



Shree Pushkar Chemicals & Fertilisers Ltd

Investor Presentation

Q2 & H1FY17

November 2016



Safe Harbor



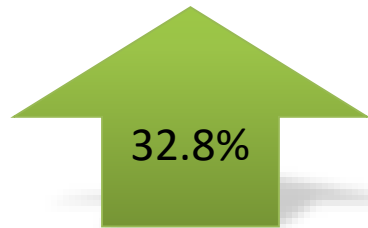
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Q2FY17 Highlights



Total Revenue

Rs 81.15 Crs

Consistently Improving Performance

- Dye contribution of 10% in revenue
- Robust growth in Dye Intermediates



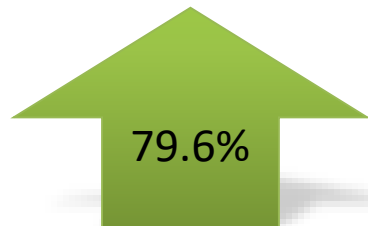
EBIDTA

Rs 15.88 Crs

(Margin 19.6%)

Better operating leverage

- Steady raw material costs



PAT

Rs 9.05 Crs

(Margin 11.1%)

Higher expenses not a deterrent to performance

- Better operational efficiency led by better utilizations across segment

Strong Dye Stuff performance



H1FY17 Segmental Highlights

- Acid Complex Division had higher captive utilization leading to lower external sales

Dye Intermediates

↑ 21% volume growth
↑ 29% Revenue growth

Acid Complex

Flat Volumes
↓ 22.6% Revenue de-growth

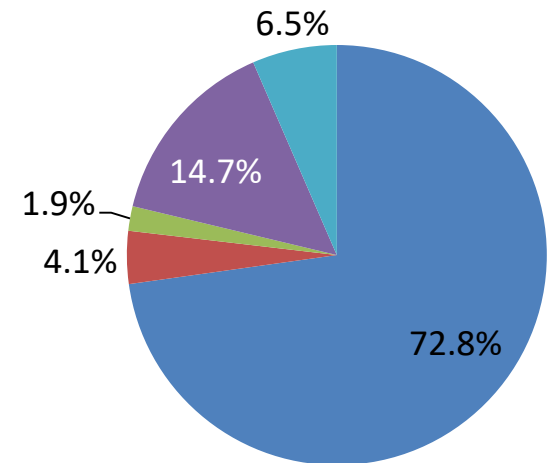
Cattle Feed

↓ -2% volume de-growth
↓ -1% Revenue de-growth

Fertiliser

↑ 14% volume growth
↑ 27% Revenue growth

Revenue Break up H1FY17



Financial Highlights



Particulars (Rs. In Crs)	Q2FY17	Q2FY16	Y-o-Y	Q1FY17	Q-o-Q	H1FY17	H1FY16	Y-o-Y
Net Sales	80.37	60.46		63.26		143.62	120.41	
Other Income	0.78	0.64		1.17		1.95	0.94	
Total Revenue from Operations	81.15	61.10	32.8%	64.43	26.0%	145.58	121.35	20.0%
Cost of Material Consumed	52.22	43.31		43.58		95.80	84.79	
Employee Expenses	3.60	2.59		2.78		6.38	4.97	
Other Expenses	9.45	6.87		7.12		16.57	13.89	
EBITDA	15.88	8.34	90.5%	10.95	45.0%	26.83	17.69	51.7%
EBITDA (%)	19.6%	13.6%		17.0%		18.4%	14.6%	
Depreciation	1.28	0.90		1.20		2.48	1.78	
EBIT	14.60	7.44	96.2%	9.75	49.7%	24.35	15.90	53.1%
EBIT (%)	18.0%	12.2%		15.1%		16.7%	13.1%	
Finance Cost	0.74	0.30		0.24		0.98	0.79	
Profit before Tax	13.86	7.14		9.52		23.37	15.11	
Tax	4.81	2.10		3.48		8.29	4.48	
Profit after Tax	9.05	5.04	79.6%	6.03	50.0%	15.08	10.63	41.9%
PAT %	11.1%	8.2%		9.4%		10.4%	8.8%	

Balance Sheet



Liabilities (Rs in Crs)	Sept-16	Mar-16
Shareholders Fund	178.21	163.13
Share Capital	30.22	30.22
Reserves & Surplus	147.99	132.91
Total Non Current Liabilities	7.46	5.73
Long Term Borrowings	0.19	0.08
Deferred tax liabilities	6.88	5.37
Other Non-Current Liabilities	0.14	0.12
Long term provisions	0.26	0.16
Total Current Liabilities	53.16	53.02
Short Term Borrowings	14.87	17.41
Trade Payables	16.50	21.04
Other Current Liabilities	11.59	8.54
Short term provision	10.20	6.03
TOTAL EQUITY & LIABILITIES	238.84	221.88

Assets (Rs in Crs)	Sept-16	Mar-16
Total Non Current Assets	120.11	105.93
Fixed Assets (including CWIP)	109.79	95.07
Non Current Investments	0.05	0.05
Long term loans & advances	10.27	9.81
Other Non Current Assets	0.00	1.01
Total Current Assets	118.73	115.94
Inventories	35.79	24.50
Trade Receivables	48.32	43.92
Cash & Cash Equivalents	27.84	41.77
Short Term loans & Advances	4.89	3.85
Other current asset	1.89	1.91
TOTAL ASSETS	238.84	221.88



