



Shree Pushkar Chemicals & Fertilisers Ltd

Investor Presentation

May 2016



Safe Harbor



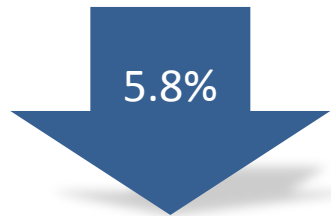
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FY16 Highlights



Total Revenue

Rs 251 Crs



EBIDTA

Rs 35 Crs

(Margin 13.9%)



PAT

Rs 22 Crs

(Margin 8.9%)

Period of soft Raw Material prices

- Pass through of declining Raw Material prices led to a correction in Finished Goods prices
- Stabilization of H-acid prices in the market leading to lower realisation
- Strong volume growth across all divisions

Better operating leverage

- Benefits from lower commodity prices
- Led by better inventory management lowering Working Capital requirement

Lower Financial Expenses

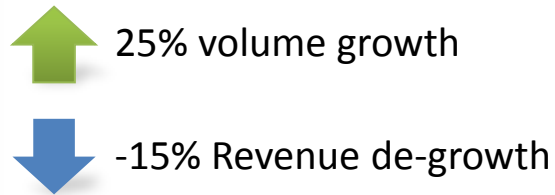
- Finance Cost lower by 64%

Marginal Revenue Decline however, PAT Margins up by 190 bps

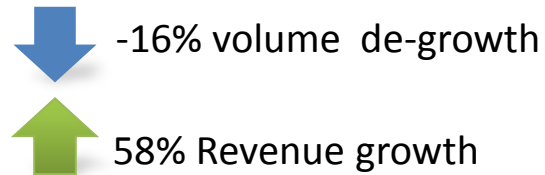


FY16 Segmental Highlights

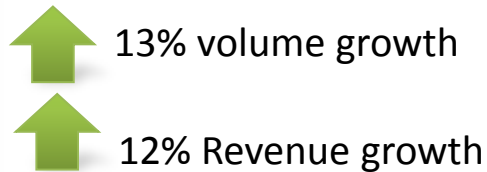
Dye Intermediates



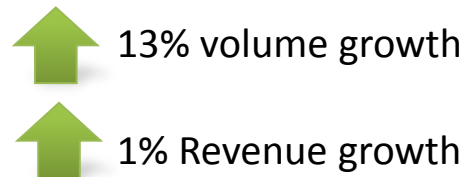
Acid Complex



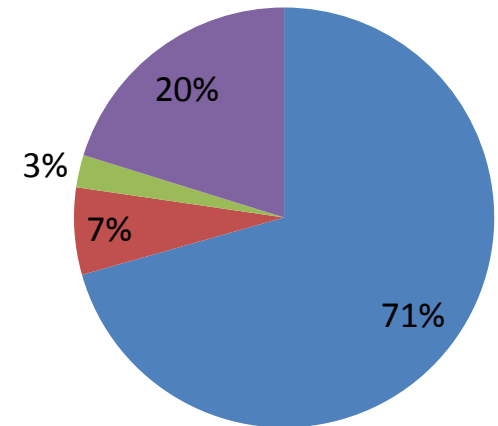
Cattle Feed



Fertiliser



Revenue Break up



- Dye Intermediates
- Acid Complex
- Cattle Feed
- Fertiliser



Financial Highlights – Quarterly & FY16

Particulars (Rs. In Crs)	Q4FY16	Q4FY15	Y-o-Y	Q3FY16	Q-o-Q	FY16	FY15	Y-o-Y
Net Sales	78.38	70.72		49.61		248.70	266.52	
Other Income	0.90	0.04		1.00		2.54	0.29	
Total Revenue from Operations	79.28	70.76	12.0%	50.61	56.7%	251.24	266.81	-5.8%
Raw Materials	56.42	48.72		34.08		175.29	195.46	
Employee Expenses	2.53	2.50		2.67		10.17	9.11	
Other Expenses	10.56	11.42		6.42		30.87	30.41	
EBITDA	9.78	8.13	20.2%	7.44	31.4%	34.91	31.84	9.6%
EBITDA %	12.3%	11.5%		14.7%		13.9%	11.9%	
Depreciation	1.16	-0.24		0.85		3.80	3.62	
EBIT	8.61	8.37	2.9%	6.59	30.7%	31.11	28.22	10.2%
EBIT (%)	10.9%	11.8%		13.0%		12.4%	10.6%	
Finance Cost	0.55	1.15		0.63		1.97	5.42	
Profit before Tax	8.07	7.22		5.96		29.13	22.80	
Tax	2.35	1.96		0.00		6.84	4.15	
Profit after Tax	5.71	5.26	8.6%	5.96	-4.1%	22.29	18.65	19.5%
PAT %	7.2%	7.4%		11.8%		8.9%	7.0%	



Product launches pipeline

Description	Products	Current Capacity	New Capacity/ Expansion	Status
Forward Integration	Reactive Dyes	3000 MTA (On stream in Jan 2016)	3000 MTA	Marginal Capex of ~Rs 5Cr Expected by Q3FY17
Captive Consumption in Dyes Plant	H – Acid	2,400 MTA	750 MTA	Now Expected by Q2FY17
	Vinyl Sulphone	2,700 MTA	1000 MTA	Commissioned in May 2016
Expanding Fertiliser portfolio	NPK (Nitrogen, Phosphorus and Potassium)	20,000 MTA	-	Commissioned in Feb 2016
	Sulphate of Potash (SOP)	-	10,000 MTA	Expected by Q1FY17
To use effluents generated in SOP	Calcium Chloride		7,000 MTA	To be Commenced on June 2016

Funded through IPO



Commenced Operations for New Reactive Dyes Plant



Capacity of
3000 MTA

At Lote
Parshuram,
Maharashtra

New Quality
Control
Laboratory

Sales
commenced in
April 2016

80 MT WIP
Inventory as of
31st March 2016



Reactive Dyes... A Forward Integration

Reactive Dyes : a class of highly coloured organic substances, primarily used for dyeing textiles, for cellulosic fibers like cotton/flax & also wool that attach themselves to their substrates by a chemical reaction that forms a covalent bond between the molecule of dye and that of the fibre.



