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

ISO 9001, 14001 & OHSAS 18001
ISO 9001 ISO 14001 ISO 18001
CERTIFIED COMPANY

insecticides (INDIA) LIMITED

Ref: IIL/SE/2021/1511/02
November 15, 2021

The Manager

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

Dear Sir/Madam,

Sub: Earning Presentation and Press Release for Q2FY2022 Results

Please find enclosed the Q2FY2022 Earning Presentation and Press release on the Second Quarter ended Financial Results of the Company

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

This is for information and records.

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Thanking You,
For Insecticides (India) Limited

INSECTICIDES (INDIA) LTD. COMPANY SECRETARY DELHI

Sandeep Kumar
Company Secretary &
Chief Compliance Officer

CIN: L65991DLl996PLC083909
Registered Office: 401-402, Lusa Tower, Azadpur Commercial Complex, Delhi - 110033

Q2 FY22 – Earning Updates

Revenue from Operations reported at **Rs. 4439.39 Mn in Q2** and **Rs. 9122 Mn for H1 FY22**

EBITDA stands at **Rs. 641.69 Mn in Q2** and Rs. **1172.51 Mn for H1 FY22**

PAT at **Rs. 417.62 Mn in Q2** and **Rs. 764.75 Mn for H1 FY22**

Delhi, 13th November, 2021: **Insecticides (India) Ltd. (referred to as "IIL", "The Company"), one of the premier Agrochemical manufacturing companies in India,** has announced its 2nd Quarter and 1st half yearly results for FY22 on 12th November, 2021.

A. Financial Statement Highlights for Q2 FY22 v/s Q2 FY21

Particulars (INR MN)	Q2 FY22	Q2 FY 21
Revenue from Operations	4439.39	4558.48
Other Income	-3.14	50.50
Total Revenue	**4436.25**	**4608.98**
Total Expenses	3879.09	4056.99
EBITDA	**641.69**	**577.49**
EBITDA Margin (%)	**14.45%**	**12.67%**
Depreciation	64.39	61.95
Finance Cost	16.99	14.05
PBT with Exceptional Item	**557.16**	**551.99**
Exceptional Items		
PBT	**557.16**	**551.99**
Current Tax	145.24	146.62
Earlier Years		
Deferred Tax	-5.69	-8.64
Tax	139.55	137.98
PAT	**417.62**	**414.01**
Other comprehensive profit / loss	5.44	1.86
Net PAT	**423.05**	**415.87**
PAT Margin %	**9.53%**	**9.08%**
Diluted EPS	**21.16**	**20.03**

Financial Performance Comparison – Q2 FY22 v/s Q2 FY21

- Revenue from Operations has **marginally degrown from Rs. 4558.48 Mn in Q2 FY21 to Rs. 4439.39 Mn in Q2 FY22** mainly due to decline in Sale of Branded products because of unfavourable monsoons in this year.
- The EBITDA **increased by 11.12% from Rs. 577.49 Mn in Q2 FY 21 to Rs. 641.69 Mn in Q2 FY22** mainly due to the change in product mix where there was an increase in share of Maharatna products sale thereby giving higher margins.
- **EBITDA margins increased to 14.45% in Q2 FY22 from 12.67% in Q2 FY21.**
- Net profit increased by **0.87%** from **Rs. 414.01 Mn in Q2 FY21 to Rs. 417.62 in Q2 FY22**
- **PAT margins increased to 9.53% in Q2 FY22 from 9.08% in Q2 FY21.**

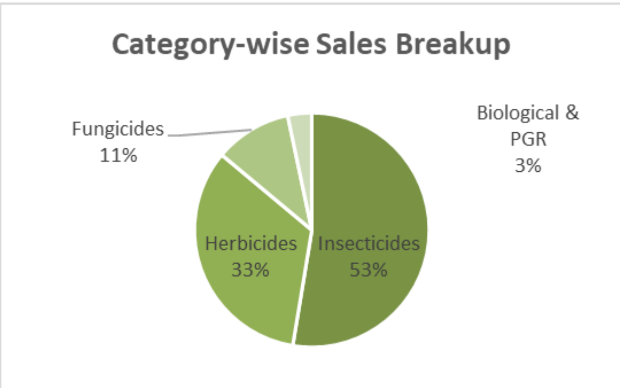
Financial Statement Highlights for H1 FY22 v/s H1 FY21

