



# Krishana Phoschem Limited

(A Unit of Ostwal Group of Industries)



**EMBARKING ON CONTINUOUS  
JOURNEY OF TRANSFORMATION**

**Investor Presentation F.Y. 2019-20**

[www.krishnaphoschem.com](http://www.krishnaphoschem.com)



# KRISHANA PHOSCHEM LIMITED

## SERVING AGRICULTURE AND CHEMICALS SECTOR OF INDIA

Zincated  
SSP  
(Powder)

Zincated  
Boronated SSP  
(Granular)

Zincated  
SSP  
(Granular)

Single Super  
Phosphate\*  
(Powder)

Single Super  
Phosphate\*  
(Granular)

Phosphatic  
Rich Organic  
Manure

### Chemicals

Our range of chemical products includes:

Sulphuric Acid, H-Acid, Liquid SO<sub>3</sub>, Oleum and Chloro Sulphonic Acid




Mineral


Beneficiated  
Rock Phosphate (BRP)

SSP: Single Super Phosphate\*



## KRISHANA PHOSCHEM: GROWTH SO FAR


 **+ 11 States**  
Strong Distribution  
Network

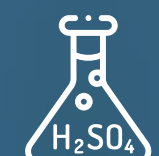
 **+10,700**  
(Dealers and  
Retailers)


 **+40**  
Sales &  
marketing personnel

 **+16**  
Year of  
Operations

 **1,20,000** MT p.a.  
Installed capacity  
for SSP


 **2,00,000** MT p.a.  
Installed capacity  
for BRP


 **99,000** MT p.a.  
Installed capacity  
for Sulphuric acid

 **1,324** MT p.a.  
Installed capacity  
for other chemicals

 **Rs. 1,629.47** Mn  
Revenue from  
Operations\*

 **Rs. 353.02** Mn  
EBITDA\*

 **Rs. 137.74** Mn  
PAT\*

 **Rs. 1,247.66** Mn  
Networth\*

\*Based on FY 20. Networth includes revaluation reserves.

***"As Farmers are lifeline of our nation, similarly fertilizers are lifeline of farmers"***



TRANSFORMATION

# FROM A SINGLE CUSTOMER TO THOUSANDS OF CUSTOMERS

## FROM MANUFACTURING FOR DCM SHRIRAM

Till March.'18, we produced and sold the entire range of SSP fertilizer products to a single giant customer:

Shriram Fertilizers & Chemicals Limited

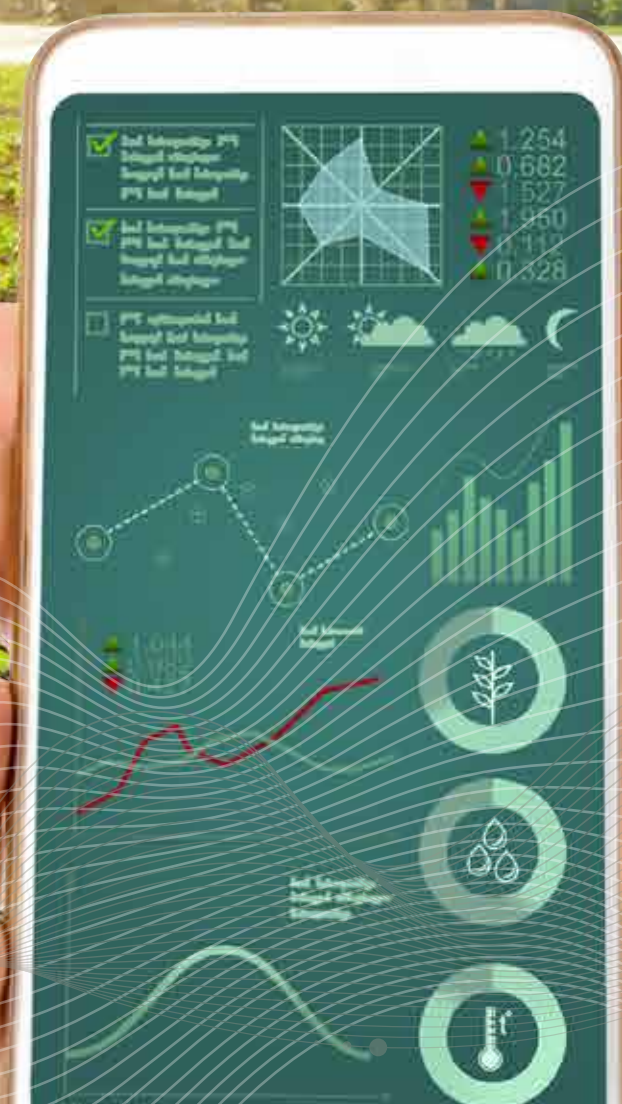


## TO ESTABLISHING OWN BRAND

From Apr. 18, we took a key strategic decision to market all the SSP fertilizer products under our own brand name "Annadata" in order to establish own brand image and capture the growing SSP Market.



Annadata ka saath Kisaan ka Vikaas



F.Y. 2017-18

F.Y. 2018-19

F.Y. 2019-20

Revenue from Fertilizers

542.8 Mn

727.3 Mn

1019.8 Mn

Number of own dealers and retailers (aprox.)

0

8,700

10,700



TRANSFORMATION

# FROM BRP MANUFACTURER TO BRP + SSP + GSSP PRODUCER

## FROM BRP

From 2005 to 2011, the Company was focused on producing Beneficiated Rock Phosphate (BRP).

BRP is an essential raw material needed in the manufacturing of phosphatic & complex fertilizers like SSP, DAP, NPK etc. BRP is made from rock deposits, which undergoes an extensive beneficiation process.

## TO BRP + SSP + GSSP

In 2012, as part of our forward integration plan, we decided to expand our manufacturing operations and enter into the SSP fertilizer Market. The SSP plant was installed in the existing unit at Meghnagar, Dist. Jabhua, Madhya Pradesh.

SSP is used by farmers for replenishing “P” (Phosphorus) in the soil which gets depleted steadily with each crop.

In 2013, we took another leap ahead, and expanded in manufacturing GSSP (Granular SSP), which is used as a partially water soluble fertilizer.

## TRANSFORMATION RESULTS

### Particulars

F.Y. 2011-12

F.Y. 2012-13

F.Y. 2013-14

**Total Revenue from Operations**

**252.73 Mn**

**402.20 Mn**

**904.04 Mn**



TRANSFORMATION

# FROM FERTILIZERS TO FERTILIZERS AND CHEMICALS COMPANY

## FROM FERTILIZERS

Prior to 2016, our business was confined to manufacturing of BRP and fertilizers products (SSP, GSSP). We were dependent on external suppliers for procuring sulphuric acid, which is a basic raw material for production of all phosphatic fertilizers.

