



# PUNJAB CHEMICALS

## AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

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Date: 10<sup>th</sup> August, 2022

### BY E FILING

The Manager Department of Corporate Services BSE Limited <b>MUMBAI-400 001</b> Re: BSE Scrip Code: 506618	The Manager Listing Department National Stock Exchange of India Limited <b>MUMBAI-400 051</b> NSE Scrip Symbol: PUNJABCHEM
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### Sub: Investor Presentation - Financial Overview – First Quarter of FY 2023

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 first quarter of FY 2023.

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

Thanking you,

Yours faithfully  
For PUNJAB CHEMICALS AND  
CROP PROTECTION LIMITED

V SRINIVAS  
COMPANY SECRETARY & COMPLIANCE OFFICER  
(ACS 37078)

Encls: a/a



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

**Q1 FY23 RESULT PRESENTATION**

**August 2022**

# Safe Harbor

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# Q1 FY23 RESULT HIGHLIGHTS

# Result Highlights

Q1 FY23 Revenue  
₹ 272 cr,  
up 29% YoY

Q1 FY23 EBITDA ₹ 35.4 cr,  
EBITDA Margin 13%

Q1 FY23 PAT ₹ 20 cr

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

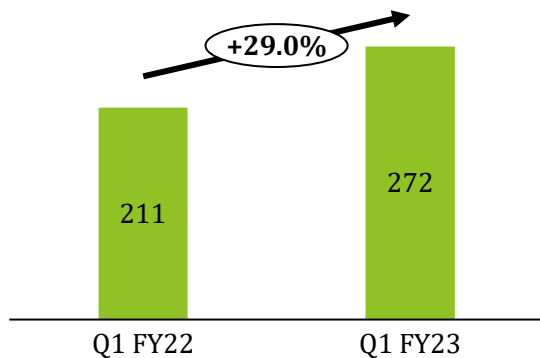
## Management Commentary

- Our growth momentum continues with revenue at ₹ 272 cr higher by 29% YoY
- Increased raw material and utility costs continues to have an impact on gross margin. Effort is to pass on the same to the customers in the coming quarters
- Global supply chains are yet to stabilise, and logistics cost remain elevated.
- Our order book remains robust and we are on track to scale up production and improve utilisations at our plants

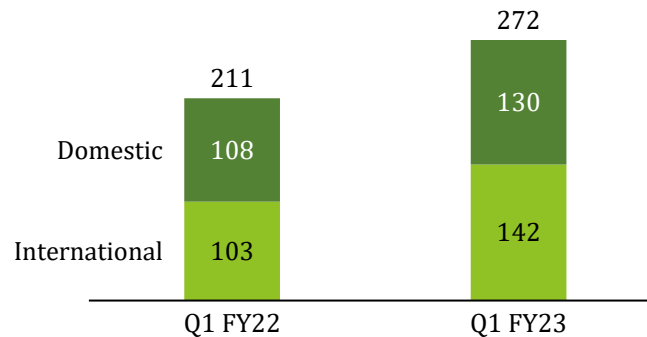
# Q1 FY23 Financial Performance

YoY Comparison (In ₹ cr, except margin)

