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

insecticides (INDIA) LIMITED

Ref: IIL/SE/2021/2606/1
Dated: June 26, 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**

Sub: Transcript of Conference call

Dear Sir/Madam,

In continuation of our earlier letter No. Ref: IIL/SE/2021/1806/3 dated June 18, 2021, in regard to the Company's earning call which was held on Monday, June 21, 2021 to discuss the Company's 4QFY21 financial results, we hereby submitting the Transcript.

Thanking You,
Yours Truly
For Insecticides (India) Limited

Sandeep Kumar
Company Secretary & CCO

INSECTICIDES (INDIA) LTD. COMPANY SECRETARY DELHI

Encl: As above

"Insecticides India Limited Q4 FY-21 Earnings Conference Call"

June 21, 2021

MANAGEMENT: **MR. RAJESH AGGARWAL – MANAGING DIRECTOR, INSECTICIDES INDIA LIMITED**
MR. SANDEEP AGGARWAL – CHIEF FINANCIAL OFFICER, INSECTICIDES INDIA LIMITED

MODERATOR: **MR. SATISH KUMAR – INCRED EQUITIES**

Moderator: Ladies and gentlemen good day and welcome to Insecticides India Limited Q4 FY21 Earnings Call hosted by InCred Equities. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Satish Kumar from InCred Equities. Thank you and over to you sir.

Satish Kumar: On behalf of InCred Equities, I welcome you all to the Q4 FY21 earnings call and from the management side we have Mr. Rajesh Aggarwal – Managing Director of Insecticides India Limited and Mr. Sandeep Aggarwal – Chief Financial Officer of Insecticides India Limited. Now I hand over the call to Mr. Rajesh Aggarwal for his opening remarks.

Rajesh Aggarwal: Thank you very much. First of all, let me take this opportunity to welcome you all for attending this earnings call. We'll be covering Q4 and of course the full-year results. I'll be talking about the industry scenario, the company performance and key takeaways for future.

So, welcome friends. First of all, let's discuss the industry scenario. As you are aware FY2021 was a challenging year. From the first quarter itself we saw the outbreak of COVID-19 which was followed by extreme lockdowns, extended lockdowns and its reverse impact on the economy and businesses was visual, both in global as well as domestic markets. In the initial stages domestic agriculture and the agrochemical sector was also affected as operations were curbed to a certain extent. It recovered and continued to see improvement in demand yet raw material, packaging material unavailability, logistics challenges, labor migrations and challenges at the retailer and wholesale level created the operational and supply chain bottlenecks for the most part of the year. The biggest challenge I see was the cash crunch in the market and lot people were suffering due to COVID, be in the network, in the team and also the customers, the farmers. So, we had to impose strict credit controls in the market and we made up our mind that this is not the year to grow. This is the year to sustain and we followed that principle. We tried to push and look market whatever was in demand and that was one of the reasons that we did not see the surge in the Maharatna sales, our focus was to do more and more cash sales as per market demand because we didn't want to supply too much credit to the market. Though that is the integral part of the agrochemical business. You have to sell in credit but my vision was to do as much cash sales as possible and try to give the credit only to reliable customers with whom we have the relationship of generations and whom we can trust more.

So, talking about the complete performance in Quarter 4 FY2021; India saw strong rebound in sales and profitability, Insecticide India saw this rebound in sales and profitability, both sequential as well as year-on-year. Company reported revenue from operations of 256 crores with a growth of over 7% YOY. I would like to highlight that Lethal in particular because our generic products, Thimet and Nuvan, they moved out. I believe that Lethal is one product and we have range of products actually and Lethal became our key focus for the year as we saw a fourfold increase in the segment. I believe that Lethal has the capacity to become the largest generic product in our range. We have launched various products in this segment in last 3-4 years, particularly I would like to talk about Lethal Granule which we are pushing, then Lethal Gold and they have taken very good market share in this range.

Also, I would like to highlight in the last quarter, we delivered a growth despite exit of Nuvan from the company portfolio. In the 4 Quarter the EBITDA was 29 crores with a margin of about 11.2%. We also saw a significant improvement in operating margins of institutional sales during the quarter. Net profit of the quarter was 22 crores with margins of about 8.5%.

