



PUNJAB CHEMICALS

AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

Regd. Office & Works

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Date: October 27, 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: Investor Presentation - Financial Overview – Q2 & H1 of FY24

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 second quarter and half year ended of FY24.

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)**

Encls: a/a



**PUNJAB CHEMICALS
AND CROP PROTECTION LTD.**

ISO 9001:2015 & ISO 14001:2015 Certified Company

**Q2 & H1 FY24
RESULT PRESENTATION
October 2023**

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Result Highlights



Q2 FY24

₹ 242 Cr
Revenue

₹ 35 Cr
EBITDA

₹ 18 Cr
PAT

H1 FY24

₹ 524 Cr
Revenue

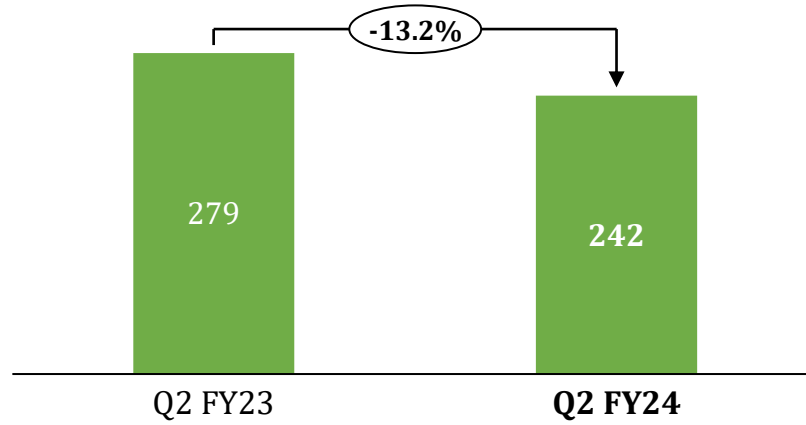
₹ 73 Cr
EBITDA

₹ 40 Cr
PAT

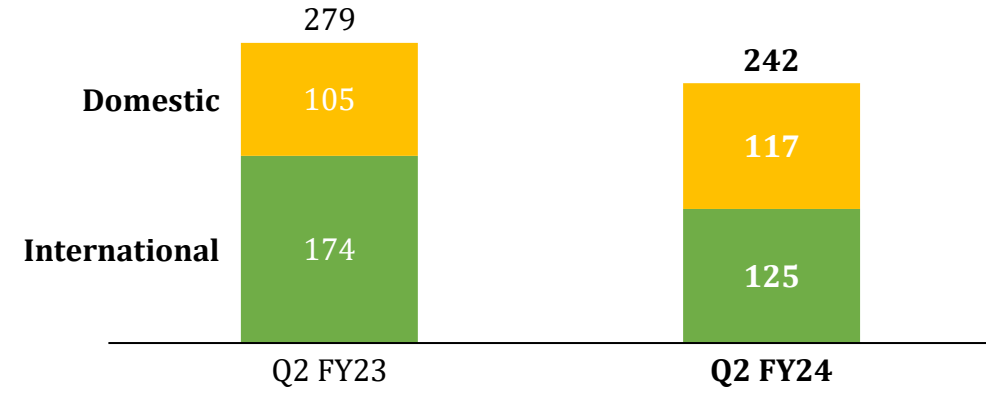
- Registered a **Revenue of Rs 242 Cr** in Q2 FY24 and for H1 FY24 at **Rs 524 Cr**; led by **12% YoY** growth in domestic sales.
- **Gross Margin** at **41%** for the quarter increased by **350 bps YoY**, whereas for **H1 FY24** stood at **37.7%**, attributable to improved product mix.
- **EBITDA** for Q2 FY24 stands at **Rs. 35 Cr**, delivering a growth of **14.2% YoY**, and for H1 FY24 at **Rs. 73 Cr**, delivering a growth **10% YoY**. Change in product mix and initiatives for cost optimization led to the significant improvement.
- **EBITDA Margin** for quarter stands at **14.6%**, an increase of **350 bps YoY**; H1 FY24 **Margin at 14%**, increase of **190 bps YoY**.
- **PAT** for the quarter stands at **Rs 18 Cr**, up by **3% YoY** and for H1 FY24 at **Rs. 40 Cr**, registering an increase of **6% YoY**.
- **PAT Margin** for Q2 FY24 stands at **7.5%**, and **7.6%** for H1 FY24.

Q2 FY24 Financial Performance

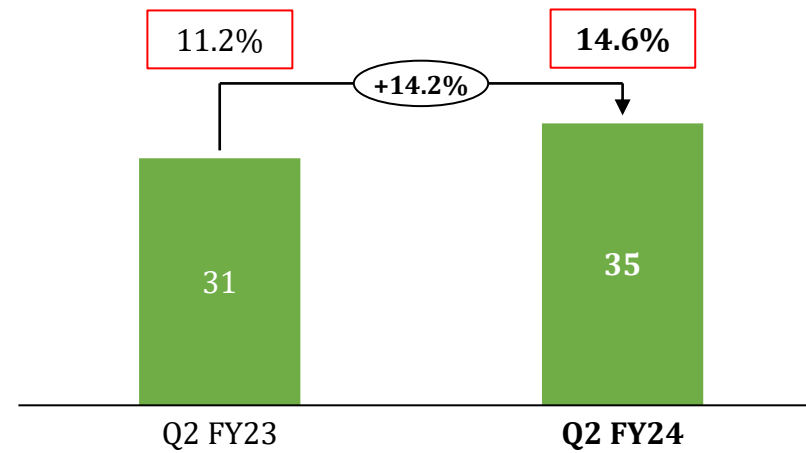
REVENUE



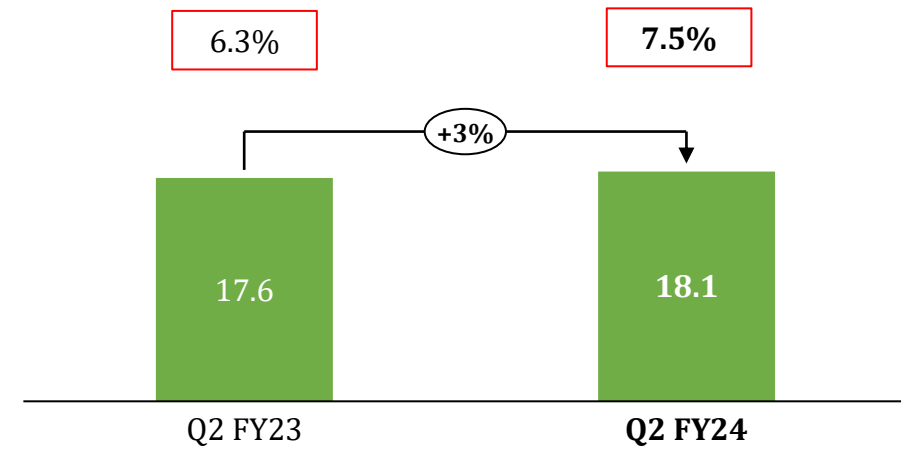
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



