



Shree Pushkar Chemicals & Fertilisers Ltd.

**Investor
Presentation**



August 2017





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Q1FY18 Financial Highlights

23.5%

Total Revenue
Rs 78.04 Crs

30.6%

EBIDTA
Rs 13.33 Crs
(Margin 17.1%)

16.0%

PAT
Rs 7.00 Crs
(Margin 9.0%)

On a full year FY18 basis, we believe we will close the year with revenues of Rs. 410 – 425 Crores



Q1FY18 Segmental Highlights

- Sustained contribution from Dyestuff segment to our revenues which gathered momentum during the last quarter
- Acid Complex Division continues to have higher captive utilization

Dye Intermediates

Flat Volumes
↓ 3% Revenue de-growth

Acid Complex

↓ 20% Volume de-growth
↓ 24% Revenue de-growth

Cattle Feed

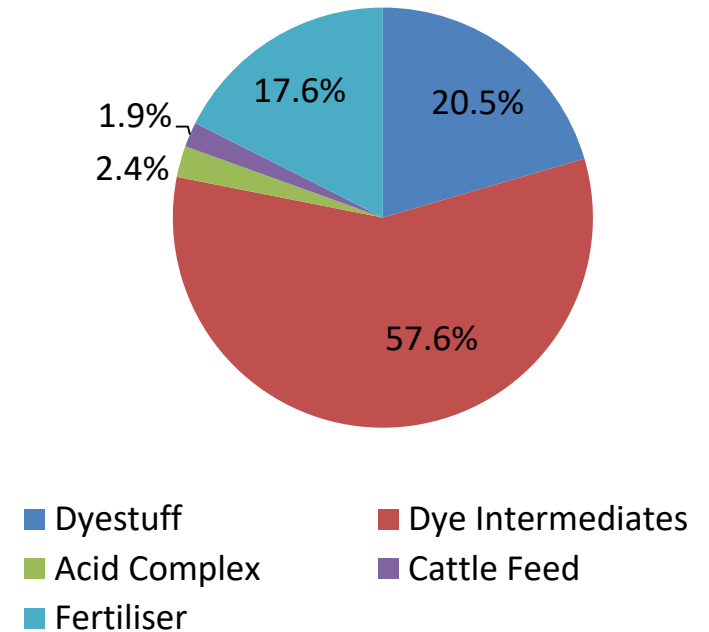
↑ 11% Volume growth
↑ 11% Revenue growth

Fertiliser

↑ 46% Volume growth
↑ 35% Revenue growth

*Volumes represent production volumes

Revenue Break up Q1FY18





A Winning Formula...

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

Products spread across **5** segments

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

Undertaken **Backward & Forward Integration**

Single location plant at Lote Parshuram

Exports to world's leading dye manufacturers

Marketing through **+300** dealers for Fertilisers

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

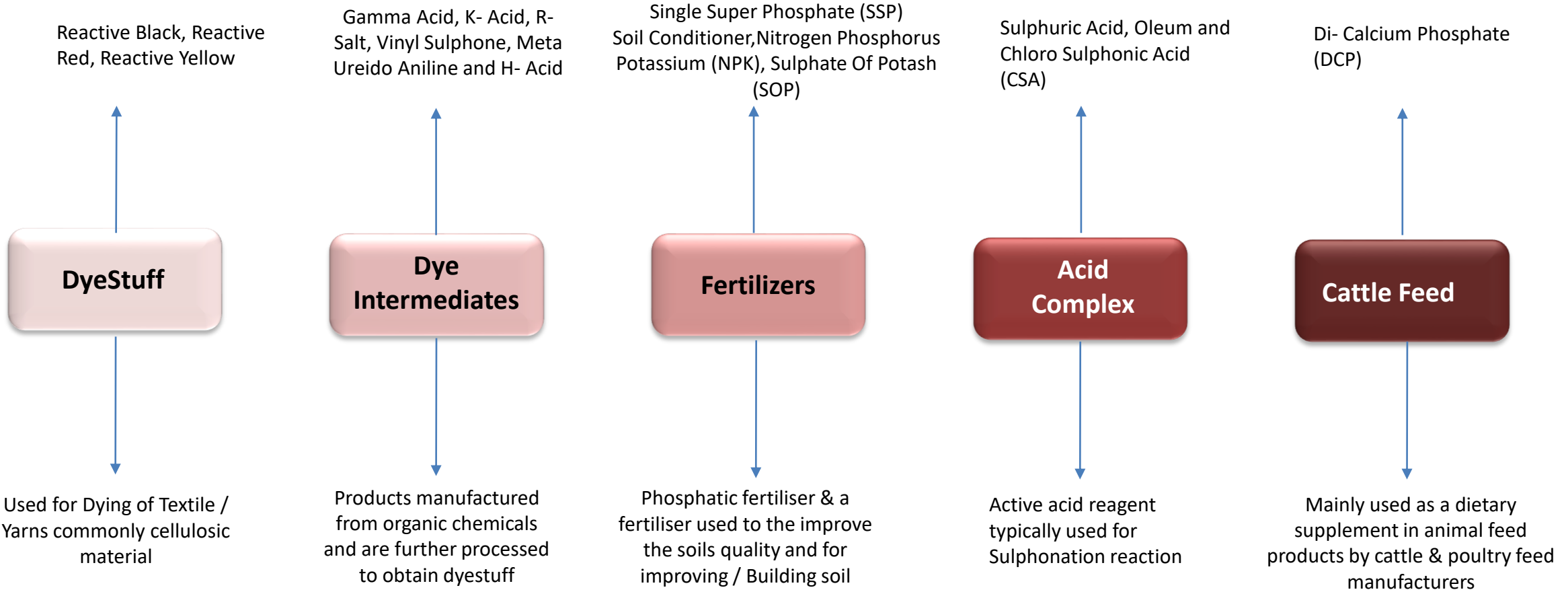
We wish to position ourselves as a **'Complete Textile Solutions Company'** with the introduction of 'Textile Auxiliary Chemicals' into our portfolio.