Talking about the full year results; our revenue from operations for 1420 crores, a growth of 4.2% YOY basis delivering the resilient performance during the year. Revenue growth was driven by institutional sales which was posted a growth of about 20% on YOY and 26%, it constitutes 26% of the total revenue. Brand sales was almost flat with marginal decline of 0.4% and contributed (+69%). Maharatna category also posted an increase of about 3.7% YOY but the major leading products were Lethal Granule, Pulsor, Hercules, Green Label. Full year EBITDA was 132 crores representing a margin of 10.7%, net profit 93 crores, representing margins of 6.5%.

Despite challenges we faced during the year we were able to improve profitability in terms of growth and margin. The increase was supported by various cost control measures implemented during the year and keeping our focus on efficiency and managing working capital. As there were significant volatility present in the market one of the main focus area was of cash sales which helped in generating strong cash flows. Cash generated from operation during the year was 155 crores. In FY21 our capital outlay was about 48 crores which was utilized majorly in Gujarat and Rajasthan. We also remained committed on improving the capital structure. The total debt was further reduced by 92 crores. Now our balance remains robust with net debt of only about 10 crores at the end of March '21. Total dividend of Rs. 2 that is 20% of the face value of the share was declared by the board and in addition we had declared the buyback of about 60 crores which more than 80% and 50 crores is completed.

Now I'd like to talk about the new product development; in the last fiscal we have made about 7 new products, though the launches were late but we got very good response for these products and these new products could contribute about 32 crores in the last fiscal and their sales in the current fiscal is bound to grow further. If we look for the last 5 years, the Maharatnas are maintaining their share, the revenue contribution from the new products is about 40% which is maintained. The last year was little bit affected but overall, we are able to maintain that. For substituting Thimet® we have brought Lethal Granaule and Tadaaki and they have contributed about 56.5 crores in the last fiscal year, and I believe that we are going to get a huge growth in this year.

Along with this I would also like to speak about a new product called Hachiman which we are bringing in with the Japanese collaboration with Nissan. This again is a patented product. It is a mixture of two herbicides, one we manufacture and another comes from Japan. This product is also going to be launched during this week because our registration is expected soon. It is already cleared and we are about to get the paper. As we get the papers in two days the product will be launched and we are very-very hopeful that this product should contribute a lot to our bottom line as well as the top line. Such new product launches will continue in this year. We have a target of 5 to 6 products and they are a part of the product premiumization strategy. We have launched product called Sofia 3 years back. We have just bagged the patent for this. Again, a very interesting product because as a strategy we have made some mixture of products from our R&D center and we have applied for the patents. For some of these we could bag the patent and lot of patents are due. In totality company holds about 13 patents and more than 17 are in process. The idea is like from our R&D center we are trying to develop various products. There are some products which are generic products, so we are trying to make the technicals for them in the country and as there is demand for the solution, so we are trying to make the new formulations for which we can bag the patents. So, we are working in this direction.