New Manufacturing Capacity

- New Manufacturing Division for manufacture of Reactive Dyes at Lote Parshuram, Maharashtra
 - Installed capacity of 3,000 MTA
 - The plant will be a Zero effluent Discharge Plant
- To meet the captive requirement
 - 2 additional plants for Dye Intermediates to be commissioned shortly
 - H-Acid , Capacity of 750 MTA expected to be commissioned by Q2FY17
 - **Additional Vinyl Sulphone, Capacity of 1000 MTA commissioned in May 16**
- NDA with Huntsman Corporation for manufacturing of Dyestuff for their textiles division

Reactive Dyes	In-house Inputs
Black	Vinyl Sulphone + H- Acid
Red	Gamma Acid + Vinyl Sulphone + H- Acid
Yellow	K- Acid, R-Salt + Meta Ureido Aniline + H- Acid

One Stop Shop for Dyestuff Manufacturers catering to Textile Sector



Fertiliser - NPK

- NPK fertilizer is primarily composed of three main elements: Nitrogen (N), Phosphorus (P), and Potassium (K)
- Company has received a license for manufacture of Mixed Fertilizer NPK in the state of Maharashtra
- Sold under Marketing tie-up with DCM Shriram
- Launched under the brand 'Shriram Urja Mix' in the state of Maharashtra
- Commenced operations of NPK under its existing Fertiliser Division

NPK

**SPCF – Capacity
20,000 MTA
launched
on February 2016**





Fertiliser - Sulphate Of Potash (SOP)

- As Fertiliser
 - SOP is a preferred form of potassium in saline or sodic soil conditions and where irrigation water may have high chloride levels
- As Deicing Agent
 - SOP is designed for snow removal and deicing operations
- SOP plant soft launched on 15th May 2016
- Continuing Zero Waste status
 - Setting up Calcium Chloride plant with capacity 7000 MTA
 - To utilize HCL generated in SOP

SOP

**SPCF – Capacity
10,000 MTA
To Commence
Operation
from June 2016**





Future Growth Indicators

Maintaining steady growth in current business

Consolidated business growth at a CAGR of 19% over the past 5 years

Plant Commissioned

Reactive Dyes

- Capacity commissioned on 28th Jan 2016
- Capacity – 3,000 MTA
- Arrangement with Huntsman for Sales of Dyestuff



Plant Commissioned

Additional Fertiliser Products

- Mixed Fertilisers (NPK) – 20,000 MTA
- Sulfate Of Potash (SOP) – 10,000 MTA – to commence production in June 2016

Environmentally Conscious

- Set up a Calcium Chloride plant - 7,000 MTA
- To utilize the HCl generated in the manufacture of SOP

“Continue the Zero Waste status”



Utilization of IPO Proceeds

Particulars (Rs Crs)	Objects of the issue as per prospectus	Total Spent/Utilisation upto March 31 st 2016	Amount Pending Utilisation
Acquisition of Existing Factory at B-97, Lote Parshuram	2.29	2.29	-
Construction of Godown at unit II	2.38	2.38	-
Amount Spent for setting up the facilities at B-97, Lote Parshuram for Dyes & Allied Products	41.59	30.16	11.43
Setting Up the ETP at Existing Unit I	4.88	0.24	4.64
Preliminary & Pre-operative expenses / Issue Expenses	7.00	5.51	1.49
General Corporate	4.00	0.06	3.94
Total	62.14	40.64	21.50

All the unspent Amount are kept with Bank in Fixed Deposit Accounts

The Company has in addition undertaken additional expansion for putting up a SOP Plant where the total capex made as on 31.03.2016 was Rs.8.99 Crs.



The chemistry
Behind colours...

Business Details





The Chemistry Behind Colours



India's largest manufacturer of **K Acid**

Established in **1993** as a Chemical Trading company

Single location plant at Lote Parshuram

Products across Dyes, Dye Intermediates, Acid Complex, Cattle Feed Supplement & Fertilizers

Marketing through **+300 dealers** across Maharashtra, Gujarat and Karnataka

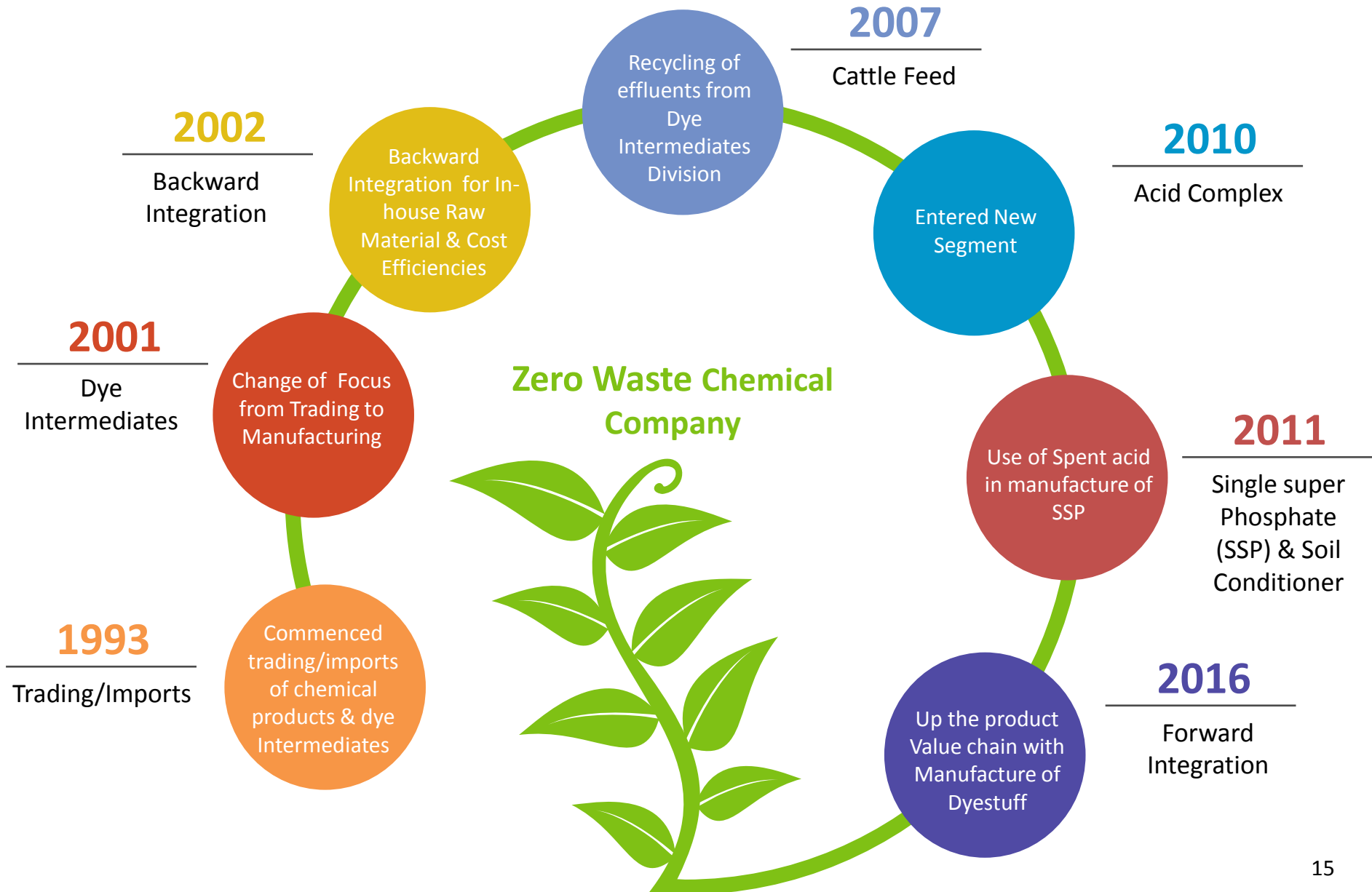
Exports to world's leading dye manufacturers Huntsman Corporation in USA

