



PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

Regd. Office & Works

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Date: 1st November, 2021

By E-filing

The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, New Trading Wing,
P.J Towers,
Dalal Street Fort
MUMBAI-400 001
Scrip Code: 506618
Tel No.: 022-22728073

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
MUMBAI-400 051

Scrip Symbol: PUNJABCHEM
Tel No.: 022-26598235/26598458

Sub: Investor Presentation - Financial Overview -Q2 of 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 second quarter / half year ended 30th September, 2021.

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

Thanking you,
Yours faithfully

for PUNJAB CHEMICALS AND
CROP PROTECTION LIMITED,

(CS PUNIT K ABROL)
SR. V.P. (FINANCE) & SECRETARY



PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

ISO 9001:2015 & ISO 14001:2015 Certified Company

**PUNJAB CHEMICALS
AND CROP PROTECTION LTD**

INVESTOR PRESENTATION

November 2021



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 – Q2 FY22

Company Overview

Business Strategy

Performance Track Record

Q2 FY22 RESULT HIGHLIGHTS

RESULTS AT A GLANCE

Q2 FY22 Revenue
₹ 209 cr,
up 27.3% YoY

Q2 FY22 EBITDA
₹ 31 cr,
up 36.8% YoY

Q2 FY22 PAT
₹ 18 cr,
Up 52.3% YoY

EBITDA Margin 14.8%
PAT Margin 8.6%

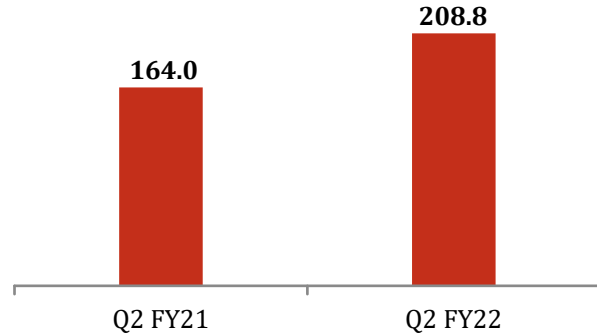
Generated
Cash Profits
₹ 22.2 cr

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

Q2 FY22 FINANCIAL PERFORMANCE

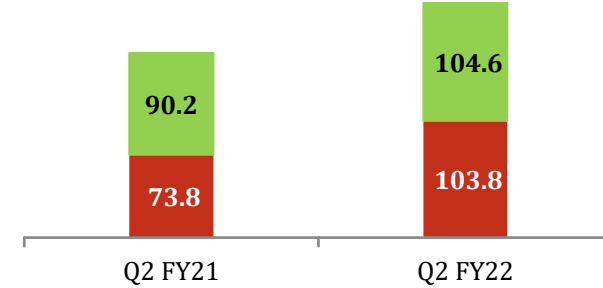
YOY COMPARISON (In ₹ cr)

