



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: 5th May, 2023

BY E FILING

The Manager Department of Corporate Services BSE Limited MUMBAI-400 001 <u>Re: BSE Scrip Code: 506618</u>	The Manager Listing Department National Stock Exchange of India Limited MUMBAI-400 051 <u>NSE Scrip Symbol: PUNJABCHEM</u>
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Sub: Revised Investor Presentation (no change in numbers) - Financial Overview – Q4 & FY23

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the revised Investor Presentation of the Company for the fourth quarter of FY2023 and FY2023 with minor correction (no change in numbers).

We request you to take the above information on records.

Thanking you,

Yours faithfully

For **PUNJAB CHEMICALS AND
CROP PROTECTION LIMITED**

**RISHU CHATLEY
COMPANY SECRETARY
& COMPLIANCE OFFICER
(ACS 19932)**

Encl: as above



**PUNJAB CHEMICALS
AND CROP PROTECTION LTD.**

ISO 9001:2015 & ISO 14001:2015 Certified Company

Q4 & FY23

RESULT PRESENTATION

May 2023



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Result Highlights



Result Highlights

Q4 FY23

FY23

₹ 195 cr

Revenue

₹ 21 Cr

EBITDA

₹ 3 Cr

PAT

₹ 1,006 Cr

Revenue

₹ 123 Cr

EBITDA

₹ 61 Cr

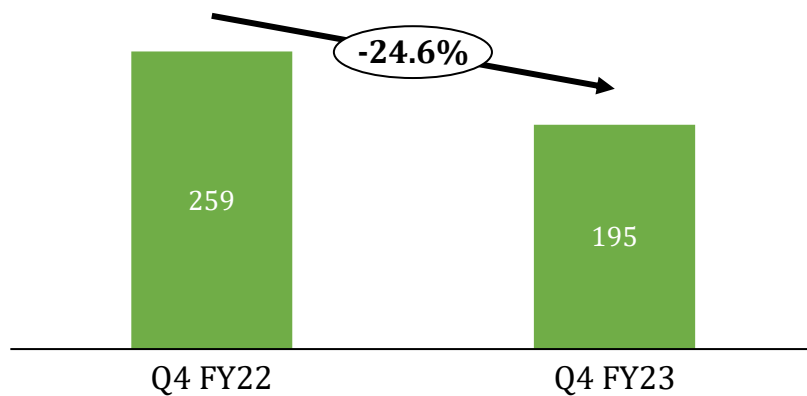
PAT

- The company achieved a revenue of **Rs 195 cr** for Q4 FY 23 and **Rs 1,006 cr** for FY23. This has been in the backdrop of lower demand in the domestic market due to impact of erratic weather conditions and headwinds of high-priced inventory build up with our international customers
- In Q4 FY23, the company has made a provision of Rs 3.8 cr towards adjustment of taxes for earlier years. In addition, there is an interest provision of Rs 1.8 cr, leading to higher tax outgo and finance cost
- Incurred capital expenditure of Rs 29 cr towards upgrading technologies and infrastructure at the manufacturing facilities

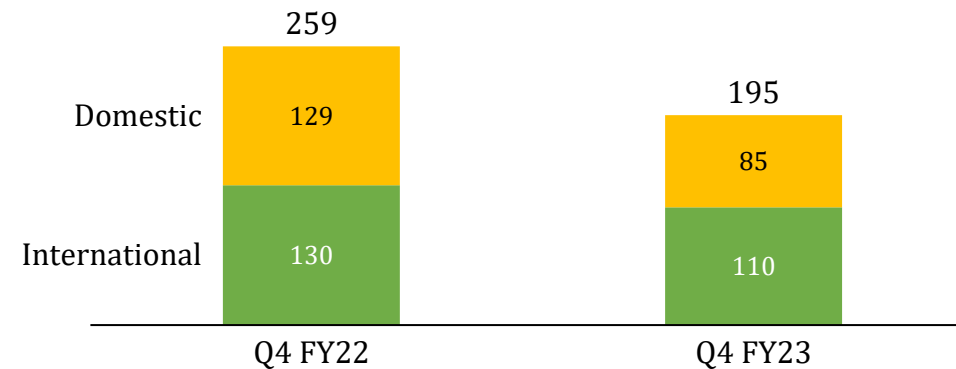
Q4 FY23 Financial Performance

YoY Comparison (In ₹ cr, except margin)

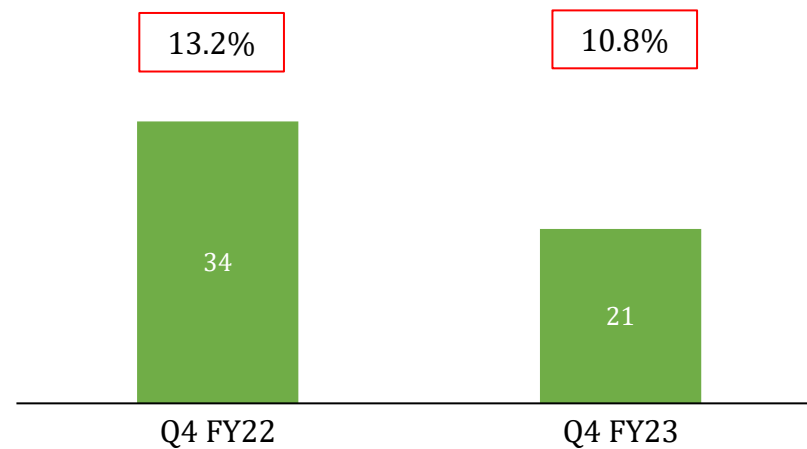
REVENUE



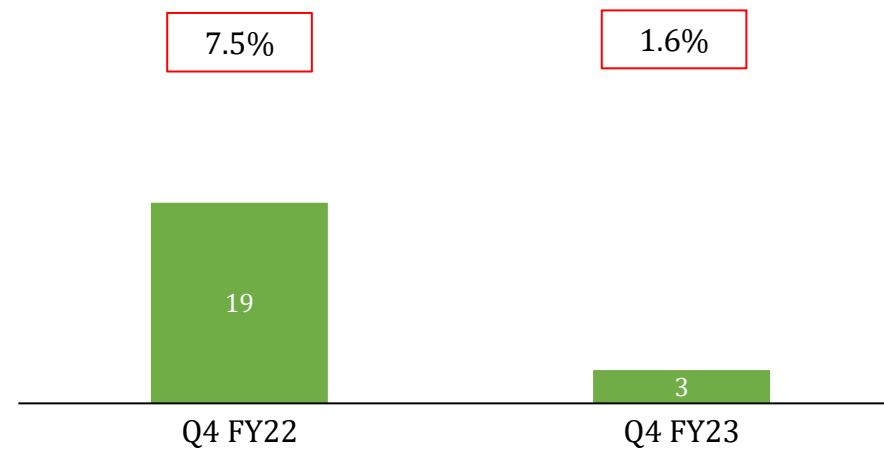
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



