

A large, dynamic cloud of blue powder or smoke, resembling an explosion or a burst of energy, serves as the background for the upper half of the slide. The cloud is dense in the center and fades out towards the edges, with various shades of blue and white. The word "KESAR" is superimposed on the center of this cloud.

KESAR

KESAR PETROPRODUCTS LIMITED

Investor Presentation – January 2018

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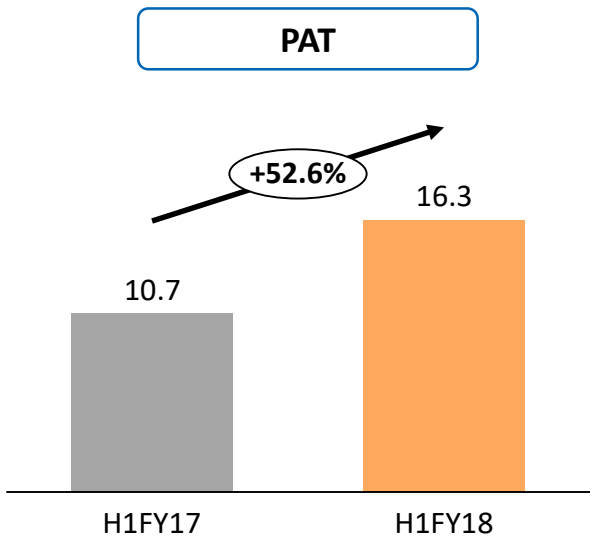
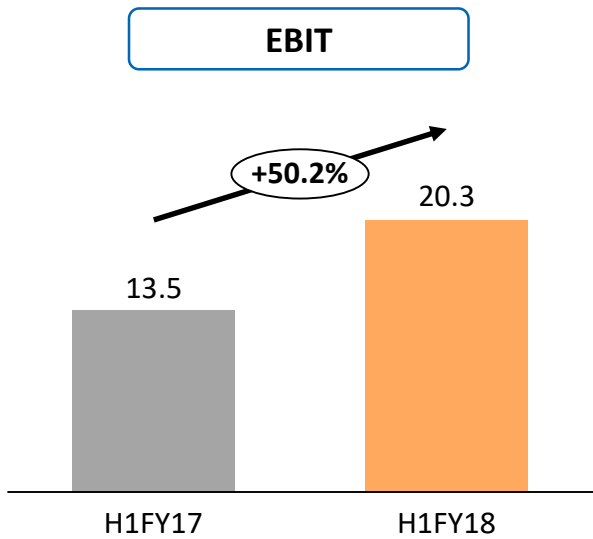
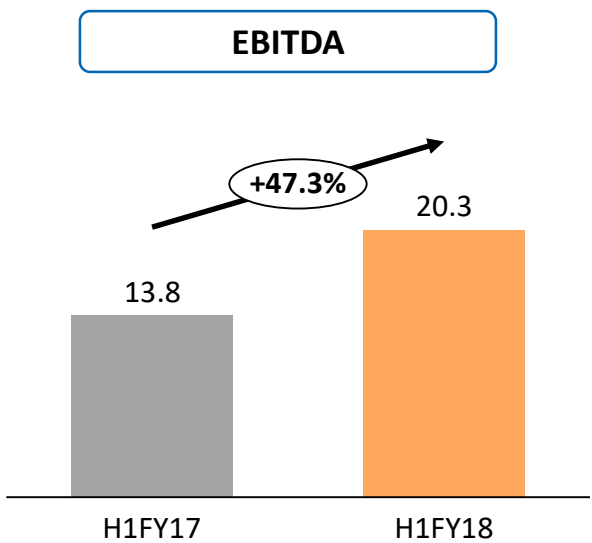
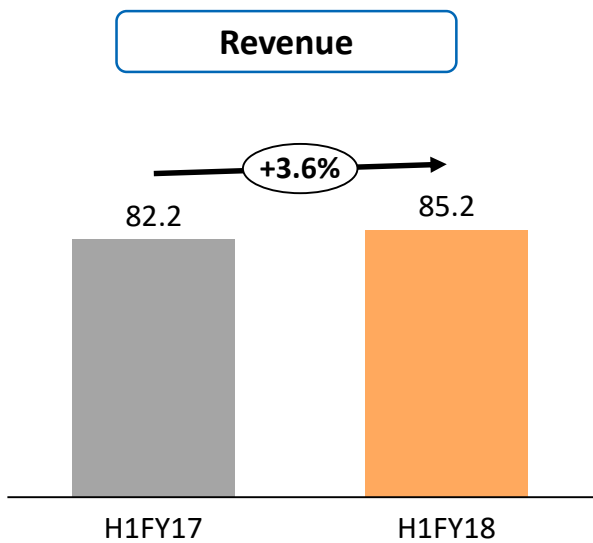
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Strong Performance in H1 FY18*



