



“Shree Pushkar Chemicals & Fertilisers Limited Q3 FY22 Earnings Conference Call”

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Moderator: Good evening Ladies and gentleman, welcome to the Q3 and nine months FY22 Earnings conference call of Shree Pushkar Chemicals & Fertilisers Limited.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. The statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

Today on the call, we are joined by Mr. Punit Makharia – Chairman and Managing Director of Shree Pushkar Chemicals & Fertilisers Limited along with Mr. Deepak Beriwal – Chief Financial Officer, Mr. Nitesh Pangle - Company Secretary and Compliance Officer and OEM Capital, their Investor Relations Partners.

I now hand the conference over to Mr. Punit Makharia – Chairman and Managing Director of Shree Pushkar Chemicals & Fertilisers Limited, thank you and over to you sir.

Punit Makharia: Thank you. Hello and very good evening to everyone. We have uploaded our investor presentation and financial results on the stock exchanges and on the company website. I hope everybody had an opportunity to go through the same.

I will take you through the industrial updates, followed by financial and operational performance for our Q3 and nine months FY22. As the situation is arriving to normalcy and economic activities are picking up, we are also witnessing business uptick across our business segments. We have been able to increase our sales volume significantly in our fertilizer segment through our two acquisitions, for Madhya Bharat Phosphates and Kisan Phosphates Private Limited. An increase of 22% in volumes of Kisan Phosphates has resulted in its revenue growth of 132% for Q3 FY22, which includes our revenue from fertilisers and animal health and nutrition, this is with respect to the similar quarter in the previous year. Similarly, Madhya Bharat Phosphate Private Limited saw a growth of 24% in volume which has resulted in an increased revenue of 133% for Q3 FY22 vs Q3 FY21.

On the consolidated basis our total volume has grown by 31% for 9MFY22 versus 9MFY21. Our volumes in dye segment grew by 47% and our revenue from the segment has grown by 60% for Q3 FY22 versus Q3 FY21. Friends, overall chemical segment saw a growth of almost 25% for nine months FY22, versus nine months FY21. For our fertilizer business, the overall volume grew by 32%. The boost in volume is also because of enhanced volume from our subsidiary Madhya Bharat Phosphates and Kisan Phosphates which we acquired in the past and we look forward to the growth momentum in our overall business in the quarters to come.

Since now we have enough capacity and are continuously increasing our capacity simultaneously and the fact that we are present across India, like Kisan phosphates catering to the Northern and Eastern territories, Madhya Bharat is catering to the Central and Western India, Shree Pushkar the holding company catering to the West and South India. We are confident of significant growth in our volume going forward because of the Pan India distribution and presence in our products across India.

Friends now let me update you on the ongoing CAPEX of our company:

Unit-5 CAPEX is almost done, out of the total planned CAPEX of Rs. 108 crore, we have already incurred close to Rs. 100 crore up till 31st December 2021. The dry trial run has been already commenced for the unit and we are expected to start the commercial production somewhere in Q4 FY22. This shall further grow our dye volume in coming years. We have also successfully finished installation of our two solar plants for electricity generation for our internal consumption, under the Open access scheme, which will decrease our power cost and increase the margin profile. Total planned CAPEX for the two solar plants is Rs. 21 crore, all is funded through the internal accruals of the total CAPEX of Rs. 21 crore, we have already incurred approximately Rs. 13.30 crore till 31st of December 2021.

The Stock Exchange notification has been released for the same. There are few other CAPEX plans also going on in the hindsight which we will speak at the appropriate time and we will keep all of you posted on the same.

Revenue for the quarter for consolidated levels grew by 44% for Q3 FY22 as compared to same period last year showing positive recovery signs. On profitability front, our EBITDA stood strong at Rs. 20 crore for Q3 FY22, this is an increase of 46% against the same quarter in the previous financial year. Our PAT for the third quarter ending 31st December, 2021 saw a growth of 37% versus the similar quarter in the previous financial year. Our PAT growth for 9M- FY22 saw a significant up move of 129% versus 9MFY21. EBITDA margins for 9MFY22 was at 15% versus 9M- FY21. And the PAT margin for nine months FY22 stood at 11% versus nine months FY21. With increasing revenue, we anticipate operating leverage payout, we should slow down to bottom line growing forward.