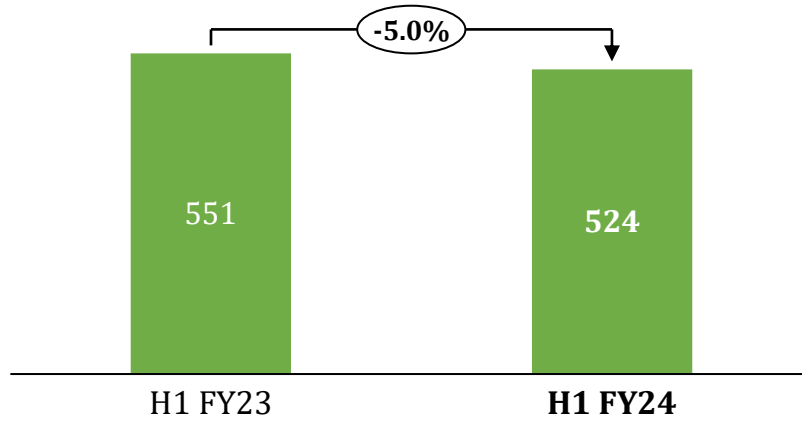
PAT & PAT MARGIN



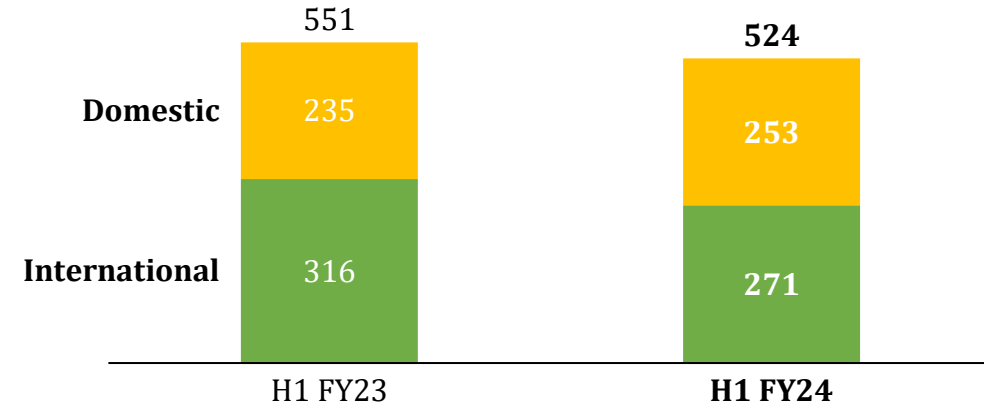
YoY Comparison (In ₹ cr, except margin)

H1 FY24 Financial Performance

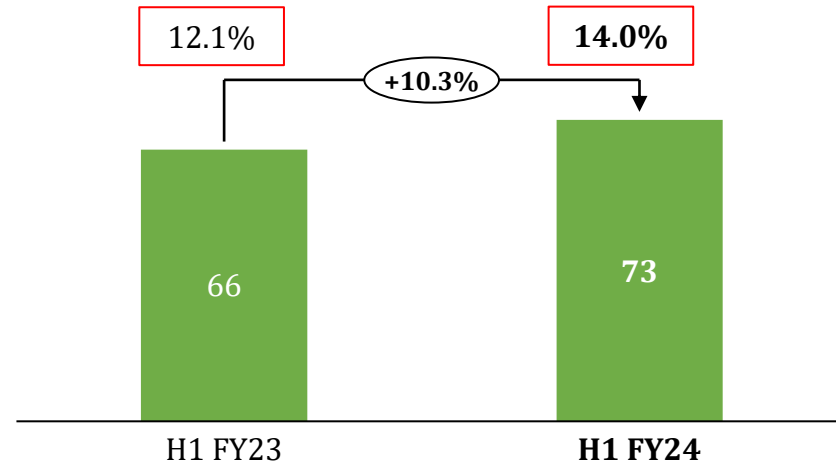
REVENUE



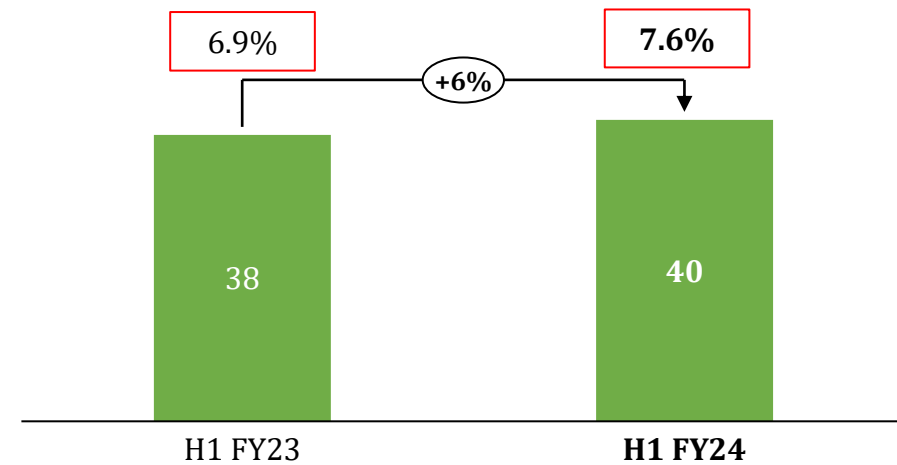
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



PAT & PAT MARGIN



YoY Comparison (In ₹ cr, except margin)