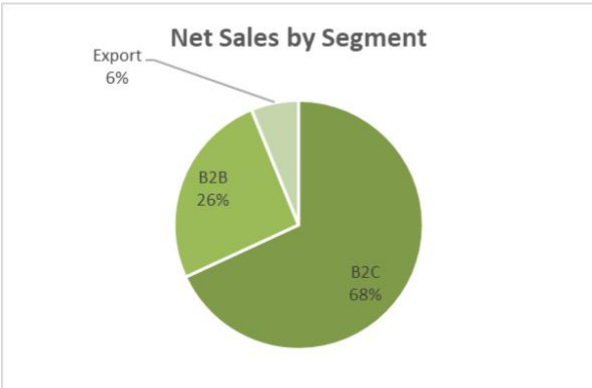
Particulars (INR MN)	H1 FY 22	H1 FY 21
Revenue from Operations	9,122.00	8,654.47
Other Income	13.16	61.74
Total Revenue	**9,135.16**	**8,716.21**
Total Expenses	8,115.83	7,744.37
EBITDA	**1,172.51**	**1,069.56**
EBITDA Margin (%)	**12.85%**	**12.36%**
Depreciation	127.80	122.95
Finance Cost	38.54	36.51
PBT with Exceptional Item	**1,019.34**	**971.84**
Exceptional Items		100.00
PBT	**1,019.34**	**871.84**
Current Tax	261.12	228.17
Earlier Years	-	-
Deferred Tax	(6.53)	(11.15)
Tax	254.59	217.02
PAT	**764.75**	**654.82**
Other comprehensive profit / loss	0.95	1.71
Net PAT	**765.70**	**656.52**
PAT Margin %	**8.39%**	**7.57%**
Diluted EPS	**38.37**	**31.68**

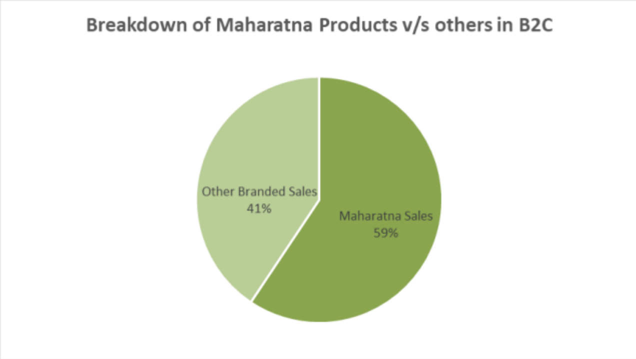
Financial Performance Comparison – H1 FY22 v/s H1 FY21

- Revenue from Operation recorded a growth by 5.40% from Rs. 8654.47 Mn in H1 FY21 to Rs. 9122 Mn in H1 FY22 mainly driven by an increase in sale of B2B products and Exports.
- The EBITDA increased by 9.63% from Rs. 1069.56 Mn in H1 FY21 to Rs. 1172.51 Mn in H1 FY22 and a gain in the EBITDA margins from 12.36% in H1 FY21 to 12.85% in H1 FY22.
- Net profit stood at Rs. 764.75 Mn in H1 FY22, compared to Rs. 654.82 Mn in H1 FY21 recorded a growth of 16.79%
- Total Fixed Asset grew by 10.34% from Rs. 3228.33 Mn in H1 FY21 to Rs. 3562.26 Mn in H1 FY22
- Current Asset stood at Rs. 10445.40 Mn in H1 FY22, compared to Rs. 9593.51 Mn in H1 FY21
- Long term borrowing stood at Rs. 18.61 Mn in H1 FY22, compared to Rs. 14.42 Mn in H1 FY21 and Short-term borrowing at Rs. 1908.90 Mn in H1 FY22, compared to Rs. 559.77 Mn in H1 FY21
- Inventory Holding Period has increased to 153 days in H1 FY 22 compared to 135 days in H1 FY 21 increased inventory holding of raw materials by the management due to production issues in China.
- Working Capital Cycle has increased to 160 days in H1 FY 22 compared to 115 days in H1 FY 21 due to increased inventory holding.
- Debt Equity ratio has increased marginally, to 0.23 in H1 FY 22 compared to 0.07 in H1 FY 21