With this, I would like to handover the call to Mr. Deepak Beriwal who is the CFO for the company to take you through the financial and operational highlights for Q3 and nine months FY22. Over to Deepak.

Deepak Beriwal:

Thank you sir. Good evening and a very warm welcome to everyone. Our total volumes for nine-month FY22 grew by 31% and for Q3 FY22 it grew by 5%. On 9M FY22 basis, volume in chemicals grew by 25% to 20,000 metric ton. Fertilisers volume for Q3 FY22 grew by 32% and for 9MFY22 from 1,18,000 metric ton in 9MFY21 to 1,56,000 metric ton in nine-month FY22. For Q3 FY22, total volume for fertilizer segment stood at 48,000 metric ton, a growth of 13% year-on-year versus Q3 FY21.

On revenue front, our revenue for Q3 FY22 stood at Rs. 137 crore as compared to Rs. 96 crore in Q3 FY21, a growth of 44% on year-on-year basis. For 9MFY22, our revenue growth stood at 62% from Rs. 242 crore in 9M FY21 to Rs. 392 crore in 9MFY22.

Our consolidated EBITDA for the quarter stood at Rs. 19.7 crore for Q3FY22 as compared to Rs. 13.5 crore in Q3 FY21, a growth of 46% on a year-on-year basis. EBITDA margin for Q3 FY22 stood at 14.3% and PAT margin for Q3 FY22 was at 9% for the quarter ended 31st December, 2021. EBITDA for 9MFY22 stood at Rs. 60 crore as compared to Rs. 29 crore in 9MFY21, a growth of 107%. EBITDA margin for 9M- FY22 stood at 15.4%. PAT for 9MFY22 stood at Rs. 42 crore as compared to Rs. 18 crore in 9MFY21, a growth of 129% on a year-on-year basis. PAT for Q3 FY22 was at Rs. 12 crore versus Rs. 9 crore for Q3 FY21, a growth for 37% on a year-on-year basis.

With this, I open the floor for discussion. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shubham Agarwal from Aequitas India. Please go ahead.

Shubham Agarwal: Firstly, my question is related to the dye and dye intermediary division. So, if we compare the numbers Q-on-Q, there was a significant drop in volumes which is close to 33% as reported. And this is at the time when rest of the industry reported a growth in volume. So, I wanted to know what is the key reason for Shree Pushkar delivering lower volume in this quarter?

Punit Makharia: Shubham, if you will see that there is an increase into the Dye Stuff business and because we make Dye Stuff from the basic raw material called dye intermediates and since we are backward integrated also, so we produce dyes intermediate also and dyes intermediate we produce is first preferred to be consumed for our dyes business. If you will see that the dyes business has grown, if you put on a consolidated basis then the total overall growth of the chemical business is 24%.

Shubham Agarwal: Sir I wanted to know on Q-on-Q basis?

Punit Makharia: What exactly you want to know?

Shubham Agarwal: So, compared to September quarter, what was the revenue in our dye intermediary and dye stuff versus what we delivered in this quarter and there seems to be a fall, so I wanted to know the reason for that?

Punit Makharia: Means what were the figures in September Q2 versus Q3.

Deepak Beriwal: Shubham, in Q3 2021/22 our dyes intermediates sales is 617 metric ton and in September quarter it was around 800 metric ton. In dyes business in Q3 2021 our dyes business is sold 1200 metric ton, versus in September quarter it was almost 1200 metric ton.

Punit Makharia: So, means there is an overall drop of the dyes intermediates of 200 tons that we maintained the inventory. Shubham I have understood the subject, basically as far as the dyes is concerned, we are almost the flat in a similar manner, as far as the dye intermediate you will see that there is a drop of around 200 tons of the sale levels and if you look at our closing stock valuation also, that is high because we are holding a stock of that much of intermediate because by the end of 31st of December, there is a certain inventories lying in our company for the dyes intermediate because at that particular time the demand was bit slack and the prices were bit slack, we preferred to hold back the stocks instead of selling that.