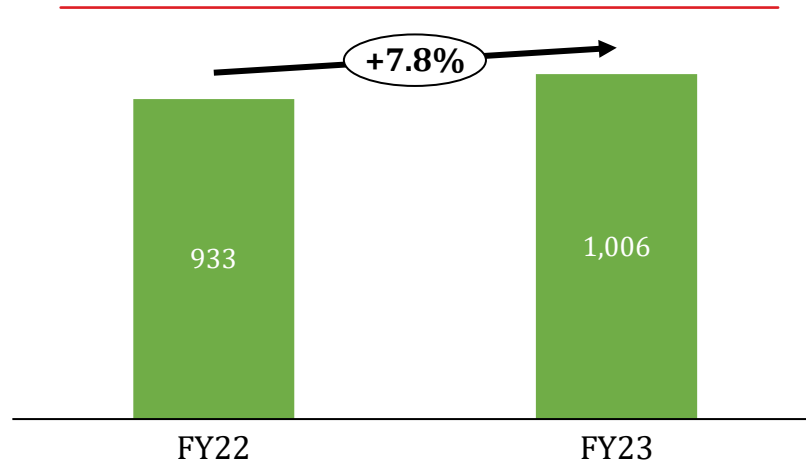
PAT & PAT MARGIN



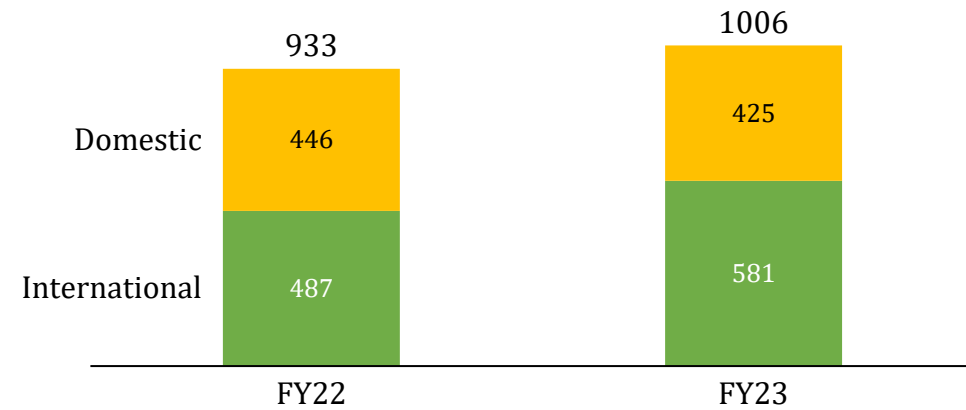
FY23 Financial Performance

YoY Comparison (In ₹ cr, except margin)

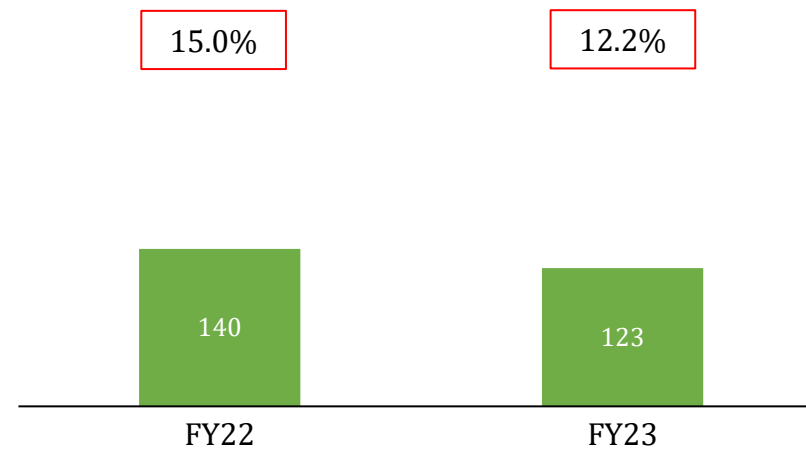
REVENUE



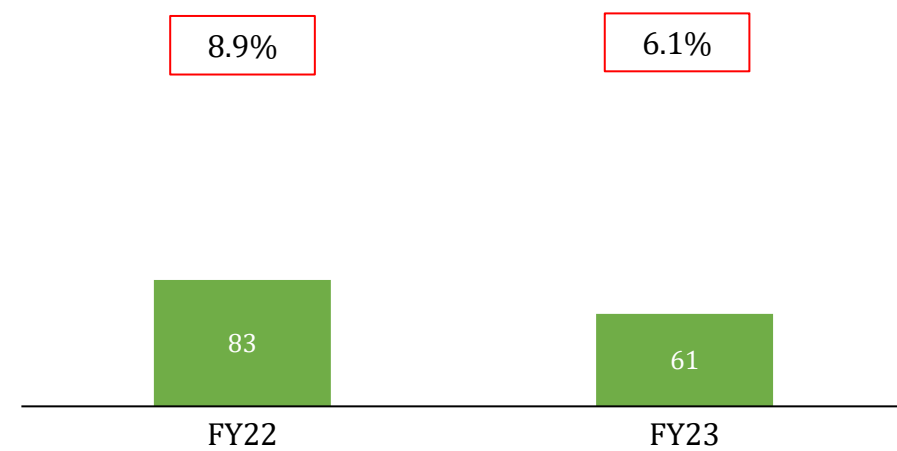
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



PAT & PAT MARGIN



Consolidated Profit & Loss Statement

Particulars (In Rs Cr)	Q4 FY23	Q4 FY22	YoY %	Q3 FY23	QoQ %	FY23	FY22	YoY %
Revenue	195.0	258.7	-24.6%	260.5	-25.1%	1,006.2	933.5	7.8%
COGS	119.4	160.9		165.8		636.2	569.4	
Gross Profit	75.6	97.8		94.6		370.1	364.1	
Gross Margin %	38.8%	37.8%		36.3%		36.8%	39.0%	
Employee Expenses	21.9	18.8		20.5		83.3	76.6	
Other Expenses	32.6	44.8		39.2		164.2	147.8	
EBITDA	21.2	34.2	-38.2%	34.9	-39.5%	122.6	139.7	-12.3%
EBITDA Margin %	10.8%	13.2%		13.4%		12.2%	15.0%	
Depreciation	5.0	4.3		4.8		19.0	16.7	
Finance Cost*	6.6	4.2		4.0		18.0	12.3	
Other Income	0.9	0.4		0.6		3.4	0.9	
PBT	10.5	26.1		26.7		88.9	111.6	
Tax Expense	7.3	6.7		6.7		27.8	28.2	
PAT	3.2	19.4	-83.5%	20.1	-84.0%	61.1	83.5	-26.8%
PAT Margin %	1.6%	7.5%		7.7%		6.1%	8.9%	
EPS	2.6	15.8		16.4		49.8	68.1	

