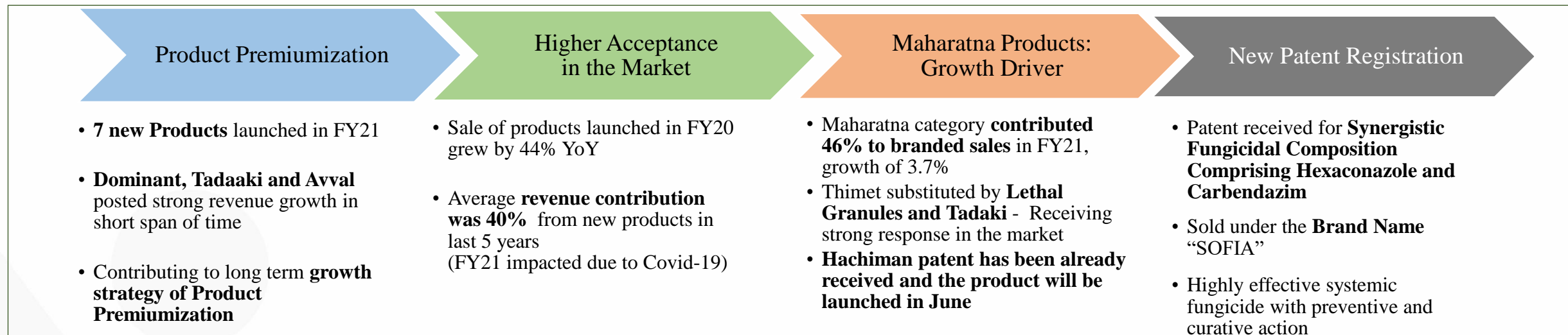




(BSE: 532851 NSE: INSECTICID)

Q4 and Full Year FY2021 Earnings Presentation

FY2021 - Year in Review



Resilient Financial Performance Despite Covid-19 Challenges

- Revenue from operations of Rs. 14,202 Mn, resilient growth of 4.2% on Y-o-Y basis, driven by:
 - Institutional segment –growth of 20% Y-o-Y
 - Maharatna category - growth of 3.7% Y-o-Y. Lethal Group, Pulsor, Hercules and Green Label were major contributors
- Net profit increased by 8.6% Y-o-Y with improvement in profitability margins
 - Cost control measures and working capital management helped in stabilizing business operations

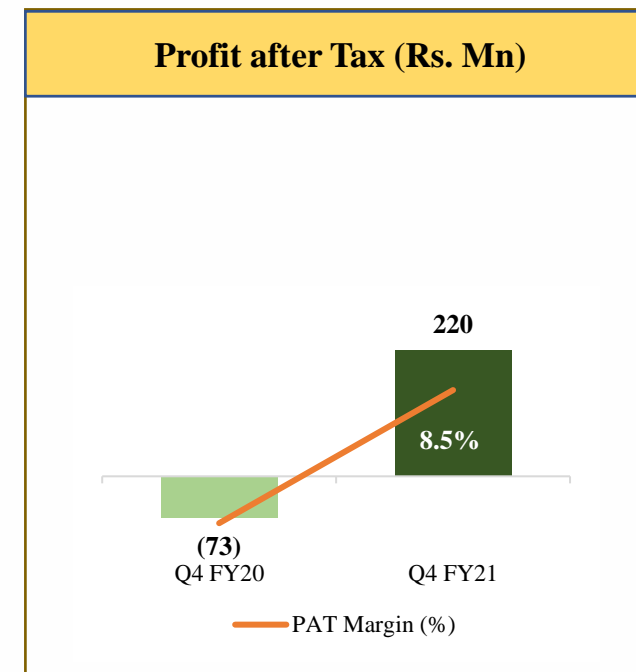
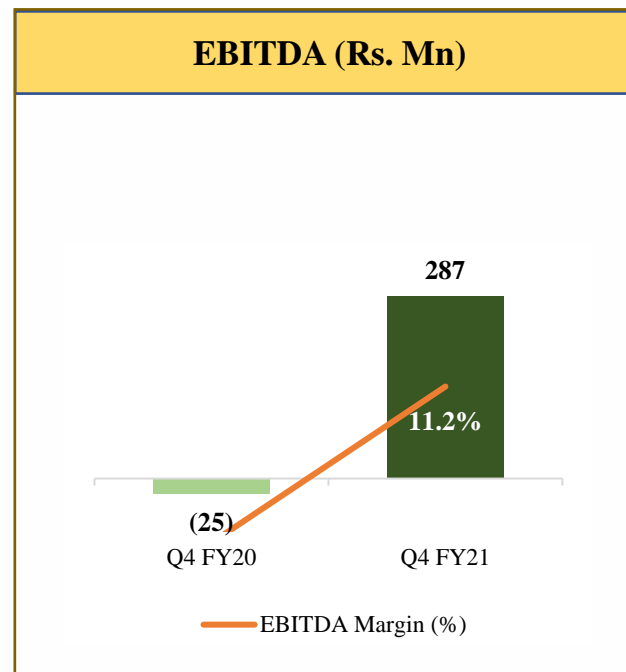
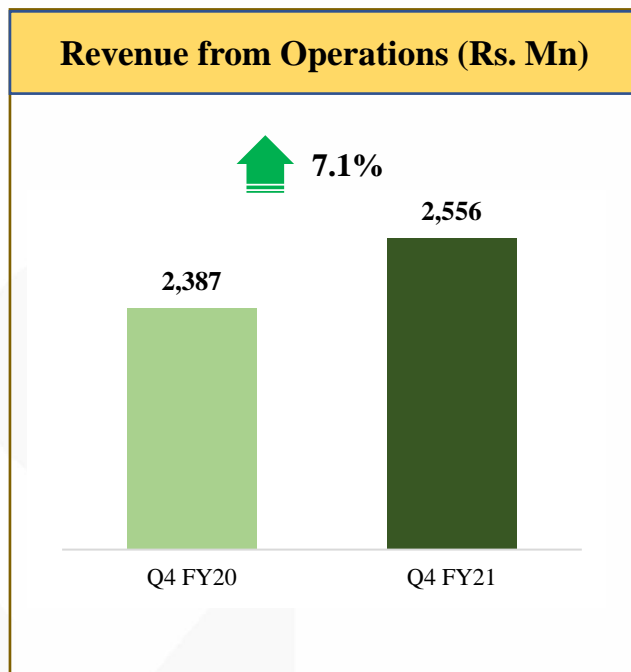
Improving Capital Structure and Investing in Future Growth

- Generated Cash flow from operations of Rs. 1,554 Mn in FY21
- Strengthening Balance sheet with consistent reduction in long term debt. Total Debt reduction of Rs. 915 Mn in FY21 and Rs. 1,166 Mn in FY20
- Working Capital Days improved to 168 in FY21 from 184 in FY20
- Capital expenditure of Rs. 476 Mn in FY21 for backward integration plants in the states of Gujarat and Rajasthan

Generating Returns for Shareholders

- Return on Capital Employed of 14.8% in FY21 and 14.7 % in FY20
- Return on Equity stood at 11.4% in FY21 and 11.8% in FY20
- Earnings distributed back to shareholders:
 - DPS payout of 4.4% in FY21 and 11.6% in FY20
 - Share buyback of Rs. 60 Cr announced during the year out of which around Rs. 50 Cr has been completed