The entire focus is around new products and Maharatnas are the key growth drivers. So, the new introductions which are coming they're either coming as patented products from Japan or their formulations from our R&D. So, at the same time we are doing the expansions, expansions are both forward and backward expansion. The idea is that we wish to complete most of our expansions during this fiscal rather I should say my calendar year. My target internally is Diwali but this is a good monsoon year, so plus minus one or two months. We should be completing all our expansions during this calendar year. So, we'll grow in all directions. When I say grow in all directions, I mean to say we are expanding our formulation facilities in Gujarat as well as Chopanki. In Gujarat we are setting up our SEZ plant, so we are willing to finish the first phase in this fiscal and once that gets completed then we are going to start the second phase. In the technical plants we are also expanding in both the locations in Gujarat and Rajasthan. In Rajasthan we are increasing our capabilities and the capacities and as I told you that we are adjusting many more products, so we have to establish the capability to manufacture these products. So, this will be done in Rajasthan. In Gujarat we are do the backward integration, like the raw material for certain technical we are going to make, the idea is Make in India that we are able to do the import substitution. Apart from that yes of course some of the new technical capabilities we are going to develop in Gujarat also. We are also expanding our R&D centers. particularly in Chopanki, Rajasthan, Gujarat and also Shamli which is a biological R&D center, so expansion is on cards at all the locations and we are going to complete all our expansion projects during this fiscal. They will start contributing immediately, doing a slow phase because the major season will be over but they will be contributing and will be ready for the next year which I can say will because the major year for growth because this year we have kept the target of growth as a double-digit target or top line. We target about 10% growth in this fiscal with more growth in the bottom line. So, we are using technology and we have used in these difficult times and make a lot of use of technology to cover the market and do the market penetration. A lot of films on farmers training are released. We have done live programs with the farmers, with the dealers, with the distributors, with the network. We have done lot of WhatsApp messages, cartoon films, musicals. The basic idea is we are using electronic and print media and the social media in best possible manner, so that we are in touch with the market because lot of products are launched in the last fiscal and lot of new technologies are coming in this year. So, since the movement is restricted we have to take these to the farmers.

The ROE in this fiscal is 11.5%, ROCE is 14.8%. I see it increasing in the next fiscal. The contribution from the freshness index, I already talked about, is going to be good actually in the year to come. The key takeaway will be that in case of R&D we are expanding, export business is going to multiply next year. Our strategy of tail cutting of generics is going to continue. We are going to bring the new generation solutions for the farmer. We are going to do the new launches continuously and these new products which are launched in last few years and which are going to come are going to be our key growth strategy part. The integration, both the forward integration and backward integration will continue. I also believe that biologicals are the strategy for future. We are also spending on biologicals and along with this we are working on expanding our range. I believe that with this strategy we should be able to do good in the years to come. We should be able to expand Sofia which is the new patented products in our strategy. So, far, we have not started finding with the partners, but we are receiving a lot of queries from the partners. We have to identify and work with the right partners. In the end, I would again like to talk about Thimet® and Nuvan which have moved out of our range and despite of these products moving out, we have done good in the last quarter and our results of the Q1 will be self-explanatory. I'm very-very confident that we are going to cover up the sales loss which is caused by these two brands and we are going to create the superstars for the future with our effort. This will include some of the generics like Lethal and also include the new generation products which we are strategizing to launch in this season. With this I thank you very much and open the house for questions and if the CFO would like to stress upon certain financial targets, he can do that before we move forward. Thank you.

Sandeep Aggarwal: Good afternoon everyone. Myself Sandeep Aggarwal. Though everything has been shared by our Managing Director Shri. Rajesh Aggarwal ji but let me tell you something about segment reporting. We are dealing in four segments. Insecticide, herbicide, fungicide and PGR and the percentage of insecticide is 58%, herbicide 31%, fungicide is 9% and PGR is 2%. As far as B2B, B2C and export is concerned; B2C sales constitute 70%, B2B 26% and exports approximately 4%, you will see if we will see about net sales versus our internal in-house consumptions. So, it around 50%-50% both and Maharatna other products, 46% is Maharatna sales and 54% is other brand sales during the year. As we have stressed upon the working capital cycle, our working capital cycle has come down from 184 days to 168 days and it is mainly due to the reduction in receivable days. The receivables have been come down from 86 days to 65 days only. That depicts that our strategy of working on cash basis is working now. So, rest all the ratios have already been shared so this is all from my side. Now you can start the question-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ashwin Agarwal from Akash Ganga Investments.

Ashwin Agarwal: I wanted to understand why a company does not have any sales of Chlorantraniliprole which is one of the most old insecticide in the Indian industry?

Rajesh Aggarwal: I did not get your question correctly actually. Chloride insecticide, where do you want to focus?

Ashwin Agarwal: Why are we not having any formulations or sales in this particular insecticide because this is one of the biggest insecticides in Indian market. It's called Chlorantraniliprole and the patent is held by FMC and most of our peers are also producing this for the company. So, why are we not into this?