In Q4 FY23, the company has made a provision of Rs 3.8 cr towards adjustment of taxes for earlier years.
In addition, there is an interest provision of Rs 1.8 cr, leading to higher tax outgo and finance cost

Consolidated Balance Sheet

Particulars (In Rs Cr)	Mar-23	Mar-22
EQUITY AND LIABILITIES		
Equity		
Equity share capital	12.3	12.3
Other Equity	268.4	213.4
Total equity	280.6	225.6
Non-current liabilities		
Financial liabilities		
Borrowings	61.6	54.6
Lease liabilities	2.3	3.9
Provisions	19.3	16.8
Deferred tax liabilities	5.3	4.1
Other non-current liabilities	2.1	2.7
Total non-current liabilities	90.5	82.0
Current liabilities		
Financial liabilities		
Borrowings	27.2	32.7
Lease liabilities	2.9	2.2
Trade payables		-
(i) Total outstanding dues of MSME	8.6	6.9
(ii) Total outstanding dues of creditors other than MSME	130.4	125.3
Other Financial Liabilities	44.2	33.1
Other Current Liabilities	10.9	22.2
Provisions	4.3	5.3
Current Tax Liabilities (net)	16.5	22.0
Total current liabilities	244.9	249.6
Total liabilities	335.4	331.6
Total equity & liabilities	616.0	557.3

Particulars (In Rs Cr)	Mar-23	Mar-22
ASSETS		
Non-Current assets		
Property, Plant and Equipment	216.6	206.2
Capital work - in - progress	18.6	6.8
Right of Use Assets	4.8	4.8
Intangible assets	0.7	0.9
Intangible assets under development	1.0	0.5
Financial Assets:		-
Investments	1.4	1.3
Others	3.9	3.6
Income Tax Assets (net)	6.5	6.5
Other non-current assets	0.5	4.2
Total non-current assets	253.8	234.8
Current assets		
Inventories	168.2	153.7
Financial Assets:		
Investments	1.1	0.1
Trade Receivables	143.3	111.8
Cash & Bank Balances	8.7	8.4
Bank balances other than above	2.7	2.8
Loans	0.1	0.1
Other financial assets	8.7	6.9
Other current assets	29.0	38.7
Total current assets	361.9	322.5
Assets held for sale	0.3	
Total Assets	616.0	557.3

Company Overview



Established in 1975 as Punjab United Pesticides & Chemical Ltd (PUPCL), the company has now evolved into Punjab Chemicals and Crop Protection Ltd. We have separate synergistic Agrochemicals, Pharmaceuticals and Industrial chemical divisions with state-of-the-art manufacturing facilities across India.



Our Vision

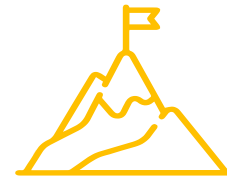
To become a major player in the CRAMS segment with innovation and a preferred partner in Agrochemicals and Performance Chemicals.



WE CARE, WE SHARE, WE DARE

Our Mission

- To meet and exceed customer expectation with quality and cost competitiveness.
- To focus on products and chemistries which ensure value addition for customers.
- To focus on community development in and around areas where we operate.
- To keep research & technology as the backbone for future growth



2022 onwards

- Focus on revenue growth from existing and new molecules
- Infrastructure upgrade
- Strengthen Business development
- Strengthen R&D capabilities
- Expand base into complex chemistry
- Expand supply base & work with domestic suppliers for key raw material sourcing

2016 - 2021

Innovation

Strategic shift in business model to focus on the growing opportunity in CRAMS

1995 - 2015

Operational Excellence

Gained Manufacturing expertise & diversified into Pharmaceuticals, Intermediates, Industrial & Specialty Chemicals

1975 - 1995

Establishment

Started in 1975 as a small company to cater to the Domestic needs of basic chemicals like Oxalic Acid & Diethyl Oxalate.



2 Manufacturing facilities at Derabassi & Lalru in Punjab || 1 facility in Pune, Maharashtra with food grade certification.

Derabassi & Lalru plants are certified with ISO 9001:2015 , ISO 14001:2015 and ISO 45001:2018.

Pune unit is certified with ISO 22000



Total Reactor
Capacity: 1300 KL



Capability to process reactions
under extreme conditions



All manufacturing sites have zero
liquid discharge using advance
Effluent Treatment plant with MVRE
(Mechanical Vapor Recompression
Evaporation technology)



Highest standards of safety
adherence with regular audits &
upgradations

Divisions

Major chemistries

Product Category

Agrochemicals/ Intermediates

- Chlorination
- Hetrocyclic
- Bromination
- Methylation
- Hydrazine
- Oxidation
- Benzylation

Fungicide, Herbicide. Manufacturing patented products under long term agreement/ in-house R&D

