



# PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

Regd. Office & Works

Milestone-18, Ambala-Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt SAS Nagar, Mohali (Punjab)-140201, INDIA

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Date: 31 January, 2022

**BY E-FILING**

The Manager  
Department of Corporate Services  
BSE Limited  
MUMBAI-400 001

The Manager  
Listing Department  
National Stock Exchange of India Limited  
MUMBAI-400 051

Re: BSE Scrip Code: 506618;

NSE Scrip Symbol: PUNJABCHEM

Sub: **Investor Presentation – Financial Overview – Q3 and Nine Months period ended of FY 2022.**

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the investor presentation for the quarter and nine months period ended 31st December, 2021.

We request you to take the above information on records.

Thanking you,

Yours faithfully

For **PUNJAB CHEMICALS AND  
CROP PROTECTION LIMITED,**

(CS V. SRINIVAS)  
COMPANY SECRETARY &  
COMPLIANCE OFFICER  
(ACS 37078)



**PUNJAB CHEMICALS**

**AND CROP PROTECTION LTD.**

ISO 9001:2015 & ISO 14001:2015 Certified Company

**PUNJAB CHEMICALS  
AND CROP PROTECTION LTD**

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# **INVESTOR PRESENTATION**

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January 2022



# DISCLAIMER

- *This presentation and the following discussion may contain “forward looking statements” by Punjab Chemicals & Crop Protection Limited (“Punjab Chemicals” or the Company) that are not historical in nature. These forward-looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of the company about the business, industry and markets in which the company operates.*
- *These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the company’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Punjab Chemicals.*
- *In particular, such statements should not be regarded as a projection of future performance of Punjab Chemicals. It should be noted that the actual performance or achievements of the company may vary significantly from such statements.*

# DISCUSSION SUMMARY

Financial Overview – Q3 & 9MFY22

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Company Overview

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Business Strategy

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Performance Track Record

# Q3 & 9M FY22 RESULT HIGHLIGHTS

## RESULTS AT A GLANCE

Q3 FY22 Revenue  
₹ 255 cr,  
up 48% YoY

Q3 FY22 EBITDA  
₹ 37 cr,  
up 34% YoY

Q3 FY22 PAT  
₹ 22 cr,  
Up 40% YoY

EBITDA Margin 14.4%  
PAT Margin 8.6%

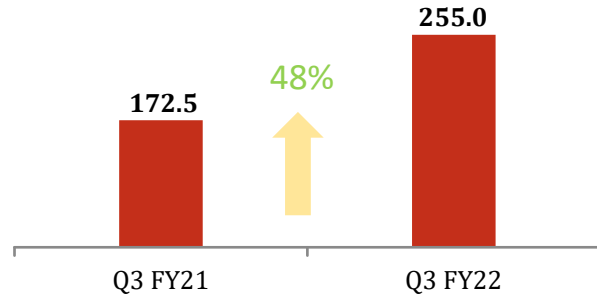
Top 10  
Products/Molecules  
contributed +65% of  
Revenue for 9MFY22

Long-term Client Deals  
Strong Order Book  
position: ₹ 1,500 cr

# Q3 FY22 FINANCIAL PERFORMANCE

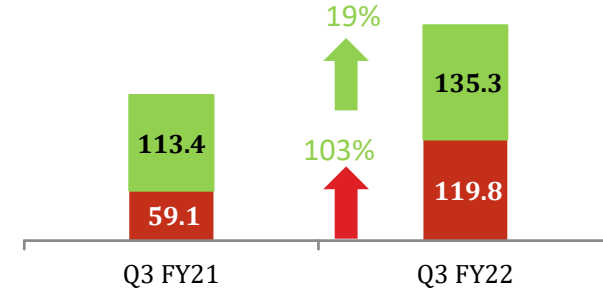
YOY COMPARISON (In ₹ cr)

