



PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

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May 6, 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
Scrip Code: 506618	Scrip Symbol: PUNJABCHEM

Sub: Investor Presentation - Financial Overview - Fourth Quarter and FY2022

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to enclose herewith the Investor Presentation of the Company for the fourth quarter of FY 2022 and FY 2022.

Kindly take the same on the record and inform all your constituents accordingly.

Thanking you,

Yours faithfully
For PUNJAB CHEMICALS AND
CROP PROTECTION LIMITED

RISHU CHATLEY
ASSISTANT COMPANY SECRETARY
(ACS 19932)



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

Q4 & FY22 RESULT PRESENTATION

May 2022

Safe Harbor

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Q4 & FY22 RESULT HIGHLIGHTS

Result Highlights

FY22 Revenue
₹ 933 cr,
up 38% YoY

FY22 EBITDA ₹ 140 cr,
up 46% YoY
EBITDA Margin 15%

FY22 PAT ₹ 83 cr,
Up 70% YoY
Generated Cash Profits
₹ 100 cr

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

FY22 Return Ratios:
ROCE: 32%
ROE: 34%

Proposed 30% dividend,
₹ 3 per share

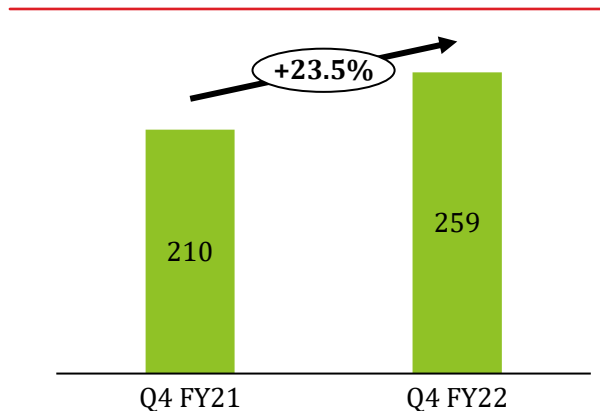
Management Commentary

- We are proud to record the highest ever full year EBITDA & PAT in the company's history of operations
- Improving efficiency & operating leverage has driven PAT margin growth of 2.5x, from 3.5% in FY18 to 8.9% in FY22
- Our growth momentum continued in Q4 FY22 in YoY terms- Revenue up 24% to ₹ 259 cr; EBITDA up 47% to ₹ 34 cr; PAT up 85% to ₹ 19 cr

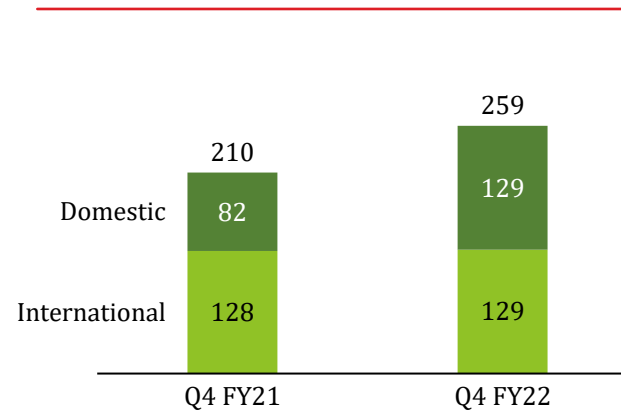
Q4 FY22 Financial Performance

YoY Comparison (In ₹ cr, except margin)

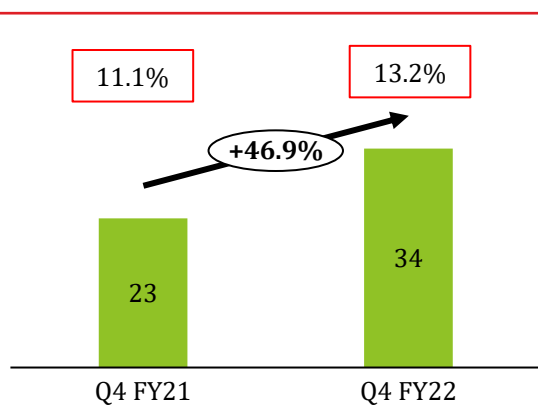
REVENUE



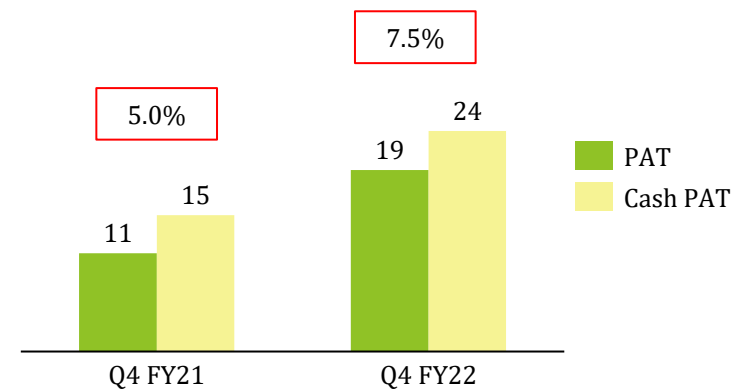
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