Above list is not exhaustive, there are many more etc__

Performance/ Specialty Chemicals

- Halogenation
- Esterification
- Cynation
- POCl_3 / PCL_5

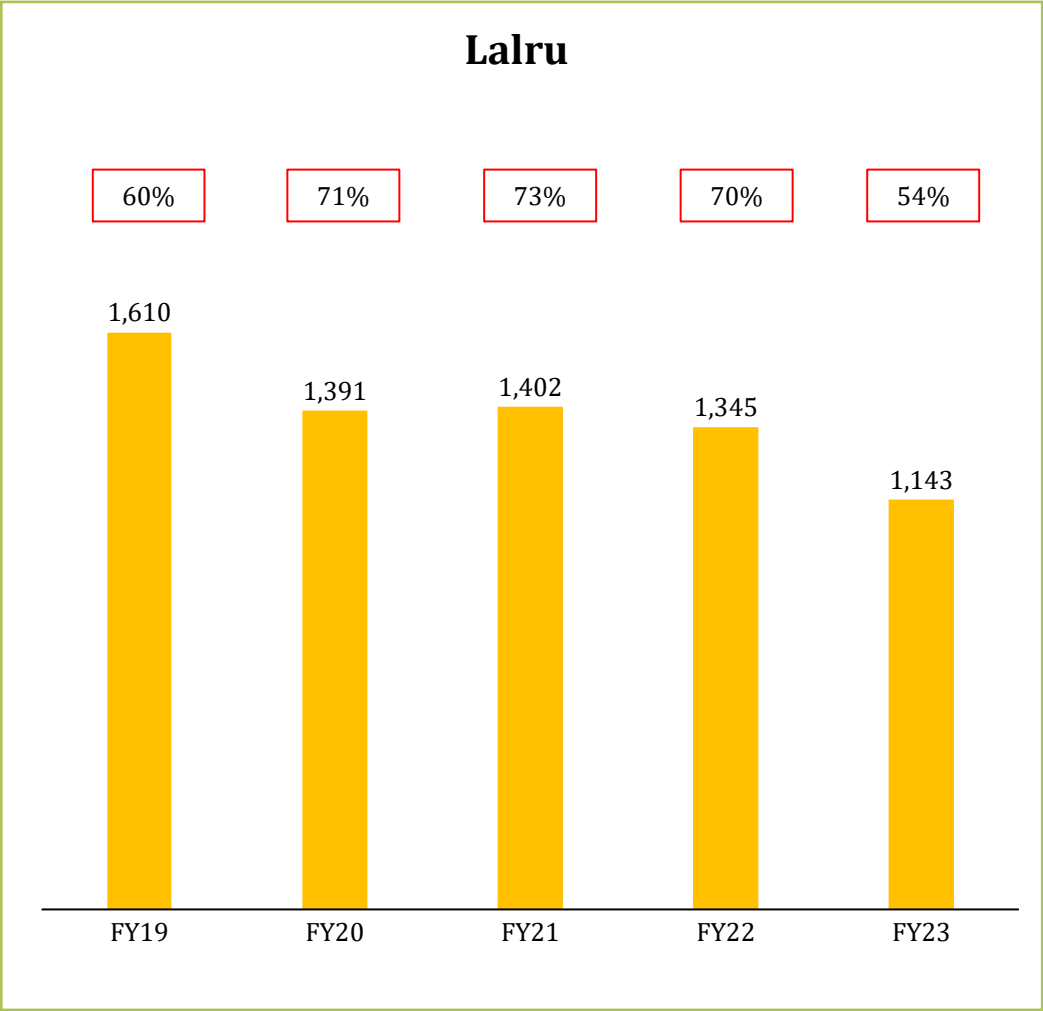
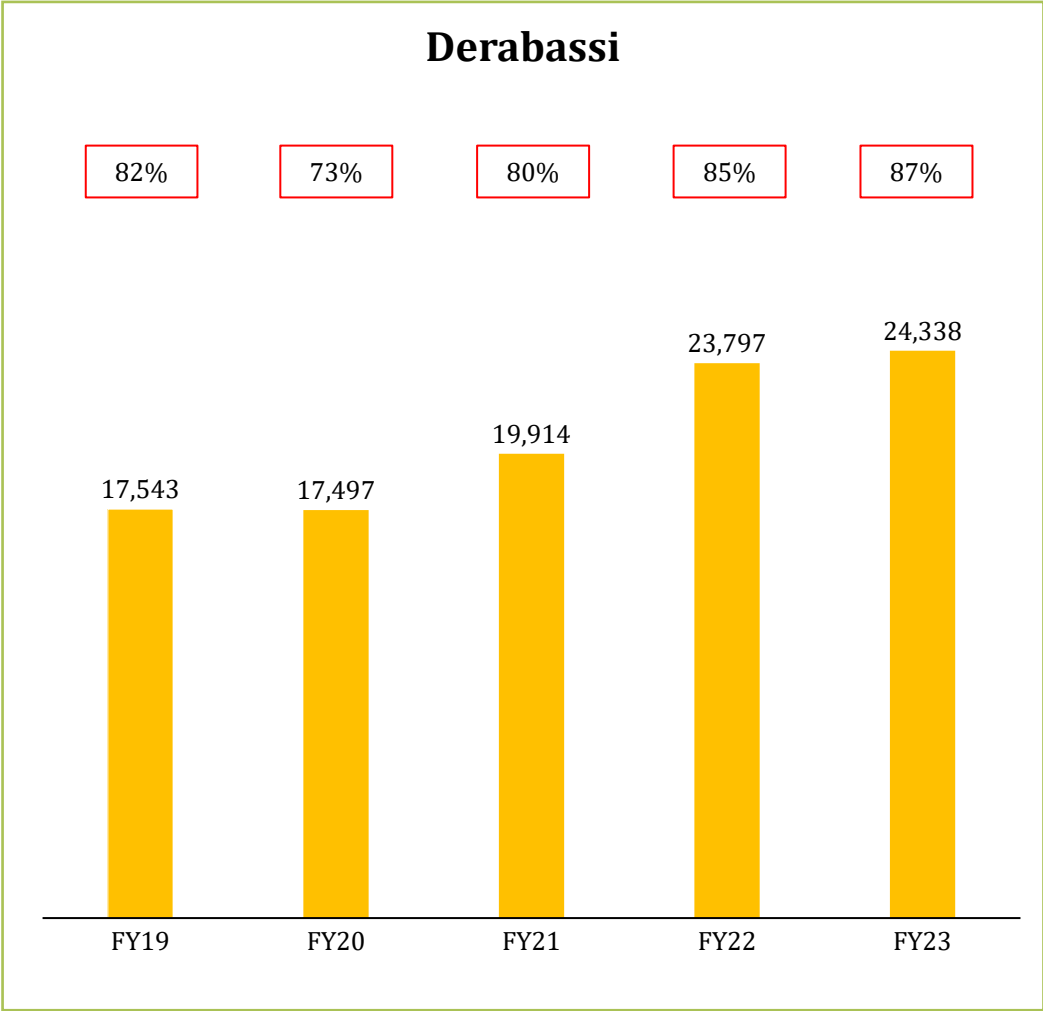
Multi-Step specialty chemical/ intermediate for API