Key Performance Indicators

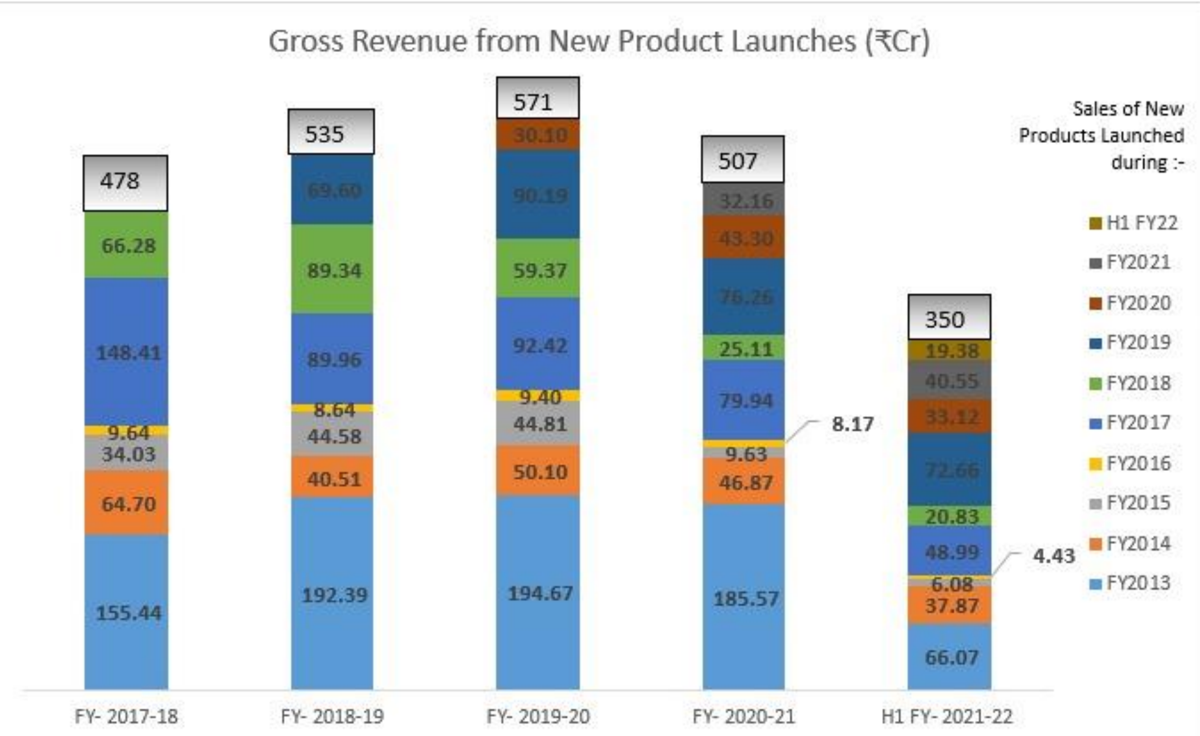






Product Freshness Index

IIL is committed to launching new products to keep in touch with the changing needs to the Indian Agricultural market. The below graph depicts Revenues from new products launched since FY 13 till date.



Please note that while the Revenue from new products has been tracked since FY13, for brevity purposes we have depicted graphs starting from FY 18. The total Revenue from New products launched from FY13 to FY 17 is Rs. 1144 Cr.

There is decline in total revenue generated from new products from FY 19-20 onwards, due to Ban in sale of Product "NUVAN" by the government, whose sales revenue has been included in preceding years.

B. Recent Notable Developments:

Commercial Update:

a. Update on Capex-

- IIL would be deploying Rs. 680 Mn of Capex towards its expansion plans in FY 22. The expansions are aimed to increase capabilities at both technical and formulation units in Chopanki (Rajasthan) and Dahej (Gujarat). One of the major expansions was in Dahej (SEZ) technical synthesis plant; which was completed in Q1FY22, costing Rs100Mn and production has commenced herein since June, 2021.

- Out of the balance Rs.580 Mn to be utilized in FY22, company has already utilized ~Rs. 244 Mn in Q2 FY22.

b. New product Development/Launches- The Company has launched 2 new products in the current quarter, namely Hachiman & Oxim under its herbicide segment.

- Hachiman is a patented herbicide developed with Nissan Chemical, Japan, and marketed in India by IIL as a product under its popular "Tractor Brand." It is specifically designed to be used for crops like Soybean & pulses cultivated in Kharif Season.

- Oxim, is an herbicide developed with Nissan Chemical, Japan that controls growth of broad and narrow leaf weeds, and is mainly used for Onion crops. Efficacy of Oxim is not effected even if rains after 1-2 hrs of the spray.

Management Comments:

Commenting on the performance, Mr. Rajesh Aggarwal, Managing Director, said:
"The second quarter witnessed several challenges due to the 2nd wave of Covid-19 and flood like situation in various states due to heavy rainfall. The Pandemic has resulted in extended lockdowns, slowing down of economic activity and several logistic issues. The Agro sector was slightly less impacted and currently we are seeing demand picking up with easing of restrictions and relaxations in lockdown at several places.

