



# PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

## Regd. Office & Works

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Date: 24<sup>th</sup> January, 2023

### 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 – Q3 & nine months ended of FY23

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation of the Company for the third quarter and nine months ended December 31, 2022.

We request you to take the above information on records.

Thanking you,

Yours faithfully  
For **PUNJAB CHEMICALS AND  
CROP PROTECTION LIMITED**

**SHALIL S SHROFF**  
MANAGING DIRECTOR  
DIN:00015621

Encls: a/a



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

**Q3 & 9M FY23  
RESULT PRESENTATION  
January 2023**

# Safe Harbor

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# Q3 & 9M FY23 RESULT HIGHLIGHTS

# Result Highlights

Q3 FY23 Revenue  
₹ 261 cr,  
up 2.1% YoY

Q3 FY23 EBITDA ₹ 35 cr,  
EBITDA Margin 13.4%

Q3 FY23 PAT ₹ 20 cr

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

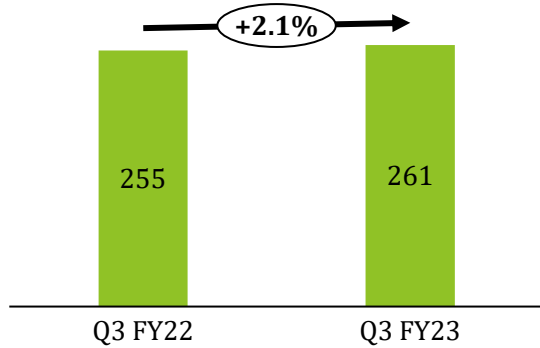
## Management Commentary

- Gross margin continues to be impacted by rising raw material costs
- Pricing pressure in certain markets led to discounted sales which also had a bearing on gross margin
- Higher power, fuel & freight costs contributed to increased expenses affecting EBITDA margin
- Export sales were affected by currency volatility
- All contract have been renewed during the year and products are getting registered in new markets

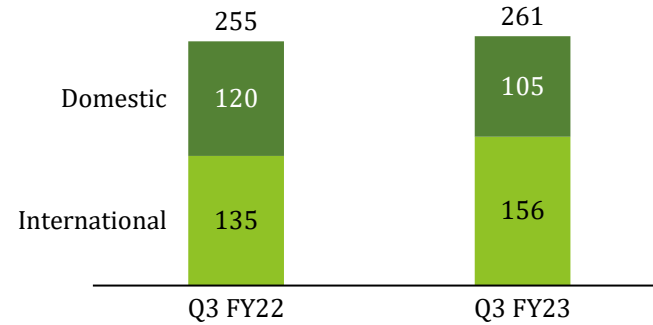
# Q3 FY23 Financial Performance

YoY Comparison (In ₹ cr, except margin)

