

Regd. & Corporate Office : 401-402, Lusa Tower
Azadpur Commercial Complex, Delhi -110 033
Telefax : +91 11 27679700-05 (6 Lines)
e mail : info@insecticidesindia.com
www.insecticidesindia.com
CIN : L65991DL1996PLC083909



insecticides
(INDIA) LIMITED

ISO 9001:2015, 14001:2015 & 45001:2018



CERTIFIED COMPANY

Ref: IIL/SE/2021/0502/2

February 05, 2021

The Manager

Listing Compliance Department BSE Limited (Through BSE Listing Centre) Scrp 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 Q3FY2021 Results

Please find enclosed the Q3FY2021 Earning Presentation and Press release on the Third Quarter and Nine Months ended Results of the Company

The same will also be available on the website of the Company at <http://www.insecticidesindia.com/EarningsPresentation.html>

This is for information and records.

Thanking You,
For Insecticides (India) Limited

Sandeep Kumar

Sandeep Kumar
**Company Secretary &
Chief Compliance Officer**

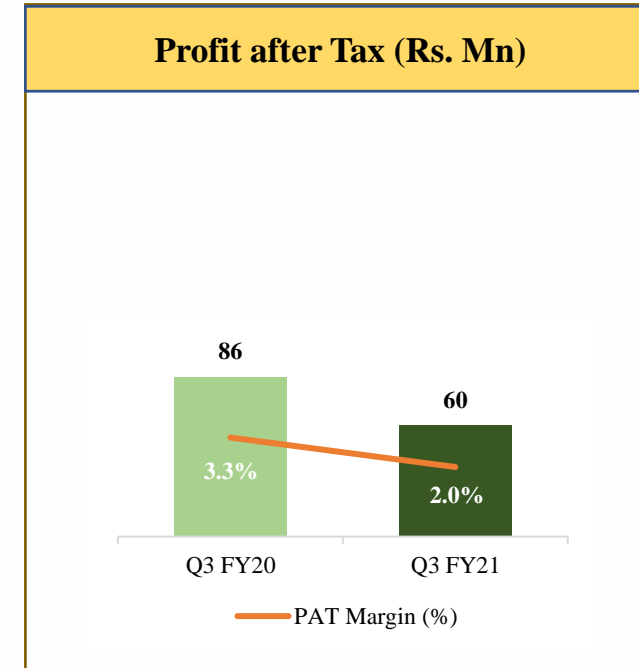
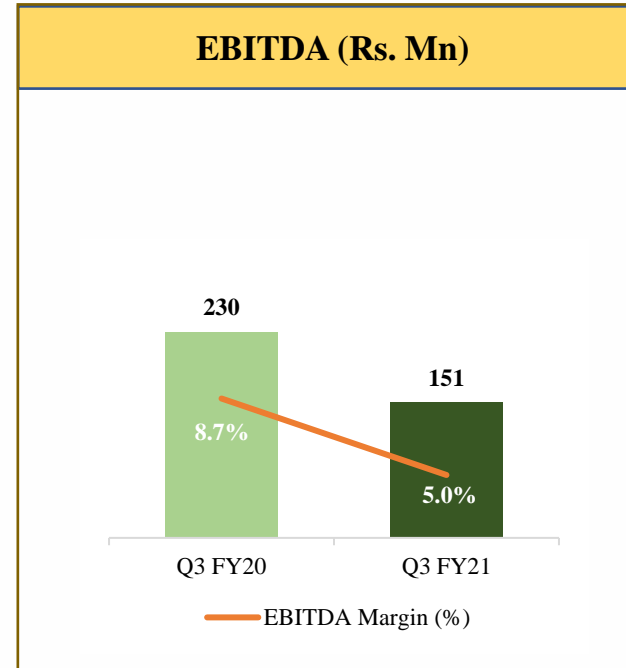
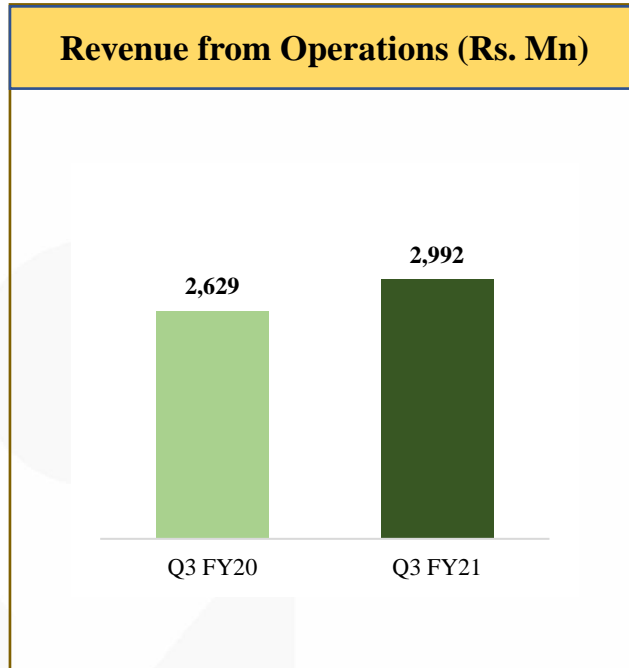
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(BSE: 532851 NSE: INSECTICID)

