



PUNJAB CHEMICALS AND CROP PROTECTION LTD.

CIN NO. L24231PB1975PLC047063

Regd. Office & Works

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Date: 4th August, 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 – Q1 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 first quarter 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)**

Encl: as above



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

**Q1 FY24
RESULT PRESENTATION**
August 2023



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Result Highlights



Q1 FY24

₹ 281 cr
Revenue

+3.4%



YoY

₹ 38 Cr
EBITDA

+6.8%



YoY

₹ 22 Cr
PAT

+7.7%

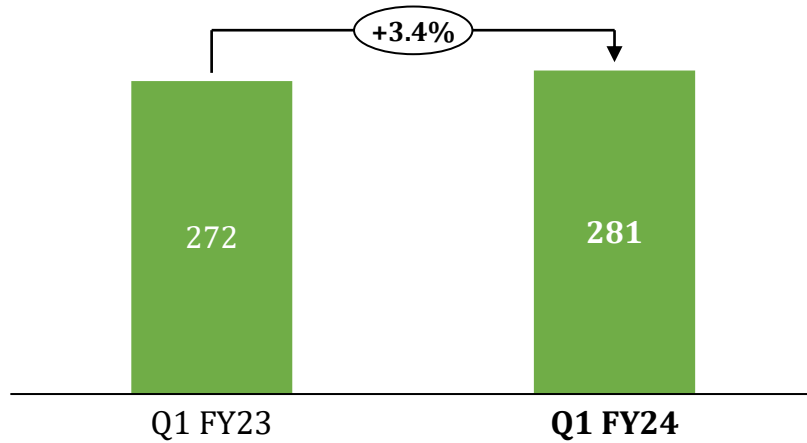


YoY

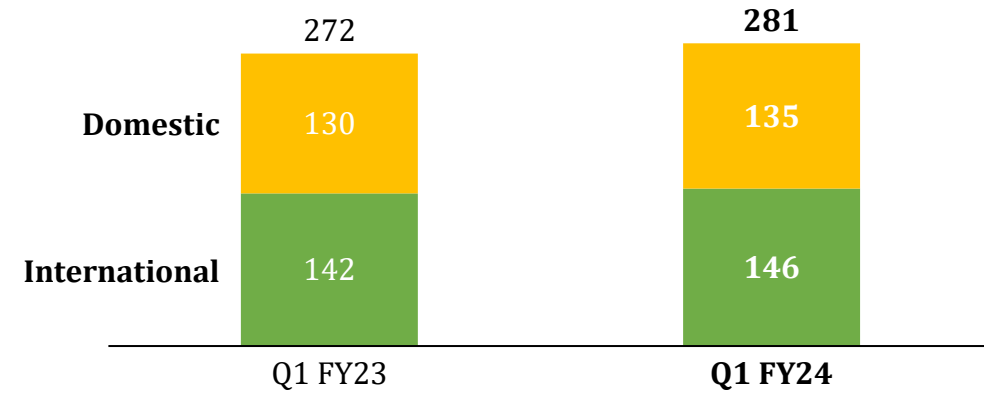
- Registered a **Revenue of Rs 281 Cr** in Q1 FY 24 with a 44% growth q-o-q and 3.4% growth y-o-y, with improvement in both exports & domestic sales clocking growth
- Lower gross margin is attributable to the product mix.
- **Highest ever quarterly EBITDA at Rs 38 cr**, delivering a growth of 78.4% q-o-q and 6.8% y-o-y. Initiatives for cost optimisation led to the significant improvement. **EBITDA margin at 13.4%**, higher by 260 bps q-o-q and 40 bps y-o-y.
- **PAT** for the quarter stands at Rs 22 cr, up by 583.1% q-o-q and 7.7% y-o-y.
- PAT Margin for Q1 FY24 stands at 7.8%

Q1 FY24 Financial Performance

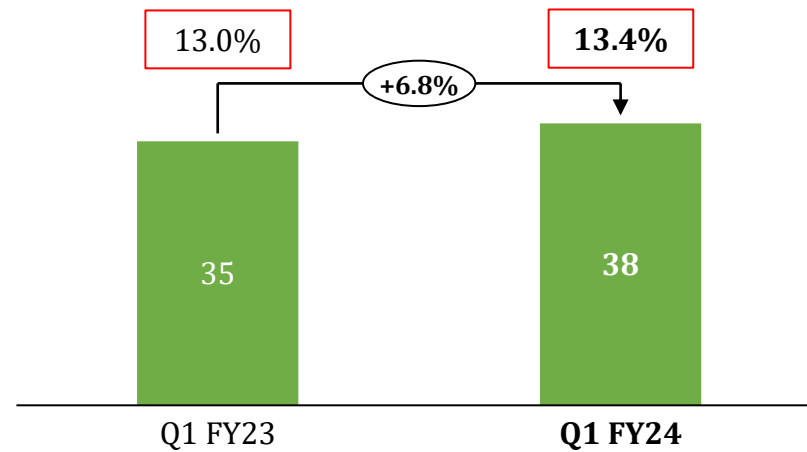
REVENUE



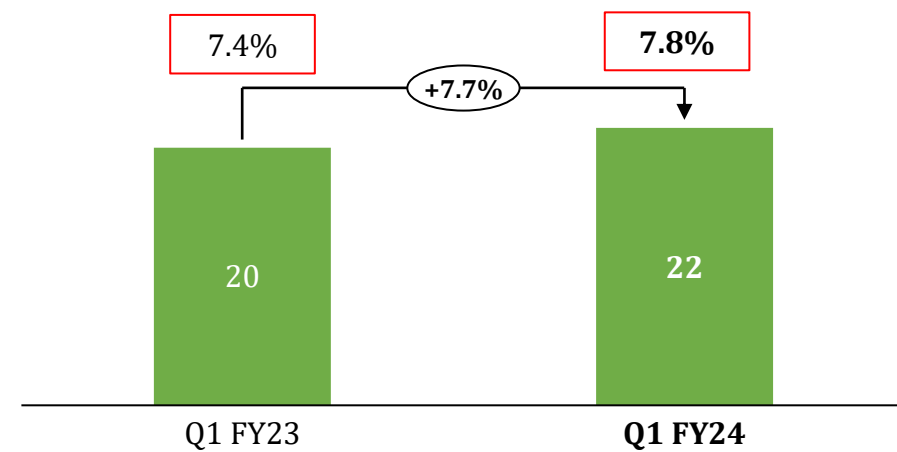
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



