



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



insecticides
(INDIA) LIMITED

Ref: IIL/SE/2025/1302/01

Dated: February 13, 2025

The Manager

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

Dear Sir/Madam,

Sub: Transcript of the Earning Conference Call for the Quarter and Nine months ended December 31, 2024

Pursuant to Regulation 30 read with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the transcript of the Earnings Conference Call – Q3 & 9M of FY 2025 held in connection with the Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and Nine months ended December 31, 2024, on February 10, 2025, is enclosed and is also available on the website of the Company and can be accessed on the following link:
<https://www.insecticidesindia.com/investors-desk/>

This is for information & record.

Thanking You,

Yours Truly,
For Insecticides (India) Limited

(Sandeep Kumar)
Company Secretary & CCO

Encl: As above



**“Insecticides India Limited
Q3 & 9M FY ‘25 Earnings Conference Call”**

February 10, 2025



**MANAGEMENT: MR. RAJESH AGGARWAL – MANAGING DIRECTOR –
INSECTICIDES INDIA LIMITED
MR. SANDEEP AGGARWAL – CHIEF FINANCIAL
OFFICER – INSECTICIDES INDIA LIMITED
MR. DUSHYANT SOOD - CHIEF MARKETING OFFICER –
INSECTICIDES INDIA LIMITED**

MODERATOR: MS. MASOOM RATERIA – ORIENT CAPITAL

Moderator: Ladies and gentlemen, good day, and welcome to Insecticides India Limited Q3 and Nine Months FY '25 Earnings Conference Call hosted by Orient Capital. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Masoom Rateria from Orient Capital. Thank you, and over to you, ma'am.

Masoom Rateria: Thank you. Good evening, and welcome to the Q3 nine months FY '25 Earnings Con Call of Insecticides India Limited. Today on this call, we have with us Mr. Rajesh Aggarwal, the Managing Director; Mr. Sandeep Aggarwal, the Chief Financial Officer; and Mr. Dushyant Sood, the Chief Marketing Officer.

Before we proceed the call, I would like to give a small disclaimer that this conference may contain certain forward-looking statements, which are based on beliefs, opinions and expectations of the company as on date.

Now I would like to hand over the call to Mr. Rajesh Aggarwal for his opening remarks. Over to you, sir.

Rajesh Aggarwal: Thank you, Masoom. As you know, the CMO, Mr. Dushyant Sood will joining this call for the first time. So he has a very vast experience of marketing and sales in large companies of more than 30 years, and we will be there to reply to all your queries, whatever will be there after my session.

So good afternoon, ladies and gentlemen. On behalf of Insecticides India, I'm delighted to welcome you to today's results call. We truly appreciate your time and keen interest in our company's performance. I trust you have had the chance to review our Q3 and nine-month numbers of FY '25 financial results and investor presentation, which are available on the stock exchanges and our website.

We are delighted to present these numbers and which underscores the strength of our operational performance and successful execution of our strategic initiatives. The numbers we share with you today are testimonial of the resilience of our business model and effectiveness of our growth strategy.

So the premiumization strategy has played out very well. The effort to make it is in full swing, and we are continuously working around these new products, which is responsible for increasing the profitability of this quarter and taking it to 42%, though this is a lean quarter and we cannot take it as a full year number and to consider or to plan our performance, you should look at nine months more than this quarter in particular.

And if I talk about the industry situation, then the industry was a little impacted in this quarter, which has also hit our B2B sales, particularly in this quarter. But the important thing is that we have generated a total PAT margin of INR128 crores, which is the highest in the history of the

company. Even in the full year, we have not generated this type of PAT margins in the past which is a 35% growth in the previous year. So this is the ever highest profit for the company.

And the premium products, the growth we have taken 62% of B2C with the growth of our 12% will be Y-o-Y to be look at the nine months. So from 50-odd percent we have reached 62% and this we are going to continue in future also and the target for future will be to take it to 65% in next one to two years.

The volume growth has been around 19% in the premium products and overall volume growth in the B2C segment is about 12%. The focus on the new generation products, the value-added technologies has been the key essence. Here, I would also like to talk about the recent launches which we have done in the previous years, which has proved very successful.

Here, I would like to talk about the two Nissan products in particular, number one is Shinwa. So Shinwa still is number one product in our portfolio, and this is doing very well. Followed by Izuki, Izuki will be in next product which is the next level of Pulsor, which we got from Nissan. So this product has also performed very well.

And then some of our new products which we had launched in this year, particularly Nissan SP and Nissan Granule performed very well. Sofia, it has also performed very well and followed by Hachiman and Hercules and all these products are the part of our Focused Maharatna range.

So I'm glad that generally we have in the previous year or the current year, we have 11 products in our Focused Maharatna range. And the new launches which has happened into this year, I see at least four to five new products entering into the Focused Maharatna range, which is a signal that our premium product business is going to increase in the future. So product like, Centran Stroke, Torry Super, Terrox will be the new things to look at.