REVENUE

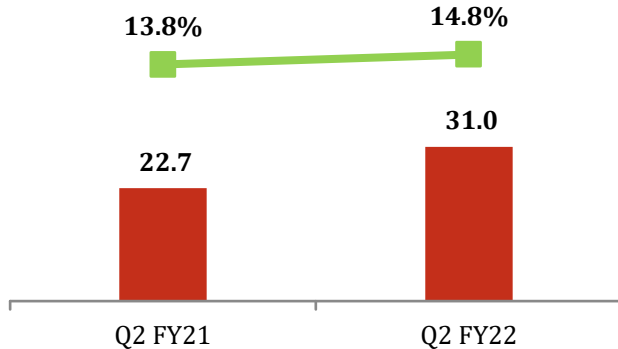


GEOGRAPHICAL SPLIT

International Domestic

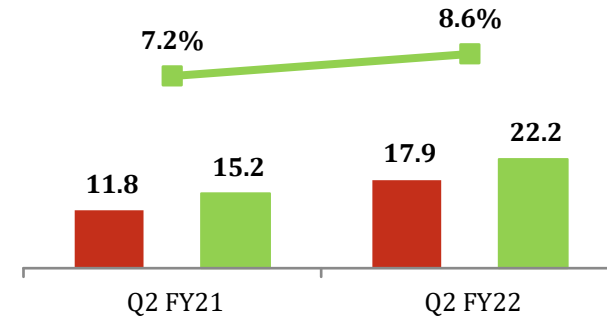


EBITDA & EBITDA MARGIN



CASH PAT, PAT & PAT MARGIN

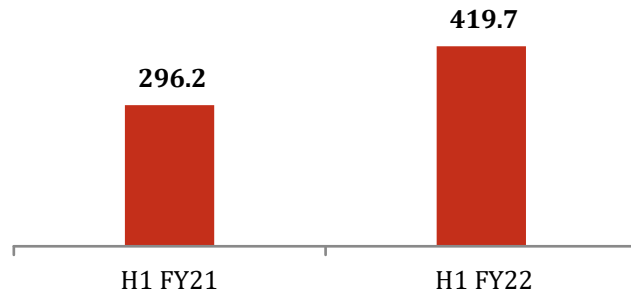
PAT Cash PAT PAT Margin %



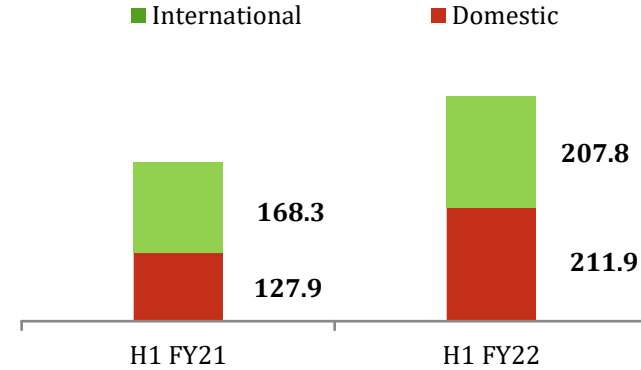
H1 FY22 FINANCIAL PERFORMANCE

YOY COMPARISON (In ₹ cr)

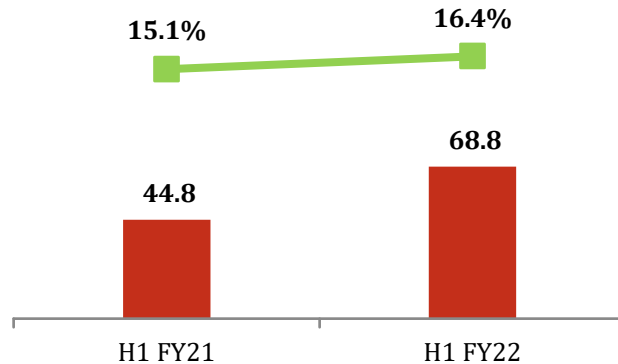
REVENUE



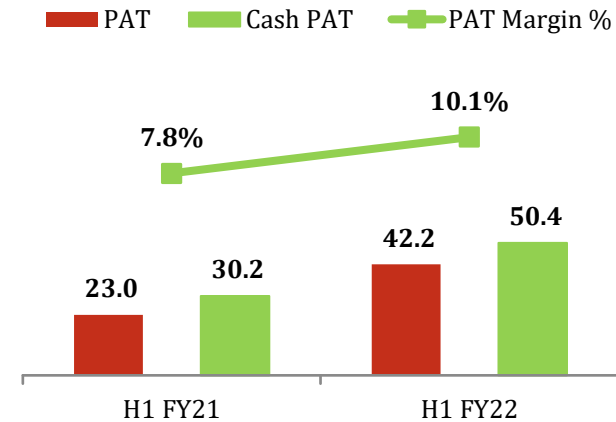
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



CASH PAT, PAT & PAT MARGIN



CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Cr)	Q2 FY22	Q2 FY21	YoY %	Q1 FY22	QoQ %	H1 FY22	H1 FY21	YoY %	FY21
Revenue	208.8	164.0	27.3%	211.0	-1.0%	419.7	296.2	41.7%	678.2
COGS	124.1	97.8	26.9%	123.6	0.3%	247.7	172.2	43.9%	405.1
Gross Profit	84.7	66.2	28.0%	87.3	-3.0%	172.0	124.0	38.7%	273.1
Gross Margin %	40.6%	40.4%	20 bps	41.4%	-2.0%	41.0%	41.9%	-89 bps	40.3%
Employee Expenses	19.7	15.9	23.9%	19.6	0.7%	39.3	32.1	22.6%	67.7
Other Expenses	34.0	27.7	23.0%	30.8	10.3%	64.0	47.2	35.6%	109.9
EBITDA	31.0	22.7	36.8%	36.9	-16.0%	68.8	44.8	53.6%	95.5
EBITDA Margin %	14.8%	13.8%	103 bps	17.5%	-15.1%	16.4%	15.1%	127 bps	14.1%
Depreciation	4.2	3.5	22.0%	3.9	7.7%	8.1	7.2	12.6%	14.9
Finance Cost	2.8	4.0	-31.3%	2.4	16.5%	5.1	8.4	-39.1%	13.5
Other Income	0.1	0.6	-90.0%	1.2	-95.0%	0.4	1.5	-75.8%	1.8
PBT	24.1	15.8	52.6%	31.8	-24.3%	55.9	30.7	82.2%	69.0
Tax Expense	6.2	4.0	53.4%	7.5	-18.3%	13.7	7.7	-	19.9
PAT	17.9	11.8	52.3%	24.3	-26.1%	42.2	23.0	83.8%	49.1
PAT Margin %	8.6%	7.2%	141 bps	11.5%	-25.4%	10.1%	7.8%	-	7.2%