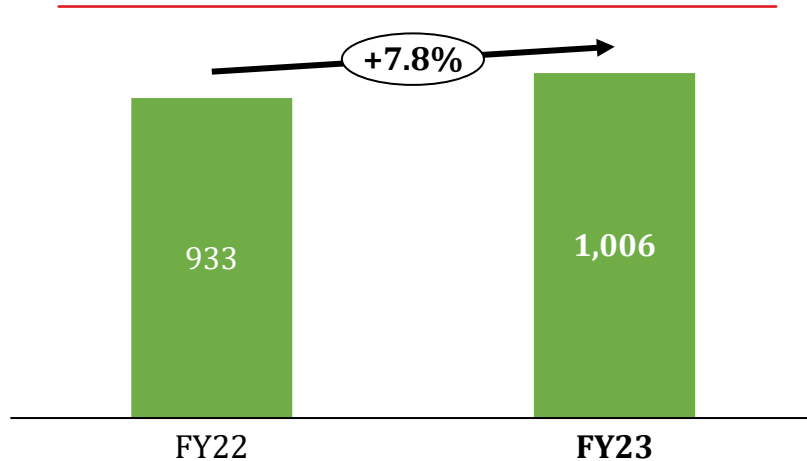
PAT & PAT MARGIN



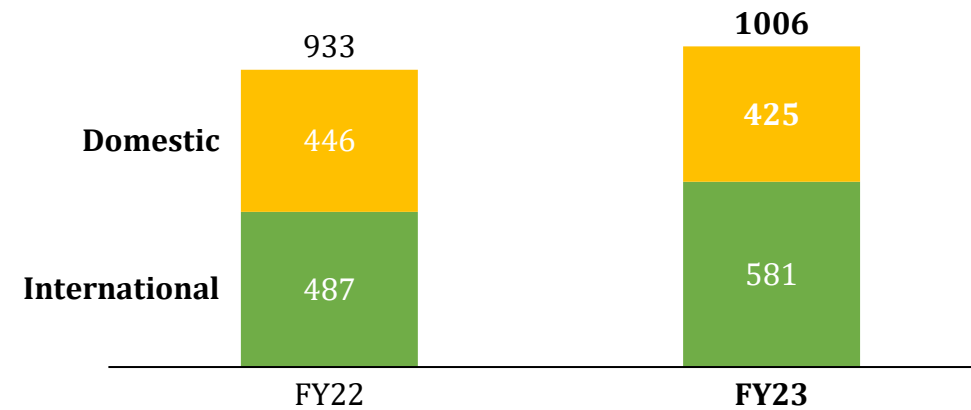
YoY Comparison (In ₹ cr, except margin)

FY23 Financial Performance

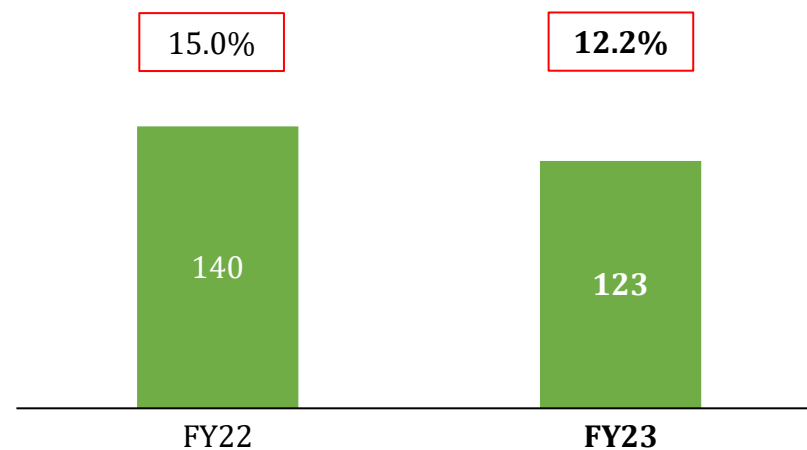
REVENUE



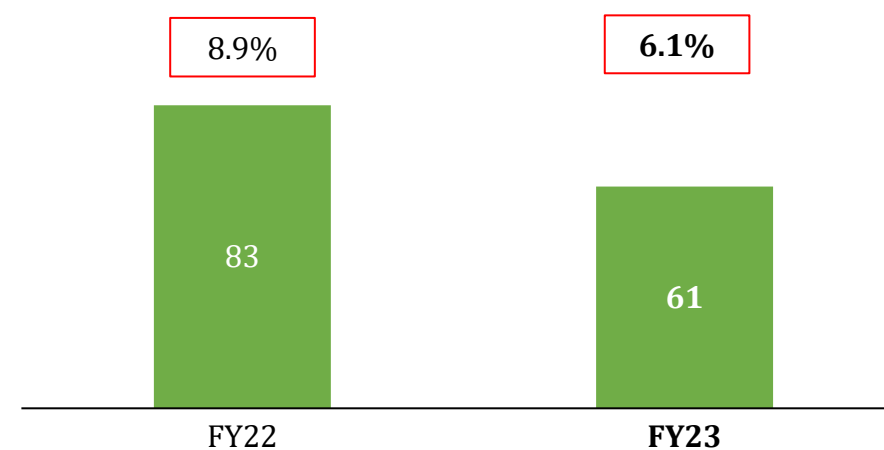
GEOGRAPHICAL SPLIT



EBITDA & EBITDA MARGIN



PAT & PAT MARGIN



YoY Comparison (In ₹ cr, except margin)