Moving up the product value chain with manufacturing of Dyes

2 Key **Marketing tie – up's** for Cattle Feed & Soil Conditioner



Key Milestones



Single Location Plants in Lote Parshuram, Maharashtra



Unit 1 – Dye Intermediates



Unit 2– Granulation Plant



**New Reactive Dyes Plant
Unit 3**



Sulphuric Acid Plant



New Quality Testing Lab for Dyes



Only manufacturing unit with a basket of Dye-intermediates
“One Stop Shop for Dye Manufacturers”



Key Management



Punit Makharia

Chairman & Managing Director
A first generation entrepreneur, he holds a Bachelors in Commerce with a rich business experience of over 2 decades in dealing with chemical and dyes intermediates



Gautam Makharia

Joint Managing Director
With and BE in Electronics and an MBA(Finance), his experience spans across GE, P & G, Barclays, BARC



Ratan Jha

CFO
CA with experience in accountancy and taxation



Dilip Shah

GM – Export Import
Has 27 years of experience in the field of Import and Export



R Purohit

GM Marketing–Fertilizer
20+ years of experience in strategic planning, marketing/ business development



S N Sengupta

Associate Director
A chemical engineer with experience of 33 years in project financing and techno economic feasibility studies of industrial projects



Rajkumar Sahani

VP - Projects
A chemical Engineer with over 42 years of experience in setting up various chemical plants and has worked with R.C. Fertilisers Private Limited



Mahendra Kavadia

GM of Unit I
Over 28 years of experience in the field of dyes, chemicals and fertilisers



R M Tiwari

GM of Unit II
29 years of experience in manufacturing of fertilizers



Dolekar

GM of Unit III
With an B. Tech in Dyes & Pigments, he has over 20+ years of experience in the manufacture of Dyes



Kishan Bhargav

Company Secretary
A CS with Bachelors in Law and Diploma in HR Management, has experience in corporate compliance and secretarial

Business Overview

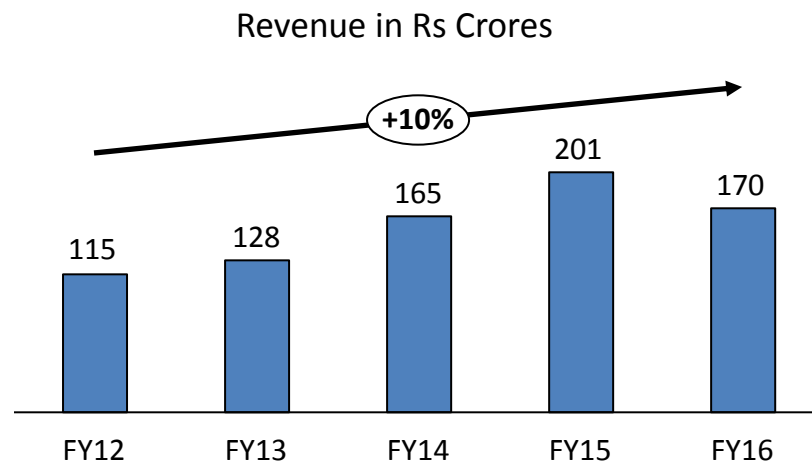


% of FY16 Revenue	Business Verticals	Details	Products	Industries
71%	Dye Intermediates	Products manufactured from organic chemicals and are further processed to obtain dyestuff	Gamma Acid, K- Acid, R-Salt, Vinyl Sulphone, Meta Ureido Aniline and H- Acid	Manufacturers of Synthetic Dyes
7%	Acid Complex	A compound capable of neutralizing alkalis & containing hydrogen that can be replaced by a metal to form a salt	Sulphuric Acid, Oleum and Chloro Sulphonic Acid (CSA)	An acid reagent typically used for Sulphonation reaction
3%	Cattle Feed Supplement	Mainly used as a dietary supplement in animal feed products	Di- Calcium Phosphate (DCP)	Used by Cattle & Poultry Feed manufacturers
20%	Fertilisers	Phosphatic fertiliser & a fertiliser used to improve the soils quality and for improving / Building soil	Single Super Phosphate (SSP) Soil Conditioner, Nitrogen Phosphorus Potassium (NPK), Sulphate Of Potash (SOP)	Agriculture
	Dyestuff	To commence production in January 2016	Reactive Black, Reactive Red, Reactive Yellow	Used for Dying of Textile / Yarns commonly cellulosic material

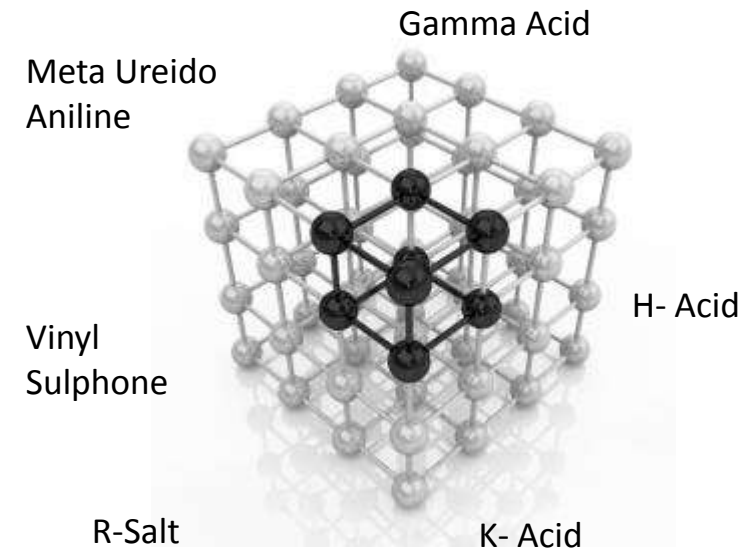


Dye Intermediates

- One of the few manufactures of wide range of dye intermediates in India with zero waste
- State of art integrated manufacturing facilities located at Lote Parshuram, Maharashtra
- Total Capacity of 7,836 MTA
- Amongst India`s large manufacturers of K-Acid
- End Use in manufacturing of Dyes for Textile Industry



