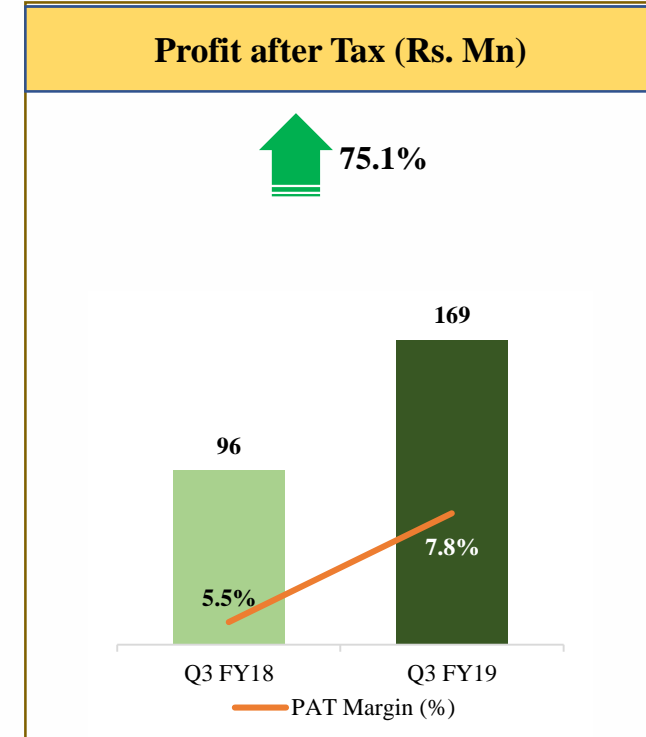
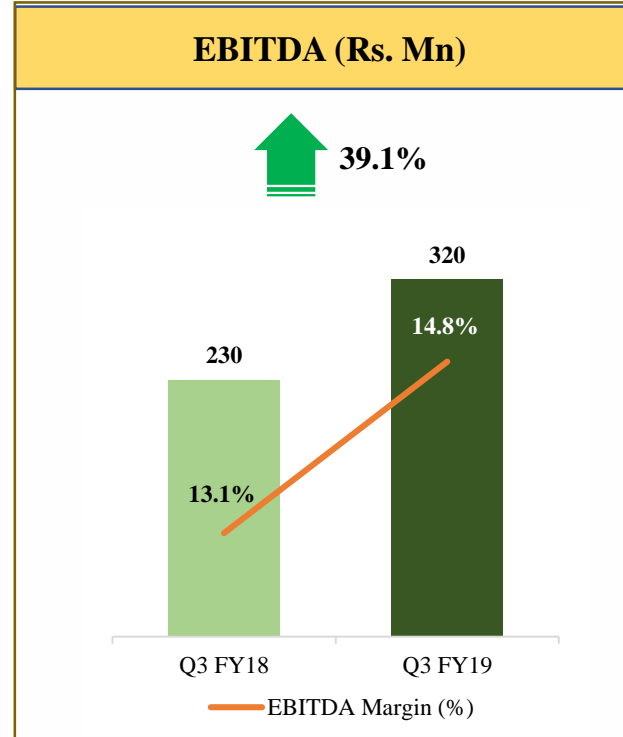
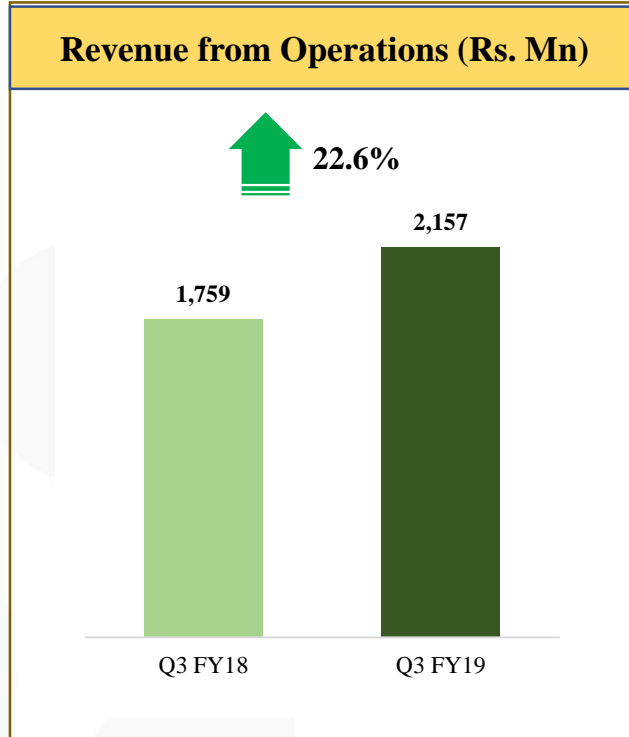