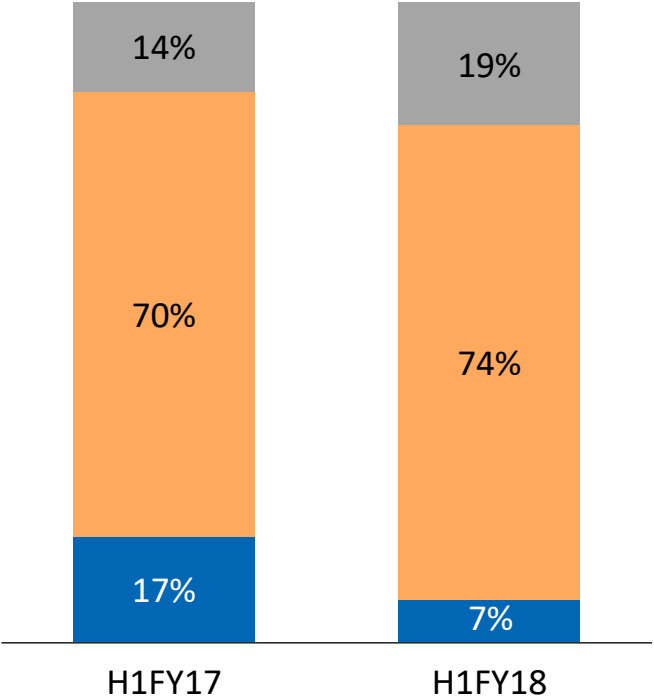
In Rs. Crs



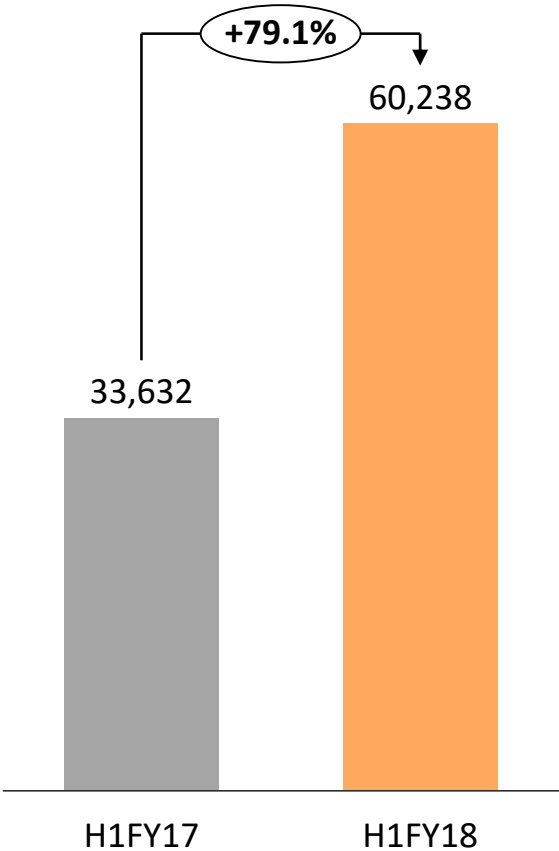
* As per IND-AS

% of Total Volume

- Alpha+Beta
- CPC Crude Blue
- Dye Inetrmeidiates



EBITDA Per MT (In Rs.)