Product offerings for Dyestuff Manufacturers



One Stop Shop for Dyestuff Manufacturers



Dye Intermediates

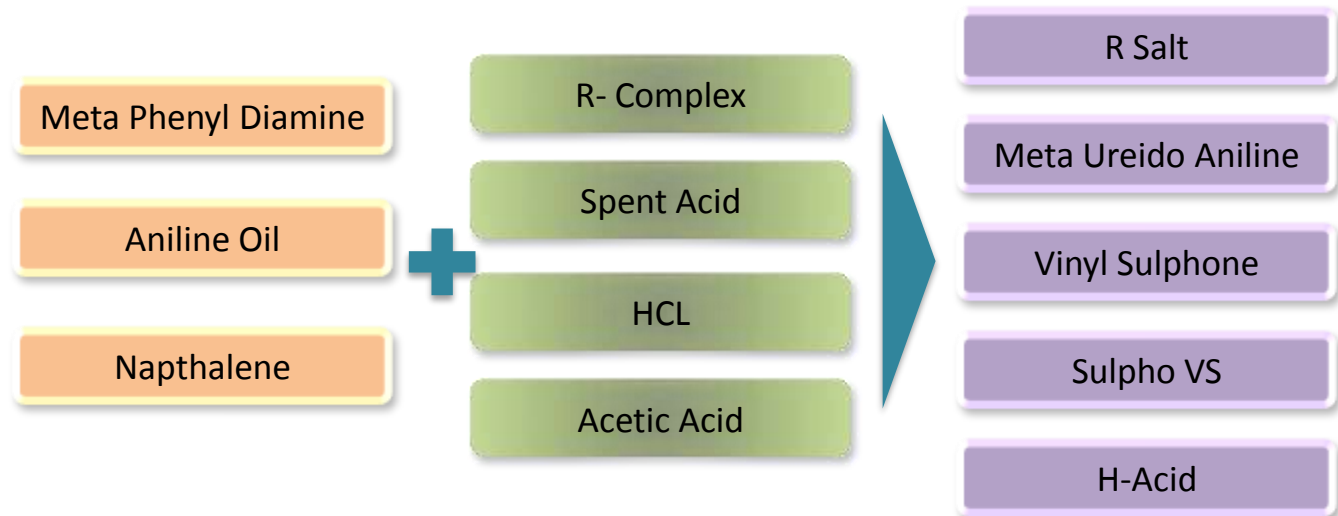
2001 – 2006

- Production of Gamma Acid and K – Acid
- Lower cost efficiencies due to Effluents generated



2006 – till date

- Creating a **Waste to Wealth** manufacturing model with smart use of Effluents to create new products
- Now offer a basket of Dye Intermediates with best cost efficiency
- Current Product basket cater to ~80% of dye stuff industry



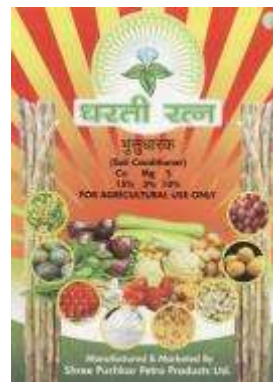
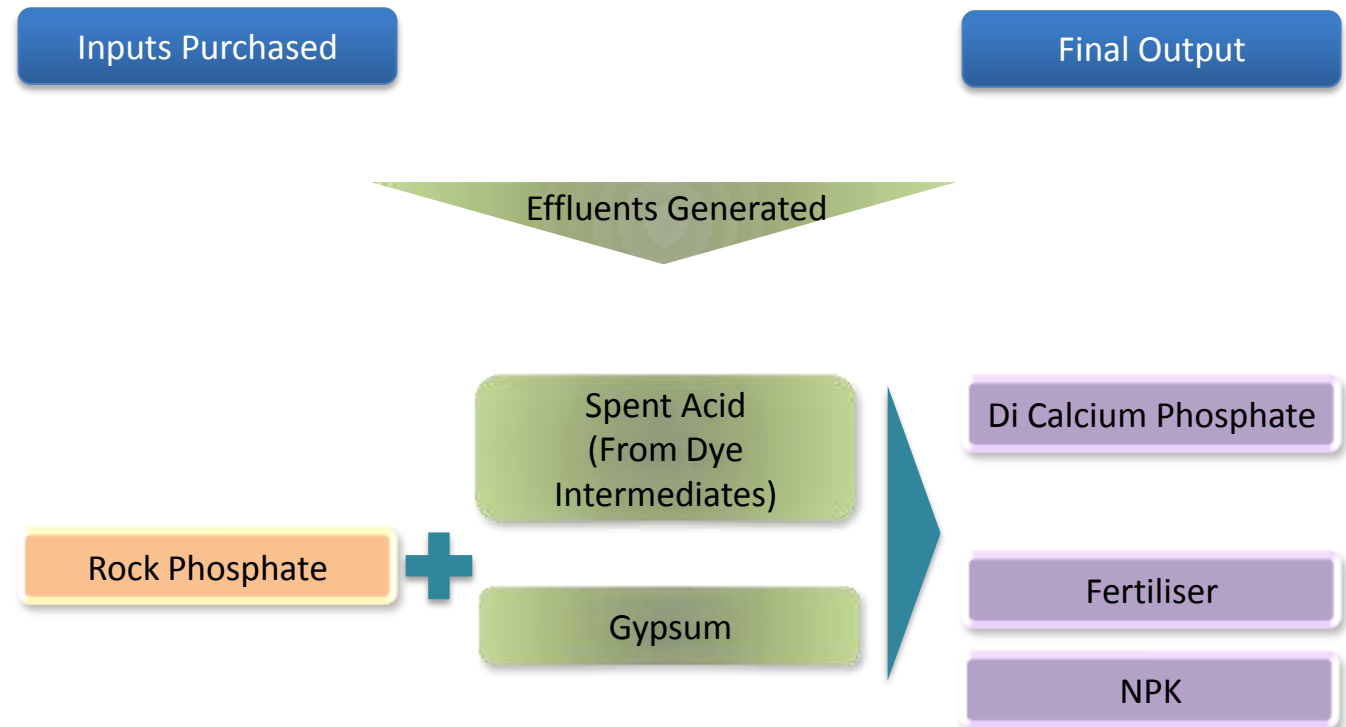
Increased product basket from 2 to 7