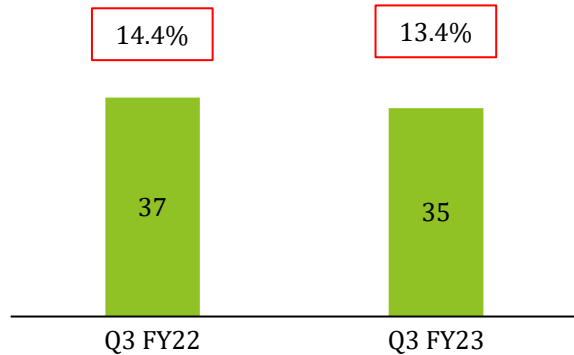
## REVENUE



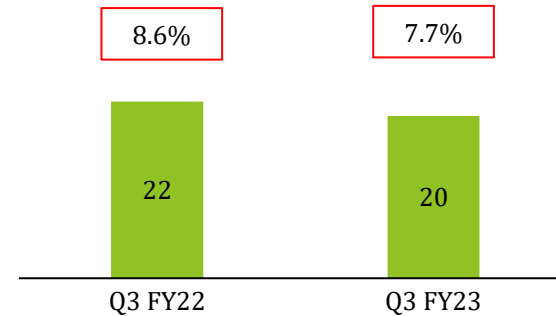
## GEOGRAPHICAL SPLIT



## EBITDA & EBITDA MARGIN



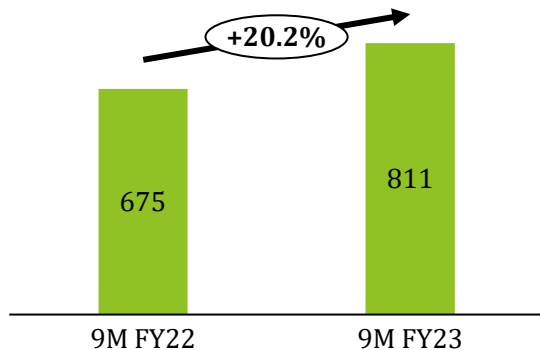
## PAT & PAT MARGIN



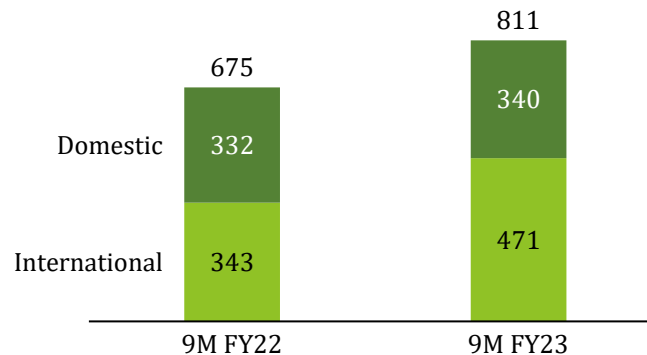
# 9M FY23 Financial Performance

YoY Comparison (In ₹ cr, except margin)

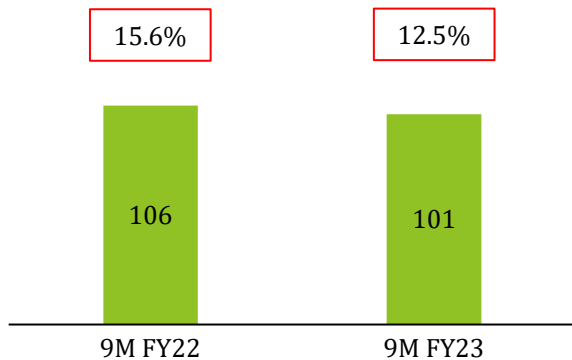
## REVENUE



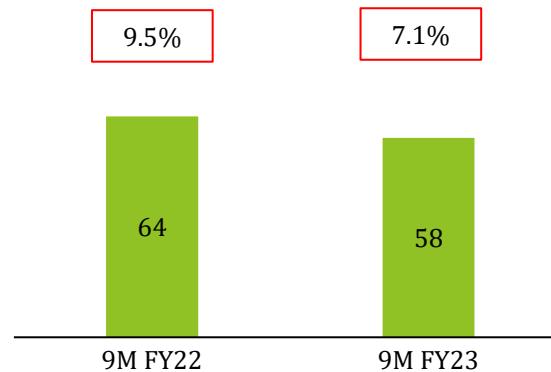
## GEOGRAPHICAL SPLIT



## EBITDA & EBITDA MARGIN



## PAT & PAT MARGIN





# Consolidated Profit & Loss Statement

Particulars (Rs.Crs)	Q3 FY23	Q3 FY22	Y-o-Y	Q2 FY23	Q-o-Q	9M FY23	9M FY22	Y-o-Y
<b>Revenue from Operations</b>	<b>260.5</b>	<b>255.0</b>	<b>2.1%</b>	<b>278.6</b>	<b>-6.5%</b>	<b>811.2</b>	<b>674.8</b>	<b>20.2%</b>
Cost of Material Consumed	174.8	164.3		164.7		533.4	429.6	
Purchases of stock in trade	1.0	1.8		1.2		3.1	3.6	
Change in Inventories of Finished goods & Work in Progress	-9.9	-5.3		13.9		-19.7	-24.7	
<b>Total Raw Material</b>	<b>165.8</b>	<b>160.8</b>		<b>179.7</b>		<b>516.8</b>	<b>408.5</b>	
<b>Gross Profit</b>	<b>94.6</b>	<b>94.3</b>	<b>0.4%</b>	<b>98.9</b>	<b>-4.3%</b>	<b>294.4</b>	<b>266.3</b>	<b>10.6%</b>
<b>Gross Profit Margin (%)</b>	<b>36.3%</b>	<b>37.0%</b>		<b>35.5%</b>		<b>36.3%</b>	<b>39.5%</b>	
Employee Expenses	20.5	18.6		20.7		61.4	57.9	
Other Expenses	39.2	39.0		47.1		131.6	103.0	
<b>EBITDA</b>	<b>34.9</b>	<b>36.7</b>	<b>-4.8%</b>	<b>31.1</b>	<b>12.4%</b>	<b>101.4</b>	<b>105.5</b>	<b>-3.9%</b>
<b>EBITDA Margin (%)</b>	<b>13.4%</b>	<b>14.4%</b>		<b>11.2%</b>		<b>12.5%</b>	<b>15.6%</b>	
Other Income	0.6	0.2		1.7		2.4	0.6	
Depreciation	4.8	4.3		4.7		14.1	12.4	
EBIT	30.8	32.6	-5.8%	28.0	9.7%	89.8	93.7	-4.1%
EBIT Margin (%)	11.8%	12.8%		10.1%		11.1%	13.9%	
Finance Cost	4.0	3.0		3.9		11.4	8.2	
Profit before Tax	26.7	29.6	-9.8%	24.1	10.8%	78.4	85.5	-8.3%
Profit before Tax(%)	10.3%	11.6%		8.7%		9.7%	12.7%	
Tax	6.7	7.7		6.5		20.5	21.4	
<b>Profit After Tax</b>	<b>20.1</b>	<b>21.9</b>	<b>-8.3%</b>	<b>17.6</b>	<b>14.1%</b>	<b>57.9</b>	<b>64.1</b>	<b>-9.7%</b>
<b>PAT Margin (%)</b>	<b>7.7%</b>	<b>8.6%</b>		<b>6.3%</b>		<b>7.1%</b>	<b>9.5%</b>	
EPS (As per Profit after Tax)	16.4	17.9		14.3		47.2	52.3	