CONSOLIDATED BALANCE SHEET

Particulars (In Rs Cr)	Sep-21	Mar-21
Equity		
Equity Share capital	12.3	12.3
Other Equity	172.5	132.3
Non-Current Liabilities		
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
Current Liabilities		
Financial Liabilities		
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
Total Equity & Liabilities	524.1	451.0

Particulars (In Rs Cr)	Sep-21	Mar-21
Non-Current Assets		
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
Financial Assets:		
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
Current Assets		
Inventories	150.5	101.3
Financial Assets:		
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
Total Assets	524.1	451.0



COMPANY OVERVIEW




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)

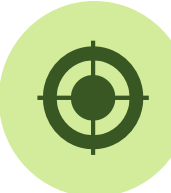
Our Vision

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


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%
 - 4 yrs Debt/Equity down from 1.4 to 0.5

Our Mission

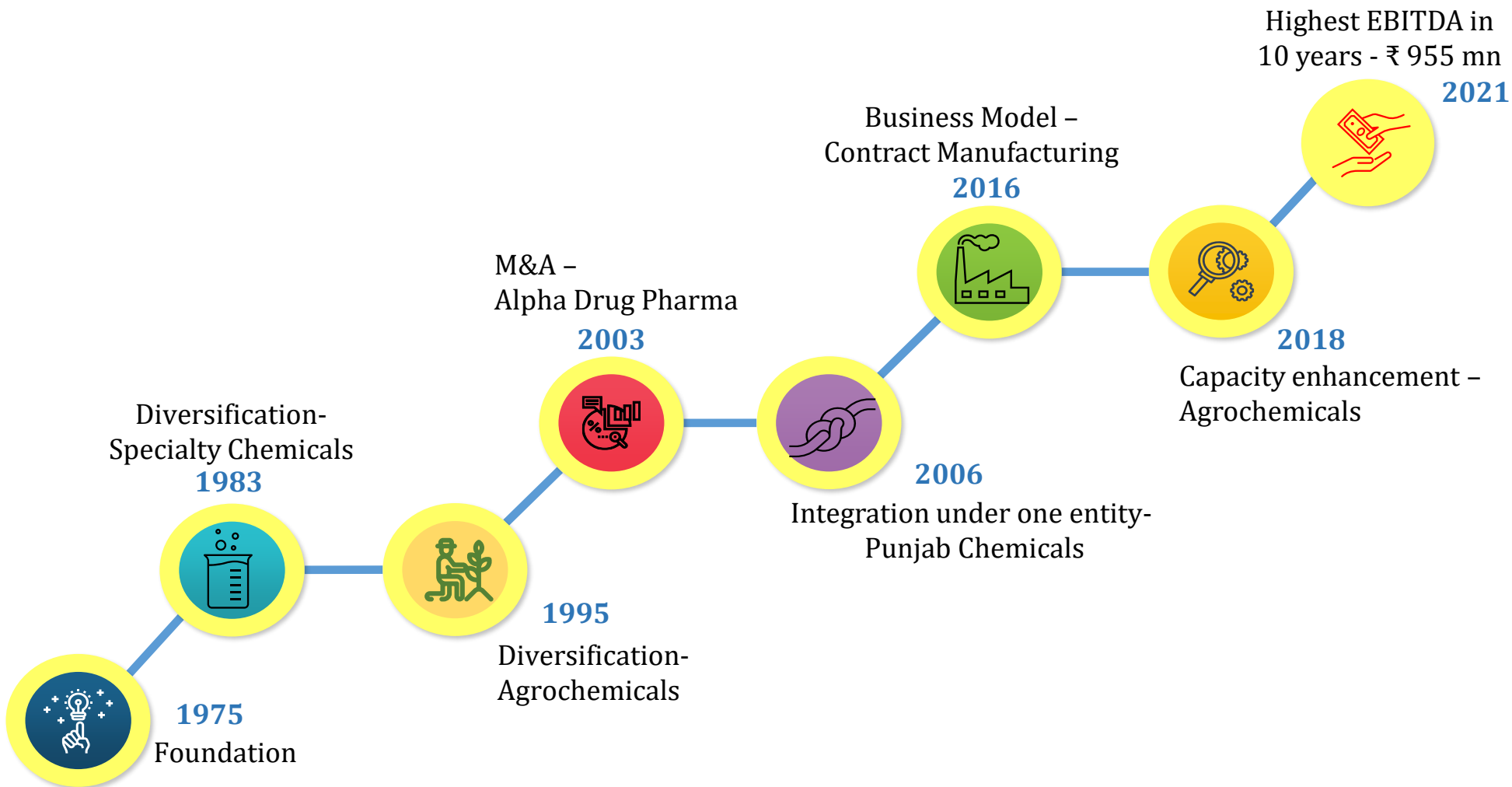
- 
- To achieve income and profitability in a sustained manner
 - To meet the customer expectations with products of the right quality and quantity in required time
 - To focus on products and companies which ensure better added value
 - To renew relationship with Indian Formulators and build a stronger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