Consolidated Profit & Loss Statement

Particulars (In Rs Cr)	Q2 FY24	Q2 FY23	YoY %	Q1 FY24	QoQ %	H1 FY24	H1 FY23	YoY%
Revenue	242.2	278.6	-13.1%	281.4	-13.9%	523.5	550.7	-4.9%
COGS	143.8	179.8		182.1		326.0	351.0	
Gross Profit	98.3	98.9		99.2		197.6	199.8	
Gross Profit Margin %	40.6%	35.5%	510 bps	35.3%	530 bps	37.7%	36.3%	140 bps
Employee Expenses	21.4	20.7		21.2		42.6	40.9	
Other Expenses	41.5	47.1		40.3		81.8	92.4	
EBITDA	35.4	31.1	14.2%	37.8	-6.3%	73.2	66.5	10.3%
EBITDA Margin %	14.6%	11.2%	340 bps	13.4%	120 bps	14.0%	12.1%	190 bps
Depreciation	5.5	4.7		5.1		10.7	9.3	
Finance Cost	6.6	3.9		3.6		10.2	7.4	
Other Income	1.6	1.7		0.3		1.8	1.9	
Profit before Tax	24.9	24.1	3.1%	29.4	-15.5%	54.2	51.7	5.1%
Tax Expense	6.7	6.5		7.5		14.2	13.9	
Profit after Tax	18.1	17.6	3.0%	21.9	-17.3%	40.0	37.8	6.0%
PAT Margin %	7.5%	6.3%	120 bps	7.8%	-30 bps	7.6%	6.9%	70 bps
EPS	14.8	14.3		17.8		32.6	30.9	

Consolidated Balance Sheet Statement

Particulars (In Rs Crs.)	Sept'23	Mar'23
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	12.3	12.3
Other Equity	304.7	268.4
Total Equity	316.9	280.6
Non-Current Liabilities		
Financial Liabilities		
Borrowings	58.4	61.6
Lease Liabilities	1.27	2.3
Provisions	19.30	19.3
Deferred Tax Liabilities	7.11	5.3
Other Non-Current Liabilities	2.07	2.1
Total Non-Current Liabilities	88.2	90.5
Current Liabilities		
Financial Liabilities		
Borrowings	39.4	27.2
Lease Liabilities	2.51	2.9
Trade Payables		
(i) Total Outstanding dues of MSME	10.6	8.6
(ii) Total Outstanding dues of Creditors other than MSME	134.8	130.4
Other Financial Liabilities	40.1	44.2
Other Current Liabilities	10.3	10.9
Provisions	5.57	4.3
Current Tax Liabilities (net)	9.53	16.5
Total current Liabilities	252.9	244.9
Total Liabilities	341.0	335.4
Total Equity & Liabilities	658.0	616.0

Particulars (In Rs Crs.)	Sept'23	Mar'23
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	233.1	216.6
Capital Work in Progress	4.81	18.6
Right of Use Assets	3.45	4.8
Intangible Assets	0.6	0.7
Intangible Assets Under Development	2.85	1.0
Financial Assets:		
Investments	1.4	1.4
Others	4.3	3.9
Income Tax Assets (net)	6.5	6.5
Other Non-Current Assets	0.9	0.5
Total Non-Current Assets	257.9	253.8
Current Assets		
Inventories	144.5	168.2
Financial Assets:		
Investments	6.2	1.1
Trade Receivables	204.6	143.3
Cash & Bank Balances	6.5	8.7
Bank balances other than iii. Above	2.9	2.7
Loans	0.1	0.1
Other Financial Assets	9.1	8.7
Other Current Assets	25.8	29.0
Total Current Assets	399.8	361.9
Assets held for Sale	0.3	0.3
Total Assets	658.0	616.0

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

Our multi-decade story of growth and value-creation

1975

Punjab United Pesticides & Chemicals Limited was established as a collaboration between Excel Industries Ltd. and PSIDC.

1978

The Company's equity shares were publicly issued.

1983

The Company diversified its product portfolio into specialty chemicals

1995

The Company began to focus on agro chemicals and specialty chemicals

2003

The Company established a new manufacturing facility (pharmaceutical product) following the acquisition of Alpha Drug India.

2006

All group companies were amalgamated under Punjab Chemicals and Crop Protection Ltd.

2016

The Company extended into contract research and manufacturing services (CRAMS)

2022

The Company reported its highest EBITDA and PAT

2023

Revenue crossed H1000 crore



Manufacturing Process



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 GMP & ISO 22000



Total Reactor
Capacity: 2000 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