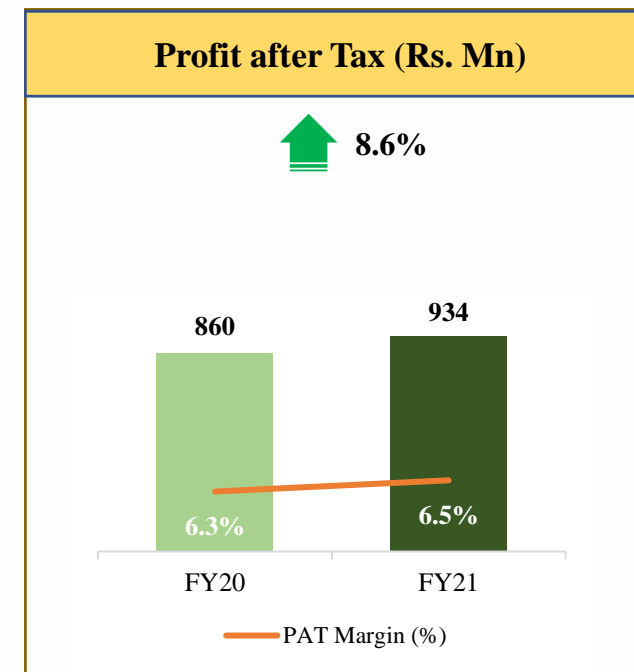
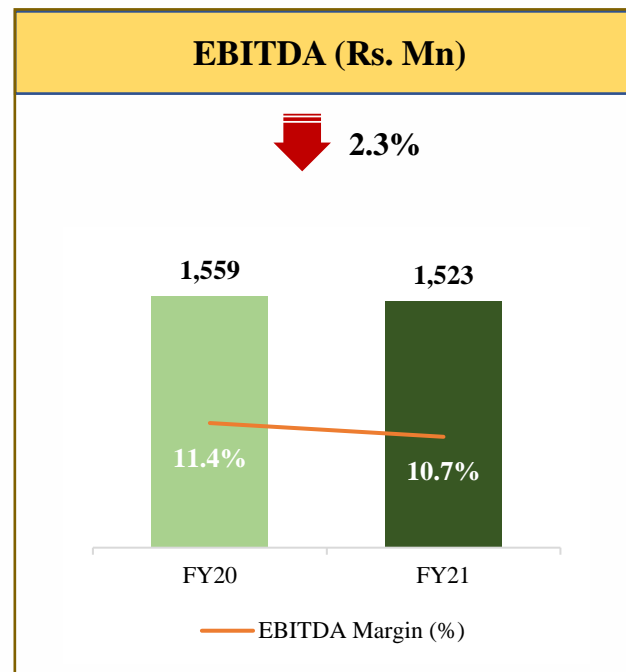
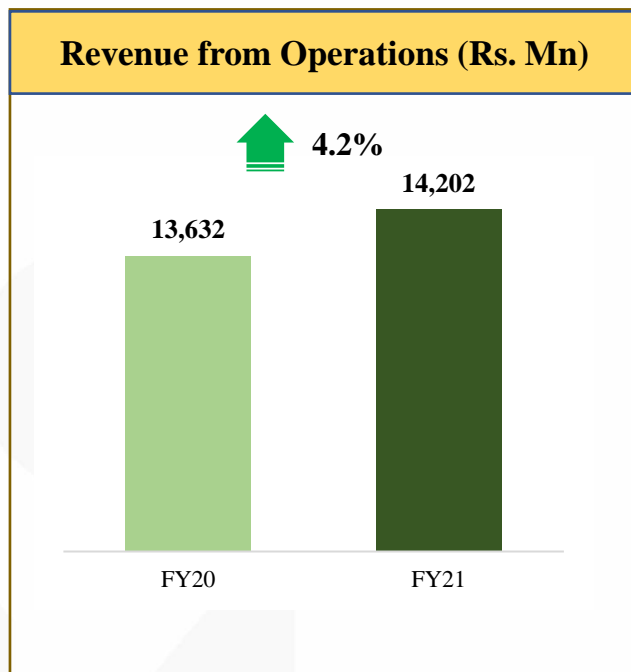
Q4 FY2021 Highlights



Quarter Highlights:

- Strong rebound in sales and profitability in Q4 FY2021 on both sequential and on year on year basis
- Revenue from operations increased by 7.1% on y-o-y basis driven by increase in branded (+3.3% y-o-y) led by Lethal group of products despite of exit of Nuvan from company portfolio
- Institutional sales increased by 25.2% y-o-y and other branded sales increased by 18.7% y-o-y
- Continued focus on better working capital management including higher cash sales and collection

FY2021 Highlights



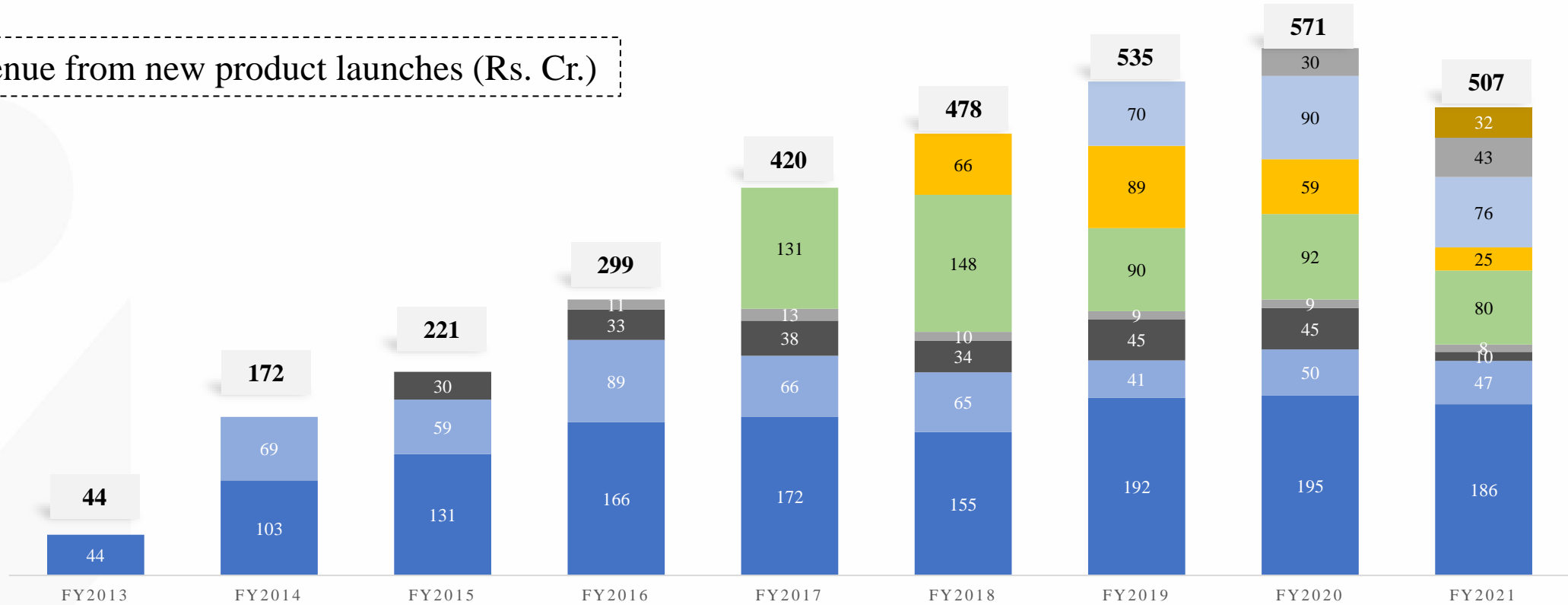
Full Year Highlights:

- Revenue from operations increased by 4.2% on y-o-y basis, primarily driven by increase in institutional sales (+19.7% y-o-y). Total branded sales declined marginally by 0.4% while Maharatna sales increased by 3.7%
- Despite Covid-19 challenges management delivered stable topline growth with slight decline in EBITDA margins. However, net profit increased by 8.6% with improvement in profitability margins on y-o-y basis
- Company has implemented various cost control measures and focused on managing working capital through higher cash sales and collection which has helped in delivering stable performance during the year

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%

Management Commentary



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

“In Q4 FY2021, IIL delivered a strong rebound in sales and profitability both on sequential and year on year basis. The Company recorded Revenue from Operations of Rs. 256 crores, with a resilient growth of 7.1% on Y-o-Y basis. Lethal group of products saw an impressive growth of 4-fold in sales, an indicator of high acceptance among farmers. EBITDA stood at Rs. 29 crores, with margins of 11.2%. Net profit for the quarter was Rs. 22 crores, with margins of 8.5%.