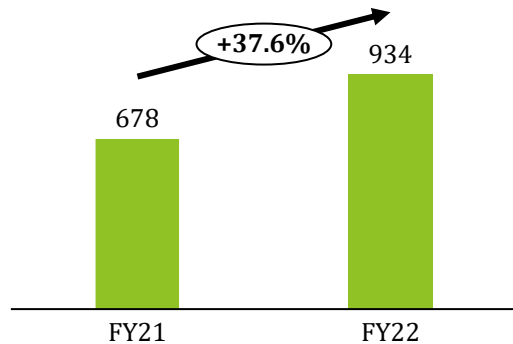
CASH PAT, PAT & PAT MARGIN



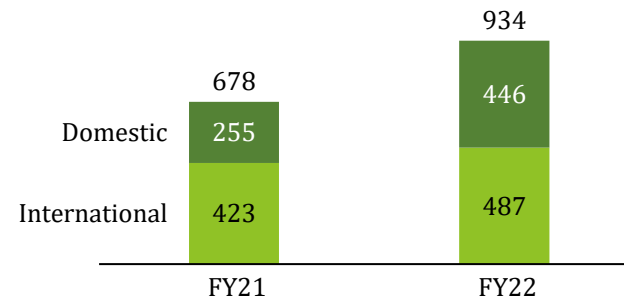
FY22 Financial Performance

YoY Comparison (In ₹ cr, except margin)

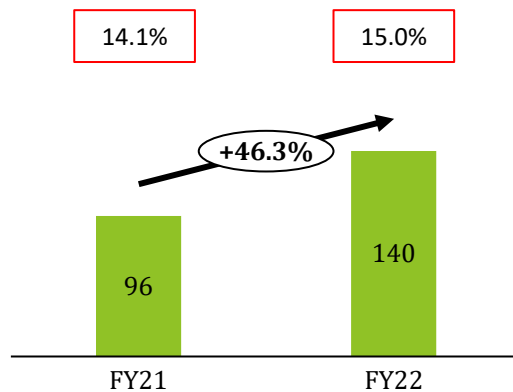
REVENUE



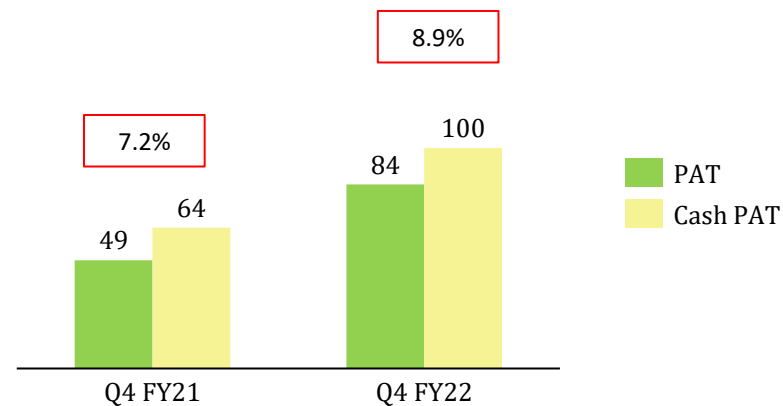
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



CASH PAT, PAT & PAT MARGIN



PAT
Cash PAT

Consolidated Profit & Loss Statement

Particulars (In ₹ cr)	Q4 FY22	Q4 FY21	YoY %	FY22	FY21	YoY %
Revenue	258.7	209.5	23.5%	933.5	678.2	37.6%
COGS	160.9	131.7		569.4	405.1	
Gross Profit	97.8	77.8		364.1	273.1	
Gross Margin %	37.8%	37.2%	60 bps	39.0%	40.3%	-130 bps
Employee Expenses	18.8	18.3		76.6	67.7	
Other Expenses	44.8	36.3		147.8	109.9	
EBITDA	34.2	23.3	46.9%	139.7	95.5	46.3%
EBITDA Margin %	13.2%	11.1%	110 bps	15.0%	14.1%	90 bps
Depreciation	4.3	4.1		16.7	14.9	
Finance Cost	4.2	2.1		12.3	13.5	
Other Income	0.4	0.1		0.9	1.8	
PBT	26.1	17.2		111.6	69.0	
Tax Expense	6.7	6.7		28.2	19.9	
PAT	19.4	10.5	84.5%	83.5	49.1	70.0%
PAT Margin %	7.5%	5.0%	250 bps	8.9%	7.2%	170 bps
EPS	15.8	8.6		68.1	40.0	