## TO FERTILIZERS AND CHEMICALS

In 2016, we planned to diversify our business operations and thus forayed into the chemical sector by setting a separate technologically advanced plant (Unit – II) in Meghnagar, M.P. We started with production of H-Acid and intermediate dyes chemicals, which are used in various industries like textiles, agriculture, defense and pharmaceutical.

In 2018, as part of our backward integration plan, we setup up our 3rd state of the art manufacturing facility for production of sulphuric acid and allied chemicals (Liquid SO<sub>3</sub>, H-Acid, Oleum and Chloro Sulphonic Acid ) at Meghnagar, M.P. (Unit III)

## TRANSFORMATION RESULTS

Particulars

F.Y. 2016-17

F.Y. 2017-18

F.Y. 2018-19

Revenue from Chemicals

28.86 Mn

414.84 Mn

799.82 Mn



TRANSFORMATION

# FROM UNLISTED TO LISTED COMPANY AND FROM SME TO MAIN BOARD

2016 was the year when we took a major decision to go public.

In Feb.'17, we marked our footprints on NSE EMERGE with an IPO size of Rs. 19.73 crores, constituting 65.76 lakhs shares offered at price of Rs. 30/- per share, which got listed at Rs. 36. In Aug.'19, we migrated from NSE EMERGE to NSE Main Board.

**Huge public response was received in the IPO with subscription going to over 35 times.**

**The Market Capitalization jumped from Rs. 87.15 crores at the time of IPO to Rs. 144.42 crores within 2 years\*.**

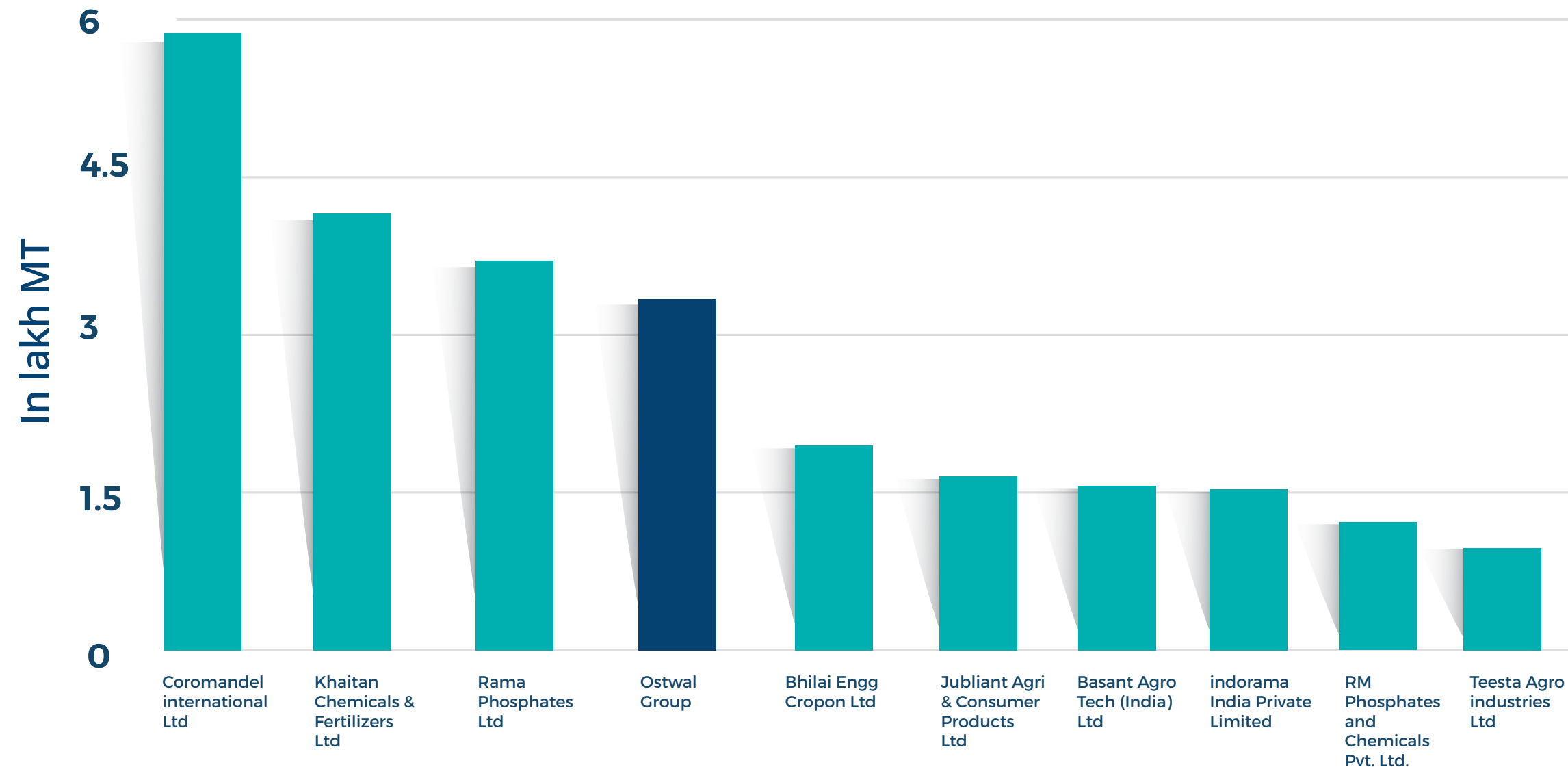
**Going public, unlocked the entire value and set us altogether to a different league**

\*computed by comparing IPO price and stock closing price on Feb. 26, 2019



## TRANSFORMATION OF OSTWAL GROUP

# FROM SMALL TO 4TH LARGEST SSP MANUFACTURER IN INDIA



The total sales in India of SSP for the F.Y. 2019 – 20 stood at 42.09 Lakh MT

Ostwal Group stand at 4th position and accounted for ~8% of total SSP market share in India in FY 20. (Source : <http://m-fms.nic.in/>).