Q3 FY2021 Earnings Presentation

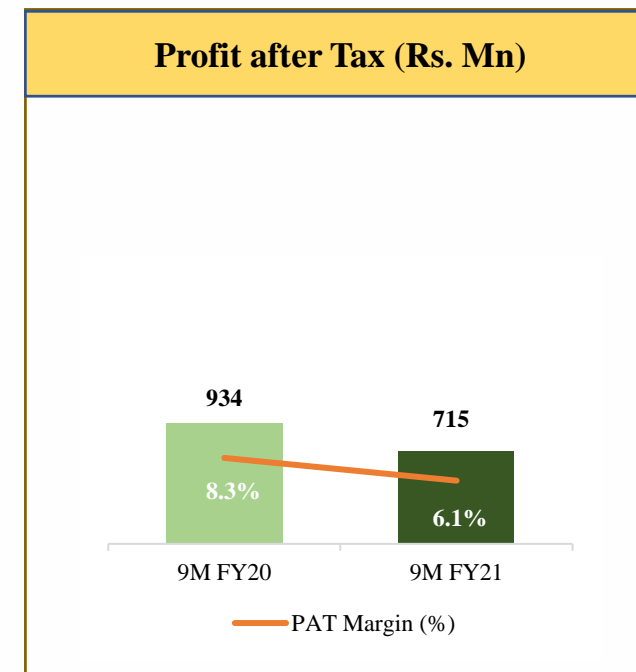
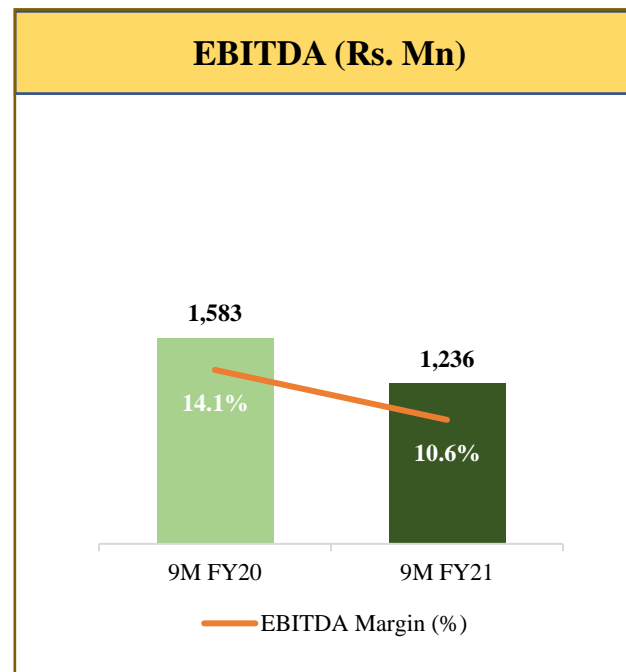
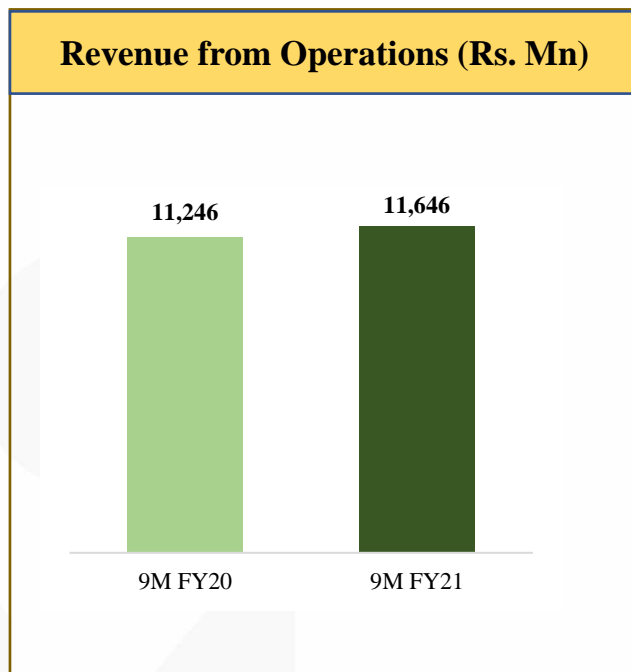
Q3 FY2021 Highlights



Quarter Highlights:

- Revenue from operations increased by 13.8% on y-o-y basis driven by total branded sales which increased by 3.7%. Maharatna sales increased by 6.8% while other branded sales increased by 1.4% y-o-y
- Profitability was impacted due to higher sale of generic products coupled with higher raw material and packaging costs
- Continued focus on the better working capital management including higher cash sales and collection

9M FY2021 Highlights



Nine Months Highlights:

- Revenue from operations increased by 3.6% on y-o-y basis. Total branded sales declined marginally by 1.0%. However, Maharatna sales increased by 7.1% offset by other branded sales which decreased by 7.6% y-o-y
- Profitability was impacted due to higher sale of generic products coupled with higher raw material and packaging costs
- Continued focus on the better working capital management including higher cash sales and collection

Management Commentary



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

“Agriculture and agrochemicals sector in the third quarter of the fiscal year witnessed wide-ranging factors at play, on one hand the sector saw healthy demand in major crops, on the other, unseasonal rains and extended monsoon’s impact was also present across various states. Challenges surrounding raw material, packaging material and logistics also created pressure on the businesses.

In Q3FY21, the Company recorded revenue from operations of Rs. 299 crores, a growth of 13.8% on Y-o-Y basis. The Company delivered EBITDA of Rs. 15 crores, with margins of 5.0%. Net profit for the period was Rs. 6 crores, with margins of 2.0%.

Revenue growth was supported by both branded and institutional segment - branded sales increased by 4%, contributing 69% to the total revenue, institutional sales increased by 58%, contributing 26%. Profitability for the quarter was impacted due to unfavorable product mix arising out of higher sales of generic products, subdued margins in institutional products determined by market forces coupled with increased pressure on raw material and packaging costs.

We continue to launch new innovative products for improving product mix, company introduced two products in Q3FY21 - Tadaaki and Avval, the new product launches contributed Rs. 5.8 crores to net sales during the quarter. Total seven new products were launched in 9M FY2021. The Company remains focused on its long-term plan and the development of our two manufacturing plants in Gujarat and Rajasthan remains on track. These initiatives will result in backward integration, manufacture high value products and improve product mix in the long run.