FY2021 was a challenging year, it started with the unprecedented outbreak of Covid-19 adversely impacting economy and people across the world. The domestic agrochemical sector was also affected as lockdowns curbed the operations to a certain extent. Industry faced challenges in terms of raw material and packaging material availability with on ground sales and logistics constraints also creating pressure on the businesses. However, India’s agriculture system demonstrated its resilience amidst such adversities and in a short span of time, its output performance began to improve.

On a full year basis, Revenue from Operations was Rs. 1,420 crores, a growth of 4.2% on Y-o-Y basis, with EBITDA of Rs. 152 crores and Net Profit of Rs. 93 crores representing margins of 10.7% and 6.5%, respectively. Revenue growth was driven by institutional segment, a growth of 20% and contributed 26% to the total revenue, branded sales marginally declined by 0.4% and contributed 69%. Maharatna category continued to grow, posting 3.7% Y-o-Y increase, Lethal Granules, Pulsor, Hercules and Green Label were the major contributors. Net profit increased by 8.6% Y-o-Y with improvement in profitability margins.

During the year, the key strategic focus was on cash sales and better working capital management to generate strong cash flows. As a result, the Company generated cash from operations of Rs. 155 crores and the total debt was further reduced by Rs. 92 crores. In addition, total dividend of Rs. 2 per share i.e. 20% on face value, was announced.

We have launched seven new products in FY21 for improving product mix, which have received positive response from market and contributed Rs. 32 crores to net sales during the year. I am also pleased to announce that Lethal Granules and Tadaaki have started substituting Thimet sales during the year and have registered an annual sales of Rs. 56.5 Crores and is expected to contribute good growth in the coming year.

In addition, we are targeting to launch Hachiman, a patented herbicide mixture with Nissan Japan which is a part of our plan to launch 5-6 new value added products during the year. Management team is fully equipped and committed to drive growth with registration of new products, improving product mix and increasing brand business which will help company to scale new heights.”

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 16 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