## TRANSFORMING TO ESTABLISH LEADERSHIP POSITION AMONG TOP LISTED COMPETITORS

	Revenue* (F.Y. 2019-20)	PAT* (F.Y. 2019-20)	EPS (in Rs.)*	P/E**	Mkt. Cap.** (Rs. in crores)	CMP** (in Rs.)
Coromandel International Ltd.	13,176.73	1,065.04	36.40	20.07	21,413.67	730.45
Rama Phosphates Limited	449.99	17.67	10.00	5.85	103.26	58.50
Khaitan Chemicals & Fertilizers Ltd.	439.38	15.08	1.55	11.55	173.61	17.90
Shree Pushkar Chemicals & Fertilizers Ltd.	349.65	35.71	11.60	9.78	349.68	113.40
Krishana Phoschem Limited	162.99	13.77	5.53	10.2	140.44	56.40
Madhya Bharat Agro Products Limited	131.09	14.84	6.77	9.75	144.58	66.00

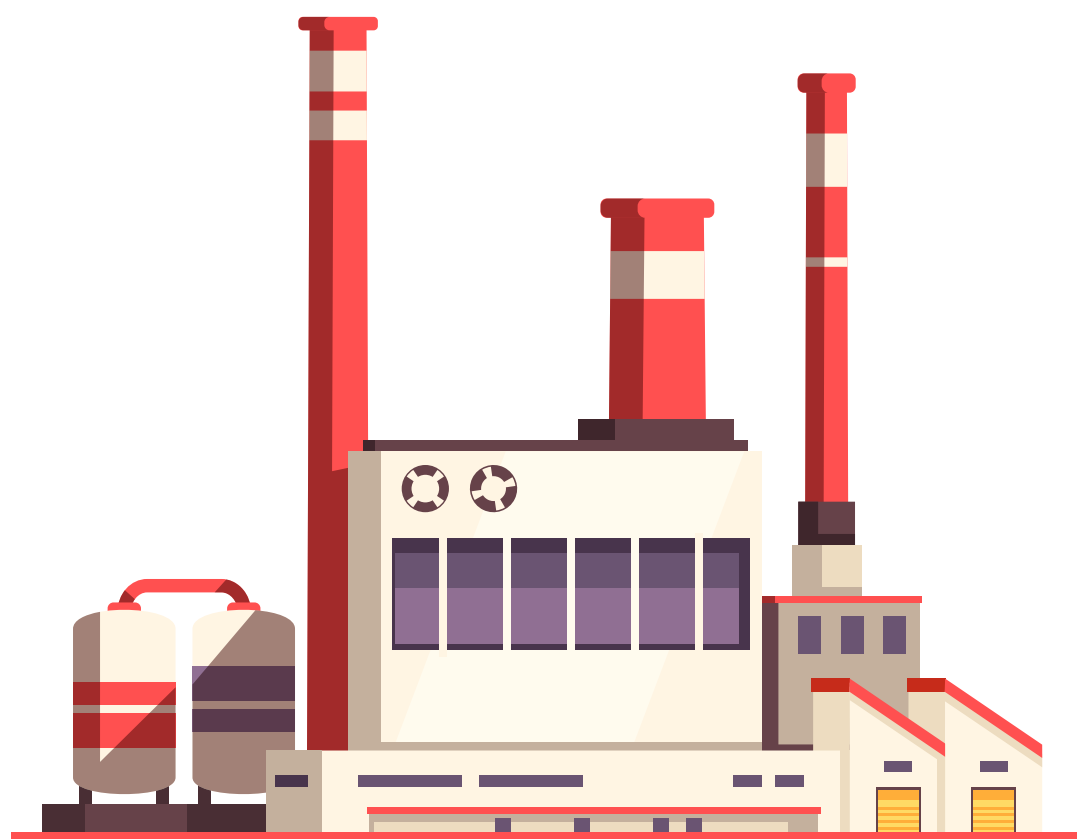
\*Based on FY 20

\*\*Based on BSE,NSE data as on August 18, 2020



A MEGA DAP & NPK FERTILIZER PLANT

## OUR NEXT TRANSFORMATION



**We are determined to deliver the FIRST EVER DAP (Di-Ammonium Phosphate) & NPK Complexes (Nitrogen, Phosphorous and Potash) (NPK) PLANT in Madhya Pradesh by 2022.**

TASKS COMPLETED	TASKS TO BE COMPLETED BY 2022*
Land admeasuring to 1.60 lakhs Sq. mtrs.has been allotted by MP AKVN (Madhya Pradesh – Audyogik Kendra Vikas Nigam) at Jhabua, Meghnagar, M.P.	We propose to commence the project construction work by Dec'20, subject to timely clearance from Statutory Authorities and other factors.
Applied for statutory clearance of the project from State Government and respective authorities.	We plan to commence production of DAP and NPK Fertilizers by 2022*
The part of plant is being imported from Spain, for which Vendor has been finalized.	

*\*Based on Management Estimates*



# THE WORLD'S 2<sup>nd</sup> LARGEST CONSUMER OF FERTILIZER



India is the World's largest producer of spices and pulses and the second largest producer of rice, wheat, vegetables and fruits.



Crop nutrition solutions play a vital role in enhancing crop productivity through maintaining soil fertility, improving crop yields and quality of crop output.



The agriculture sector is one of the most critical sectors of the Indian economy with more than 50% of the country's workforce dependent on it.



Agriculture sector has over 16.5% contribution to India's GDP and with increasing food demand, there is a pressing need to boost crop productivity per unit to address the demand-supply gap.



Bulk fertilizers are commonly used in India in forms including Urea, DAP, MOP, SSP and NPK complexes in various proportions.

*"As we embark the journey of our next growth trajectory of strengthening our core, we would continue to draw strength from two decades of experience, expertise, marketing prowess and domain knowledge in our businesses."*



## DAP & NPK-FUTURE OF INDIAN FERTILIZERS MARKET **OPPORTUNITY IN ADVERSITY**

**“Deep within every crisis is an opportunity  
for something Beautiful”**



Based on the statistical provisional data of FAI, 72% of the total demand of DAP fertilizer in India has been met from Imports, and only 28% has been met domestically in F.Y 19



There are only 21 units of DAP in India as compared to 110 units of SSP.



Majority of Indian farmland is experiencing stagnating or declining crop yields as a result of constant deterioration in soil quality, inadequate and imbalanced nutrients, due to lack of value added fertilizers.



Extreme stress on resources like water & labour, which can be reduced to an extent by using water efficient technologies like drip irrigation which drive demand for water soluble fertilizers



Other factors that will contribute to the increase of complex fertilizers (DAP & NPK) sales in India includes farmers' shift towards cash crops, gradual awareness of balanced dose of nutrients, availability of soil health reports, the market development and awareness works done by public and private industry players.



# EXPANDING OUR FOOTPRINTS

Madhya Pradesh

Chhattisgarh

Gujarat

Maharashtra

Rajasthan

Uttar Pradesh

Punjab

Haryana

Orissa

Uttarakhand

Himachal Pradesh

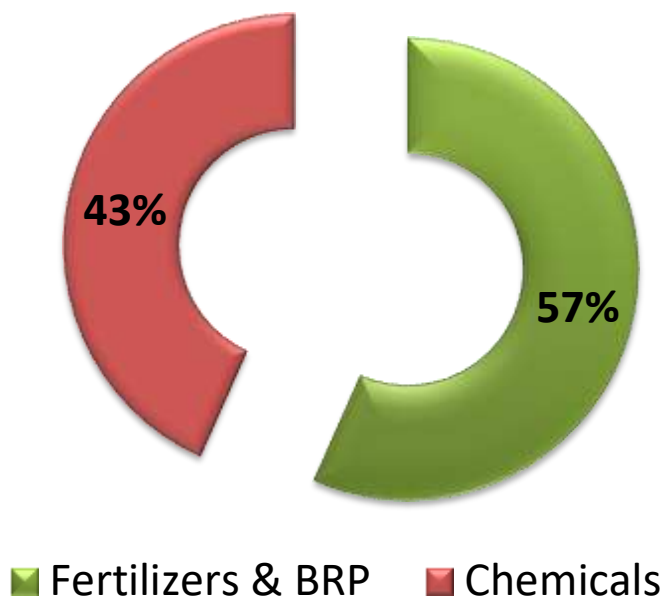


The Company has been constantly refining its sales and marketing strategies, optimizing competencies and focused on product development and differentiation to increase its penetration in new geographies.