Shubham Agarwal: So, see the reason why I am asking that is most of the peer results that have come out, whether it is Bodal or Kiri or Bhageria, all have reported significant growth Q-on-Q, as well as...

Punit Makharia: If you compare with the Q2 versus Q3 of this financial year, you will see that there is almost a flat revenue, last quarter we did around Rs. 137 crore on a consolidated basis and this year we did around Rs. 135 crore on a consolidated basis. I would like to add here is that regarding the competitors I would not like to comment on their performance Shubham, we can explain and discuss about our performances.

Shubham Agarwal: Okay no problem, so going ahead how do we expect this chemical division to deliver from Q4 onwards because right now we see there is few raw material pressure and as you already mentioned that you are looking at some slack demand, so can we expect further growth and given that our new capacity is also coming up?

Punit Makharia: Yes, if I give you a bit fair idea on our performance of Q4 and in this Q4 generally is our, the best period amongst the whole four quarters and we believe that in Q4 we would be doing much better than what we did earlier in Q3 as well as Q2 also and if you talk about the whole year basis performance, like the last year the company did Rs. 350 crore on a consolidated basis, this year on nine months basis we already did Rs. 391 crore on a consolidated basis. As we have said earlier in our previous conference calls that somewhere close to Rs. 550 crore of the total revenue, company would be doing. And we are strongly confident that we will do that number, there should not be any issue, if you see that from Rs. 350-550 crore there is almost jump of Rs. 200 crore which maybe around 70% or so jump into the total revenue. As far as the profitability is concerned, last year on consolidated basis the company did around Rs. 28 crore of PAT margins and in this nine-months, company has already done already Rs. 41 crore of the PAT. So, we believe that by the end of this year in comparison to the last year, company would be doubling its profitability, rather more than doubling its profitability.

Shubham Agarwal: That sounds perfect. And so are we coming on this dyeing intermediary division compared to China, so as of now we are facing few raw material pressure as well as logistic costs have gone up, correct? So, right now because the China is our biggest competitor, how do we fare in international market currently? If you can, you know explain a bit around this, it will be helpful.

Punit Makharia: See Shubham, my personal opinion is that as far as the dye stuffs and intermediates are concerned, China is not that big a competitor what has been defined by you. And yes, I would

not disagree with this fact that China is not a competitor. Yes, China is a competitor but we need to understand clearly that the cost of production of Chinese product with comparison with Indian manufacturers, their cost is much higher. If you look at the data for the past three, four years or so, you will see that is import comparison of their earlier period, it is much lower from China as of now. Only the consumers who are exporting dye stuffs since they have their advance licenses, because of the advance licenses, they are importing some of the Chinese products like HN-para base, otherwise as an overall, if you see that on net-on-net basis, India is exporter for dyes intermediates and as far as the dyes also are concerned, I do not think in my personal opinion that there is any, you know the kind of a competition from China which used to be earlier in the period 2015 or 2016 or so.

Shubham Agarwal: Fair enough. And lastly on the new facility, so what is our internal expectation of ramping up this facility, by when can we achieve that?

Management: Your question is pertaining to Unit-5?

Shubham Agarwal: That is right.

Management: See, Unit-5 is almost done Shubham, we have already started the dry trial runs of the plant and internally we had decided that by the first or second week of March, we will be commencing the production of Unit-5.

Shubham Agarwal: Okay, perfect. Now coming to the fertilizer division, again if we see the volumes declined Q-on-Q, so last quarter we reported 64,000 and this quarter we reported 48,900 and there seems to be a significant drop in revenue as far as Madhya Bharat is concerned, basis the number reported in your presentation. So, what was the reason ..

Punit Makharia: Which numbers he is talking about?

Management: Fertilizer was 48,000 in this quarter and in September quarter it was 54,000.

Punit Makharia: See Shubham that is a seasonal impact.

Shubham Agarwal: Okay and what was the revenue reported this quarter for Madhya Bharat?

Management: The revenue for this quarter in Madhya Bharat is Rs. 26.5 crore in comparison with the last year quarter of Rs. 16 crore.

Shubham Agarwal: Okay and standalone fertilisers?