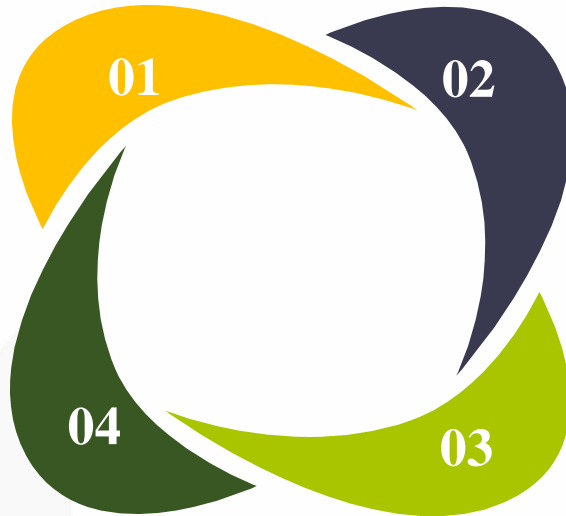
Capabilities and Geographical Presence

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

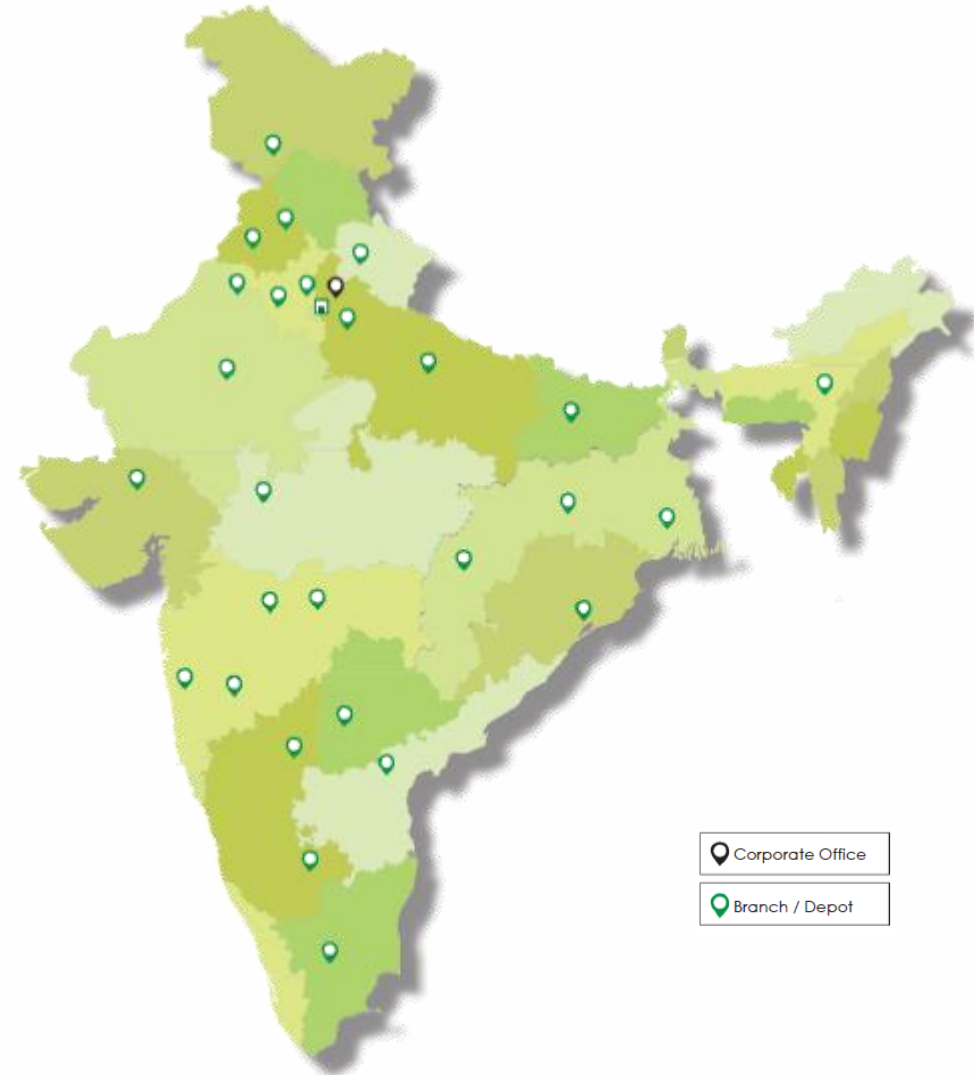


Manufacturing

- 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

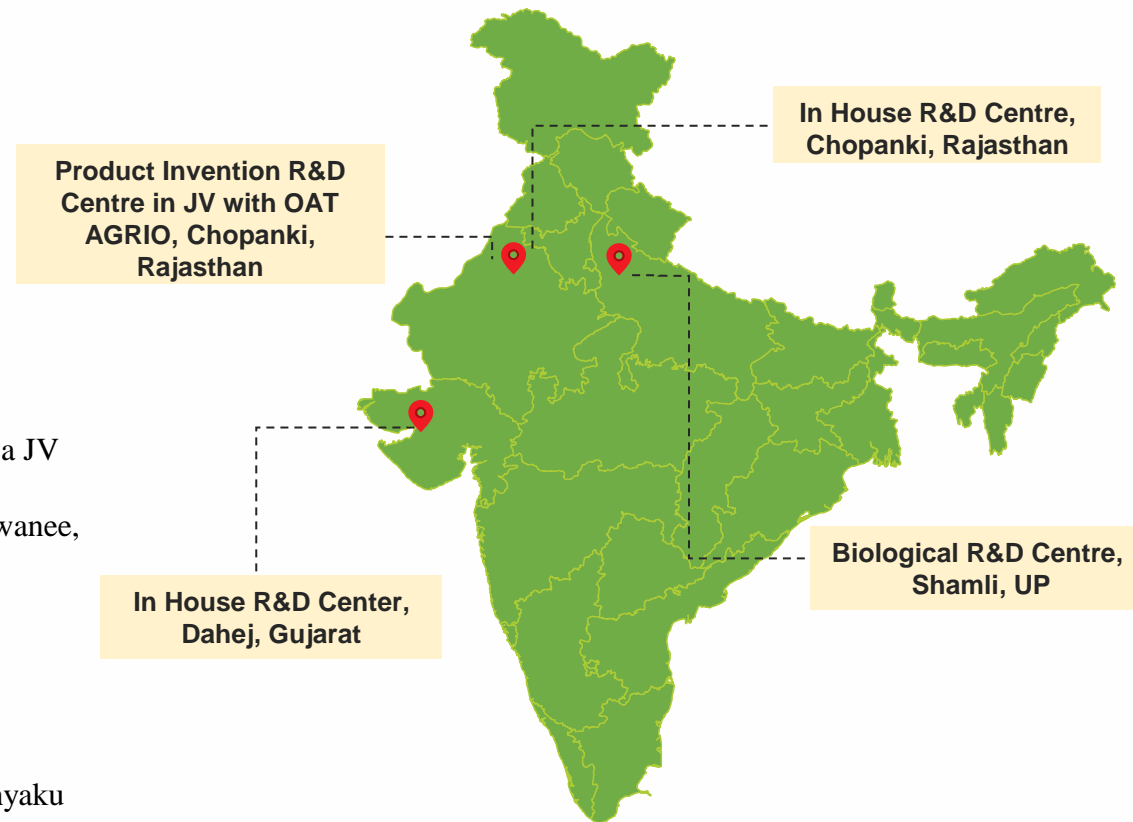
- Equipped with bio assay and product development facilities
- Looking forward to development of 3-4 new biological products

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

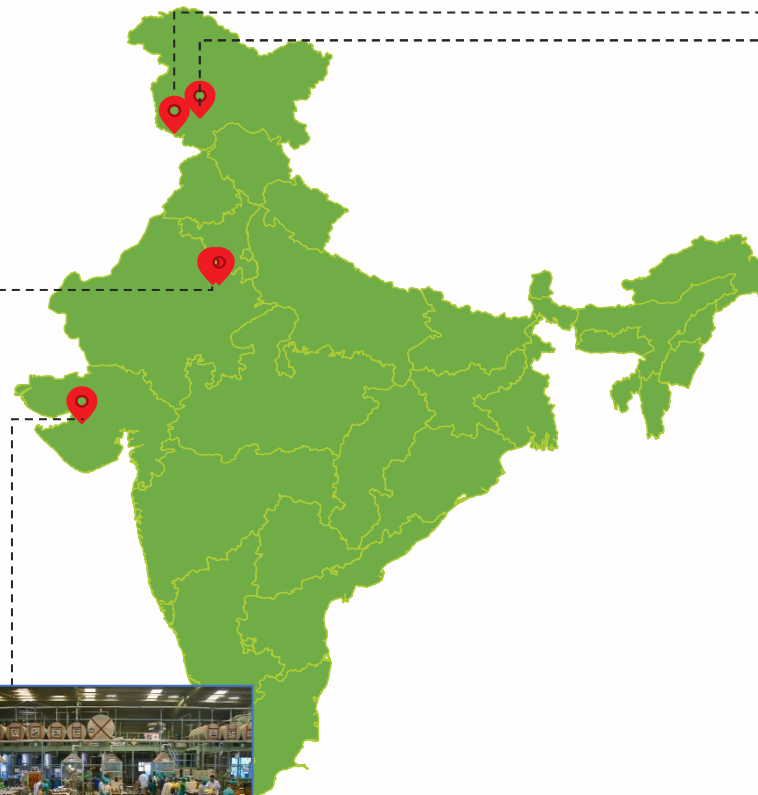
17 Patents Pending

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)	Q4		Y-o-Y	Q3	Q-o-Q	Full Year		Y-o-Y
	FY2021	FY2020	Growth(%)	FY2021	Growth(%)	FY2021	FY2020	Growth(%)
Operating Revenue	2,556	2,387	7.1%	2,992	(14.6)%	14,202	13,632	4.2%
Other Income	21	(9)	-	10	106.7%	77	26	201.2%
Total Revenue	2,577	2,378	8.4%	3,002	(14.1)%	14,280	13,658	4.6%
EBITDA	287	(25)	-	151	90.4%	1,523	1,559	(2.3)%
<i>EBITDA Margin (%)</i>	<i>11.2%</i>	<i>(1.0)%</i>		<i>5.0%</i>		<i>10.7%</i>	<i>11.4%</i>	
EBIT	246	(95)	-	99	148.4%	1,354	1,344	0.8%
<i>EBIT Margin (%)</i>	<i>9.6%</i>	<i>(4.0)%</i>		<i>3.3%</i>		<i>9.5%</i>	<i>9.8%</i>	
Finance Cost	11	51	(77.8)%	19	(38.7)%	67	239	(72.2)%
PBT before Exceptional Item	235	(147)	-	81	191.6%	1,287	1,105	16.5%
<i>PBT before Exceptional Item Margin (%)</i>	<i>9.1%</i>	<i>(6.2)%</i>		<i>2.7%</i>		<i>9.0%</i>	<i>8.1%</i>	
Exceptional Item	(3)	-	-	-	-	97	-	-
Profit After Tax (PAT)	220	(73)	-	60	266.0%	934	860	8.6%
<i>PAT Margin (%)</i>	<i>8.5%</i>	<i>(3.1)%</i>		<i>2.0%</i>		<i>6.5%</i>	<i>6.3%</i>	
Basic EPS	10.63	(3.54)	-	2.90	266.4%	45.21	41.63	8.6%

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

Leverage Profile

Focus on strengthening balance sheet and cash position

(Rs. Million)	FY2017	FY2018	FY2019	FY2020	FY2021
Long Term Debt	283	145	68	19	23*
Short Term Debt	2,060	968	2,952	1,835	916
Total Debt	2,342	1,112	3,020	1,854	939
Cash & Cash Equivalents	92	201	92	742	833
Net Debt	2,250	911	2,928	1,112	106
Total Equity	4,645	5,476	6,613	7,302	8,184
Net Debt/Equity	0.48x	0.17x	0.44x	0.15x	0.01x

Company continues to strengthen Balance sheet through debt reduction and improving collection process

Reduced total debt by Rs. 92 crores from Rs. 185 crores in FY20 to Rs. 94 crores in FY21