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

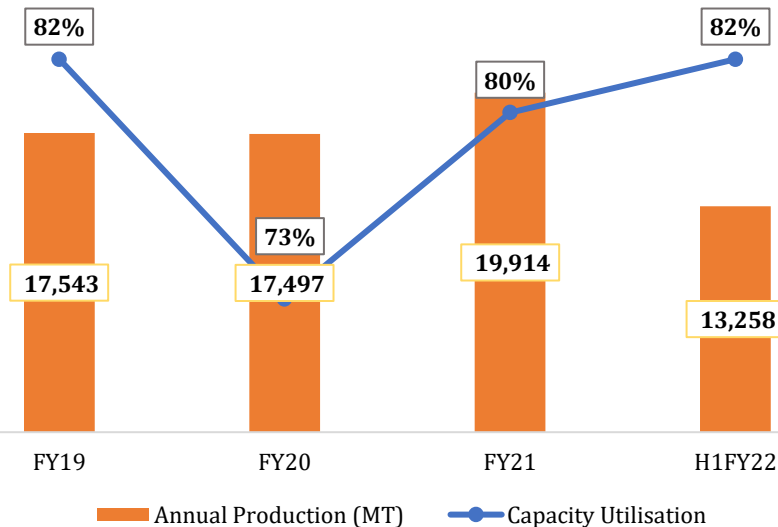


Location	Derabassi	Lalru
Established	1975	2003
Area	24.1 acres	23.5 acres
Capacity	29,700 MT	5,778 MT
Manpower	751	456
Capacity Utilisation(H1 FY22)	82%	78%
Certifications	ISO 9001:2015 & ISO 14001:2015 ; 2 STAR Export House	

MANUFACTURING FACILITIES

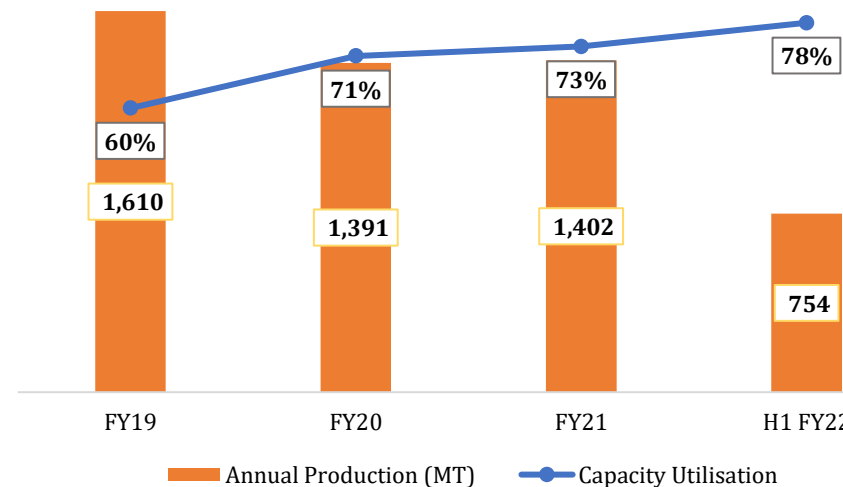
DERABASSI

- 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



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. 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), 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)