Industrial Chemicals

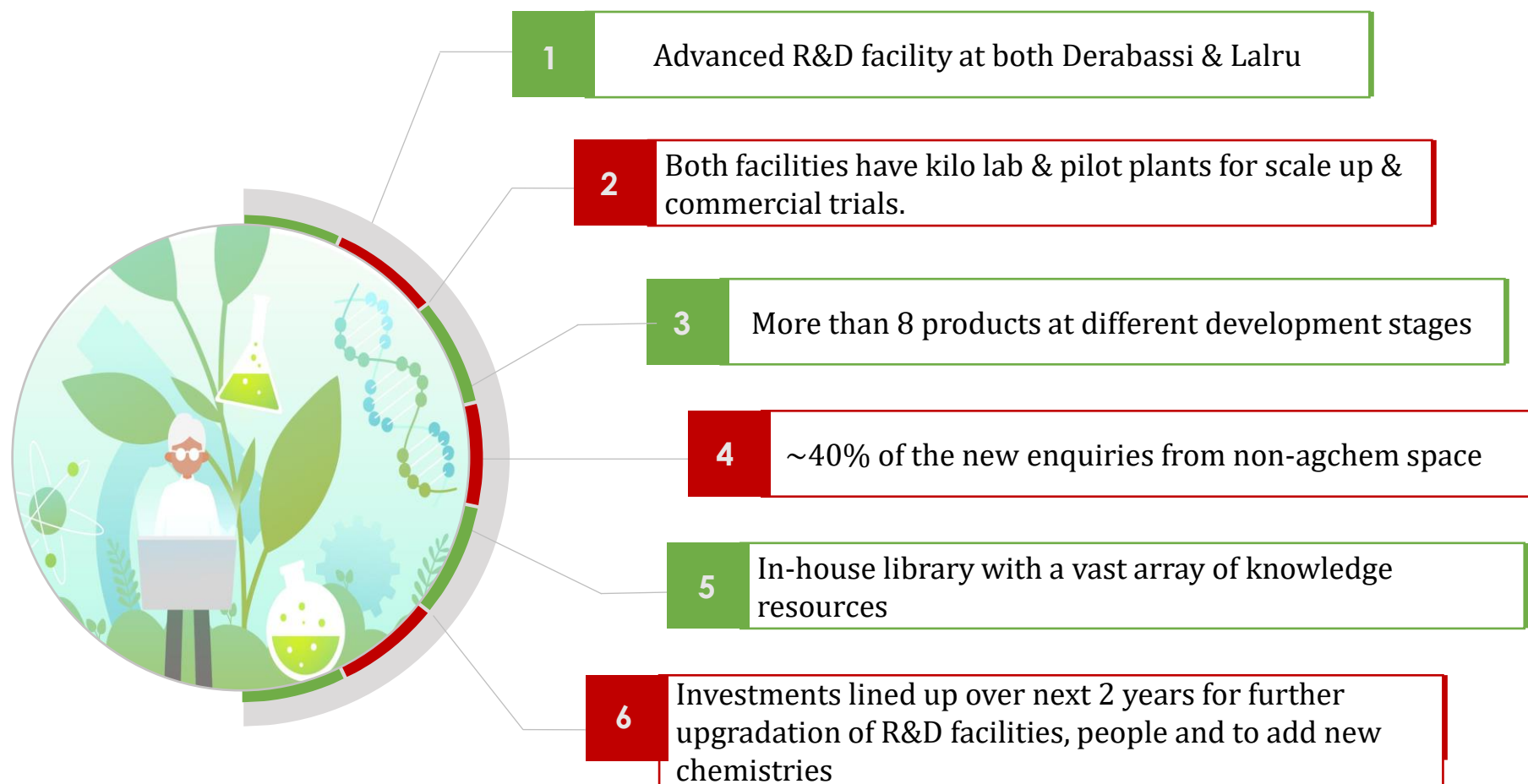
Phosphorous based products & chemistry

Special high purity phosphorous compound/ phosphates

Annual Production (MT) & Capacity Utilisation (%)



Note : 2 new products have been developed and with improved market condition, scale up is expected in FY24. Subsequently, utilization is expected to improve significantly



Our R&D talent pool



24
Strength of
R&D Team



30
Strength by
FY24



2
PhD in
R&D Team



Tie-up with
local
universities

Product Pipeline

	Category	Business Model	Product Segment	No. of products	End crop application	Targeted Market	Stage
Mature molecules with growth potential of 5 - 8%	Agro	CRAMS	Fungicide, Insecticide	4	Wheat, Corn, Stone fruits, Rice, Soyabean, Potatoes, Cotton, Paddy	North America, APAC, Middle East, Africa,	Reached commercial stage
		In-house Manufacturing	Fungicide	1	Fruits, Groundnut, Onions, Cumin	USA, Europe	R&D Stage
New molecules with exponential growth potential	Speciality Chemical	CRAMS	Fungicide, Herbicide	2	Maize, Soyabean, Wheat, Cotton, Corn, Rice and Vegetables	Europe, USA, LATAM and APAC	Commercialised
		In-house Manufacturing	Plant growth regulator	1	Potatos	USA, Europe	Reached commercial stage
		In-house Manufacturing	Niche applications	7	NA	USA, Europe	R&D stage

Environment, Health & Safety Measure



Upgraded Effluent Treatment Plant & Incinerator at Derabassi.
Lalru facility is being upgraded to more efficient system with latest technology



Member of new Common Effluent Treatment Plant and also a member of Common Treatment & Disposal Facility for solid waste



Derabassi and Lalru units of the Company are Zero Liquid Discharge (ZLD) facilities.



Focusing on process safety management (PSM) principles



Plants equipped with occupational health facilities, professional trained staff and instituted practices.



Strong EHS systems, processes, inspection and training who enhance awareness and ensure practices.



Regular internal & external audits



Waste reduction exercise taken aggressively with a focus on enhanced recovery

Our Global Clientele

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



Leadership Team: Board of Directors



Mr. Mukesh D. Patel
Chairman &
Independent Director



Mr. Shalil Shroff
Managing Director



Mr. Vijay Rai
Independent Director



**Capt Surjit Singh Chopra
(Retd),**
Director



Ms. Aruna Bhinge
Independent Director



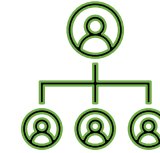
Mr. Sheo Prasad Singh
Independent Director



Mr. Avtar Singh
Non Executive
Non-Independent Director

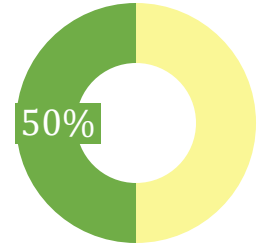


**Mr. Shivshankar Shripal
Tiwari**
Non Executive
Non-Independent Director



Board Composition

50% of the Board members
are Independent Directors



Chairman is an Independent Director
& the role is separated from
Managing Director

Committees chaired by Independent Directors:

- Audit Committee
- CSR Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee

Leadership Team: Key Management Team



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

- Chemical Engineer, IIT-B & PGPX, IIM-A
- 25+ experience with Reliance Industries Ltd
- Former CEO – VVF Ltd & Archean Chemicals



**Mr. Ashish Nayak,
Chief Financial Officer**

- Chartered Accountant and has a bachelor degree of Commerce from Bombay University
- 26+ years of experience having worked in diverse sectors as chemicals, pharmaceuticals, engineering and retail
- Lead IPO listing in Pharma space
- Worked with Corporates/groups as Shroff Group, Shoppers Stop, Tommy Hilfiger, Malhotra Group, Supriya Lifescience Ltd



**Ms. Rishu Chatley,
Company Secretary**

- Member of Institute of Company Secretaries of India, a Law Graduate and has a post Graduate degree in Commerce from Panjab University
- 17 years+ of experience in the Corporate Secretarial, Corporate Laws, SEBI Regulations & Compliances



**Dr. Vijay Kaushik,
Assistant Vice President- R & D**

- Ph.D and has done MSc (Organic Chemistry) from Meerut University
- He has around 30 years of experience in companies like Bayer Vapi Pvt Ltd, Meghmani Organics Ltd, PI Industries Ltd.