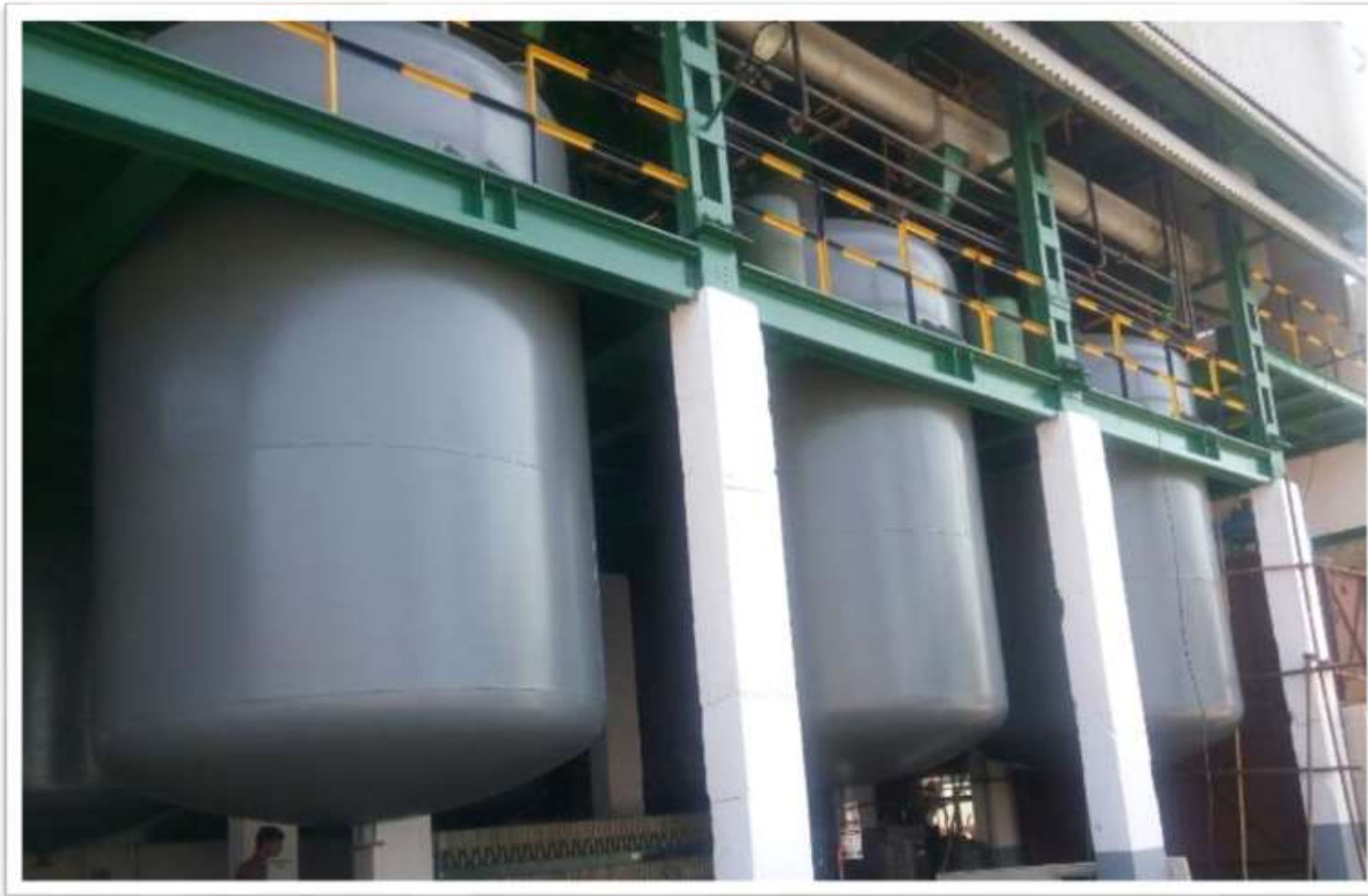
Product launches pipeline

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 Q3 FY17
Captive Consumption in Dyes Plant	H – Acid	2,400 MTA	750 MTA	Expected by H2 FY17
	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	-	Commissioned in August 2016
To use effluents generated in SOP	Granular Calcium Chloride		6,500 MTA	Commissioned in September 2016 (Under Trail Run)

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
May 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 is a Zero effluent Discharge Plant
- To meet the captive requirement
 - 2 additional plants for Dye Intermediates
 - H-Acid , Capacity of 750 MTA expected to be commissioned by Q3FY17
 - **Additional Vinyl Sulphone, Capacity of 1000 MTA commissioned in May 16**

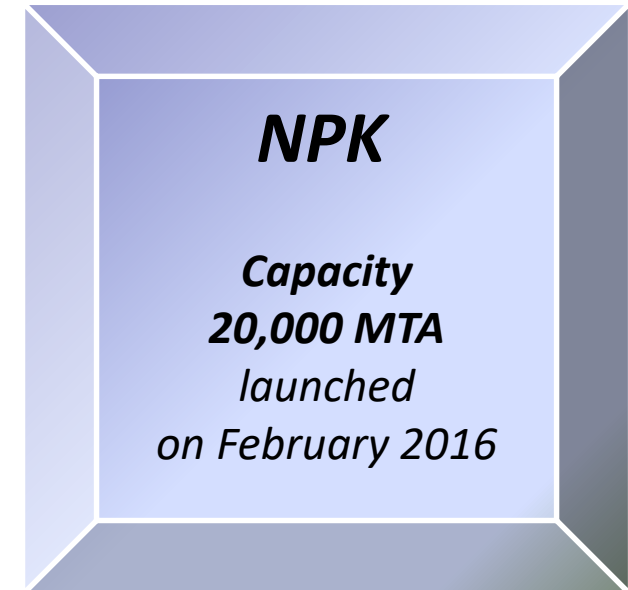
Reactive Dyes	In-house Inputs
Black	Vinyl Sulphone + H- Acid
Red	Gamma Acid + Vinyl Sulphone + H- Acid
Yellow	K- Acid, R-Salt + Meta Ureido Aniline + H- Acid

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





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
- Commercial Production at SOP plant commenced in the end of September 2016
 - Commissioned on 1st August, 2016
- Continuing Zero Waste status
 - Commenced trial runs of Granular Calcium Chloride plant with capacity 6500 MTA. Commercial Production slated to begin end of November 2016
 - Calcium Chloride is designed for snow removal and deicing operations
 - To utilize HCL generated in SOP