# 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

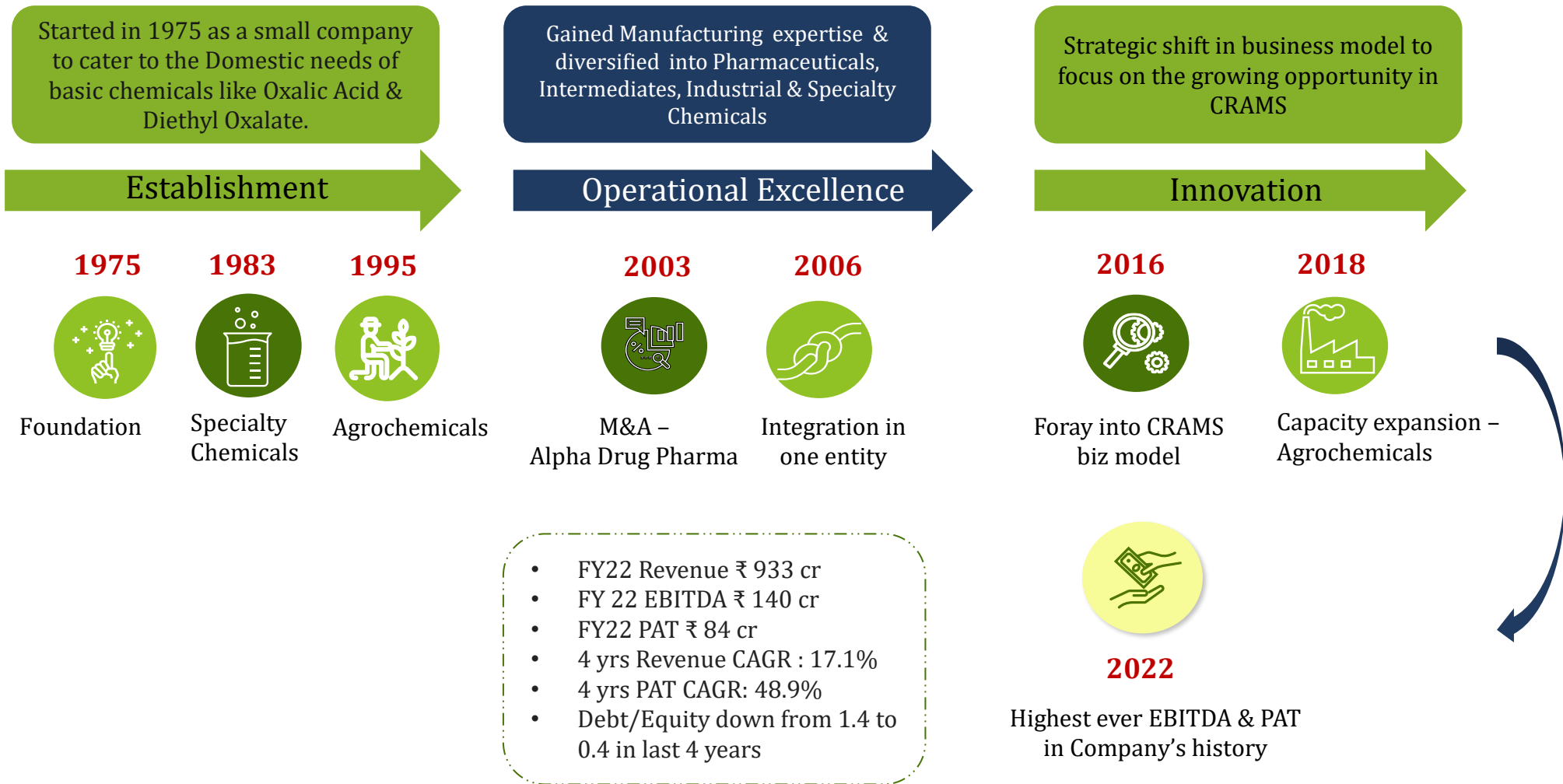
To become a major Indian player in the fast-growing CRAMs segment and a preferred partner for manufacturing high-tech performance chemicals