And there will be a new addition from the stable of Nissan also this year, a new like herbicide, which we are going to add to our range, which will be known as Altair and which will be available for the kharif season in this year especially April, May, it will be launched into the market.

Our bundle rice herbicide new expert green, they are doing very well green. Green Expert is also a very special mixture, which we had launched into the market two and a half years back, and this is going very good into the market. And this year, we wish to position it into a big brand, and it will be our effort to bring this product also in the FM range.

So the total number of launches in this fiscal has been almost 10, and there is a very strong pipeline. I see at least more than half a dozen products also, which will be coming in the -- for the next year. And the focus on the new launches is going to be continuously there from the company side. And particularly all these products, the new products which will be launched, they should be qualifying in Maharatna that is the intention of the company.

I would also like to discuss about the industry trend. So we see the favourable tailwinds. There is stability in price, the monsoons have been quite good. So the water availability in the reservoirs is there. And if you look at the price in particular, I can say that it is not only stable,

but we have also started seeing the northward movements in the prices in the international market, which is now also visible in the Indian market.

So this will have a good impact on the B2B business and also on the IDB business, though the fourth quarter is going to be, but I will shortly say that you are going to see the positive impact on all these three businesses in the fourth quarter also. So I can say the international business, the B2B business and the B2C business, all three will be rising in this fourth quarter.

So there has been a good and the government support, particularly for agriculture, special focus on pulses, edible oils, horticulture, cotton, all these are going to do good for the industry. And I can say that in future, you can expect a decent growth from the company.

This year, the closing should be good with the double-digit margins. We are able to maintain already 11.7% of EBITDA margin in 9 months. And I believe that the closing should be a decent double-digit margin in this entire year. So going forward, the strategy of premiumization is going to be our key strategy where we are going to make minimum 20% growth from the premium products, which means Maharatna products these are all value added products.

The growth will be continuous in next 4 to 5 years where we'll be targeting particularly focusing the Maharatna products, the value-added products and the target of the gross margin in next 1 to 2 years of time, you can say 30% to 35% with the EBITDA of about 12% to 13%. So the vision is that Maharatna numbers or premium product numbers should cross 65% very soon. So we can say in 1 to 2 years of time.

We are also working on building out the organization. So we are trying to work out some CXO positions and there will be appointment soon for the next Kharif season. We are going to see some new faces entering into the VP on the senior level, which are going to make our team stronger. And this movement or strengthening of the teams we are doing across segments, we are looking at marketing, sales, R&D, manufacturing and operations in all the directions. Along with this, we are also working on the working capital.

So we have improved over the March numbers. In next year, we are again working to improve our working capital cycle by at least 20 to 25 days. So we will see the continuous good performance. Our focus will be to move towards the stronger, better products, better technologies, build these systems and a very strong pipeline for the future. So with this, I'll hand over the call to Sandeep Aggarwal, CFO, to explain the numbers of this quarter and nine months.

Sandeep Aggarwal:

Thank you sir. Thank you very much. I will now share the highlights of the company's performance of Quarter 3 and 9 months. For the quarter revenue from operations stood at around INR358 crores, EBITDA reached at around INR61 crores, a significant increase from INR24 crores in the last quarter in FY24.

Reflective a year-on-year growth of around 18% , the EBITDA margins for the quarter stood at 8.6%. Our profit after tax was reported as around INR17.4 crores which is a substantial year-on-year growth of around 42%. In terms of product composition Insecticides contributes around 49% of the total sales, herbicides 37%, fungicide 9% and...