Punit Makharia: Standalone means you are talking about Pushkar?

Shubham Agarwal: Yes.

Management: Rs. 17.12 crore in Q3 22, out of Rs. 80.18 crore

- Shubham Agarwal:** Got it understood, and in the slide number 12 there is a mention of capacity build up in fertilizer from 4,02,000 to 5,90,000, so I wanted to understand if there is any further CAPEX that we are doing and if you can explain this build up?
- Punit Makharia:** See as of now we are ramping up our capacities of fertilisers at two different places a) It is in Kisan Phosphates Private Limited, right now the installation capacity of Kisan is 100,000 tons which will be ramped up to 132,000 tons. b) Secondly, out another facility of Madhya Bharat that is at Dewanganj which we have not started, though we tried to start it earlier but we could not do so because of some other issues and that Dewanganj plant is of 132,000 tons of capacity, so all put together, there will be an incremental size of SSP of this fertilizer of around 164,000 tons.
- Shubham Agarwal:** And standalone we have 1 lakh, 47.
- Punit Makharia:** Standalone on SSP if you talk about it is 100,000 plus some other intermediary products like sulphate of potash, NPKs, then all put together 149, 000 tons.
- Moderator:** Thank you. The next question is from the line of Sumesh Guleria from Green Portfolio. Please go ahead.
- Sumesh Guleria:** My question is on the capacity side, so our Q2 presentation had some different numbers and now Q3 presentation has some different numbers. I will give you an example, chemicals was supposed to be around 30,000 tons by FY22-23 in Q2 but in Q3 presentation it states 38,260, so is it something that we are planning some additional CAPEX over here or it is some clerical area? So, Q3 it is page number 12 of the investor presentation and Q2 it is page number 18.
- Punit Makharia:** In the meantime, Sumesh our team is figuring out your question, we will come back to you on this question, in the meantime can we have the next question ?
- Sumesh Guleria:** Yes sir, my next question is on the Dewanganj plant, so tentatively when can we expect that to start?
- Management:** We are targeting to start Dewanganj as early as possible Sumesh, we have already obtained all the necessary approvals for starting of that plant and the plant has been fully updated, even some kind of approval and certifications are required from the Department of Fertilizer that has been also done and we are facing some few local issues at that particular site, which we are in the process of resolving them, we believe that it should be resolved as soon as possible but I hope that somewhere by April or May, we should be commercially operating this Dewanganj site.
- Sumesh Guleria:** Sir one request, I just had two questions, if possible, could you please update the plant wise capacities that you have right now over the website or either on the exchange site, so it will be easier for us to analyze the whole thing because there are so many plants, sometimes it becomes difficult.

- Punit Makharia:** Sumesh you are talking about all the products at all the sites or the particular fertilizer one you are asking about?
- Sumesh Guleria:** Yes sir, we can analyze, so right now just like I told you the clerical error we are kind of seeing right here right now in Q2 and Q3 presentations, so it makes bit difficult for us to analyze, if possible
- Punit Makharia:** Understandable, what we will do is that right now our investor relations team is sitting also into the room and they are the part of the conference, I would request them to share with you the individual capacity wise of the product as well as the plant wise also. I think that will remove all the confusions also, if it is there within us or this with you also. And let me tell you Sumesh that all put together, we are operating from nine different sites; one site is in Haryana, two sites are in Madhya Pradesh and remaining six sites in Maharashtra. And we have multiple products and multiple plans within the company, we will make proper excel sheet and our investor relation team will share that statement with you. I think that would be alright.
- Sumesh Guleria:** Yes, that will be very helpful actually. So, just one last thing. We are not doing any further CAPEX, right? That is, whatever we planned earlier in Unit-5 Dewanganj and Kisan Phosphate, that is it, nothing new one is coming up, right sir?
- Punit Makharia:** Sumesh, if you have seen and if you have heard my speech in the beginning, we have said that certain more CAPEXs are under planning which we will be discussing at a right time. But yes, definitely once we successfully commission Unit-5, you know we will be doing so.
- Deepak Beriwal:** Sumesh, means our chemical sector's total capacity was 14, 000 metric ton FY21 but we are planning to start commercial production of unit 5 say in March 2022. So, the increase of total capacity in chemical sector is 24, 000 metric ton, so total capacity will be 38, 260 metric ton in chemical sector.
- Sumesh Guleria:** Okay, so Unit-5 will contribute around 24, 000 metric ton, right sir?
- Deepak Beriwal:** Yes, 24, 000 metric ton capacity.
- Sumesh Guleria:** And fertilisers were?
- Deepak Beriwal:** Fertilisers means, it is FY21 it was at 4,02,200 metric ton but for FY22-23, it will be 5, 90, 000 which increase by 32, 000 in Kisan and 1, 32, 000 in Madhya Bharat.
- Sumesh Guleria:** So, earlier in Q2 we had a clerical mistake because then it was showed like from 3, 30, 000 we will be moving to 4, 83, 000, am I correct sir?
- Punit Makharia:** You are right Sumesh, there was some mistake in typing error from our side in our Q2 presentation and we apologize for that.