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

Plant
Commissioned

Additional Fertiliser Products

- Mixed Fertilisers (NPK) – 20,000 MT A
- Sulfate Of Potash (SOP) – 10,000 MTA

Plant
Commissioned

Environmentally Conscious

- Set up a Calcium Chloride plant - 6,500 MTA
- To utilize the HCl generated in the manufacture of SOP
- To commence commercial production from Q3 FY17

“Continue the Zero Waste status”



Utilization of IPO Proceeds

Particulars (Rs Crs)	Objects of the issue as per prospectus	Total Spent/Utilisation upto September 30 th 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	39.26	2.33
Setting Up the ETP at Existing Unit I	4.88	2.49	2.39
Preliminary & Pre-operative expenses / Issue Expenses	7.00	5.51	1.49
General Corporate	4.00	1.37	2.63
Total	62.14	53.30	8.84

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 31.06.2016 was Rs.18.34 Crs.
- For putting up a Calcium Chloride Plant where the total capex made as on 31.09.2016 was Rs.1.98 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

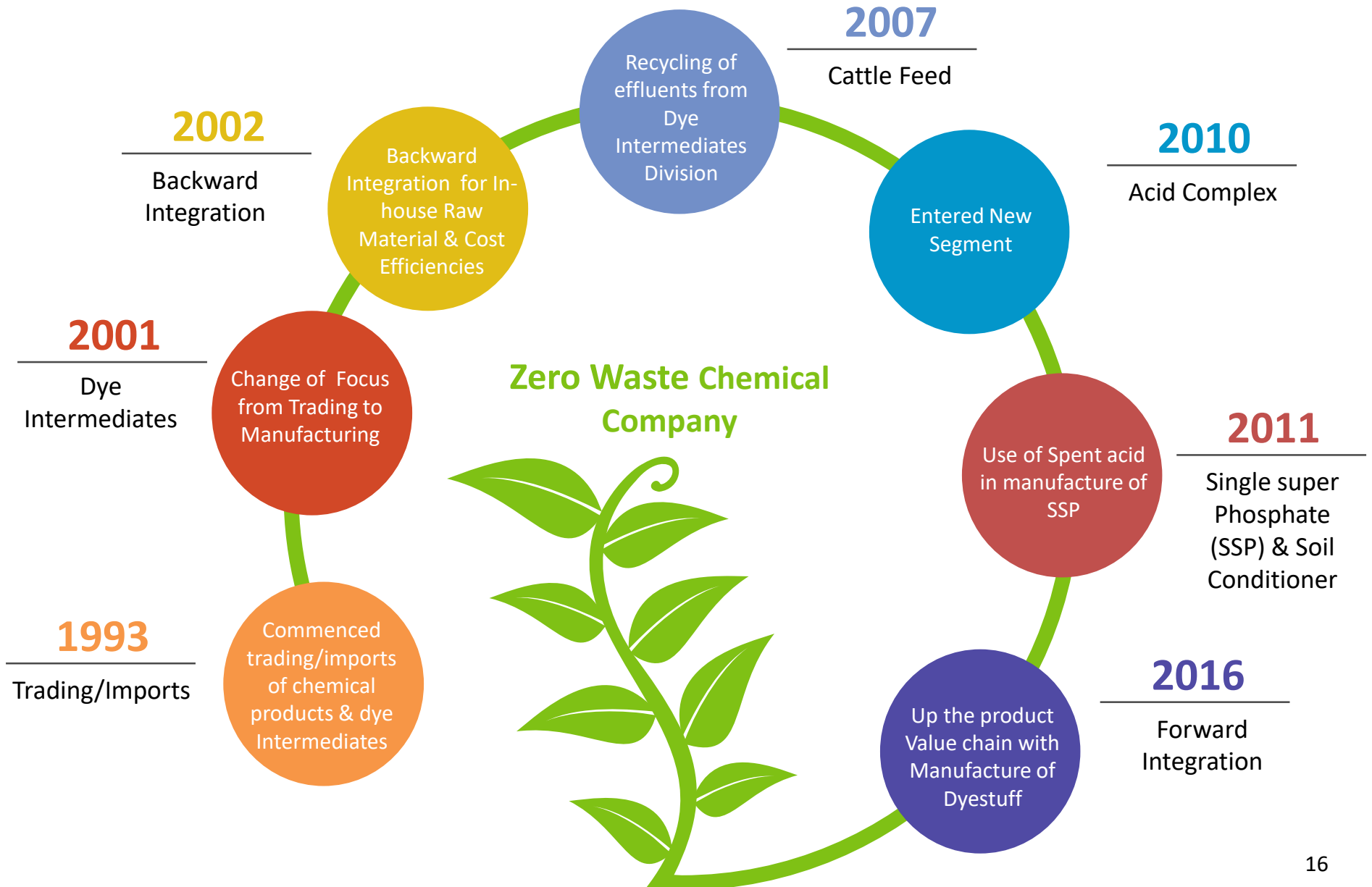
Exports to world's leading dye manufacturers Archroma and Bezema

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

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 a B. Tech in Dyes & Pigments, he has over 20+ years of experience in the manufacture of Dyes



Satish Chavan

Company Secretary

With experience of over 2 years he is a CS with BCom and Bachelors in Law qualifications