- Moderator:** Sorry to interrupt, Sandeep, sir. Can you please be a little louder?
- Sandeep Aggarwal:** Okay. So breaking down by the sales segment wise, B2C sales contribution around 82%, B2B sales represented around 11% and exports around 7%. In quarter 3 FY25, the premium products contribution is around 55% of the total B2C sales and 45% is from the generic side. Looking at the performance over the first 9 months of FY25. The revenue from operation stood at around INR1,641 crores, EBITDA stood at around INR193 crores, EBITDA margin is around 11.7% and PAT for the 9 months stood at around INR128 crores with an increase of around 36% all year-on-year basis.
- For the 9 months FY25 period so we also please to report a significant improvement in our working capital days. The working capital day has come down by 18 days for 31st December 24 as compared to March 24. Thank you very much.
- Rajesh Aggarwal:** So now I open the house for the questions. So all the three members, CMO, CFO and myself we are present. So you can ask the questions to anyone.
- Moderator:** Thank you very much sir. We will now begin the question and answer session. We have our first question from the line of Bhargav from Ambit Asset Manager. Please go ahead.
- Bhargav:** Good evening team and congratulations for a good set of numbers. Sir, my first question is that last quarter we did an acquisition of Kaeros for a consideration of about INR6 crores. So is it possible to know what was the net worth of this company and what was the rationale for this related party transaction that is my first question.
- And the second question is that given that you highlighted that you're looking at significant reinforcement on talent wherein you did allude to the fact that you're looking at a lot of senior management recruitment. What will be the long-term incentive plan to ensure that they stay back with us? These are the two questions, sir?
- Rajesh Aggarwal:** Okay. We go one by one. First is Kaeros. So Kaeros is a company with a paid capital of about INR4.8 crores. So here, we had purchased the land to build up the plant. So where we are running - at the moment it is being used for green land for trial purposes. But in the long run, we can use it in plant and then multipurpose space.
- So it was valued and on the basis of valuation it was purchased at INR6.3 crores which included the value of land and the value of business. Apart from this, we have also had about one dozen import licenses in Kaeros. The basic agenda is that Insecticides India, we don't import any ready-made technicals from China.
- Kaeros gives the opportunity to import these technicals, which we generally purchase from our competition at a little higher price. So it will improve the profitability of the company. That is one possibility. Second is that we do B2B products, packed products for some of the competitive partners or competition companies.
- So that business can be transferred to Kaeros, which will decrease the competition in the market. And this way Kaeros can be a good, I can say, revenue cow for Insecticide India. So it will

increase the profitability of the company. So the purchase which is being done at INR6.3 crores. So that is done on the basis of the valuations done by the auditors.

Second is the talent. So talent we are going to bring the people who are the senior people and have the experience of various multinational companies and large Indian companies. So definitely there will be the desired plans which will be set up because when you are bringing the talent, the retention is also going to be a target because when the people join the company, they come with their agenda also that, yes, they will be performing and showing the performance, but there will be decent incentive plans for them definitely to retain the talent. And we are going to provide the atmosphere where the people are going to be able to operate and show their performance.

Bhargav: And sir, just to clarify on Kaeros. Is it possible to give some guidance in terms of next 2 to 3 years where do you see revenue and profitability in this segment in the Kaeros business?

Rajesh Aggarwal: The details we are going to provide later because there are going to be discussions. We are -- there are several plans with Kaeros. So the revenue guidelines are not planned, but it will be a good profitable business that much only I can say as of now. So once the plans are freeze, I think by the next investor call, we will be ready with the plans of Kaeros. We'll be presenting the numbers.

Bhargav: Okay. Thank you very much and all the very best.

Moderator: Thank you. We have our next question from the line of Bharat Gupta from Fair Value Capital. Please go ahead.

Bharat Gupta: Hi, good evening Rajesh and Sandeep ji.

Moderator: Sorry to interrupt, Mr. Bharat. Can you please be a little louder?

Bharat Gupta: Sure. Sir, a couple of questions from my side. So can you just brief us about the volume growth over the Q3 and the 9 months and kind of impacted due to sales returns during the quarter?

Rajesh Aggarwal: The sales return were not huge. The sales return was nominal in this quarter because we had already taken the sales return in Q2. So there was some party to party transfer which has to be routed through the process, which looks like the sales return. So that may be there. So it was not huge at all. Regarding the growth, I have the 9 months number where we have shown a growth of about - in terms of volume the growth is about 19% with the value the growth in terms of value is about 12%.

So this quarter, the growth was not much. The B2C growth was about - B2C growth about 7%, 8% in terms of volume. But when it comes to value, it was not much. So it is important to see the performance of 9 months. You cannot make it by quarter basically because this is a very lean quarter for us.

Bharat Gupta: Right. So during the 9 months, we have grown by near about 19%-odd in the B2C space?

Rajesh Aggarwal: In terms of volume, the value growth is about 12%.

Bharat Gupta:

There has been 7% kind of impact on the pricing front. Sir, secondly with respect to the gross margin, so there has been a good amount of improvement. And you also mentioned that you want to maintain it to 30% to 35%-odd level in the coming years. So just want to get a bit of understanding like looking at the previous trend also there has been an improvement in the generic premiumization also which you have mentioned in the presentation.

So do you think there will be a good amount of shift towards the B2C side and particularly with respect to branded going forward and the margins can sustain over 32%, 35% levels?

Rajesh Aggarwal

Yes, we are working in that direction. We are continuously introducing new products and all our new products are doing well. Like if you see last 4 years, 5 years performance, we were at 51% with our premium products. We came to 55% and 59% and this year we are touching 62%. And the vision is to go to 65% in the next year itself. So we are continuously improving the sales of our premium products.

And there also some of the products from Maharatnas are climbing the ladder to focus Maharatna, which are our key products. In the last -- in the current fiscal, the total number of focused Maharatna I have are 11, which we used to take to 15. So these are itself, I would say, are evident that we are going to increase the sales of our interest molecules or the premium products.