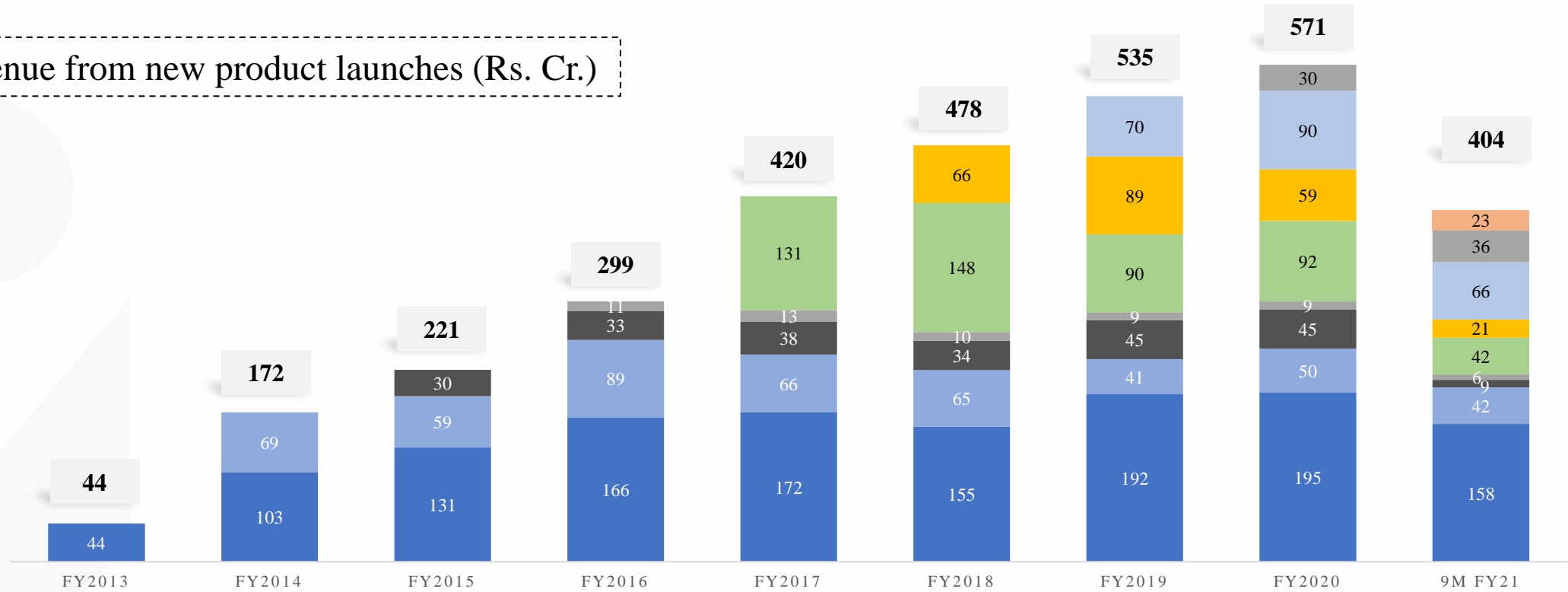
Looking ahead, the recent Union Budget has taken various measures to expand the agriculture sector through higher procurement under MSP, increase in credit to sector and investment in agriculture infrastructure and rural development, which will help in fueling next phase of growth. Furthermore, I would like to assure you that in the fiscal year ahead, we will overcome the temporary setbacks arising due to health pandemic and delay in receiving registrations of our new products. We remain fully committed to capitalize on our strong capital structure, with renewed focus on new product launches and improved product mix to drive growth going forward.”



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%	34.7%

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 9MFY21
- 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