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 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. Punit Abrol, Sr VP & CS

- L.L.B., B.Com, F.C.S. & Diploma of Taxation from Punjab University
- In 35 years with the company, has handled Finance, Accounts, Legal & Secretarial functions
- Chairman of Northern India Regional Council of the Institute of Company Secretaries of India in the year 2006



BUSINESS STRATEGY

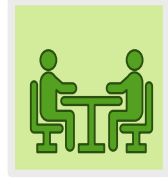


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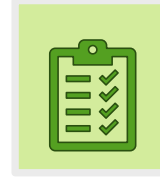
Identify Niche Products

- 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

ADVANTAGE PUNJAB CHEMICALS

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

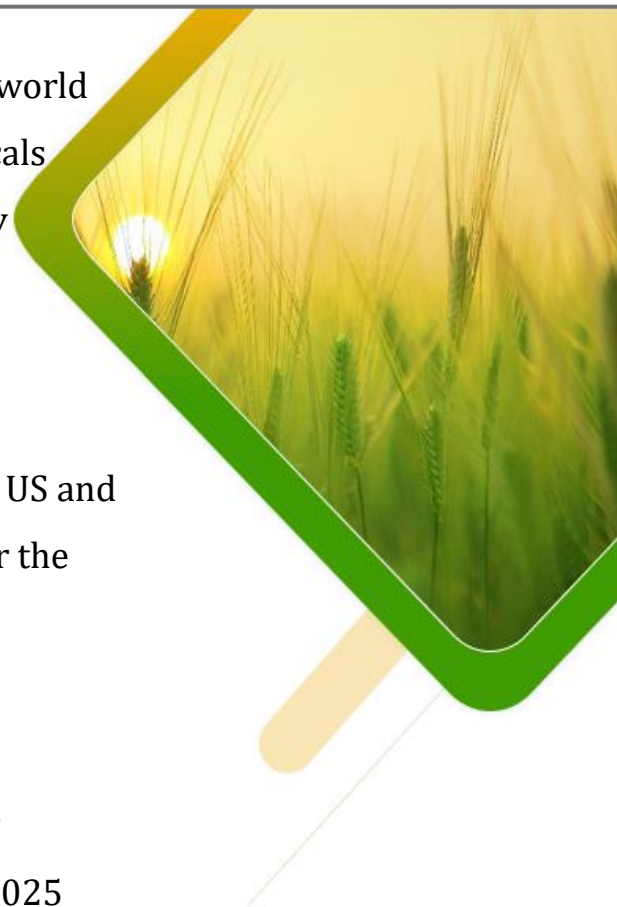
Way Forward



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

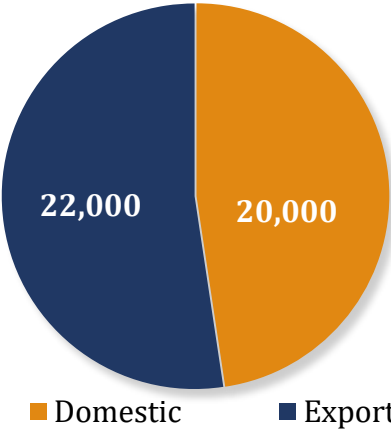
INDIAN AGROCHEMICALS INDUSTRY OVERVIEW

- 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

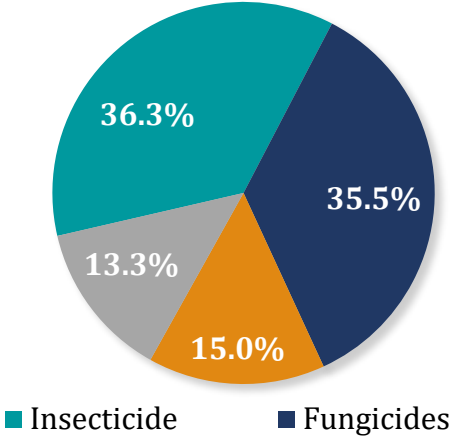


INDIAN AGROCHEMICALS INDUSTRY OVERVIEW

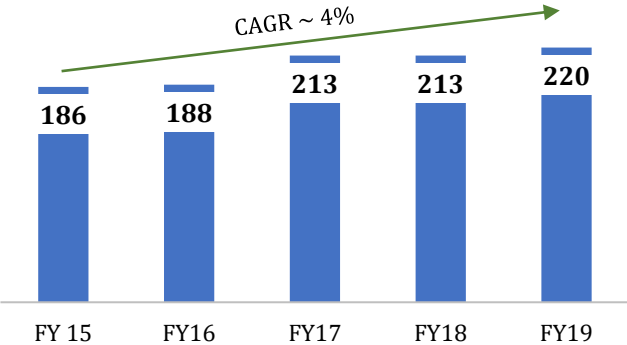
Consumption vs Exports (₹ '000 cr)