Evolution Towards Cattle Feed and Fertiliser

2007 – till date

- Exclusive marketing arrangement with Shriram Chemical & Fertilizers for Single Super Phosphate in Maharashtra and Karnataka
- Tie-up with Shivam Chemicals for marketing of Di-Calcium Phosphate in Karnataka
- Launched its own soil conditioner brand '**Dharti Ratna**' in Western Maharashtra





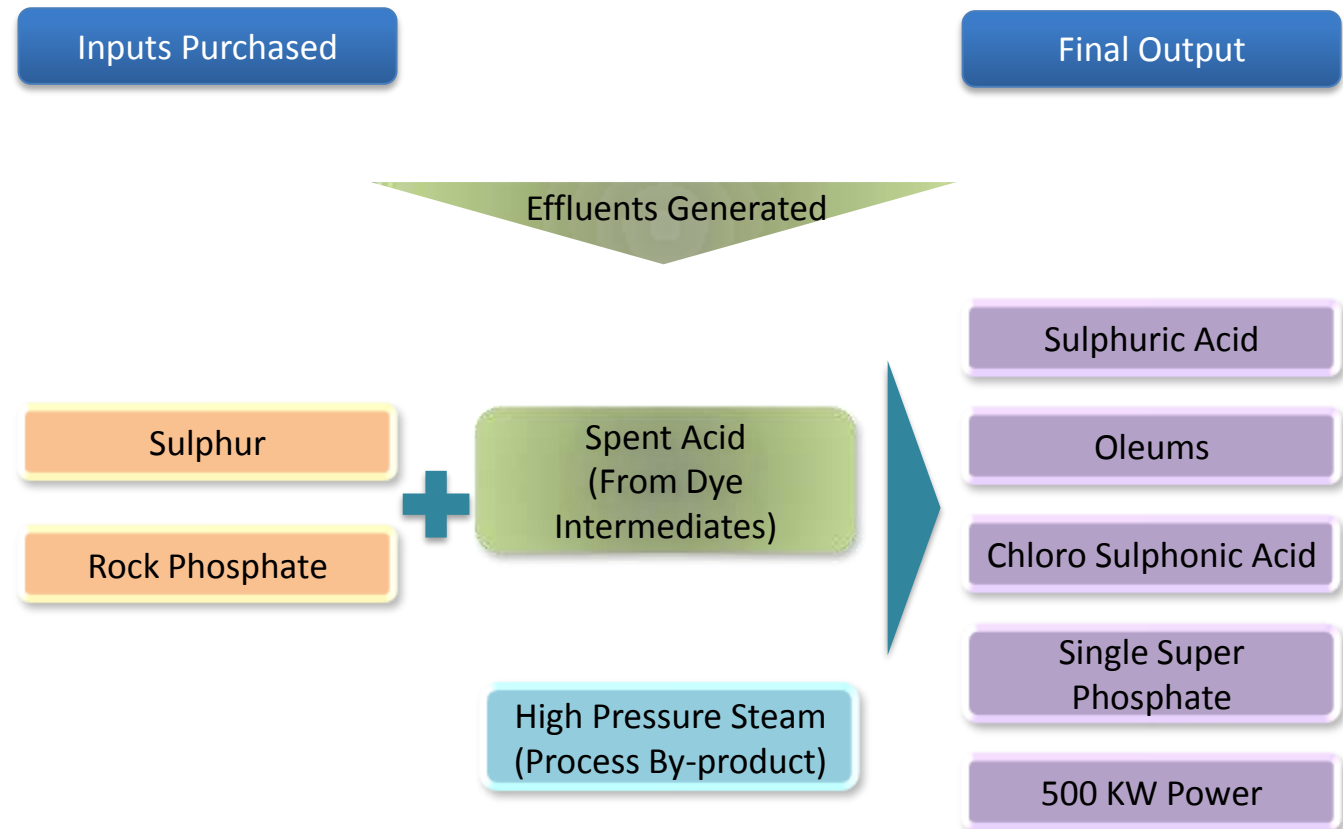
Evolution Towards Acid Complex and Power

2009 – till date

- Sulphuric acid is a major raw material in solphonation in all chemical industry and phosphoric acid industry
- Capacity of 40,000 MTA
- Excess Spent Acid from Dye Intermediates division used for

High Pressure steam

- Used to generate 500 KW Power at zero direct cost for Captive Consumption
- Rest converted to low pressure steam for internal consumption



Client Profile



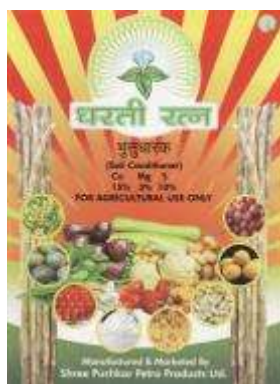
Domestic Clients



International Clients



Own Brand



- Arrangement with the Textile effects division of Huntsman Inc. for **manufacture of Dyes for Huntsman**
- **Exclusive marketing arrangement** with DCM Shriram Chemical & Fertilizers for Single Super Phosphate in **Maharashtra and Karnataka**
- Tie-up with Shivam Chemicals for marketing of **Di-Calcium Phosphate in Karnataka**
- Launched its own soil conditioner brand '**Dharti Ratna**' in **Western Maharashtra**

Key Strengths



01 Zero Waste
Recycle of Effluents to generate new products

02 Internal Power Generation
Use of High Pressure Steam generated from Acid Plant for Power Generation and Internal Consumption