Consolidated Balance Sheet

Particulars (In ₹ cr)	Mar-22	Mar-21
EQUITY AND LIABILITIES		
Equity		
Equity share capital	12.3	12.3
Other Equity	213.4	132.3
Total equity	225.6	144.5
Non-current liabilities		
Financial liabilities		
Borrowings	54.6	64.7
Lease liabilities	3.9	4.8
Provisions	16.8	15.6
Deferred tax liabilities	4.1	3.1
Other non-current liabilities	2.7	4.9
Total non-current liabilities	82.0	93.1
Current liabilities		
Financial liabilities		
Borrowings	32.7	16.7
Lease liabilities	2.2	1.7
Trade payables	-	-
(i) Total outstanding dues of MSME	6.9	7.2
(ii) Total outstanding dues of creditors other than MSME	125.3	106.3
Other Financial Liabilities	33.1	28.0
Other Current Liabilities	22.2	33.5
Provisions	5.3	6.0
Current Tax Liabilities (net)	22.0	14.0
Total current liabilities	249.6	213.4
Total liabilities	331.6	306.5
Total Equity & Liabilities	557.3	451.0

Particulars (In ₹ cr)	Mar-22	Mar-21
ASSETS		
Non-Current assets		
Property, Plant and Equipment	206.2	182.3
Capital work - in - progress	6.8	15.0
Right of Use Assets	4.8	5.3
Intangible assets	0.9	1.3
Intangible assets under development	0.5	0.5
Financial Assets:	-	-
Investments	1.3	1.3
Others	3.6	3.0
Income Tax Assets (net)	6.5	6.5
Other non-current assets	4.2	3.1
Total non-current assets	234.8	218.2
Current assets		
Inventories	153.7	101.3
Financial Assets:		
Investments	0.1	
Trade Receivables	111.8	83.8
Cash & Bank Balances	8.4	11.6
Bank balances other than above	2.8	2.9
Loans	0.1	1.4
Other financial assets	6.9	11.4
Other current assets	38.7	20.5
Total current assets	322.5	232.8
Total Assets	557.3	451.0



COMPANY OVERVIEW

Our Company

Established in 1975 as Punjab United Pesticides & Chemical Limited (PUPCL), the company has now evolved into Punjab Chemicals and Crop Protection Limited. We are an agrochemicals company with a rich history of over three decades with state of the art manufacturing facilities across India



Our Vision

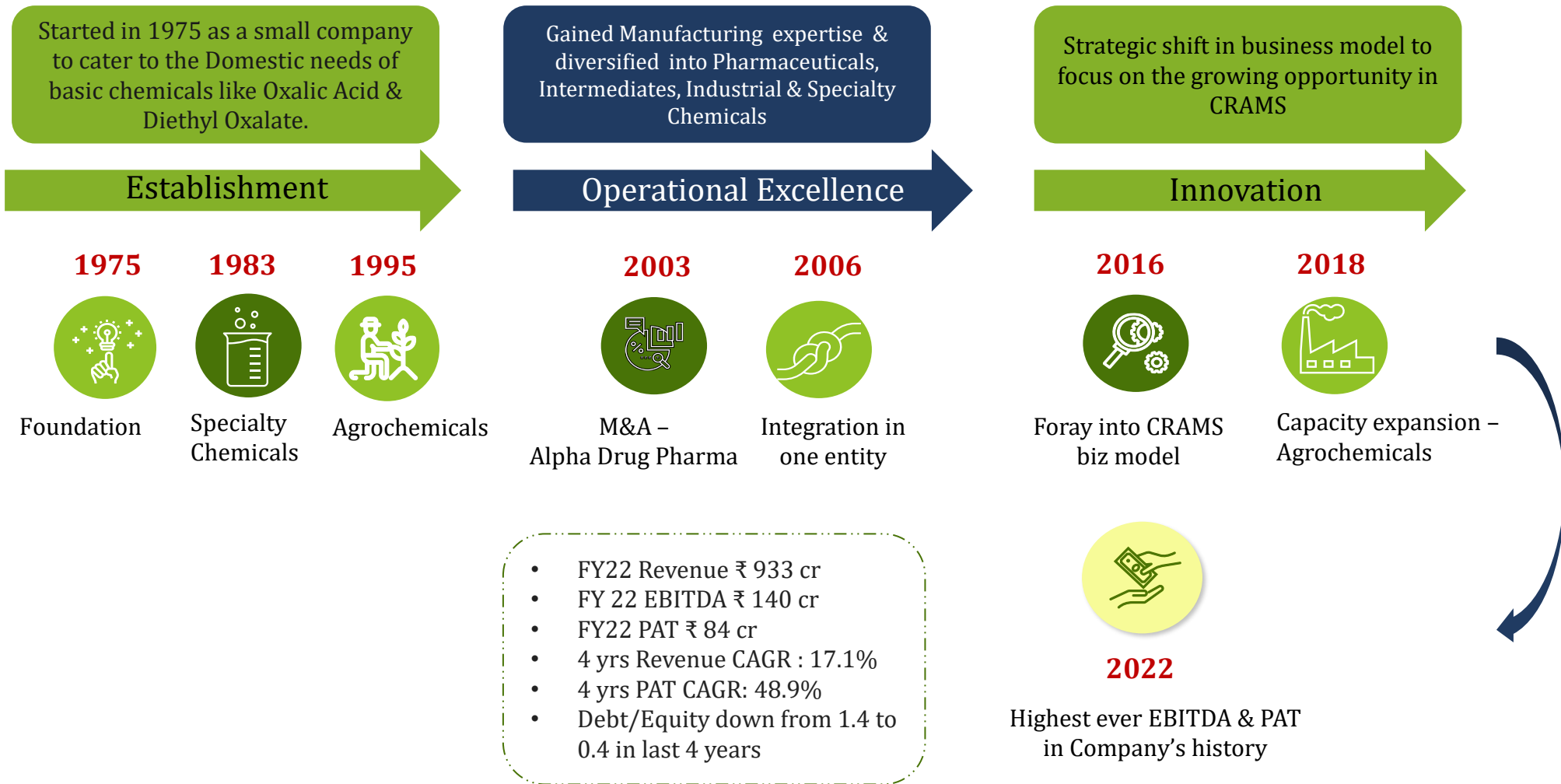
To become a major Indian player in the fast-growing CRAMs segment and a preferred partner for manufacturing high-tech performance chemicals