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
Meta Ureido Analine	600
R Salt	96

Fertilizers

Product	Capacity in MTA
SSP	1,00,000
SOP	10,000
NPK	20,000
Soil Conditioner	12,000

Others

Product	Capacity in MTA
Acids	40,000
Di Calcium Phosphate	4,500
Granular Calcium Chloride	6,500



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.

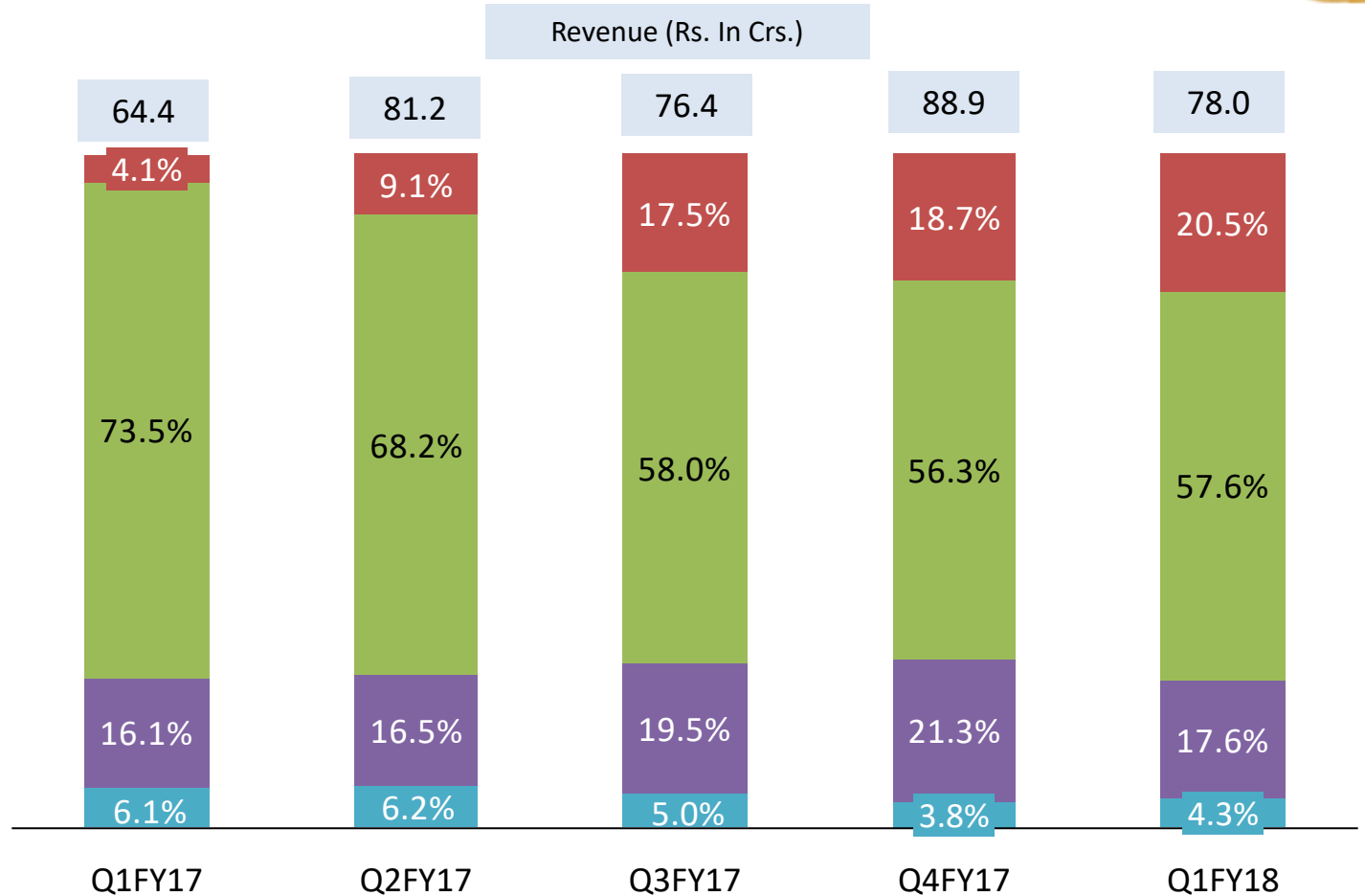


Persistent Focus on the High Margin Dyestuff Segment

As a proportion of our Revenues

- Dyes
- Dye Intermediates
- Fertiliser
- Others

Note – A certain amount of our Dye Intermediates were captively consumed for Dyestuff



