



Shree Pushkar Chemicals & Fertilisers Ltd.

**Investor
Presentation**



May 2017





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A Winning Formula...

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

Products spread across **5** segments

Single location plant at Lote Parshuram

Marketing through **+300** dealers

Moved up the **Value Chain** to manufacture **Dyes**

Exports to world's leading dye manufacturers

Undertaken **Backward & Forward Integration**

We have a **sustainable Zero Waste Model**





Evolution of Our Business

1993 –
2003

- Commenced trading/imports of chemical products & dye Intermediates
- In 2001, changed our focus to manufacturing by starting Gamma Acid
- In 2002, began backward integration for In-house Raw Material & Cost Efficiencies

2004-
2010

- Recycling of effluents from Dye Intermediates Division with the manufacturing of Di Calcium Phosphate in 2007
- In 2010, commenced the Acid Division

2011 –
2016

- In 2011, began use of Spent acid for manufacturing of SSP and Soil Conditioner
- In 2016:
 - Started our NPK Plant
 - Expanded capacities within Dye Intermediates
 - **Moved up the Value chain with Manufacture of Dyestuff**

2017 & Beyond

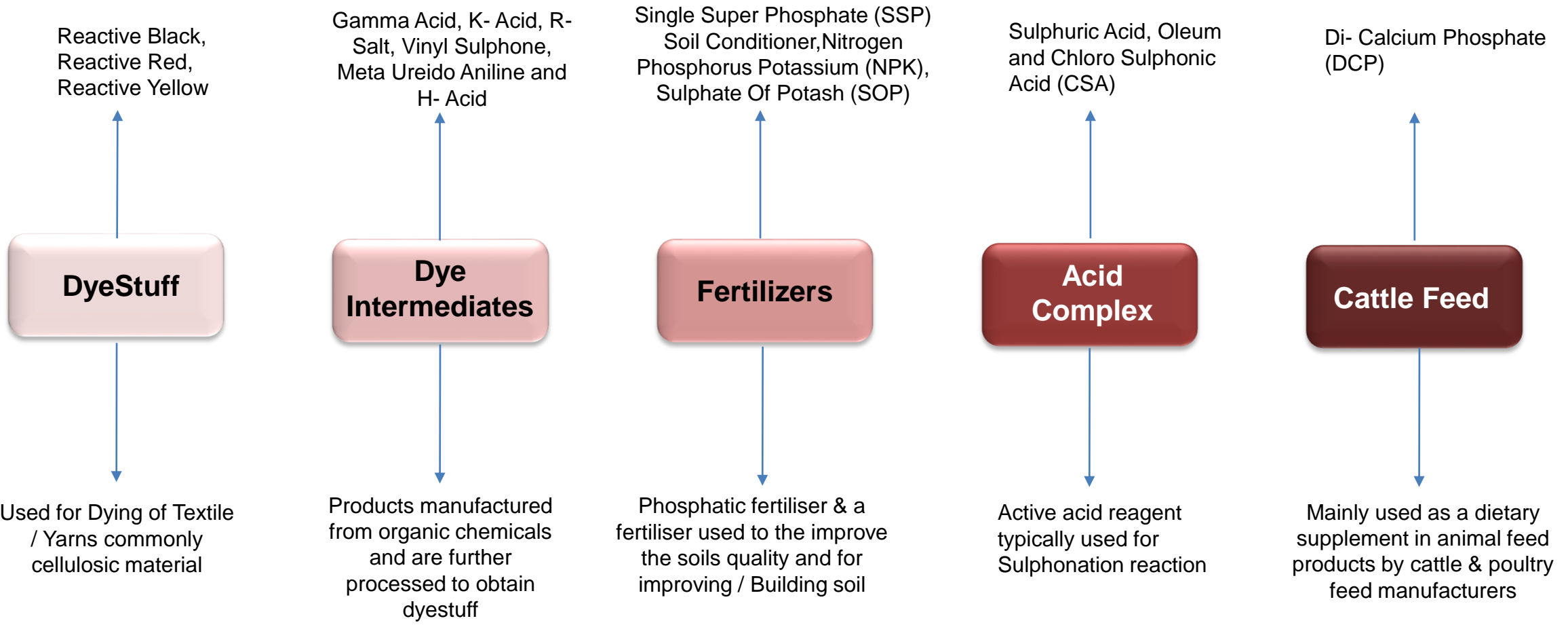
We wish to position ourselves as a '**Complete Textile Solutions Company**' with the introduction of 'Textile Auxiliary Chemicals' into our portfolio.

We will continue to rapidly expand our presence in the Dyestuff Segment.



Our Product Portfolio

Our Products



Applications of the Products





A Snapshot of Our Infrastructure

Dyestuff & Dye Intermediates

Product	Capacity in MTA
Reactive Dyes	3,000
H-Acid	2,400 +750
Vinyl Sulphone	2,700 +1,000
K-Acid	960
Gamma Acid	480

Fertilizers

Product	Capacity in MTA
SSP	1,00,000
SOP	10,000
NPK	20,000
Soil Conditioner	12,000
Granular Calcium Chloride	6,500

Others

Product	Capacity in MTA
Acids	40,000
Di Calcium Phosphate	4,500



A One Stop Solution

All our Plants are at a single location, 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



... leading to operational and logistics efficiencies.