(BSE: 532851 NSE: INSECTICID)

Q3 FY2019 Earnings Presentation

Q3 FY2019 Highlights



Quarterly Highlights:

- Higher contribution from launch of seven new products during the year
- Higher realization in the Maharatna categories
- Better product mix

Management Commentary

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

“Q3 FY2019 had a favorable start with an extended Kharif season in the month of October 2018, particularly in the East and South zones due to delayed monsoon. However, the sector was faced with anemic sowing activity in the Rabi crop across key states due to deficit rainfall in the post-monsoon period during October to December 2018. Despite these challenges, Insecticides India has been able to deliver an impressive growth across segments and products.

We are pleased to report that we recorded revenue from operations of Rs. 216 crores in Q3 FY2019, representing a strong growth of 22.6% on Y-o-Y basis. The Company delivered EBITDA of Rs. 32 crores in Q3 FY2019 with margins of 14.8%, as compared to 13.1% last year, representing an improvement of 175 basis points. Profit after tax of Rs. 17 crores in Q3 FY2019, an increase of 75.1% on Y-o-Y basis. Our continuous focus on developing innovative molecules and geographic expansion has resulted in a better product mix and yielded improved margins.

In line with our long term objective of positioning Insecticides India as a preferred brand of choice in the agrochemical space, we have launched seven new products during the year with four products under the Maharatna category. This has resulted in a total of 12 products approved under 9(3) category. We are delighted with the success and acceptance of new products in the market and it further underscores our strong R&D capabilities. The Company will continue to leverage its R&D expertise to develop innovative molecules and products to offer a complete solution to farmers. We are also focused on increasing our exports in order to capitalize on the growing international market opportunities. Our dedicated export team has signed over 100 export agreements with an aim to expand presence in more than 25 countries by the end of FY2019.

Management team remains fully committed to drive growth through new innovative products, simultaneously phasing out generic products, increasing customer engagement and ongoing geographic expansion. With a clear strategic direction, we look forward to delivering a sustainable growth and enhanced profitability in the coming years.”



Growth Strategy

Phase out Generic Products

- Gradual reduction in the sale of Generic products (high volume-low margin) for fiscal year is on expected lines
- Introduction of new products in the Maharatna category

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

Optimum Capital Structure and Operational Efficiency

- Strong cash flow generation
- Capex of Rs. 1-1.5 bn in next 2-3 years for synthesis facilities in Gujarat and Rajasthan

R& D will results in New product launches

- Focus on in-house R&D and international partners to launch new products
- Launched 7 new products out of which 4 are under 9(3) category
- Expected 10 new products in next fiscal year

Focussed Approach on Biologicals

- Developed and commercialized VAM (Vascular Arbuscular Mycorrhizae)
- Developed and commercialized soil energizer, Kayakalp
- Development of 3-4 new biological products is in pipeline

Exports

- Working on registration in new countries with 100+ export agreements
- Expanding in new geographies: Exporting to 20+ countries
Expand to 25+ countries by the end of FY2019

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, 3,000+ distributors and 60,000+ retail networks

Total 12 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. 216 Cr
Q3 FY19 Sales