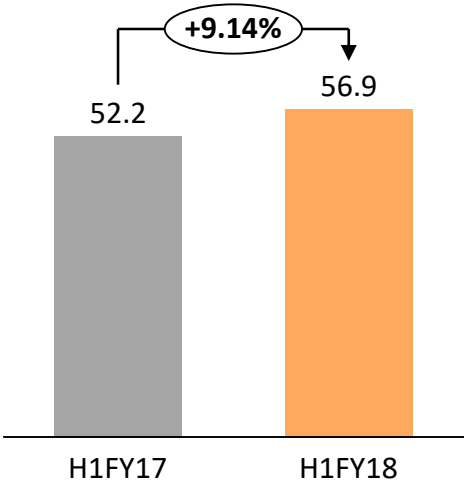


Increased Revenue from High Value Product

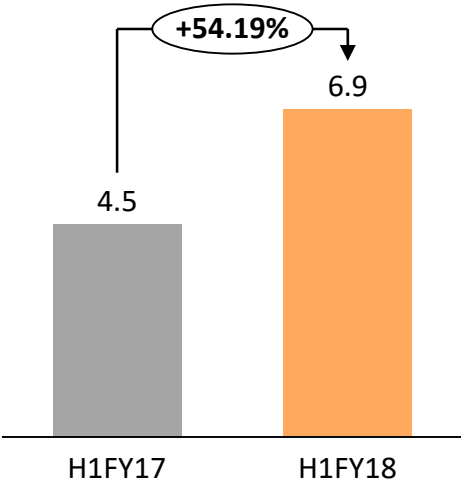


In Rs. Crs

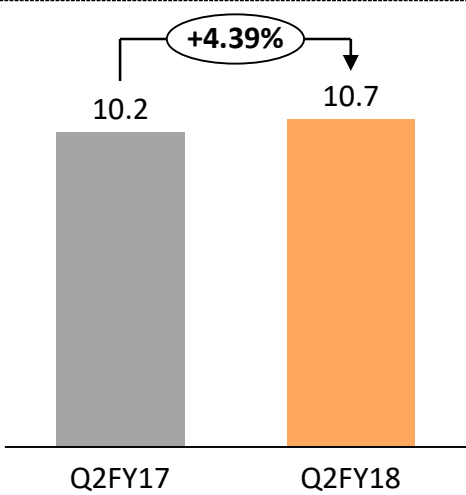
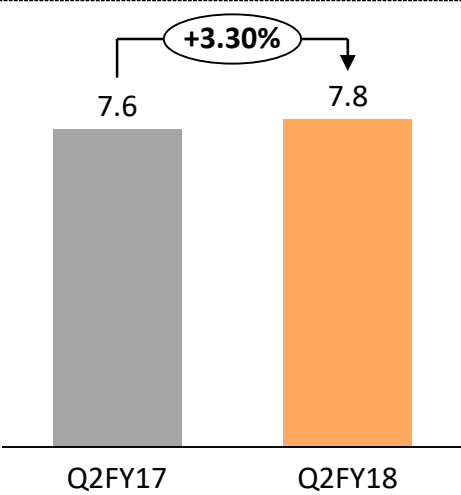
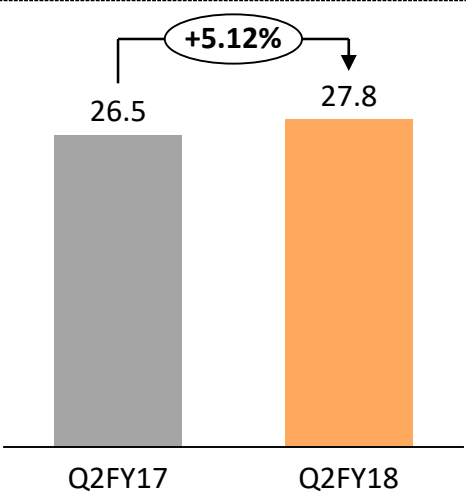
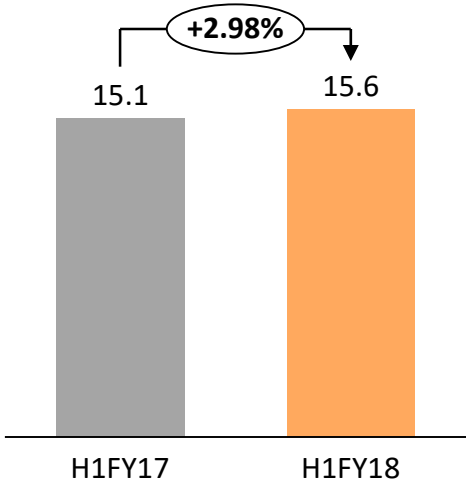
CPC CRUDE BLUE