## 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

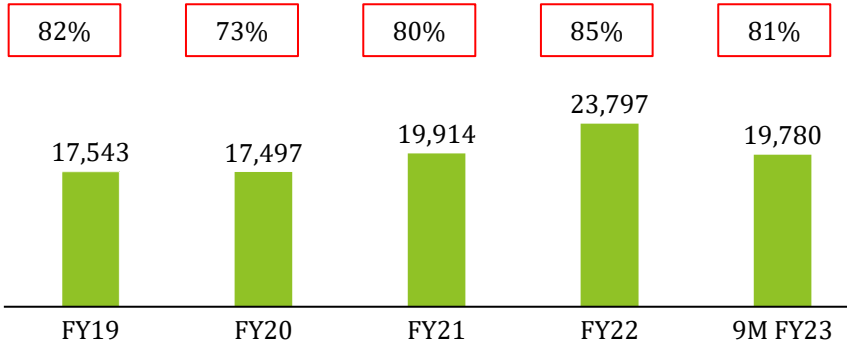


Location	Derabassi
Established	1975
Area	24.1 acres
Manpower	751
Capacity Utilisation (9M FY23)	81%

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



Annual Production (MT) & Capacity Utilisation (%)



# Manufacturing Facility - Lalru

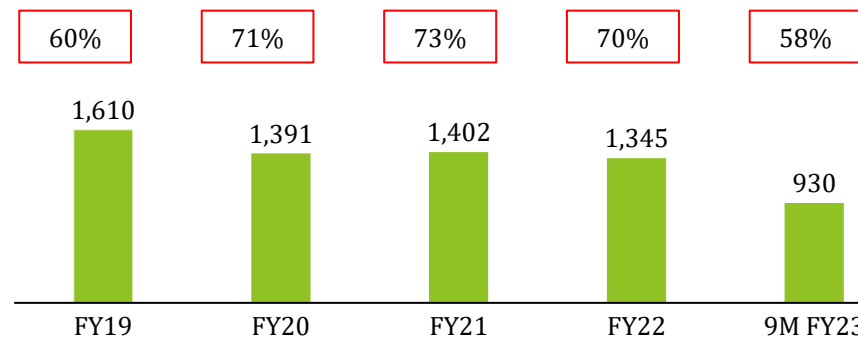


Location	Lalru
Established	2003
Area	23.5 acres
Manpower	456
Capacity Utilisation (9M FY23)	58%

- **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
- He is on Board of Calibre Chemicals Private Limited, Saurav Chemicals Limited, Greaves Finance Limited, Pimex India Private Limited and Good Relations (India) Private Limited

## **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, Laurus Bio Private 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-Executive Director**

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- BSc. – Punjab University; associated with the company for 40 years,
- He is joint MD in Transpek Industry Limited and is on the Board of Saurav Chemicals Limited and TML Industries Limited.

## **Mr. Vinod Gupta, Chief Executive Officer**

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- Chemical Engineer, IIT-B & PGPX, IIM-A
- 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
- 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

## **Ms. Rishu Chatley, Company Secretary**

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- Member of Institute of Company Secretaries of India and holds a post Graduate degree in Commerce and Law
- More than 17 years of experience in the Corporate Secretarial, Corporate Laws, SEBI Regulations & Compliances