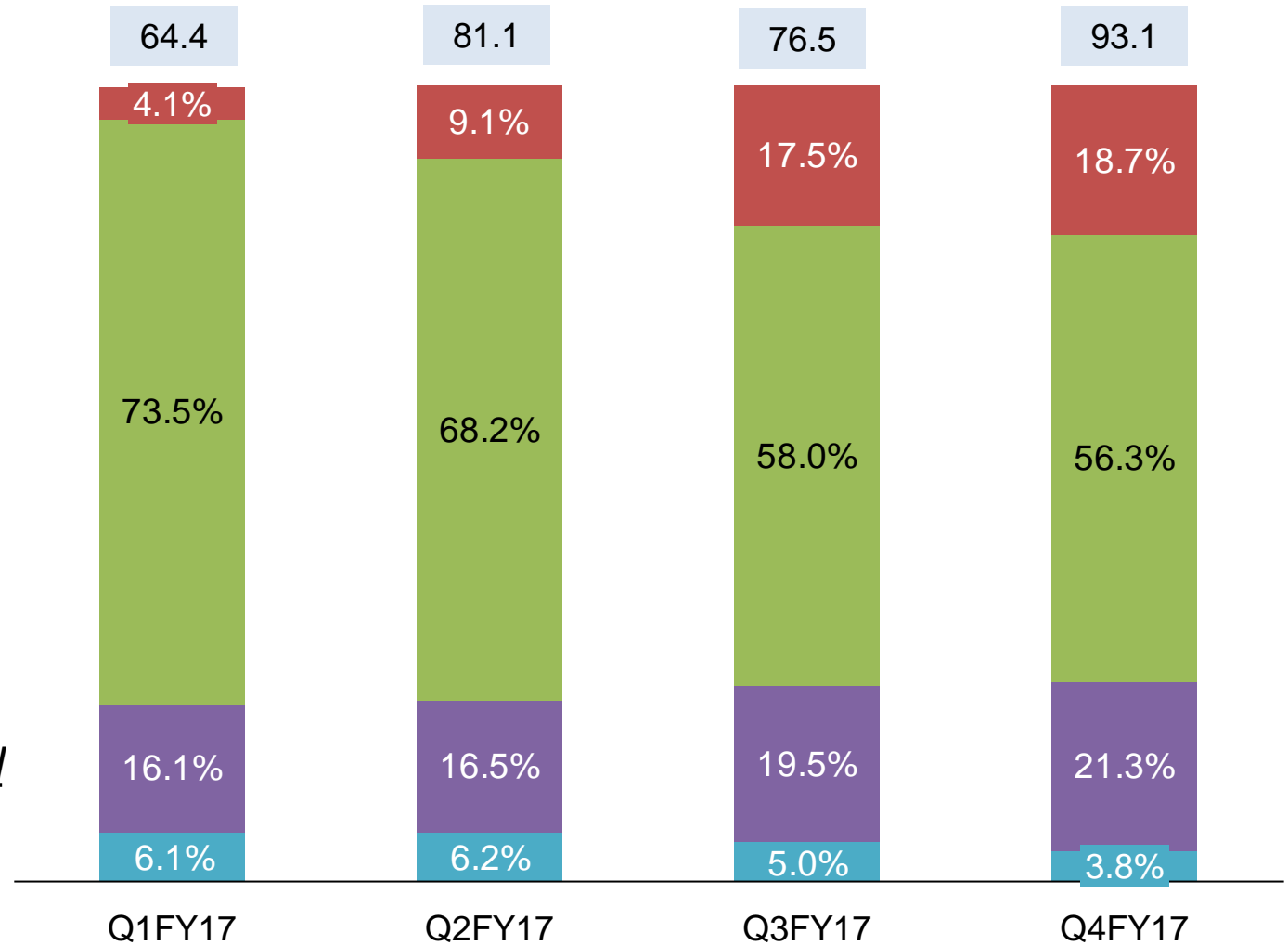
Persistent Focus on the High Margin Dyestuff Segment

As a proportion of our Revenues

- Dyes
- Dye Intermediates
- Fertiliser
- Others

Revenue (Rs. In Crs.)

On route to becoming a preferred dyestuff supplier...





Our Foray into Dyestuff

What are Reactive Dyes?

- A class of highly coloured organic substances
- Primarily used for *dyeing textiles, for cellulosic fibers like cotton/flax & also wool*
- They attach themselves to their substrates by a chemical reaction that forms a covalent bond between the molecule of dye and that of the fibre

Our Manufacturing Capacity

- Located at our Integrated Complex in Lote Parshuram
- Installed capacity of 3,000 MTA
- The plant is a Zero effluent Discharge Plant
- Looking to capitalize on our existing infrastructure by expanding this capacity to 6,000 MTA

Captive Consumption of Raw Material

- Additional Vinyl Sulphone Capacity of 1000 MTA commissioned in May 16
- Additional H-Acid Capacity of 750 MTA commissioned in March 17

A One Stop Solution for Dyestuff Manufacturers for the Textile Sector...

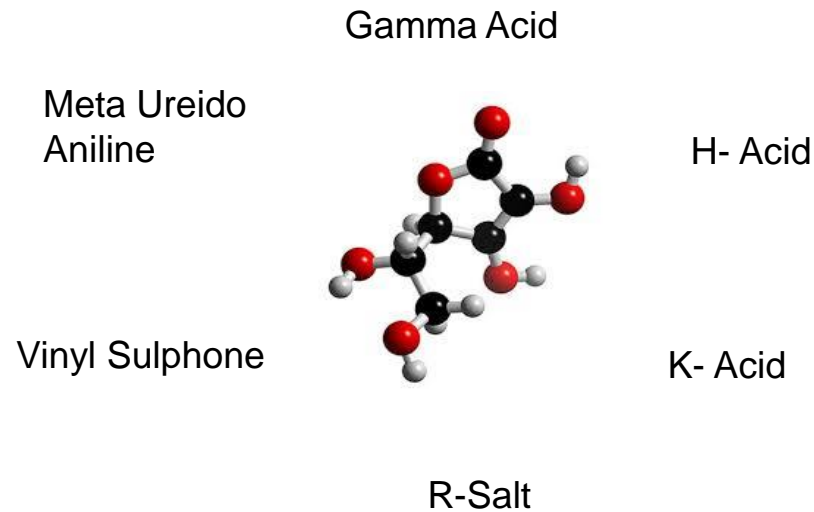
Basic Formulations for Some of our Offerings

Black	Vinyl Sulphone + H- Acid	} In House production of Key Raw Materials
Red	Gamma Acid + Vinyl Sulphone + H- Acid	
Yellow	K- Acid + Meta Ureido Aniline + Vinyl Sulphone + H- Acid	