- Sumesh Guleria:** No, it is okay sir and thanks for the IR agencies one like putting the plant location over the investor presentation. Thank you sir, that is it.
- Moderator:** Thank you. The next question is from the line of Forum Makim from Equitree Capital. Please go ahead.
- Forum Makim:** Hello sir, congratulations on a good set of numbers. Sir my first question is related to Unit-5. In the last conference call, we had mentioned that we would start the commercial production by the first week of January but now we are saying by March, so what is the reason for the same?
- Punit Makharia:** Let me tell you first of all, on Unit-5 front, we are delayed. So, there is no doubt about it that we are delayed, you know with a good number of days we are delayed. Earlier during our various conference calls, we have been coming out with these expected dates for starting the production. Unfortunately, we could not meet that whereas we earlier planned that we will be doing it in January but in January we have already started our dry trial runs. Now unit is completely commissioned, when I say that dry trial runs, it is basically starting of a plant without any raw materials, means it is a testing and checking of all the equipments, utilities, pipelines and all the electricals, everything because you know once we use this, once we put this chemical, so before putting the raw material for chemicals we need to have a dry trial of the plant, which is already going on and now I do not think there should be any other issues or any further delay by starting the plant in March.
- Forum Makim:** Okay sir and could you give the unit wise capacity utilization, like for Pushkar, KPPL and Madhya Bharat.
- Punit Makharia:** You know, last question when Mr. Sumesh wanted a similar kind of statement and same thing, I think we will put on the company's website also with all the plant wise and their locations and their products and their capacities wise.
- Forum Makim:** No sir, I am asking about the capacity utilization for the quarter.
- Deepak Beriwal:** In SPCFL, as we see our sales Q3, our sales percentages on capacity basis for dyes intermediate is 30%, for dyes it is 80%, for fertilisers it is 33% on quarter-on-quarter basis. In Kisan our capacity for, is 72% and in Madhya Bharat it is 63%.
- Punit Makharia:** One point here you have to see is that, that the dye stuff, you know these dye intermediates when we say 30% here, Deepak is telling you figures on the sales basis, not on the production basis because most of the production of the Dye Intermediate, we use into the Dye Stuff also. As I said earlier that we have carry forward stocks also, I think the perfect idea would be to give you the production figures that will give a proper data about the capacity utilization. We will share it with you, that is not a problem.
- Forum Makim:** Okay and sir, could you share the export breakup for our chemical business?