Consolidated Profit & Loss Statement

Particulars (In Rs Cr)	Q1 FY24	Q1 FY23	YoY %	Q4 FY23	QoQ %	FY23
Revenue	281.4	272.1	3.4%	195.0	44.3%	1,006.2
COGS	182.1	171.2		119.4		636.2
Gross Profit	99.2	100.9	-1.6%	75.6	31.3%	370.1
Gross Margin %	35.3%	37.1%		38.8%		36.8%
Employee Expenses	21.2	20.2		21.9		83.3
Other Expenses	40.3	45.3		32.6		164.2
EBITDA	37.8	35.4	6.8%	21.2	78.4%	122.6
EBITDA Margin %	13.4%	13.0%		10.8%		12.2%
Depreciation	5.1	4.6		5.0		19.0
Finance Cost	3.6	3.4		6.6		18.0
Other Income	0.3	0.2		0.9		3.4
PBT	29.4	27.6	6.4%	10.5	179.7%	88.9
Tax Expense	7.5	7.3		7.3		27.8
PAT	21.9	20.3	7.7%	3.2	583.1%	61.1
PAT Margin %	7.8%	7.4%		1.6%		6.1%
EPS	17.8	16.5		2.6		49.8

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

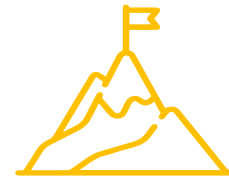
To become a major player in the CRAMS segment with innovation and a preferred partner in Agrochemicals and Performance Chemicals.



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

Agrochemicals/ Intermediates

Performance/ Specialty Chemicals

Industrial Chemicals

Major chemistries

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

- Halogenation
- Esterification
- Cynation
- POCL₃/ PCL₅

Phosphorous based products & chemistry

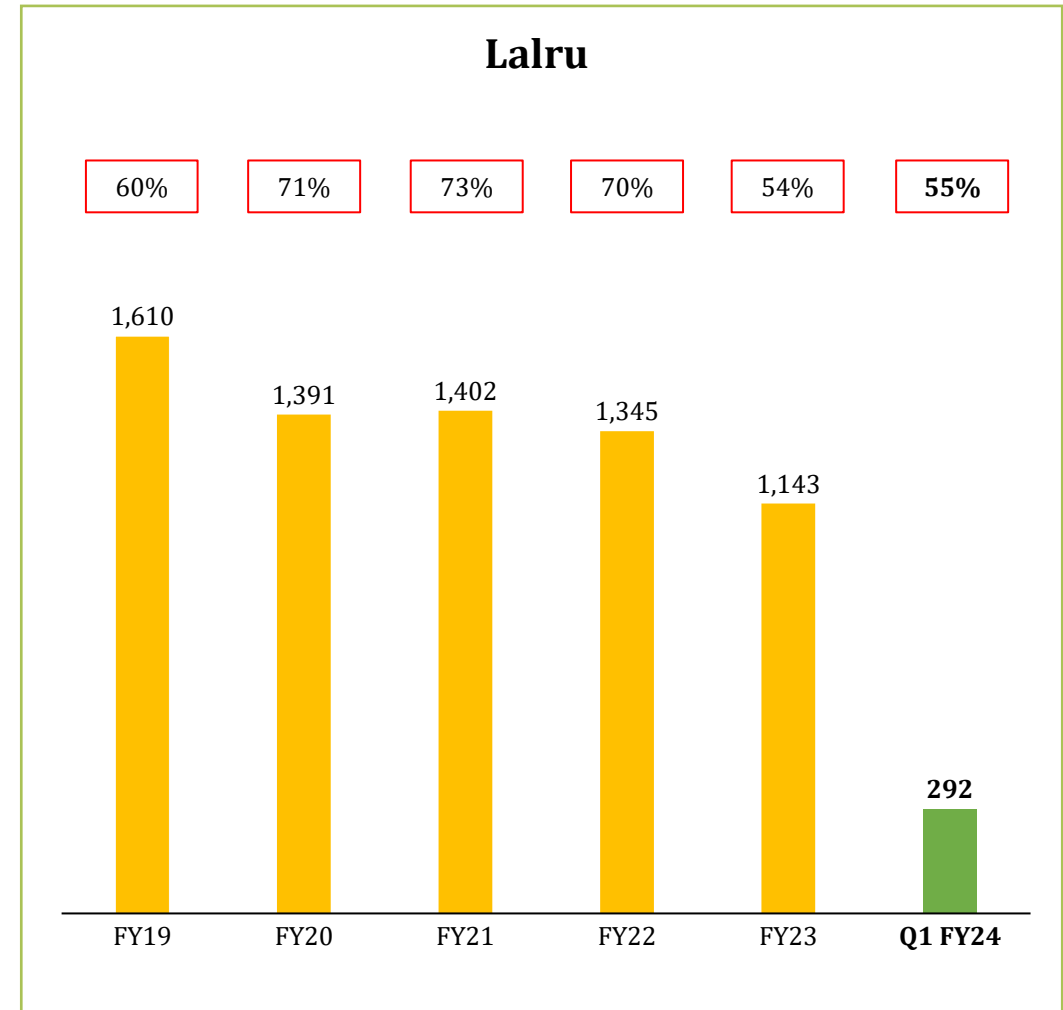
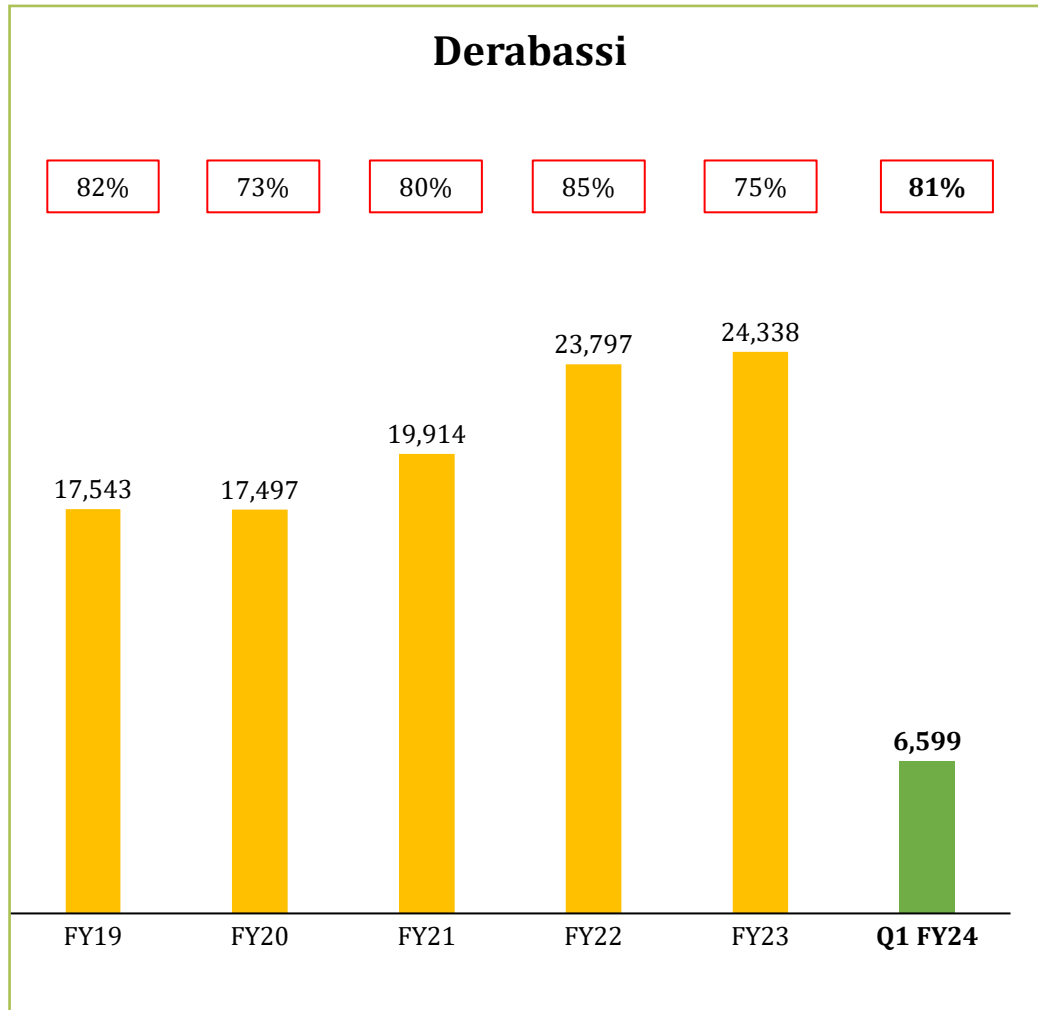
Product Category