Rajesh Aggarwal: You are talking about Chlorantraniliprole. That is our patented pesticide. You have already answered my question. The patent is about to go in the next fiscal FY22. My application for this project, 9 (3) application is in process. We should clear our application soon. There are two companies which have already bagged the registration. We should be the third. The court case is there between these two companies and if any decision comes in the favor of manufacturing before the patent expiry, we will start the manufacturing. Otherwise, once the patent expires then we are going to launch the product. It's a granular pesticide, also sells as liquid. A very interesting generic because it is going to become a new generation generic now. At the moment it is controlled basically by one company but yes, we are eyeing that market and we are also going to bring a new generation Japanese solution which is, I would say directly in competition to this molecule and we are expecting to launch it before this Diwali. So, that is also in process. We are trying to work in both directions. We are going to bring the new generic also; at the same time, we are working for the new generation product also.

Ashwin Agarwal: We had received an approval for pesticide plant worth 40 crores in Dahej which has 2500 tons capacity. Can you just update on the status of this?

Rajesh Aggarwal: I think you are talking about the SEZ plant, the formulation plant, we will be completing our expansion the first phase very soon. It is still on delayed due to the COVID situation so it will be operational. Apart from that, we are also expanding our technical manufacturing capabilities here. A lot of expansion is in progress. We propose to complete the expansion by Diwali.

Moderator: The next question is from the line of Rohit Nagraj from Sunidhi Securities.

Rohit Nagraj: The first question is on the CAPEX. If I check in our presentation, we have mentioned that CAPEX of about 1.1 billion in next 2-years in phase manner but right now you have mentioned that the CAPEX will be completed during FY22. Just wanted a clarity on this. Will it be the entire CAPEX complete in FY22 or will there be some spill over in FY23?

Rajesh Aggarwal: I believe it should be completed this phase because we have already spent about 50 crores in the last fiscal and about 50-60 crores will go in this fiscal. We should be able to complete one phase of that like this phase, which we were working from the or actually and then of course the new expansion always comes in. First, I would like to complete this and this we will be completing in this calendar year.

Rohit Nagraj: The second question is in terms of the growth. Last time we had mentioned that probably in FY22, we will be reporting about 15% of revenue growth but we have reduced the guidance to about 10%. So, any specific reason and given that our first quarter is almost on the verge of completion. How we have seen the sales or the demand from the segment. And were there any issues in terms of placing our product because of the second wave of COVID?

Rajesh Aggarwal: There are no issues as such but since it was a COVID again so this COVID wave had slowed down a moment into the market. We have put up lot of inventory but if we look at the market there is shortage of everything. There's a price surge in all the raw materials you are aware, the chemicals are expensive, the oil is expensive, the metals are expensive, plastic paper, everything is expensive today. So, it's a very tricky situation where the prices of all the raw material is going up. Of course, the prices of the final products are also going up but if something goes up a lot then it settles also somewhere and then it starts declining. That trend also is visible because at one stage when you reach the peak, it will start falling. Looking at those so we don't want to go very aggressive though the first quarter results will be, I think it can better than my annual guidance, what I am doing. So, just looking at the COVID thing, I am little afraid in the back of my mind. That's why I don't want to talk too high for this. But the results will be somewhere in between what you are saying, what I am saying. Can't say and if it turns out good, we can cross any compass. We are prepared, so preparedness is there but I don't want to talk very high at this juncture.

Rohit Nagraj: This one last clarification. In terms of the raw material availability cost going up. How has the situation been in the recent past and have we been able to pass on the price hike by taking increases in our products or we will still have to absorb some and the concurrent question to that is that, in the last couple of years our EBITDA margins have been in the range of 11%-12% and prior to that it was more or less at around 15% plus-minus. Do we expect the EBITDA margins coming back to say 15% plus-minus in the next foreseeable future?

Rajesh Aggarwal: You will see the improvement happening in this fiscal. You will see a major improvement. I am not saying that I will achieve that 15% back in this fiscal itself but I do have the target to do that in the next fiscal. Since we will be completing our backward integrations, a lot of new products are going to come. They will contribute a lot. This year yes, you will see the growth and it should be visible from Q1 itself. That is my thinking. Let's move ahead and see. The things look positive and there will be major improvement in our bottom line.