So continuously there will be continuous launches and these launches are going to come through our partnerships and through our mixture patterns which we are going to obtain and by engineering to various new products which will be added new technical. So they will be profitable products. So I have the confidence that we will be able to do that.

Bharat Gupta:

Sir, a question with respect to raw materials as well. Since you will be already procuring for the upcoming tariff, how do you see the raw material playing out at the moment and there are uncertainties around the globe because of the tariff hikes placed on China. So how do you think overall it can play out for us because we are a net exporter as well. We do export to the LATAM markets and other markets. So how do you think overall scenario can play out for us?

Rajesh Aggarwal:

Overall scenario is a good scenario. As I told you that in this quarter Q4 which is finally growth happening in all the three. Again, it is the lean quarter, but even in the lean quarter, I see B2B, IBD and also the B2C business, all the three business growing maybe whatever percentage will be there it will be a positive quarter for all and looking at the long term just we have started planning for the next Kharif season and we have started procuring the raw material and the plants have started manufacturing.

There are already signals of shortages in the market. So looking at that, we have already started planning. So we are working in that direction. And since we are working more on the premium product than with generic product. So I'm confident that we should be able to do the desired things. And generally when it comes to export, we are exporting mostly -- most exports are from the technicals which we are making. There are some exports where we have to import the technical and then make the formulation, but mostly our maximum business is of own technicals.

Bharat Gupta:

Are we anticipating double-digit kind of overall contribution coming in from the export side?

Rajesh Aggarwal: No export is a small business for us at the moment, 3% is the contribution which has come in the 9 months, which is already explained. But in this year, we will be crossing INR100-odd crores. So last year, we'll be beating, but I don't see a very big growth which will be coming into this fiscal. Though we had a target of crossing INR150 crores, but we'll be landing somewhere at INR100 crores plus level.

So whatever is achieved in this year will be visible very shortly. But yes, we are confident that next year, again we are going to keep a stronger target for exports and with the type of response we are getting and the type of registrations we are expecting to get through. So I'm confident that next year, we should be able to grow our exports in decent manner.

Bharat Gupta: Sure, sir. Last question from my side, sir, with respect to the depreciation in the currency which we have seen. So like ultimately, do you think currently we are importing near about 20% of our RM requirements through imports? And do you believe that the industry is in a position where it can take a hike because the imports are getting expensive for us.

So in a way, overall, with respect to industry, I'm asking whether you are seeing a good amount of increase happening in the generics as well as in the branded side going forward? And with respect to [inaudible 23:52] do you think there will be a negative impact?

Rajesh Aggarwal: No, there won't be any negative impact. The prices have touched the bottom already and they have started going up. As the prices goes up, the market prices are also going to go up because it is going to increase for everyone. So this is the low season. In the low season, the things starts to discount particularly in the last quarter because it is just the finishing season.

But already, we have started seeing increase in some of the prices over the Q3. So the market is going to easily accept the prices. That is my expectation. So as the market goes up starts, there will be some increase in the prices. So whatever changes are going to come due to change in currency or due to the change in the international scenario, that will be absorbed by the market that is my assumption.

Bharat Gupta: Right. That's it from my side. Thanks Rajesh ji for answering all the questions.

Moderator: Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Thank you for the opportunity. I wanted to understand for the next year on overall basis.

Rajesh Aggrawal: Your voice is not clear please.

Madhur Rathi: Sir am I audible right now?

Rajesh Aggrawal: Yes, better.

Madhur Rathi: Sir I wanted to understand when I look at FY26 on an overall basis the premium as well as our generic product, sir what kind of volume and value growth as well as margin can we expect from that segment?

- Rajesh Aggarwal:** I've already explained that we are able to grow the premium force by 19% in terms of volume. The value growth is about 12% in this fiscal in 9 months. So last quarter is a lean quarter, still I think we should be able to maintain this plus minus.
- Madhur Rathi:** Sir, I was asking about FY '26.
- Rajesh Aggarwal:** FY '26 we have not decided like not closed the budget yet. So it will be difficult. I have already said that the target is the minimum growth of 20% of the premium products Y-o-Y. So you can say it's a continuous target that we have to increase minimum 20% product sale in B2C segment every year.
- Madhur Rathi:** Okay. And this will be a 20% volume growth for the premium segment, right?
- Rajesh Aggarwal:** Yes. Right.
- Madhur Rathi:** Okay. Sir, 1 year, 1.5 years back, sir, we were doing this kind of tail end, reducing the exposure of the tail end lower margin products and increasing the 9(3) patented kind of products in our revenue. So has that scheme happened right now? And if yes, what kind of margin percentage has that improved on our overall books?
- Rajesh Aggarwal:** It is working out well. The thing is evidence from our performance. If you compare the 3 year to 4 year figure you can very well look at that. Premium products we make so when I say premium products you have all new generation products which we are focusing and we are continuously increasing the percentage of our premium products sale in our B2C business. We have reached 62% already in this 9 months and the result is evident we are close to all time highest profit.
- Madhur Rathi:** Okay. Got it. Sir, so if I look at our generic product right now, sir, what percentage would be the product where we are not making any money or it's very kind of a breakeven kind of products or everything is currently making some amount of money currently?
- Rajesh Aggarwal:** There will be very rare circumstances that if the market falls for something, then you get trapped. So, at the moment nobody does the business for making losses. So even IIL is not doing any business for making losses. So these are particular remote cases, which happened 3 years back when the market slashed to 50%. So we made losses in certain products, which impacted our results. But now I don't think there's anything which is really negative contributor to the Company[inaudible 28:26].
- Madhur Rathi:** Okay. Got it. Sir, just a final question from my side, sir. We see the Nissan collaboration with Dhanuka Agritech as well as Godrej Agrovet. When we launch a new product like Nissan, sir, does it give some exclusive rights to us or it's just that we can use Nissan technicals and just the 9(3) kind of formulations work that we do that provides us the competitive advantage in this segment?
- Rajesh Aggarwal:** Okay. You have to understand it in detail. Nissan brings one product and that product it gives to some of the partners, sometimes it is exclusive, sometimes it is non exclusive or too exclusive. When it is non exclusive then it gives to two company or sometimes to one company. And then