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 and commercial production commenced in Q2FY17
- Additional H-Acid Capacity of 750 MTA commissioned in March 17 and was under trial runs in Q1FY18
 - Commercial Production was started in August 2017

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

Basic Formulations for Some of our Offerings

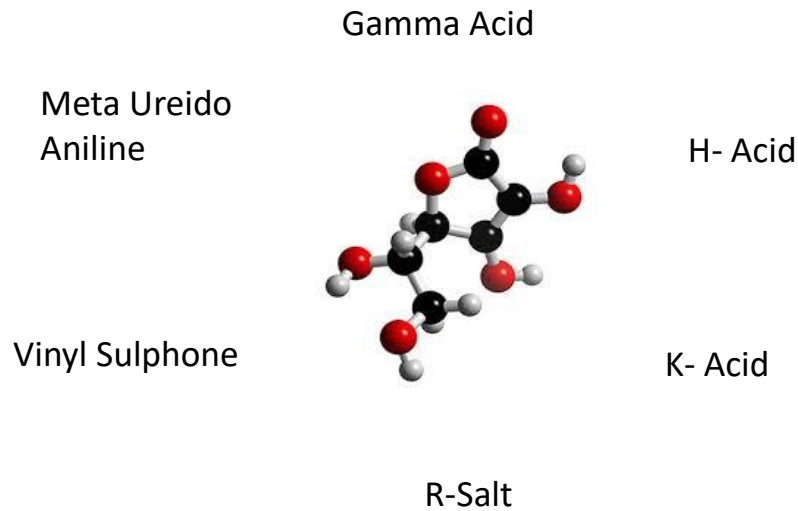
Black	Vinyl Sulphone + H- Acid
Red	Gamma Acid + Vinyl Sulphone + H- Acid
Yellow	K- Acid + Meta Ureido Aniline + Vinyl Sulphone + H- Acid

In House production of Key Raw Materials



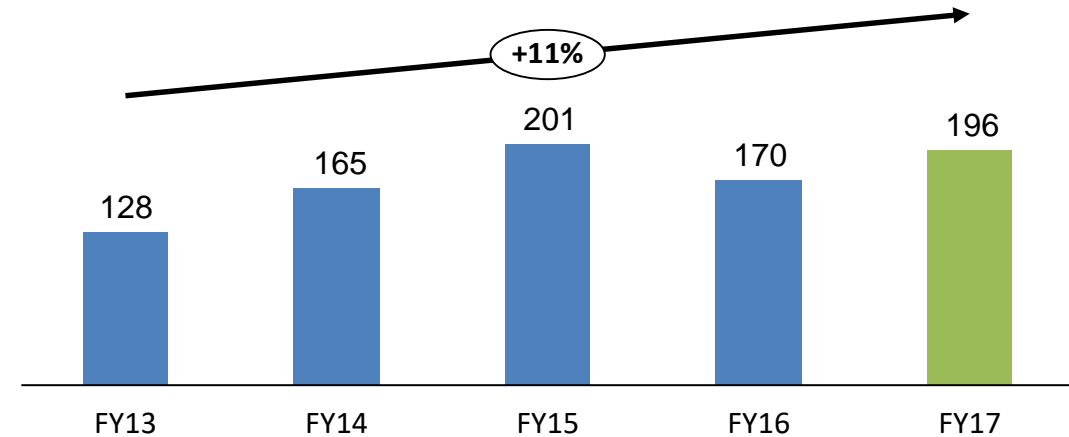
An Overview of our Dye Intermediates Business

Product offerings for Dyestuff Manufacturers



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

Revenue in Rs Crores



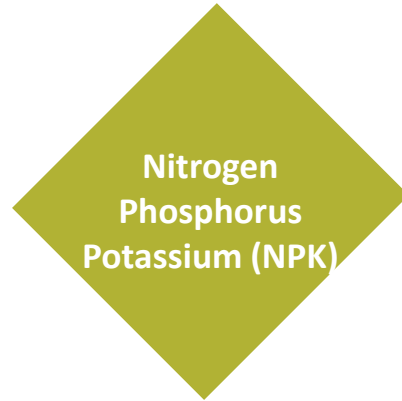
- ❑ One of the few manufactures of wide range of dye intermediates in India with zero waste
- ❑ Post 2006, we have been enjoying best cost efficiency due to recycling of effluents
- ❑ State of art integrated manufacturing facilities located at Lote Parshuram, Maharashtra
- ❑ Total Capacity of 8,986 MTA
- ❑ Amongst India`s large manufacturers of K-Acid
- ❑ End Use in manufacturing of Dyes for Textile Industry



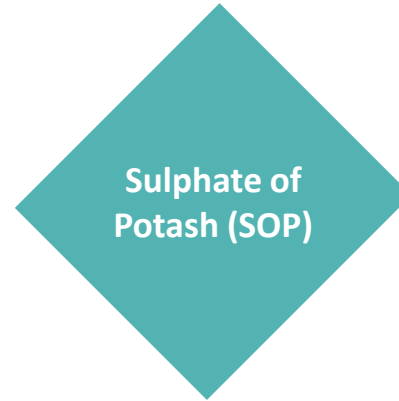
Our Fertilisers Division



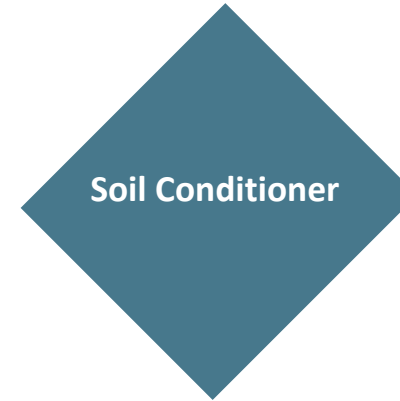
- The main raw materials for SSP are rock phosphate and sulphuric acid and it is based on one of the simplest chemical reactions in the fertilizer industry
- SSP, which is a poor farmer's fertilizer (price-wise), is an option to optimize the use of phosphatic fertilizers
- We have a capacity of **100,000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