Performance/ Specialty Chemicals

- Halogenation
- Esterification
- Cynation
- POCL₃/ PCL₅

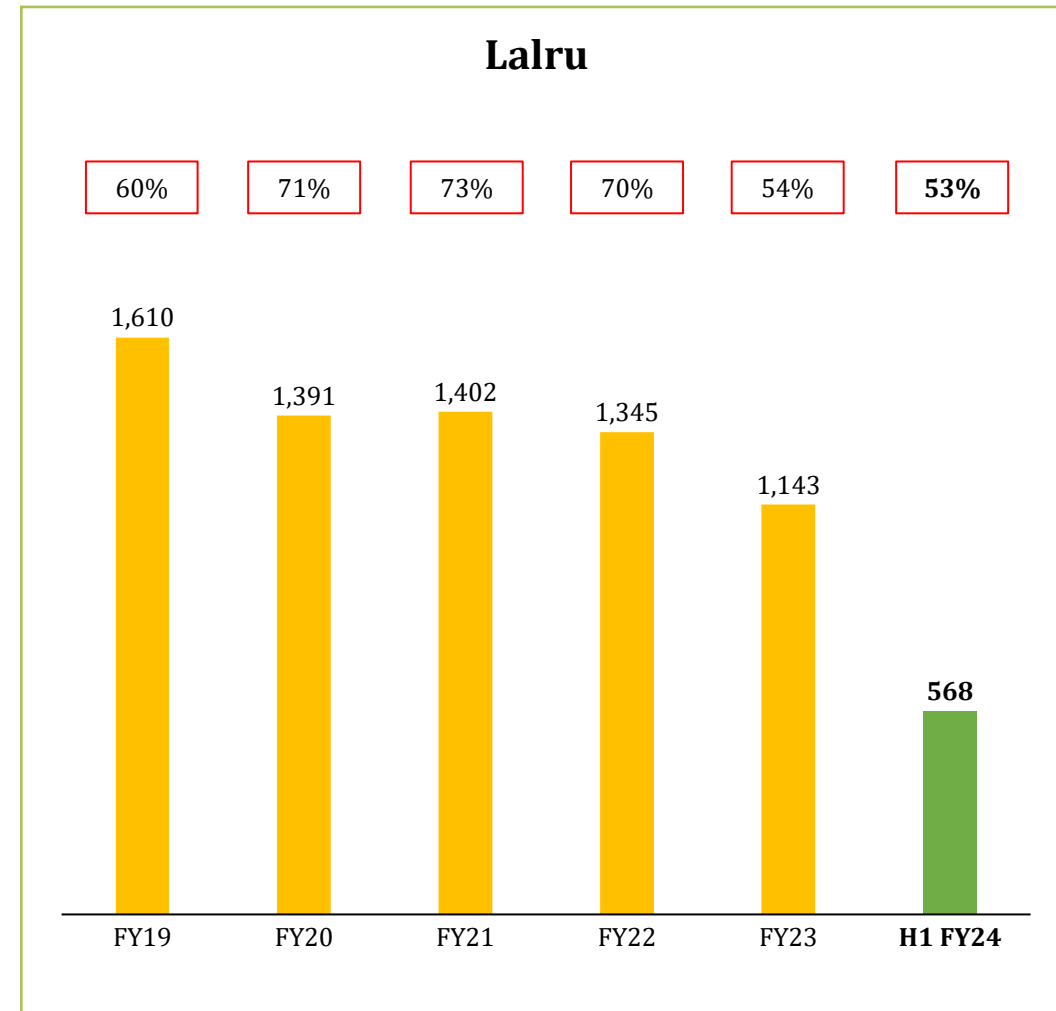
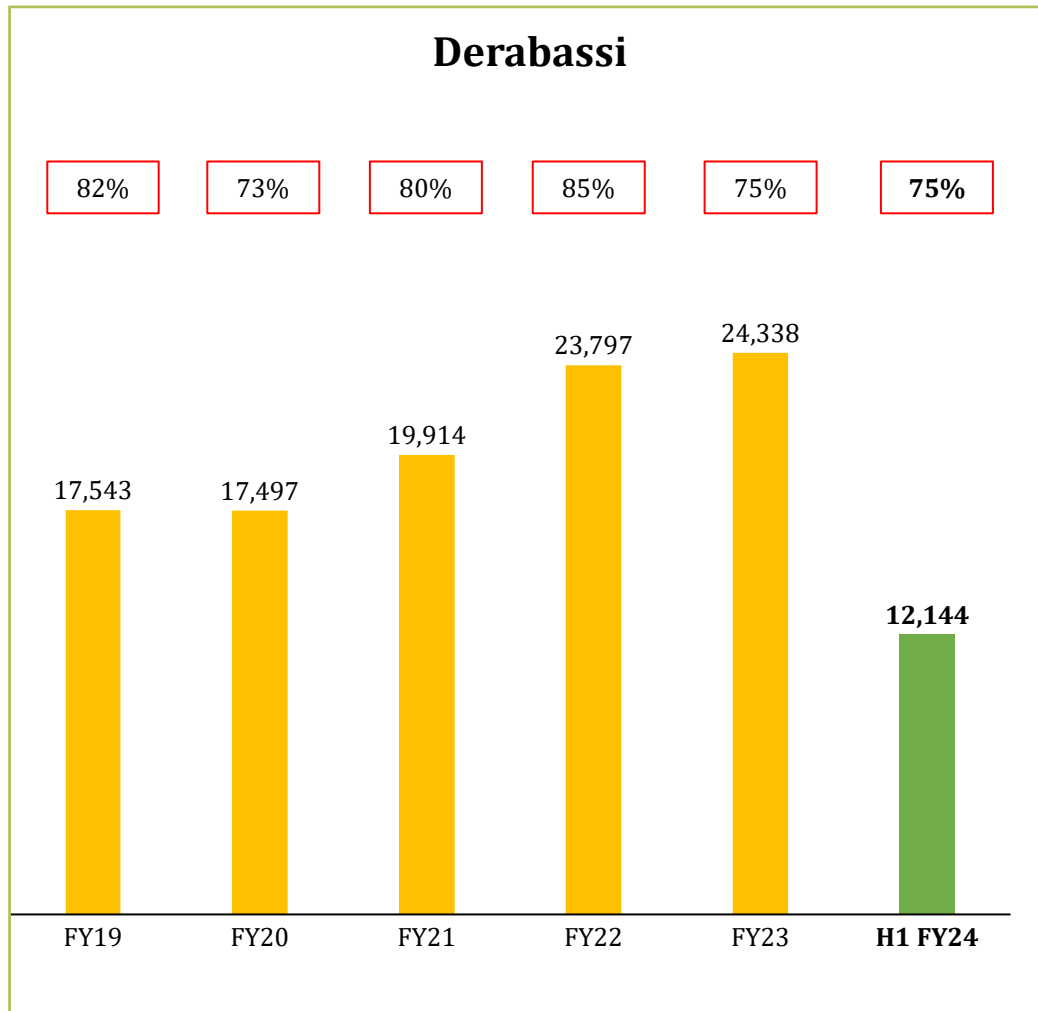
Multi-Step specialty chemical/ intermediate for API