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 forge relationship with Indian Formulators and build a stronger base in the Indian market

Evolution of Punjab Chemicals



Our Global Clientele

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



Manufacturing Facility - Derabassi

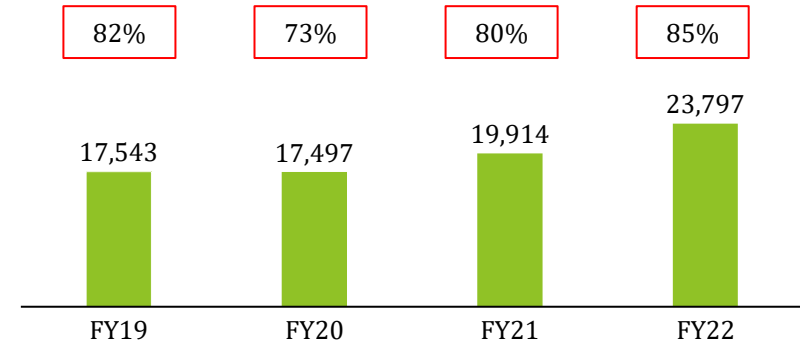


Location	Derabassi
Established	1975
Area	24.1 acres
Manpower	751
Capacity Utilisation (FY22)	85%

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



Annual Production (MT) & Capacity Utilisation (%)

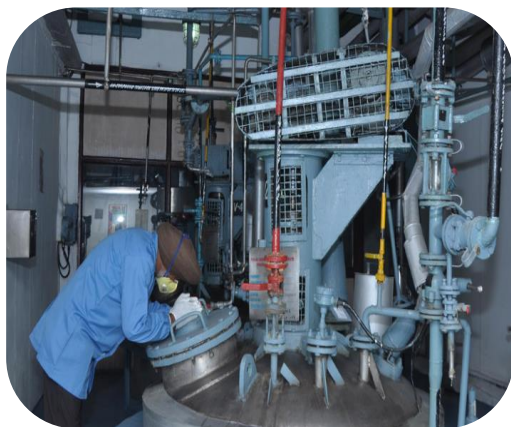


Manufacturing Facility - Lalru

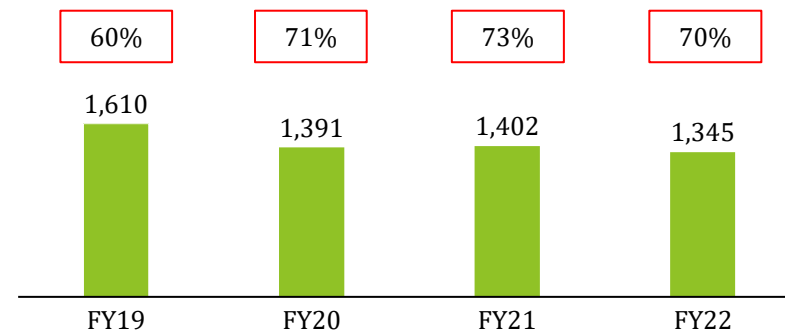


Location	Lalru
Established	2003
Area	23.5 acres
Manpower	456
Capacity Utilisation (FY22)	70%

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



Annual Production (MT) & Capacity Utilisation (%)



Leadership Team: Board of Directors

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. 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

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. 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

Capt Surjit Singh Chopra (Retd), 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

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)

Leadership Team: Key Management Team

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. 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

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

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, GM - Legal & CS

- Member of Institute of Company Secretaries of India, Cost Accountant from Institute of Cost and Works Accountants of India, a Law Graduate and a Science graduate
- More than 24 years of experience with like UPL, SRF, Samtel, Escorts in various areas including secretarial, legal & finance