it also gives the opportunity these days which is the time of discharge. So, you can prepare some mixers which are exclusive to you and you can change the patterns also in the Indian market.

After making those mixers then you can start looking at your partners and make those partners in the market in the long run with the consent of Nissan. So that becomes your distributors basically with the content of Nissan. So that gives you opportunity to increase the volumes of your invented or discovered or I can say your R and D mixture which are better performance.

So to give an example, like we had Hachiman, which is a mixture of diesel prop and diesel petrols. So this is a herbicide. I started with diesel prop with Nissan in 2013 and this was on 3 years back which is a super-hit product for me. Similarly, Pulsor was launched in 2013 and Izuki was launched 3 years back, which is a mixture. So that mixture is again exclusive.

So for Izuki, I have no partner. For Hachiman, I have made four partners will be three. So they are my partners, basically, and I am selling that product to the market to them through the consent of Nissan of course. So the new product which I'll be bringing now, which will be the new launch for the credit season, which I already announced, that will be exclusive product for the first year. And then in the later stages, we'll see that we have to appoint the partners or no partners.

And now the time has come when at the time of launch of the product order, even before the product started, it starts to work within the mixers option. So we are already working on its mixers. So in the long run, the mixers are going to come and then we'll select the partners.

Madhur Rathi: (31:05) **Okay sir got it that's makes sense, thankyou so much and al the best.**

Moderator: We have our next question from the line of Narendra from RoboCapital. Please go ahead.

Narendra: So I'm new to the company. So sorry if my question seemed a little naive. But are we doing capex in the company?

Rajesh Aggarwal: Yes, we are doing a lot of capex. There is already expansion which is happening at Sotanala, which is in Rajasthan and there is also the expansion which is happening in Dahej. So Dahej is going to start the plant is going to start very soon in this quarter. So for the technical and there is one expansion which is going to happen for the permutation also.

So the formulation should be coming up by the middle of this season somewhere in June. I think it should help the market. So we'll be doing both. And Sotanala plant, it is a little longer term. So it will take one year. So 2026 is the target to start the manufacturing in the Sotanala site. So, these are the two which are employed. And in the subsidiaries of course, there will be some work in Kaeros and IIL Biologicals also. Yes, please.

Narendra: Okay, sir. And what are the amount that we are spending on the capex?

Rajesh Aggarwal: Capex is like we have not -- I can say about INR125 crores is going to go in the next 2 years. This year and next year, the majority of which is going to go in the next year from here, because now we are going to order some of the plant parts, but they will be coming in tranches. So the major expense is going to go into the next fiscal.

Narendra: Okay, sir. Understood. And the Sotanala plant, right? I'm supposing that's a big capex. So what kind of time frame are we looking to ramp the production to, say, 80%? And what kind of revenue or any number you could give that we will be able to do after it reaches 80%?

Rajesh Aggarwal: Okay. So Sotanala we are making in 2 parts. One is the formulation second is the technical. In the technical, we are going to construct one building and we will start the manufacturing with one building. Second building we are going to put in part two.

So first building we are going to start at, in the first go itself, we will come to 70%, 80% production because that is going to be a DCS plant and it will contain certain products which we are already -- we are the experts in making. So we'll be transferring some of the bulks on other plant and the new technologies are going to go through the other plant.

And then we'll establish those technologies at the other plant and then we'll bring it to Sotanala again for the new plant actually which we'll be making later. So -- and in terms of formulations, yes, we are again going to establish a big facility here for the formulations to strengthen our formulation business because we have launched a lot of new products actually, a lot of new variety of formulations.