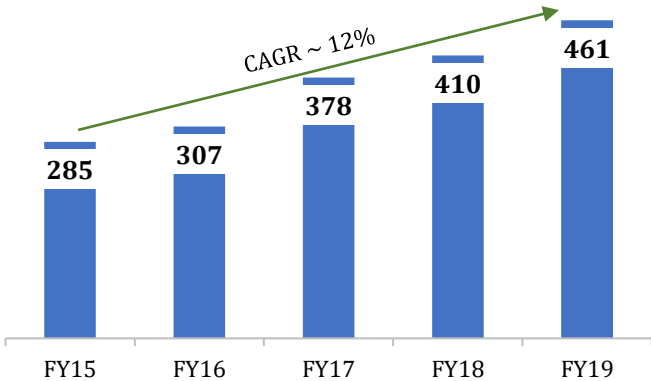
Segmental Domestic Consumption



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

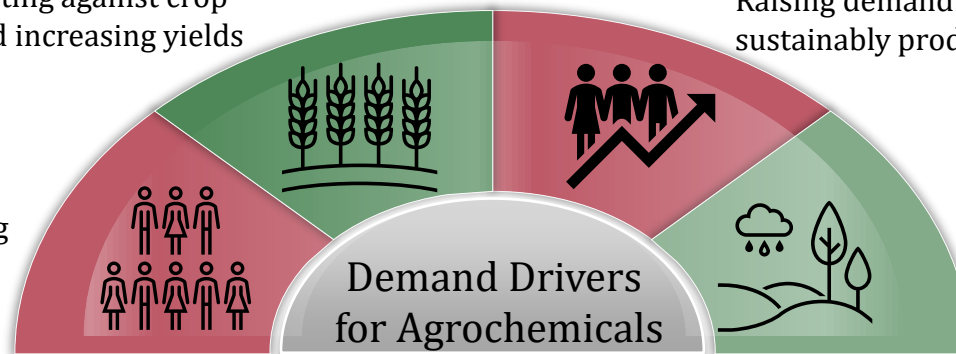


Feeding the growing global population

Protecting against crop loss and increasing yields

Raising demand for sustainably produced food

Tracking climate change



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

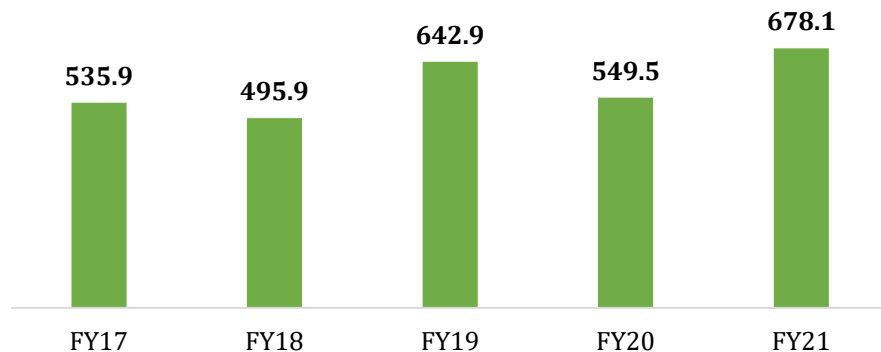


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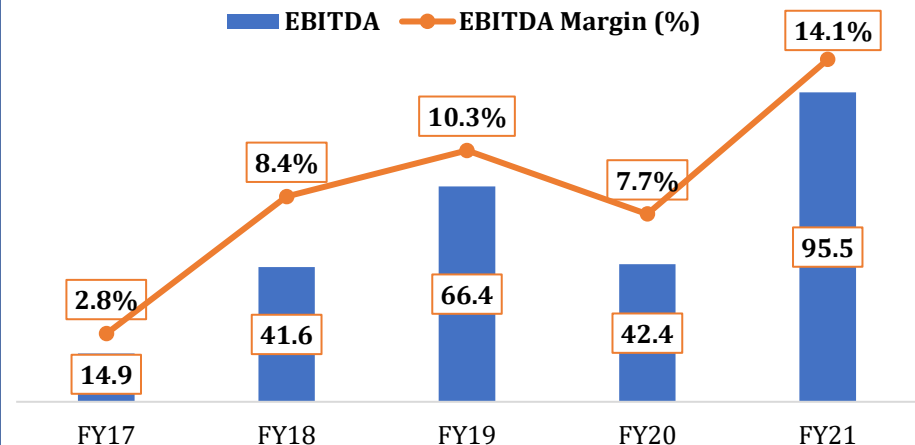
PAST PERFORMANCE AT A GLANCE