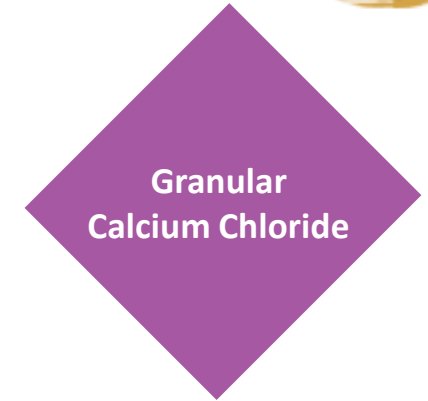
- NPK fertilizer is primarily composed of three main elements: Nitrogen (N), Phosphorus (P), and Potassium (K)
- We have received a license for manufacture of Mixed Fertilizer NPK in the state of Maharashtra
- We have a Capacity of **20,000 MTA** and was launched on February 2016



- 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 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**



- 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

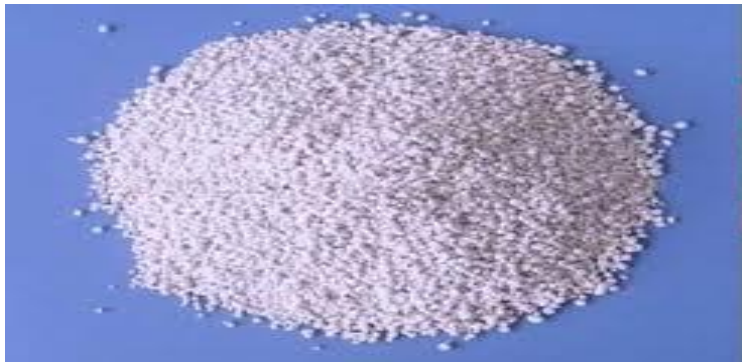
NPK is sold under Marketing tie-up with DCM Shriram