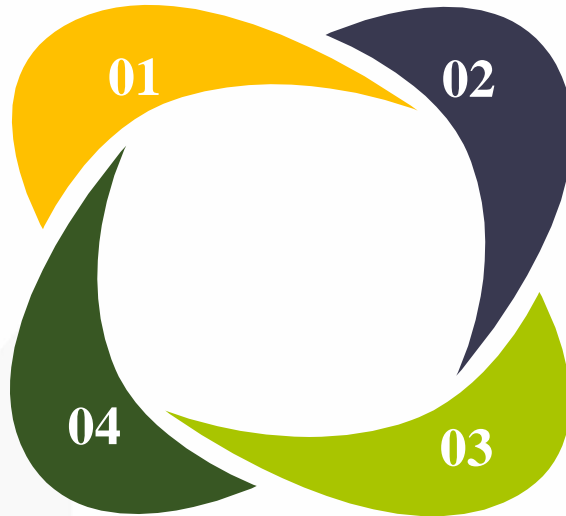
Capabilities and Geographical Presence

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

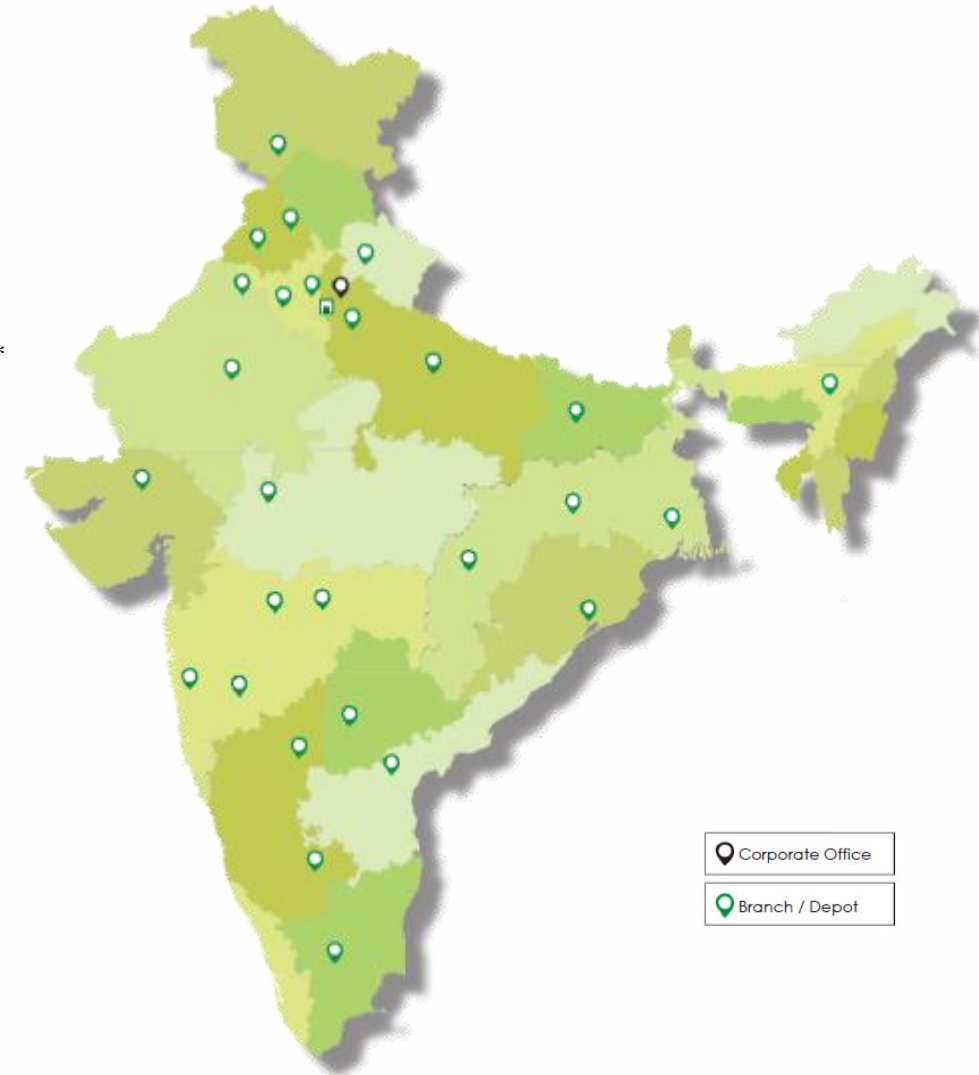


Manufacturing

- 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
- 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.
- GREEN LABEL** : Specialist of weed control in paddy; in line with 'Make in India'
- HAKAMA** : Post-emergence selective herbicide; controls narrow leaf weeds across leaf crops
- XPLODE** : Naturally derived insecticide; controls all Lepidopteran stages
- 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

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:

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

12 Patents Received

18 Patents Pending

59+ New Processes Developed

60+ Scientists in R&D Centres

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)

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 15 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. 1,165 Cr

9M FY21 Sales

60,000+

Retail Outlets

100+

Formulation Products

22

Technical Products

21

Maharatna Products

7

9M FY21 New product launches*

10

Full Year Target of New Product launches*

1,250+

Employees

Note: *New products also include new Maharatna Products

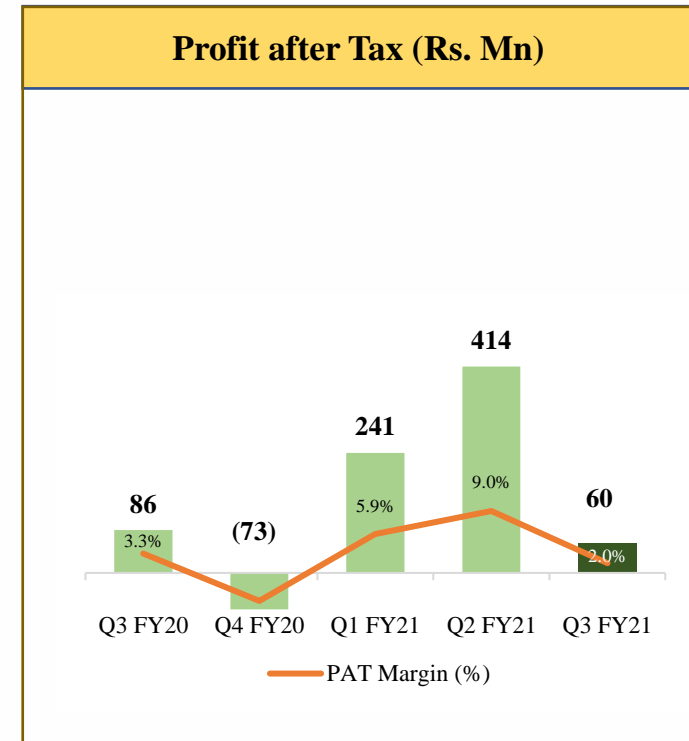
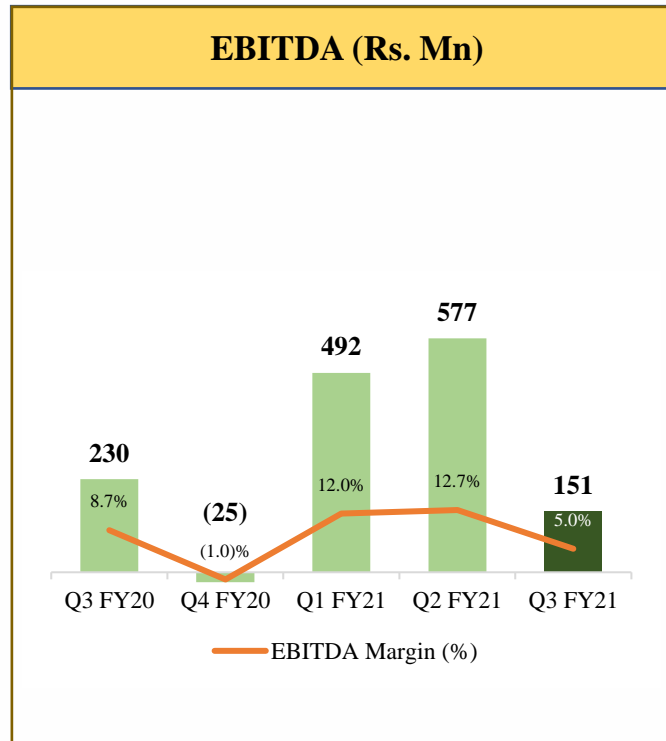
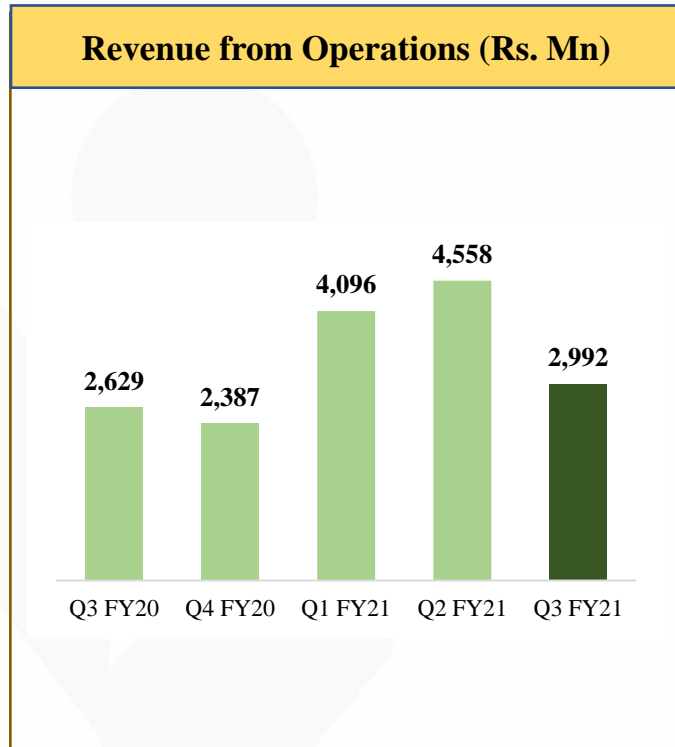
Financial Performance