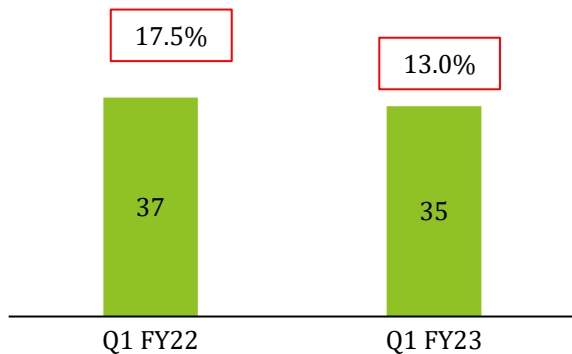
## REVENUE



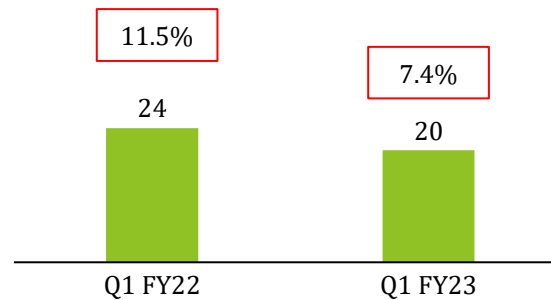
## GEOGRAPHICAL SPLIT



## EBITDA & EBITDA MARGIN



## PAT & PAT MARGIN



# Consolidated Profit & Loss Statement

Particulars (In ₹ cr)	Q1 FY23	Q1 FY22	YoY %	FY22
<b>Revenue</b>	<b>272.1</b>	<b>211.0</b>	<b>29.0%</b>	<b>933.5</b>
COGS	171.2	123.6		569.4
<b>Gross Profit</b>	<b>100.9</b>	<b>87.3</b>		<b>364.1</b>
<b>Gross Margin %</b>	<b>37.1%</b>	<b>41.4%</b>	<b>-430 bps</b>	<b>39.0%</b>
Employee Expenses	20.2	19.6		76.6
Other Expenses	45.3	30.8		147.8
<b>EBITDA</b>	<b>35.4</b>	<b>36.9</b>	<b>-4.0%</b>	<b>139.7</b>
<b>EBITDA Margin %</b>	<b>13.0%</b>	<b>17.5%</b>	<b>-450 bps</b>	<b>15.0%</b>
Depreciation	4.6	3.9		16.7
Finance Cost	3.4	2.4		12.3
Other Income	0.2	1.2		0.9
<b>PBT</b>	<b>27.6</b>	<b>31.8</b>		<b>111.6</b>
Tax Expense	7.3	7.5		28.2
<b>PAT</b>	<b>20.3</b>	<b>24.3</b>	<b>-16.6%</b>	<b>83.5</b>
<b>PAT Margin %</b>	<b>7.4%</b>	<b>11.5%</b>	<b>-410 bps</b>	<b>8.9%</b>
EPS	16.5	19.8		68.1





# COMPANY OVERVIEW

# Our Company

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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