There are water based formulations, WDGs, ECGs, all types of formulations are there. So we are going to set up all these activities. So the total quantum of business, it is going to generate is going to be reasonably good. So in terms of number, I can say that if it achieves even 65%, 70%, it will be crossing INR500 crores in the first year itself, first full year.

Narendra: **Okay sir that's great to know, those are my questions thankyou and all the best.**

Moderator: The next question is from the line of Kartik from Samatva Capital. Please go ahead.

Kartik: First of all, congratulations to the Insecticides India Limited team. My question is on -- for the first 9 months of this financial year, I believe you mentioned that we made 10 new product launches. And could you please elaborate on the plan for the upcoming quarter as well as for the entire FY '26 on the new launches, please?

Rajesh Aggarwal: I told you that there is a plan of about six -- more than half a dozen launches, which will be coming in this -- for the next fiscal. So now we don't wait for the season. We'll launch the products like the 10 products which were launched in the last fiscal also, even in the last second of the season, we have launched the products.

So now also as the product will come in, as we get the registration, as the packaging and everything ready, and sometimes we wait for the patent also. So as everything gets ready, we immediately launch the product. So there might be -- you can see 2 to 3 launches happening in this quarter itself and some launches might happen in the first quarter for the kharif season.

So there are four insecticides which are coming and there is one herbicide and one fungicide. So precisely, there are at least 6 products which are clearly visible now and there can be further additions because we are looking at certain more biological products also and some other segments also.

Kartik: **Thankyou sir.** And sir, recently, you have also mentioned that you -- with partnership with another firm, you have launched the biological product in the market. Could you please help us understand about the potential of this product? And what is your long-term vision for this product and the category?

Rajesh Aggarwal: It's a very interesting product, seaweed. It is the most popular PGR in the market. So it's a very common product if you look at the product category. And mostly all the companies are doing the marketing. But it has a huge potential. This product is a product differentiator because most of the popular seaweeds, they come from foreign countries, particularly U.S., Canada and some European brands, which are very popular in the country.

But when we compare the result of this product with all the international and domestic brands, we found that this is the most superior product. So we chose this company as a partner because that was a start-up company which has developed this product, which is a mixture of 2 seaweeds and also has a product which is an innovative booster and it was showing very good results for the product.

So we have chosen this. So we believe that we should be able to make it a brand leader in this segment. There is a potential of 1 million liters of this product. So I can say it can generate a sale of about INR50 crores, INR60 crores, INR70 crores in the long term in 4 years to 5 years' time.

So we have just begun this product 2, 3 months back. So this will be a beginning. But in next fiscal, I believe that we should be able to cross at least 1 lakh liters of sales in the next full year, '26.

Kartik: Just a clarification, sir, is this seaweed product part of your Focus Maharatna portfolio currently? Or is it outside of it?

Rajesh Aggarwal: Like to qualify the Focus Maharatna product has to do a net sale of INR35 crores. So it is a part of Maharatna, not a part of Focus Maharatna. So INR35 crores is the net sales, which it has to qualify and 35% is the gross margin. So it is qualifying the gross margin, but it is not qualifying the sales. So even in the first year, if I sell 1 lakh liters or 1.5 lakh liters, it will just reach INR10 crores. So INR10 crores is Maharatna, not Focus Maharatna.

Kartik: And my last question. In the last con call, you have also explained the rationale of why Kaeros acquisition will help us with our supply chain, especially from import standpoint because it already had...

Rajesh Aggarwal: Your voice has become -- what did I talk about?

Kartik: Sir, you have mentioned -- you have elaborated on the acquisition rationale of Kaeros where you have mentioned about the import licenses that it already has, which will be accretive to insecticides. It will be much useful to insecticides going further. And you also mentioned that there is a INR100 crore plan immediate to make the business out of it. Could you please help us elaborate the plan of Kaeros of INR100 crores? How will we even achieve that INR100 crores, sir?

Rajesh Aggarwal: It's very easy. Actually, the import, which is going to happen in this fiscal will be more than INR100 crores. So there will be value addition on this INR100 crores. Then Kaeros is going to import the technical, it is going to make the formulations, and it is going to supply B2C also. The plan will be much bigger.

So since the plan numbers are not clear, that they are not budgeted, I'm not discussing it much because we are not fully ready at the moment. But I can just give you the assurance that the net business is going to be INR100 crores plus with a margin with a double-digit margin. That is what I can say.

Kartik: **Thankyou so much and all the best for future.**

Moderator: The next question is from the line of Kunal Tokas from Fair Value Capital. Please go ahead.

Kunal Tokas: I just want your confirmation first and then I'll ask my question. Just wanted to confirm the 20% growth that you were talking about, was it for the B2C category as a whole or for the Maharatna as a whole or only for Focus Maharatna?

Rajesh Aggarwal: Focus Maharatna and Maharatna are a part of the premium products when we see growth, we give a commitment of premium products means B2C, Focus Maharatna and Maharatna both put together.