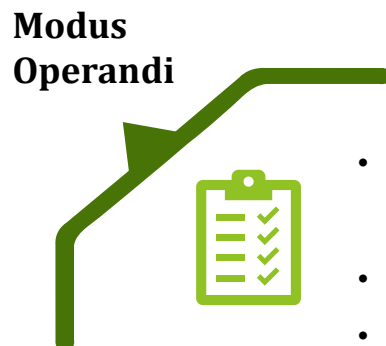
# BUSINESS STRATEGY

# 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



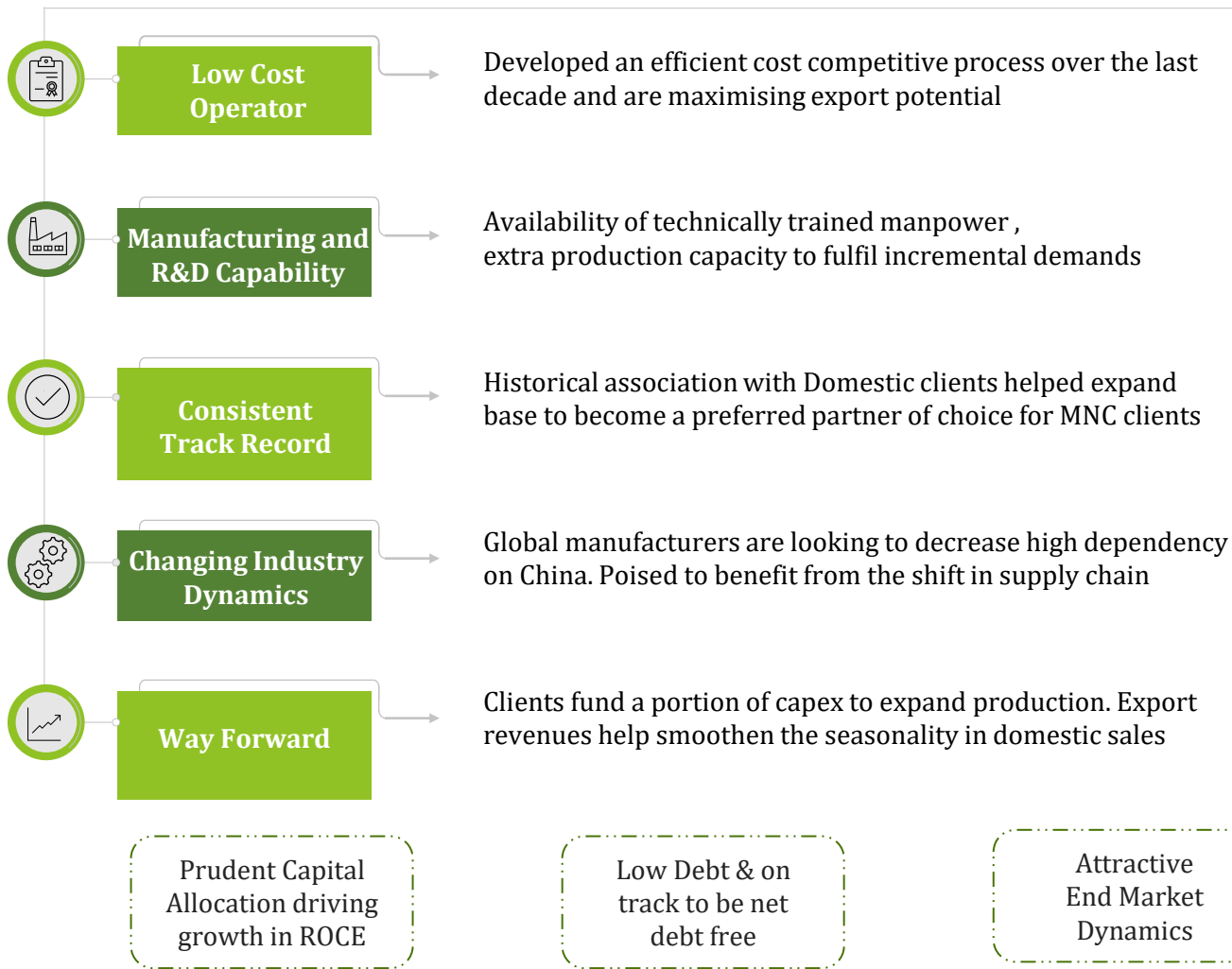
- Dedicated R&D Team
- Quick implementation of the Capex based on ROI
- Expertise in Scaling up :  
R&D → Pilot → Commercial Production

- 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

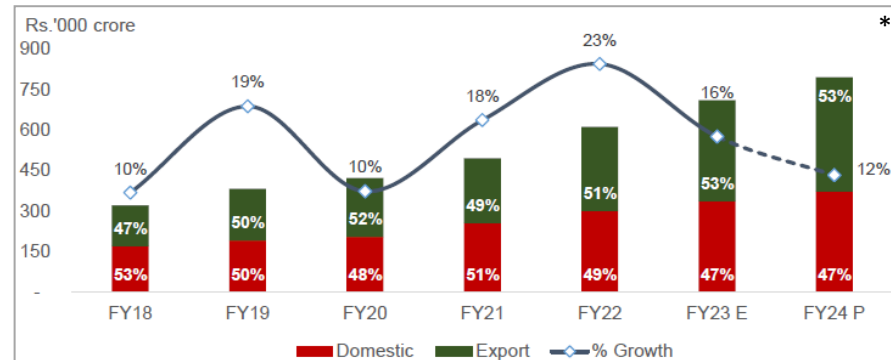


# Indian Agrochemicals Industry

India is the 4th largest producer and a net exporter of agrochemicals and has emerged as the 13th largest exporter of pesticides globally