5 YEARS TRACK RECORD (in ₹ cr)

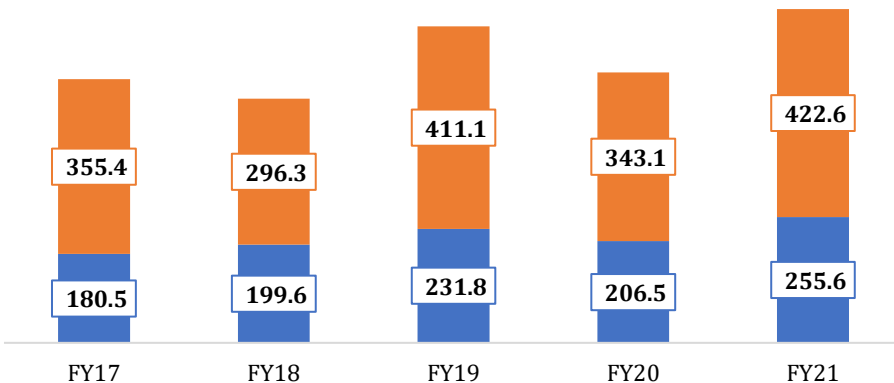
REVENUE



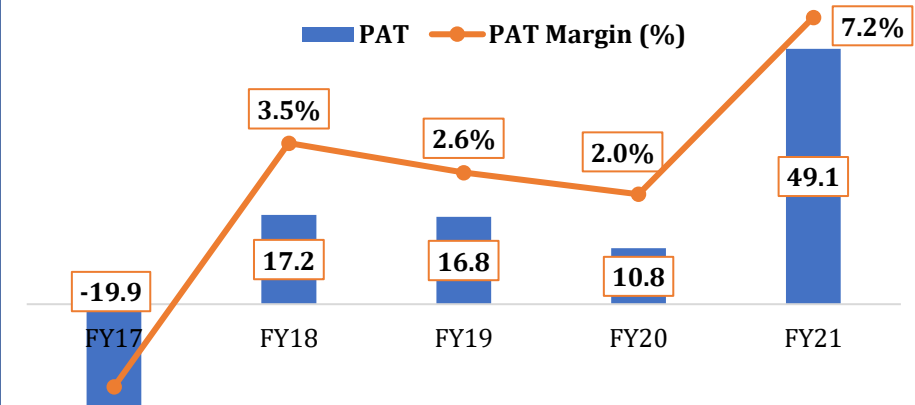
EBITDA EBITDA Margin (%)



REVENUE SPLIT Domestic Export



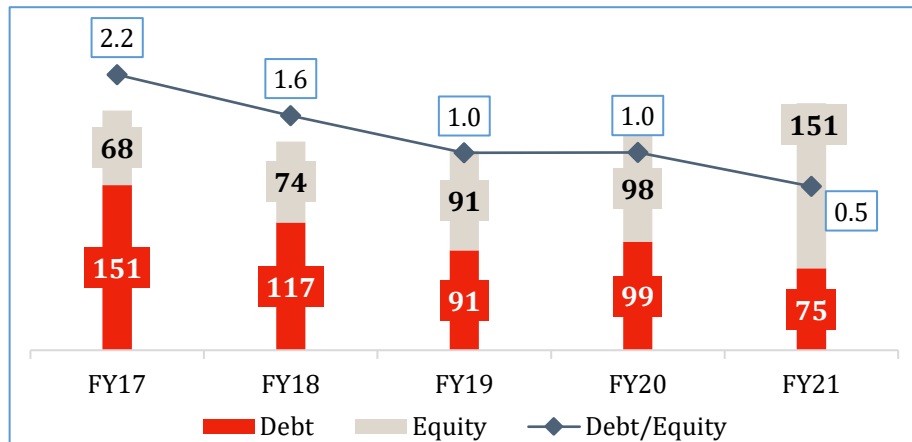
PAT PAT Margin (%)