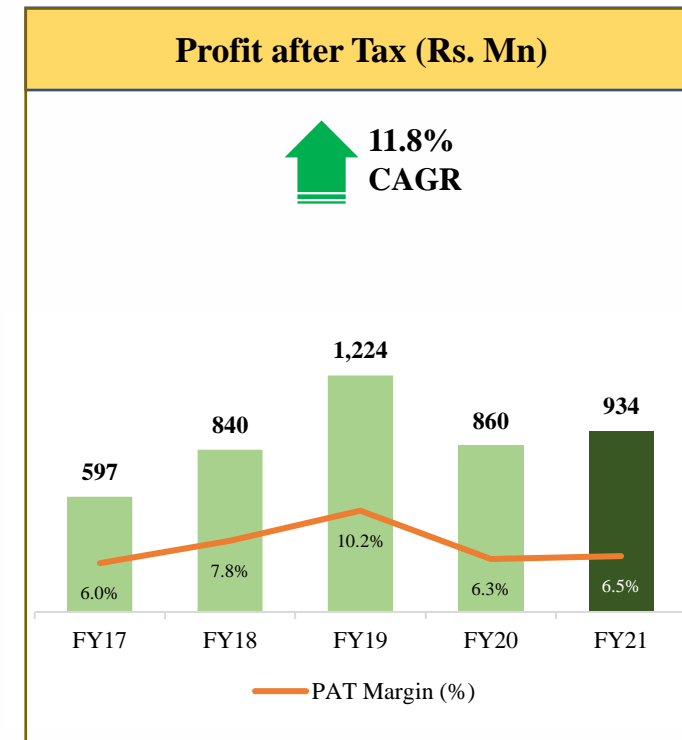
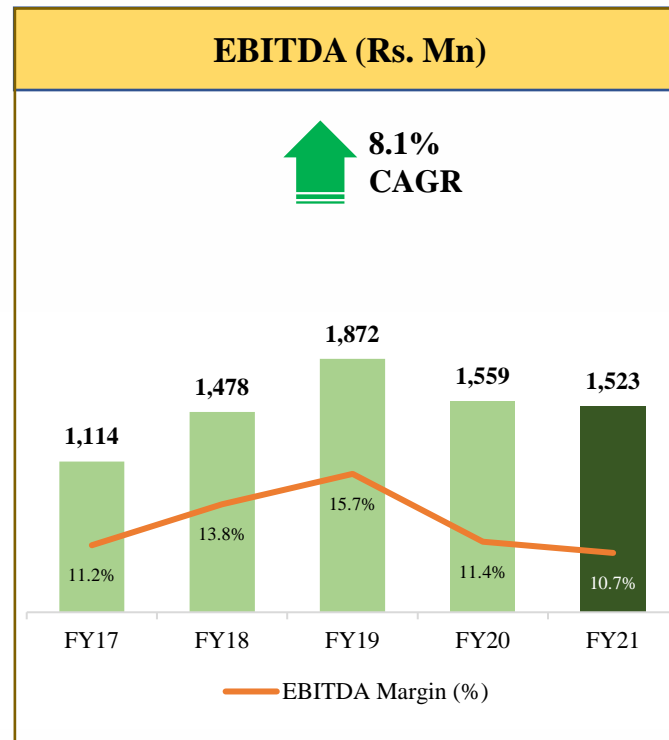
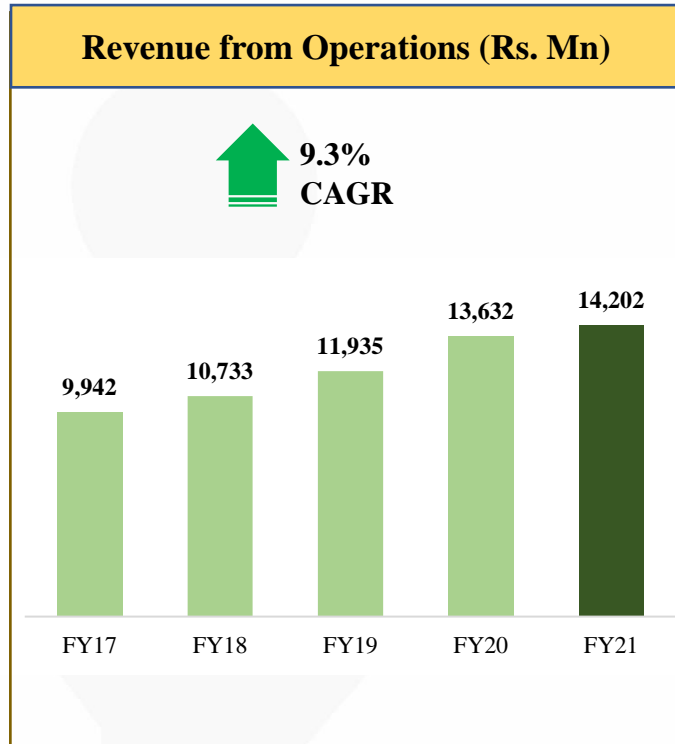
Short Term Debt levels increased from H1FY21 on account of inventory build up for upcoming Kharif season

Notes:

1. Long Term Debt also includes Current Maturities of Long Term Debt; *Term Loan is zero from end of FY20
2. Total Debt includes Vehicles Loans
3. Capital Employed = Total Debt + Total Equity