## REVENUE

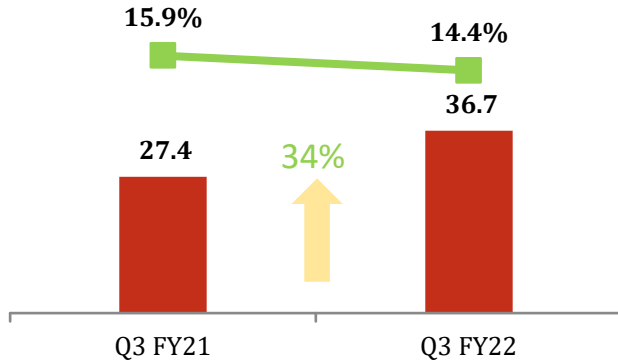


## GEOGRAPHICAL SPLIT

International Domestic

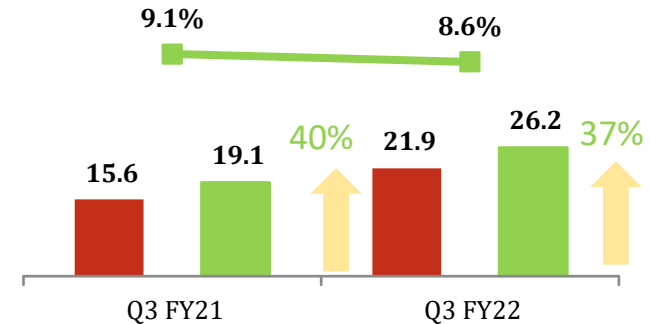


## EBITDA & EBITDA MARGIN



## CASH PAT\*, PAT & PAT MARGIN

PAT Cash PAT PAT Margin %



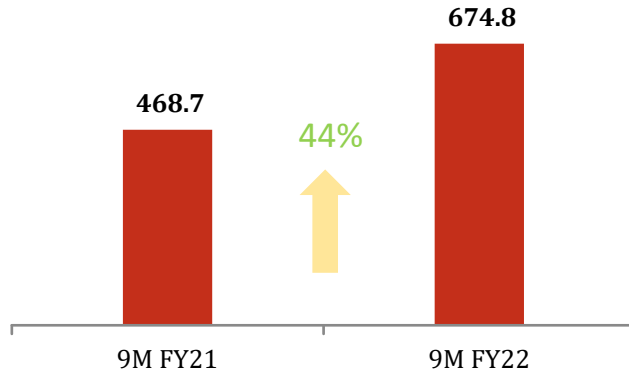
\*Cash PAT= PAT + Depreciation



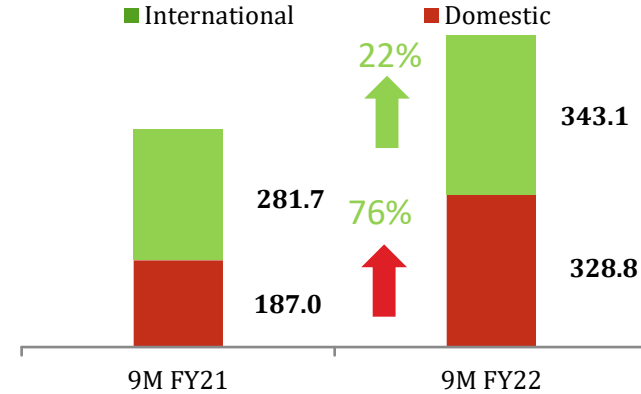
# 9M FY22 FINANCIAL PERFORMANCE

YOY COMPARISON (In ₹ cr)

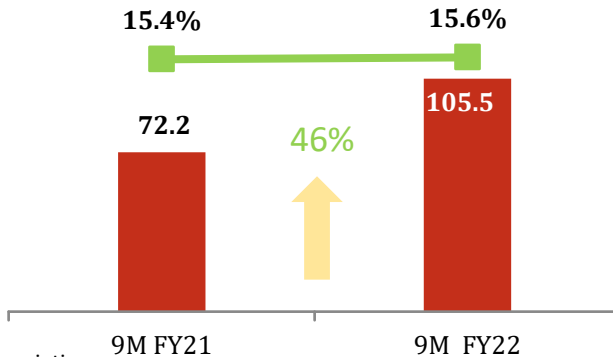
## REVENUE



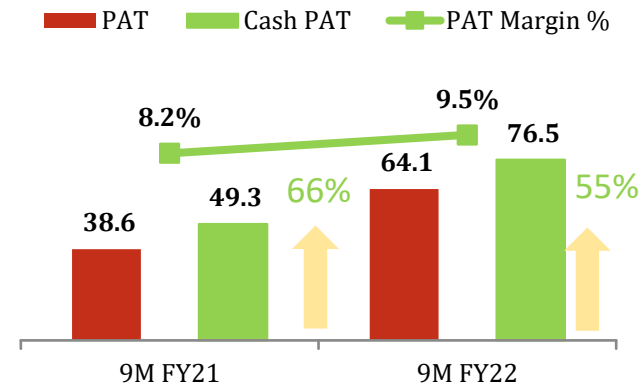
## GEOGRAPHICAL SPLIT



## EBITDA & EBITDA MARGIN



## \*CASH PAT, PAT & PAT MARGIN



\*Cash PAT= PAT + Depreciation

# CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Cr)	Q3 FY22	Q3 FY21	YoY %	Q2 FY22	QoQ %	9M FY22	9M FY21	YoY %	FY21
<b>Revenue</b>	<b>255.0</b>	<b>172.5</b>	<b>48%</b>	<b>208.8</b>	<b>22%</b>	<b>674.8</b>	<b>468.7</b>	<b>44%</b>	<b>678.2</b>
COGS	160.8	101.3	59%	124.1	30%	408.5	273.4	49%	405.1
Gross Profit	94.3	71.2	32%	84.7	11%	266.3	195.3	36%	273.1
<b>Gross Margin %</b>	<b>37.0%</b>	<b>41.3%</b>	<b>-434 bps</b>	<b>40.6%</b>	<b>-362 bps</b>	<b>39.5%</b>	<b>41.7%</b>	<b>-108 bps</b>	<b>40.3%</b>
Employee Expenses	18.6	17.4	7%	19.7	-6%	57.9	49.4	17%	67.7
Other Expenses	39.0	26.4	47%	34.0	15%	103.0	73.6	40%	109.9
<b>EBITDA</b>	<b>36.7</b>	<b>27.4</b>	<b>34%</b>	<b>31.0</b>	<b>18%</b>	<b>105.5</b>	<b>72.2</b>	<b>46%</b>	<b>95.5</b>
<b>EBITDA Margin %</b>	<b>14.4%</b>	<b>15.9%</b>	<b>-151 bps</b>	<b>14.8%</b>	<b>-46 bps</b>	<b>15.6%</b>	<b>15.4%</b>	<b>-56 bps</b>	<b>14.1%</b>
Depreciation	4.3	3.5	22%	4.2	1%	12.4	10.7	16%	14.9
Finance Cost	3.0	3.0	2%	2.8	10%	8.2	11.4	-28%	13.5
Other Income	0.2	0.2	31%	0.1	250%	0.6	1.7	-66%	1.8
<b>PBT</b>	<b>29.6</b>	<b>21.1</b>	<b>40%</b>	<b>24.1</b>	<b>23%</b>	<b>85.5</b>	<b>51.8</b>	<b>65%</b>	<b>69.0</b>
Tax Expense	7.7	5.48	41%	6.2	26%	21.4	13.2	62%	19.9
<b>PAT</b>	<b>21.9</b>	<b>15.6</b>	<b>40%</b>	<b>17.9</b>	<b>22%</b>	<b>64.1</b>	<b>38.6</b>	<b>66%</b>	<b>49.1</b>
<b>PAT Margin %</b>	<b>8.6%</b>	<b>9.1%</b>	<b>-48 bps</b>	<b>8.6%</b>	<b>-1 bps</b>	<b>9.5%</b>	<b>8.2%</b>	<b>36 bps</b>	<b>7.2%</b>
<b>E.P.S</b>	<b>17.8</b>	<b>12.7</b>	<b>40%</b>	<b>14.6</b>	<b>22%</b>	<b>52.3</b>	<b>31.5</b>	<b>66%</b>	<b>40.0</b>