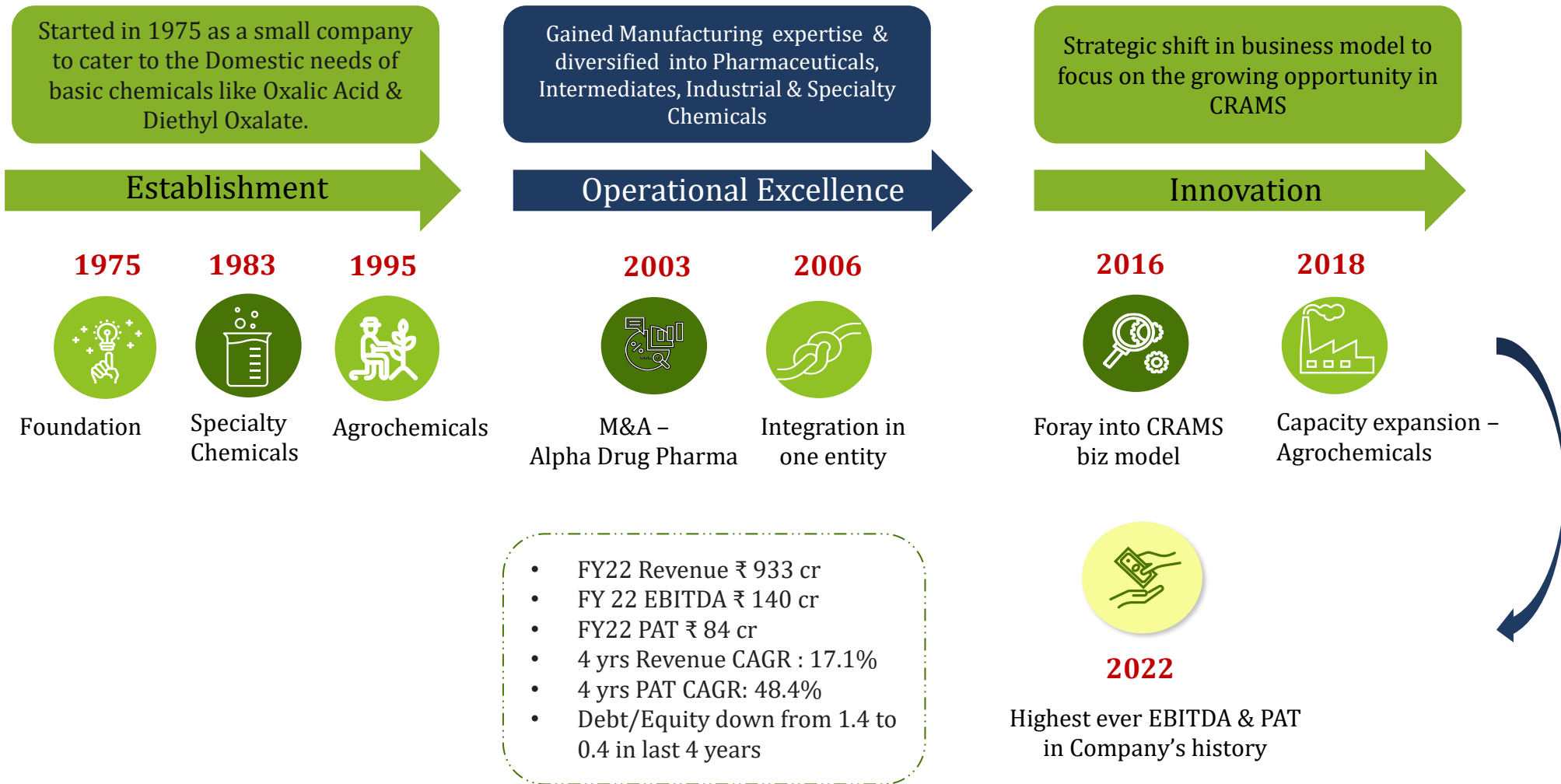


## Our Mission

- 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

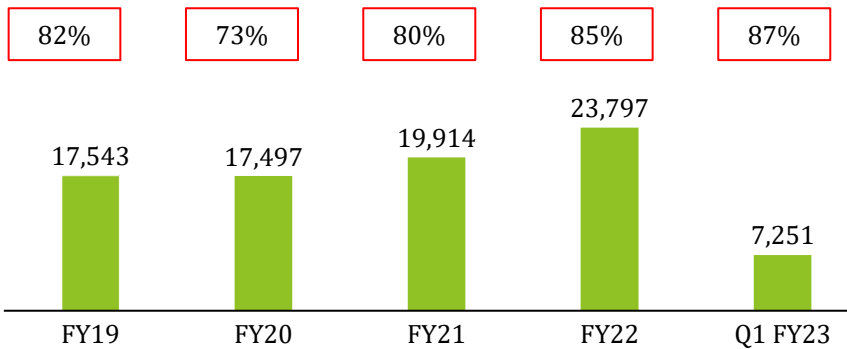


Location	Derabassi
Established	1975
Area	24.1 acres
Manpower	751
Capacity Utilisation (FY22)	85%

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



Annual Production (MT) & Capacity Utilisation (%)

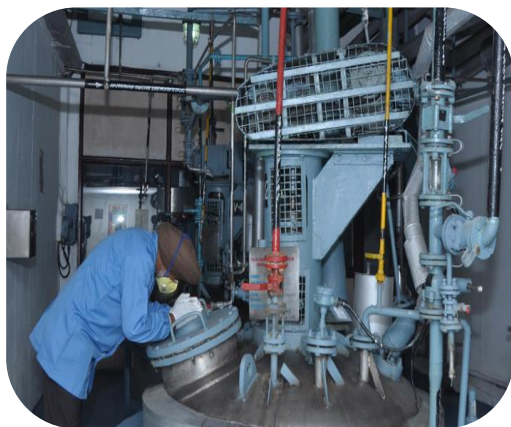


# Manufacturing Facility - Lalru

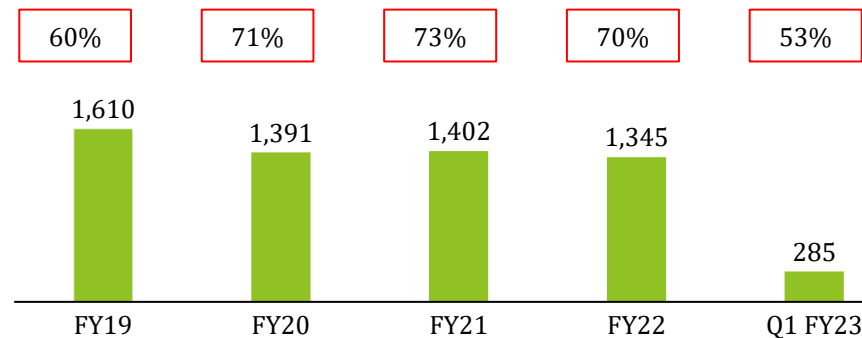


Location	Lalru
Established	2003
Area	23.5 acres
Manpower	456
Capacity Utilisation (FY22)	70%