Industrial Chemicals

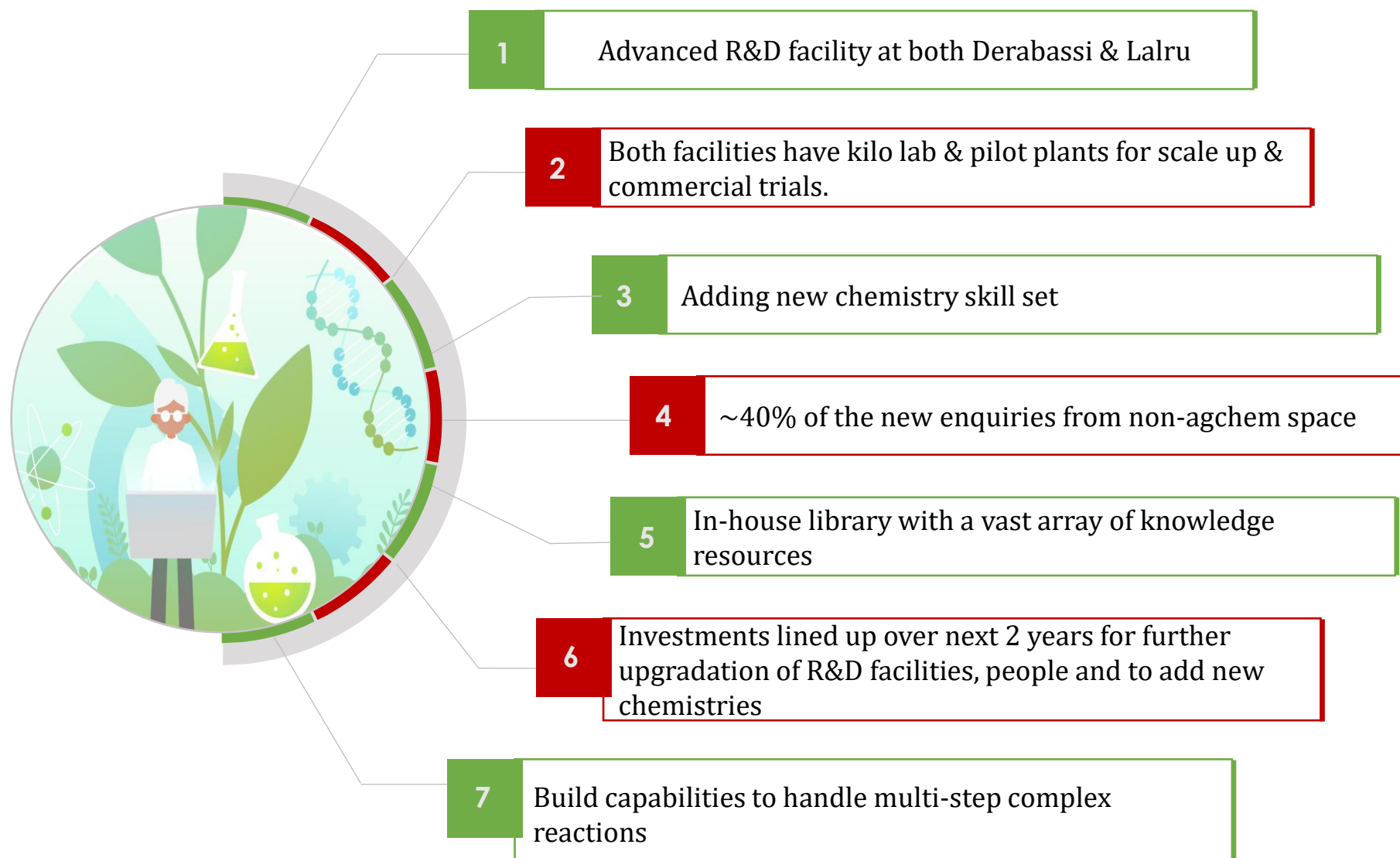
Phosphorous based products & chemistry

Special high purity phosphorous compound/ phosphates

Annual Production (MT) & Capacity Utilisation (%)



Note : New products have been commercialized and with improved market condition, scale up is expected resulting in improved utilization.



Our R&D talent pool



30
Strength of
R&D Team



35
Strength by
FY24



3
PhD in
R&D Team



Tie-up with
local
universities

Existing product

Backward
Integration

Improvement in
Efficiency

New Markets

New
Registration

To increase market share / margin

New product

Agro
Chemicals

Speciality
Chemicals

- Certain products have reached commercial stage and orders have started flowing in.
- Some product samples are under approval.
- Balance products are under various stages of registrations and R&D.

Environment, Health & Safety Measure



Upgraded Effluent Treatment Plant at both Derabassi & Lalru.



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.



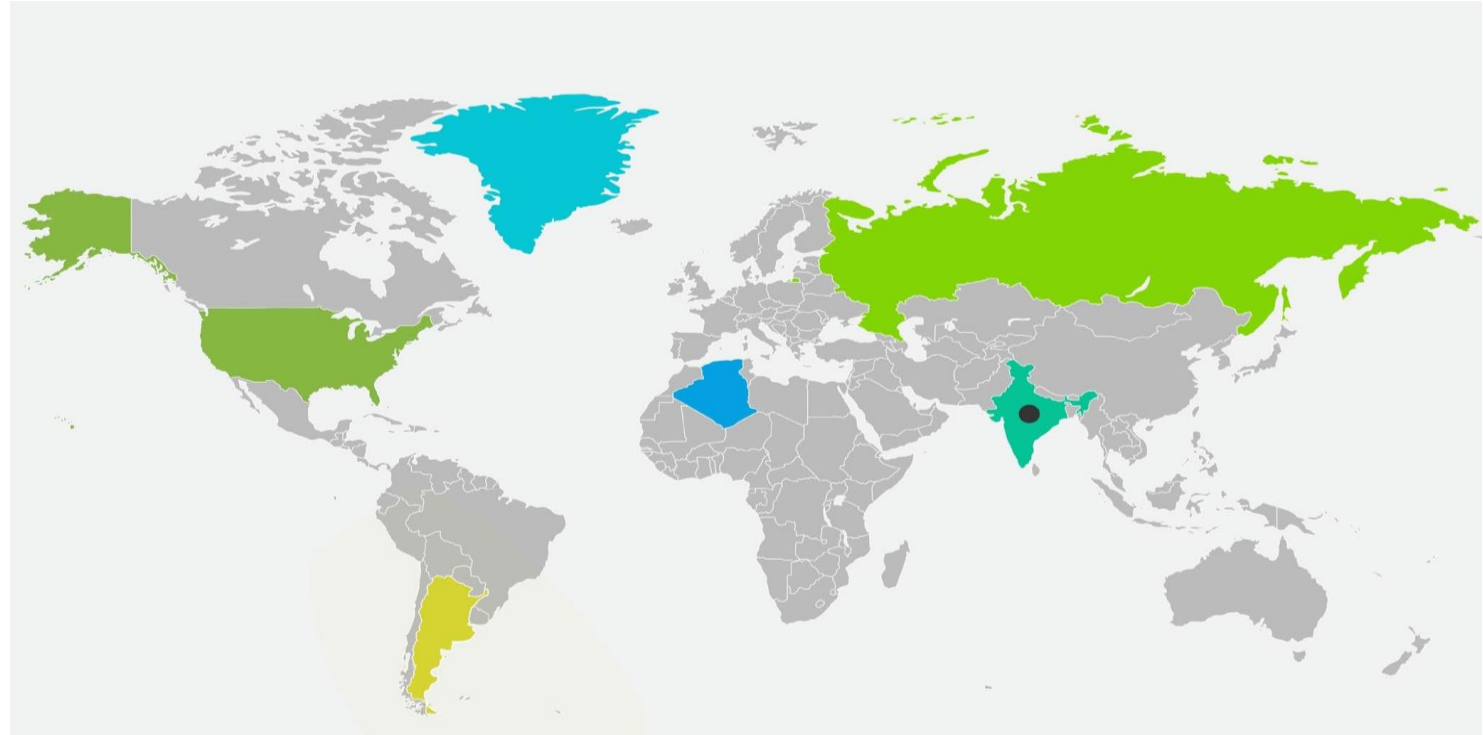
Regular internal & external audits



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



The brand names /logos mentioned are the property of their respective owners and are used here for identification purpose only