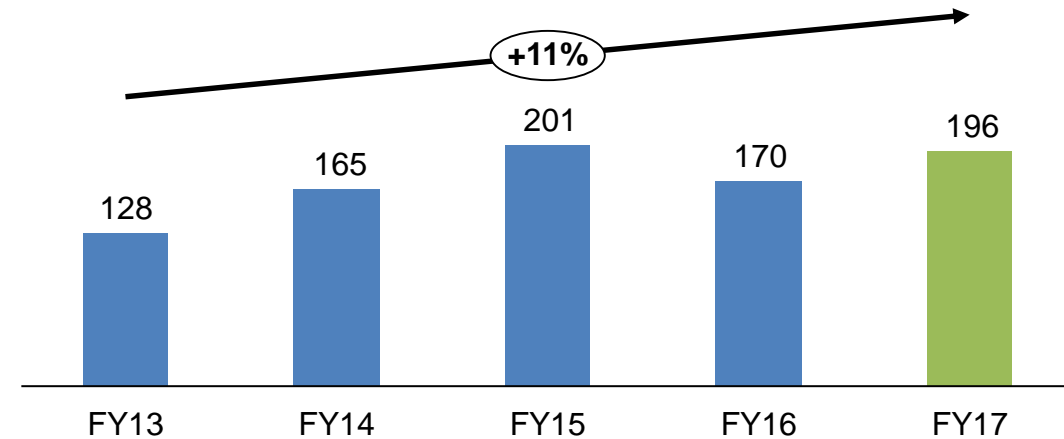
An Overview of our Dye Intermediates Business

Product offerings for Dyestuff Manufacturers



Current Product basket cater to ~80% of dye stuff industry

Revenue in Rs Crores



- ❑ One of the few manufactures of wide range of dye intermediates in India with zero waste
- ❑ Post 2006, we have been enjoying best cost efficiency due to recycling of effluents
- ❑ State of art integrated manufacturing facilities located at Lote Parshuram, Maharashtra
- ❑ Total Capacity of 8,236 MTA
- ❑ Amongst India`s large manufacturers of K-Acid
- ❑ End Use in manufacturing of Dyes for Textile Industry



Our Fertilisers Division

Single Superphosphate (SSP)

- The main raw materials for SSP are rock phosphate and sulphuric acid and it is based one of the simplest chemical reactions in the fertilizer industry
- SSP, which is a poor farmer's fertilizer (price-wise), is an option to optimise the use of phosphatic fertilizers
- We have a capacity of **100,000 TPA** which was started in 2011

Nitrogen Phosphorus Potassium (NPK)

- NPK fertilizer is primarily composed of three main elements: Nitrogen (N), Phosphorus (P), and Potassium (K)
- We have received a license for manufacture of Mixed Fertilizer NPK in the state of Maharashtra
- We have a Capacity of **20,000 MTA** and was launched on February 2016

Sulphate of Potash (SOP)

- SOP is a preferred form of potassium in saline or sodic soil conditions and where irrigation water may have high chloride levels
- We started the SOP plant with a capacity of **10,000 MTA** commenced Commercial Production in the end of September 2016

Soil Conditioner

- Soil conditioner is a product which is added to soil to improve the soil's physical qualities, usually its fertility (ability to provide nutrition for plants) and sometimes aids its mechanics.
- We have a capacity of **12,000 MTA** and commenced manufacture in 2011
- Launched its own soil conditioner brand '**Dharti Ratna**' in **Western Maharashtra**

Granular Calcium Chloride

- To utilize HCL generated in SOP, we set up a granular calcium chloride plant
- Calcium Chloride is designed for snow removal and deicing operation
- The Plant has a capacity of **6500 MTA**. Commercial Production commenced in February 2017



Our Marketing Partnerships



NPK Fertiliser

NPK is sold under Marketing tie-up with DCM Shriram

Launched under the brand 'Shriram Urja Mix' in the state of Maharashtra



SSP Fertilizer

Exclusive marketing arrangement with **DCM Shriram Chemical & Fertilizers** for Single Super Phosphate in **Maharashtra and Karnataka**