**Mr. Paramjeet Singh,
General Manager (Works)**

- Chemical Engineer, NIT - J & Business Management from IIM, Ahmedabad
- 20 years experience in the manufacturing, planning & operation in various manufacturing units of API's/Bulk drugs. He has worked as Director, Operations with GVK Bio.



**Mr. Deepak Gill,
General Manager - BD**

- Master of Science in Agricultural Entomology from CSKHPAU, Palampur & PG Diploma in Management from Welingkar Institute of Management, Mumbai
- 16 years of experience in Sales in companies like Intech Organics Pvt Ltd, Saraswati Agro Life Science India Pvt Ltd, Sulphur Mills Ltd.



**Mr. Girish Sharma,
General Manager (Works)**

- Master in Chemistry from Hindu College, Delhi University and PGDM in Operations Management and PMP
He is pursuing CPIM (Certified production and inventory management) from Association for Supply Chain Management
- 22 years of experience in companies like Ajinomoto Bio-Pharma Pvt Ltd, Cipla Ltd and Sandoz Pvt Ltd.

**Infrastructure in
Schools**



**Inauguration of
Computer Lab**



Tree Plantation



Pond Adoption



**Water Dispenser
Installed in School
under CSR**



**Medical check up &
Eye Camps**



**Donations for
Orphans and Disabled**



Business Strategy

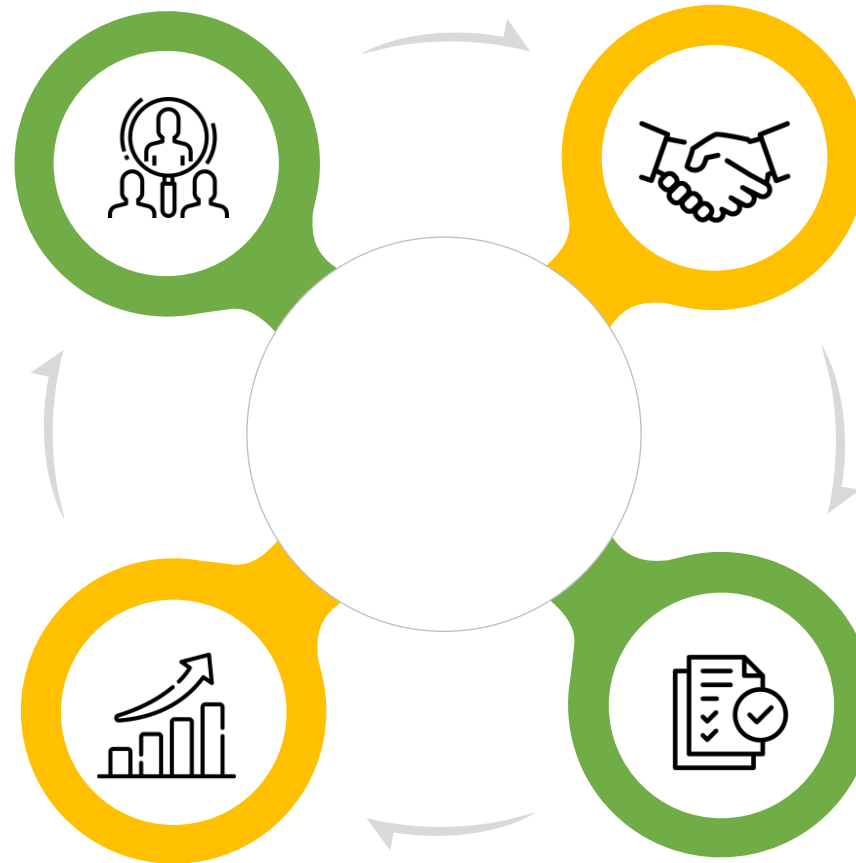


Identify Niche Products

- Target ₹ 150-200 cr revenue per product
- Target clients - Global Agrochemical/ Specialty chemical leaders
- Mid-sized companies with specific requirement

Modus Operandi

- Dedicated R&D Team
- Develop products as per customer requirement
- Expertise in Scaling up : R&D - Pilot - Commercial Production
- Quick implementation of projects



Partner for Contract Manufacturing

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

Growth Triggers

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

Strategic Advantage



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, 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

- New Technologies & Integrated Supply chain
- Focus on R&D, Product Development
- Partner with more MNCs/ domestic players for healthy growth & sustainable EBITDA

Prudent Capital Allocation driving growth in ROCE

Low Debt to Equity

Attractive End Market Dynamics & Healthy Growth

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

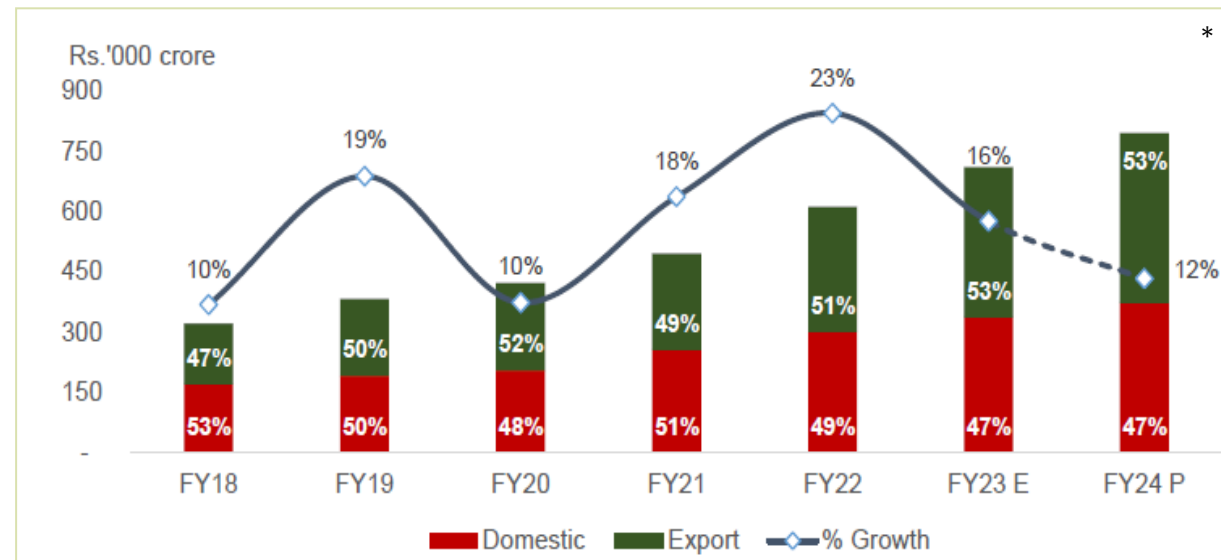


Indian Agrochemicals Industry

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%
Total	295	~354	3.5%-4%



Growth Drivers

Agrochem

Agrochemicals in India is currently a \$5.5 billion market, growing at a CAGR of 8.3 percent. By 2040, it is expected to account for almost 40 percent of India's overall chemicals exports. ^

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 Indian government recognizes its agrochemical industry as one of its top 12 industries to achieve global leadership growing at 8% to 10% through 2025, according to the Federation of Indian Chambers of Commerce and Industry.