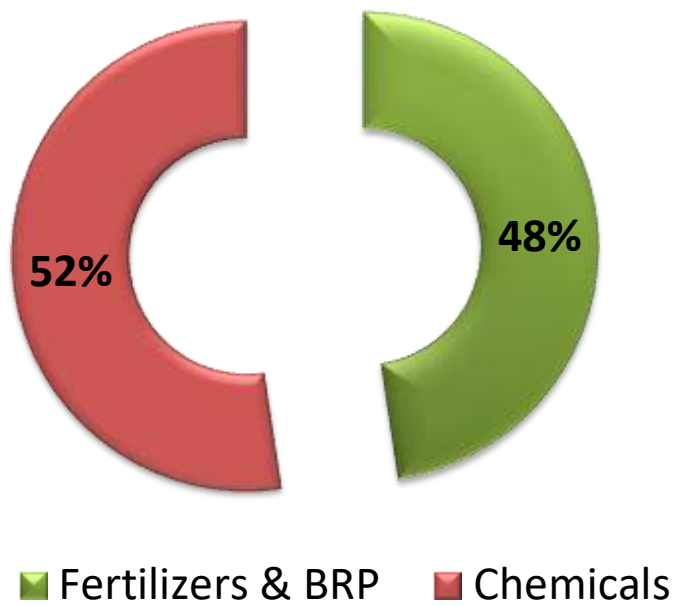


# SEGMENT WISE REVENUE BIFURCATION OF LAST 3 YEARS

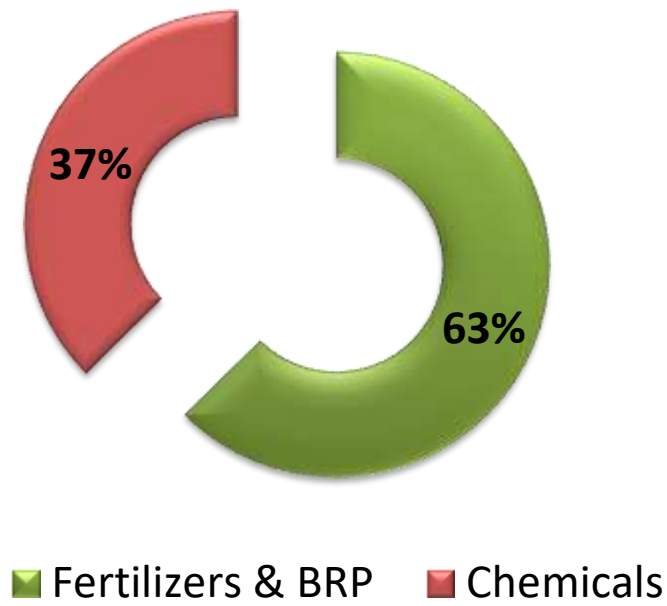
Revenue F.Y. 2017-18



Revenue F.Y. 2018-19



Revenue F.Y. 2019-20



Fertilizers & BRP -	Rs. 542.75 Mn
Chemicals -	Rs. 38.76 Mn
Total-	Rs. 957.59 Mn

Fertilizers & BRP -	Rs. 727.27 Mn
Chemicals -	Rs. 799.82 Mn
Total-	Rs. 1,527.1 Mn

Fertilizers & BRP -	Rs. 1019.81 Mn
Chemicals -	Rs. 609.67 Mn
Total-	Rs. 1,629.47 Mn

With a relentless focus, enduring our journey as an integrated fertilizer and chemical manufacturing company, we are serving two of the most critical sectors of the economy - Agriculture and Industrial Chemicals.



# OUR STRONG EXPERIENCE MANAGEMENT TEAM:



**Mr. Mahendra Kumar Ostwal**

*Chairman and Non  
Executive Director*

Experience : 40 years  
Education: B.Com



**Mr. Pankaj Ostwal**

*Executive Director*

Experience : 21 years  
Education: CA



**Mr. Praveen Ostwal**

*Managing Director*

Experience : 18 years  
Education: CA



**Mr. Sunil Kothari**

*Whole Time Director  
and CFO*

Experience : 14 years  
Education: CA



**Mr. Pukhraj Kanther**

*Project and Financial Advisor*

Experience : 40 years  
Education: Msc Physics (Gold Medalist), CAIIB



**Mr. Anil Dubey**

*President (Works)*

Experience : 20 years  
Education: Graduate



**Mr. P. Ravichandra**

*Project Advisor*

Experience : 35 years  
Education: BE (Hons)



**Mr. Gopal Inani**

*Project Advisor*

Experience : 33 years  
Education: Mechanical Engineer



# OSTWAL GROUP: BRINGING PROSPERITY TO MILLIONS OF FARMERS

## OSTWAL GROUP

### LISTED

**Krishana Phoschem Limited**  
Fertilizers & Chemicals

**Madhya Bharat Agro Products Ltd.**  
Fertilizers & Chemicals

### UNLISTED

**Ostwal Phoschem (India) Limited**  
Fertilizers & Chemicals

**Seasons International Pvt. Ltd.**  
Agro-commodities

**Shri Ganpati Fertilizers Ltd.**  
Fertilizers

**Nirmala Realinfrastructure Pvt. Ltd.**  
Real Estate

**Kanchi Resorts Pvt. Ltd.**  
Hospitality

## Total Installed Capacity of the Group.

**SSP – 5.31 lakhs MT p.a.**

**Sulphuric Acid – 1.36 lakhs MT p.a.**

**BRP – 2.99 lakhs MT p.a.**

**Other chemicals – 1.14 lakhs MT p.a.**

\* Shri Ganpati Fertilizers Limited was the Subsidiary Company of DCM Shriram which is taken over by OPIL in May 2020.