# CONSOLIDATED BALANCE SHEET

Particulars (In Rs Cr)	Sep-21	Mar-21
<b>Equity</b>		
Equity Share capital	12.3	12.3
Other Equity	172.5	132.3
<b>Non-Current Liabilities</b>		
Lease liabilities	5.0	4.8
Provisions	17.5	15.6
Deferred Tax Liabilities (Net)	3.7	3.1
Other Non-Current Liabilities	3.3	4.9
Borrowings	59.0	64.7
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Borrowings	22.9	16.7
Lease Liabilities	2.0	1.7
Trade Payables	144.4	113.5
Other Financial Liabilities	30.3	28.0
Other Current Liabilities	23.8	33.5
Provisions	6.0	6.0
Current Tax Liabilities (net)	21.4	14.0
<b>Total Equity &amp; Liabilities</b>	<b>524.1</b>	<b>451.0</b>

Particulars (In Rs Cr)	Sep-21	Mar-21
<b>Non-Current Assets</b>		
Property, Plant and Equipment	195.7	182.3
Capital work - in - progress	8.7	15.0
Right of Use Assets	5.7	5.3
Intangible assets	1.1	1.3
Intangible assets under development	0.5	0.5
<b>Financial Assets:</b>		
Investments	1.3	1.3
Others	4.2	3.0
Income Tax Assets (net)	6.5	6.5
Other non-current assets	1.7	3.1
<b>Current Assets</b>		
Inventories	150.5	101.3
<b>Financial Assets:</b>		
Investments	0.9	-
Trade Receivables	98.0	83.8
Cash & Bank Balances	19.8	14.4
Others	8.5	12.8
Other Current Assets	21.1	20.5
<b>Total Assets</b>	<b>524.1</b>	<b>451.0</b>



# COMPANY OVERVIEW

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**PUNJAB CHEMICALS  
AND CROP PROTECTION LTD.**  
ISO 9001:2015 & ISO 14001:2015 Certified Company

# COMPANY OVERVIEW

PUNJAB CHEMICALS AT A GLANCE

## About Us

- Established in 1975
- Specialising in agrochemicals
- Expanding aggressively in contract research & manufacturing (CRAMS)

## Our Vision

To become a major Indian player in the fast-growing CRAMs segment and a preferred partner for manufacturing high-tech performance chemicals

## Our Mission

- To achieve income and profitability in a sustained manner
- To meet the customer expectations with products of the right quality and quantity in required time
- To focus on products and companies which ensure better added value
- To renew relationship with Indian Formulators and build a stronger base in the Indian market

## Financials

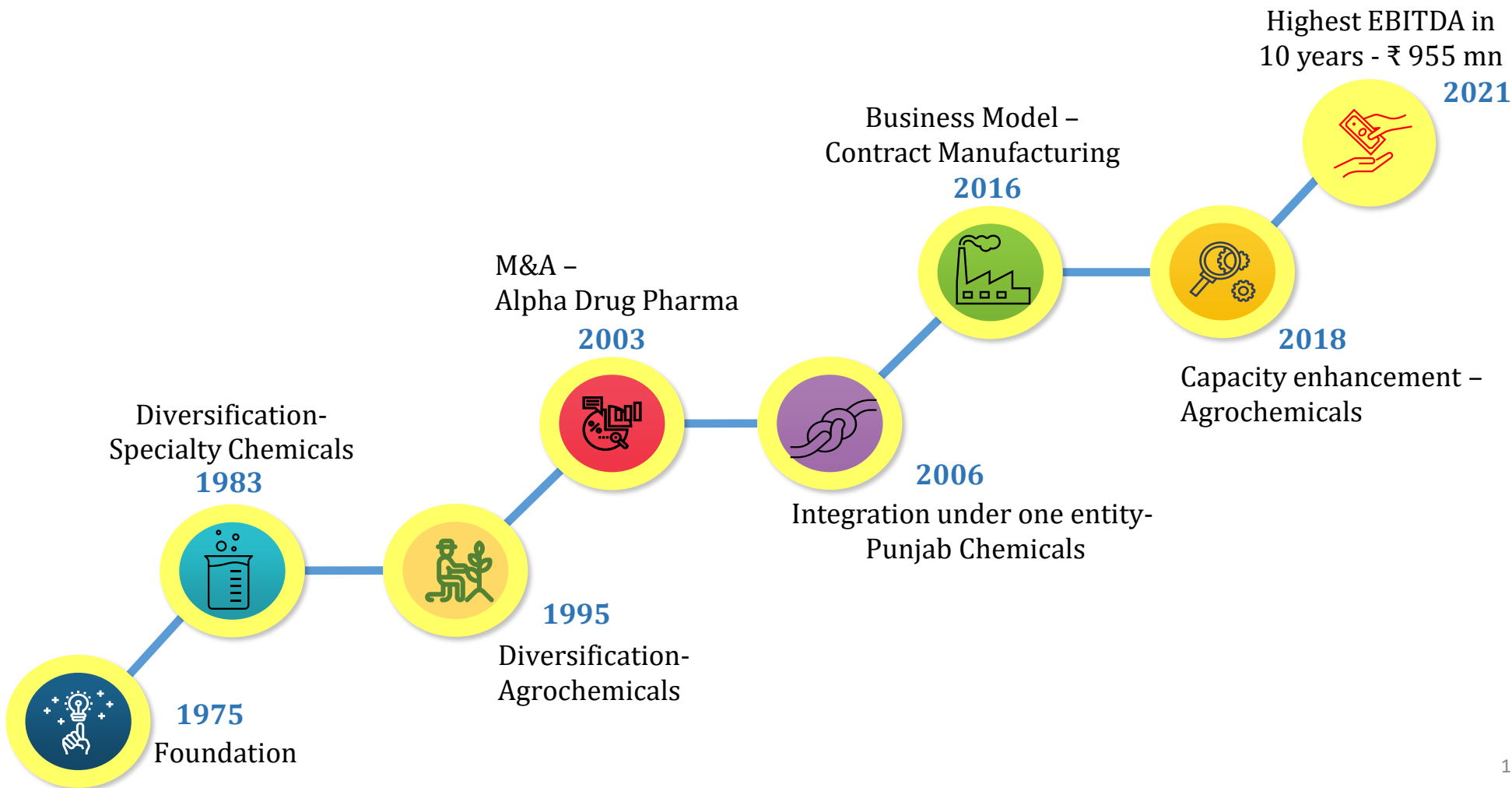
- FY21 Revenue ₹ 678.2 cr
- FY 21 EBITDA ₹ 95.5 cr, highest in last 10 years
- 4 yrs Revenue CAGR : 8%
- 4 yrs PAT CAGR: 30%
- Debt/Equity as on FY21 at 0.56