Increase in demand of horticulture and floriculture

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

	Anticipated Growth 2018 → 2025	Opportunity size	Capitalising on Opportunity
Integrated Pest Management (IPM)	\$ 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
Patent expiry of agrochemical products	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
Substituting China as Global Agrochemical Hub	\$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

Demand Drivers for Agrochemicals



Feeding the growing global population



Protecting against crop loss and increasing yields



Raising demand for sustainably produced food



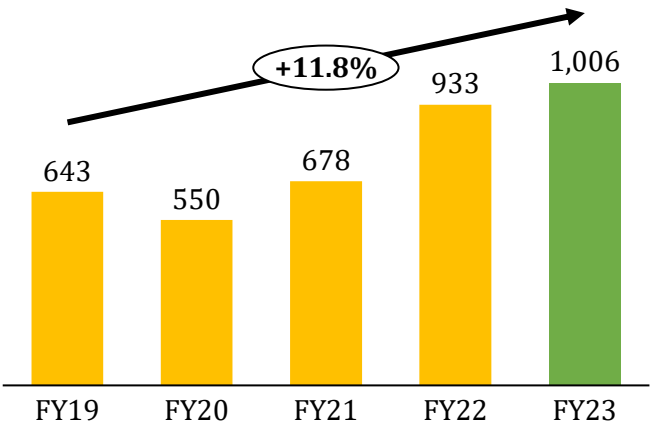
Tracking climate change

Performance Track Record

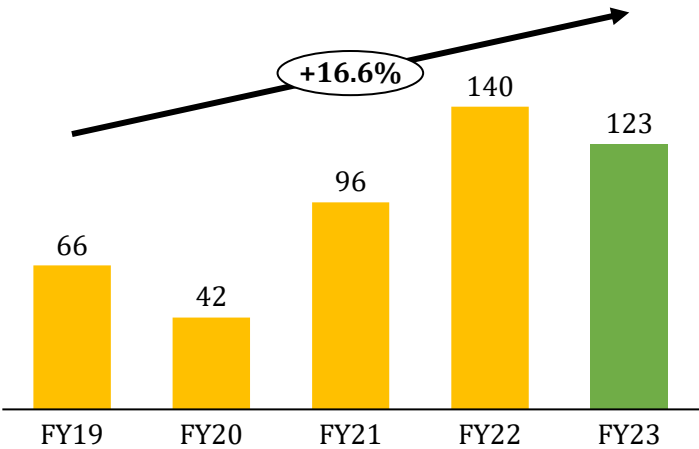


Performance Track Record

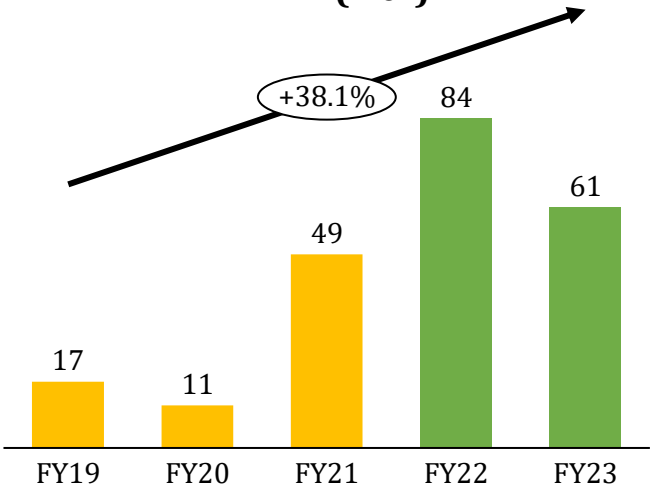
Revenue (₹ cr)



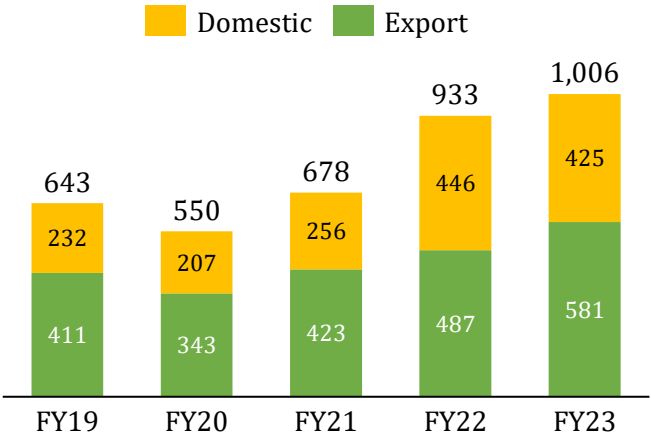
EBITDA (₹ cr)



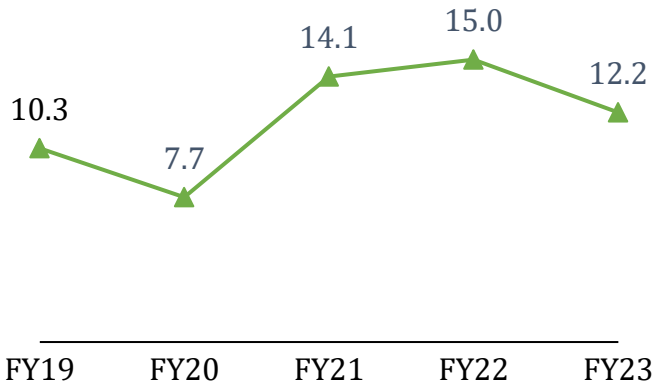
PAT (₹ cr)



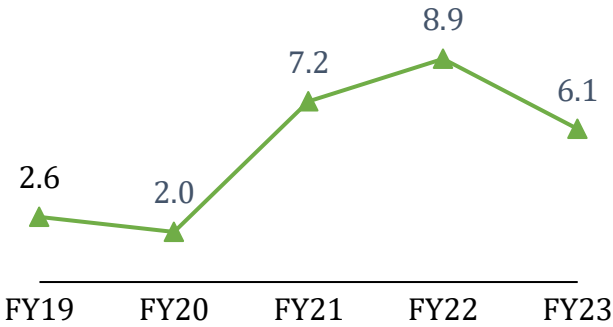
Revenue Split (₹ cr)