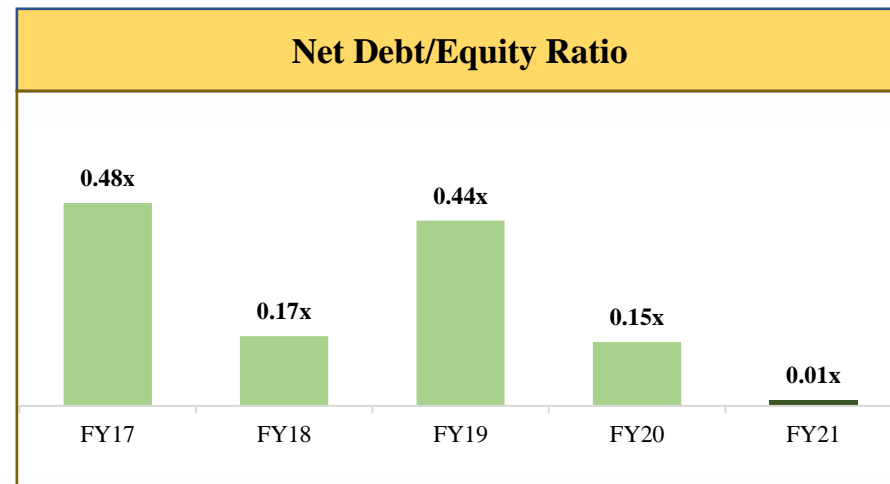
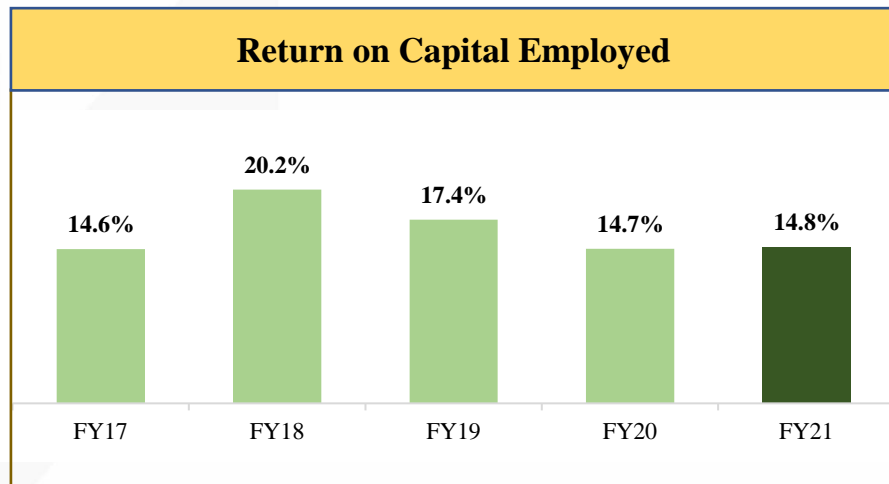
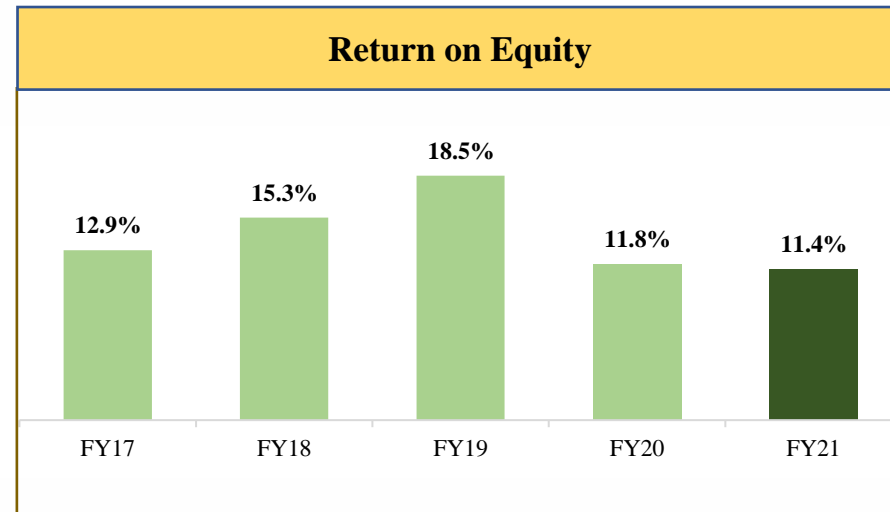
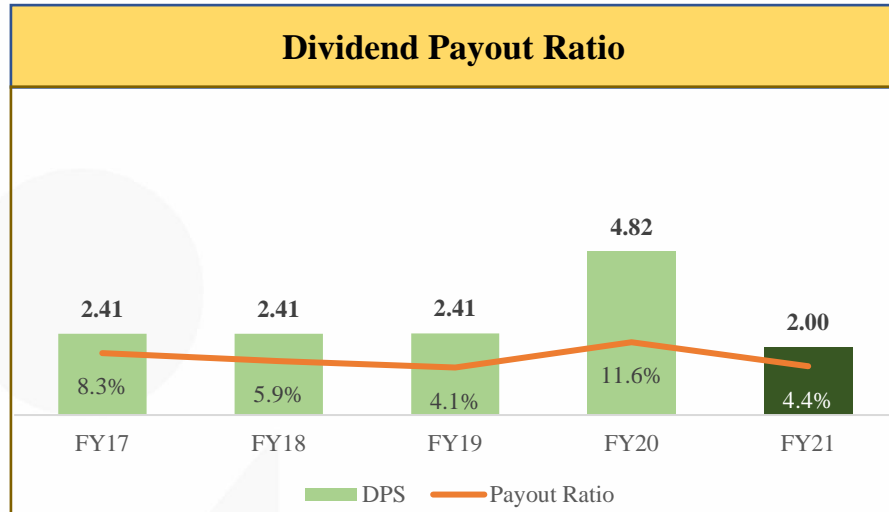
Financial Trends - Annual

