



**OSTWAL**



# KRISHANA PHOSCHEM LIMITED

(a unit of Ostwal Group of Industries)

**Earnings Presentation: Q 2 - F.Y. 2020-21**

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



# KRISHANA PHOSCHEM LIMITED

## SERVING AGRICULTURE AND CHEMICALS SECTOR OF INDIA

Zincated  
Single Super  
Phosphate  
(Powder)

Zincated  
Boronated Single Super  
Phosphate (Granular)

Zincated  
Single Super Phosphate  
(Granular)

Single Super  
Phosphate  
(Powder)

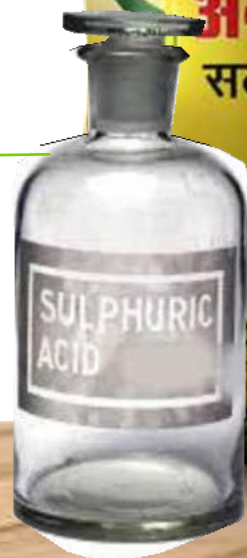
Single Super  
Phosphate  
(Granular)

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”*

# OUR JOURNEY OF TRANSFORMATION SO FAR

01.



## From a Single Customer to Thousands of Customers

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

02.



## From BRP Manufacturer to BRP + SSP + GSSP Producer

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

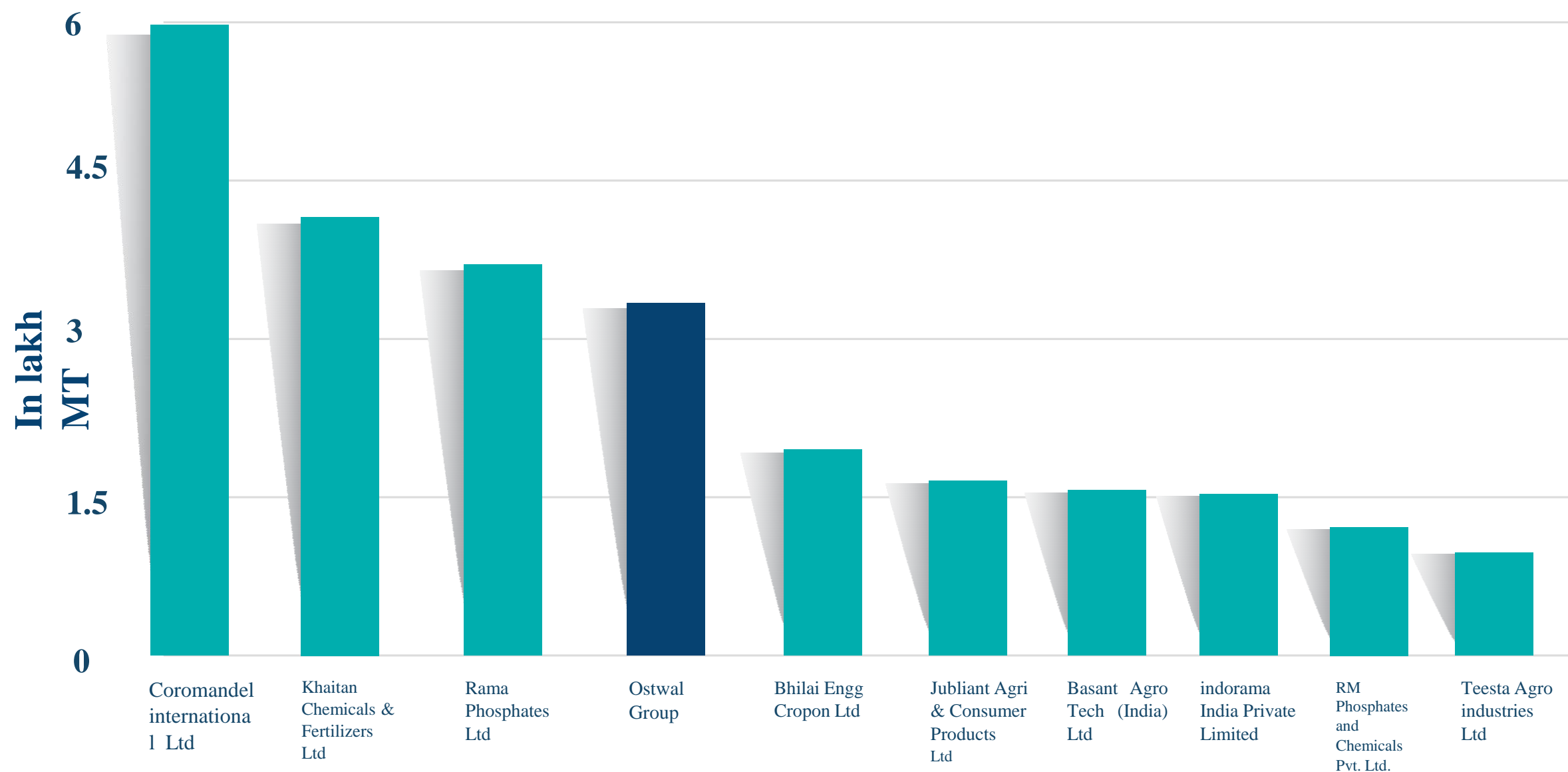
03.