03 Cost Efficiencies
Led by Backward Integration of Raw Material manufacturing

04 Own logistics Fleet
For smooth transportation of raw material and products to Clients

05 Low Financial Leverage
A Zero Debt Company with Debt to Equity nearly NIL

06 Single Location Plant
All Facilities within MIDC, Lote Parshuram, Maharashtra



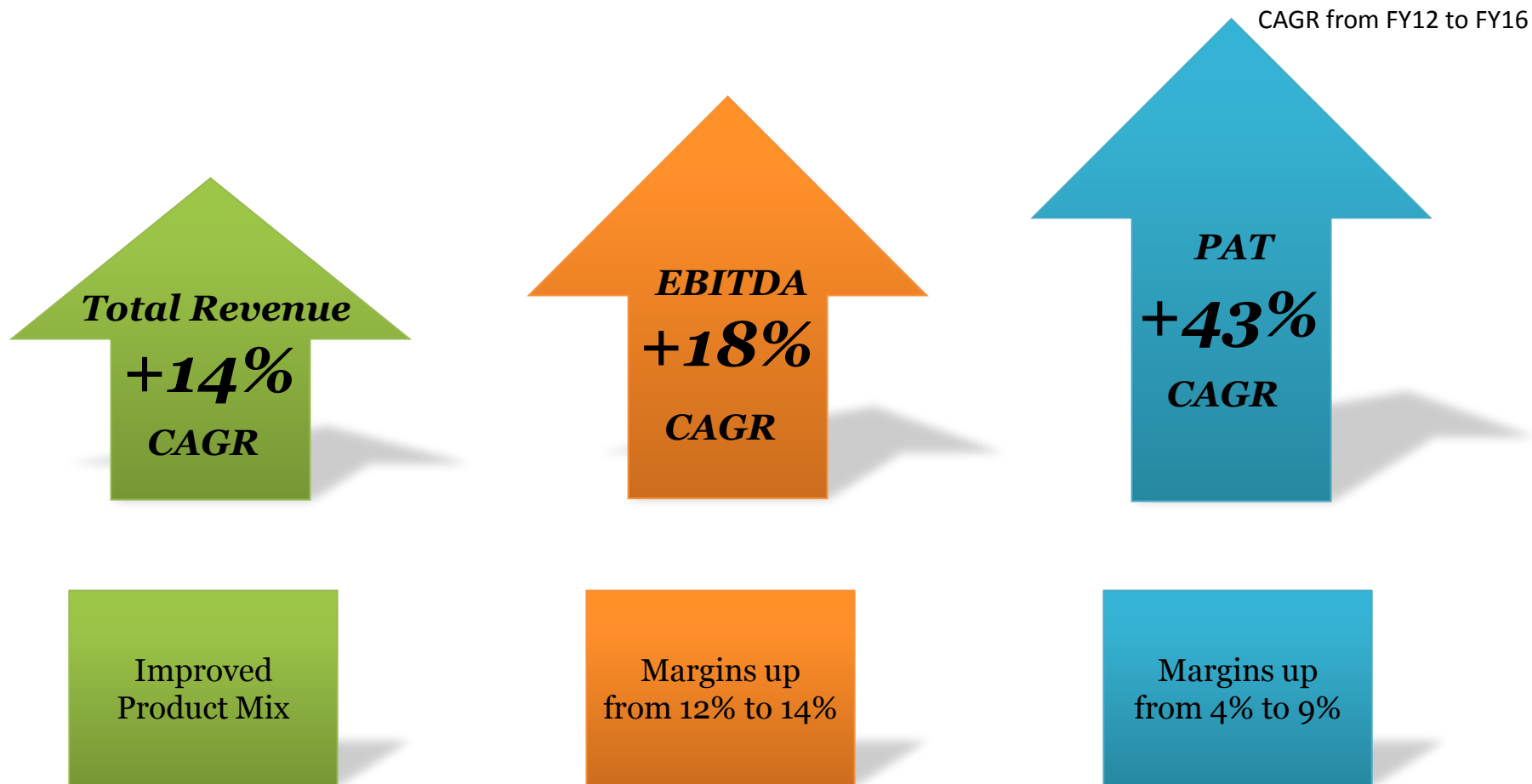


The chemistry
Behind colours...

Financials



Strong Financial Performance

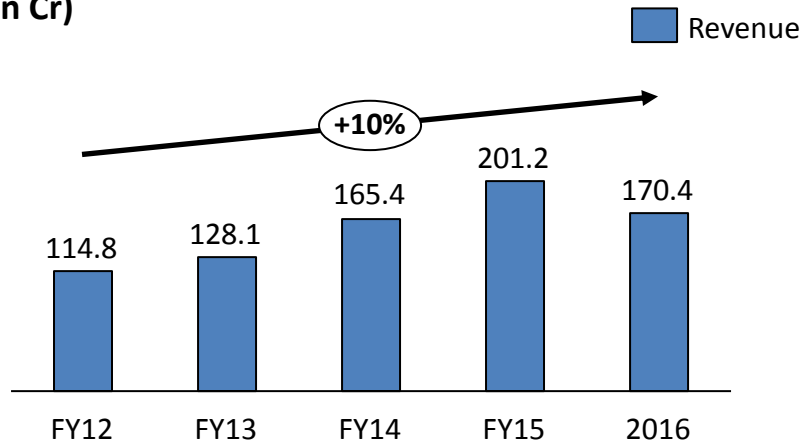


Along with a strong Balance Sheet

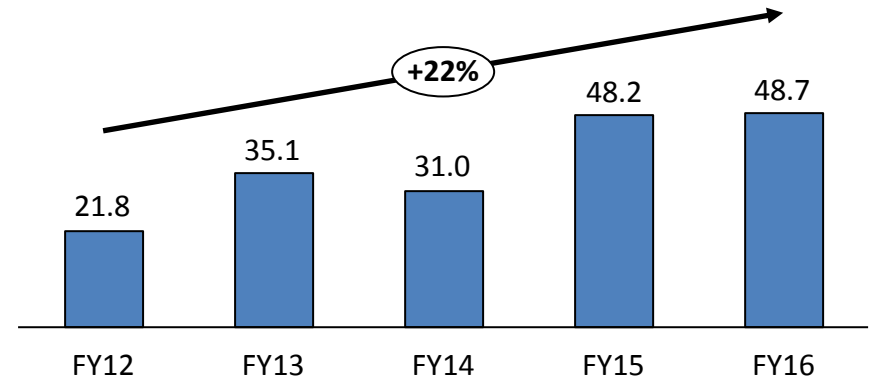


Segmental Performance

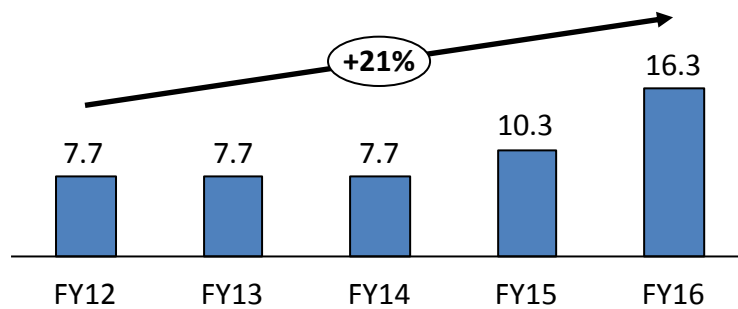
(Rs in Cr)