# KEY HIGHLIGHTS OF STRONG FY 20 RESULTS

**KPL registered the highest-ever fertilizer sales in FY 20.**

**SSP Plant capacity utilization crossed 85% during the year.**

**The fertilizer and BRP segment reported total revenue of Rs. 1019.80 Mn as compared to Rs.727.28 Mn in FY 19, registering a total growth of 40%.**

**Total Income: Rs. 1629.47 Mn. (grew 6.52% YoY)**

**EBITDA: Rs. 353.02 Mn. (grew 4.49% YoY)**

**PAT: Rs. 137.74 Mn. (grew 1.94% YoY)**

**Net Worth: Rs. 1247.66 Mn (grew 13.76% YoY)**

**Basic EPS: Rs. 5.53, (grew 1.84% YoY)**

**Dividend declared: Rs. 0.50/- per share in FY 20, similar to FY 19.**

**New dealers and retailers added: 2000**

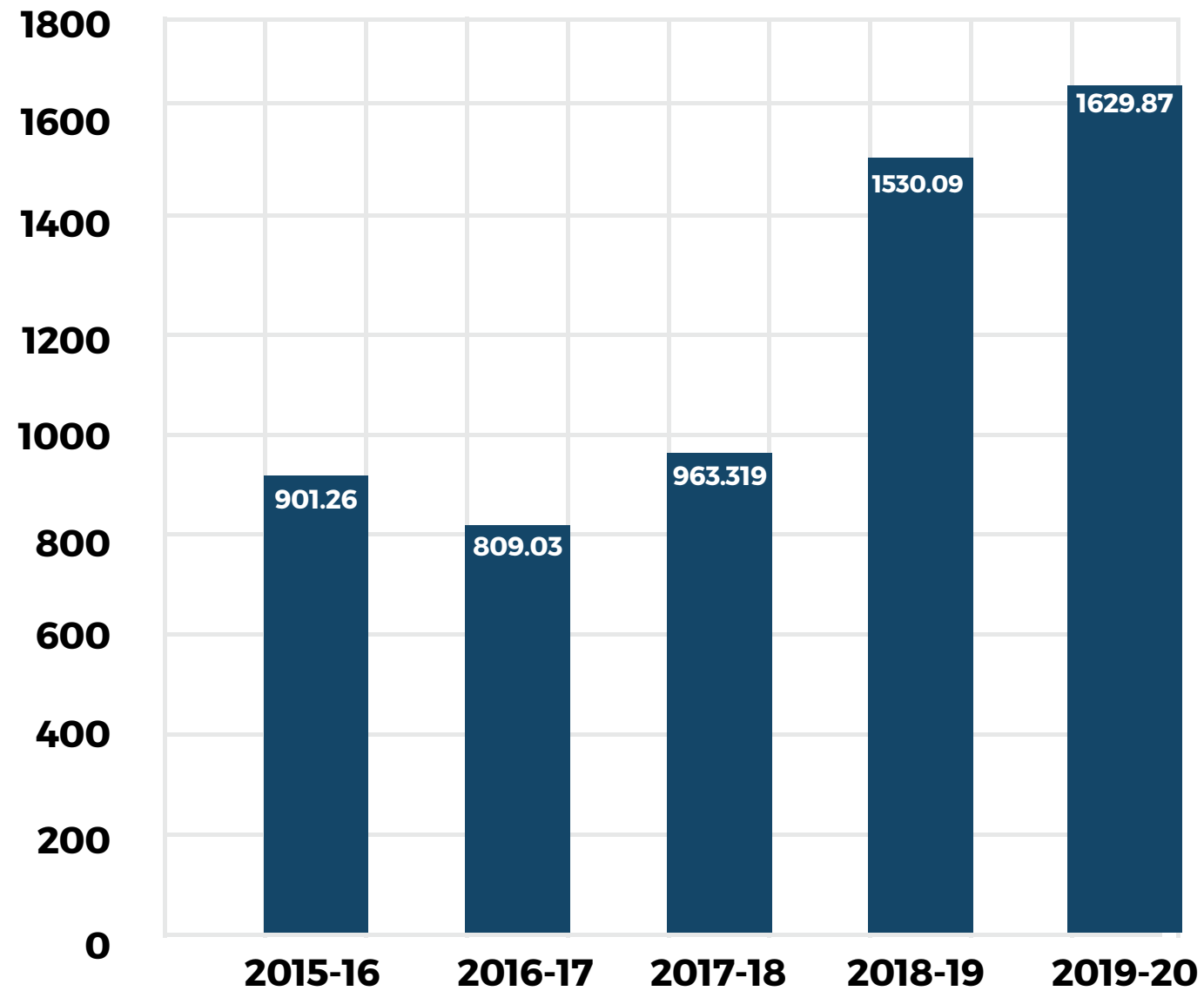




# STAYING AHEAD OF THE CURVE - GROWTH TRAJECTORY OF LAST 5 YEARS

## TOTAL REVENUE

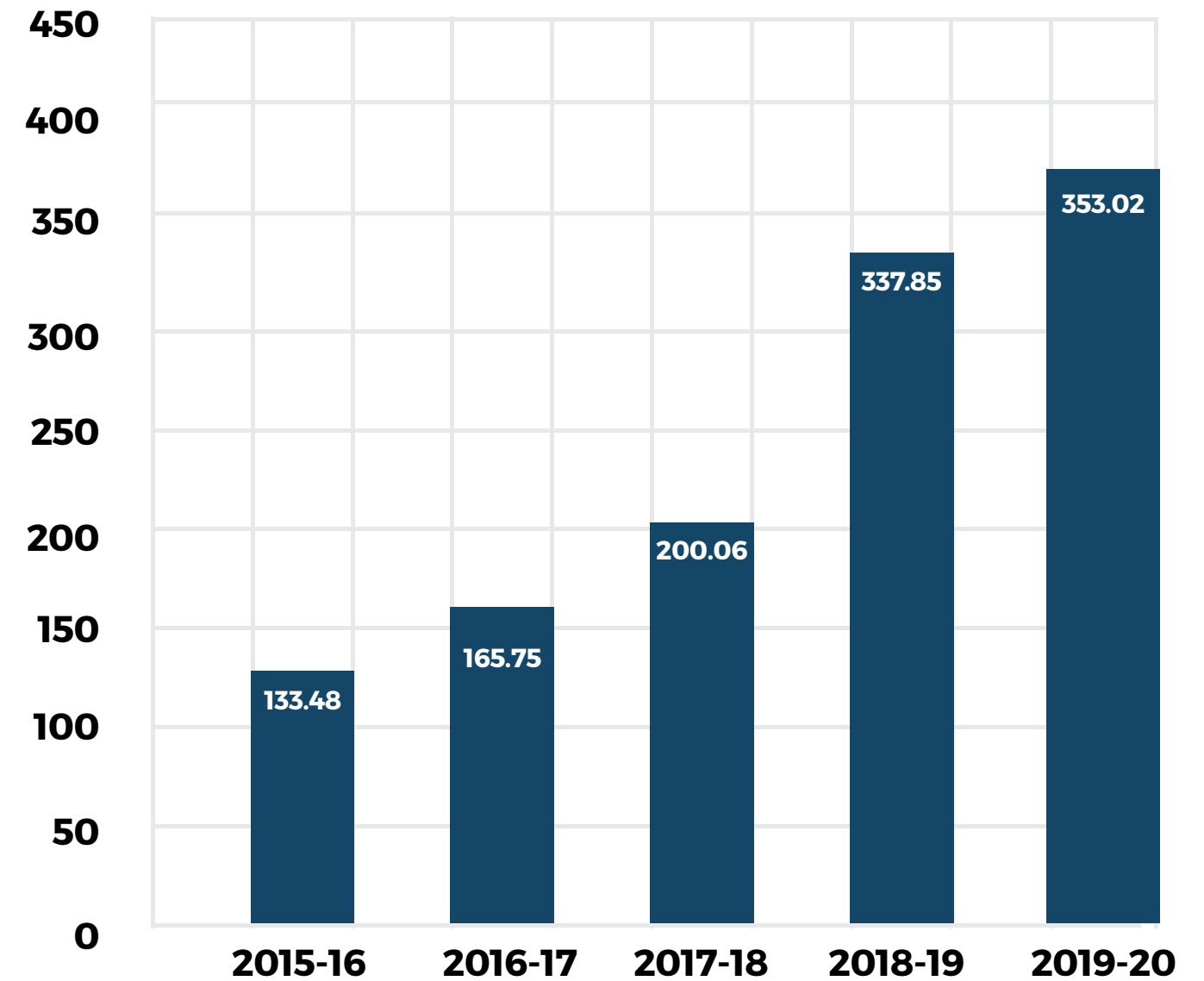
(Rs. in million)