Leadership Team: Board of Directors



Mr. Mukesh D. Patel
Chairman &
Independent
Director



Mr. Shalil Shroff
Managing
Director



Mr. Vijay Rai
Independent
Director



**Ms. Tara
Subramaniam**
Independent
Director



Ms. Aruna Bhinge
Independent
Director



**Mr. Sheo Prasad
Singh**
Independent
Director



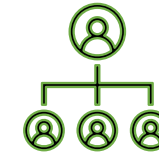
**Capt Surjit Singh
Chopra (Retd),**
Non-Executive
Non-Independent
Director



Mr. Avtar Singh
Non-Executive
Non-Independent
Director

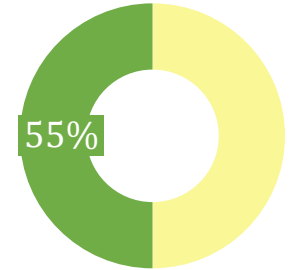


**Mr. Shivshankar
Shripal Tiwari**
Non-Executive
Non-Independent
Director



Board Composition

More than 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,
Assistant Vice President (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.

Business Strategy



Identify Niche Products/ Customers with Basket of Products

Target niche products with high growth potential.
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
Add new chemistry capabilities
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

Corporate Social Responsibility



PCCPL CSR Initiatives are in below three areas to enhance Society Connect & ensures real impact on Beneficiaries



Education



More than 70%



Health



More than 20%



**Community
Development**



10%

CSR Initiatives

EDUCATION



HEALTH



COMMUNITY DEV



Agrochemicals Industry Overview

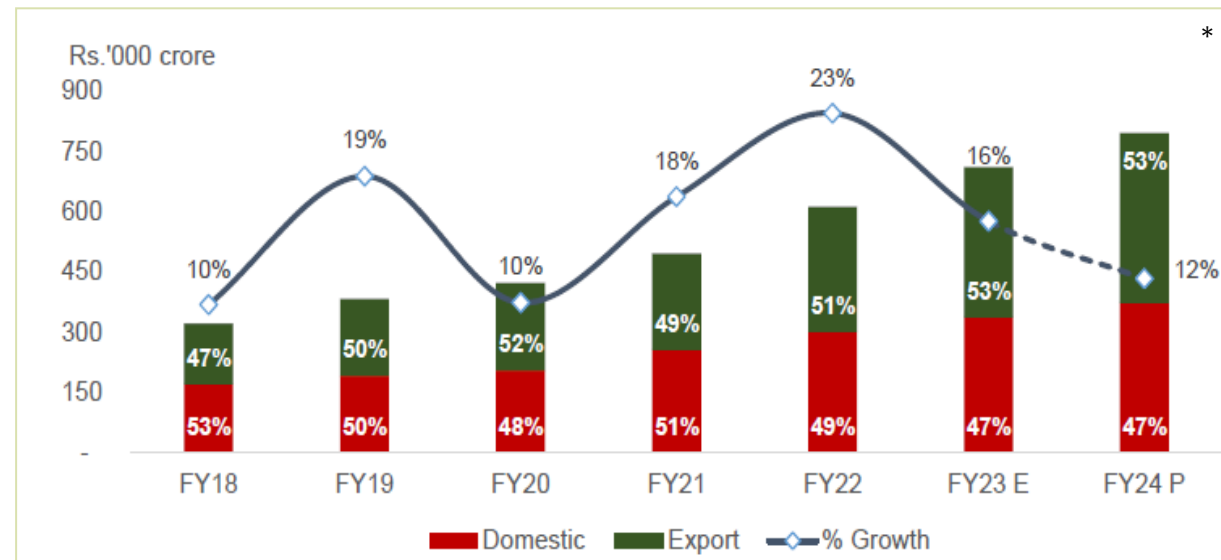


Indian Agrochemicals Industry – Long Term Perspective

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

By 2040, it is expected to account for almost 40 percent of India's overall chemicals exports. ^

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.

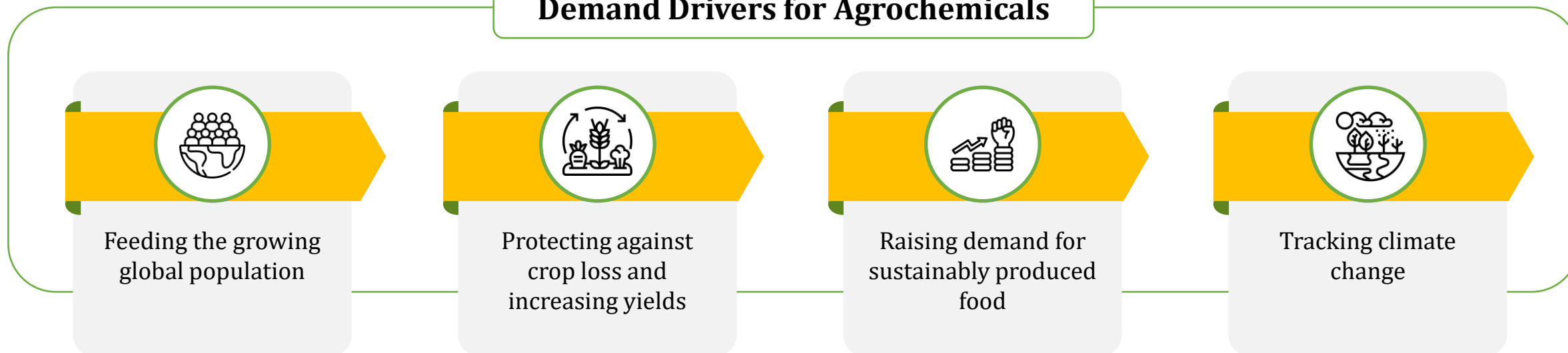
Increase in demand of horticulture and floriculture