60,000+
Retail Outlets

100+
Formulation Products

21+
Technical Products

20+
Maharatna Products

7
New product launches*

4
New Maharatna product launches*

1,100+
Employees

Note: As on YTD basis for fiscal year FY2019

*New products also include new Maharatna Products

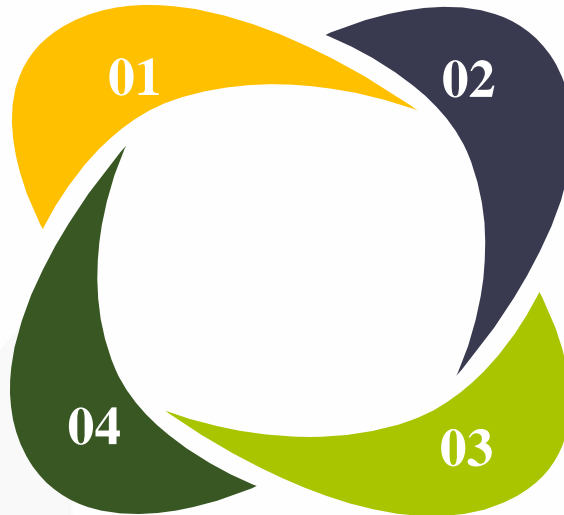
Capabilities and Geographical Presence

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

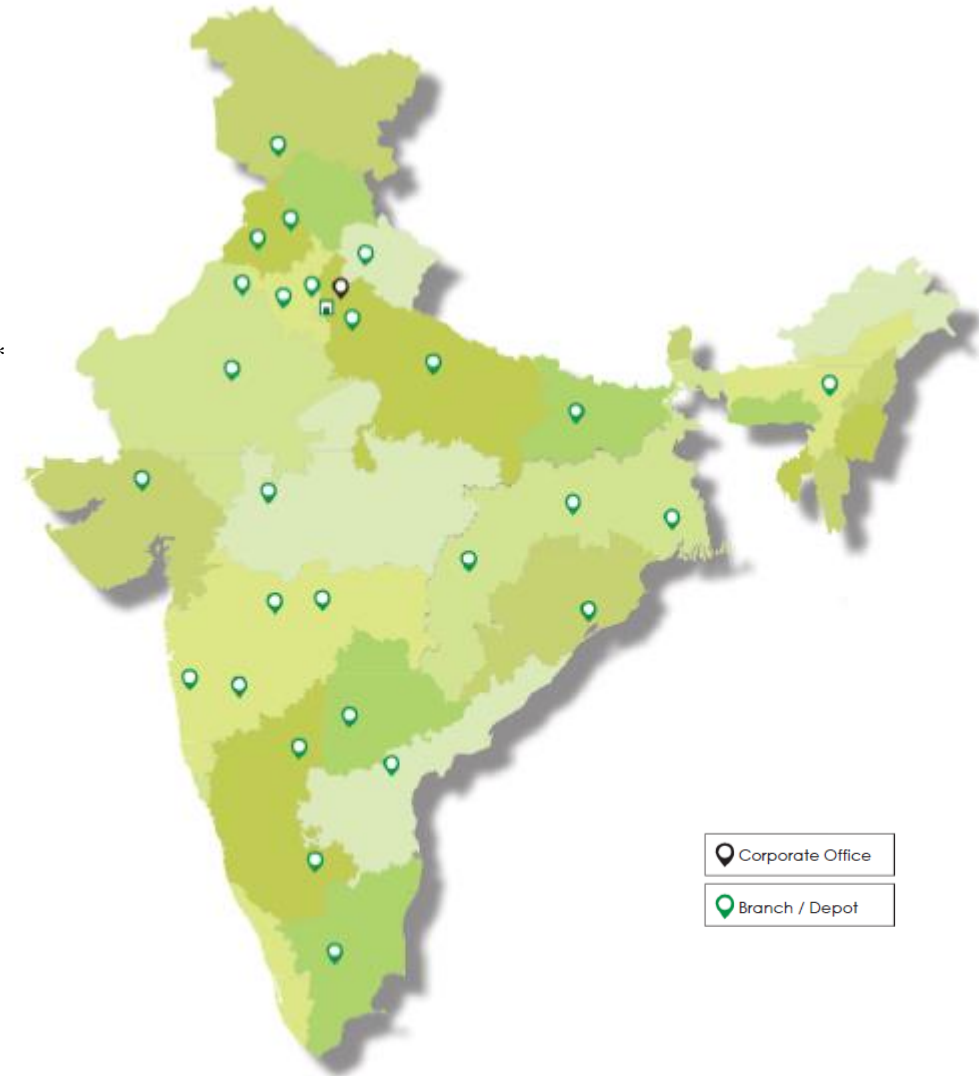


Manufacturing

- 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

Leading Maharatna Brands



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

Aggregate Installed Capacity

19,400 KLPA
Liquid

75,750 MTPA
Granules

18,770 MTPA
Powder

13,800 MTPA
Active Ingredient & Bulk



Research & Development



State-of-the-art in house R&D centre established in 2005, augmented by product innovation R&D center, formulation R&D centre and biological R&D centre

- Approved by DSIR, Ministry of Science and Technology
- Working on new formulations and new combination products

Formulation R&D Centre

- Development of new generation formulations
- Focus on cost reduction, customer friendly and environment safe products

Biological R&D Centre

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