(Rs. Million)	Q3		Y-o-Y	Q2	Q-o-Q	Nine Months		Y-o-Y
	FY2021	FY2020	Growth(%)	FY2021	Growth(%)	FY2021	FY2020	Growth(%)
Operating Revenue	2,992	2,629	13.8%	4,558	(34.4)%	11,646	11,246	3.6%
Other Income	10	8	33.1%	50	(79.6)%	56	35	60.8%
Total Revenue	3,002	2,636	13.9%	4,609	(34.9)%	11,702	11,280	3.7%
EBITDA	151	230	(34.4)%	577	(73.9)%	1,236	1,583	(21.9)%
<i>EBITDA Margin (%)</i>	<i>5.0%</i>	<i>8.7%</i>		<i>12.7%</i>		<i>10.6%</i>	<i>14.1%</i>	
EBIT	99	177	(43.8)%	566	(82.5)%	1,108	1,439	(23.0)%
<i>EBIT Margin (%)</i>	<i>3.3%</i>	<i>6.7%</i>		<i>12.3%</i>		<i>9.5%</i>	<i>12.8%</i>	
Finance Cost	19	62	(69.8)%	14	32.4%	55	188	(70.6)%
PBT before Exceptional Item	81	115	(29.9)%	552	(85.4)%	1,052	1,251	(15.9)%
<i>PBT before Exceptional Item Margin (%)</i>	<i>2.7%</i>	<i>4.4%</i>		<i>12.0%</i>		<i>9.0%</i>	<i>11.1%</i>	
Exceptional Item	-	-	-	-	-	100	-	-
Profit After Tax (PAT)	60	86	(30.3)%	414	(85.5)%	715	934	(23.4)%
<i>PAT Margin (%)</i>	<i>2.0%</i>	<i>3.3%</i>		<i>9.0%</i>		<i>6.1%</i>	<i>8.3%</i>	
Basic EPS	2.90	4.17	(30.3)%	20.03	(85.5)%	34.58	45.17	(23.4)%