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**

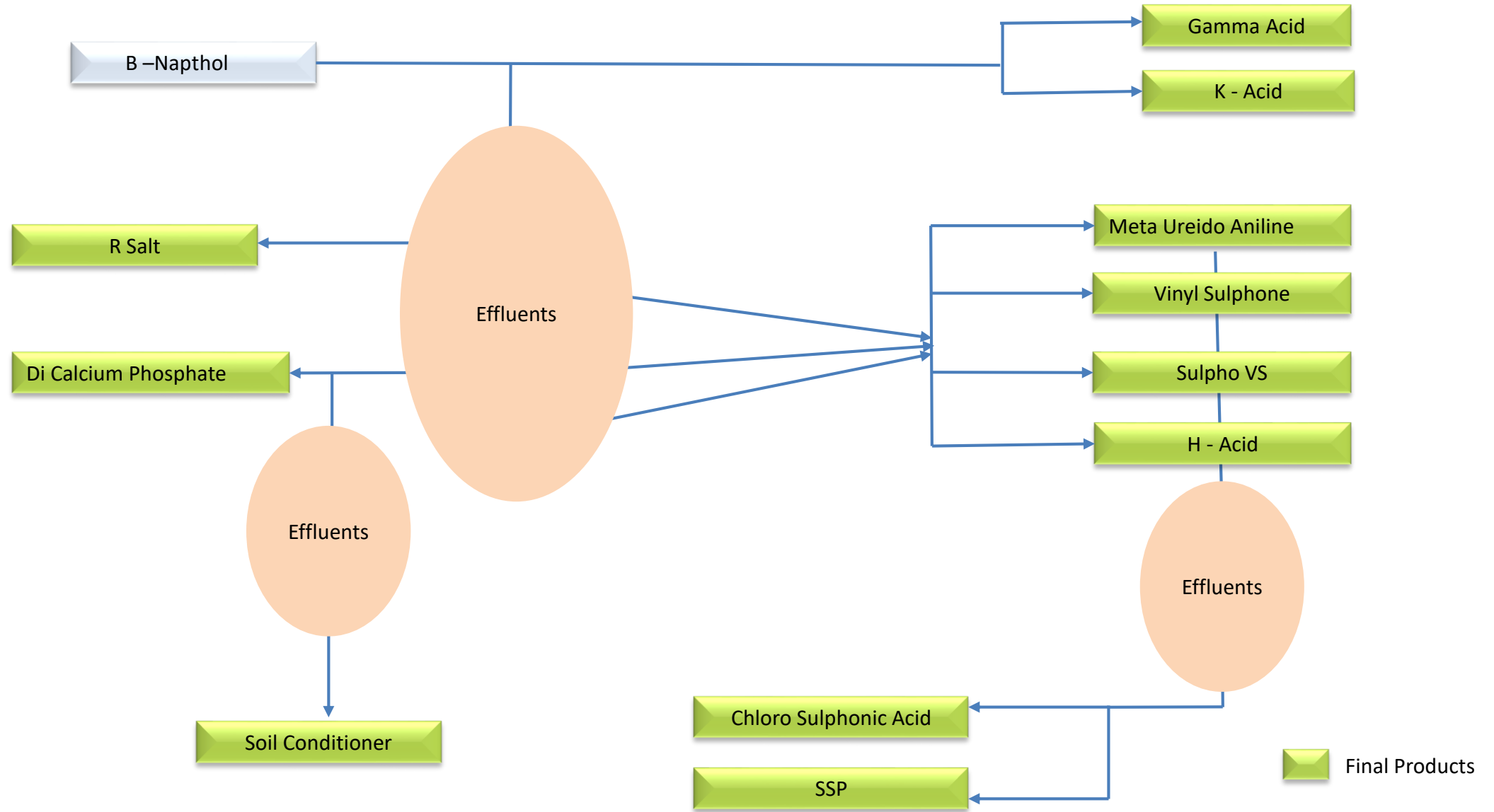


Di Calcium Phosphate (Cattle Feed Supplement)

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 have begun test marketing Auxiliary Chemicals and will set up a plant for the same 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

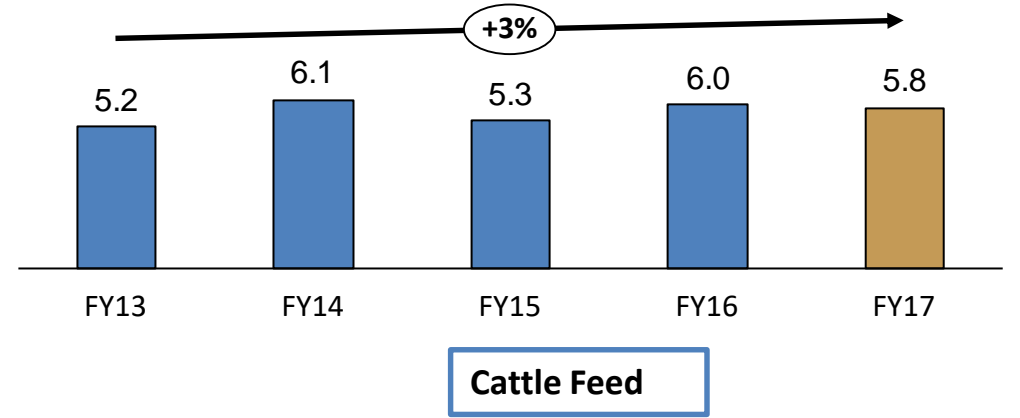
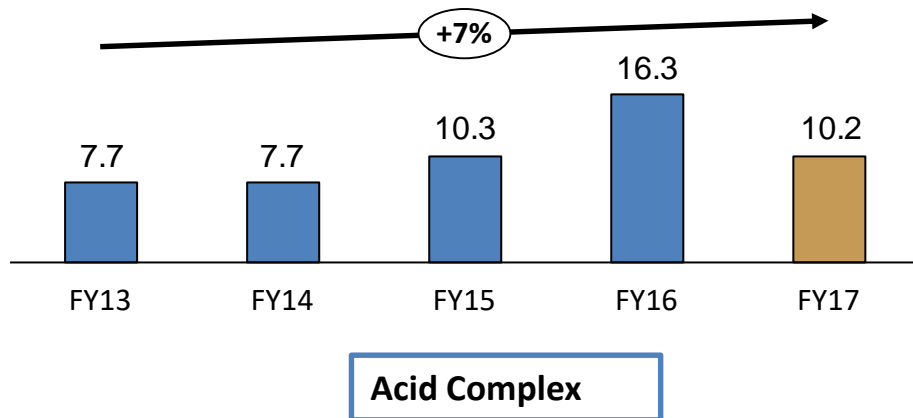
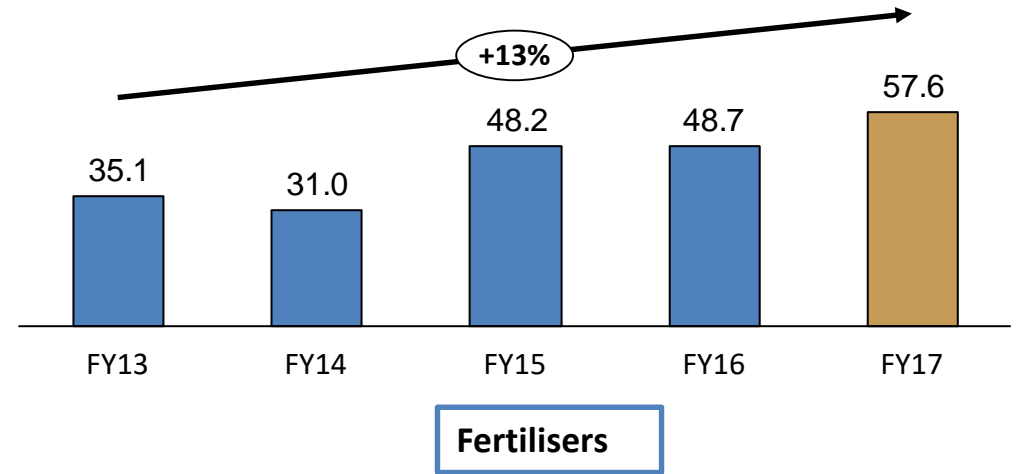
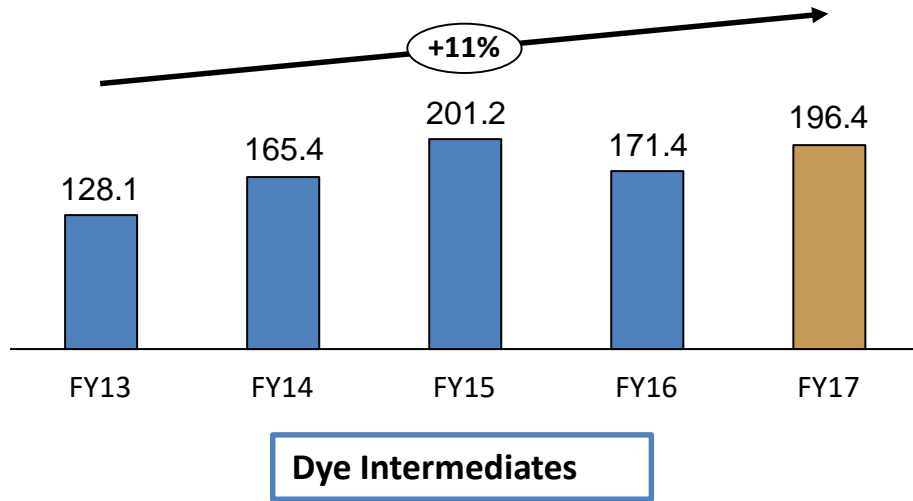