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

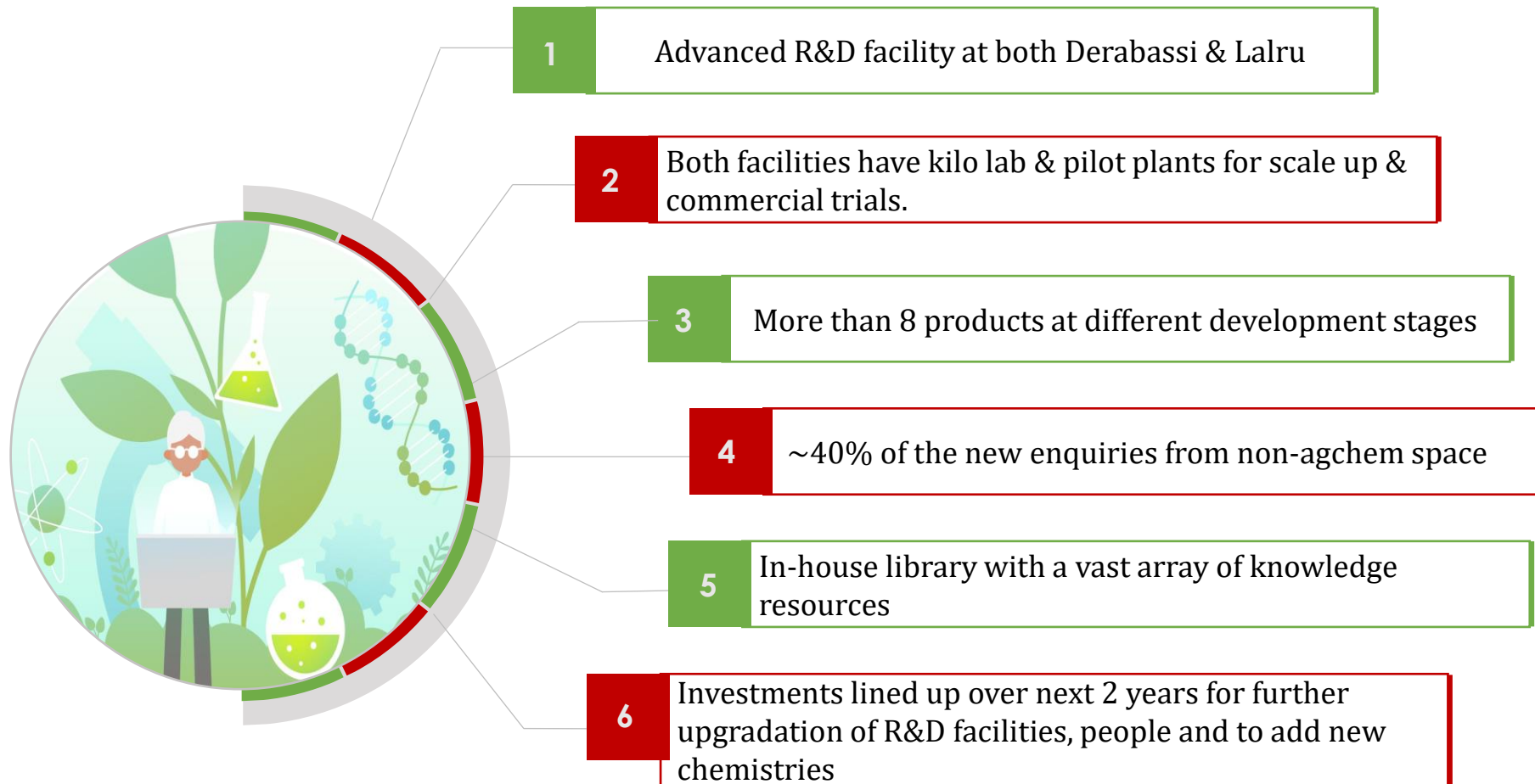
Multi-Step specialty chemical/ intermediate for API

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



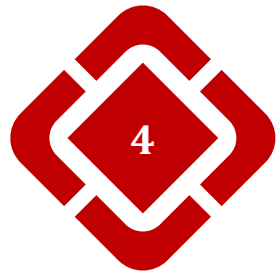
Upgraded Effluent Treatment Plant at Derabassi . Incineration at Lalru is being upgraded to more efficient system with latest technology



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



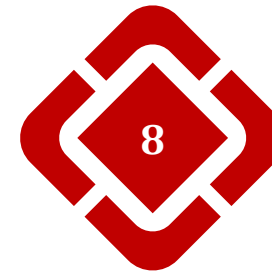
Plants equipped with occupational health facilities, professional trained staff and instituted practices.