## From Fertilizers to Fertilizers and Chemicals

Prior to 2016, our business was confined to manufacturing of BRP and fertilizers (SSP, GSSP). 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. 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 at Meghnagar, M.P. (Unit III).

# TRANSFORMATION OF OSTWAL GROUP FROM SMALL TO 4TH LARGEST SSP MANUFACTURER IN INDIA



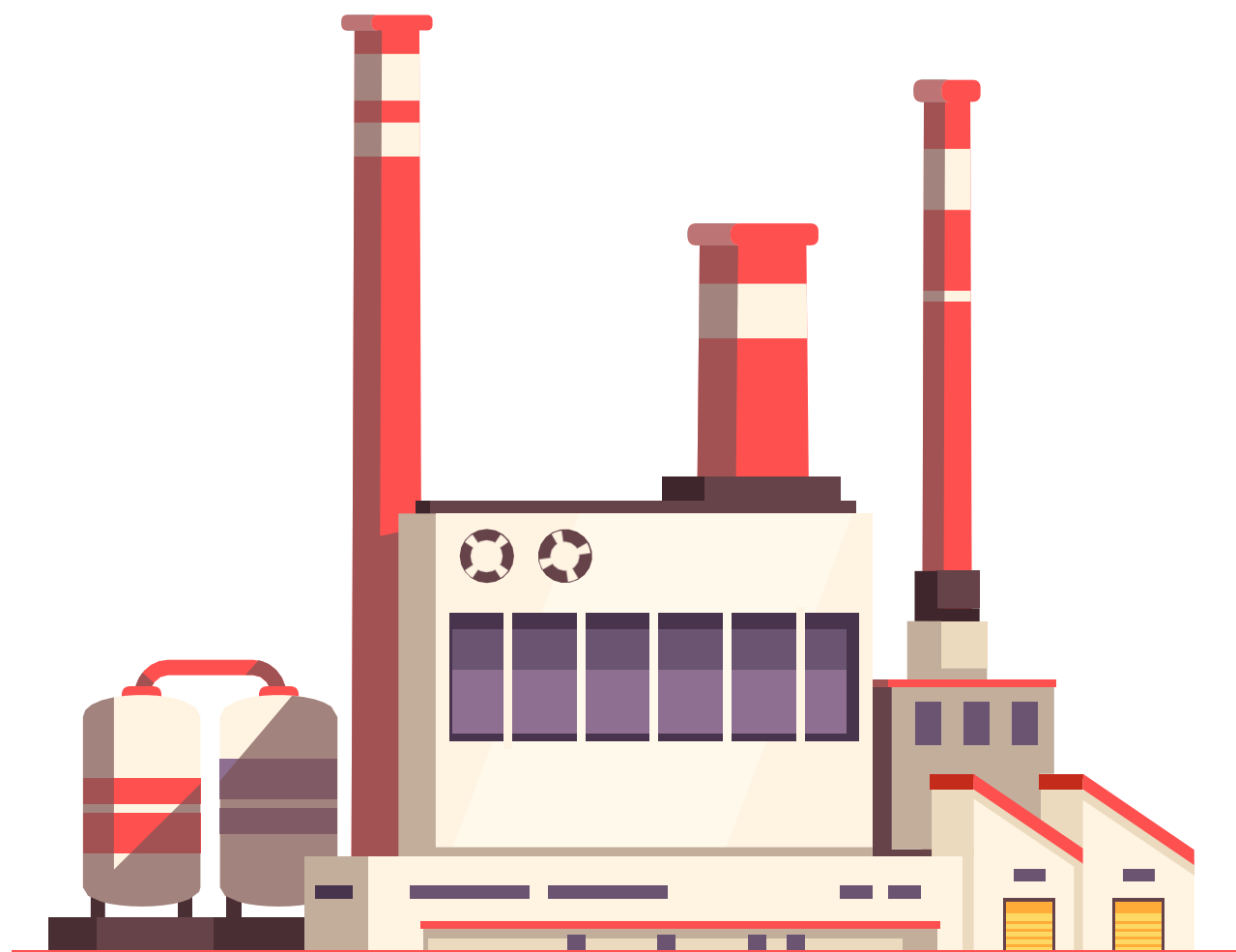
The total sales in India of SSP for the F.Y. 2019 – 20 stood at 42.09 Lakh MT