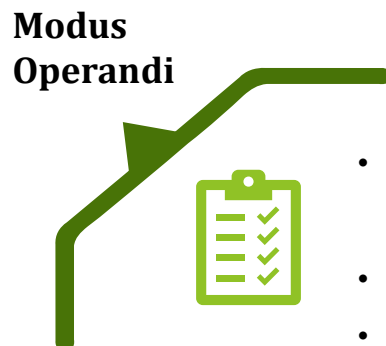
BUSINESS STRATEGY

Business Model

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



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



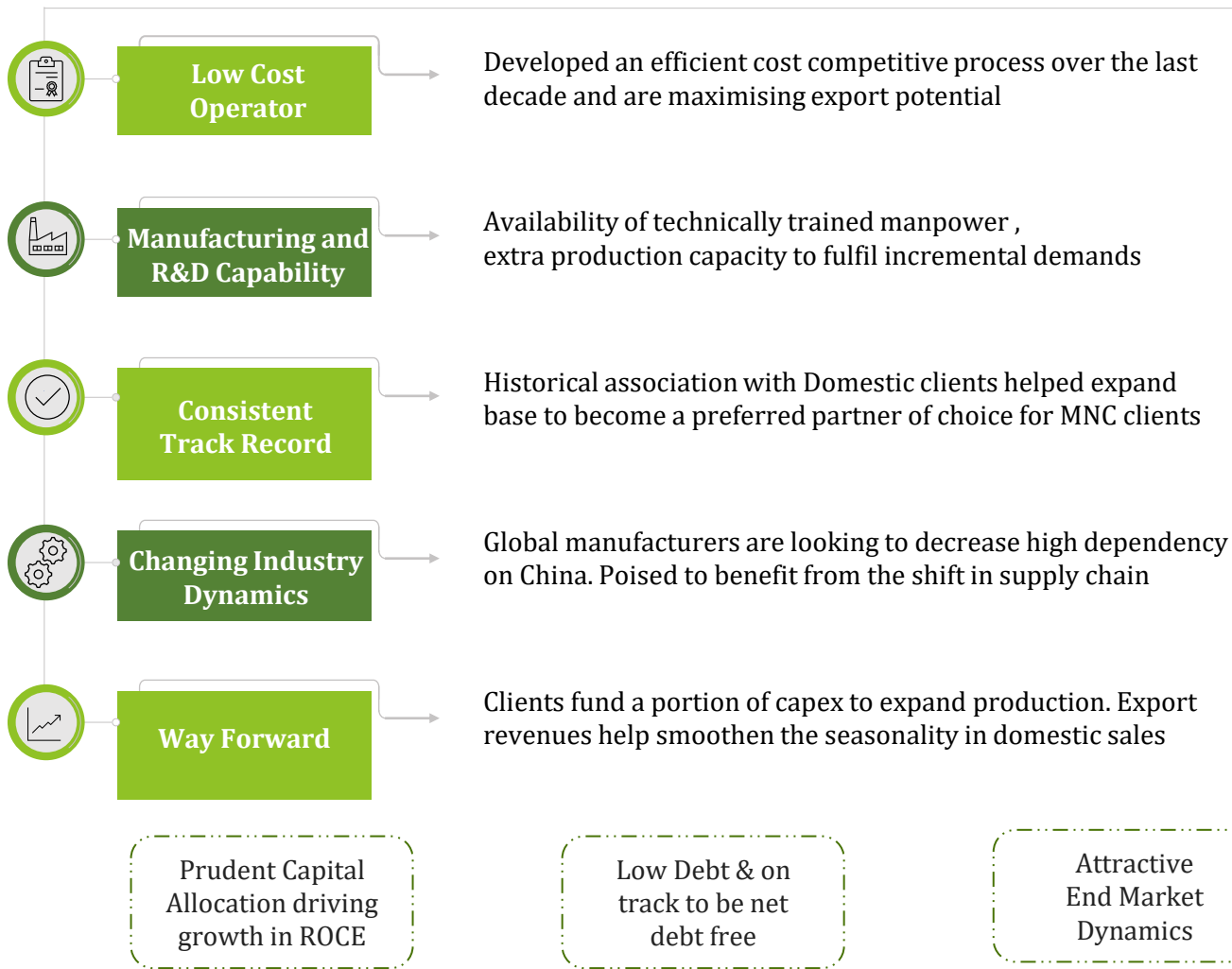
- Dedicated R&D Team
- Quick implementation of the Capex based on ROI
- Expertise in Scaling up :
R&D → Pilot → Commercial Production

- Diversification & expansion into new geographies
- New Product launches
- Expanding customer base in CRAMS