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

- Equipped with the latest machines and equipment's like NMR, Lab set designed by Kewanee, USA
- Lead by the internationally renowned scientists with more than 25 years of experience
- One of its kind breeding centers, bio assay rooms and spray cabinets

Technical collaboration with international partners for manufacturing and marketing innovative products:

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

5 Patents Received

22+ 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)

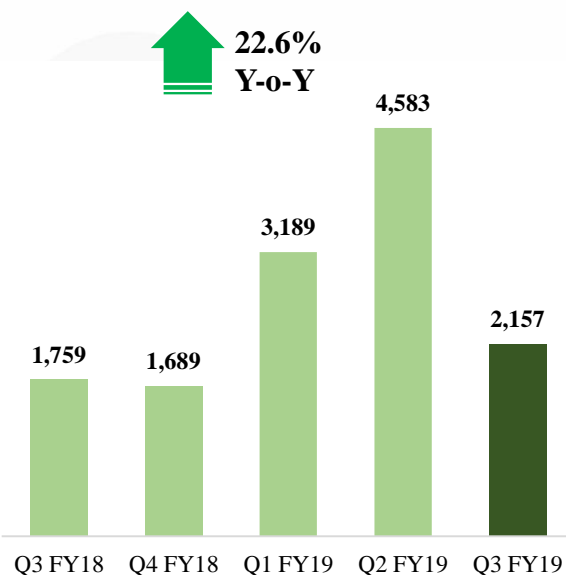
Financial Performance

(Rs. Million)	Q3 FY2019		Y-o-Y	9M FY2019		Y-o-Y
	FY2019	FY2018	Growth(%)	FY2019	FY2018	Growth(%)
Operating Revenue (net of excise)	2,157	1,759	22.6%	9,930	9,043	9.8%
Other Income	9	(1)		13	29	(53.6)%
Total Revenue	2,166	1,758	23.2%	9,943	9,072	9.6%
EBITDA	320	230	39.1%	1,567	1,292	21.4%
Margin (%)	14.8%	13.1%		15.8%	14.3%	
EBIT	278	187	48.7%	1,433	1,197	19.7%
Margin (%)	12.9%	10.6%		14.4%	13.2%	
Profit After Tax (PAT)	169	96	75.1%	939	763	23.0%
Margin (%)	7.8%	5.5%		9.5%	8.4%	
EPS	8.17	4.67	75.1%	45.41	36.91	23.0%

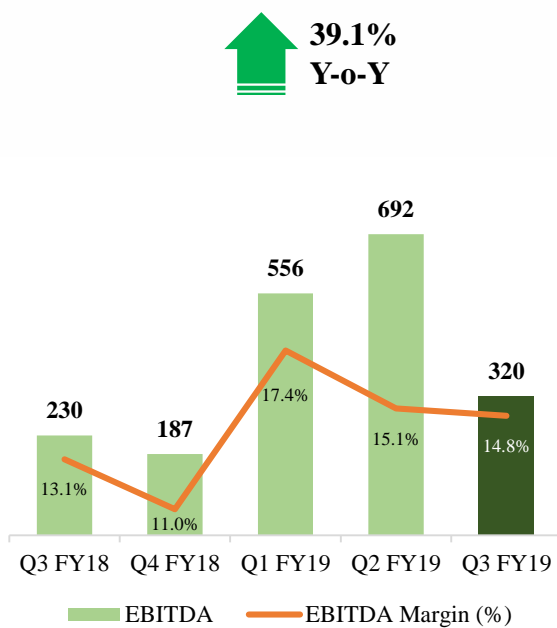
Note: Margins are calculated on Operating Revenue