## Strategic Initiatives

- Since 2016, CRAMS biz has grown manifold
- Lucrative long-term contracts signed with multiple international players
- New product launches & registrations in pipeline, targeting annual sales of ₹1,500 cr in 3 years
- ₹13.1 cr debt reduction in FY21, decreasing leverage.

# COMPANY OVERVIEW

## EVOLUTION OF THE COMPANY



# MANUFACTURING FACILITIES

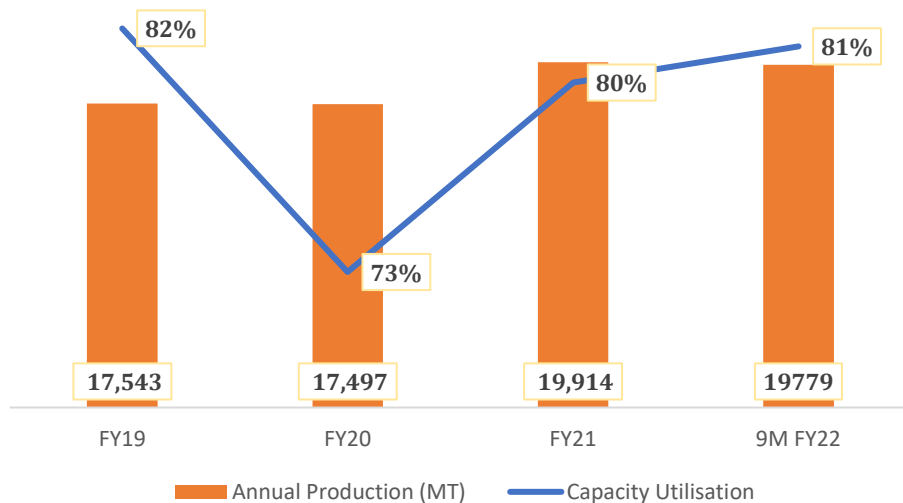


Location	Derabassi	Lalru
Established	1975	2003
Area	24.1 acres	23.5 acres
Capacity	29,700 MT	5,778 MT
Manpower	751	456
Capacity Utilisation(9M FY22)	81%	81%
Certifications	ISO 9001:2015 & ISO 14001:2015 ; 2 STAR Export House	

# MANUFACTURING FACILITIES

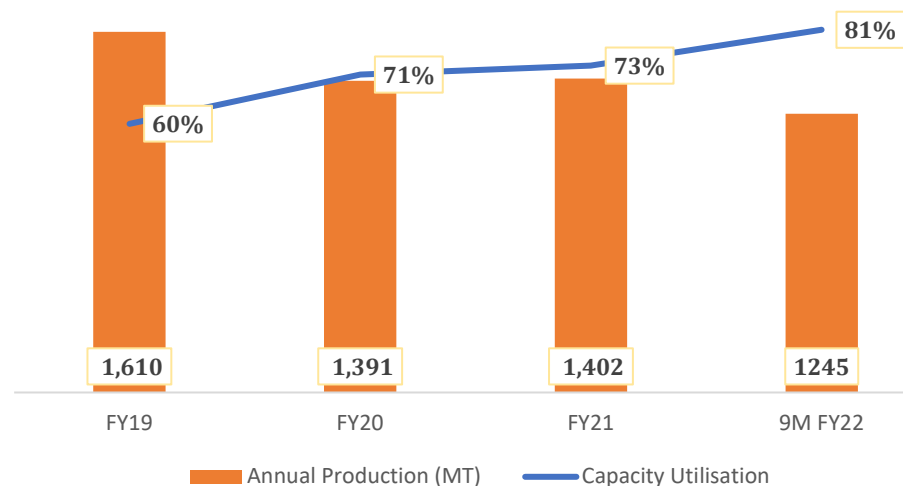
## DERABASSI

- Molecules: Metamitron, Metconazole, Diflufenican, Oxalic Acid, Benzoic Acid, Ethofumesate



## LALRU

- Molecules: Albendazole, Ketosulphone, Drotavarin, Etoricoxib, Trimethoprim, Aminoacetonitrile
- 6 acres available for future expansion
- Capacity added in FY21: 3,000 MT



### **Mr. Mukesh D. Patel , Chairman**

- Graduate in Chemical Engineering, experience in finance and Corporate management for more than 43 years
- Associated with the company since 1985
- Serving as Non-Executive Independent Director on board of Shilchar Technologies & Banco Products
- Active roles in – CHEMXIL, Indian Chemical Manufacturer's Association

### **Mr. Shalil Shroff , Managing Director**

- Management Diploma from University of Deopage (USA)
- Joined in 1992 and Managing Director since 2003
- Leads export marketing, general administration, financial liaising, new customer acquisition, developing & launching new products
- Board Member- Hem-Sil Trading & Manufacturing, SD Agchem (Europe), SSRS Trading & Manufacturing and Scarlett Enterprises

### **Mr. Vijay Rai, Independent Director**

- BTech, IIT Kharagpur, MD of Rallis India (1988-2000)
- Led Rallis India Ltd from a ₹ 200 cr turnover to ₹ 1,200 cr
- Has been on Board of Greaves Cotton Ltd, Sri Biotech Labs
- Promoter and Chairman of Akola Chemicals, manufacturer of protein-based nutrients