Investment Rationale



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





AGROCHEMICALS INDUSTRY OVERVIEW

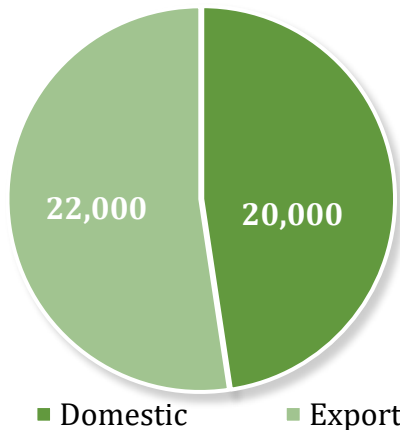
Indian Agrochemicals Industry

- 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

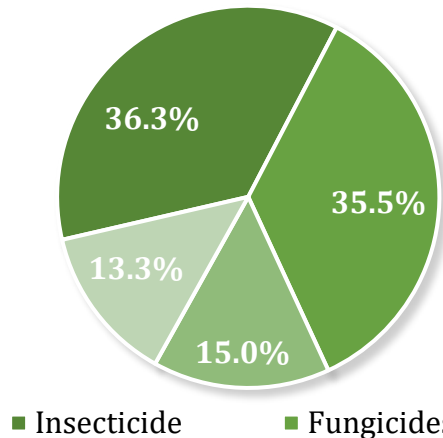


Indian Agrochemicals Industry

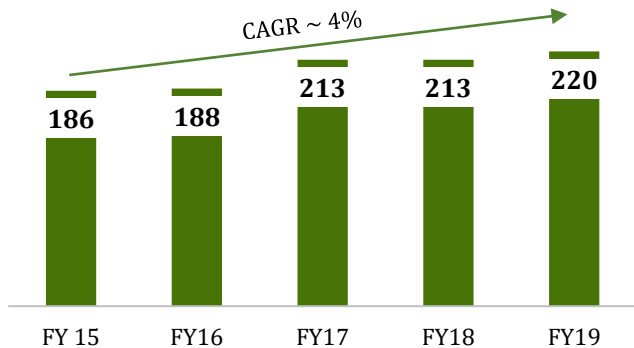
Consumption vs Exports (₹ '000 cr)



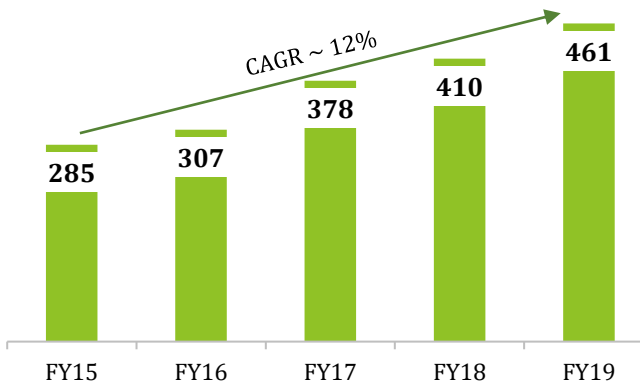
Segmental Domestic Consumption



Domestic Production of Agrochemicals
(in '100 MT)



Agrochemicals Export from India
(in '100 MT)