Business Overview

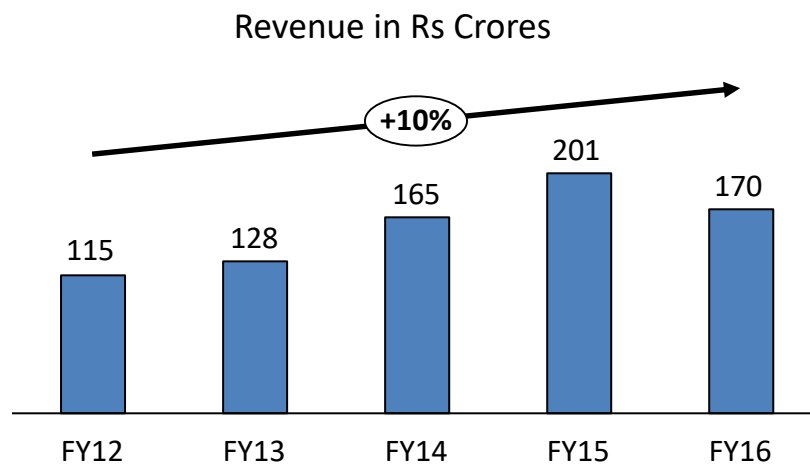


% of H1 FY17 Revenue	Business Verticals	Details	Products	Industries
72.8%	Dye Intermediates	Products manufactured from organic chemicals and are further processed to obtain dyestuff	Gamma Acid, K- Acid, R-Salt, Vinyl Sulphone, Meta Ureido Aniline and H- Acid	Manufacturers of Synthetic Dyes
4%	Acid Complex	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
2%	Cattle Feed Supplement	Mainly used as a dietary supplement in animal feed products	Di- Calcium Phosphate (DCP)	Used by Cattle & Poultry Feed manufacturers
14.7%	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
6.5%	Dyestuff	Commenced commercial production in May 2016	Reactive Black, Reactive Red, Reactive Yellow	Used for Dying of Textile / Yarns commonly cellulosic material