- **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

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## **Mr. Avtar Singh, Non-Independent Director**

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- 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**

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- 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**

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- 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**

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- 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**

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- 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



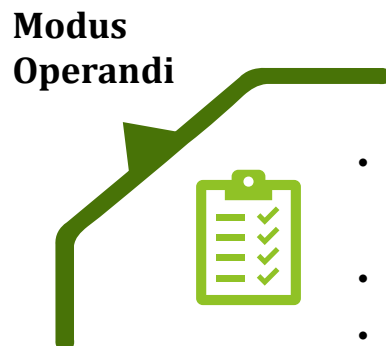
# BUSINESS STRATEGY

# 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



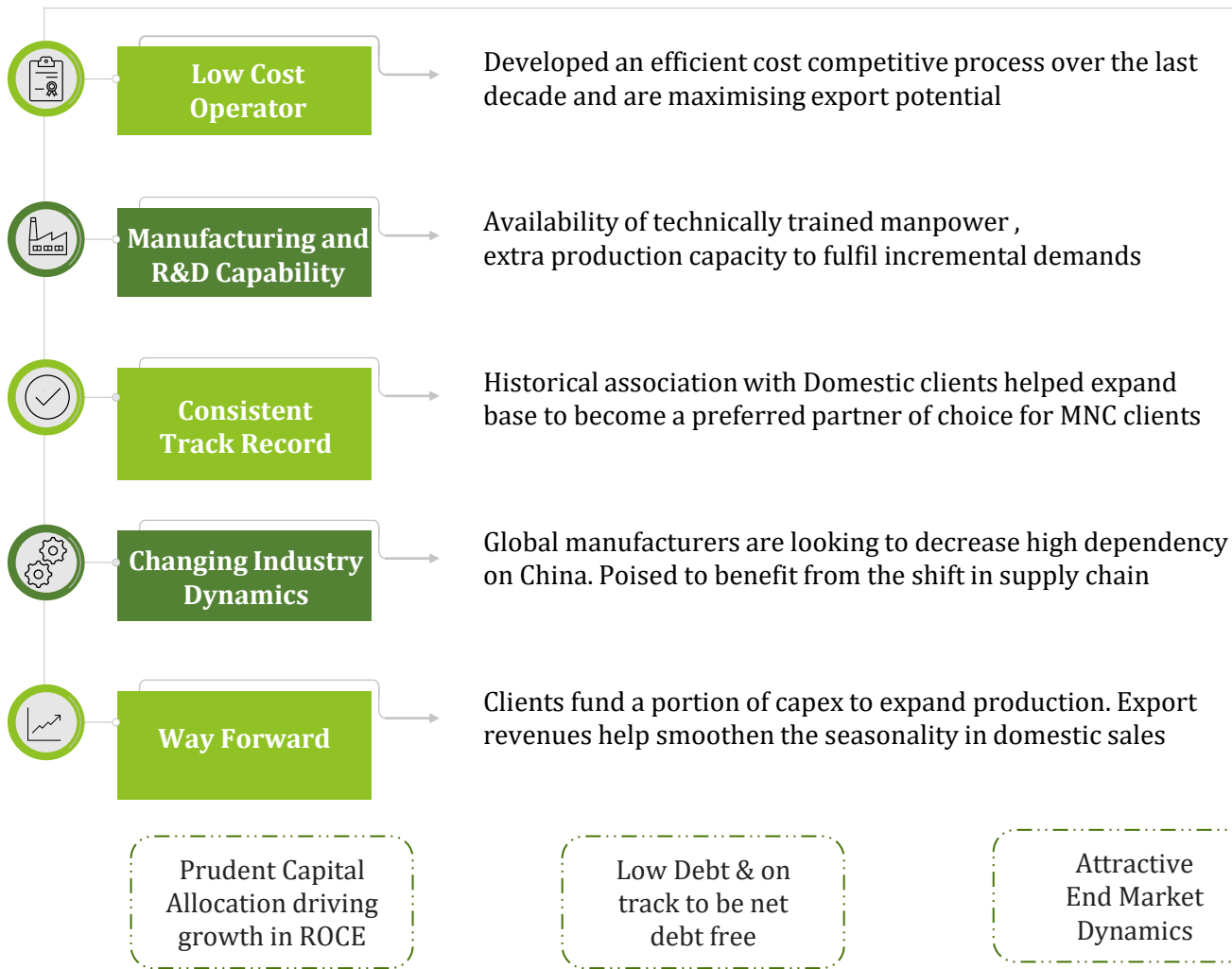
- Dedicated R&D Team
- Quick implementation of the Capex based on ROI
- Expertise in Scaling up :  
R&D → Pilot → Commercial Production