Rohit Nagraj: Just a clarification on the raw material pricing and on the product prices.

Rajesh Aggarwal: These prices have gone up. We are also trying to prepare ourselves and when I am talking that the margins are going to increase; this means that we are able to pass the things to the market because that is growing for everybody so we have to pass. There is no other option. In the generics in particular the prices have increased. In some other new generation molecules, they have not but overall, yes the things have increased and they are being passed to the market.

Moderator: The next question is from the line of Ashwin Agarwal from Akash Ganga Investments.

Ashwin Agarwal: I have a question on what proportion of our active ingredients are outsourced and going forward how do we plan to reduce the dependence on our suppliers?

Rajesh Aggarwal: I don't have the exact number but the other way, if I reply like more than 50% of our production what we do of the technicals we consume in-house. We only buy few products where particularly from the market, open market but we have done collaborations also. From the collaboration partners I have to buy their products. So, the relationship with the Japanese company is going to expand further because I am seeing lot of Japanese products coming on cards this year and the next year also. We will be introducing lot of Japanese new patented products. These imports and combined from outside is going to see a little surge unfortunately but it will be majorly from Japan not from China and we don't buy from China but from the domestic market, we buy lot of technicals but that also I see reducing slowly because we are moving out of some products and we are focusing around the brands which we manufacture in-house. You will see that our in-house consumption is increasing year-on-year. So, that will be the key focus. The products for which we have to buy the technicals from outside, who are slowly moving out of those products, slowly. There are some are interesting products where I cannot manufacture the technical because of the variety and the feasibility but yes, they are there, some of them are there. You will see that percentage slowly moving down.

Ashwin Agarwal: Can you give us the R&D expense for FY21 and how do we see this going forward?

Rajesh Aggarwal: We are investing a lot on expansion of the R&D centers, as I told you. A lot of capital expenditure and the other expenses will be going up in Rajasthan, in Gujarat and also in Chopanki means Shamli so all the three locations. Our R&D expenses are going to see a little surge and we maintain about 60 scientists as present. The exact number if CFO can share will be better.

Sandeep Aggarwal: The total R&D expenses in this year was around 6 crores and approximately we are investing around 10 crores on R&D itself.

Ashwin Agarwal: You have a tie-up, JV with Nissan Chemical Corporation, Japan. You have spoken about Hakama. Can you just give an update on Pulsor which is a fungicide and Aikido insecticide and how this is going, the marketing tie-up?

Rajesh Aggarwal: With Nissan we are increasing our relationship year-on-year. This year again, as I told you that lot of Japanese products will be coming. We are expecting a few more products from Nissan Japan. You correctly pointed out Hakama was our first product, and which is a herbicide. It is maintaining its sales reasonably. Coming down to Pulsor, Pulsor again it's maintaining our market share. I can say that we are the largest seller of Pulsor in the world in the sense that this molecule Nissan is supplying to all the countries. India has got the largest share and we are their largest customer for Pulsor. Apart from the last year, we introduced one more miticide called Kunoichi which achieved a good success. This year we are expecting to multiply the sales of Kunoichi also and the new product Hachiman which is coming. It is a mixture of Hakama and also one of our products called Selector. This also is expected to launch it this week and we are getting very good initial results from it and this product is expected to contribute more than 20 crores to our top line during the next 2 months.

Moderator: The next question is from the line of Deepak Kolhe from Batlivala & Karani Securities.

Deepak Kolhe: My first question is so what are the reasons for the margin expansion in this quarter?

Rajesh Aggarwal: Margin expansion is going to come from the product mix because the product mix which we strategize for this means you want to know about Q4 or you are more interested in the new Q1.

Deepak Kolhe: I wanted to know both Q4 and in the coming FY22.