*Technical
Manufacturers*

2010

~125

2020

~145

Formulators

~800

~1000

Distributors

1.5 Lakh

2 Lakh

*Technical Grade
Pesticide Mfg*

~60

~80

*Capacity
Utilisation*

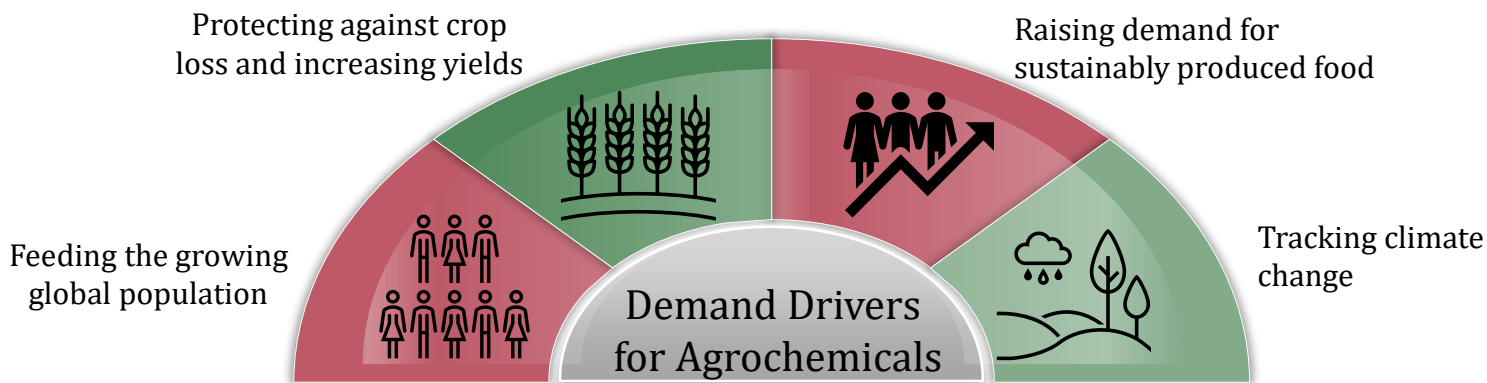
~58%

~80%

Industry Opportunity

- **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



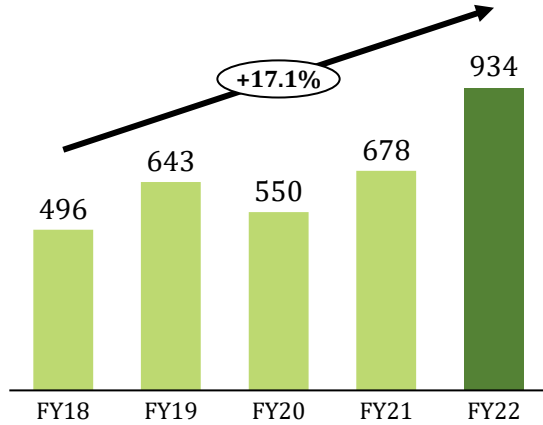


analysis

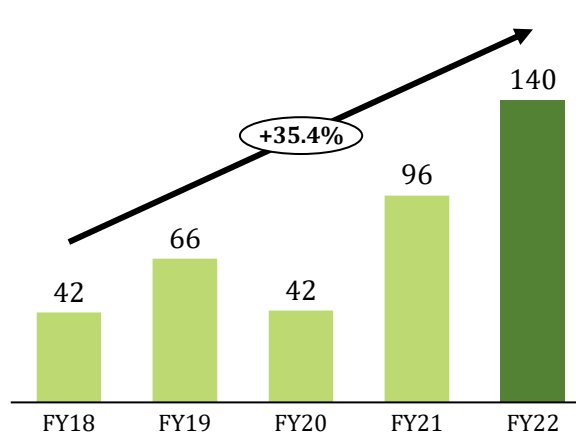
PERFORMANCE TRACK RECORD

Performance Track Record

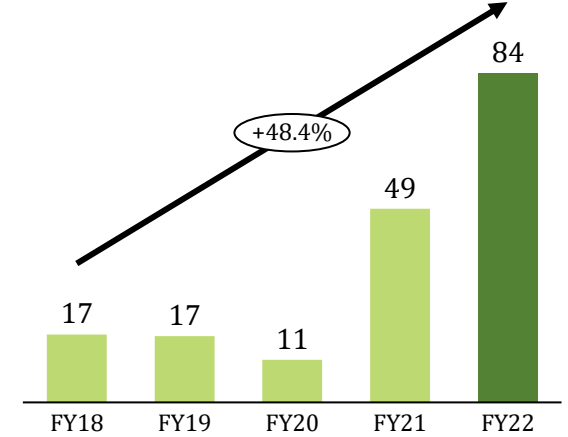
Revenue (₹ cr)



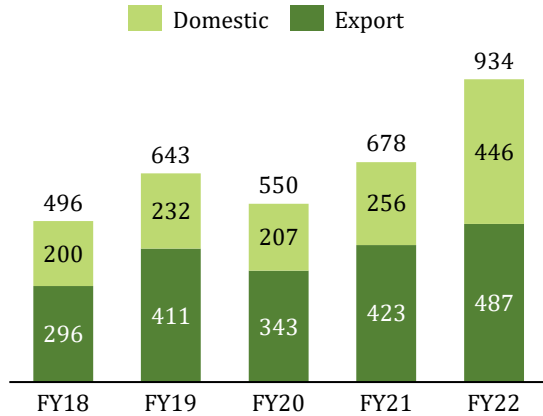
EBITDA (₹ cr)



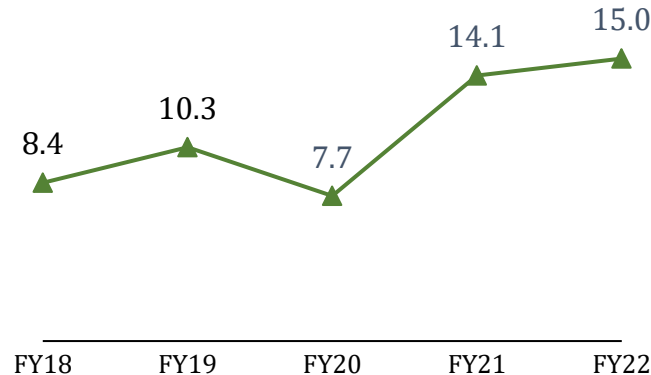
PAT (₹ cr)



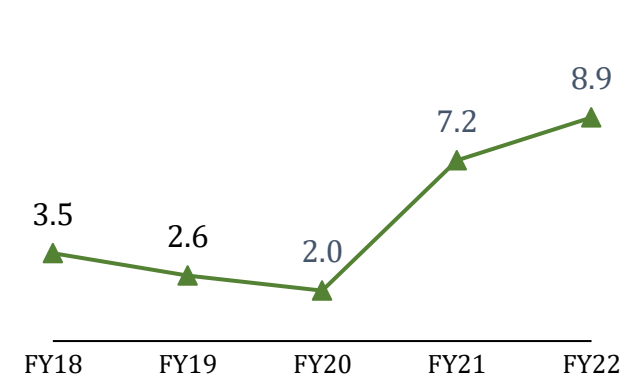
Revenue Split (₹ cr)



EBITDA Margin (%)