Kunal Tokas: Okay, sir. And another quick confirmation, what was the contribution from Maharatna and Focus Maharatna in overall revenue for the 9 months?

Rajesh Aggarwal: 62% this year. 62% in first 9 months of our total B2C sales. Because 78% has been the formulation sales. So out of our total number, you can make 78% and then you can make 62% [inaudible 41:53]. So about INR800 crores.

Kunal Tokas: Okay, sir. And another question I had was about biologicals. How do you see this product segment evolving over the next couple of years and especially for Insecticides India?

Rajesh Aggarwal: It is a very futuristic business actually. So we are applying for a lot of patents, and we are working on R&D of biological products in many new ways. So these are secret things. I cannot declare too much. But I can say that we are working on Nanos, we are working on Consortia. We are working on many new Insecticides, fungicides in the biological segment.

we are working on having the products more potent because generally the problem with the biological is the efficacy, generally the problem with the biological product is the shelf life and then the results which a person gets from the chemical product is very fast from the biological is very slow.

So we have realized all these concerns, and we are trying to bring up these solutions by our own R&D and also by tying up for R&D at various places. So IIL Biological is especially set up for doing such activities. So as I was telling that Kaeros has some land -- sorry, IIL Biologicals also has some land in Shamli. So we are going to set up the new plant for IIL Biologicals at Shamli site itself. IIL already has one biological plant at that location.

So we have a big piece of land, which is purchased in various subsidiaries of IIL. So there, we are going to set up the plant for IIL biologicals and it will keep on expanding as we bring in the new products and as we get the success in the biologicals. So my vision is that in the future, the biologicals are also going to contribute in a big way, both in the domestic market as well as the international markets.

There is very high interest of the competition in some of the products. So let's see how we proceed. I don't want to give any big numbers. But I definitely say that if you look at the medium term, then definitely, this biological business should show a big growth.

Kunal Tokas:

Okay thankyou very much

Moderator:

The next question is from the line of Narendra from RoboCapital. Please go ahead.

Narendra:

So sir, I wanted one clarification. So the 20% Y-o-Y revenue growth that you are internally targeting for '26, right? So is that on an overall business or in the premium segment?

Rajesh Aggarwal:

This is growth. B2C, this is the growth of B2C. The other growth will be different. So from the B2C business, particularly from the premium products, we are targeting 20% growth, rest is all incidental. So the vision is to groom the premium products. Along with the premium products, like when I say sometimes that the train runs -- the engine runs the train. If the engine is running, then everything runs along with the engine because it gives the reason.

So when people are moving in the field or they are promoting one product of Maharatna range or a premium range, then we have to give other solutions also to the farmer. So ultimately, what we want is that our people should move in the markets more. They should contact more farmers. We are giving them the tools in terms of product and in terms of the scientific tools also. So we are trying to provide that, so that they are able to promote tractor brand more and more into the market. So the focus is around the premium products, but other incidental sales will also grow.

Narendra:

Okay. Understood. So any number that you would like to share regarding the overall number, that would be helpful.

Rajesh Aggarwal:

I'm talking about B2C itself, it should be enough. And when I'm saying that my vision is to grow to 65% in 1 to 2 years of time, I think you can calculate better than me.

Narendra:

Okay. Thank you so much.

Moderator:

Thank you. The next question is from the line of Devang Mehra from SKB Capital. Please go ahead.

Devang Mehra:

Thanks for the opportunity. I have a couple of questions. So my first question is, the new automated plant in Rajasthan sounds like a significant investment. So what are the timeline for the completion? And how do you see the impact in your production capacity and cost structure once it is operational?

Rajesh Aggarwal:

Let's go make it smaller and smaller, it will be easier for me. So as I told you, 2026 is the period when we see that this plant is going to start. The investment plan from here is about INR125

crores. Majority is going to go into the next fiscal. There may be some spillover into the next fiscal also out of this. So yes, it is going to be a DCS plant and it is going to have the formulation facilities also for liquids, for pollutants, for photos, everything.

So of course, state-of-the-art plant in 15 acres of land. So yes, we are very, very enthusiastic about this plant. And as I already told that whenever we get the full year of production, so in first full year of production, even if it operates at 70%, it should be able to generate a volume of INR 500 crores, both formulations and technical put together.

Devang Mehra:

Okay, sir. Got it. And sir, can you share how new launch products have been received in the market so far? And what is the average timeline for the new product to become profitable? And what number of new launches are you planning for the upcoming period?

Rajesh Aggarwal:

If you look at the past 3 years, every year, there have been at least 10 launches, which has come from the stable of -- 8 to 10 launches, okay, let's say. And in the next year, again, I see about 6 launches. The product becomes profitable from day 1. So there is no gestation period for a profitable product because if you are launching something in the Maharatna segment, focused Maharatna segment, you are very, very clear that it has to qualify the minimum gross margin of 35%. So if it is not qualifying, then it is not Maharatna, that is not a premium product.