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



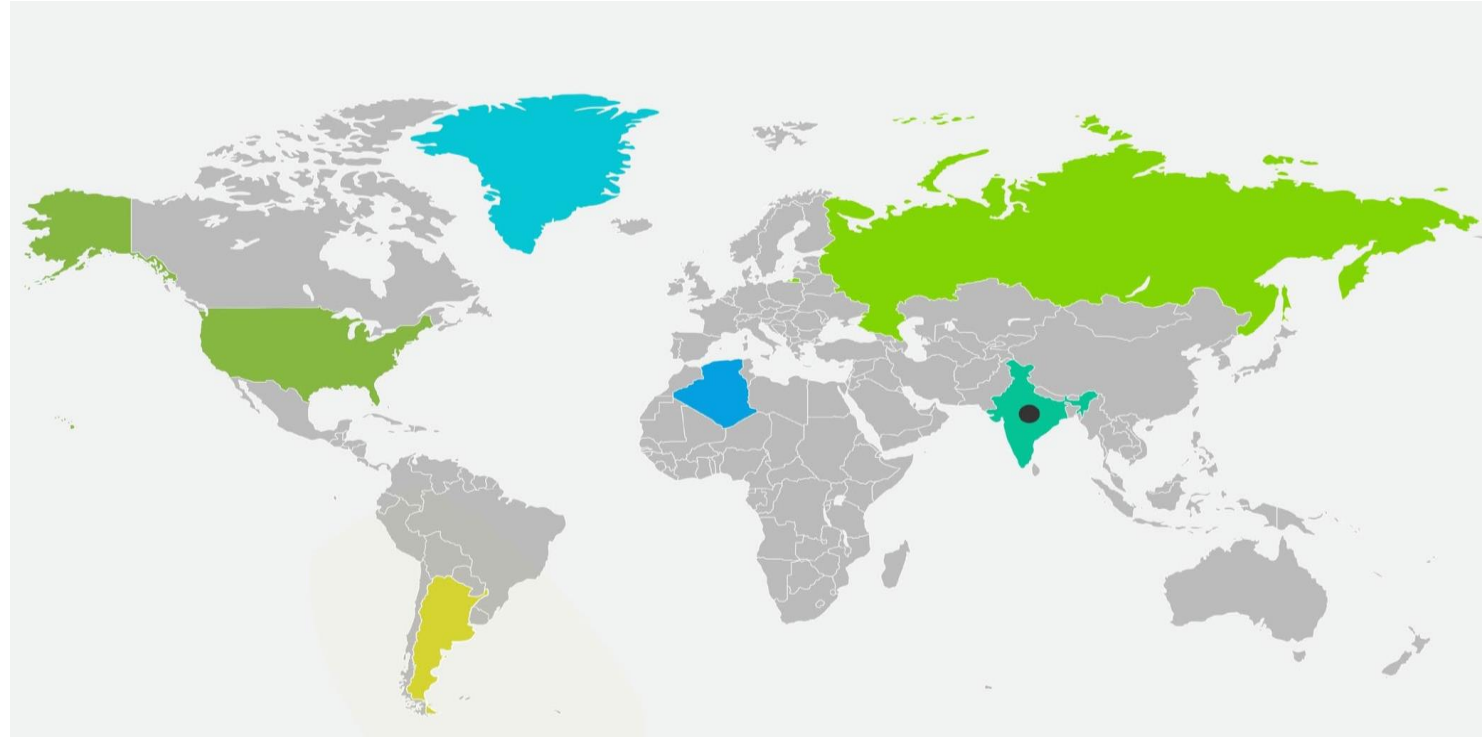
Regular internal & external audits



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



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



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



Ms. Aruna Bhinge
Independent
Director



**Mr. Sheo Prasad
Singh**
Independent
Director



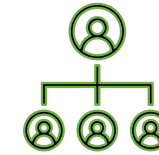
Mr. Avtar Singh
Non-Executive
Non-Independent
Director