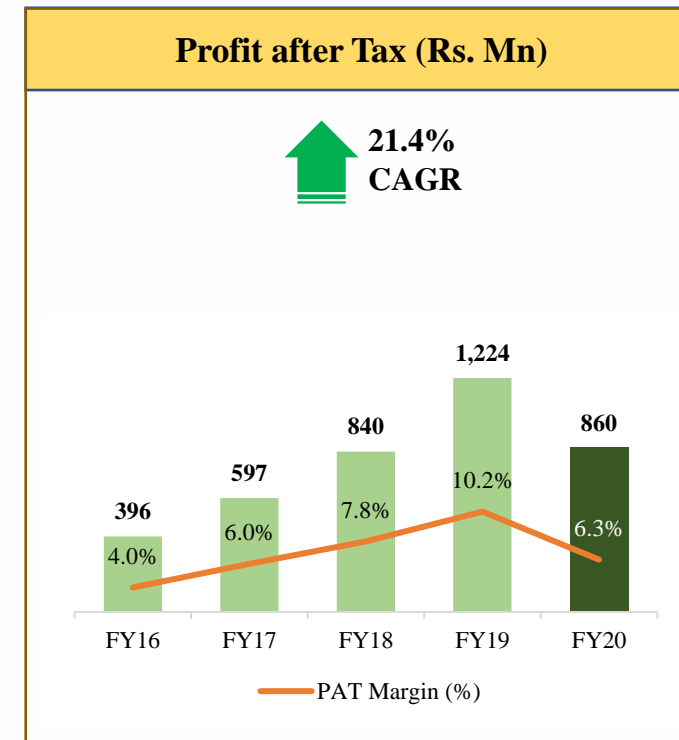
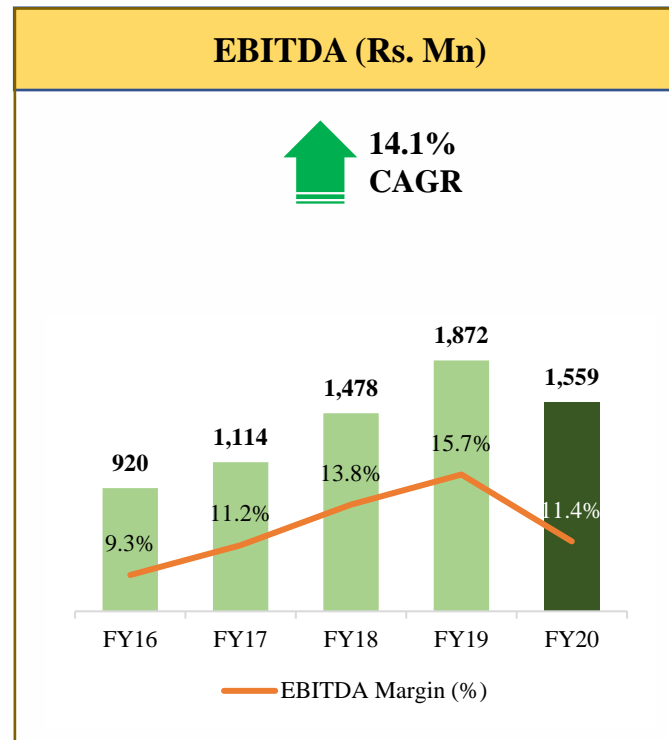
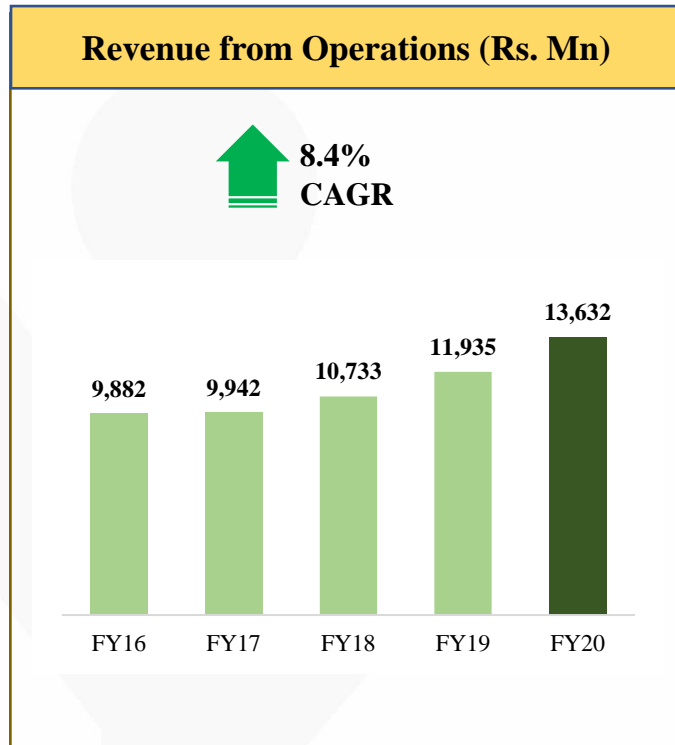
Note: EBITDA Margins are calculated on Operating Revenue
 Exceptional Item represents provision for Trade Receivables