The Company has recorded revenue from operations of Rs. 4439 Mn in Q2 FY22, and Rs. 9122 Mn on a half yearly basis, representing a growth of 5.40% on a half yearly basis. Revenue growth was driven by all segments except Branded Products (other than Maharatna category). The Maharatna category of branded products grew by 17% from Rs 1793.5 Mn in Q2 FY21 to Rs 2099 Mn in Q2 FY22. The revenue of branded products other than the Maharatna Range fell by 32% from Rs 1559.3 Mn in Q2 FY21 to Rs. 1062 Mn in Q2 FY22 mainly due to change in product mix, increased focus on Maharatna range of products under the tail cutting policy of the company. The exports grew by 28.76% and institutional sales grew by 3% on a quarterly basis. We are happy to state that we have achieved an export sale of Rs 563 MN on a half yearly basis in FY22 vs our total export turnover of Rs 610 MN on a full year basis of FY 21. The Company delivered EBITDA of Rs. 641.69 Mn in Q2

FY21, with margins of 14.45%. Net profit for the quarter was Rs. 423 Mn, with margins of 9.53%. The company also received registration under section 9 (3) of the Indian Patent Act for two technical in the current quarter.

The growth was minutely impacted due to lockdowns and slowing of economic activity. Despite challenges, we were successful in maintaining an adequate level of engagements with our customers and other stakeholders via digital channels.

We are also trying to remedy our dependency on China for raw materials; firstly by planning to launch Japanese products and technicals through our in-licensing partners. Secondly, keeping in mind our government's Make-In-India policy and economies of backward integration we have invested substantially in enabling our plants, like Dahej & Rajasthan; to produce the raw materials & technicals required for our products. We are proud to state that we produce around 20 technicals which are used in 30-40 of our formulations and plan to increase this number in the coming years. We also plan to ultimately export our in-house technicals so as to become less reliant on imports and increase our export share. Lastly, the management was able to successfully envisage the issue of price increase in raw materials due to production abruptions in China and has thus, put in a plan to mitigate it by increasing level of inventory holding to ensure uninterrupted production in our plants for the fiscal year 21-22. The company further plans to remedy this by increasing the production of premium selling products where the increase in raw material prices is relatively moderate. We do not anticipate any adverse impact of this event on our margins, rather we foresee a positive growth in our margins during FY22.

Thus, the issue of raw material price increase is backed by a well-planned pricing and production strategy to ensure that the plans & targets for FY 22 are met and further help us to reduce our dependency on China.

With the re-opening of the economy post the second national lockdown, we expect lot of new product registrations to be finalized in the upcoming quarters. Our exports of Rs. 177.52 MN in Q2 FY 2022, and Rs 563.83 MN till end of H1 FY 22, is in line with our export target of 1000 MN export sales for FY 22.

Management team remains committed to continue its efforts in launching many new products this year, improve profitability of the business through expanding its backward integration capabilities and take all other strategic measures so as to increase the long-term value for all its stakeholders."

<u>Management Guidance:</u>

- The management expects the top line to grow by ~10-15% for FY22, mainly driven by expansion of facilities, addition of new generation products, and a high number of product registrations expected in the current fiscal. The new generation products will not only help in top line and bottom-line growth, but also help in margin accretion.

- The management expects the EBITDA margins to improve by 100 bps in FY 22 from 10.7% in FY21. PAT margins to improve by 100 bps in FY 22 from 6.5% in FY21, attributed by better product mix, cost optimization measures and backward integration for certain raw materials.
- The management has a target of achieving more than Rs.1000 Mn of revenue through exports. This will be achieved by penetrating newer geographies and getting a greater number of products registered in different countries.
- The management expects to launch 5 new generation products, by end of FY22.

About Insecticides (India) Limited

Insecticides India Ltd. (IIL) is one of India's leading manufacturers of Agrochemicals. It provides farmers with a range of products for their crop protection requirements. It also owns the prestigious "Tractor Brand" which has gained great popularity in the farming community. It has state-of-art manufacturing facilities located at Chopanki (Rajasthan), Samba & Udhampur (Jammu & Kashmir) and Dahej (Gujarat). It also has technical synthesis plants at Chopanki and Dahej which provides the company with competitive advantage by backward integration. The company also prides of having great R&D capabilities and technical expertise to provide farmers with effective and innovative products. IIL foundation, an initiative by IIL, is involved in imparting knowledge to farmers regarding modern agricultural practices to improve their crop output.

For further information on the Company, please visit www.insecticidesindia.com

Sandeep Aggarwal (CFO)
Insecticides (India) Ltd.
Email: sandeep@insecticidesindia.com
Contact: +91 11 2767 9700

Krunal Shah/ Vinayak Shirodkar
Captive IR Strategic Advisors Pvt. Ltd.
Email:krunal@cap-ir.com/Vinayak@cap-ir.com
Contact: +91 98922 88895