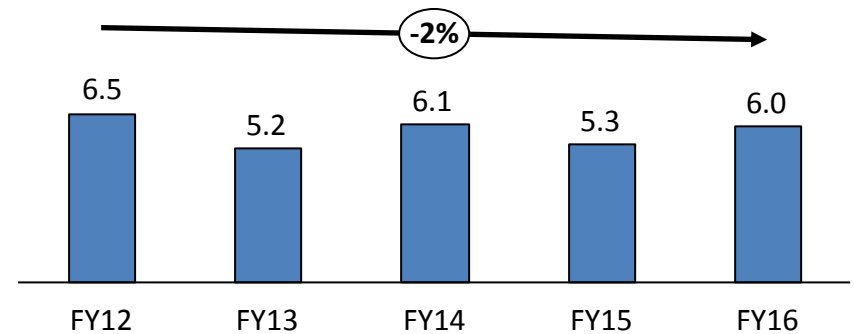
Dye Intermediates



Fertilisers



Acid Complex



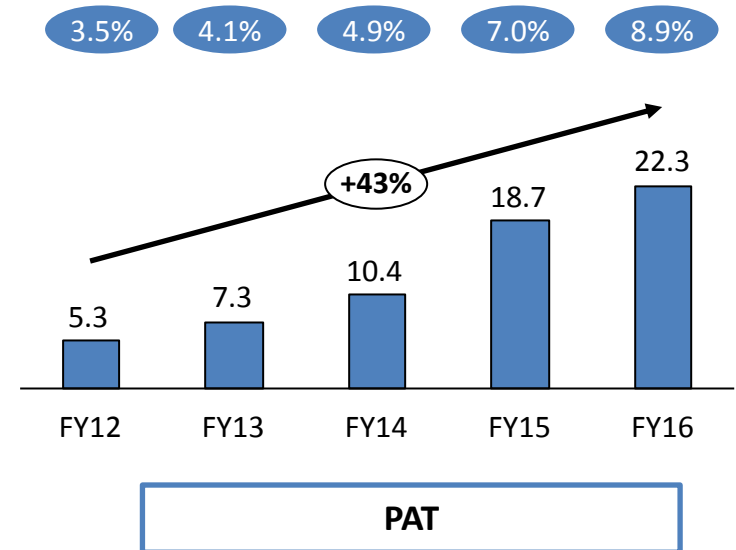
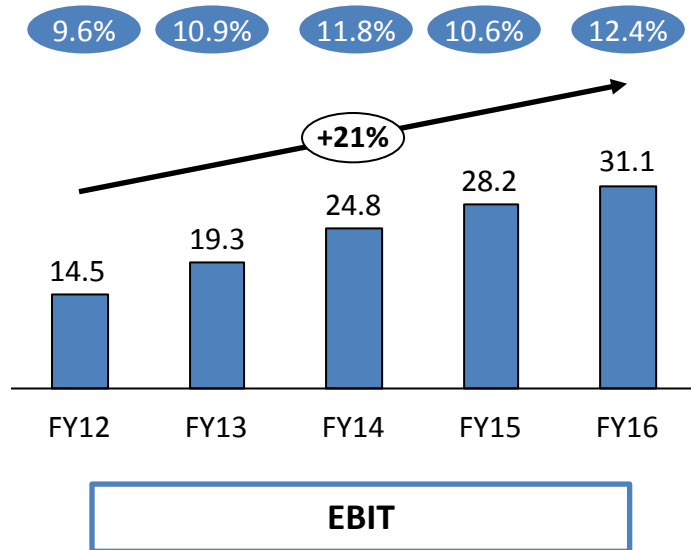
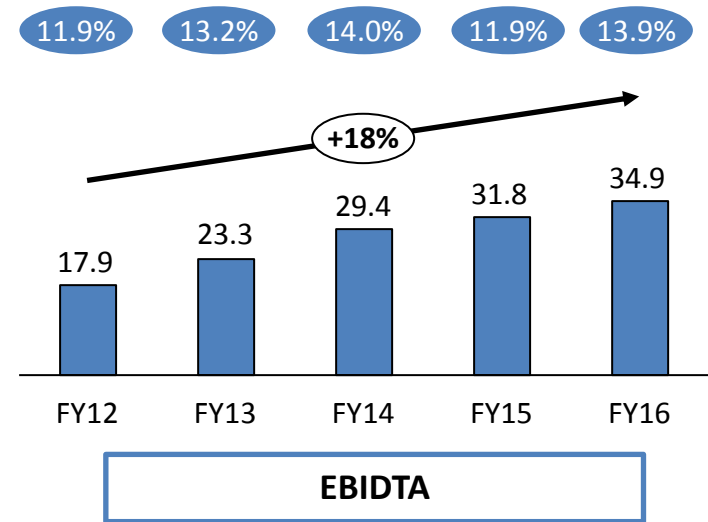
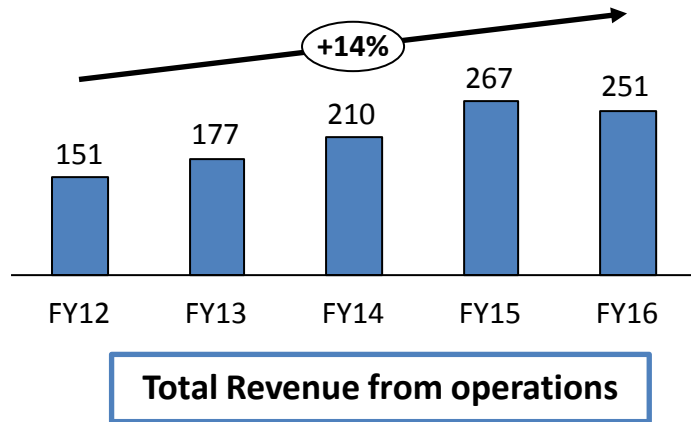
Cattle Feed



Key Financial Parameters

(Rs in Cr)