- Deepak Beriwala:** In chemical business till nine months 2021-2022, total export is Rs. 69 crore for nine months.
- Forum Makim:** And for Q3?
- Deepak Beriwala:** Rs. 24 crore.
- Forum Makim:** Okay and we are exporting completely from Pushkar or also from ...?
- Punit Makharia:** Only from Pushkar. The other subsidiary units are into the fertilizer business and that is a domestic indigenous production and it is consumed domestically itself. So, the export business is only into the Pushkar and that too also the chemicals and Dye Stuff division.
- Forum Makim:** Right Sir. Sir how is the current demand and pricing scenario for both our segments fertilisers and chemicals?
- Punit Makharia:** In comparison with the last year 2021 we believe that the business is good at this point of a time if you go through our earlier discussions and various inputs to the investors we have been always saying that when the unit 5 would be started somewhere by Q3 or by the January then we will be doing 550 crores of the business all put together which includes Q4 result of unit 5 also. Now without unit 5 company would be able to cross 550 crores. So, I think that this all data clearly provide that the business of the company is good comparing to the last year and as we said earlier the whole business and the economies coming back to the situation in profitability terms also companies doubling its profitability than comparing it to the last year and revenue wise also it is almost 70% up plus unit 5 which would be operational in March this year.
- Forum Makim:** Sir I have two more questions so what is the impact of the lower fertilizer subsidy on the entire fertilizer demand and on your business as well?
- Punit Makharia:** Can you repeat your question please.
- Forum Makim:** In the budget there was lower fertilizer subsidy given for this?
- Punit Makharia:** There has been provision made by the government of India.
- Forum Makim:** How will it impact the overall fertilizer demand and also your business?
- Punit Makharia:** This is my personal opinion I am sharing with you that though the government is trying to and they have provided for subsidiary reduction in this budget, but how that is going to happen, how that is going to impact the fertilizer business is yet to be seen, but what I am looking for the next year or for the next season is that there is acute shortage of the fertilizer, there is acute shortage of the fertilizer raw material also. I believe that the cost is going up, will go up and there will be a concern on the supply side, demand side is also going to be bullish because of the low supply of imported fertilisers like DAP, MOP and Urea to India. Secondly, the government is also emphasizing on replacement of indigenous fertilizer than in comparison with the imported

fertilizer. If you will see that against one ton of DAP government is proposing to use 3 tons of SSP. So, means if a business of let us say around 100,000 tons of DAP short supply then ultimately there is a market creation for 300,000 tons of SSP. So, we have to see how the government is planning and I cannot comment on this part, but I do not think that as you know that there is going to be any hardships into the fertilizer business rather I see a great outlook especially for the fertilizer business in next few years.

Forum Makim: And sir we have been able to pass on the higher raw material cost in this quarter like it is little obvious so do you think we will be able to do the same for the same quarter as well?

Punit Makharia: I do not see any issues into that this has been a continuous effort into the business if not Pushkar then everybody then say any other company also which was already resulted into our results for these 9 months also you know business is there to make some money and that too also with ethical trade practices nobody pays out from his own pocket.

Forum Makim: Just a last question sir what is your three-year plan?

Punit Makharia: Three year I do not want to discuss at this point of time because it will be too early for me to discuss about the three years plan, but what we are planning for at least next year for 22-23 that this year we would be crossing 550 crores we are targeting for touching 1,000 crores at least for 22-23 this statement I am giving you with full responsibility.

Moderator: Thank you. The next question is from the line of Bhagwan Chaudhary from Sunidhi Securities. Please go ahead.

Bhagwan Chaudhary: Sir there is a question on this unit 5 two question I am having one related to the products I think we have not discussed much about the product what kind of product we are about to produce in this and secondly how is it going to ramp up on quarter over quarter after once it commence?

Punit Makharia: Regarding product today also I will not discuss and as far as ramping up the capacity and as revenue is concerned unit 5 will easily generate a revenue of Rs. 250 crore since we are already on to the phase of the dry trial runs, we believe that in March somewhere we will start the commercial production and in next year 22-23 the whole year we will get and let me give you the outlook that in the coming year 550 plus the business will definitely go where the unit 5 has not come and if you will see of 22-23 so in that unit 5 addition plus Dewanganj site addition will be there plus Kisan Phosphates 32,000 ton SSP the new production which we are doing that addition will be there plus one or two small cattle feed animal health nutrition business we have done the addition that addition all these CAPEX have been completed and there is nothing remaining in this. I believe that somewhere by March everything would be started solar already we have started all these things if you will do the addition then somewhere or the other 350 addition should come in the company. If you will add 550 and 350 so that comes around 850-900 figures are coming and in that no new money is going to get added company how much CAPEX they should be doing total 150 crore CAPEX has done the internal accrual in which unit 5 has also come and from where the solar has come and from last year Madhya Bharat CAPEX

that also has come plus small balancing expansion is there like Kisan has done 1,32,000 has been done and three site we have done the cattle field business we have grown that has been completed means expenses thing has been completed this will take them to 850 or 900 plus like we have said further more business growth in terms of organic and inorganic are also under process which we would not like to discuss at this point of a time until and unless we get our approvals from our board. The target is like somewhere or the other company in the coming year four digit it will come definitely including all those CAPEX the company has around Rs. 50 crore no-lien deposits and no-lien investments are still there.