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



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

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.

Applied for statutory clearance of the project from State Government and respective authorities.

The part of plant is being imported from Spain, for which Vendor has been finalized.

## TASKS TO BE COMPLETED BY 2022\*

We propose to commence the project construction work by Dec'20, subject to timely clearance from Statutory Authorities and other factors.

We plan to commence production of DAP and NPK Fertilizers by 2022\*

*\*Based on Management Estimates*

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

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

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

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.

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.

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





# Q2 FY 21 : FINANCIAL HIGHLIGHTS





## Q2 FY 21 : FINANCIAL HIGHLIGHTS

**Overall Revenue for Q2FY21 stood at Rs. 509.34 Mn, grew 19.4% as compared to Q2FY20**

**EBITDA for the period stood at Rs. 119.15 Mn, up 49% as compared to Q2FY20**

**PAT for the period stood at Rs. 55.84 Mn, up by 106% as against Rs. 27.1 Mn in Q2FY 20**

**PAT Margin for the period improved to 10.85% as against 6.36% in Q2FY20**

**The revenue from chemical segment took hit by over 12% (YoY) owing to Covid-19**

**The revenue from fertilizers segment was up by 32% (YoY) on account of high fertilizer demand**

**The Company's plan to install a mega DAP & NPK plant in Madhya Pradesh by 2022 remains intact**

**Basic EPS stood at Rs. 2.24 per share, (up by 106% as compared to Q2FY20)**



### INCOME

**₹514.89** Mn

HIGHER BY  
20.8% Y-o-Y

### EBITDA

**₹ 119.15** Mn

INCREASED BY  
49.03% Y-o-Y

### EBITDA Margin

**23.14 %**

UP BY  
23.37% Y-o-Y

### PAT

**₹ 55.84** Mn

INCREASED BY  
106% Y-o-Y

### PAT Margin

**10.85 %**

UP BY  
70.52% Y-o-Y

### EPS

**₹ 2.24**

HIGHER BY  
106% Y-o-Y



# ANALYSIS OF FINANCIAL RESULTS Q2 FY2021

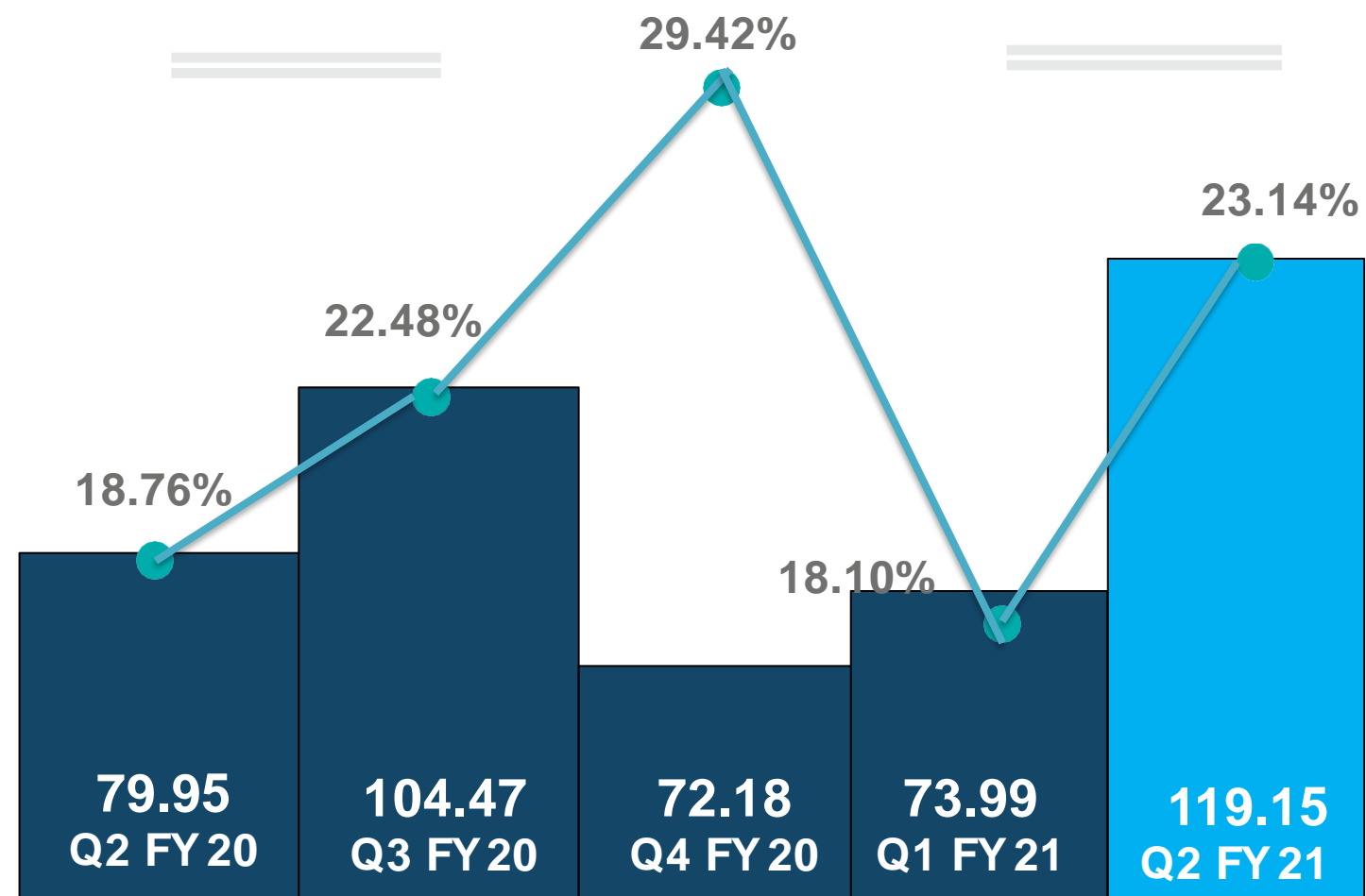
Particulars	Q2FY21	Q2FY20	Y-o-Y growth	Q1FY21	Q-o-Q growth	H1 FY 2020	H1 FY 2019	Y-o-Y
Total Income	514.89	426.24	20.80%	408.81	25.95%	923.7	919.86	0.42%
EBITDA	119.15	79.95	49.03%	73.99	61.04%	193.14	176.37	9.51%
EBITDA Margin (%)	23.14%	18.76%	23.37%	18.10%	27.86%	20.91%	19.17%	9.06%
Net Profit after tax	55.84	27.11	105.98%	28.83	93.72%	84.67	67.76	24.95%
PAT Margin (%)	10.85%	6.36%	70.52%	7.05%	53.81%	9.17%	7.37%	24.43%
EPS	2.24	1.09	105.98%	1.16	93.72%	3.40	2.72	24.95%