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

(# : Directorate of plant protection, quarantine & storage, *: CRISIL capital
^ Mcknisey Report on Indian Chemicals Industry)

	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

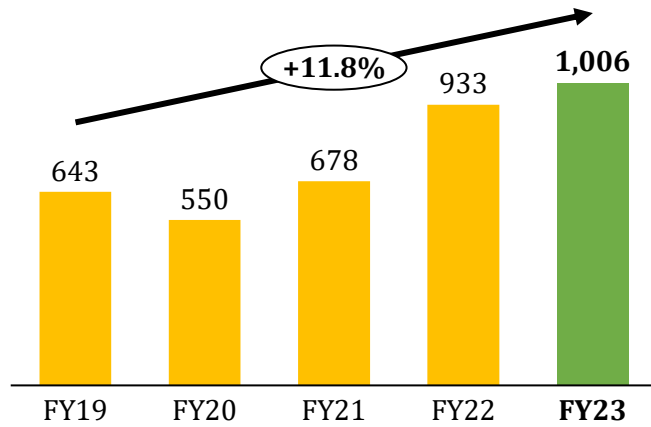


Performance Track Record

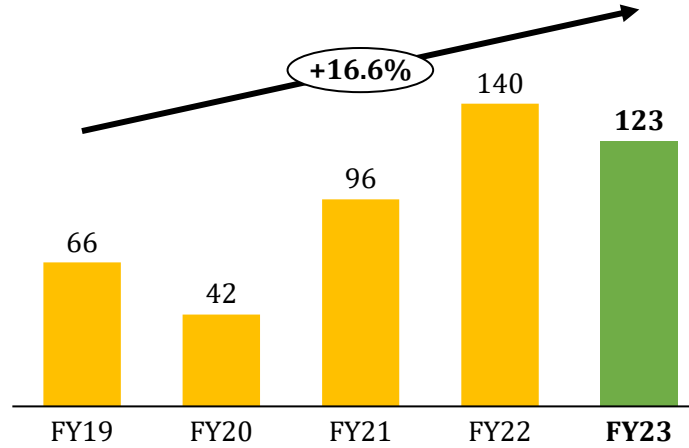


Performance Track Record

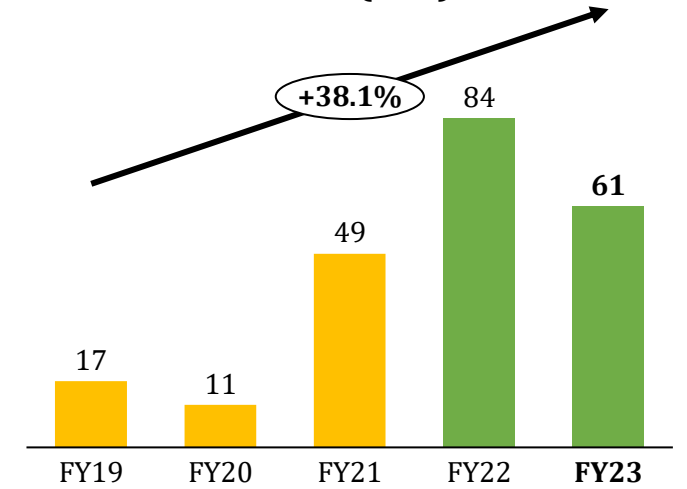
Revenue (₹ cr)



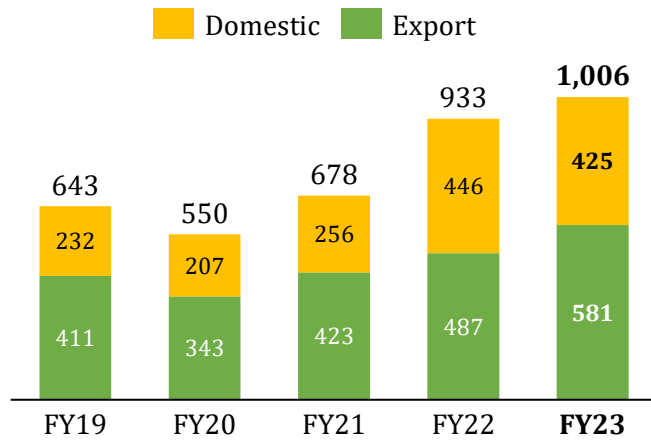
EBITDA (₹ cr)



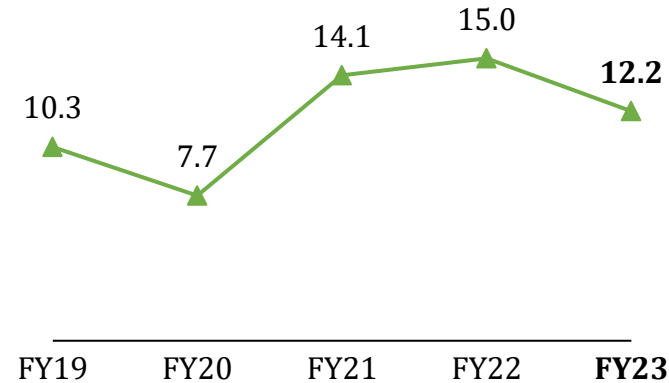
PAT (₹ cr)



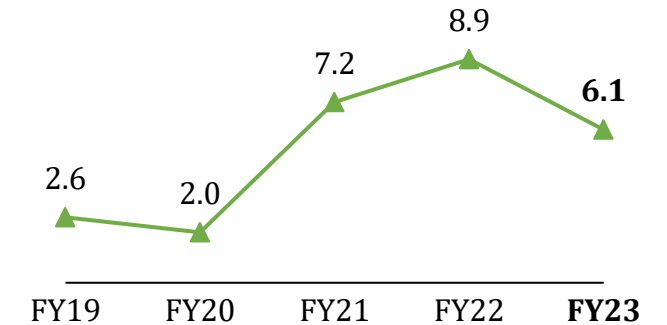
Revenue Split (₹ cr)



EBITDA Margin (%)