BETA BLUE

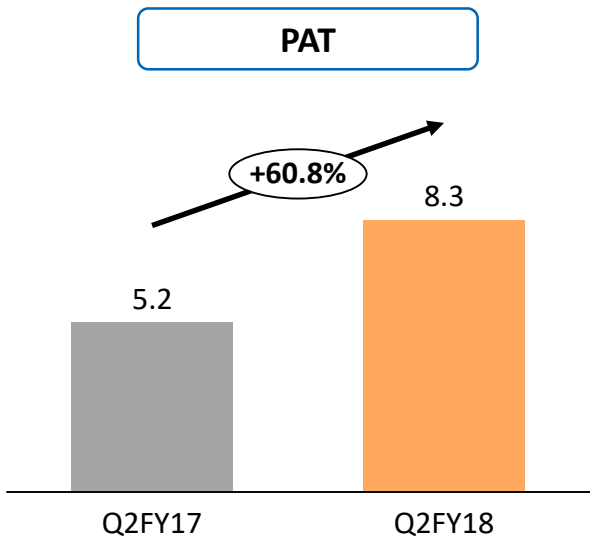
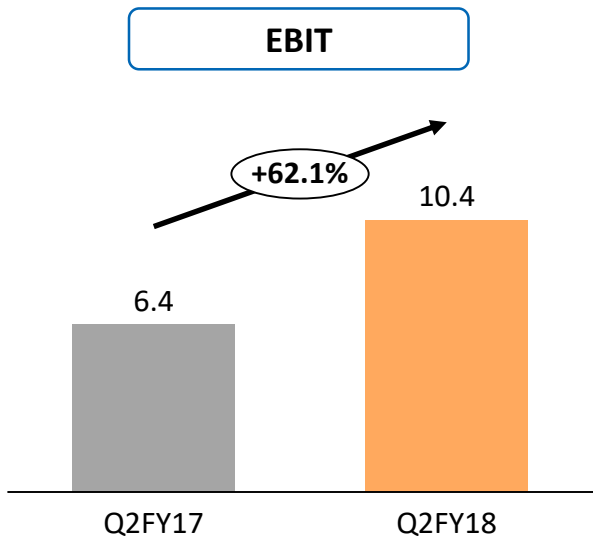
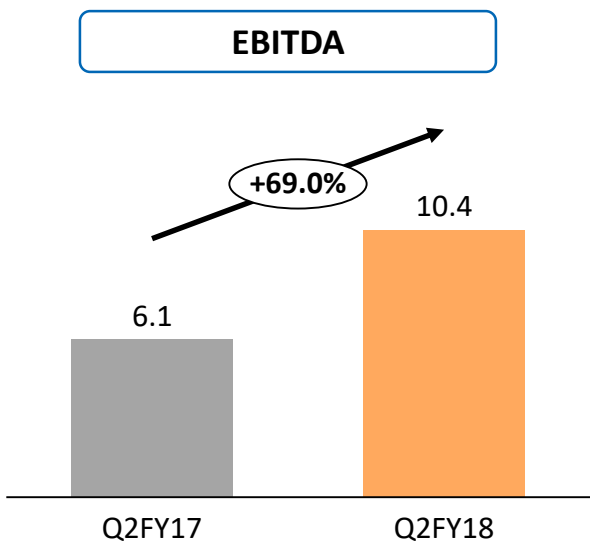
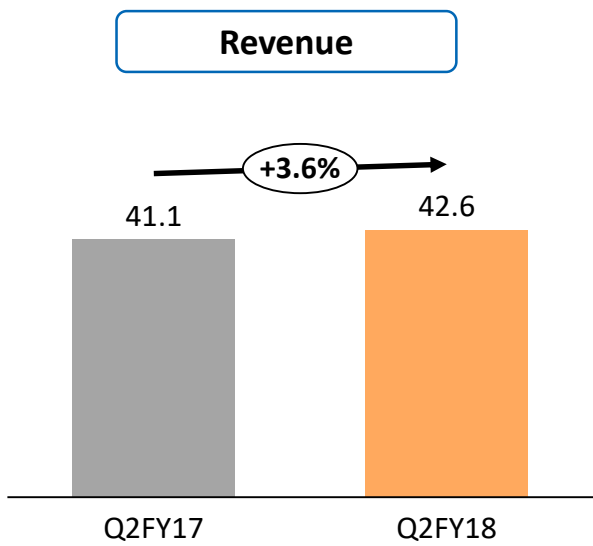