- 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

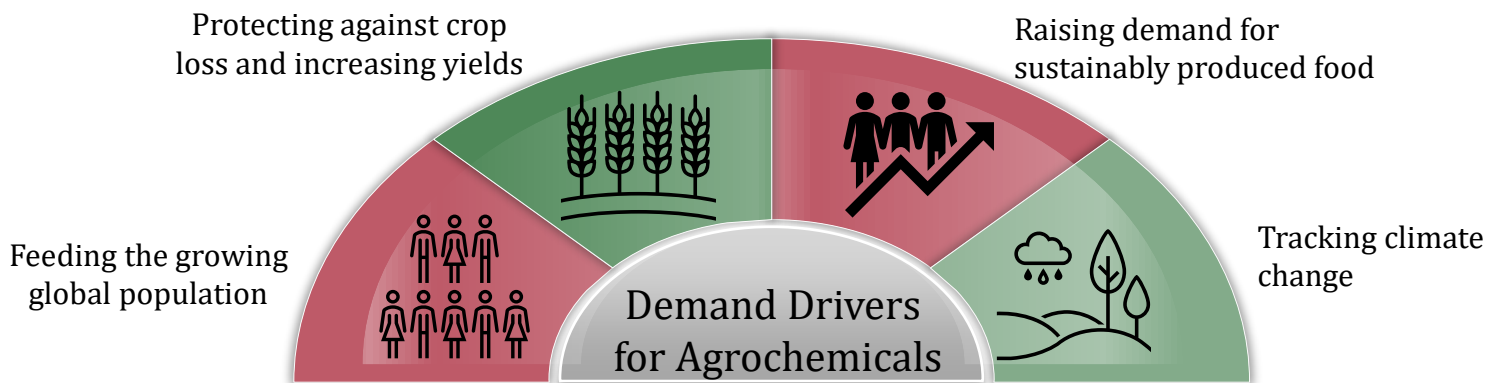
- India is the fourth largest producer and the fifth largest exporter of agrochemicals in the world
- The Indian agrochemicals market (at USD 9.2 bil or ~15% share of the global agrochemicals market worth USD 62.5 bil) is the largest sub-segment of the specialty chemicals industry and posted a 10% CAGR 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