CAGR GROWTH - 12.58%

## EBITDA

(Rs. in million)



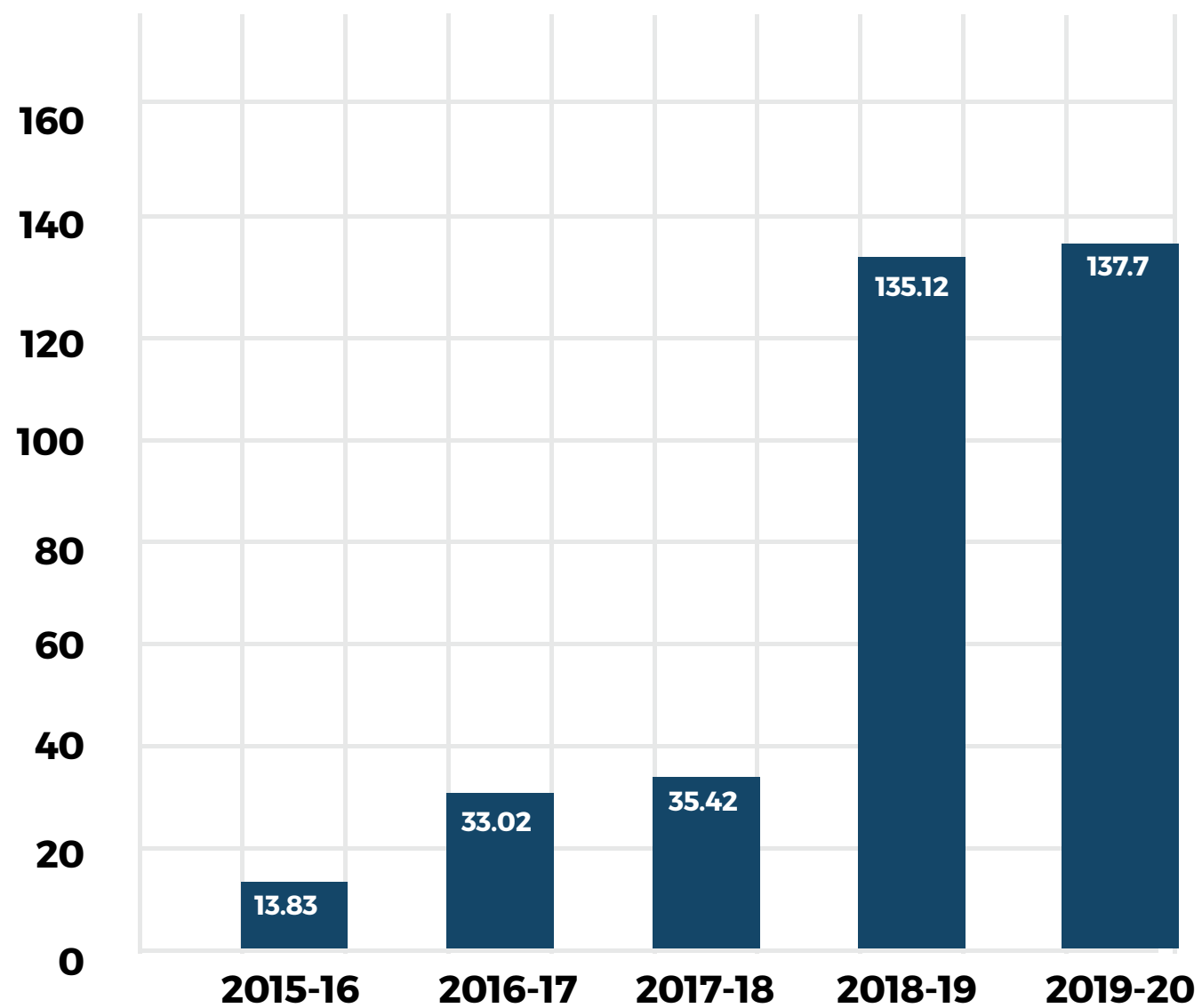
CAGR GROWTH - 21.47%





## TOTAL PAT

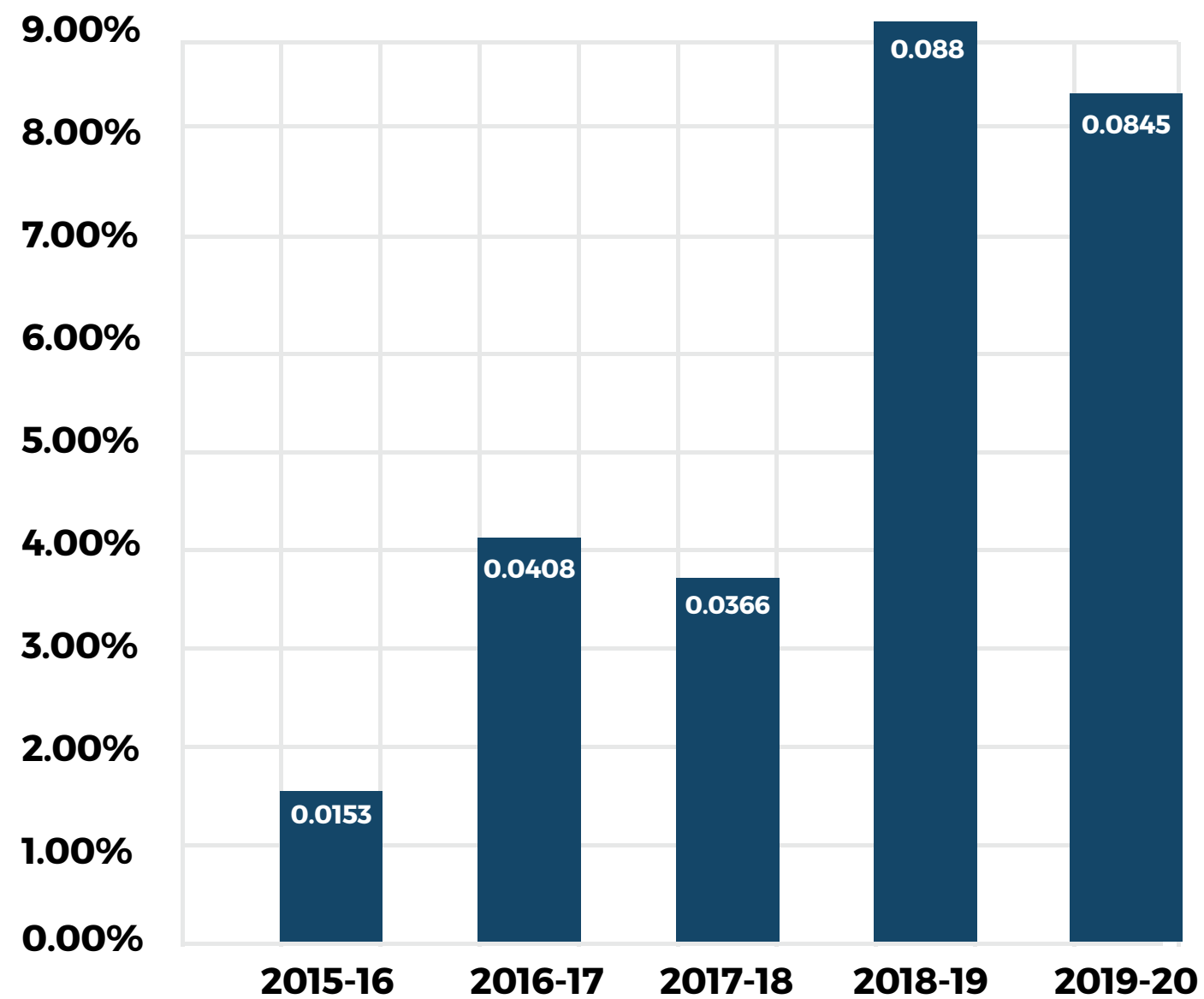
(Rs. in million)



CAGR GROWTH - 58.36%

## PAT RATIO

(in %)