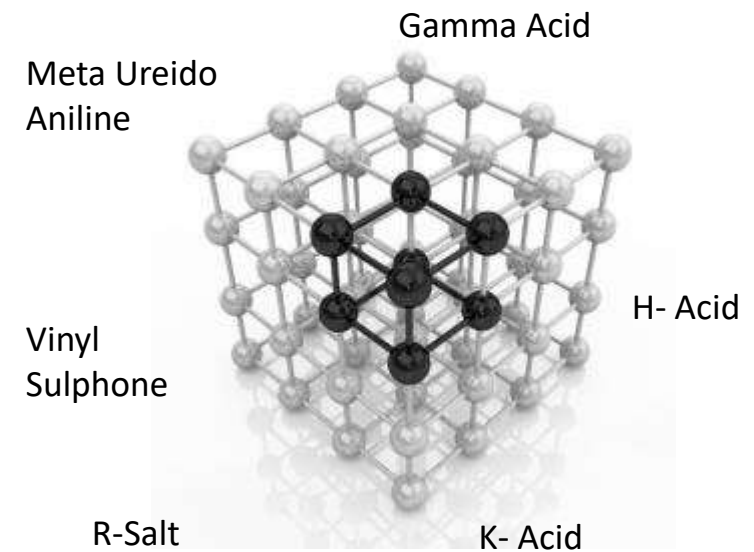


Dye Intermediates

- 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

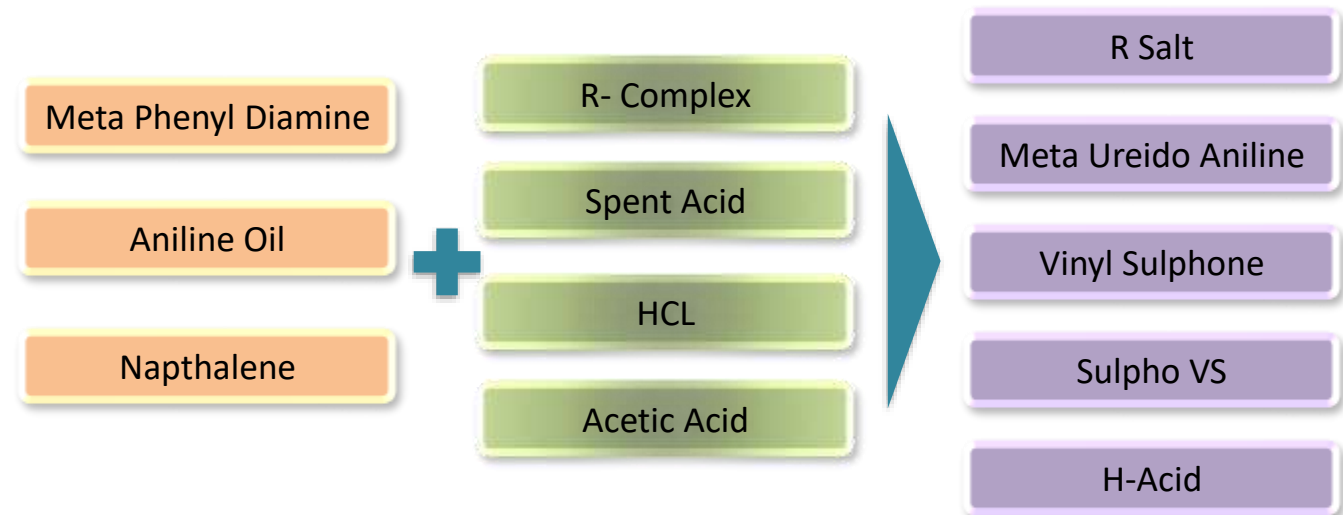
2001 – 2006

- 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



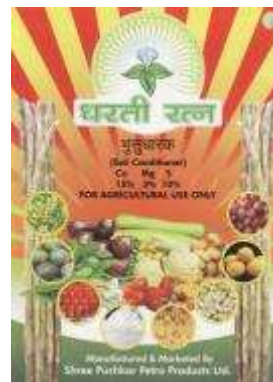
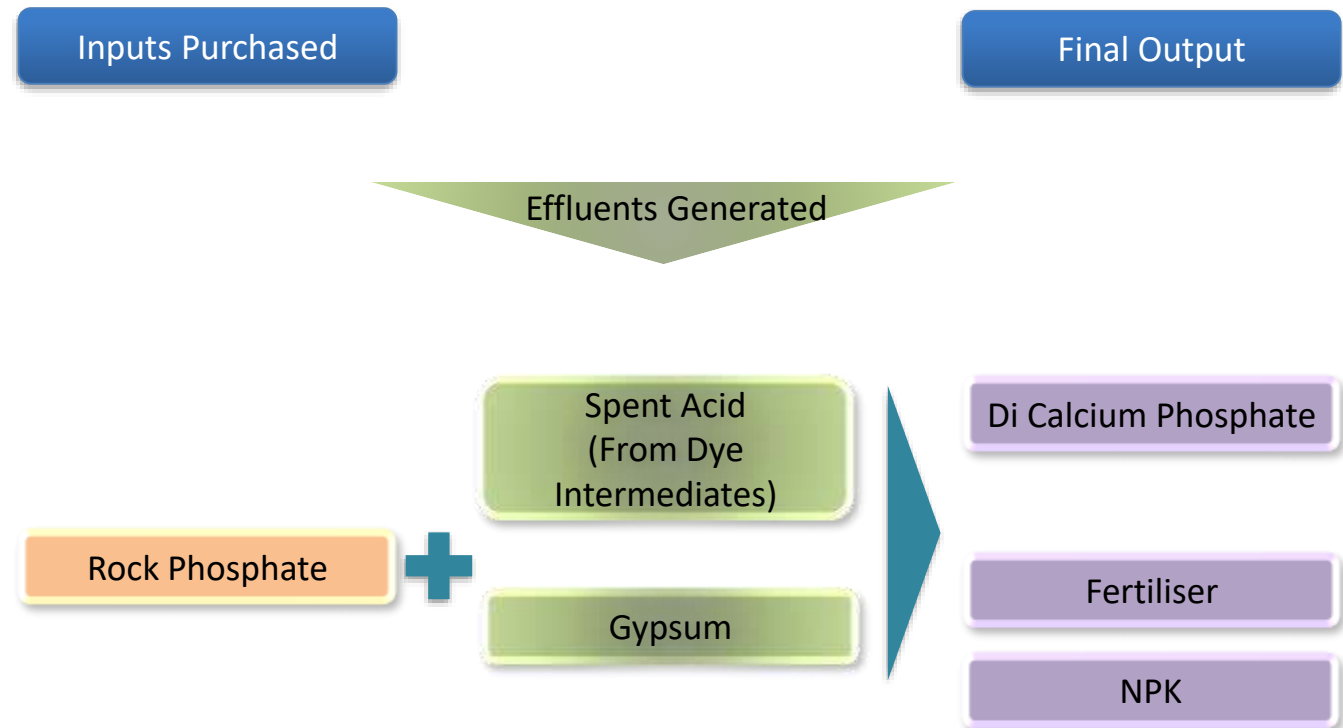
Increased product basket from 2 to 7



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





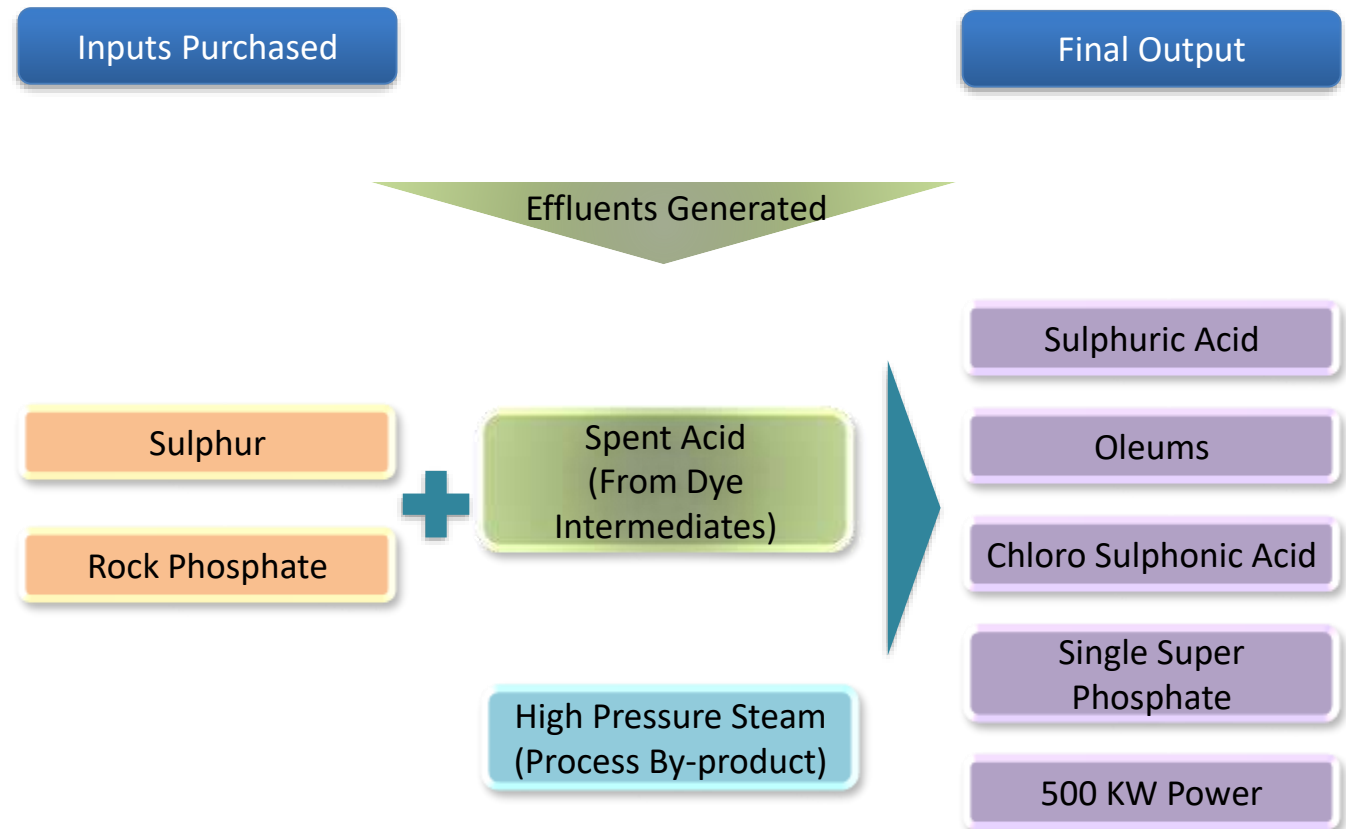
Evolution Towards Acid Complex and Power