Financial Trends

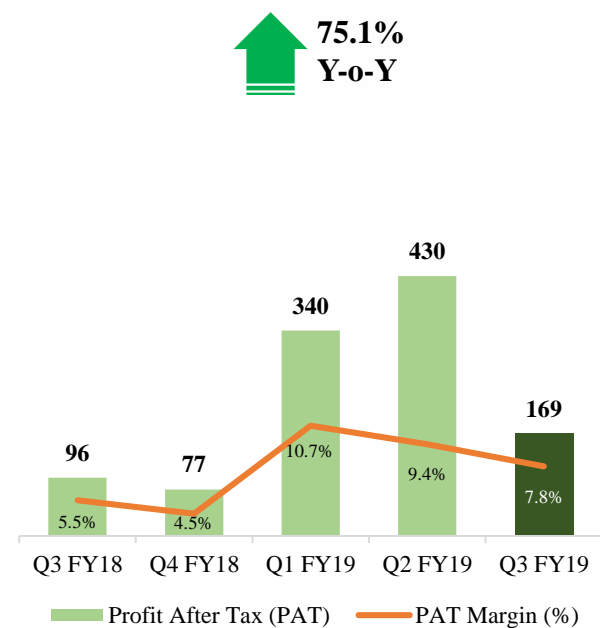
Revenue from Operations (Rs. Mn)



EBITDA (Rs. Mn)

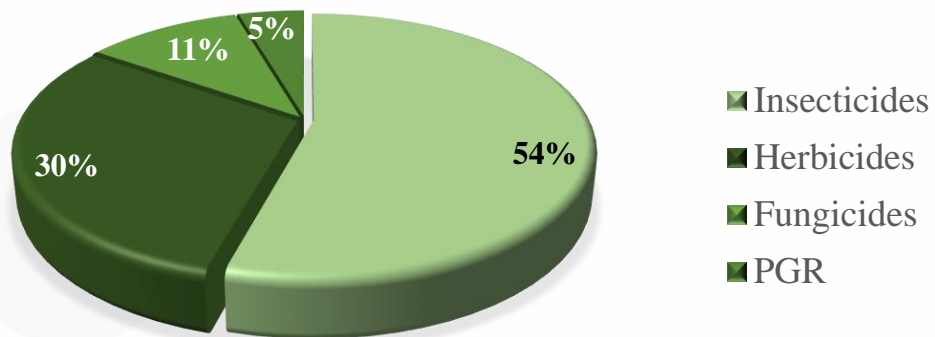


Profit after Tax (Rs. Mn)