### **Capt Surjit Singh Chopra (Retd), Non-Independent Director**

- Alumnus of NDA, Khadakvasala, 15 years in Indian Air Force
- Led as an Air Force Pilot in the 1962, 1965 & 1971 wars
- Served as a Pilot in Air India from 1976-2002
- Flight instructor and ex-member of the Air Crew Examining Board
- Associated with the Company since 2004

### **Smt. Aruna Bhinge, Independent Director**

- Master of Management Studies, NMIMS & MSc., University of Mumbai
- 30+ years leadership experience positions in business strategy, marketing, & partnership in the healthcare and agri business sector
- Also on Board of Laurus Labs Ltd, Mahindra EPC Irrigation Ltd & Mahindra Agri Solutions Ltd

### **Mr. Sheo Prasad Singh, Independent Director**

- 40 years experience in Commercial and Retail Banking
- Retired as General Manager of Export- Import Bank from in 2012
- Master of Science (Botany), Certificated Associate of the Indian Institute of Bankers (CAIIB), PGDFRM from World Trade Institute, Mumbai, Post Graduate Diploma in Financial Advising (PGDFA)



## Mr. Avtar Singh, Non-Independent Director

- BSc. – Punjab University; associated with the company for 40 years, In charge of operations of Agro Chemicals Division and Specialty Chemicals Division
- Supervises Production, R&D, New Product Development and commercial production of new products

## Mr S.S. TIWARI, Non-Independent Director

- MSc, Diploma in Mgmt.
- 39 years association with the company from STS chemicals era
- Worked at the operational level, looked after the domestic market of various chemicals and managed production sites

## Mr. Vinod Gupta, Chief Executive Officer

- Chemical Engineer, IIT-B & PGPX, IIM-A
- Former CEO of Marine Chemicals Business at Arclean Chemicals & VVF (India) Ltd
- More than 20 years of experience with Petrochemicals Division of Reliance Industries

## Dr. S. Sriram , Chief Financial Officer

- PhD in Supply Chain Mgmt; IIM Ahmedabad (Senior Mgmt Developmt Program), Member of Insti. Cost Accountants India
- Joined Bayer as Business Controller & rose to General Manager
- 33 years of total experience including 15 years at UPL, starting as a General Manager to CFO

## Mr. V Srinivas, Company Secretary

- ACS, ACMA, LLB
- More than 24 years of experience in area of Secretarial, legal, finance & banking, cost accounting, budgetary & internal control, direct & indirect taxation, International litigations, business strategy, and M&A.



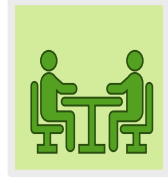
# BUSINESS STRATEGY

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## Identify Niche Products

- Target ₹ 50-100 cr revenue per product
- Target clients - Global Agrochemical leaders
- Mid-sized companies with specific requirement



## Partner for Contract Mfg

- Offer attractive and cost-effective solution
- Long term engagement favorable for both parties
- Faster turnaround



## Modus Operandi

- Dedicated R&D Team
- Quick implementation of the Capex based on ROI
- Expertise in Scaling up :  
R&D → Pilot → Commercial Production



## Growth Triggers

- Diversification & expansion into new geographies to expand revenue streams
- Product launches in FY22
- Expanding customer base in CRAMS

Punjab Chemicals has the advantage of being a go-to CRAMS provider for both domestic & international agrochemical companies, thus positioned to gain further advantages as the industry expands

## Low Cost Operator



Developed an efficient cost competitive process over the last decade and are maximising export potential

## Manufacturing and R&D Capability



Availability of technically trained manpower (58 research staff), extra production capacity to fulfil incremental demands

## Consistent Track Record



Historical association with Domestic clients helped expand base to become a preferred partner of choice for MNC clients

## Changing Industry Dynamics



Global manufacturers are looking to decrease high dependency on China. Poised to benefit from the shift in supply chain

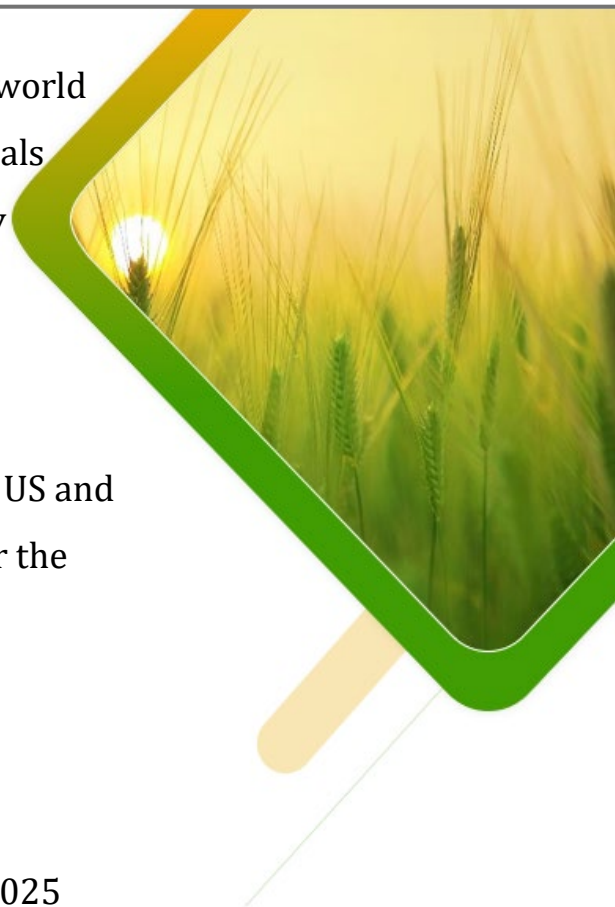
## Way Forward



Clients fund a portion of capex to expand production. Export revenues help smoothen the seasonality in domestic sales

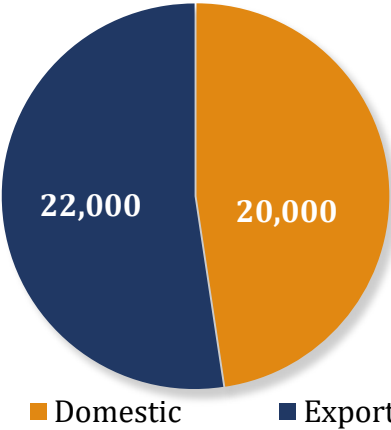
# INDIAN AGROCHEMICALS INDUSTRY OVERVIEW