Bhagwan Chaudhary: Sir just on the same in the first quarter if we will do 200 crore, 250 crore we are taking will it be fair that 30 crore, 40 crore from first quarter from unit 5?

Punit Makharia: It should come, at least it should come around 40 and 50 because if will add up 60 crore, 65 crore business should come quarter wise quarter. First quarter if we will do the rampup it is possible that two, three months hiccups might come, but I am sure somewhere or the other 40, 50 crore business should come in Quarter 1. I do not see any problem in that I should not see any problem like that. The hiccups which also comes. are those related to plant trial, plant has started this has been done, that has been done, this default has been done all these things have already been started in trials.

Bhagwan Chaudhary: You mean there is no issue in demand?

Punit Makharia: No there is no such problem of demand.

Bhagwan Chaudhary: And sir your comment on this Dyestuff pricing wise because last two, three years have been quite soft, so how do you look now onwards because there is lot of?

Punit Makharia: Overall it has been soft because the impact of Corona which is there from last two years and from now it has started opening up so that impact should come. Till date it is soft and if you will say that it has been good, this has been done, that has been done there is nothing like that now also the overall pricing has been soft.

Bhagwan Chaudhary: But there is lot of excitement in textile side?

Punit Makharia: If you will see now textile sector is also doing good India textile sector is opening up.

Bhagwan Chaudhary: That is why I am asking?

Punit Makharia: Till now it is soft no issue is there, but like we have said Quarter 3 200 ton, 250 ton inventory we are carrying with us with the intermediates why we have not sold because we believe that in Quarter 4 there is going to be better pricing. If today the company is having any problem of cash then they can sell the product at less price, but when there is no such circumstance and if we can see there is going to be a positive outlook why to sell the material at cheap.

- Moderator:** Thank you. The next question is from the line of Samarth Singh from TPF Capital. Please go ahead.
- Samarth Singh:** Could I please get the 9-month fertilisers sales between Pushkar and Kisan and Dewan?
- Deepak Beriwal:** Yes in fertilisers in Shree Pushkar standalone total 40,000 metric ton sales in Kisan 9 month total 62,000 and in Madhya Bharat 9 month total sale is 48,000 metric ton.
- Samarth Singh:** So, we had at one point we were hoping to get 1 lakh ton out of Madhya Bharat for this year out of which 20,000 would come from Dewanganj so that is fine that is not coming, but 80,000 from in Madhya Bharat and Kisan we had set another 80,000 to 85,000 and Pushkar 65,000.
- Punit Makharia:** See in Pushkar we have already done 40,000 tons still we have 3 months going on, on a monthly basis we are dispatching around like in January if I talk about we did a dispatch of around 9,500 tons in Pushkar standalone itself. So, now that Pushkar is close to 50,000 tons further we have two months more in our hand. Now if we come to Kisan in Kisan there is a capacity utilization of 83% in Kisan up till 9 months and I believe as well as the capacity this utilization of 83% is a great achievement. Somewhere in Kisan we will maintain the same pace in next three months also and somewhere 84,000 tons of the SSP we would be doing in Kisan for the full year and comparative to the last year of we have the figure of I do not remember the last year country wise right now with me, but as far as the business wise is concerned Kisan was around Rs. 70 crore of the total business in last year 2021 and in 21-22 in 9 months itself Kisan has done business of around 90 crores further 3 months still are there in our hands we believe that Kisan would touch 125 crores of the total revenue in this month in comparison with 70 crores of the revenue in last year. As far as Madhya Bharat is concerned since this is a full year on of Madhya Bharat till 9 months we have done close to 48,000 tons 3 months still are there with us I believe that close to 75,000 tons of SSP business we would be doing in Madhya Bharat unfortunately Dewanganj we are not ready to start with some other local issues there which would be starting next year, next year we will be getting a full year operation of Madhya Bharat including Dewanganj also.
- Samarth Singh:** And Dewanganj capacity 50,000 tons?
- Punit Makharia:** Dewanganj capacity and everything is around 132,000 tons, but there is a space constraint where we are in mid of the execution of document for purchase of the side by lines also and in next year we are targeting hardly 60,000 tons, but slowly and gradually it would be ramped up to further capacities also.
- Samarth Singh:** What is the outlook on rock phosphate pricing has that come down or is that still going up or stabilize?
- Punit Makharia:** Still going up.
- Samarth Singh:** And the budget has reduced the import duty on that?