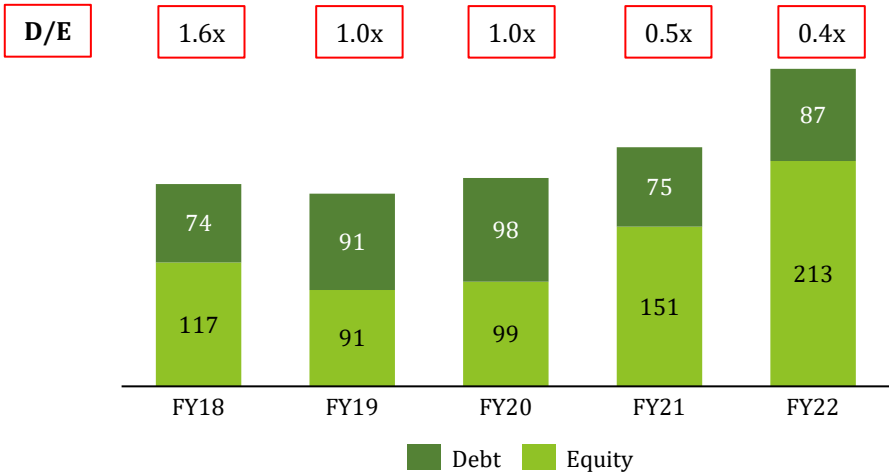


PAT Margin (%)

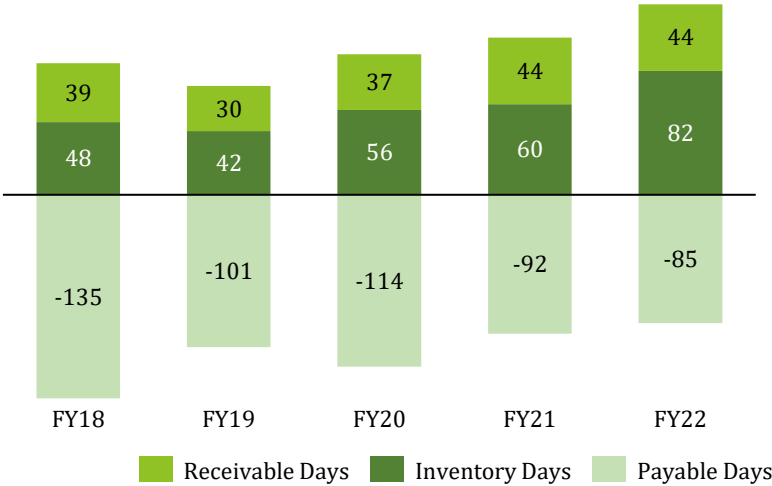


Performance Track Record

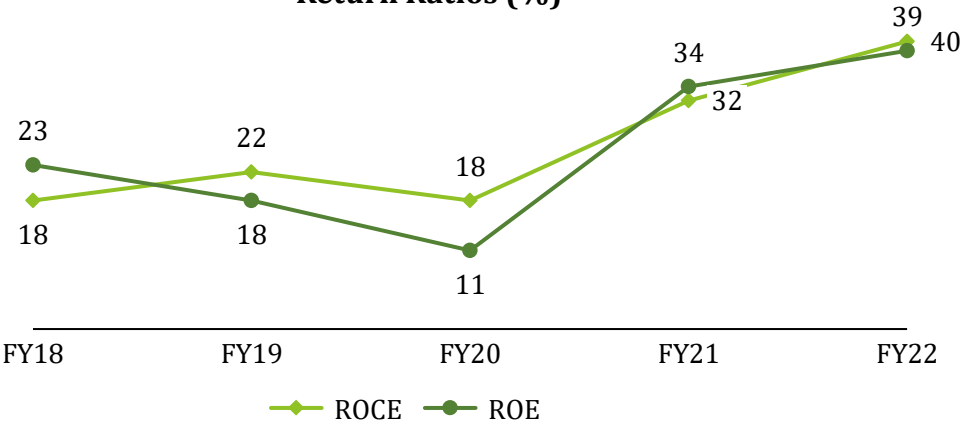
Capital Structure (₹ cr)



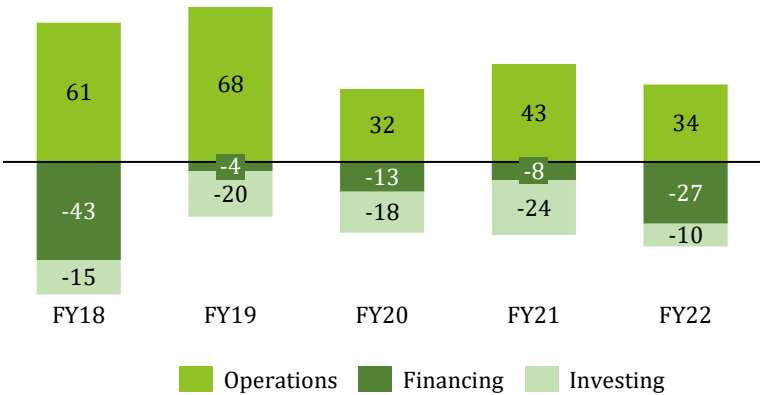
Working Capital Analysis (₹ cr)



Return Ratios (%)



Cash Flow (₹ cr)





Dr. S. Sriram
Chief Financial Officer

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