Consistent Revenue and profitability growth in last 5 years



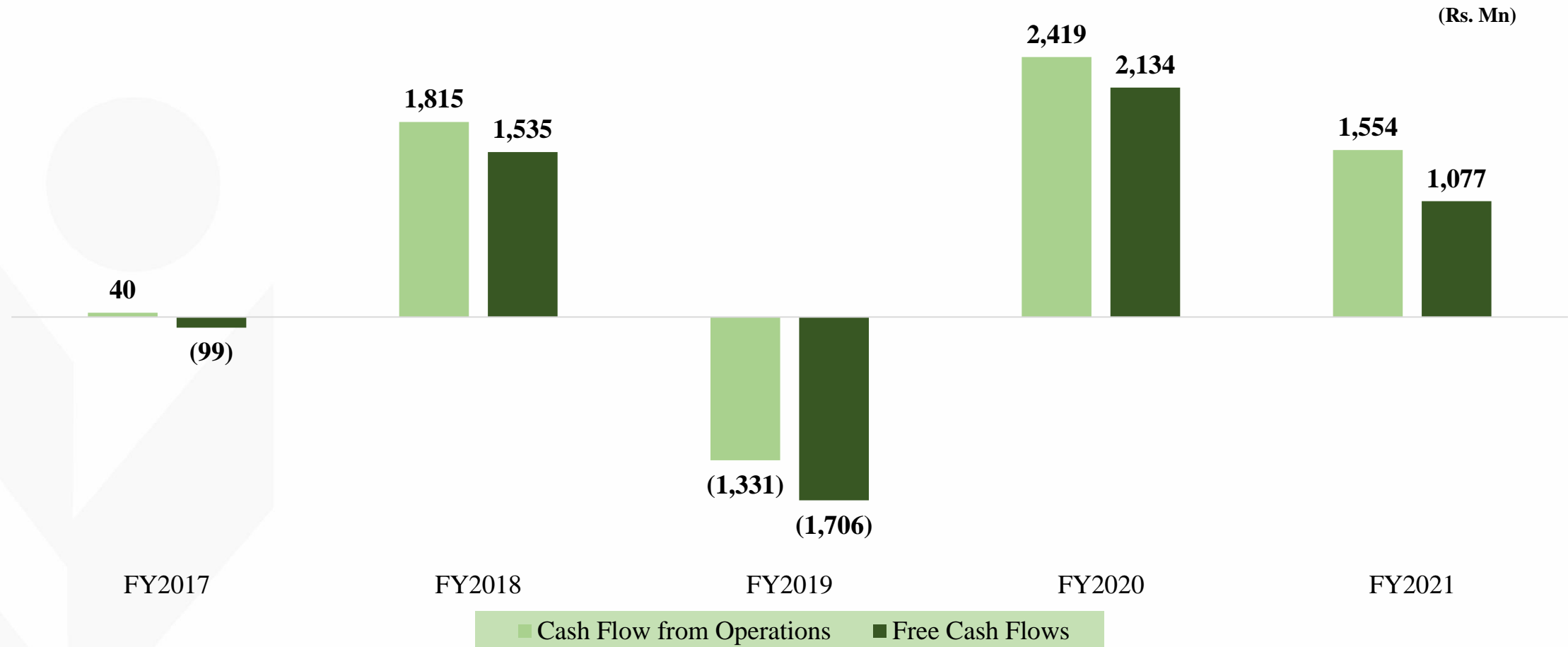
Key Ratios

Consistently high returns to shareholders and strong capital structure



Cash Flow from Operations vs Free Cash Flows

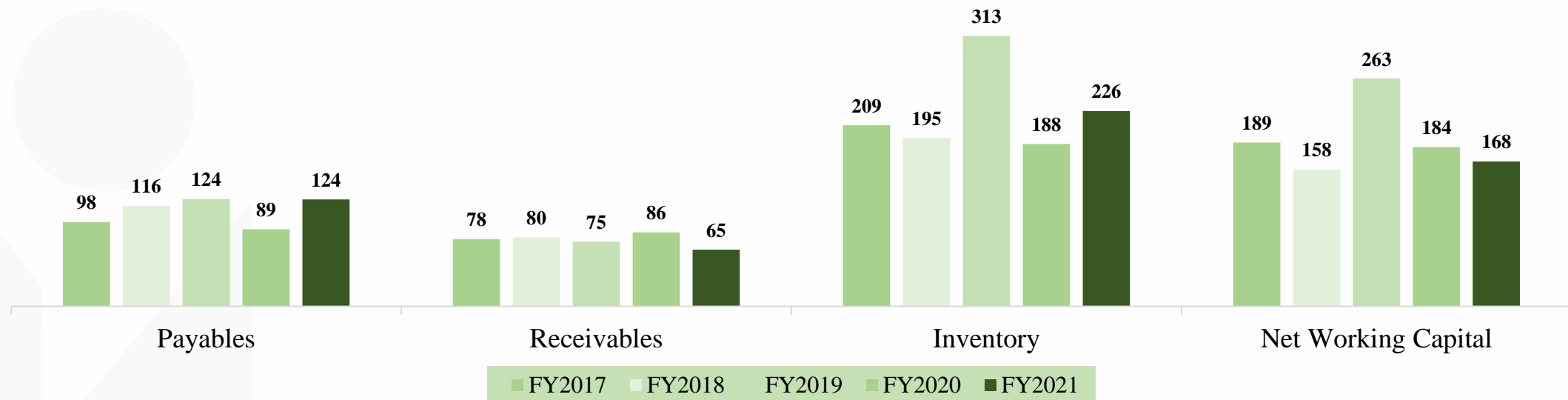
Generated strong cash flows to support growth plans and mitigate potential risk



Working Capital Cycle

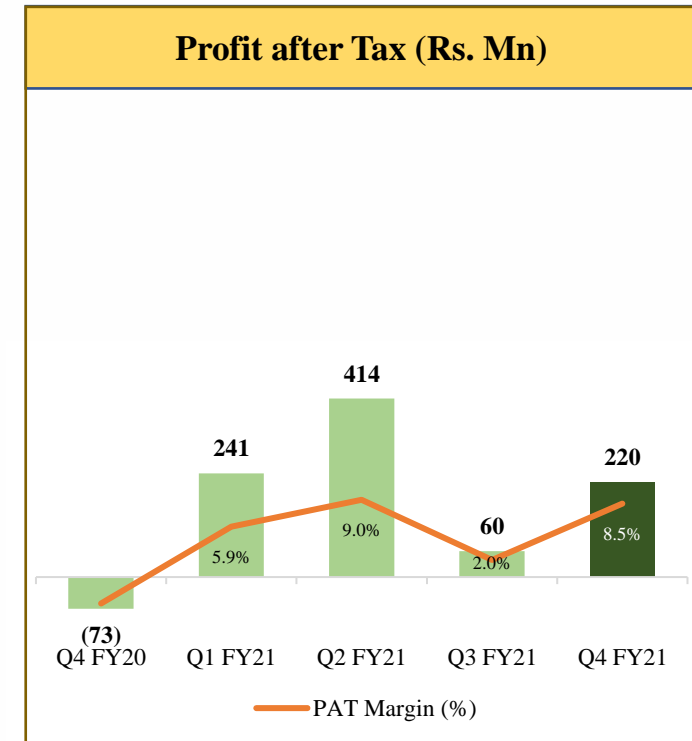
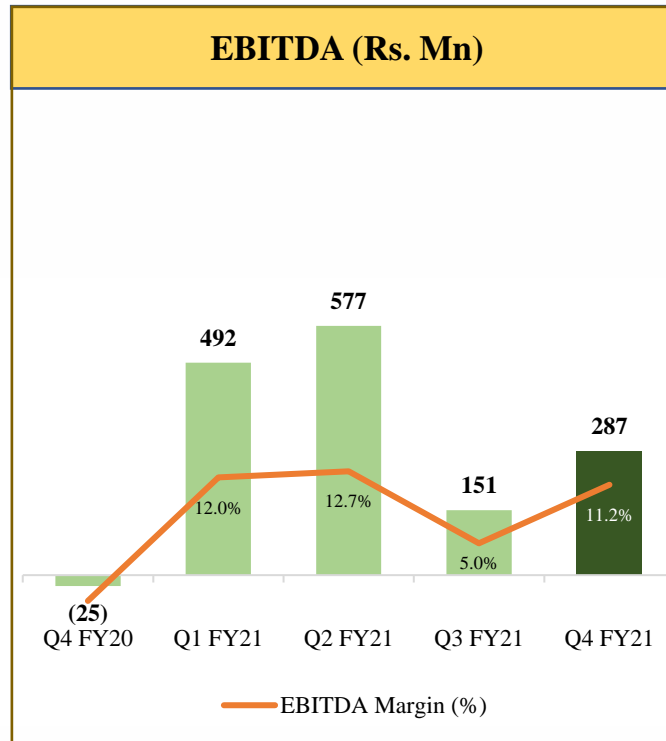
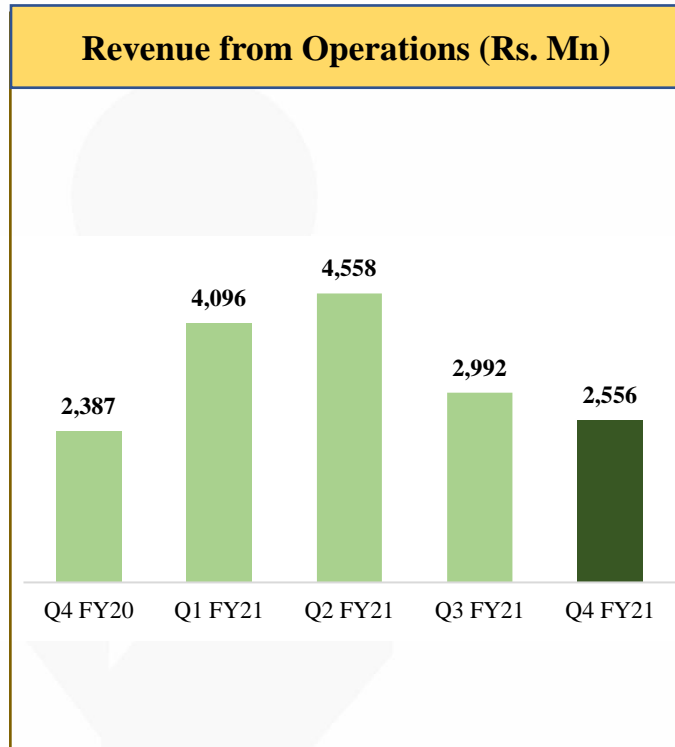
Management is fully committed to improving its working capital cycle

(Working Capital Days)



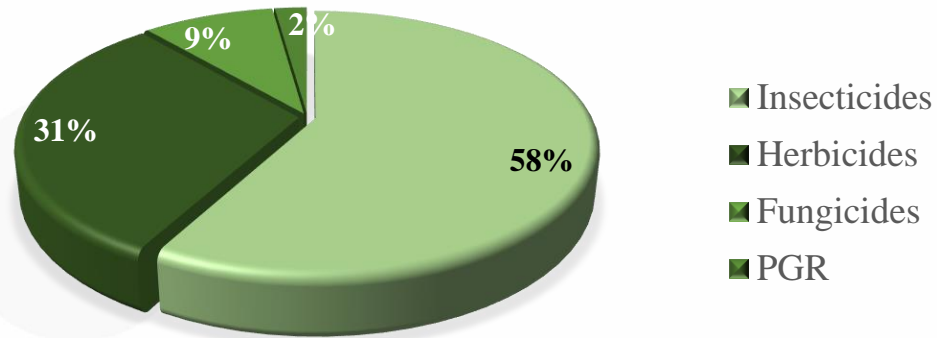
- Net working capital days is on declining trend and company is committed to fund the working capital through internal accruals
 - Focused on reducing receivables days
 - Inventory days increased from H1FY21 on account of building up of higher inventory for upcoming Kharif season

