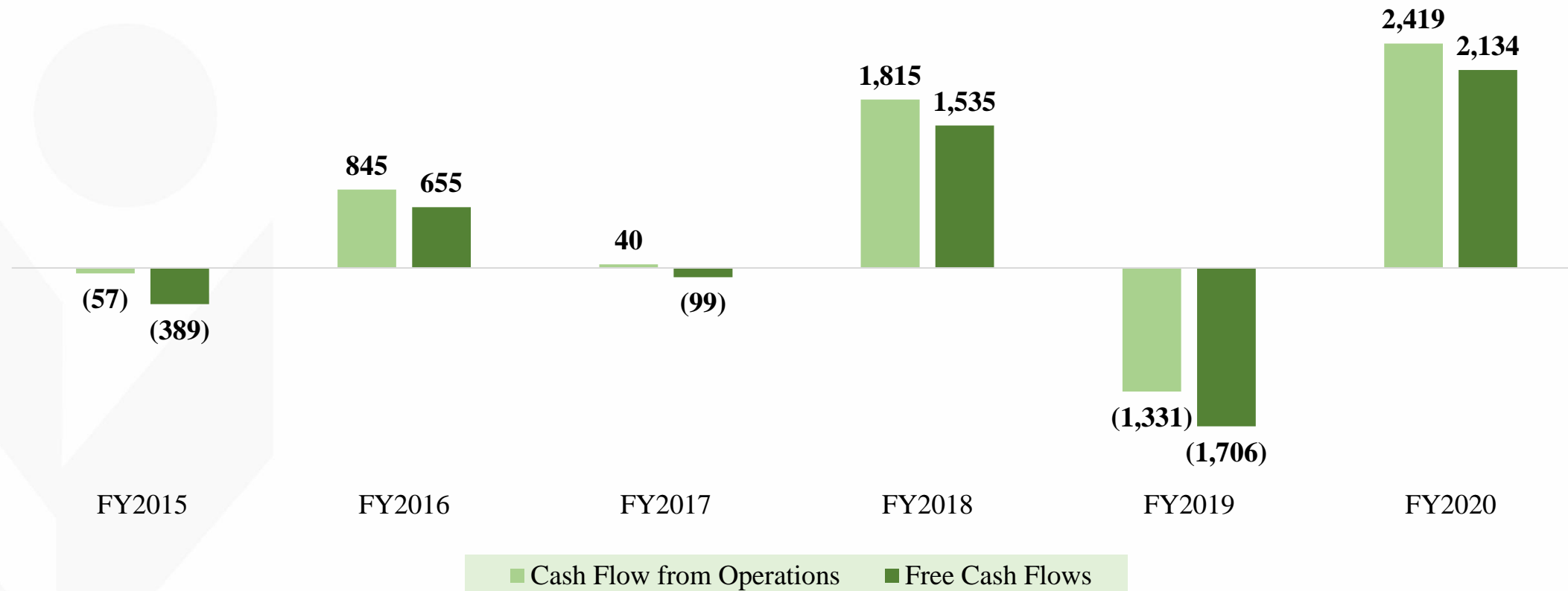
Consistently high returns to shareholders and strong capital structure



Cash Flow from Operations vs Free Cash Flows

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

(Rs. Mn)



Industry : Agriculture sector remained resilient during the turbulent phase of Covid-19

Demand Forecast

- Domestic agrochemical industry is expected to register stable growth
- Heavy locust attack after 26 years in the country raised the concern on food security and hence demand for insecticides increased
- Labour shortage in key rice growing regions lead to increased herbicides requirement

Availability of Raw Materials

- Challenges due to Covid-19 resulted in sector experiencing a disruption
- Production have resumed and is nearing pre-Covid levels in India
- Domestic market is expected to recover from the crisis over a medium term

Shutting down of Operations

- Operations are affected due to restricted movements of raw materials, finished goods and labour shortage
- Warehouses and trucks non-availability impacted supply chain in initial stage
- With ease in restrictions and exemption to agriculture and allied sectors, operations have resumed back

Insecticides (India)

- **Resumption of Operations in Manufacturing units:** In compliance with government directives, operations were temporarily suspended and from mid-April, manufacturing plants have resumed operations in a phased manner however capacity utilization remained low due to Covid-19 challenges
- **Outlook:** Upcoming Monsoon is forecasted to be good, Kharif season is expected to be favourable and to bode well for overall business growth

FY2021 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

Increased demand for herbicides due to migrant labour issue in Punjab and Haryana. Recent locust attack increased demand for insecticides



Monsoon

IMD forecasted normal monsoons for the year, rainfall has been 31% higher since June 1 as compared to a year ago



Exports Surge

Representation made by industry on recent announcement by Government to ban 27 pesticides by revisiting bio-efficacy and residue data and take into account food security and financial repercussions for farmers



Public Policy

Government announced Rs. 1.7 trillion stimulus package to protect vulnerable sectors including farmers in the aftermath of lockdown due to Covid-19. Several benefits were also announced under schemes like NREGS, Pradhan Mantri Garib Kalyan Yojna. RBI announced a moratorium on agricultural and crop loans with concession on interest rate of crop loans to reduce burden of debt servicing

Disclaimer



This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Insecticides India Limited (“Insecticides India” or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Insecticides India undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

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