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

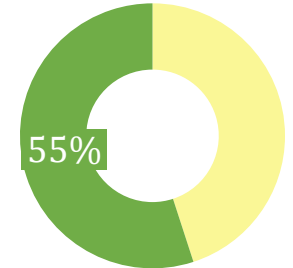


**Ms. Tara
Subramaniam**
Additional
Independent
Director



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

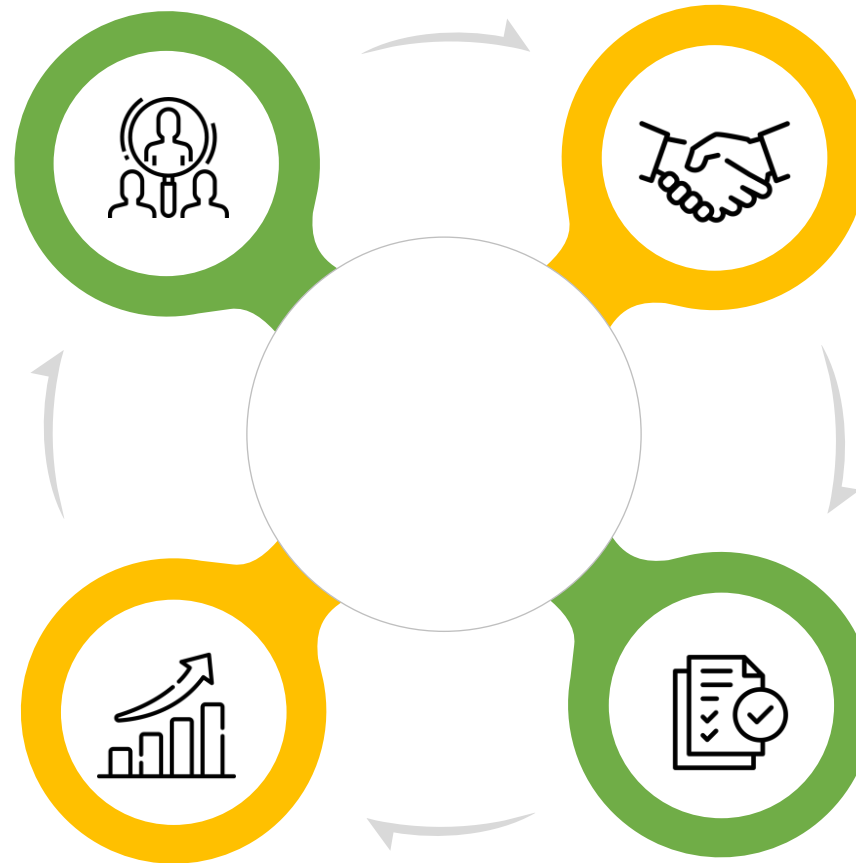


Identify Niche Products

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



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

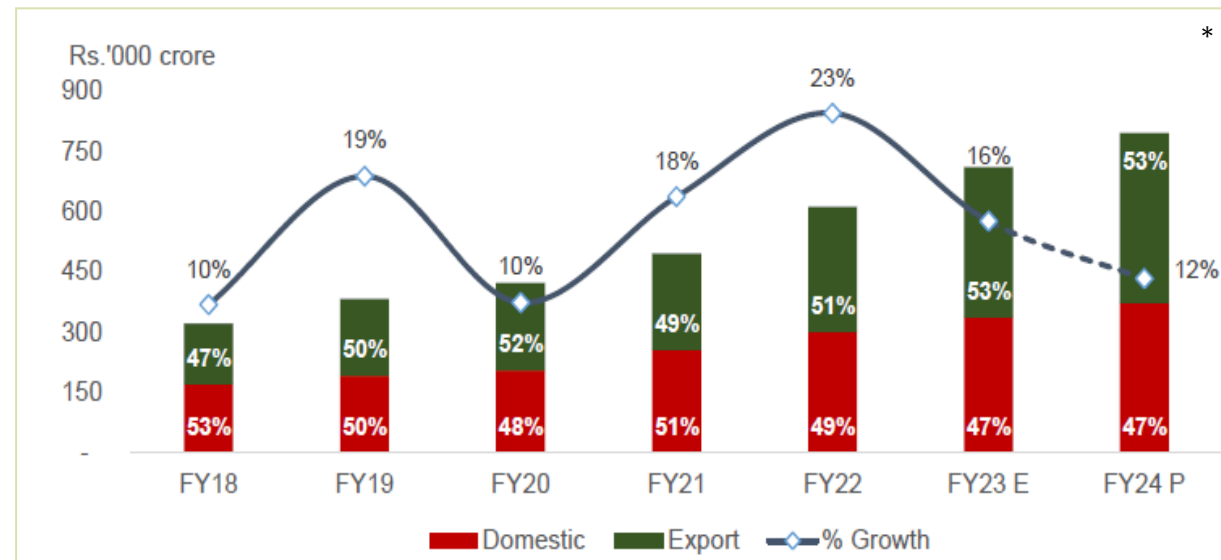
Agrochemicals Industry Overview



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.

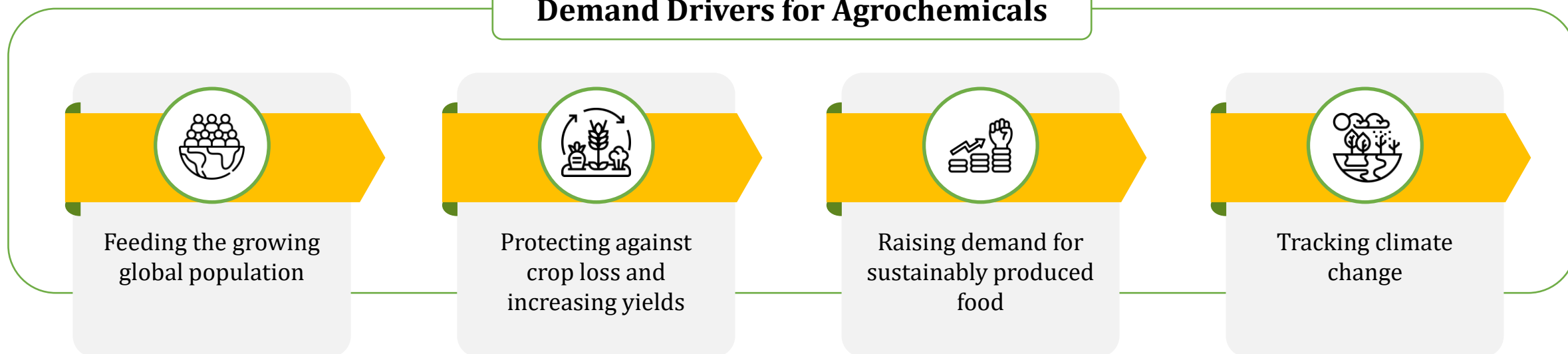
Increase in demand of horticulture and floriculture

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

(# : Directorate of plant protection, quarantine & storage, *: CRISIL capital
^ Mckinsey 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