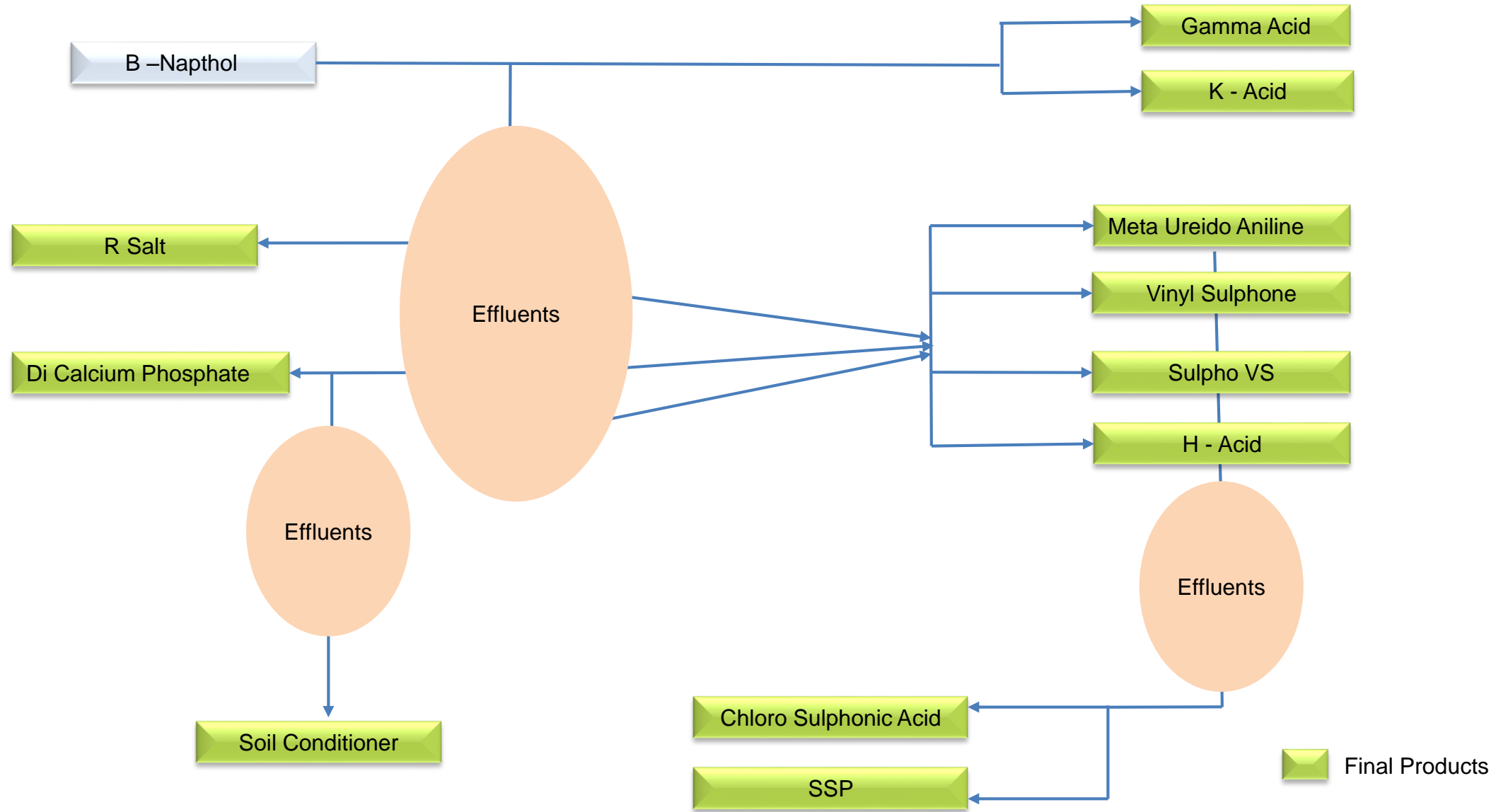


Di Calcium Phosphate (Cattle Feed Supplement)

Tie-up with **Shivam Chemicals** for marketing of Di-Calcium Phosphate in **Karnataka**



Zero Waste Methodology – Creating Value





Our Strengths

Fast Paced Growth in our Dyestuff Segment

Substantial increment in the contribution from Dyestuff Segment to our Revenue on a quarter on quarter basis

Low Financial Leverage

Zero Debt Company with Debt to Equity nearly NIL

Internal Power Generation

Use of High Pressure Steam generated from Acid Plant for Power Generation and Internal Consumption and also consume low pressure steam for general heating in the various plants, thus saving on fuel cost

Own logistics Fleet

For smooth transportation of raw material and products to Clients

Zero Waste Chemical Company

We do not incur large costs on effluent treatment due to our zero waste model

Cost Efficiencies

We are backward Integrated for Raw Material manufacturing

Single Location Plant

All Facilities within MIDC, Lote Parshuram, Maharashtra, thus offering us numerous logistics advantages



Growth Drivers for the Future

Plans For Expansion

- Reactive Dyes Capacity to be expanded to 6000 MTA
- Sulphate of Potash (SOP) capacity to be doubled to 20,000 MTA

Environmentally Conscious

- A clean track record with no regulatory issues till date
- Continue to recycle our effluents in our integrated model and minimize discharge

Working towards our Brand

We are leveraging our marketing capabilities and working towards branding our Dyestuff to capture more value

Auxiliary Textile Chemicals

We will set up a plant for Auxiliary Textile Chemicals in FY 18

Growth within the Dyestuff Segment

We have been focusing on increasing revenue from the higher margin Dyes Business through the export and domestic markets

Our Vision is to become a complete Textile Solutions Provider



Latest Happenings of the Industry

The Dye & Dye Intermediates Industry largely caters to the Textile Industry and is concentrated in China, India and other smaller Asian Countries.

The dominance by these countries is further driven by the fact that the global textile industry is also concentrated here.

China has had a dominant position in production and consumption of dyes globally.

However, China's Dominance is steadily shrinking ...

- China's share in the Global Colorant industry was once about 1/3rd of the total supply, but has gradually declined over the years. The key reasons are:
 - The Chinese Governments fight against polluting industries
 - Beijing is considered the most polluted city in the world
 - Growing number of RED Category Industries contributing to extensive air and water pollution
 - 80%+ of ground water in regions like the northeast and the Mongolian province are not fit for human consumption standards
- The enforcement of stringent government norms to curb environmental pollution by chemical companies resulted in the shutting down of large capacities within the Dyestuff/Dye Intermediates Industry
- Recently the Chinese Government has extended the fight against pollution to Metals industry such as aluminium as well, reiterating its focus on curbing pollution

Compliant companies like Shree Pushkar are at an advantageous position under the current scenario...

Client Profile



Domestic Clients



International Clients





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



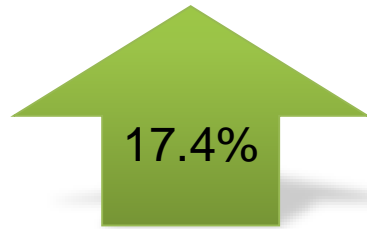
Satish Chavan
Company Secretary
With experience of over 2 years he is a CS with BCom and Bachelors in Law qualifications



Financials



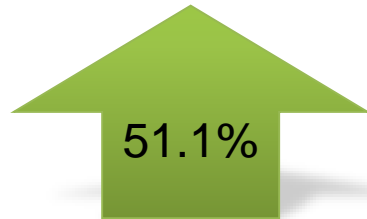
Q4FY17 Highlights



Total Revenue
Rs 93.08 Crs

Consistently Improving Performance

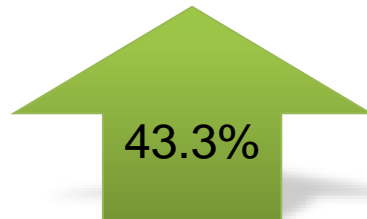
- Increasing contribution to revenue from Dyestuff
- Maintaining consistent volume growth in Dye Intermediates



EBIDTA
Rs 14.77 Crs
(Margin 15.9%)

Better Operating Leverage

- Improved Product Mix



PAT
Rs 8.19 Crs
(Margin 8.8%)