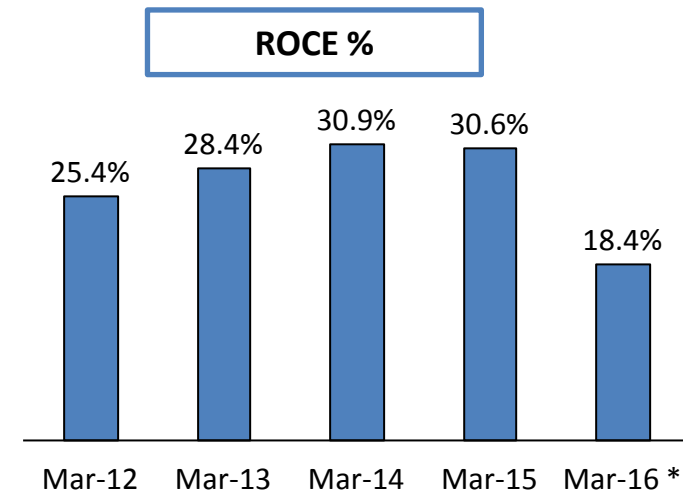
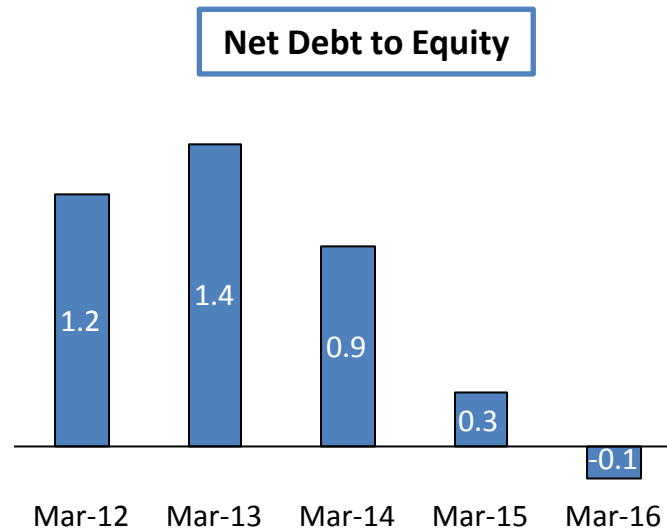
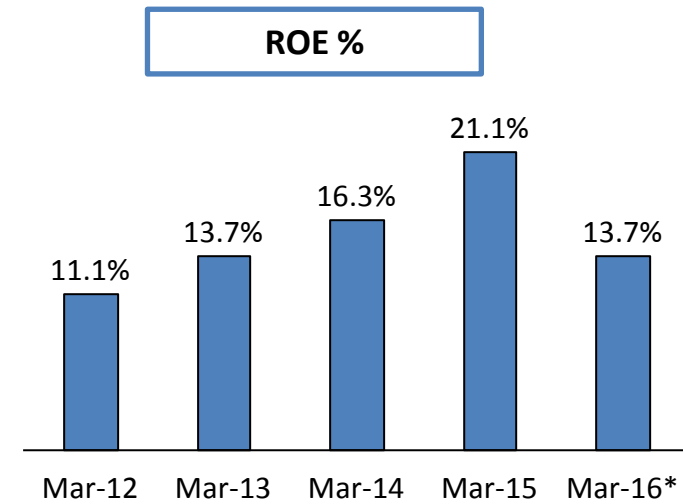
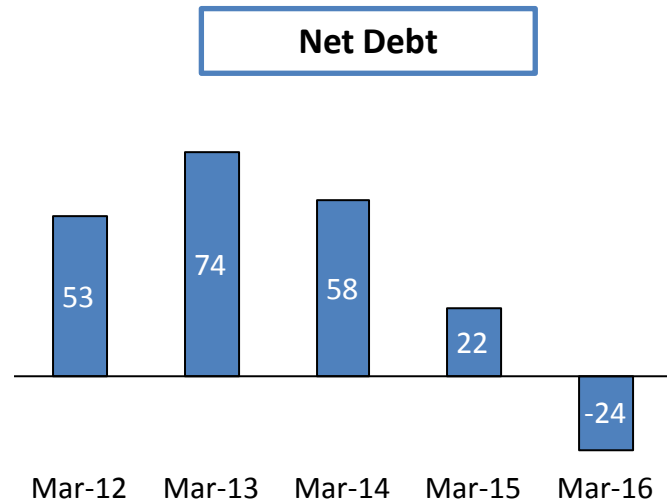
Margin %





Key Financial Parameters

(Rs in Cr)



* Lower return ratios led by increase in Shareholder Capital post IPO

Historical Profit & Loss



Particulars (Rs. In Crs)	FY16	FY15	FY14	FY13	FY12	FY11
<i>Total Revenue</i>	248.70	266.52	210.09	175.98	150.71	131.13
Other Income	2.54	0.29	0.28	0.59	0.26	0.16
<i>Total Revenue from Operations</i>	251.24	266.81	210.37	176.57	150.97	131.29
Raw Material	175.29	195.46	150.58	129.88	116.39	111.92
Employee Expenses	10.17	9.11	7.97	4.79	3.76	2.75
Other Expenses	30.87	30.41	22.42	18.56	12.91	6.47
<i>EBITDA</i>	34.91	31.84	29.40	23.34	17.91	10.15
<i>EBITDA %</i>	13.9%	11.9%	14%	13%	12%	8%
Depreciation	3.80	3.62	4.64	4.05	3.39	1.91
<i>EBIT</i>	31.11	28.22	24.76	19.29	14.52	8.24
<i>EBIT (%)</i>	12.4%	10.6%	11.8%	10.9%	9.6%	6.3%
Finance Cost	1.97	5.42	10.62	10.28	7.28	3.61
<i>Profit before Tax</i>	29.13	22.80	14.14	9.01	7.24	4.63
Tax	6.84	4.15	3.75	1.73	1.93	1.83
<i>Profit after Tax</i>	22.29	18.65	10.39	7.28	5.31	2.80
<i>PAT %</i>	8.9%	7.0%	4.9%	4.1%	3.5%	2.1%

Balance Sheet



Liabilities (Rs in Crs)	Mar-16	Mar-15
Shareholders Fund	163.13	88.16
Share Capital	30.22	20.71
Reserves & Surplus	132.91	67.46
Total Non Current Liabilities	5.73	4.02
Long Term Borrowings	0.08	0.16
Deferred tax liabilities	5.37	3.75
Other Non-Current Liabilities	0.12	0.11
Long term provisions	0.16	0.00
Total Current Liabilities	53.02	47.64
Short Term Borrowings	17.41	24.56
Trade Payables	21.04	9.90
Other Current Liabilities	8.54	7.99
Short term provision	6.03	5.19
TOTAL EQUITY & LIABILITIES	221.88	139.82

Assets (Rs in Crs)	Mar-16	Mar-15
Total Non Current Assets	105.93	71.41
Fixed Assets (including CWIP)	95.07	69.11
Non Current Investments	0.05	0.05
Long term loans & advances	9.81	1.23
Other Non Current Assets	1.01	1.02
Total Current Assets	115.94	68.41
Inventories	24.50	31.64
Trade Receivables	43.92	28.96
Cash & Cash Equivalents	41.77	3.26
Short Term loans & Advances	3.85	3.50
Other current asset	1.91	1.05
TOTAL ASSETS	221.88	139.82



For further information, please contact

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