# TREND IN EBITDA AND PAT (QoQ)

## EBITDA Trend

(Rs. in Mn.)

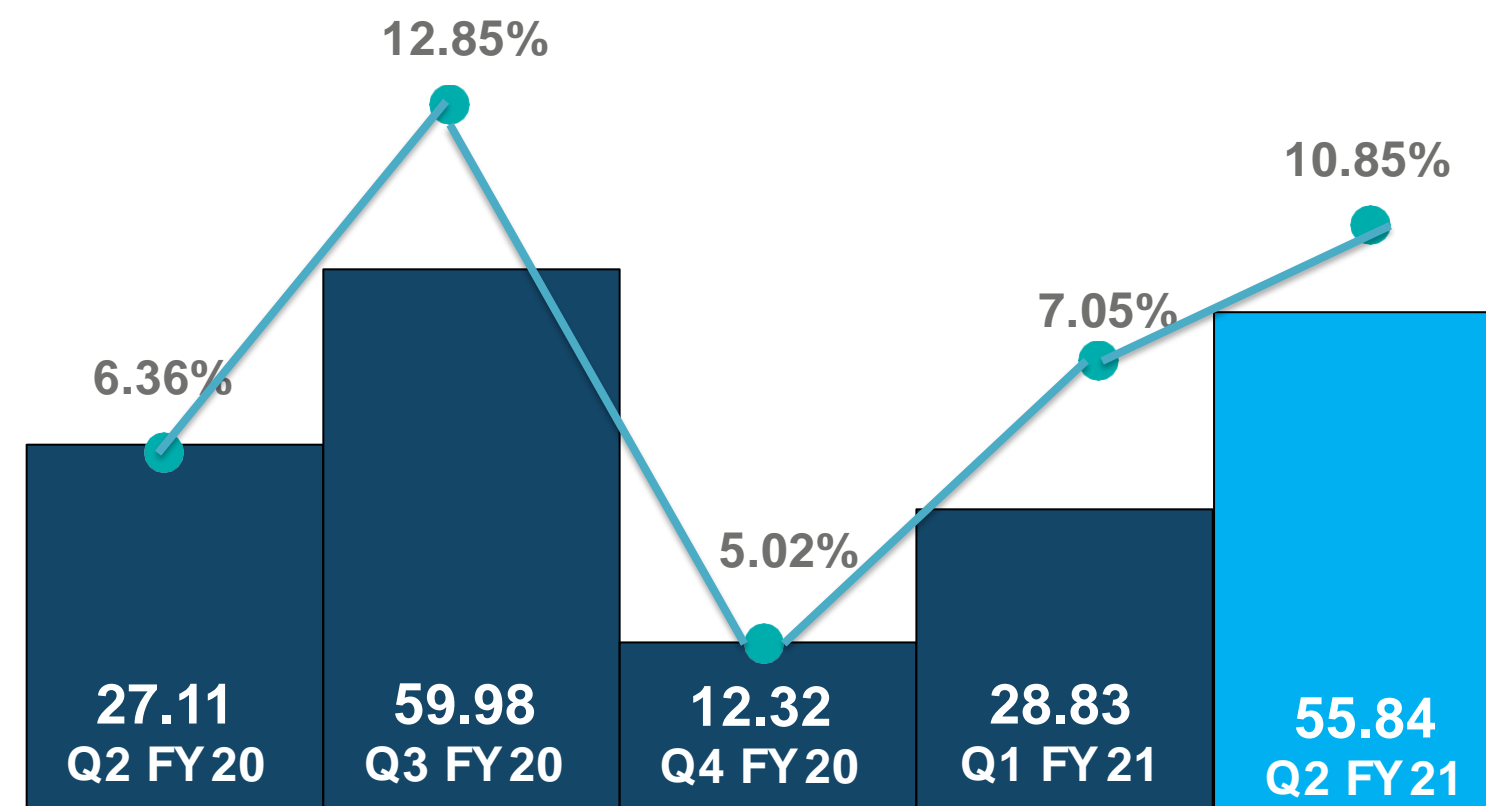


EBITDA  