Delivering Profitable Growth

- Steady performance quarter after quarter

Strong Dyestuff performance continues

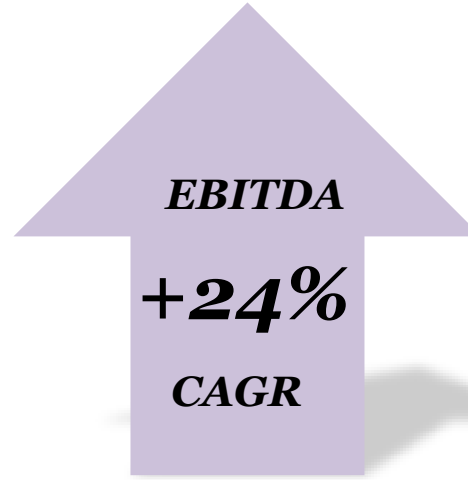


Strong Financial Performance Year on Year

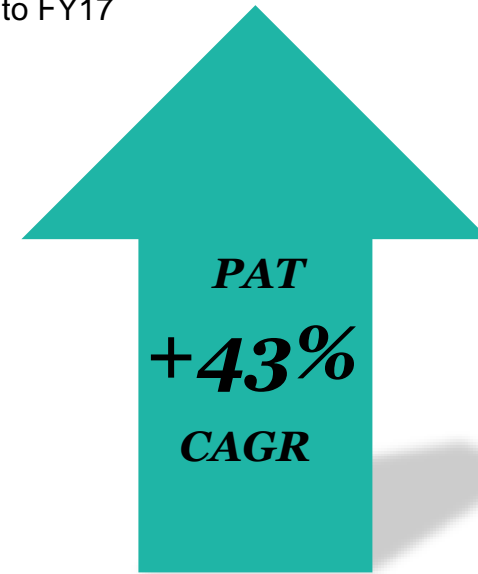
CAGR from FY13 to FY17



Improved Product Mix with a focus on Dye Stuff



Margins up from 13% to 17%



Margins up from 4% to 10%

Backed by a strong Balance Sheet



FY17 Segmental Highlights

- Steady increase in contribution from Dyestuff segment to our revenues
- Acid Complex Division had higher captive utilization

Dye Intermediates

- ↑ 21% Volume growth
- ↑ 15% Revenue growth

Cattle Feed

- ↓ 3% Volume de-growth
- ↓ 3% Revenue de-growth

Acid Complex

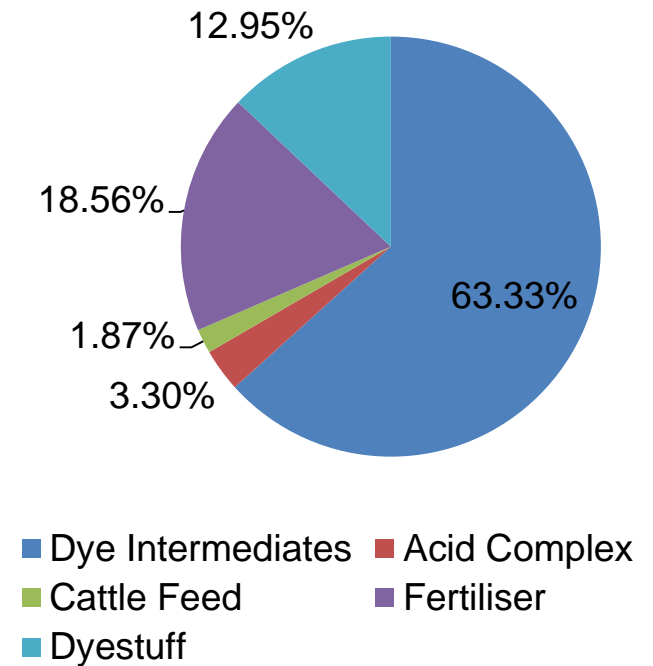
- ↑ 7% Volume growth
- ↓ 37% Revenue de-growth