Financials



Segmental Performance (Revenue)

(Rs in Cr)

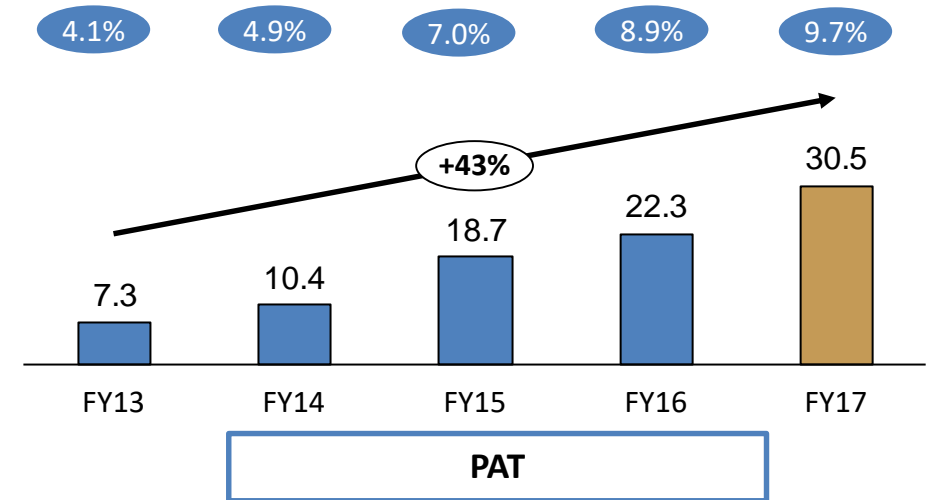
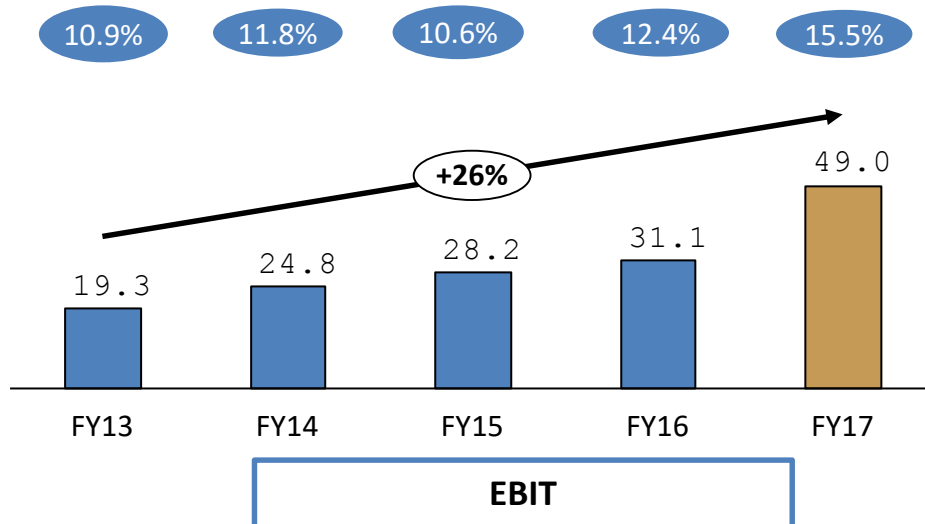
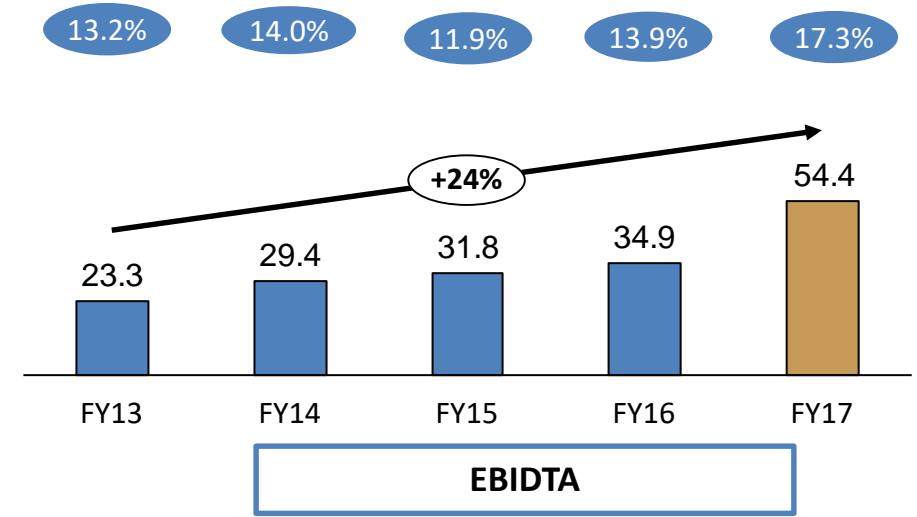
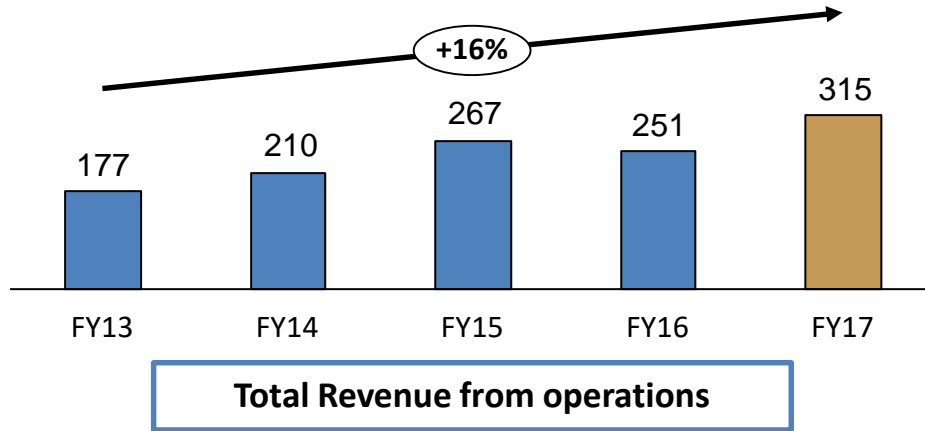