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



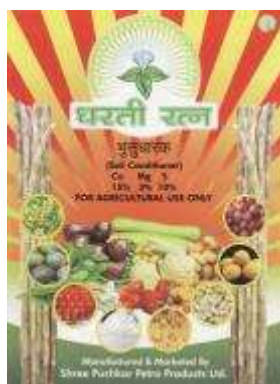
Domestic Clients



International Clients



Own Brand



- **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





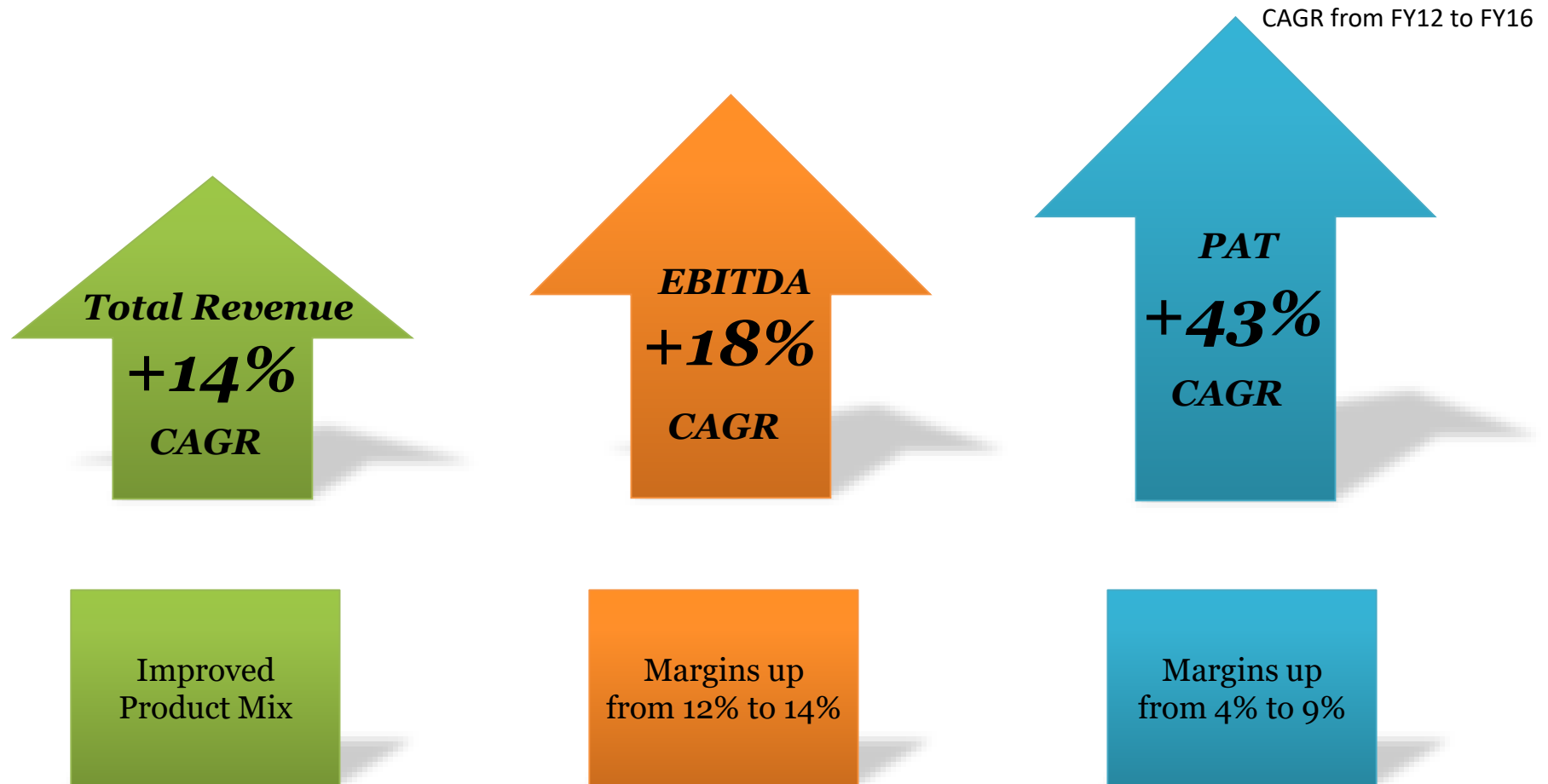
The chemistry Behind colours...