Rajesh Aggarwal: In Q4 there were two reasons, the institution sales saw a jump. So, we were trying to sell it at a reasonable price. We didn't go very low because in the last year before this we in our passion to do more cash sales, we sold the products at lower margins, which affected our profitability. So, this year we were very-very particular about that. We have to generate cash but we have to sell product at a reasonable margin and apart from that, and our CFO was very-very tight and on the expectation of credit notes and ultimately the credit notes came out little lower. So, that helped us in expanding our margins. The way forward is like, we are trying to focus on the new generation molecules last year the Maharatna sales did not increase the way it should have. This year it is the key focus and lot of new products are also coming in and our backward integration targets the products will also complete. So, we will start getting the sales from them. So, every action is going to lead to margin expansion. We are confident that we'll be able to improve our margins decently this year.

Deepak Kolhe: How big is the opportunity for our target market for the recently received patents, Hexaconazole and Carbendazim?

Rajesh Aggarwal: If you talk about this product, we are doing a sale of about 20 crores, we have not made the partners. So, one thing is we can grow the branches by almost 50% and apart from this, I'm receiving a lot of queries. So, maybe not this season, but for the next season from Rabi sales we'll be looking at partners and next year we should be able to multiply the sales because my branch will also look up and we may come out with 2-3 partners to market this product, so we can multiply the sales.

Deepak Kolhe: Any size, specific size if you want to mention?

Rajesh Aggarwal: If you want the numbers, I can say this year it may length between 25 to 30 crores and next year you can target 50 crores along with the partners.

Deepak Kolhe: So, my last question, what will be the CAPEX for FY22?

Rajesh Aggarwal: Roughly about 50 to 60 crores. You can put a number of 60 crores, because 110 cr is the target out of which we have spent almost 50. So, 60 is balance that is the target.

Moderator: The next question is from the line of Abhijeet Bora from Sharekhan.

Abhijeet Bora: My line was disconnected in between so want to continue on the previous question on the margin exposure during the Quarter. First part was like a better price realization was in institutional sales and what was the other factors I missed on that part?

Rajesh Aggarwal: Margin expansion like raw material prices gone up because metal, plastic, paper, chemical, everything has gone up and also the crude, you can see it actually. Now even $ Dollar has started going up. There's the impact on all the prices. But we are going to carry this impact to the market and we are getting that actually from the market. The demand is good, the expectation is good. The ultimate change which is going to come is through the product mix. Last year the Maharatna percentage has declined a little and if you will also see at the freshness index, it is showing negativity. But this entire negative thing has come due to the COVID. But now we are very-very confident that we are going to do a major expansion. So, Abhijeet could you hear some part of my answer or do I repeat the entire thing again?

Abhijeet Bora: Yes sir. My question was related to 4Q where you mentioned that there were better price realization on institutional sales and what was the other factors that have contributed the margin expansion in Q4—I missed on that part—and guidance for FY22.

Rajesh Aggarwal: In Q4 the brand sales also contributed better, like year before this we were driven by cash sales. So, when I was doing the cash sales, I also sold some products at a lower margin, but this year I was very-very particular that will not reduce our margins too much and we'll do the cash sales. We are successfully able to do that and we can try to control our margins actually looking at the previous year, because we had the lesson from the previous year. For FY22 we are focusing around Maharatnas and the new generation products. If you see at the freshness index last year, it showed a little decline because during the COVID we could not focus on that too much because the workforce were not able to move to the market. This year we made a solution that we are approaching people through the social media, through all type of electronic media, as we have made films, we have made cartoon films, we have made training programs, we are trying to connect dealers, distributors, farmers, schemes. So, everywhere we are connecting and the idea is if we are able to move out into the market it's good, if we are not able to move out, we are going to connect our customers using these medias actually. So, that we are able to inform them over the new products and we are able to train them over the usage of the new products, so that we are able to increase the sales of these products. So, this is the key focus for one to do which gives me the confidence that we will able to generate the cash margin sales of these products and we are also about to complete our extensions, which are going to be completed in phases because I told you that the expansions are going on in Gujarat, Rajasthan. It will get completed one after another and they will also start contributing. Some of our new products are also expected to come, so looking at everything I'm very confident that this will able to increase the bottom line of the company.