- India is the fourth largest producer and the fifth largest exporter of agrochemicals in the world
- The Indian agrochemicals market (at USD 9.2 bil or ~15% share of the global agrochemicals market worth USD 62.5 bil) is the largest sub-segment of the specialty chemicals industry and posted a 10% CAGR over CY14-19
- In 2019 India exported pesticides worth USD 3.4 bil (9.4% of global exports)
- Production of agrochemicals has grown at a CAGR of ~5% in last 5 years
- The average per-hectare consumption of agrochemicals in India is about one-tenth of the US and the UK, and one-twentieth of Japan and China. This has a potential to grow multi fold over the next decade
- India imports over 50% of its agrochemical raw materials. Under the Make In India & Atmanirbhar programs, the aim is to reduce imports by manufacturing more locally
- The export of agrochemicals in FY20 was valued at around ₹ 22,000 crore, accounting for approximately 1% of the total exports. This has a potential to grow to ₹ 35,000 crore by 2025

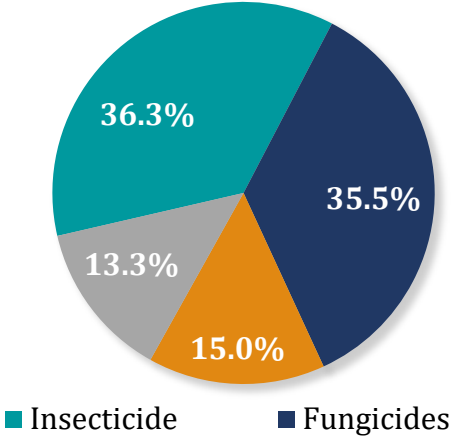


# INDIAN AGROCHEMICALS INDUSTRY OVERVIEW

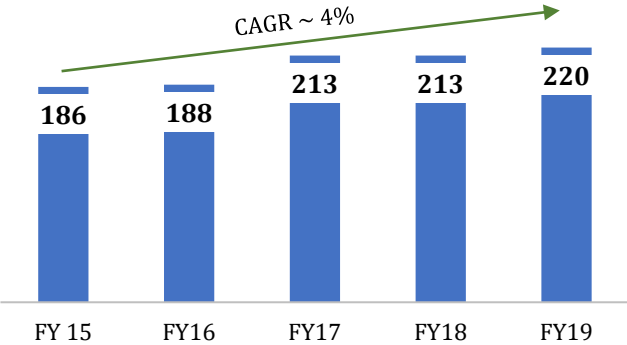
Consumption vs Exports (₹ '000 cr)



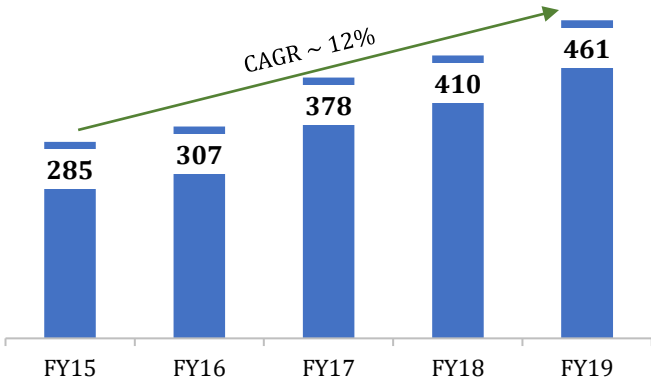
Segmental Domestic Consumption



Domestic Production of Agrochemicals  
(in '100 MT)



Agrochemicals Export from India  
(in '100 MT)

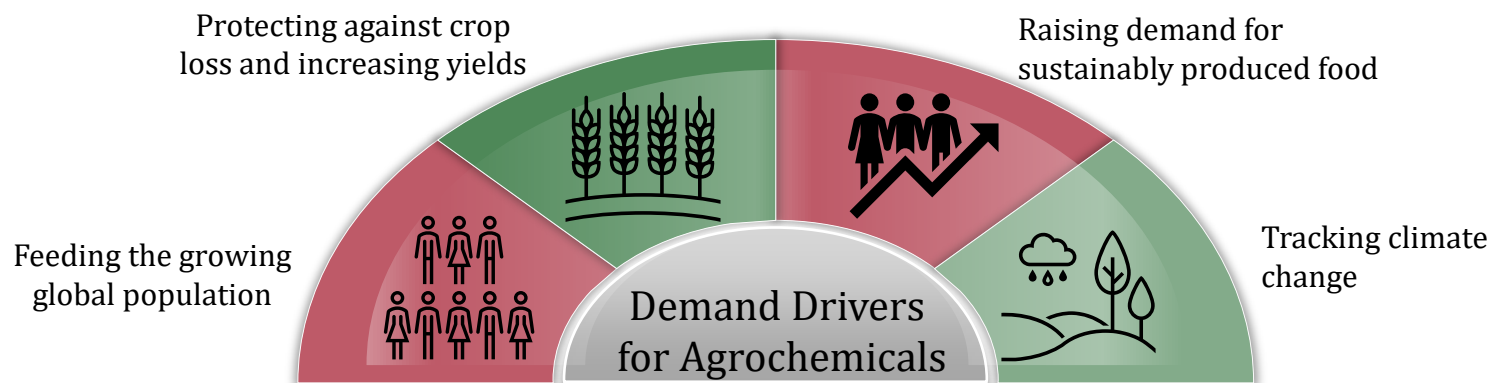


	2010	2020
Technical Manufacturers	~125	~145
Formulators	~800	~1000
Distributors	1.5 Lakh	2 Lakh
Technical Grade Pesticide Mfg	~60	~80
Capacity Utilisation	~58%	~80%