Fertiliser

- ↑ 8% Volume growth
- ↑ 18% Revenue growth

*Volumes represent production volumes

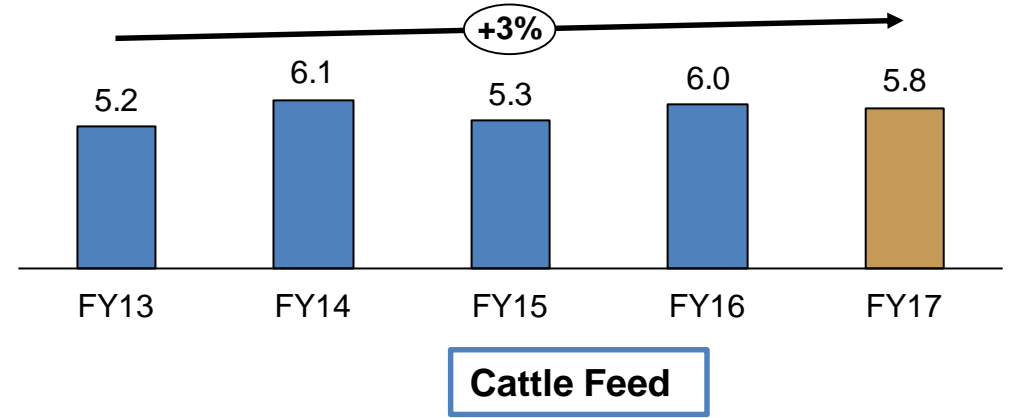
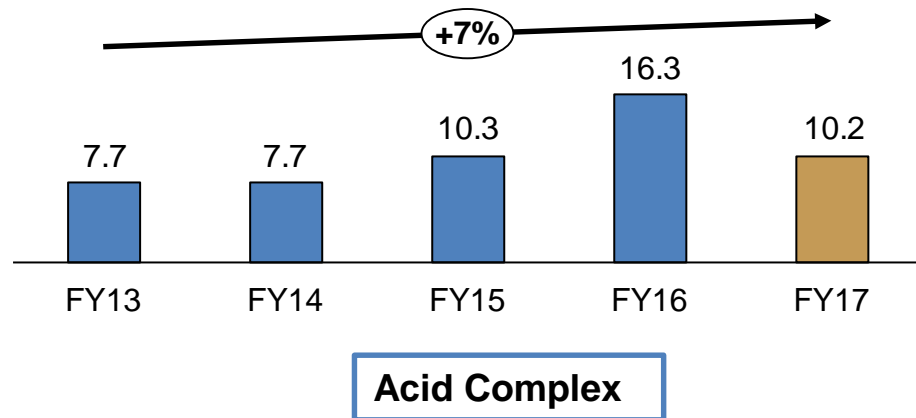
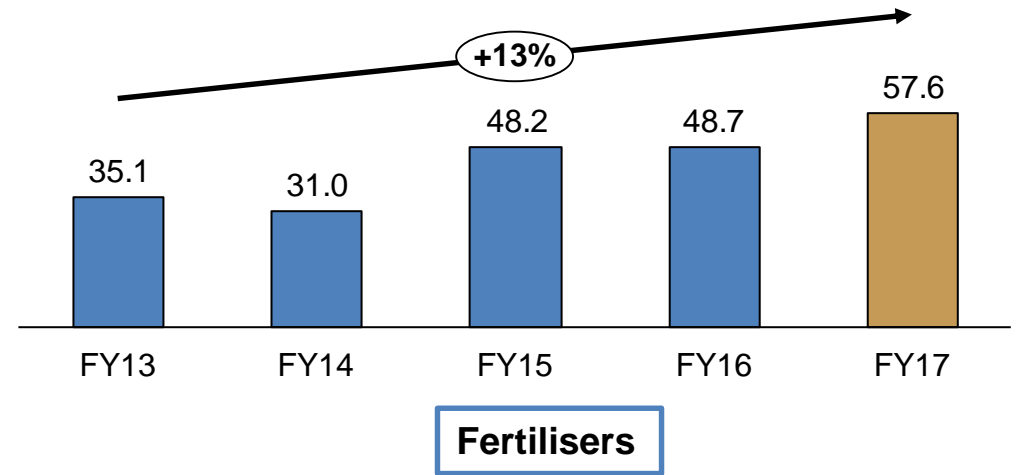
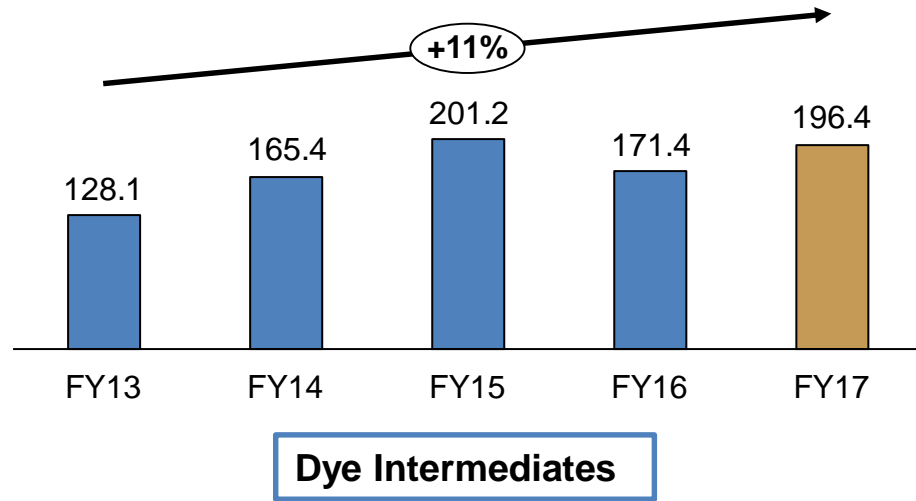
Revenue Break up FY17





Segmental Performance (Revenue)

(Rs in Cr)

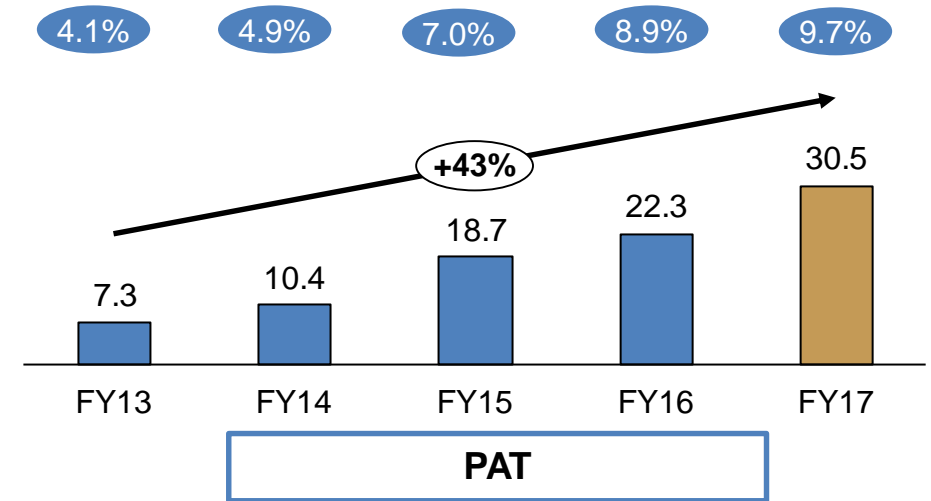
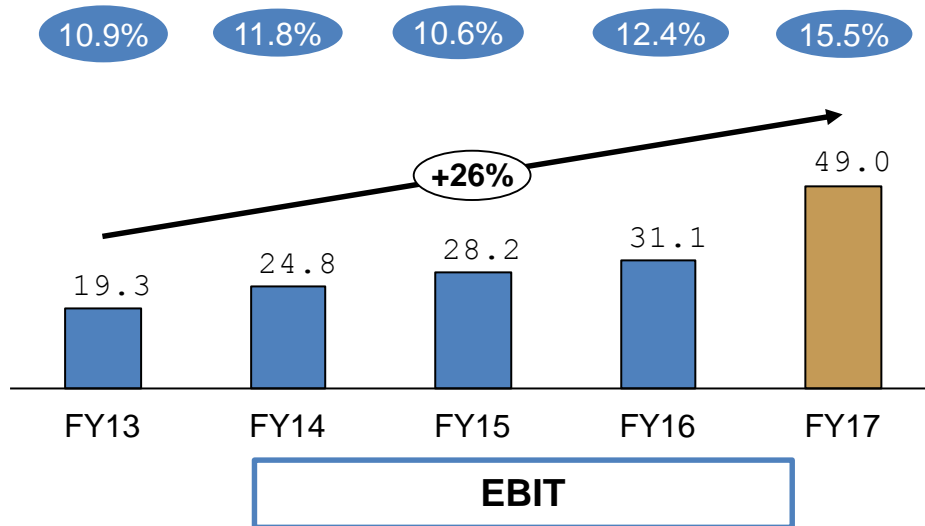
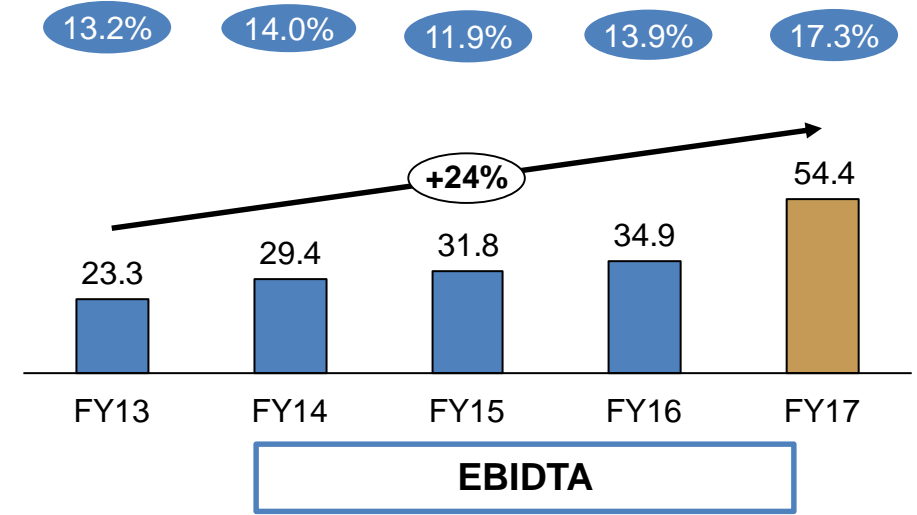
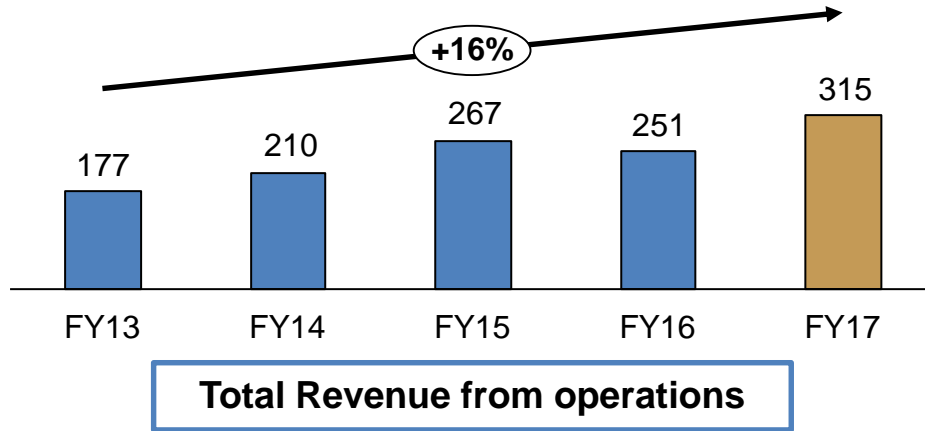