Abhijeet Bora: My second question is I missed on revenue guidance, last quarter you gave 15% growth guidance for FY22 and I think that one of the participants said that we gave revised guidance is 10% now for FY22. So, what is the reason for this lower guidance because the in last call you said that 200 crores of incremental revenue can flow in FY22 from new products like Nuvan?

Rajesh Aggarwal: Yes, that's correct actually. This year also, again I'm confident that we are going to deliver good growth, but since the COVID second wave was very horrifying. So, that's why I don't want to go very aggressive to be in terms of number, but yes, our first quarter results will be evident actually. It will be somewhere in the range of 10% to 15% only. Just to keep a reasonable target I said 10%, otherwise there's nothing like that I want to reduce the target. The target still persists.

Abhijeet Bora: So, it can be in the range of 10% to 15% for the full year and Q1 also?

Rajesh Aggarwal: Yes.

Moderator: The next question is from the line of Ashwin Agarwal from Akash Ganga Investments.

Ashwin Agarwal: We have developed the product in the biological crop protection called Kayakalp and we had mentioned there are some three-four products in the pipeline also. Can you just comment on this please?

Rajesh Aggarwal: Yes, Kayakalp was an enthusiastic product for us it has opened all new segments in the market. But it was difficult to use, looking at that we are working on the next level of Kayakalp. We are very-very confident; it is going to the market this year and with the response overall so far are very-very positive. I'm not announcing any big numbers for that because I want to do the launch and establish the market first and then talk about the results. But it is very-very positive. This year I'm not introducing any new product because already four or five products are there. This is the year to establish these products and then we will launch new products in biological segment.

Ashwin Agarwal: My next question on Mancozeb, there has been a proposal to ban Mancozeb along with some other 27 molecules also. So, what is going on that front currently?

Rajesh Aggarwal: Like there are a lot of discussions which are on with the ministry, because ministry has some requirements of the data. There was some communication gap between the industry and the ministry, but we have clearly communicated to the ministry that whatever is the data gap we are given the clear guidelines, based on the guidelines the entire data will be submitted. I do not say that out of 27 nothing will be banned, but industry is trying to protect more than 20 products and I'm very confident that we'll be able to protect more than 20 because we have given a promise that whatever is the data gap, we will cover all that data gap and we are going to present that to the ministry after which the ministry can decide. Because our plea is that if we have been given the registration scientifically you should ban it also scientifically and not based on emotions.

Ashwin Agarwal: I believe Mancozeb is an important product for us in India as well as exports, so can you just give us the market share of insecticides in Mancozeb?

Rajesh Aggarwal: I don't do straight Mancozeb, I do use Mancozeb in two mixtures only. So, for us it is reasonable product not a very big product actually. My state sales of Mancozeb is negligible and these mixtures again they are part of my platinum range and Maharatna, one of the mixtures comes under Maharatna also I believe. So, our total sales coming out of these products are not huge it would be to the 12 to 15 crores only in total.

Ashwin Agarwal: One question on the raw material, you had mentioned the container prices are going up and containers are not available also in the previous years. Have you been able to pass on the cost increases or to our customers or how have we managed this increased cost?

Rajesh Aggarwal: If we talk about cost of the container, yes, the customer has paid the cost and now we have started supplying the product at FOB instead of CIF. The entire cost of the container goes on the customer because again this year is the similar situation the container availability is very-very tight and the prices have gone up, they are skyrocketed. So, we are not taking a risk actually. So, most of our orders are FOB now. But yes, last March was heavy rush, so we could not supply the desired containers, again this year we find the same problem but once you see the quarterly results you will be happy to see the surge in the export sales.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Satish Kumar from InCred Equities for closing comments.

Satish Kumar: On behalf of InCred Equities I thank the management of Insecticides India Limited for taking the time out and answered their questions from the participants. On behalf of InCred Equities I will also hope that we continue to engage with the management in future. Thanks.

Rajesh Aggarwal: Thank you very much, thanks everybody for your valuable time.

Moderator: Thank you. On behalf of InCred Equities, that concludes this conference. Thank you for joining us and you may now disconnect.

Notes:

1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings
2.