Key Financial Parameters

(Rs in Cr)

Margin %

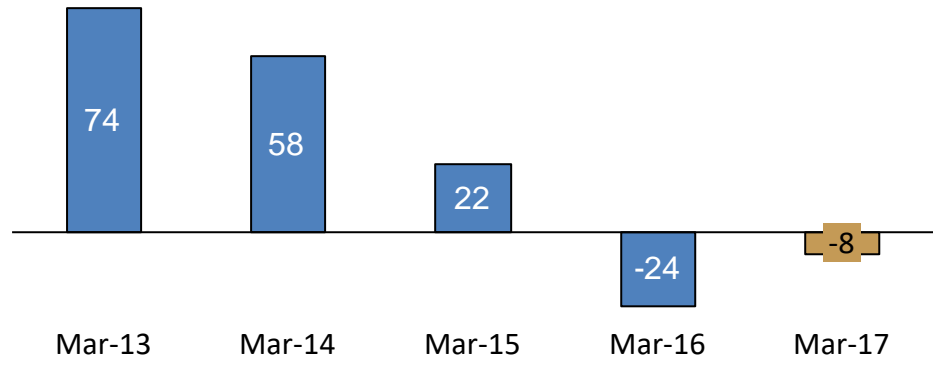




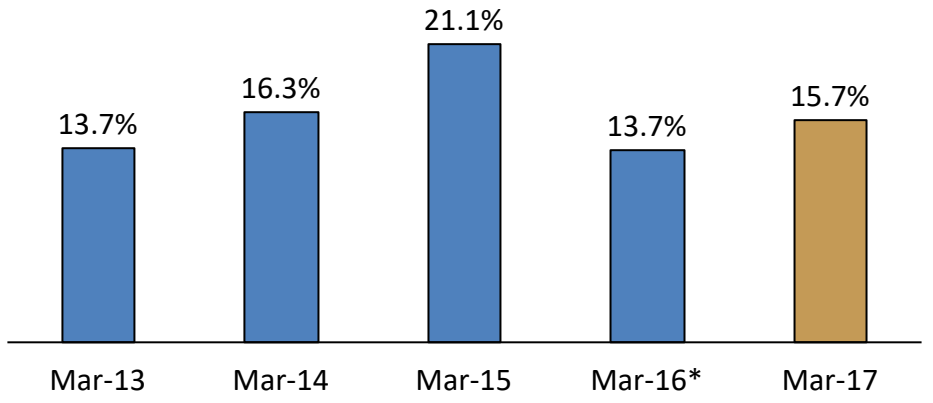
Key Financial Parameters

(Rs in Cr)