(in Mn.)

EBITDA  
Margin

## PAT Trend

(Rs. in Mn.)



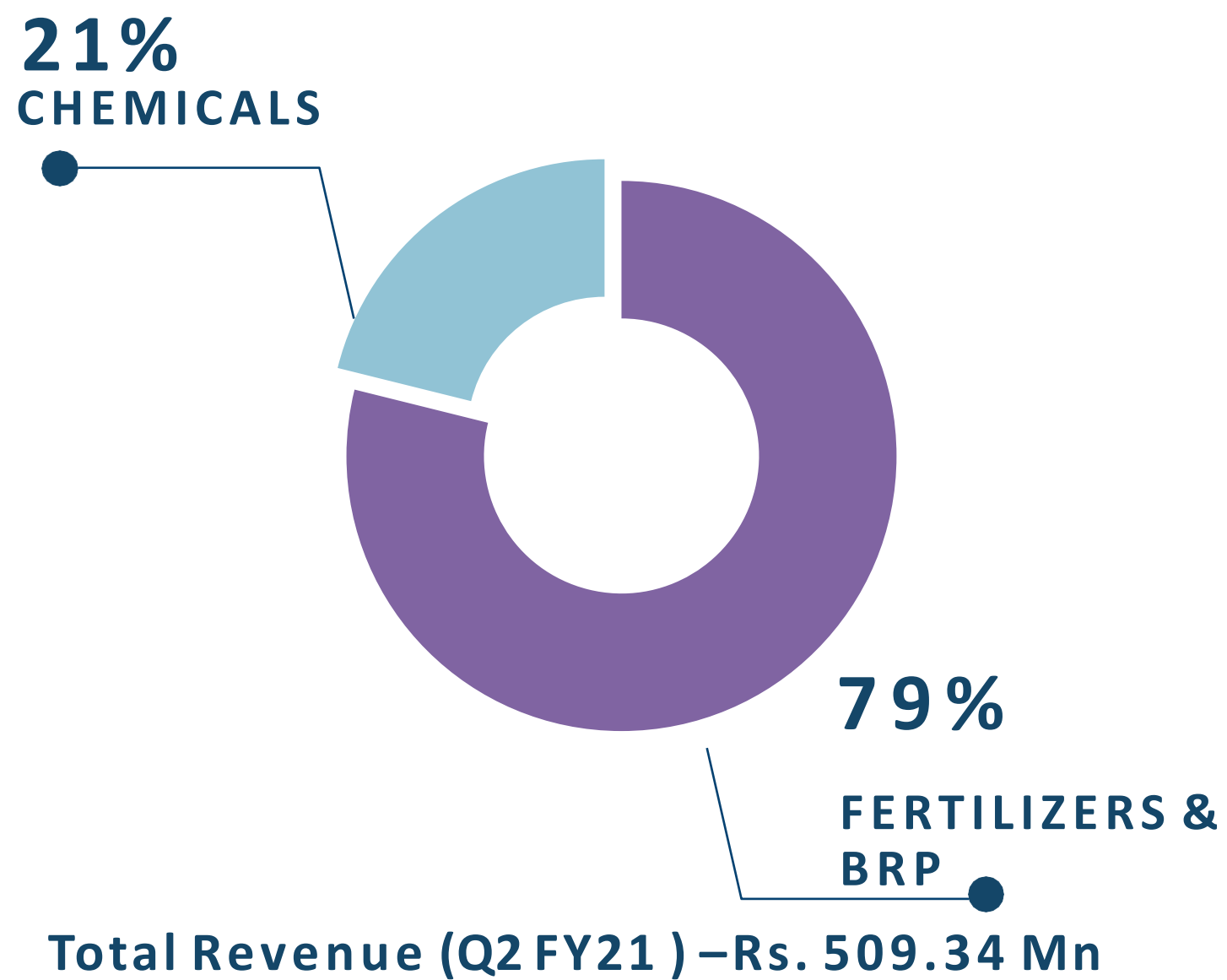
PAT  
(in Mn.)