Financials





Strong Financial Performance

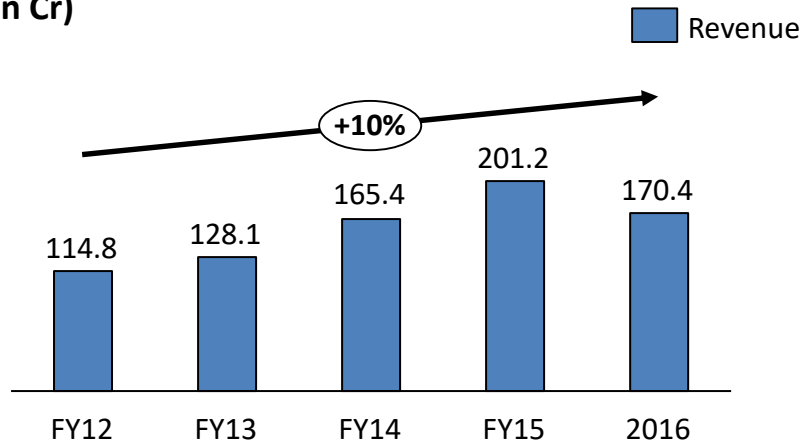


Along with a strong Balance Sheet

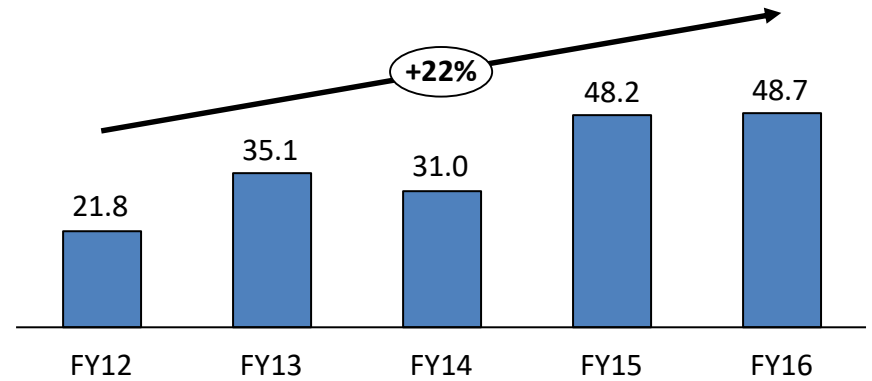


Segmental Performance

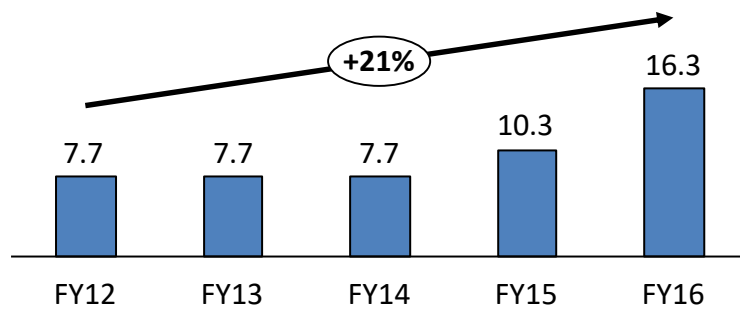
(Rs in Cr)



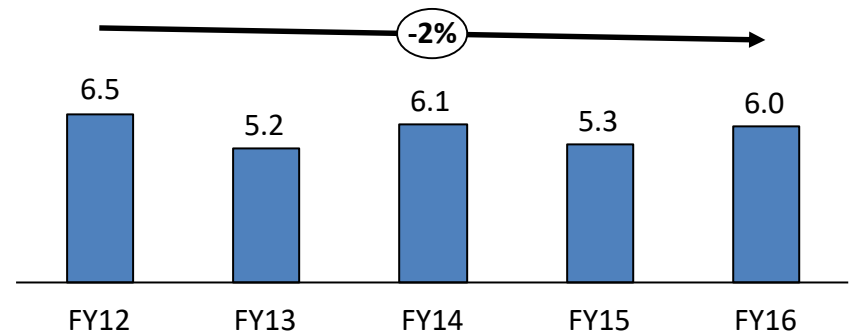
Dye Intermediates



Fertilisers



Acid Complex



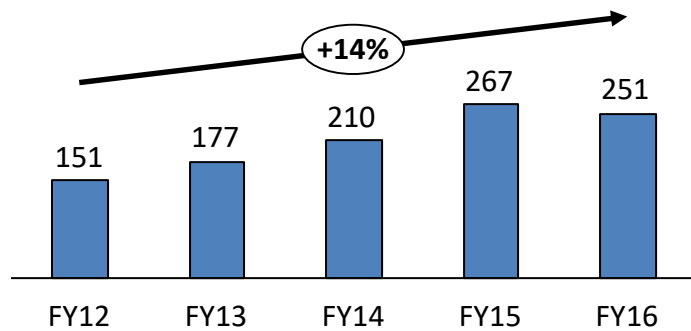
Cattle Feed



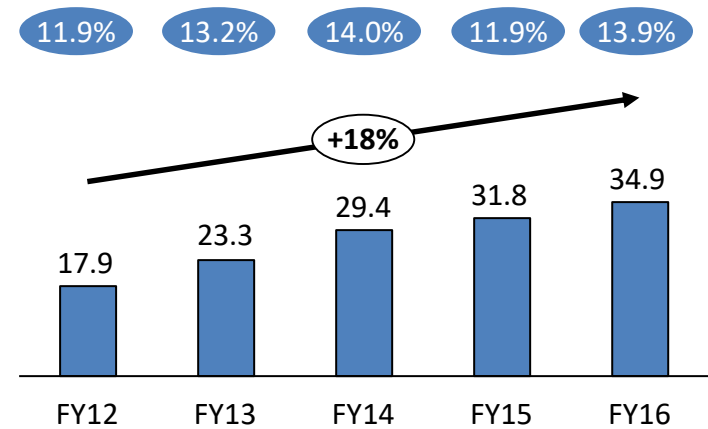
Key Financial Parameters

(Rs in Cr)