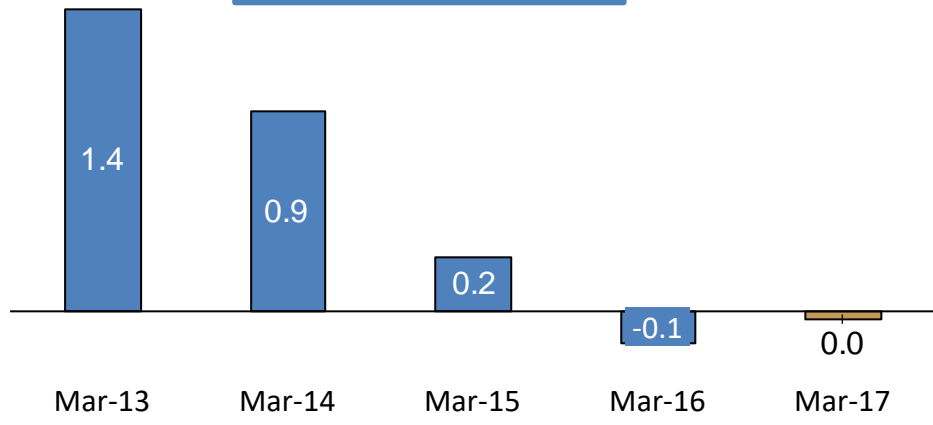
Net Debt



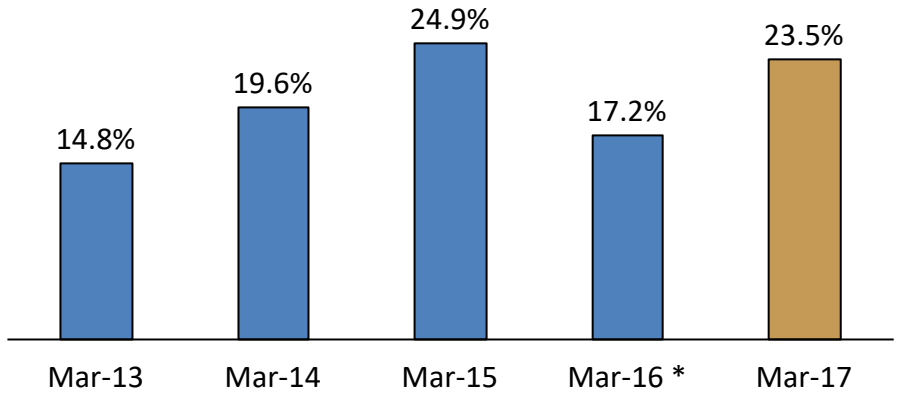
ROE %



Net Debt to Equity



ROCE %



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



Quarterly Financial Highlights

Particulars (Rs. In Crs)	Q1FY18	Q1FY17	Y-o-Y	Q4FY17	Q-o-Q	FY17
Net Sales	77.57	62.74		88.85		304.70
Other Operating Income	0.47	0.42		0.12		1.20
Total Revenue from Operations	78.04	63.17	23.5%	88.97	-12.3%	305.90
Cost of Material Consumed	53.74	43.58		66.04		212.22
Employee Expenses	3.11	2.78		2.95		12.77
Other Expenses	7.86	6.61		5.77		29.06
EBITDA	13.33	10.20	30.6%	14.20	-6.2%	51.85
EBITDA (%)	17.1%	16.1%		16.0%		17.0%
Other Income	0.45	0.76		0.44		2.17
Depreciation	1.73	1.20		1.64		5.49
EBIT	12.04	9.76	23.4%	13.00	-7.4%	48.53
EBIT (%)	15.4%	15.4%		14.6%		15.9%
Finance Cost	0.53	0.24		1.16		2.54
Profit before Tax	11.52	9.52		11.84		45.99
Tax	4.51	3.48		3.74		15.78
Profit after Tax	7.00	6.04	16.0%	8.10	-13.5%	30.22
Other Comprehensive Income	0.00	0.00		-0.07		-0.07
Total Comprehensive Income	7.00	6.04	16.0%	8.03		30.15
TCI %	9.0%	9.6%		9.0%		9.9%

Historical Profit & Loss



Particulars (Rs. In Crs)	FY17	FY16	FY15	FY14	FY13
Total Revenue	313.02	248.70	266.52	210.09	175.98
Other Income	2.11	2.54	0.29	0.28	0.59
Total Revenue from Operations	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
EBITDA	54.45	34.91	31.84	29.40	23.34
EBITDA %	17.3%	13.9%	11.9%	14%	13%
Depreciation	5.49	3.80	3.62	4.64	4.05
EBIT	48.96	31.11	28.22	24.76	19.29
EBIT (%)	15.5%	12.4%	10.6%	11.8%	10.9%
Finance Cost	2.54	1.97	5.42	10.62	10.28
Profit before Tax	46.42	29.13	22.80	14.14	9.01
Tax	15.93	6.84	4.15	3.75	1.73
Profit after Tax	30.50	22.29	18.65	10.39	7.28
PAT %	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 Equivalents	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



For further information, please contact

Company :

Investor Relations Advisors :

Shree Pushkar Chemicals & Fertilisers Ltd

CIN: U24100MH1993PLC071376

Mr. S N Sengupta, Associate Director

sengupta@shreepushkar.com

www.shreepushkar.com

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Mr. Rahul Agarwal / Ms. Samantha Francis

rahul.agarwal@sgapl.net /

samantha.francis@sgapl.net

www.sgapl.net