Financial Trends - Quarterly

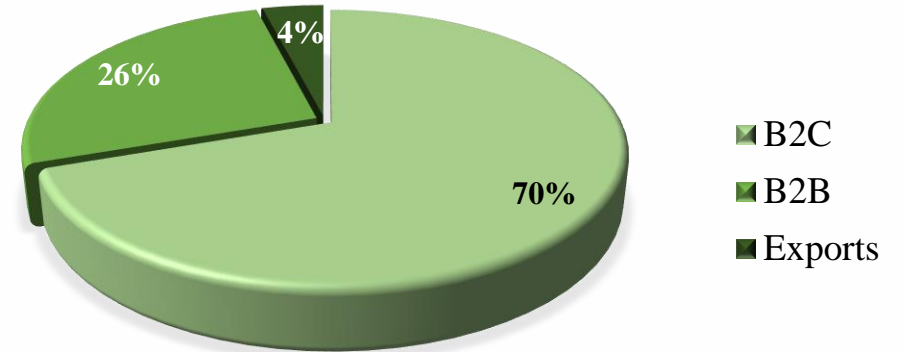


Segment Reporting – FY2021

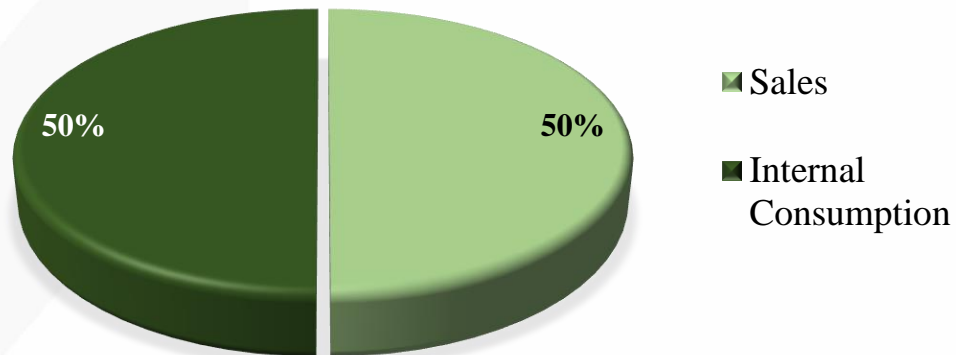
Net Sales by Product Category



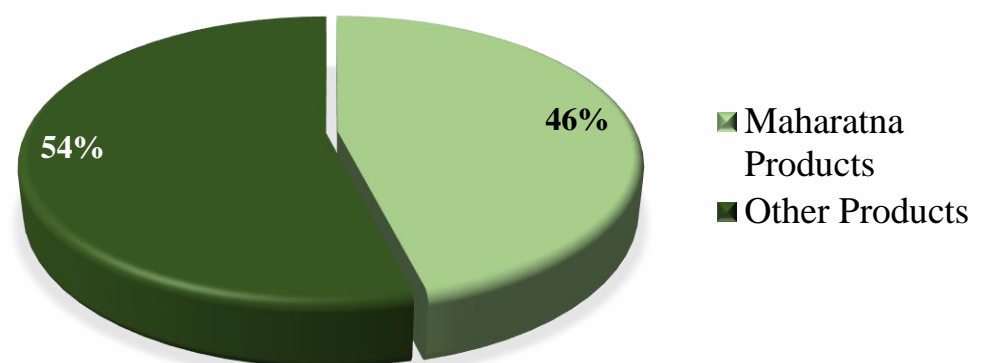
Net Sales by Segment



Net Sales vs Internal Consumption



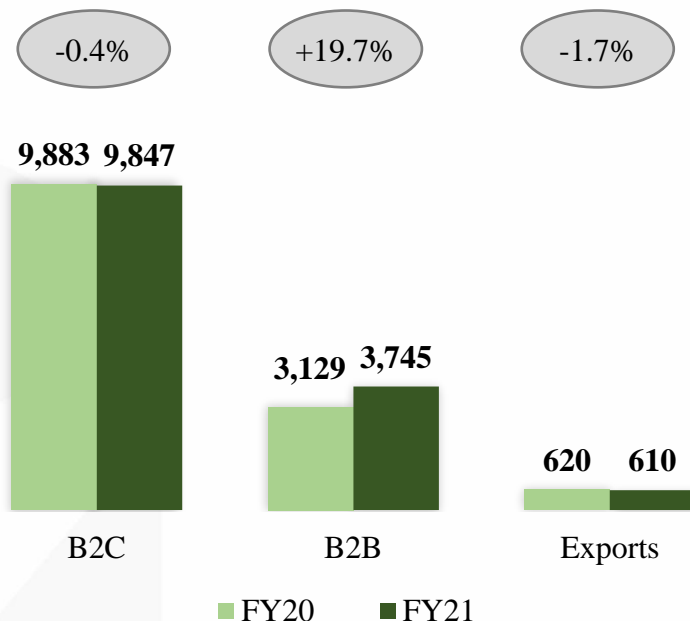
Breakdown of Top Seller Range in B2C



Segment Reporting – FY2021

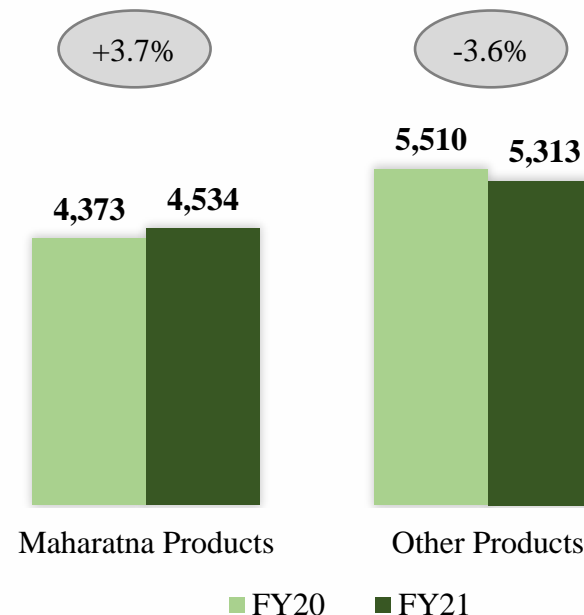


Net Sales by Segment (Rs. Mn)



- Growth in B2B segment while marginal impact present in B2C and exports segments due to less infestation and low consumption at farmer level
- B2B increased from Rs. 3,129 Mn in FY20 to Rs. 3,745 Mn in FY21, growth of 20% on Y-o-Y basis

Net Sales by Emphasized Product Category (Rs. Mn)



- Maharatna products sales increased by 3.7% and other products decreased by 3.6% on Y-o-Y basis
- Lethal Granules, Pulsor, Hercules and Green Label contributed to growth of Maharatna category

Recent Announcements

Insecticides (India) received patent for Synergistic Fungicidal Composition Comprising Hexaconazole and Carbendazim

- Term of 20 years, from 15th June 2017
- Sold under the **Brand Name** “SOFIA”
- **Active Ingredient:** Hexaconazole 4% + Carbendazim 16% SC
- **Product Category:** Systemic Fungicide

Key Features:

- Highly effective systemic fungicide with preventive and curative action
- A broad-spectrum fungicide which provides control of a wide range of diseases (recommended crop : Paddy)
- Generates phytotonic effect and improves the plant's visible characteristics, yield and quality of the produce
- Has a translaminar action and is environmentally friendly due to SC formulation



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

Kharif season is expected to be string due to normal monsoon season, timely start of sowing and expected increase in total acreage area. Strong demand for Agrochemical is also expected



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

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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