# 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



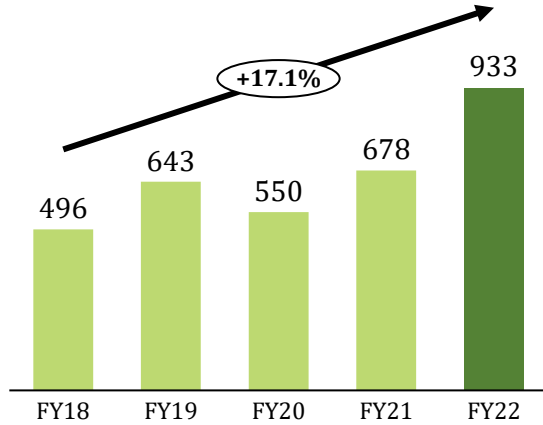


analysis

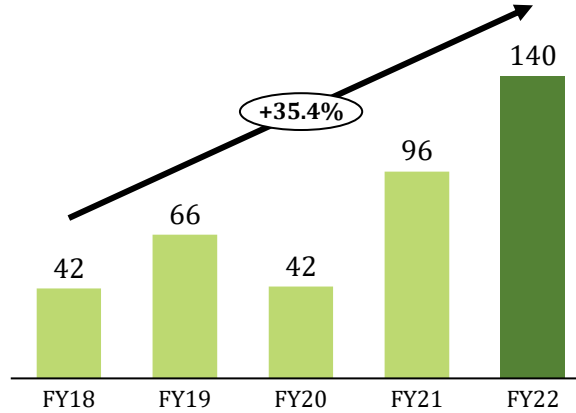
# PERFORMANCE TRACK RECORD

# Performance Track Record

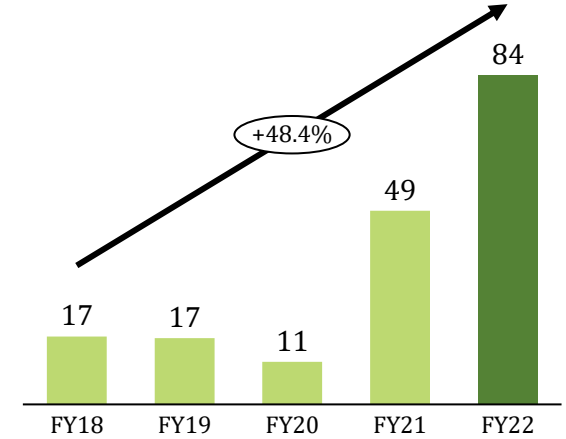
### Revenue (₹ cr)



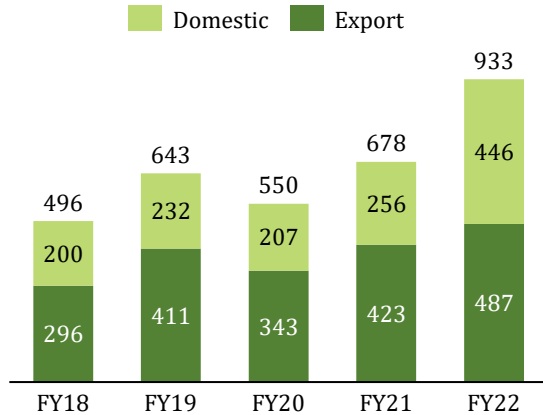
### EBITDA (₹ cr)



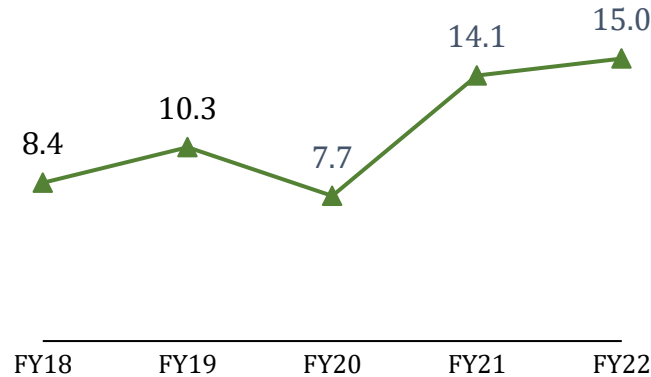
### PAT (₹ cr)



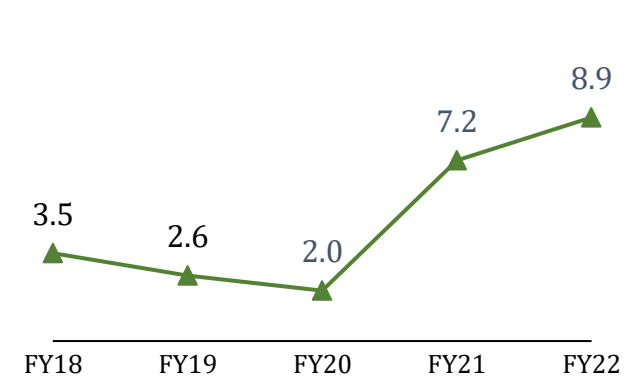
### Revenue Split (₹ cr)



### EBITDA Margin (%)



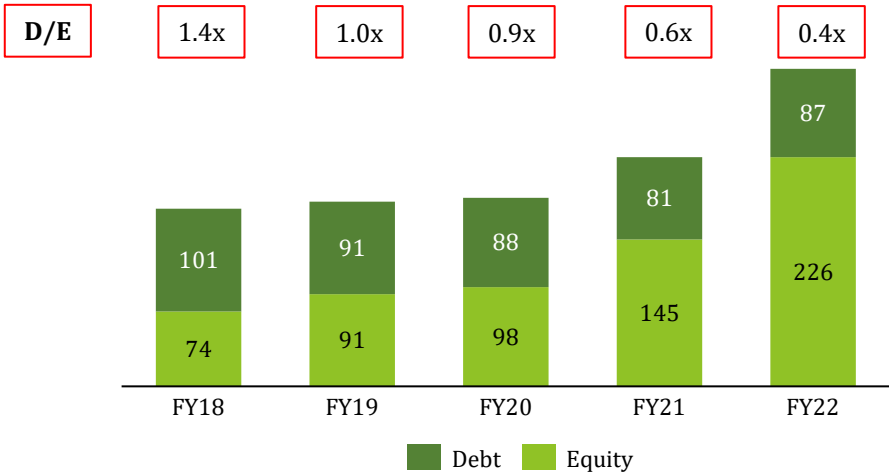
### PAT Margin (%)