So yes, it becomes profitable, but it depends on the size, how much profitable. Because if it qualifies for focus Maharatna, then that's yes, then profitability is INR10 crores. Or I can say I get INR10 crores and INR15 crores of profitability in terms of gross margin. But if it is just a Maharatna with INR5 crores, INR6 crores of sales volumes, then INR1 crores, INR1.5 crores, which is a small amount actually for anybody.

So sometimes you launch the products in the fag end of the year, even if the market response is good, you don't get that big response in the market. Like I'll give you an example, Centran. Centran is a new launch which I have done last month. In 1 month itself, I have sold 300 tons of granules

So for next year, I have put Centran into the focused Maharatna. Because I'm confident that I'll be able to achieve Centran's number, which will qualify focused Maharatna number. So this year it will do 500-600 tons. 500-600 tons will mean INR79 crores of sales. So yes, whenever we get the full year of operation, then we can say that it will start making good sense actually.

Devang Mehra:

Thank you.

Moderator:

Thank you. We have our next question from the line of Sahil Vora from M&S Associates. Please go ahead.

Sahil Vora:

Thank you giving me an opportunity. I have a couple of questions. Can you provide details on your plans to expand your network of dealers and distributors over the course of the next 1 year?

Rajesh Aggarwal:

It's a continuous process actually. So we don't count. But what we are doing is that we have tied up with HSBC and we have launched our own program where we are trying to tap the farmers, we are trying to tap the retailers, we are trying to tap the distributors. So in this guide, we are

touching the points more and more. We are trying to go through this HSCC system, which is a CRM, and all our social media networking, we are trying to move through it. So ultimately, all these efforts and buy more and more in the market because like the SF budget, the crop adviser budget has increased in this year, my marketing expenses have increased in this year. So all these are evident that we are spending more money into the market.

So we are spending more money, then definitely there will be growth. So broadly, you can say that in my total network, there might be about a 5% increase in the number of distributors, maybe 4%, 4% to 5%. In the number of retailers, there may be a little higher increase because, at the moment, the retailers are not covered by our ERP system. So now we'll have the CRM. The CRM is going to control. And when we are going to continuously hammer these retailers, we should be able to enhance our retailer network and our farmer network, particularly the high-network farmers who are purchasing more material from us and similarly, the retailers who are selling our new products and who are selling more products, they will also get the focus.

So this should ultimately result in our performance. So that is the strategy, with which we are working. So, it is not behind the numbers, it is behind giving the better services to the people who are the real sellers of the products, who are the real people who love our products. So, we are identifying the consumer, we are identifying the retailers, we are identifying the right distributors and trying to provide the right services to them.

And then again, CAs. The CAs generally are on third party role. So, generally they are not connected with the company. So, through our CRM, we have also connected these CAs and we have brought them into the mainstream. So, now we have all the information about the activities of the company, about the retailer network, about the farmer network in their area through the app. So, this app is again going to strengthen them about the companies or the activities, then there is a training module also which is available to them.

So, overall it is an effort to increase the strength of the organization, increase the strength of our sales and marketing team. So, it is not behind the number of people, number of distributors. It is important that we increase our relationship with our customer more.

So, that will be, it is going to be the key focus and of course retailers and farmers will be adding in a bit.

Sahil Vora: Okay, sir. Thank you for quantifying it. My last question is what specific steps does the company intend to take, to grow its B2C business relative to its B2B operation?

Rajesh Aggarwal: B2C business is the brand business. So, whatever steps I have just told, they are to grow my brand business. B2B business, yes, in B2B segment when we are launching new products then we have the opportunity to make some partners. So, generally in the first year we do not want to make many partners actually. But yes, since we are launching more and more AIs, we are launching more and more new formulations.

So, there is interest of the competition because we are doing a lot of R&D, we are making a lot of registrations. So, they are interested in our products. We have to make the selections of our

partners. So, we are trying to select the right partners and trying to do the right tie-ups so that our business in B2B also grows.

Sahil Vora: Okay, sir. That is it from my end. Thank you and all the very best for the upcoming quarter.

Rajesh Aggarwal: Thank you. And then continuously we are making more and more investment into the B2C business so that it grows in a big way. And all this investment is into the market and into the facilities and also into the systems so that our team is stronger.

Moderator: Thank you. Ladies and gentlemen, that would be the last question for today. And I now hand the conference over to the management for closing comments. Over to you, sir.

Rajesh Aggarwal: Yes. Thank you very much for the definitely very interesting questions. And many people who didn't ask the questions, I think the queries also got resolved. So thank you very much for taking so much interest in IIL and always giving your suggestions. Thank you.

Moderator: Thank you. On behalf of Insecticides India Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your line.