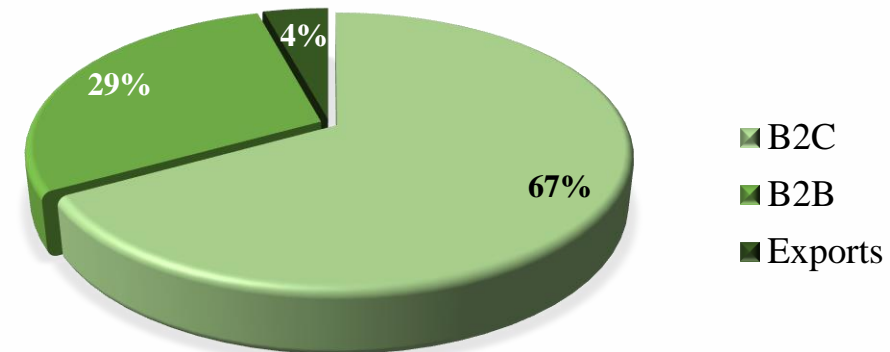


Segment Reporting - 9M FY2019

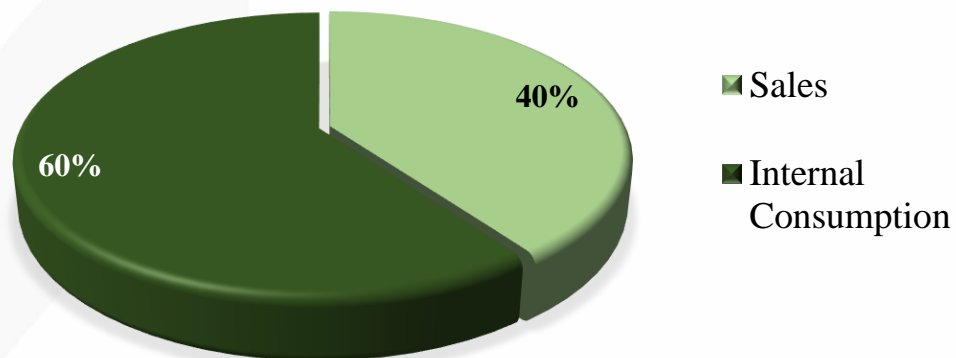
Gross Sales by Product Category



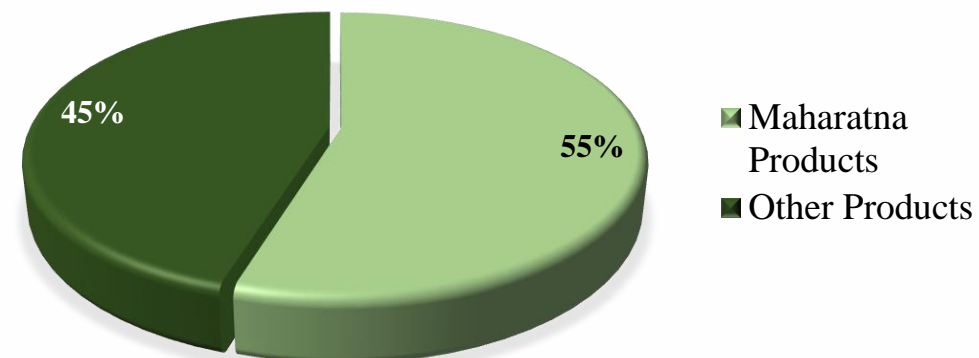
Gross Sales by Segment



Gross Sales vs Internal Consumption

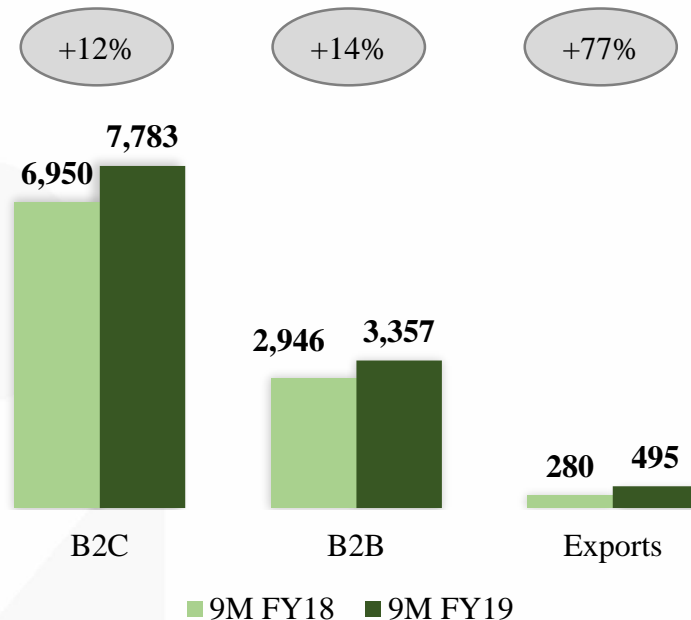


Breakdown of Top Seller Range in B2C



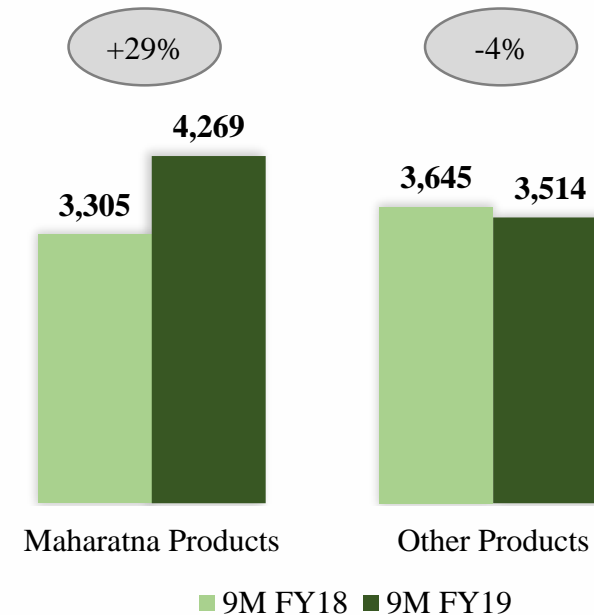
Segment Reporting - 9M FY2019

Gross Sales by Segment (Rs. Mn)



- Strong growth in sales across technical, formulated products and exports
- Exports have increased from Rs.280 Mn in 9M FY18 to Rs.495 Mn in 9M FY19, a growth of 77% on Y-o-Y basis

Gross Sales by Emphasized Product Category (Rs. Mn)



- Robust growth in the sales of Maharatna products; contributing 55% towards revenue (compared to 48% in FY2018)
- Higher sales in Maharatna category is primarily driven by the introduction and positive acceptance of new products such as Sofia, Aikido, Hercules and Encounter during the year

Recent Announcements

IIL in partnership with Indofil Industries launched a new combination product under the brand name, Encounter, focused on controlling Looper and Tea Mosquito bug

- Product approved by Tea Research Association under Plant Protection Code (PPC)
- Caters to tea growers of North-East India
- Assam is the single largest tea producing region in the world, producing nearly 500 million kg tea annually
- Tea plantations are incurring losses in terms of quality and yield by looper and tea mosquito bug
- Unique ability to control looper and tea mosquito bug together
- Can be sprayed at any stage of crop and remains effective for up to four hours in rain after the spray
- Joint marketing with Indofil Industries Ltd, who will promote this product under brand name “NIKHAR”

Indofil Industries Ltd., is a K. K. MODI group company with over five decades of experience, strong domestic base and focused on agricultural chemicals and innovative solutions.