PAT  
Margin

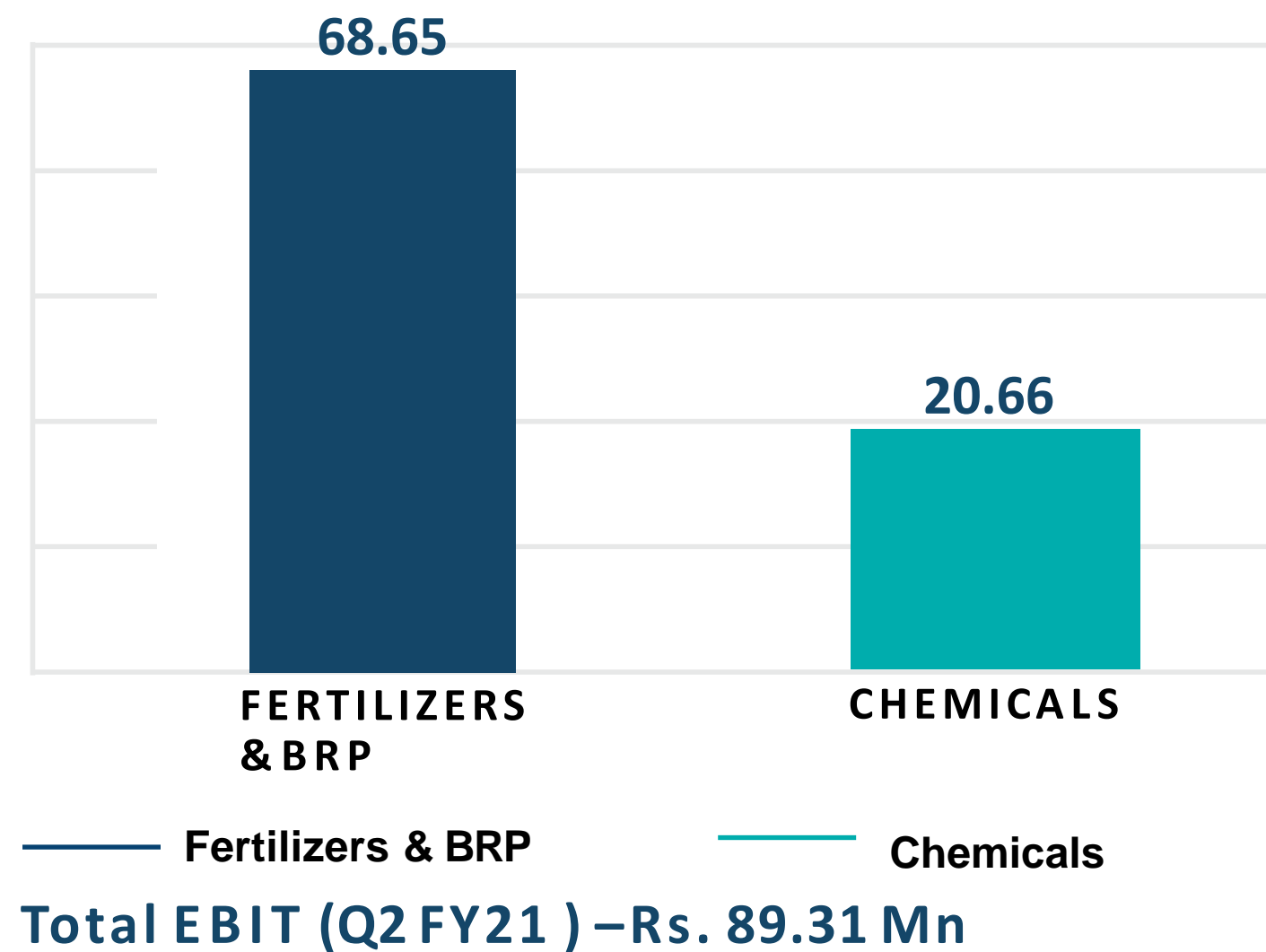


# Q2 FY21: REVENUE BREAKUP & SEGMENT PROFIT

## SEGMENT REVENUE



## SEGMENT PROFIT





# MANAGEMENT PERFORMANCE REVIEW



**Mr. Praveen Ostwal**  
*Managing Director*

*Krishana Phoschem Limited*

## Mr. Praveen Ostwal- Managing Director, Krishana Phoschem Limited

“We have delivered a strong performance with net profit of Rs. 8.47 crores for H1 FY21 as compared to Rs. 6.77 crores for H1 FY20, despite adverse global environment.

Our quarterly revenues has also witnessed growth of 20.8% over the corresponding year quarter. With such strong set of results, I am delighted to inform all our shareholders that our EPS for H1 FY21 has been increased by almost 25% to Rs. 3.40 per share in comparison to Rs. 2.72 per share in H1 FY20.

Steady product orders and healthy monsoon season bode well for the farmers and resulted in higher revenues. I am also proud of our entire team which has an outstanding spirit and commitment towards our customers & entire stakeholders, even in the pandemic times.

Going forward, with expectation of good Rabi season, gradually improving business dynamics and various strategic initiatives undertaken by us, we are confident of maintaining positive momentum in the coming months.”