Key Financial Parameters

(Rs in Cr)

Margin %

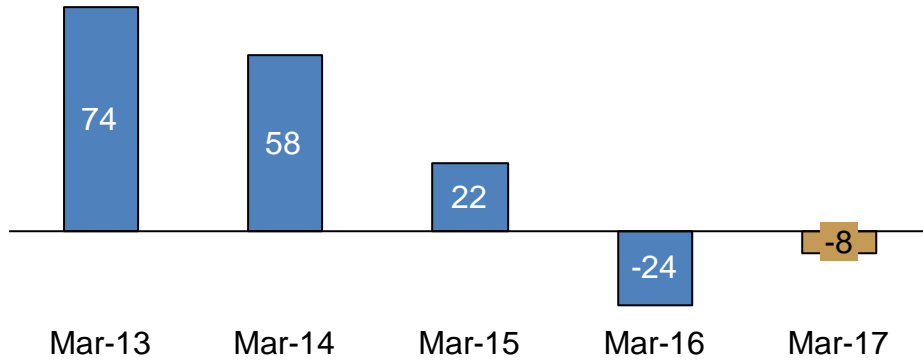




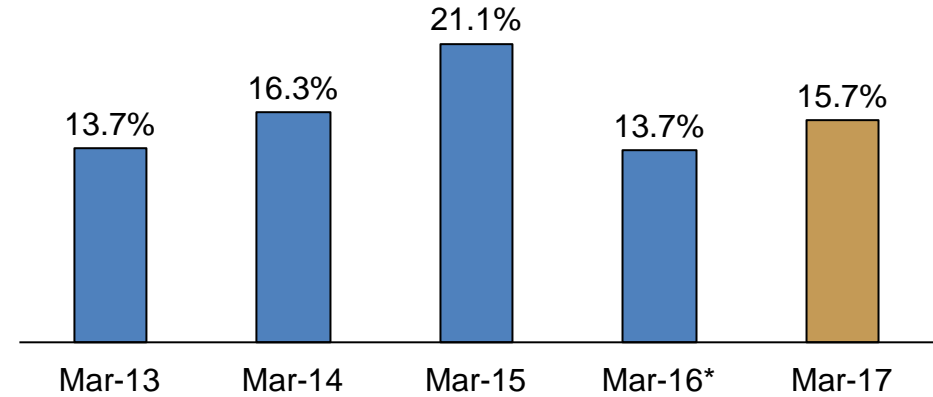
Key Financial Parameters

(Rs in Cr)