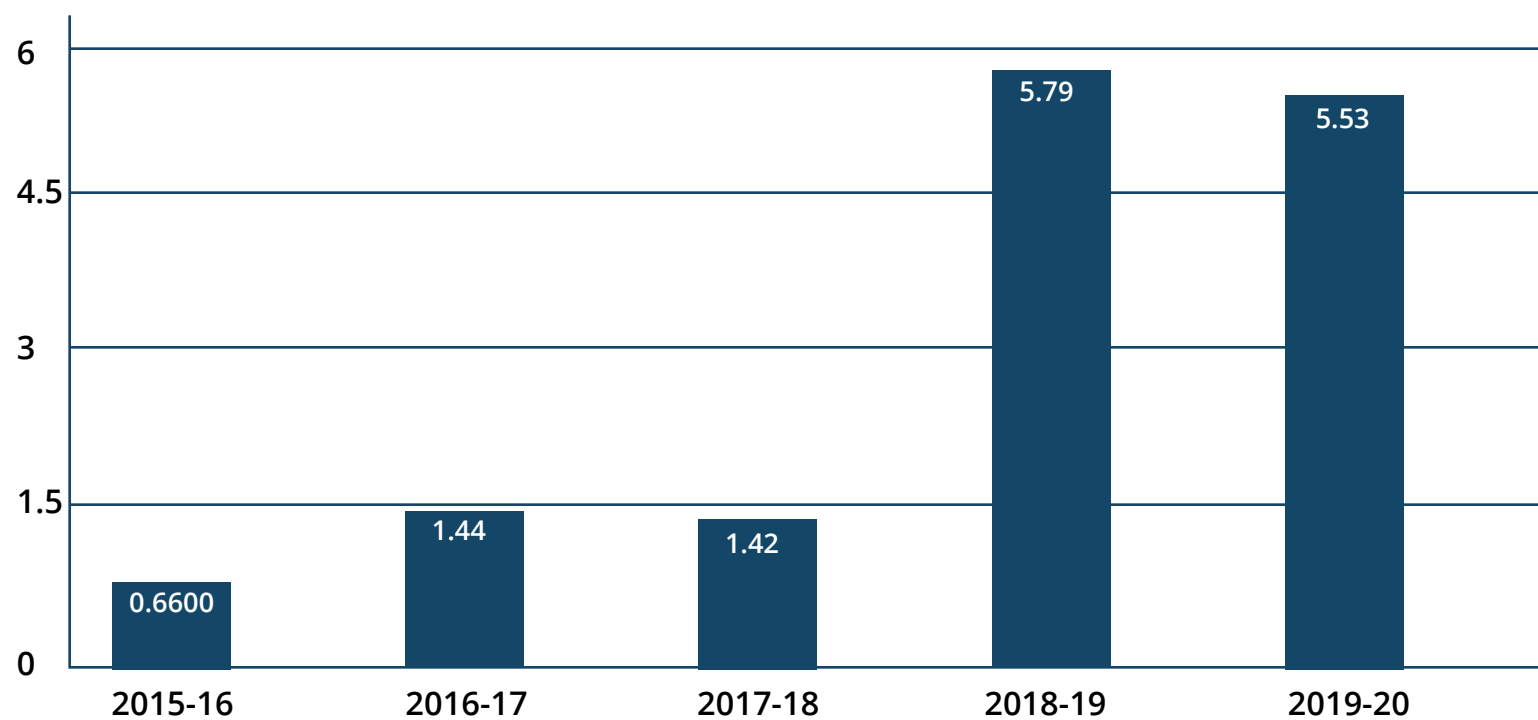
CAGR GROWTH - 40.67%





## EPS

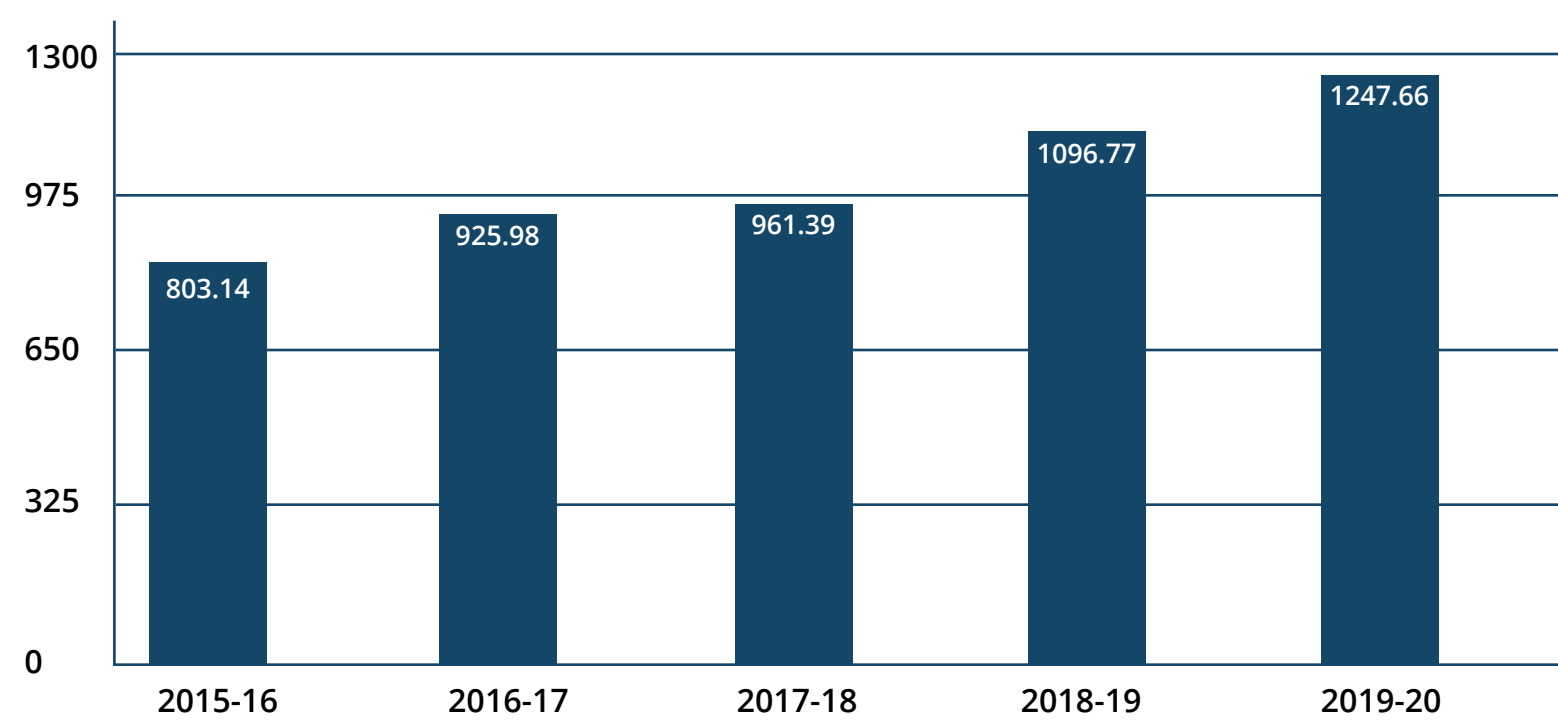
(in Rs)



**CAGR GROWTH - 52.98%**

## TOTAL NET WORTH

(Rs. in million)



**CAGR GROWTH - 9.21%**



# Statement of Profit & Loss

Particulars	FY20 Rs. in Million	FY19 Rs. in Million	YoY(%)
Revenue from Operations	1,629.47	1,527.1	6.70%
Other Income	0.4	2.99	-86.62%
<b>Total Income</b>	<b>1,629.87</b>	<b>1,530.09</b>	<b>6.52%</b>
Cost of Material Consumed	930.51	816.82	13.92%
Changes in inventories of finished goods and Stock-in-Trade	-75.8	-51.07	48.42%
Employee Benefit Expenses	90.51	77.79	16.35%
Other Expenses	331.63	348.68	-4.89%
Finance Costs	28.14	34.39	-18.17%
Depreciation	117.06	112.46	4.09%
<b>Total Expenses</b>	<b>1,422.04</b>	<b>1,339.08</b>	<b>6.20%</b>
<b>Profit before tax</b>	<b>207.83</b>	<b>191</b>	<b>8.81%</b>
Tax	70.09	55.88	25.43%
<b>Profit after tax</b>	<b>137.74</b>	<b>135.12</b>	<b>1.94%</b>
Other Comprehensive Income	0.03	0.03	0.00%
<b>Total Comprehensive Income</b>	<b>137.77</b>	<b>135.15</b>	<b>1.94%</b>





# Balance Sheet - Assets

ASSETS	At March 31, 2020	At March 31, 2019
	Rs. in Million	Rs. in Million
<b>FINANCIAL ASSETS (A)</b>	<b>280.87</b>	<b>253.04</b>
Cash/Bank and Cash Equivalents	0.18	0.45
Trade Receivables	181.12	212.85
Loans and Advances	81.6	0.16
Other financial assets	17.97	21.58
<b>NON FINANCIAL ASSETS (B)</b>	<b>1,294.7</b>	<b>1,468.39</b>