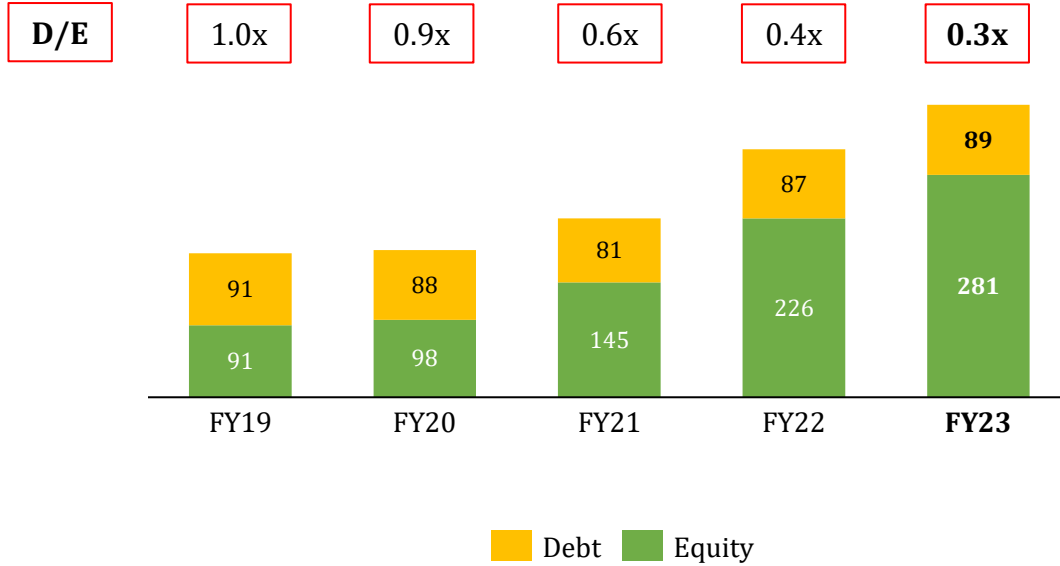


PAT Margin (%)

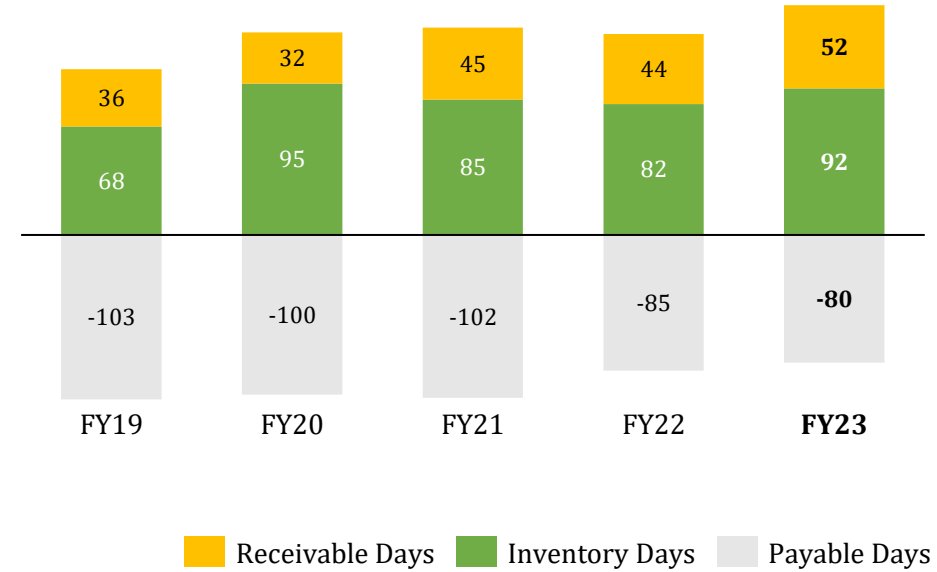


Performance Track Record

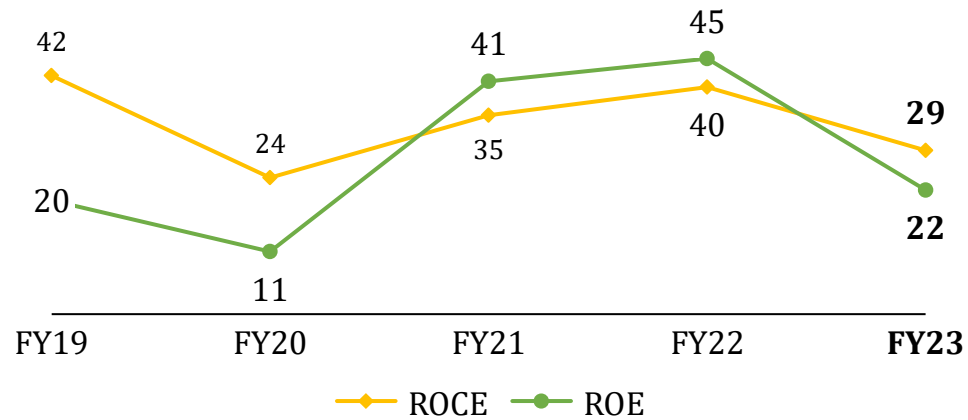
Capital Structure (₹ cr)



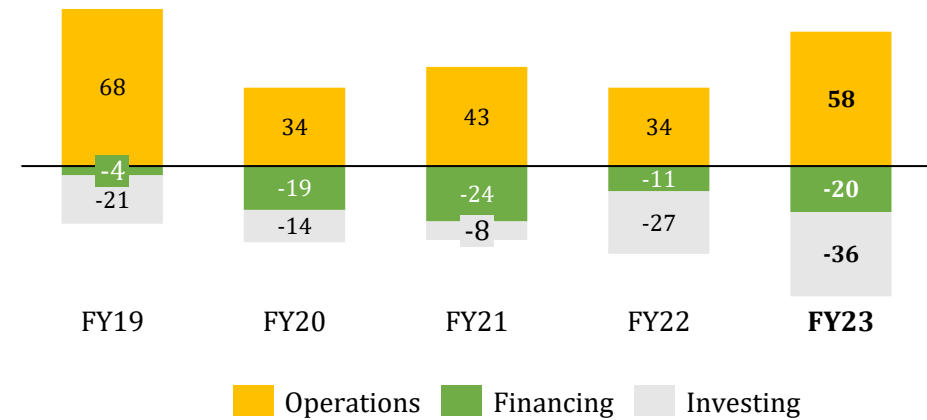
Working Capital Analysis (₹ cr)



Return Ratios (%)



Cash Flow (₹ cr)





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

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