## Outlook of pesticides production for technical grade ('000 tonnes)#

Segments	2021-22	2026-27P	CAGR
Insecticides	109	~134	4%-4.5%
Fungicides	121	~139	2%-3%
Herbicides	54	~67	4.5%-5.5%
Others	11	~14	5%-5.5%
<b>Total</b>	<b>295</b>	<b>~354</b>	<b>3.5%-4%</b>



## Growth Drivers

### Agriculture

The expansion in share of agriculture and allied sector's GVA is backed by an upward trend in the GVA of agriculture activities. During the 5 year period the GVA for agriculture increased at a CAGR of 4.3%

### Export markets

The outbound shipments account for a major share of the Indian agrochemicals market and has grown at a CAGR of around 8.8% over the 5 year period 2016-17 to 2020-21 thus driving the overall agrochemicals industry.

### Government support

The government provides aid to the rural economy through various budget announcements that aim at reviving and raising farmer's income. Growth in credit facilities to farmers through credit mechanisms and low interest rate farm loans to motivate farmers

### Increase in demand of horticulture and floriculture

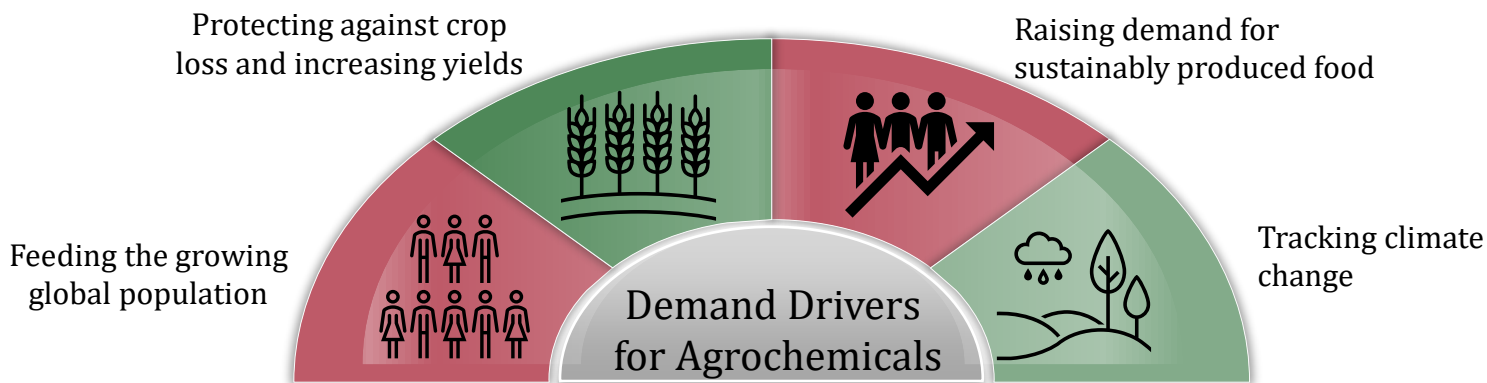
Fruits and vegetables have a significant share of around 90% in the Indian horticulture output. With increase in consumption of healthy and nutritive food, demand of fruits and vegetables is likely to augment

(# : Directorate of plant protection, quarantine & storage, \* : crasil capital)