Property, Plant and Equipment	956.22	1056.96
Capital Work-in-Progress	2.1	6.13
Other Non financial assets	19.38	75.14
Inventories	317	330.16
<b>ASSETS (A) + (B)</b>	<b>1,575.57</b>	<b>1,703.43</b>



# Balance Sheet – Equity & Liabilities

EQUITY & LIABILITIES	At March 31, 2020	At March 31, 2019
	Rs. in Million	Rs. in Million
<b>FINANCIAL LIABILITIES (A)</b>	<b>177.51</b>	<b>504.02</b>
Borrowings	70.08	269.08
Trade Payables	52.59	177.98
Other financial liabilities	54.84	56.96
<b>NON FINANCIAL LIABILITIES (B)</b>	<b>150.4</b>	<b>102.65</b>
Deferred Tax Liabilities	54.46	24.51
Other Non Financial Liabilities	95.94	78.14
<b>EQUITY (C)</b>	<b>1,247.66</b>	<b>1,096.77</b>
Equity Share capital	249.00	249.00
Other equity	998.66	847.77
<b>TOTAL EQUITY &amp; LIABILITIES (A) + (B) +(C)</b>	<b>1,575.57</b>	<b>1,703.43</b>



**We believe that our journey of transformation is steadily evolving despite challenging business environment. We have come a long way in our strategic path and will continue marching towards a brighter future.**

**Disclaimer:-** This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating Krishana Phoschem Limited (KPL) future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. KPL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



**KRISHANA PHOSCHEM LIMITED**  
**(A Unit of Ostwal Group of Industries)**

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