- Punit Makharia:** We discuss this subject two questions before also and though the government has reduced the subsidy let us see how it goes away because I personally believe that there is an acute shortage of fertilizer in the country. So, ultimately that hit has to either be taken by the manufacturers or by the farmers or by the government let us see where the wind blows.
- Samarth Singh:** I was talking about import duty on rock phosphate that has been reduced?
- Punit Makharia:** That is already 2.5% that was in the beginning also nothing else has been reduced. There is no further import duty reduction has been done on rock phosphate because earlier also it was 2.5%.
- Samarth Singh:** Last quarter I think you had mentioned that we would see the benefit of higher H₂SO₄ and Vinyl sulfone pricing starting in this quarter in Quarter 3, but our EBITDA is more or less flat between the second quarter and third quarter, could you just comment on them?
- Punit Makharia:** I just said that the pricing of the intermediates is still softened. During the last question asked by Mr. Bhagwan Das the same addressal was said that as of now also the intermediate pricing and the Dyestuff pricing are on a softer term. We believe that in Q4 or the Q1 next year it should start ramping it up because the business and textile business has just started coming back to the normalcy.
- Samarth Singh:** Just two more questions one was could you just tell what percentage of Dyestuff versus branded versus B2B?
- Punit Makharia:** Your question is what percentage of the Dyestuff sale in Q3.
- Samarth Singh:** In general, sure in Q3 or for 9 months?
- Punit Makharia:** We are utilizing almost 80% of the dyestuff capacities. We are close to selling around 300 tons to ranging 400 tons of dyestuff per month against the installed capacity of 500 tons. So, there we are utilizing almost required level because you know in case if we just make one product or two product in Dyestuff we can easily cross 500 tons, but since we are a “Bluesign” registered company, we have double our products, we make various colors we do branding our own self also, we sell in retails also. So, achieving a 100% capacity of Dyestuff is not possible. Therefore, since we have to produce few more colors so we are doing around 80% of the utilization and that is the good achievement of the utilization of the capacities.
- Samarth Singh:** What percentage of a Dyestuff sales is branded versus unbranded?
- Punit Makharia:** First of all, we do not do anything unbranded and out of this I think it should be around 60% business is in our brand called DYECOL™ and balance 35% to 40% business we are doing for multinational companies across the globe and this is what it is and as far as unbranded is concerned we have nothing brand called unbranded with us.

Samarth Singh: On our presentation it is slide 7 in consolidated metric tons of chemical sold in the last quarter we had shown a total sale of 12,786 metric ton for the half year FY22 and this quarter we are showing sales of 4,575 metric tons so that total 17,361 metric tons for the 9 months but we are showing it as 21,068 metric tons?

Punit Makharia: My team is figuring it out that we will come back to you on this part will that be okay.

Moderator: Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand the conference over to Mr. Punit Makharia for closing comments.

Punit Makharia: Thank you with the growth opportunities we foresee across all our segments and completion of all our projects. We believe that we are ready for the next level of growth and we will position to capitalize for this opportunity. Thank you friends thank you everyone for joining us. I hope we all have been able to answer all of your queries if anything left out we will come back to the gentlemen personally and explain them what it is. In case you require any further details you may please contact us or Orient Capital our Investor Relation Partners. Thank you very much.

Moderator: Thank you. On behalf of Shree Pushkar Chemicals & Fertilisers Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.