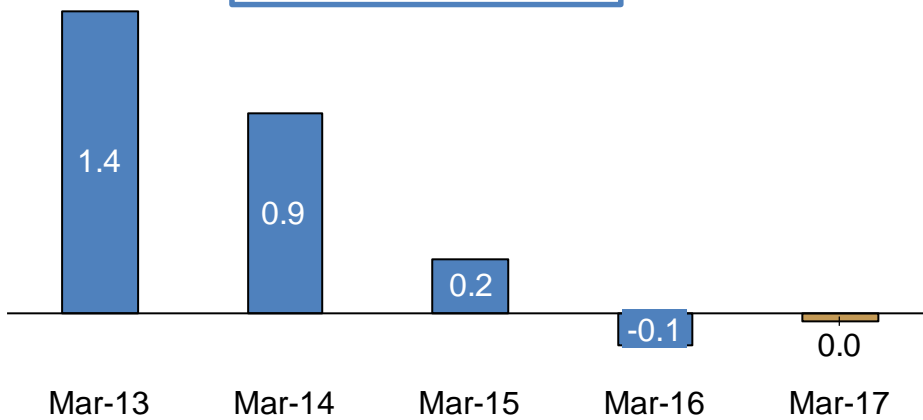
Net Debt



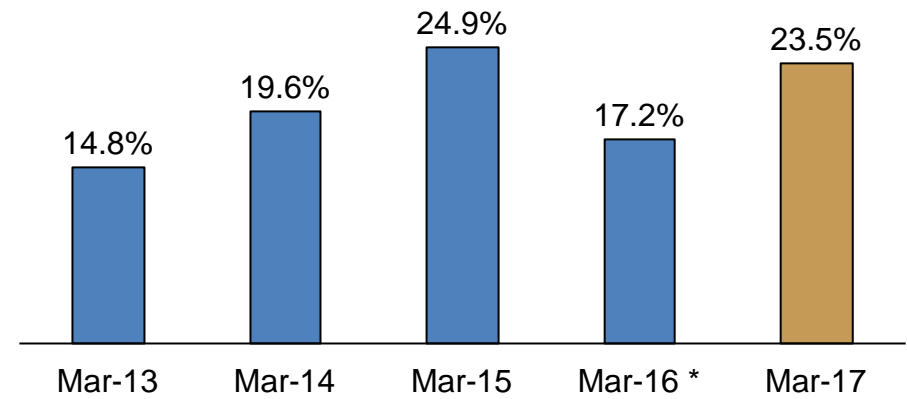
ROE %



Net Debt to Equity



ROCE %



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

Financial Highlights



Particulars (Rs. In Crs)	Q4FY17	Q4FY16	Y-o-Y	Q3FY17	Q-o-Q	FY17	FY16	Y-o-Y
Net Sales	92.66	77.72		75.65		313.02	247.74	
Other Income	0.42	1.56		0.83		2.11	3.49	
Total Revenue from Operations	93.08	79.28	17.4%	76.48	21.7%	315.14	251.24	25.4%
Cost of Material Consumed	66.04	56.42		50.38		212.22	175.29	
Employee Expenses	3.06	2.53		3.44		12.88	10.17	
Other Expenses	9.21	10.56		9.81		35.59	30.87	
EBITDA	14.77	9.78	51.1%	12.84	15.0%	54.45	34.91	56.0%
EBITDA (%)	15.9%	12.3%		16.8%		17.3%	13.9%	
Depreciation	1.64	1.16		1.37		5.49	3.80	
EBIT	13.13	8.61	52.5%	11.48	14.4%	48.96	31.11	57.4%
EBIT (%)	14.1%	10.9%		15.0%		15.5%	12.4%	
Finance Cost	1.16	0.55		0.40		2.54	1.97	
Profit before Tax	11.97	8.07		11.07		46.42	29.13	
Tax	3.79	2.35		3.84		15.93	6.84	
Profit after Tax	8.19	5.71	43.3%	7.23	13.2%	30.50	22.29	36.8%
PAT %	8.8%	7.2%		9.5%		9.7%	8.9%	

Historical Profit & Loss



Particulars (Rs. In Crs)	FY17	FY16	FY15	FY14	FY13
<i>Total Revenue</i>	313.02	248.70	266.52	210.09	175.98
Other Income	2.11	2.54	0.29	0.28	0.59
<i>Total Revenue from Operations</i>	315.14	251.24	266.81	210.37	176.57
Raw Material	212.22	175.29	195.46	150.58	129.88
Employee Expenses	12.88	10.17	9.11	7.97	4.79
Other Expenses	35.59	30.87	30.41	22.42	18.56
<i>EBITDA</i>	54.45	34.91	31.84	29.40	23.34
<i>EBITDA %</i>	17.3%	13.9%	11.9%	14%	13%
Depreciation	5.49	3.80	3.62	4.64	4.05
<i>EBIT</i>	48.96	31.11	28.22	24.76	19.29
<i>EBIT (%)</i>	15.5%	12.4%	10.6%	11.8%	10.9%
Finance Cost	2.54	1.97	5.42	10.62	10.28
<i>Profit before Tax</i>	46.42	29.13	22.80	14.14	9.01
Tax	15.93	6.84	4.15	3.75	1.73
<i>Profit after Tax</i>	30.50	22.29	18.65	10.39	7.28
<i>PAT %</i>	9.7%	8.9%	7.0%	4.9%	4.1%

Balance Sheet



Liabilities (Rs in Crs)	Mar-2017	Mar-2016
Shareholders Fund	193.63	163.13
Share Capital	30.22	30.22
Reserves & Surplus	163.41	132.91
Total Non Current Liabilities	11.88	5.73
Long Term Borrowings	0.51	0.08
Deferred tax liabilities	10.89	5.37
Other Non-Current Liabilities	0.14	0.12
Long term provision	0.34	0.16
Total Current Liabilities	55.39	53.02
Short Term Borrowings	14.16	17.41
Trade Payables	22.49	21.04
Other Current Liabilities	11.01	8.54
Short term provision	7.73	6.03
TOTAL EQUITY & LIABILITIES	260.90	221.88

Assets (Rs in Crs)	Mar-2017	Mar-2016
Total Non Current Assets	137.20	105.93
Fixed Assets (including Capital Work-in progress)	123.13	95.07
Non Current Investments	0.05	0.05
Long term loans & advances	13.47	9.81
Other Non Current Assets	0.55	1.01
Total Current Assets	123.70	115.94
Inventories	31.83	24.50
Trade Receivables	61.99	43.92
Cash & Cash Equivalent	22.49	41.77
Short Term loans & Advances	5.76	3.85
Other current asset	1.63	1.91
TOTAL ASSETS	260.90	221.88



Utilization of IPO Proceeds

Particulars (Rs Crs)	Objects of the issue as per prospectus	Total Spent/Utilisation upto March 31 st 2017	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	41.63	(0.03)
Setting Up the ETP at Existing Unit I	4.88	5.67	(0.80)
Preliminary & Pre-operative expenses / Issue Expenses	7.00	5.51	1.49
General Corporate	4.00	4.66	(0.66)
Total	62.14	62.14	-

The objectives of the IPO have already been executed successfully



For further information, please contact

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