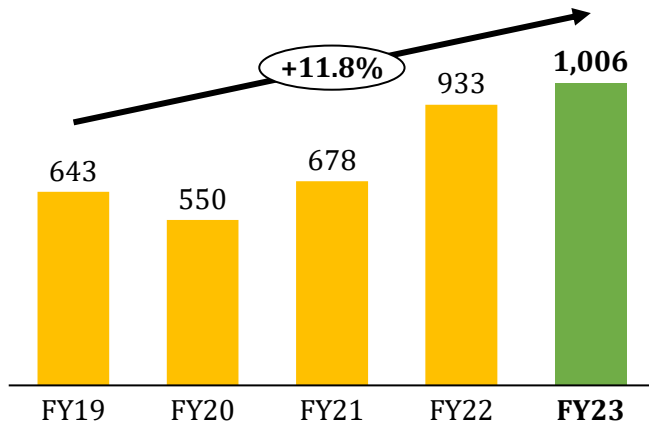


Performance Track Record

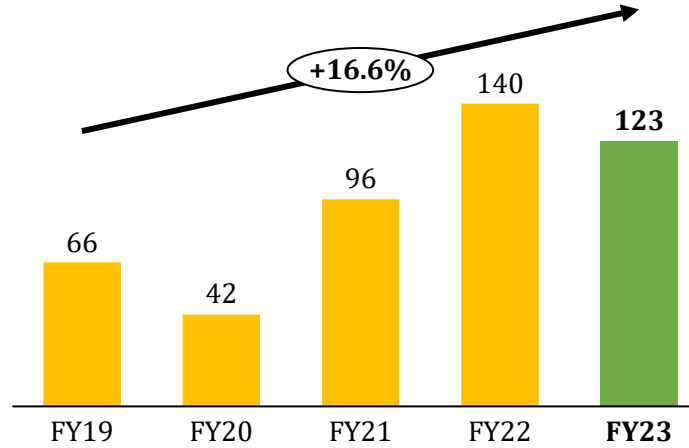


Performance Track Record

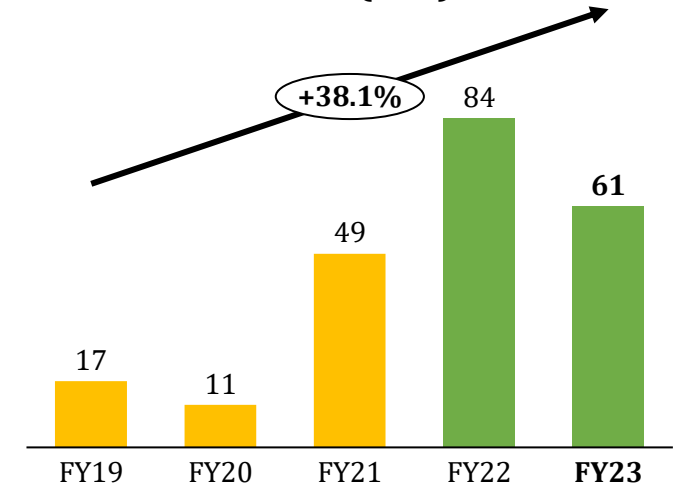
Revenue (₹ cr)



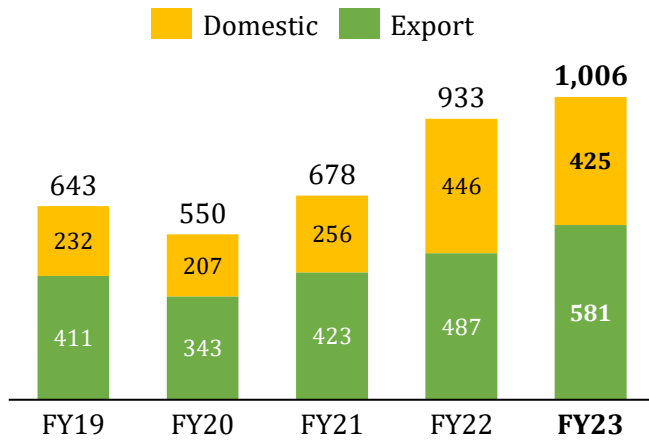
EBITDA (₹ cr)



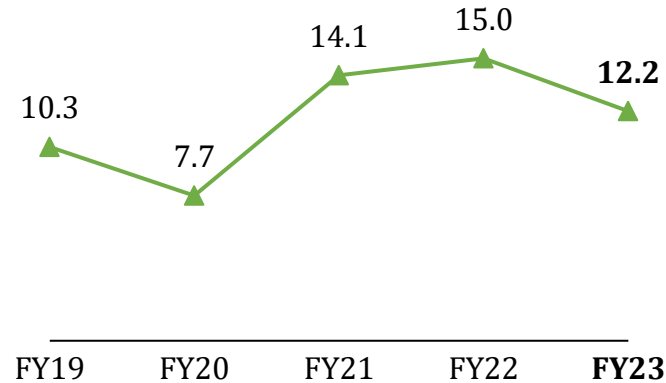
PAT (₹ cr)



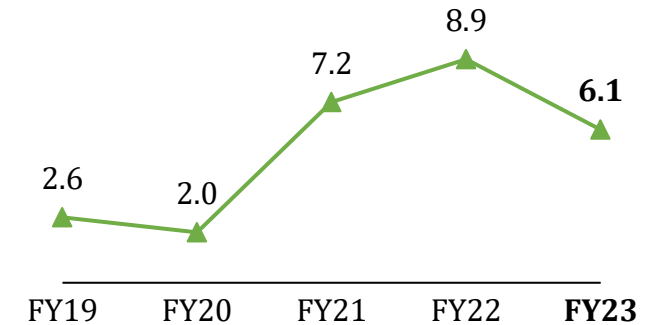
Revenue Split (₹ cr)



EBITDA Margin (%)