# INDUSTRY OPPORTUNITIES

- **Integrated Pest Management (IPM)**
- **Patent expiry of agrochemical products**
- **Substituting China as Global Agrochemical Hub**

Anticipated Growth 2018 → 2025	Opportunity size	Capitalising on Opportunity
\$ 32 bil → \$ 49 bil CAGR ~ 6.3%	Biologicals \$2.8 bil → \$7.1 bil CAGR ~ 14.4%	Improvements in formulation, ease of use, shelf life and spectrum
100+ agrochemicals to go off-patent till 2023	Sales of products while under patent valued at \$11 bil	Established players will likely reformulate the off-patent products and look for production partners
\$3 bil → \$ 5 bil	FY20 - China contributed 49% of India's total pesticide imports, valued at INR 9,096 crore	Indian companies are witnessing interest from multinational companies as they seek to diversify supply chains from China





# MAJOR CLIENTELE

## Long Standing Client Relationships



## Global foray leading to new Clients



Target regions for next leg of growth:  
Latin America, South Asia, European Union



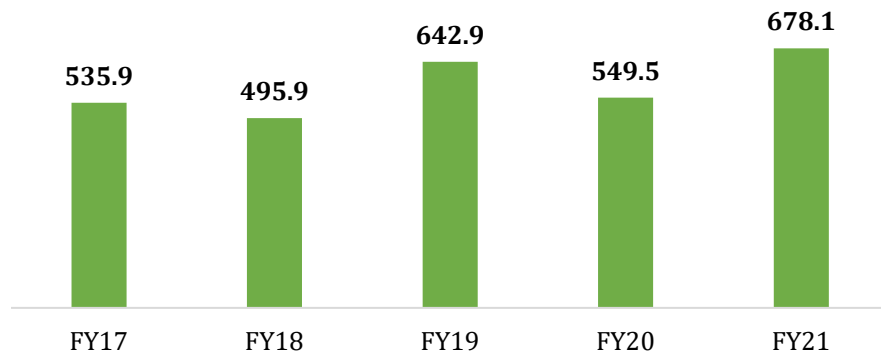
# PERFORMANCE TRACK RECORD



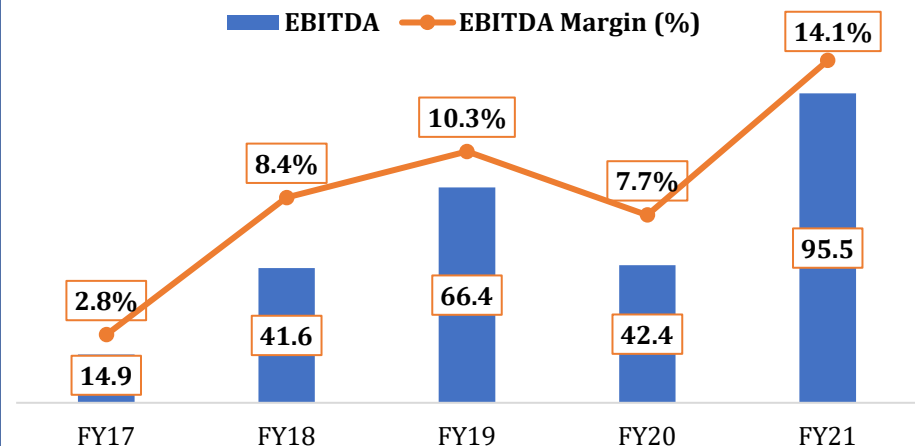
# PAST PERFORMANCE AT A GLANCE

5 YEARS TRACK RECORD (in ₹ cr)

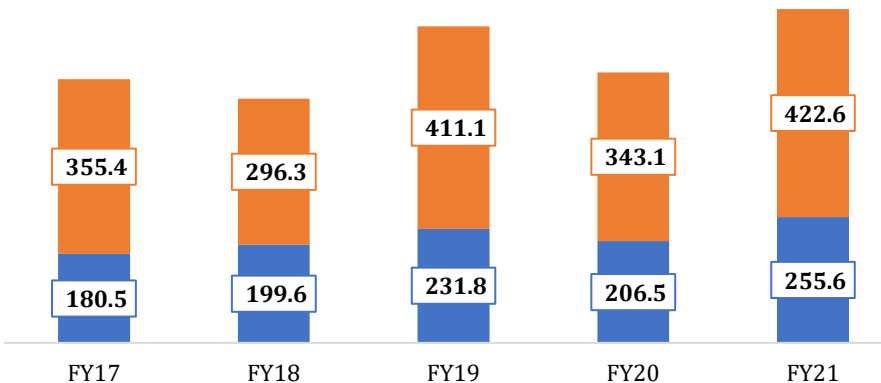
## REVENUE



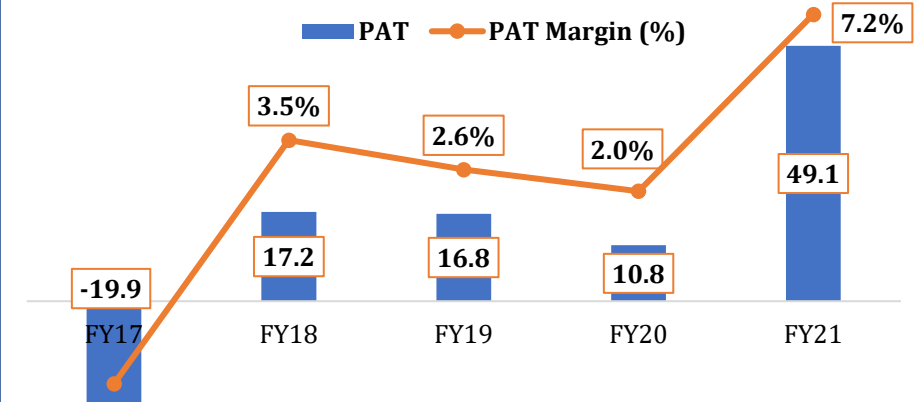
## EBITDA EBITDA Margin (%)