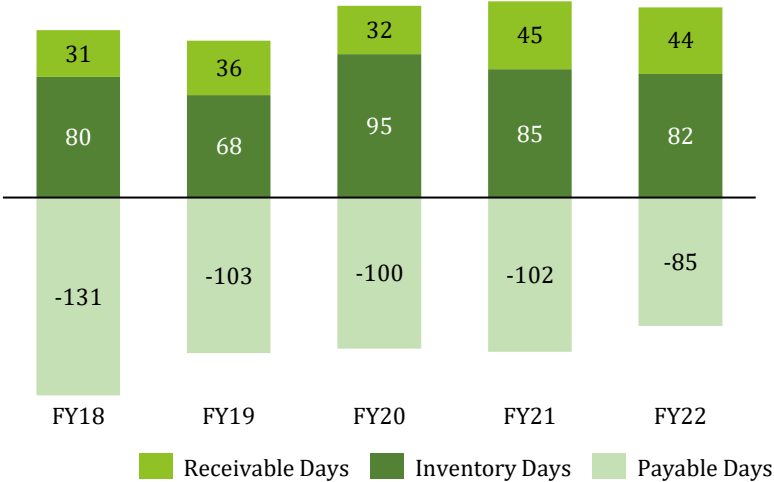


# Performance Track Record

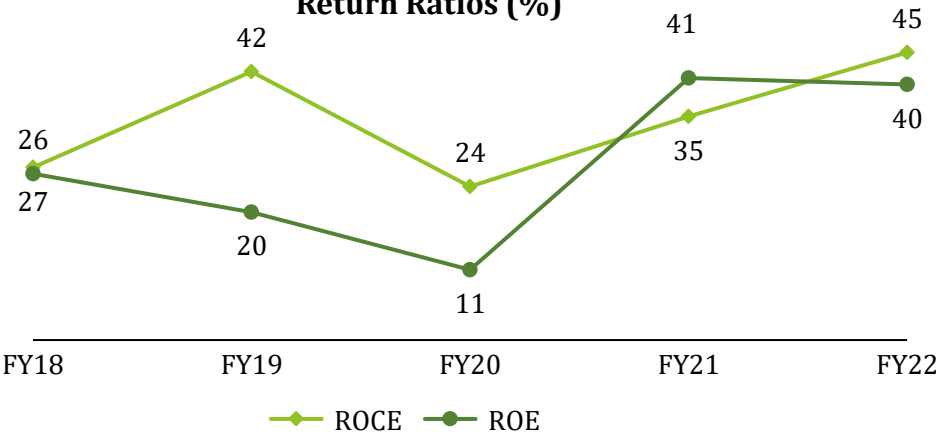
Capital Structure (₹ cr)



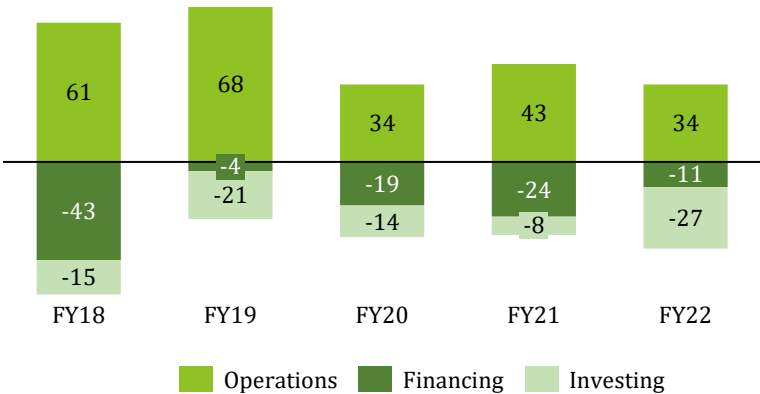
Working Capital Analysis



Return Ratios (%)



Cash Flow (₹ cr)





Dr. S. Sriram  
Chief Financial Officer

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**orientcapital**

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# THANK YOU



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