# 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





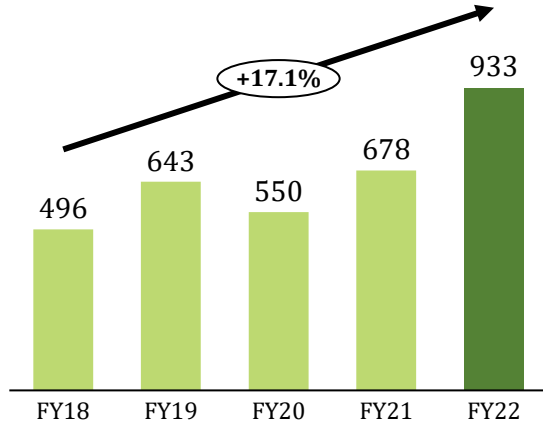
analysis

# PERFORMANCE TRACK RECORD

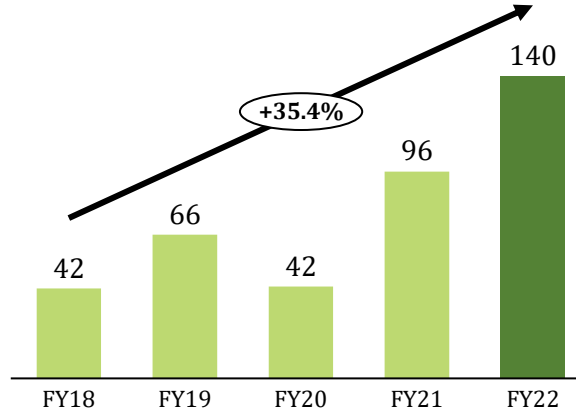


# Performance Track Record

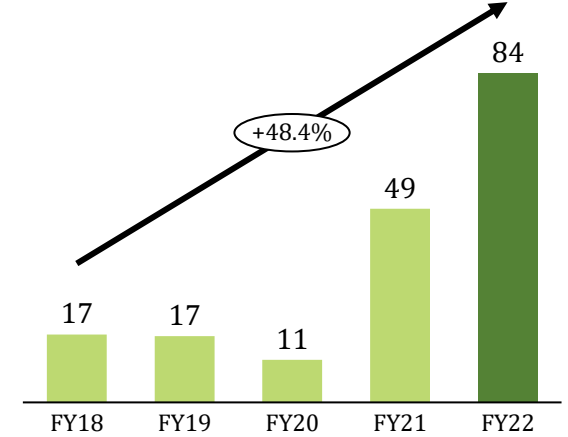
### Revenue (₹ cr)