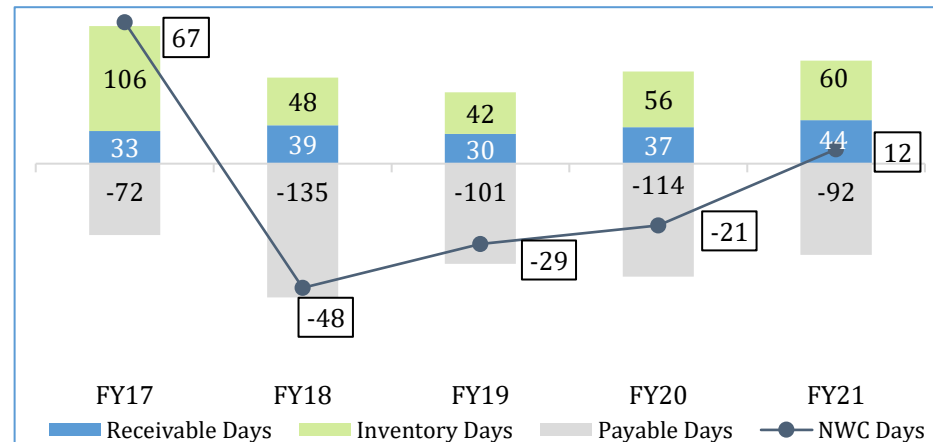
PAST PERFORMANCE AT A GLANCE

5 YEARS TRACK RECORD

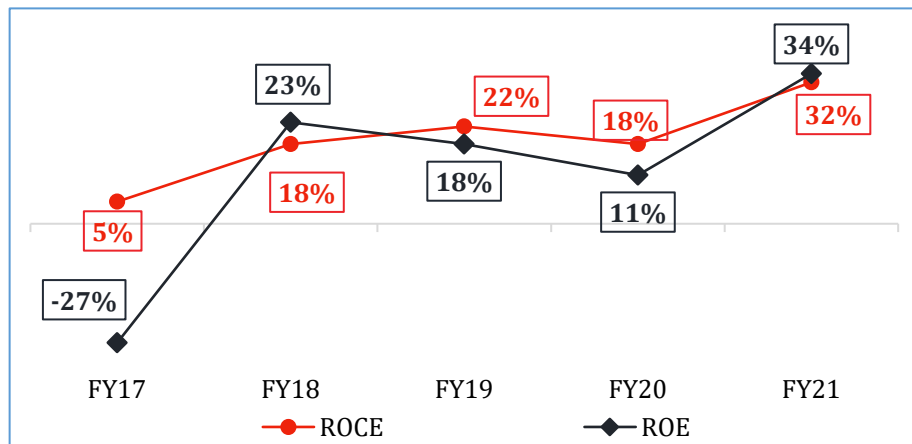
Leverage Analysis (₹ cr)



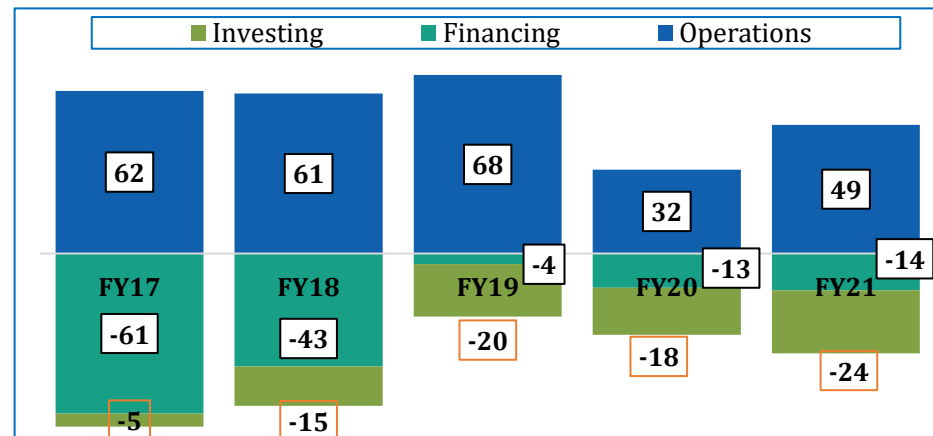
Working Capital Analysis



Return Ratios



Cash Flow (₹ cr)





THANK YOU



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

Dr. S. Sriram

Chief Financial Officer

investorhelp@punjabchemicals.com

DICKENSON

Chintan Mehta/ Nachiket Kale

IR Consultant

Contact: + 91 9892183389/ 9920940808

punjabchemicals@dickensonworld.com