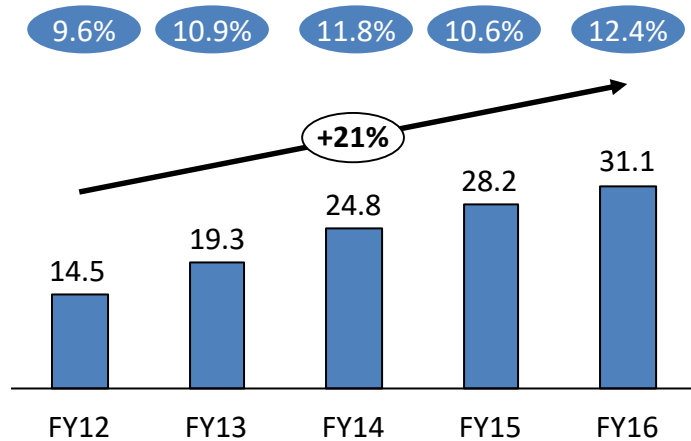
Margin %



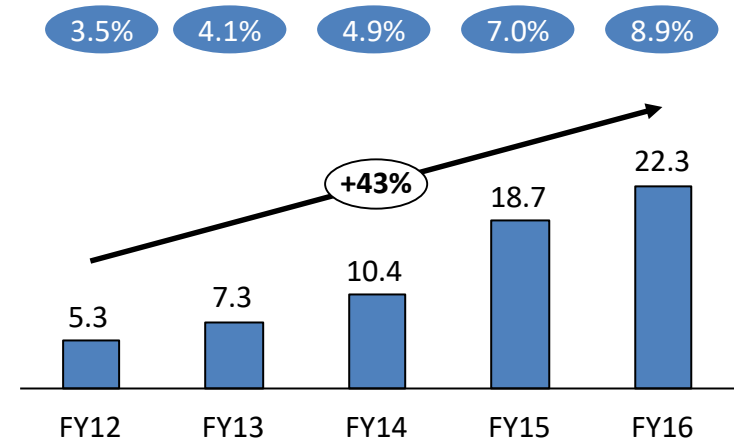
Total Revenue from operations



EBIDTA



EBIT

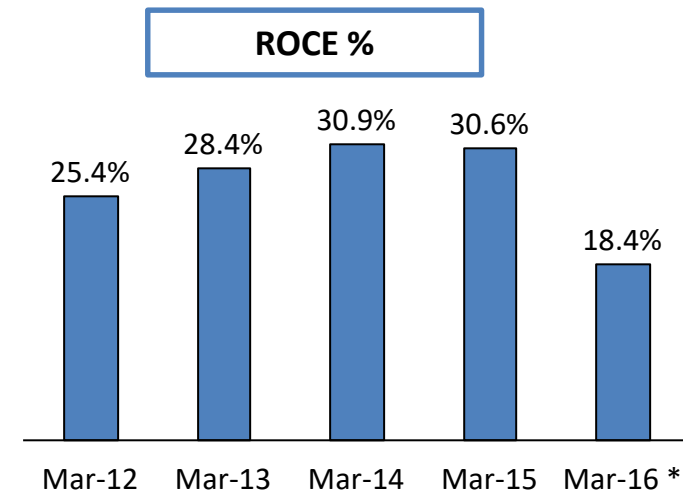
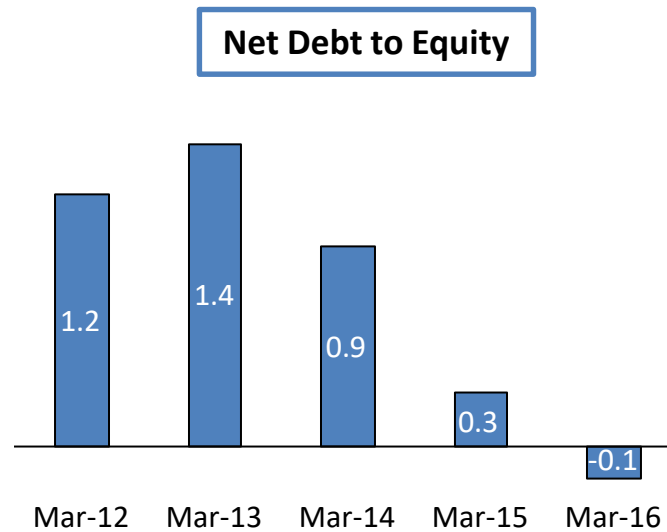
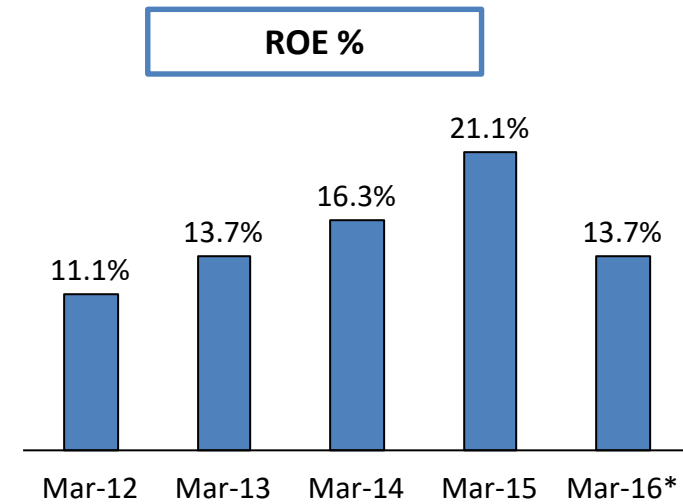
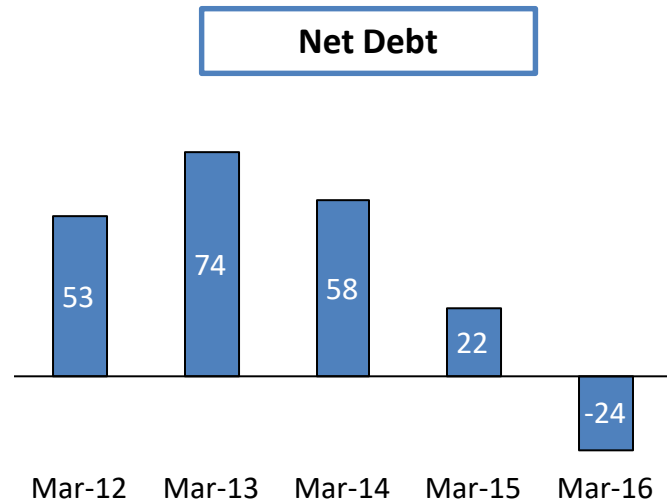


PAT



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
Total Revenue	248.70	266.52	210.09	175.98	150.71
Other Income	2.54	0.29	0.28	0.59	0.26
Total Revenue from Operations	251.24	266.81	210.37	176.57	150.97
Raw Material	175.29	195.46	150.58	129.88	116.39
Employee Expenses	10.17	9.11	7.97	4.79	3.76
Other Expenses	30.87	30.41	22.42	18.56	12.91
EBITDA	34.91	31.84	29.40	23.34	17.91
EBITDA %	13.9%	11.9%	14%	13%	12%
Depreciation	3.80	3.62	4.64	4.05	3.39
EBIT	31.11	28.22	24.76	19.29	14.52
EBIT (%)	12.4%	10.6%	11.8%	10.9%	9.6%
Finance Cost	1.97	5.42	10.62	10.28	7.28
Profit before Tax	29.13	22.80	14.14	9.01	7.24
Tax	6.84	4.15	3.75	1.73	1.93
Profit after Tax	22.29	18.65	10.39	7.28	5.31
PAT %	8.9%	7.0%	4.9%	4.1%	3.5%



For further information, please contact

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