### EBITDA (₹ cr)

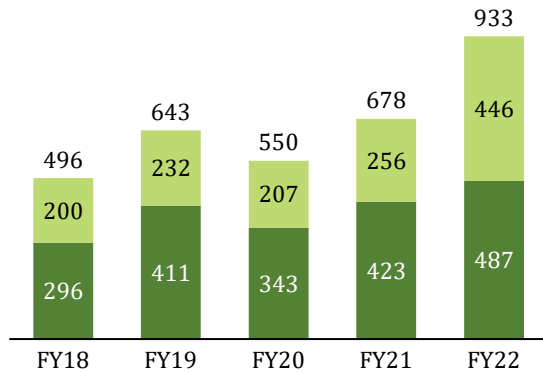


### PAT (₹ cr)

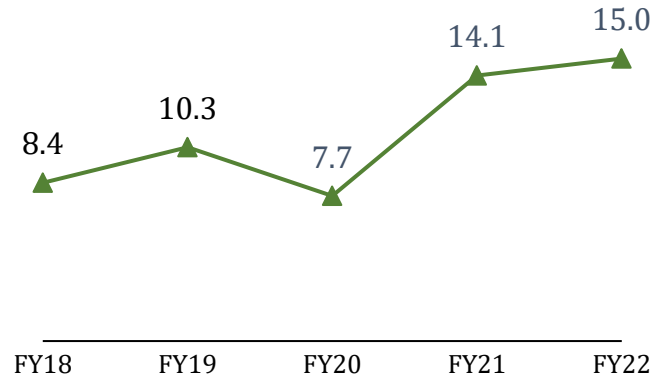


### Revenue Split (₹ cr)

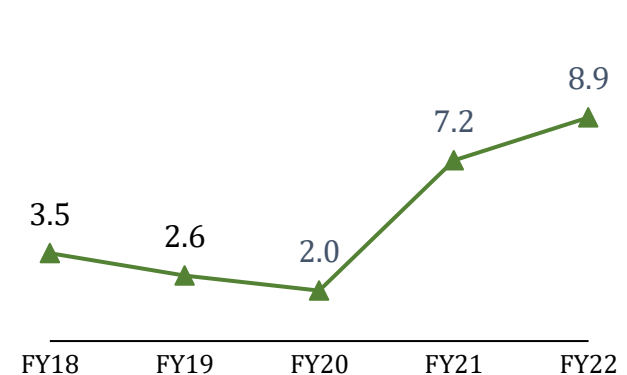
Domestic Export



### EBITDA Margin (%)

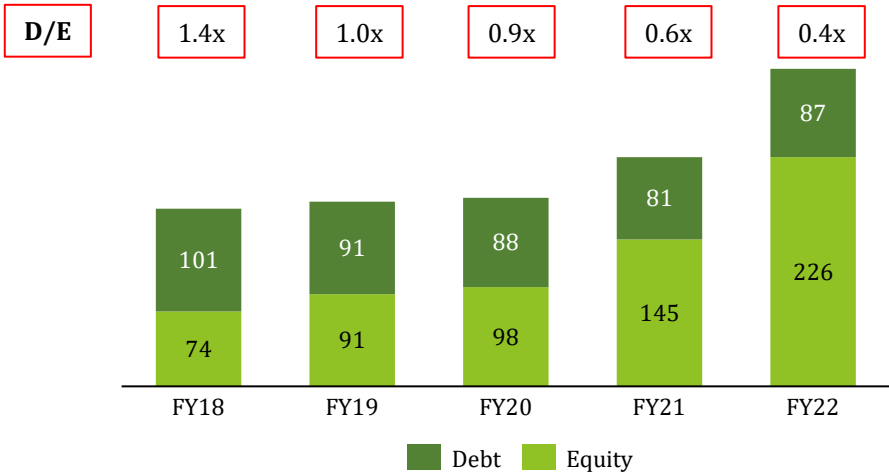


### PAT Margin (%)

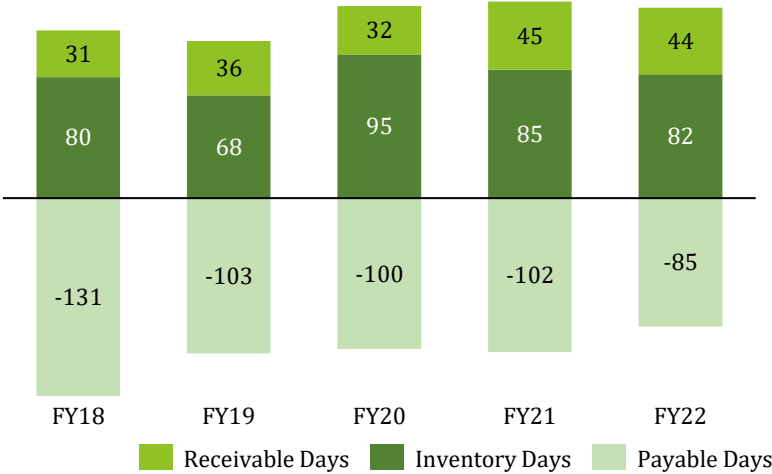


# Performance Track Record

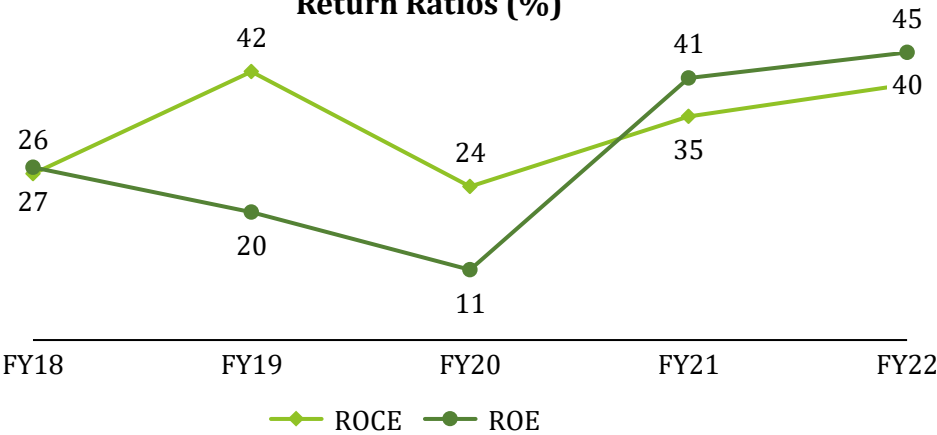
Capital Structure (₹ cr)



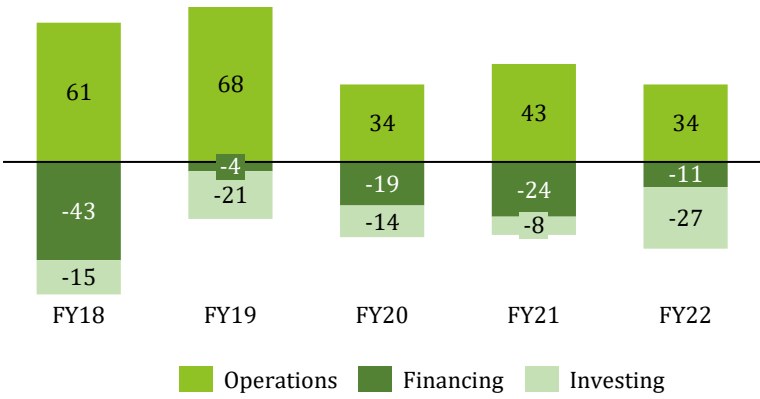
Working Capital Analysis (₹ cr)



Return Ratios (%)



Cash Flow (₹ cr)





Dr. S. Sriram  
Chief Financial Officer

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**orientcapital**

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