EBITDA Margin (%)

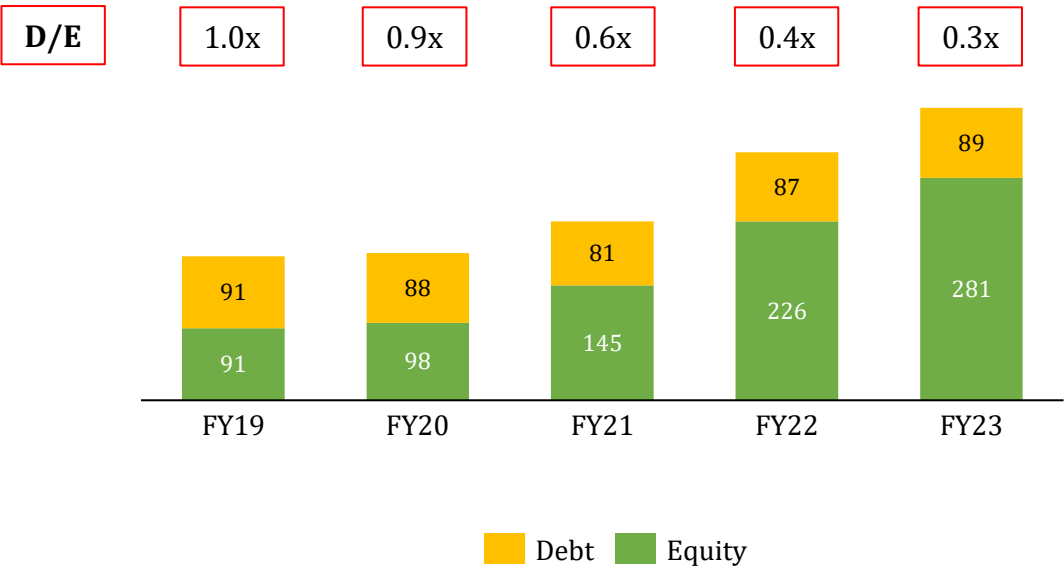


PAT Margin (%)

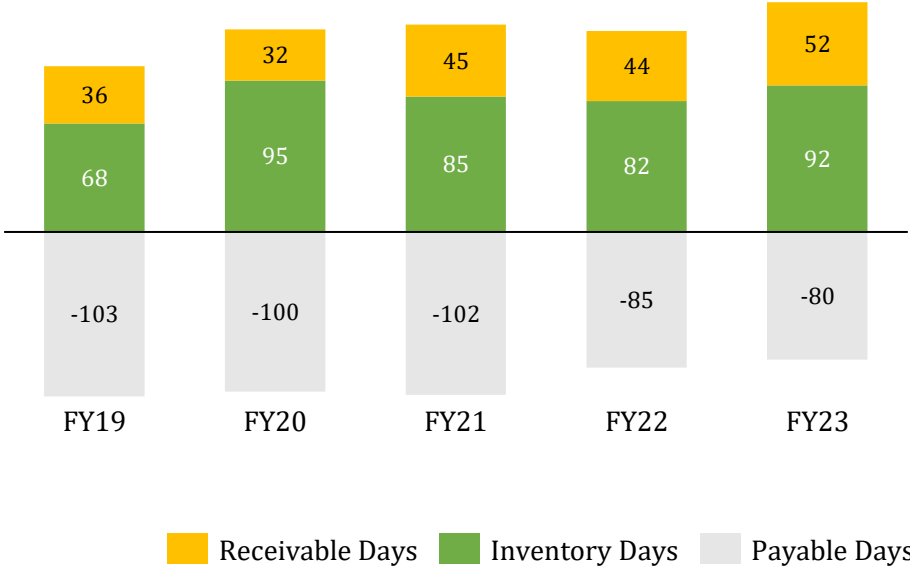


Performance Track Record

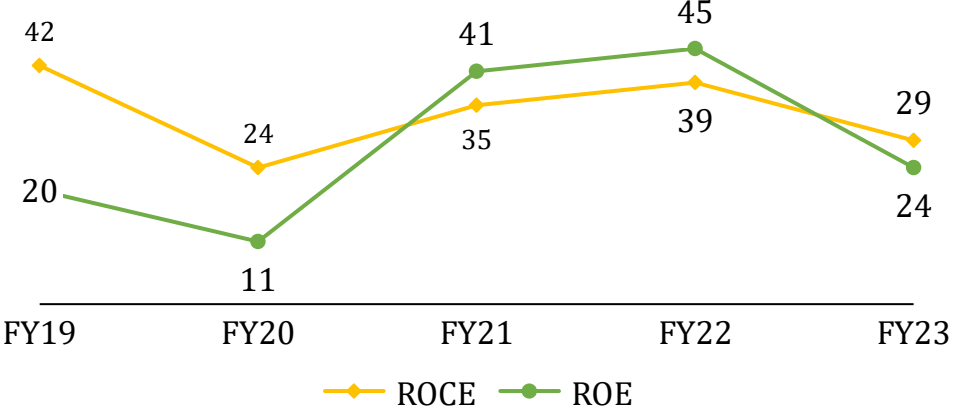
Capital Structure (₹ cr)



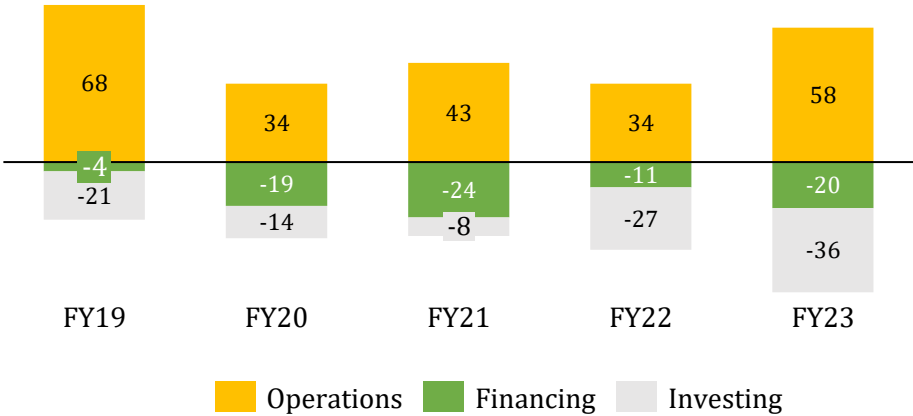
Working Capital Analysis (₹ cr)



Return Ratios (%)



Cash Flow (₹ cr)



THANK YOU



Ashish Nayak
Chief Financial Officer

investorhelp@punjabchemicals.com

orientcapital

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