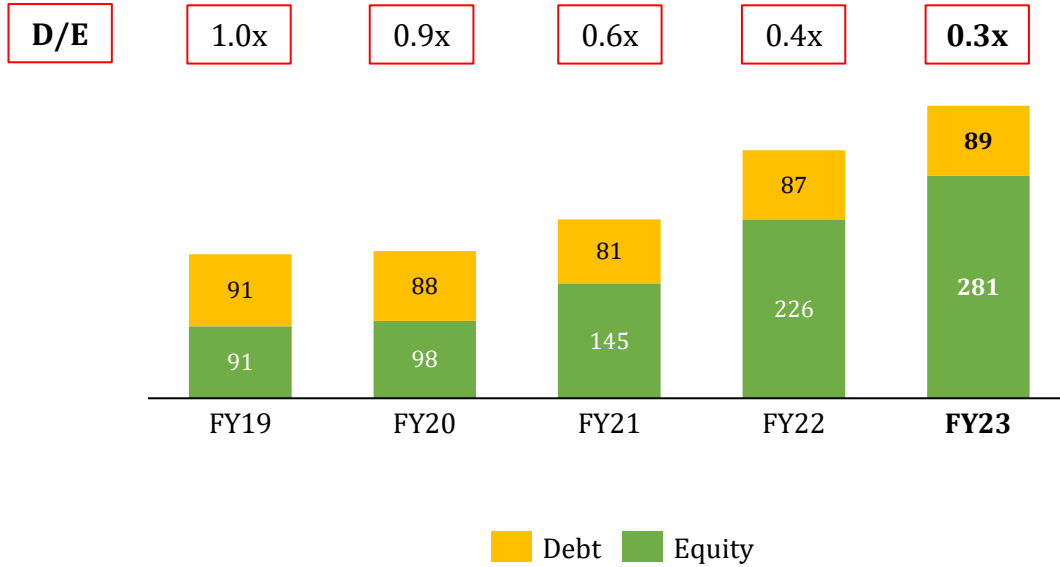


PAT Margin (%)

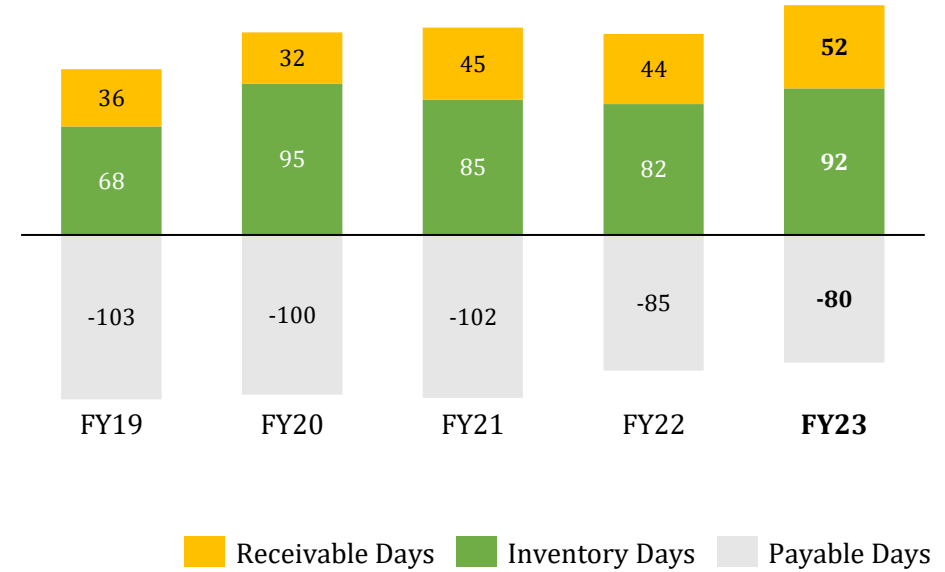


Performance Track Record

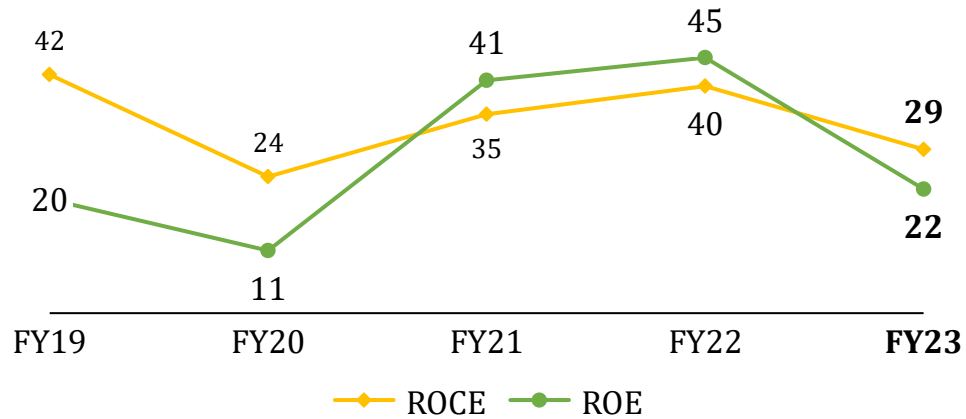
Capital Structure (₹ cr)



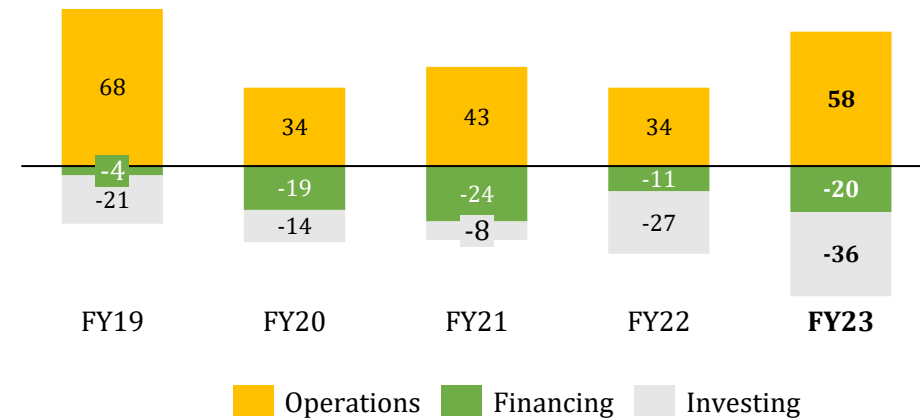
Working Capital Analysis (₹ cr)



Return Ratios (%)



Cash Flow (₹ cr)



THANK YOU



Ashish Nayak
Chief Financial Officer

investorhelp@punjabchemicals.com

orientcapital

Mr. Sumeet Khaitan
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+91 70213 20701

Mr. Bhavya Shah
bhavya.shah@linkintime.co.in
+91 80827 48577