Financial Trends - Quarterly



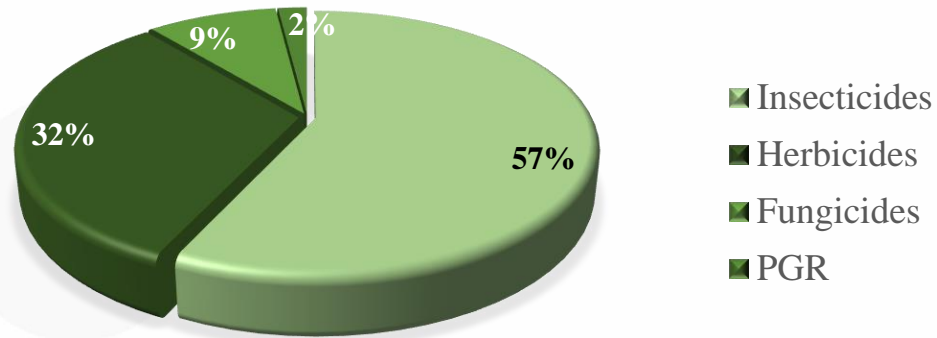
Financial Trends - Annual

Strong Revenue and profitability growth in last 5 years

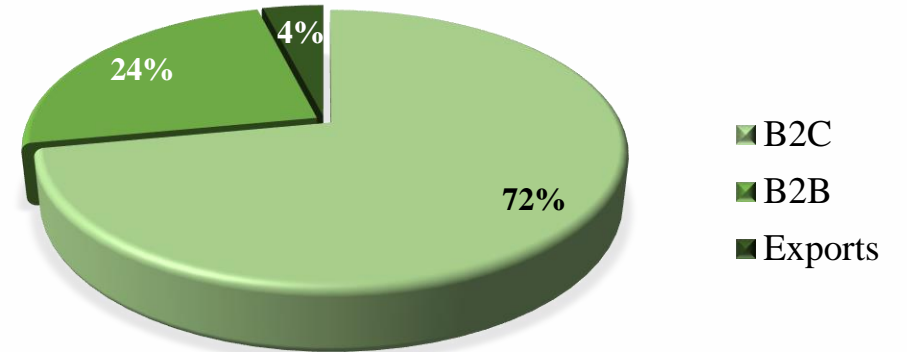


Segment Reporting –9M FY2021

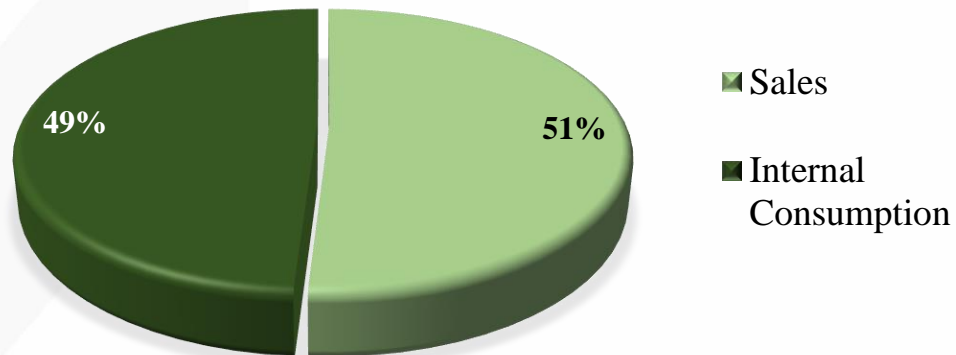
Net Sales by Product Category



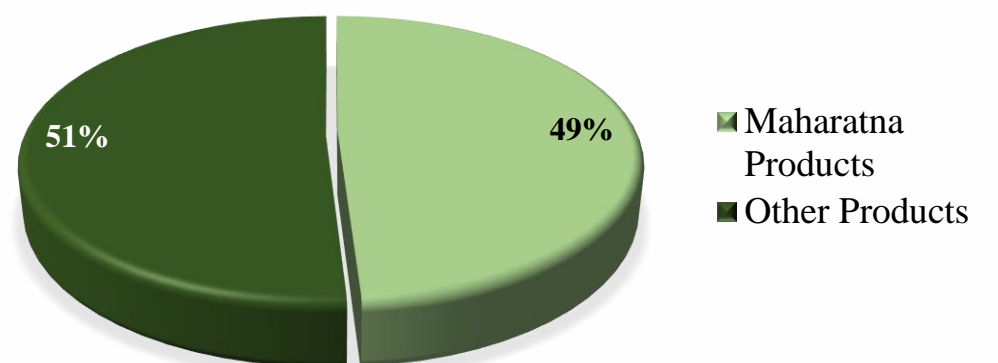
Net Sales by Segment



Net Sales vs Internal Consumption



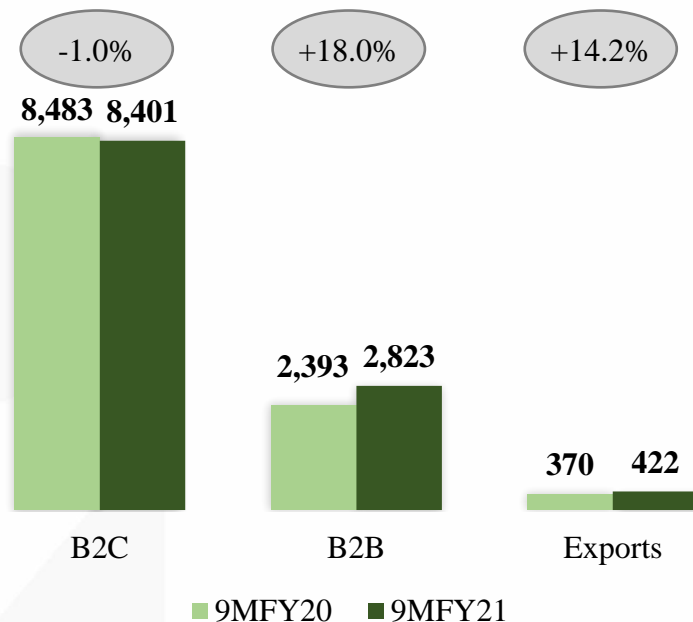
Breakdown of Top Seller Range in B2C



Segment Reporting –9M FY2021

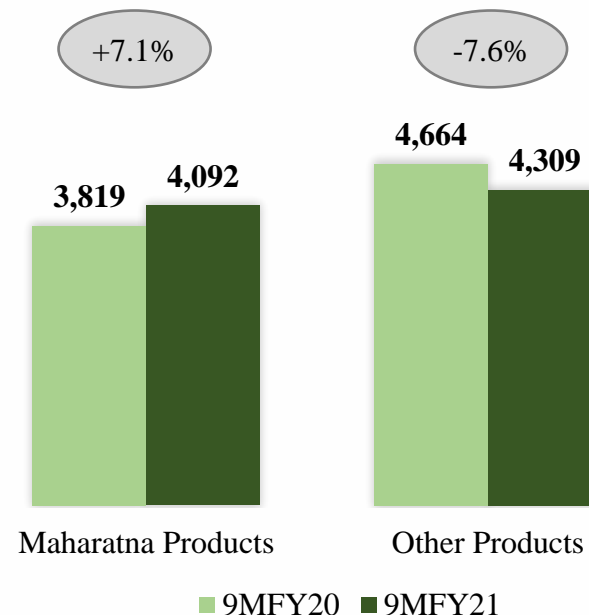


Net Sales by Segment (Rs. Mn)



- Growth in B2B and exports segments while B2C was marginally impacted due to un-even rainfall and less infestation
- B2B increased from Rs. 2,393 Mn in 9MFY20 to Rs. 2,823 Mn in 9MFY21, growth of 18% on Y-o-Y basis

Net Sales by Emphasized Product Category (Rs. Mn)



- Higher contribution from low-margin generic products
- New products launched in Q3FY21 - Tadaaki and Avval
- Maharatna products sales increased by 7.1% and other products decreased by 7.6% on Y-o-Y basis

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

Domestic rabi foodgrains production in the ongoing 2020-21 crop year is expected to be better than the previous year due to better monsoon rain



Monsoon

IMD forecasted normal monsoons for the year, rainfall has been 31% higher since June 1, 2020 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 new initiatives in Union Budget 2021 through allocation for agricultural infrastructure development, enhanced agricultural credit access, integrate more mandis with e-NAM to 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.