# Statement of Profit & Loss

	Quarter Ended		Half Year Ended	
Particulars	30.09.2020	30.06.2020	30.09.2019	30.09.2020
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Revenue from Operations	509.34	408.24	426.48	919.57
Other Income	5.56	0.57	(0.23)	0.29
<b>Total Income (I+II)</b>	<b>514.89</b>	<b>408.81</b>	<b>426.24</b>	<b>919.86</b>
<b>Expenses</b>				
Cost of Material Consumed	202.76	186.72	287.83	539.96
Changes in Inventories of Finished Goods, work in	83.38	44.60	(46.28)	(40.43)
Employee benefits expense	21.30	18.42	21.37	45.34
Depreciation and amortisation Expense	28.00	28.03	30.74	58.87
Finance Costs	9.55	2.46	7.30	14.71
Other Expenses	88.29	85.08	83.38	198.63
<b>Total Expenses</b>	<b>433.28</b>	<b>365.31</b>	<b>384.33</b>	<b>817.07</b>
<b>Profit before tax</b>	<b>81.61</b>	<b>43.50</b>	<b>41.92</b>	<b>102.79</b>
Total Tax Expenses	(25.77)	(14.67)	(14.81)	(35.03)
<b>Net Profit after tax</b>	<b>55.84</b>	<b>28.83</b>	<b>27.11</b>	<b>67.67</b>
% on Revenue	10.85%	7.05%	6.36%	7.37%
<b>EBITDA</b>	<b>119.15</b>	<b>73.99</b>	<b>79.95</b>	<b>176.37</b>
% on Revenue	23.14%	18.10%	18.76%	19.17%



*“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.

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