Patent received for Insecticidal Combination of "Diafenthiuron and Acetamiprid in Wettable Power Form"

Term of 20 years, till 23rd July 2033

- Exclusive chemistry with a new medium of action - controls resistant strains of whiteflies, mines and hence low risk of cross resistance with existing chemicals
- Extensive spectrum of activity - covers a wide range of pests
- Long span of activity – lesser application compared to traditional products
- Has vapor action that penetrates into thick canopies hence reaching insects in difficult to reach areas

2019 Outlook



Opportunities

India is currently the world's fourth largest producer of agrochemicals. Favourable manufacturing opportunities for agrochemical companies in India



Quarterly Outlook

The quarter had subdued domestic formulation volumes growth due to lower pest infestation across the country. Many states (Tamil Nadu, Andhra Pradesh and Telangana) saw muted Rabi season, leading to soft volume growth.



Monsoon

Monsoon season this year recorded a 9% deficient rainfall, short of the normal mark, as per India Meteorological Department.

Many part of India faced post monsoon rainfall deficit of 44% which impacted sowing of Rabi crop.

All India acreage down by 5% due to scanty rains.



Ban on Pesticides

Punjab banned herbicide glyphosate in Oct 2018.

Central government banned use of 18 pesticides of which IIL has discontinued manufacturing of 4 products by 31 Dec 2018 in compliance of order.

No material impact on the Company's performance.



Public Policy

With the long term objective of building India a globally competitive manufacturing hub for agrochemicals and recently announced 'Income Support Scheme' in the Union Budget, crop protection sector stands to benefit.



Exports Surge

The Company had substantial growth in the exports market and expecting to achieve revenues in line with its annual exports targets.

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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