## REVENUE SPLIT Domestic Export



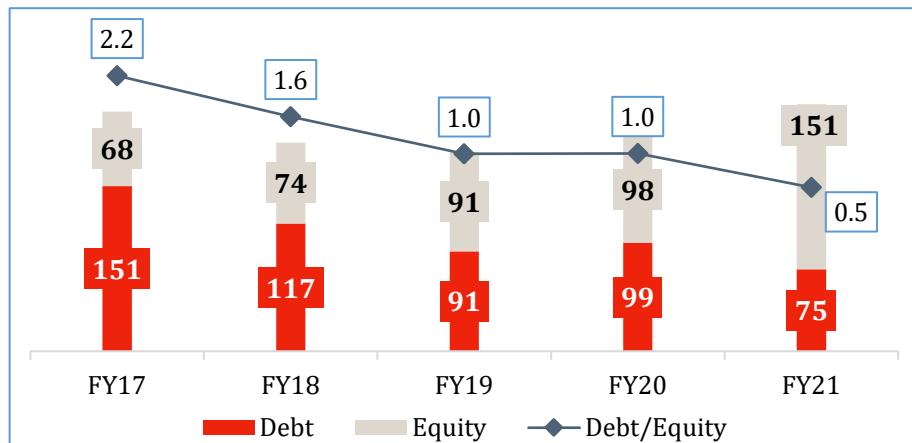
## PAT PAT Margin (%)



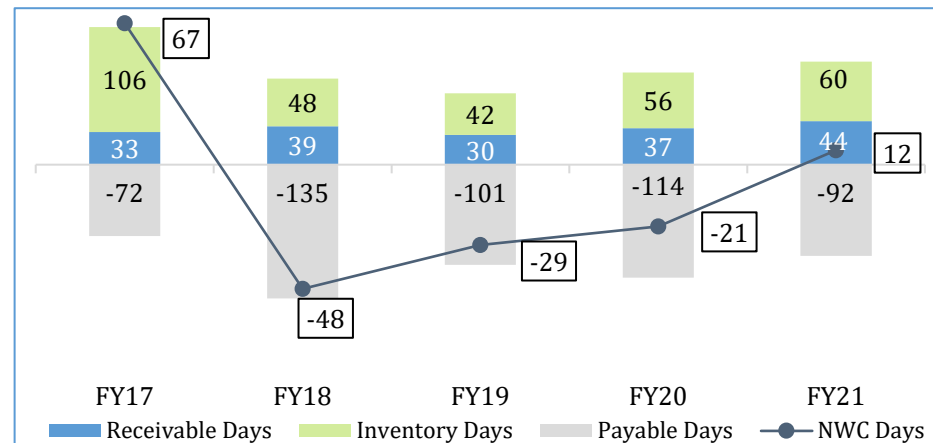
# PAST PERFORMANCE AT A GLANCE

5 YEARS TRACK RECORD

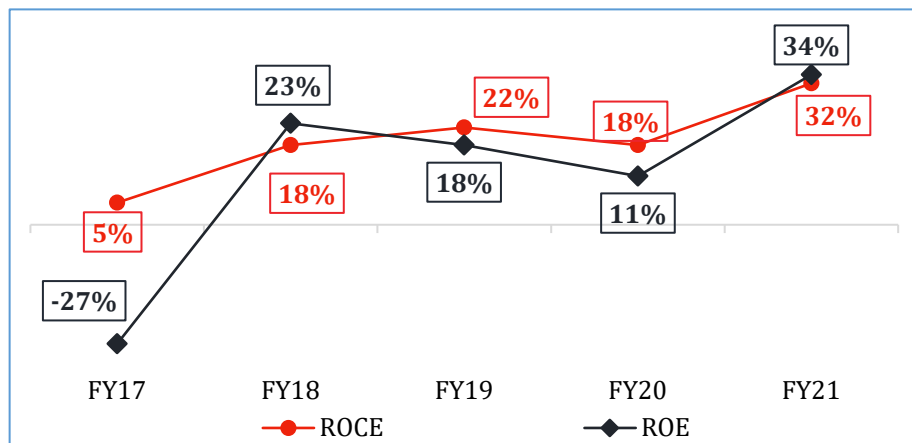
## Leverage Analysis (₹ cr)



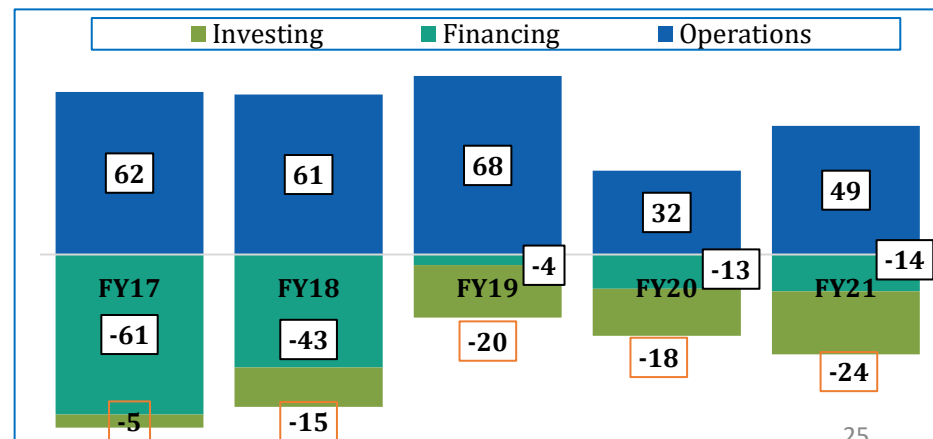
## Working Capital Analysis



## Return Ratios



## Cash Flow (₹ cr)





# THANK YOU

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**PUNJAB CHEMICALS  
AND CROP PROTECTION LTD.**  
ISO 9001:2015 & ISO 14001:2015 Certified Company

**Dr. S. Sriram**

**Chief Financial Officer**

[investorhelp@punjabchemicals.com](mailto:investorhelp@punjabchemicals.com)

**DICKENSON**

**Chintan Mehta**

**IR Consultant**

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[punjabchemicals@dickensonworld.com](mailto:punjabchemicals@dickensonworld.com)