For further information, please contact:

Sandeep Aggarwal
Chief Financial Officer
Insecticides India Ltd.

+91 11 2767 9700
sandeep@insecticidesindia.com

Ravi Gothwal / Vikas Luhach
Churchgate Partners

+91 22 6169 5988
InsecticidesIndia@churchgatepartners.com



Insecticides (India) Ltd.

(CIN: L65991DL1996PLC083909)

401-402, Lusa Tower

Azadpur Commercial Complex

Delhi - 110033

Telefax: +91 11 - 27679700 - 04 (5 Lines)

info@insecticidesindia.com

www.insecticidesindia.com





Q3 FY2021 Results - Press Release

Delhi, India, Feb 05, 2021: Insecticides (India) Limited (referred to as “IIL” the “Company”), one of the premier agrochemical companies in India, today announced its financial results for the third quarter ending December 31, 2020.

Performance Highlights: Q3 FY2021

- Revenue from operations of Rs. 299 Crore, increase of 13.8% YoY
- EBITDA of Rs. 15 Crore with margins of 5.0%
- PAT of Rs. 6 Crore with margins of 2.0%

Commenting on the performance, Mr. Rajesh Agarwal, Managing Director, said:

“Agriculture and agrochemicals sector in the third quarter of the fiscal year witnessed wide-ranging factors at play, on one hand the sector saw healthy demand in major crops, on the other, unseasonal rains and extended monsoon’s impact was also present across various states. Challenges surrounding raw material, packaging material and logistics also created pressure on the businesses.

In Q3FY21, the Company recorded revenue from operations of Rs. 299 crores, a growth of 13.8% on Y-o-Y basis. The Company delivered EBITDA of Rs. 15 crores, with margins of 5.0%. Net profit for the period was Rs. 6 crores, with margins of 2.0%.

Revenue growth was supported by both branded and institutional segment - branded sales increased by 4%, contributing 69% to the total revenue, institutional sales increased by 58%, contributing 26%. Profitability for the quarter was impacted due to unfavorable product mix arising out of higher sales of generic products, subdued margins in institutional products determined by market forces coupled with increased pressure on raw material and packaging costs.

We continue to launch new innovative products for improving product mix, company introduced two products in Q3FY21 - Tadaaki and Avval, the new product launches contributed Rs. 5.8 crores to net sales during the quarter. Total seven new products were launched in 9M FY2021. The Company remains focused on its long-term plan and the development of our two manufacturing plants in Gujarat and Rajasthan remains on track. These initiatives will result in backward integration, manufacture high value products and improve product mix in the long run.

Looking ahead, the recent Union Budget has taken various measures to expand the agriculture sector through higher procurement under MSP, increase in credit to sector and investment in agriculture infrastructure and rural development, which will help in fueling next phase of growth. Furthermore, I would like to assure you that in the fiscal year ahead, we will overcome the temporary setbacks arising due to health pandemic and delay in receiving registrations of our new products. We remain fully committed to capitalize on our strong capital structure, with renewed focus on new product launches and improved product mix to drive growth going forward.”

Financials Results – Q3 FY2021

(Rs. Million)	Q3		Y-o-Y	Q2	Q-o-Q	Nine Months		Y-o-Y
	FY2021	FY2020	Growth(%)	FY2021	Growth(%)	FY2021	FY2020	Growth(%)
Operating Revenue	2,992	2,629	13.8%	4,558	(34.4)%	11,646	11,246	3.6%
Other Income	10	8	33.1%	50	(79.6)%	56	35	60.8%
Total Revenue	3,002	2,636	13.9%	4,609	(34.9)%	11,702	11,280	3.7%
EBITDA	151	230	(34.4)%	577	(73.9)%	1,236	1,583	(21.9)%
EBITDA Margin (%)	5.0%	8.7%		12.7%		10.6%	14.1%	
EBIT	99	177	(43.8)%	566	(82.5)%	1,108	1,439	(23.0)%
EBIT Margin (%)	3.3%	6.7%		12.3%		9.5%	12.8%	
Finance Cost	19	62	(69.8)%	14	32.4%	55	188	(70.6)%
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Profit After Tax (PAT)	60	86	(30.3)%	414	(85.5)%	715	934	(23.4)%
PAT Margin (%)	2.0%	3.3%		9.0%		6.1%	8.3%	
Basic EPS	2.90	4.17	(30.3)%	20.03	(85.5)%	34.58	45.17	(23.4)%

About Insecticides India:

Insecticides (India) Ltd. (IIL), is a BSE and NSE listed, India's leading and one of the fast growing Agrochemicals manufacturing company. IIL has emerged as a front-line performer in India's crop care market and is all set to grow impressively.

IIL owns the prestigious Tractor Brand which is highly popular among the farmers. This umbrella brand of its agro products signifies the company's deep connection with the farming community.

IIL has state-of-the-art formulation facilities in Chopanki (Rajasthan), Samba & Udhampur (Jammu & Kashmir) and Dahej (Gujarat). IIL also has technical synthesis plants at Chopanki and Dahej to manufacture technical grade chemicals also providing competitive edge by backward integration.

IIL foundation is an initiative by IIL which works closely with Indian farmers to impart them knowledge regarding modern agricultural practices and techniques.

Sandeep Aggarwal

Chief Financial Officer

Insecticides India Ltd.

+91 11 2767 9700

sandeep@insecticidesindia.com**Ravi Gothwal / Vikas Luhach**

Churchgate Partners

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InsecticidesIndia@churchgatepartners.com**Safe Harbour:**

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