ALPHA BLUE



Strong Performance in Q2 FY18*

In Rs. Crs



* As per IND-AS

01

One of the Leading manufacturers of CPC Blue Crude and its downstream products in India. 15% market share of the Indian CPC market

02

Vertically Integrated : CPC Blue is the primary raw material for Pigment Blue

03

Moving up the Value chain with Alpha Blue, Beta Blue and Dye-intermediates

04

Environmentally friendly and sustainable processes and technologies





Kesar integrates services in a manner that aims to provide timely deliveries along with high quality product output

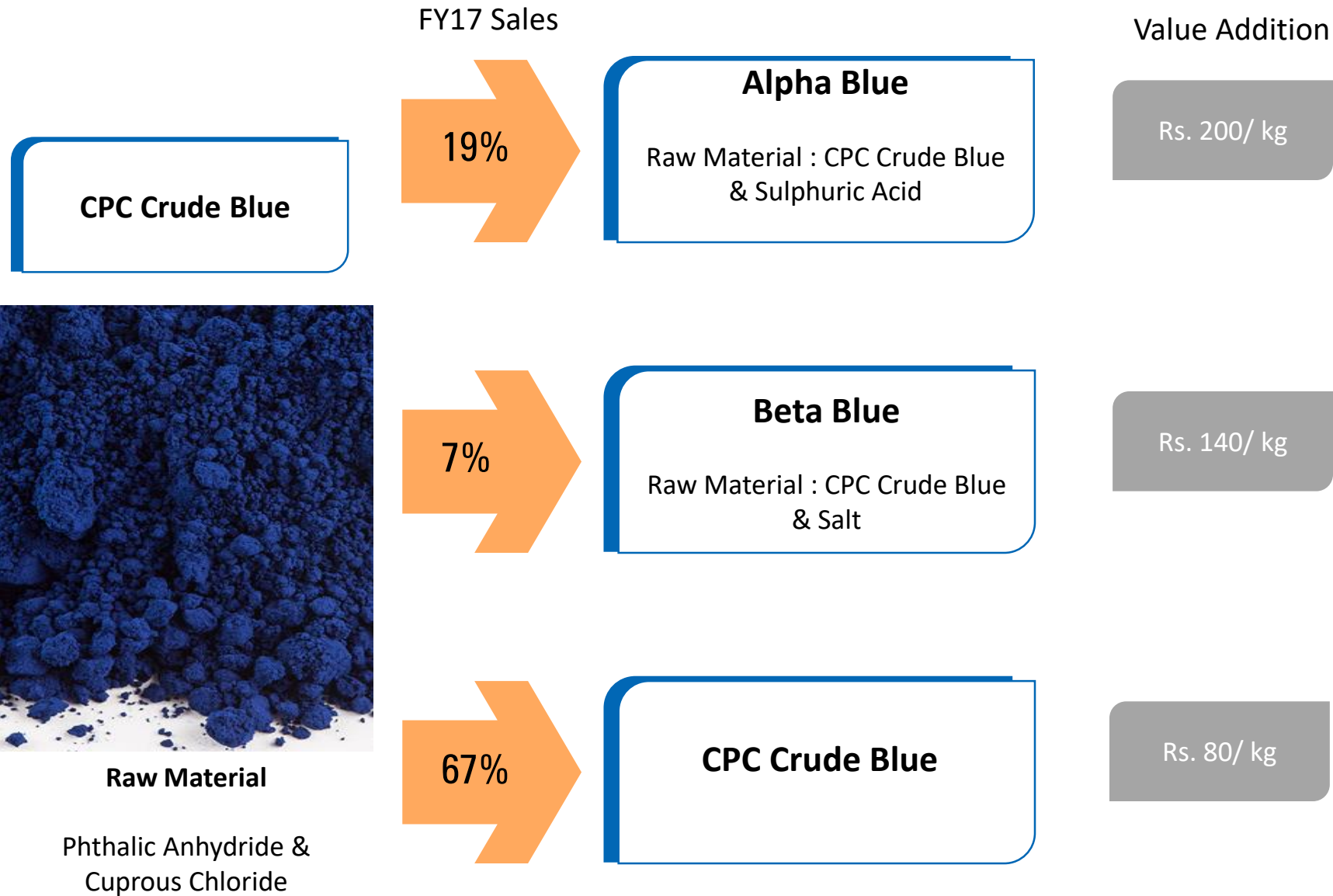
Pigments

Product	Capacity (MTA)
CPC Blue Crude	18,000
Alpha Blue	2,400
Beta Blue	3,600

Dye Intermediates

Product	Capacity (MTA)
Dye Intermediates (Includes K-acid, Gamma acid and Others)	1,200

Pigment Value Chain



Long Term Client Relationships

SUDARSHAN

15 Years+

heubach
COMPETENCE IN COLOUR

15 Years+

UCC Unilex Colours & Chemicals Ltd.

8 Years+

KOLORJET CHEMICALS PVT.LTD.

8 Years+


JAYSYNTH

8 Years+

 **MALLAK**

17 Years+


ALLIANCE
ORGANICS LLP

8 Years+

HindPrakash
Trusted Services Since : 1942

2 Years+

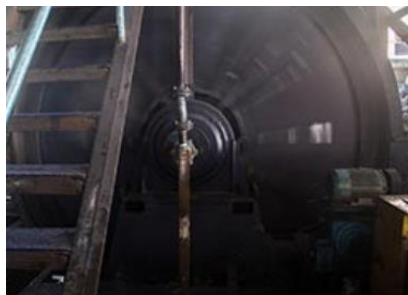


Operational Efficiencies through Vertical Integration

Focus on Process Innovation

Located at Lote Parshuram, the Chemical Belt of Maharashtra

Facilities at a glance



Activated CPC



Aminated



Beta-Blue-15-3



Beta-CPC-15



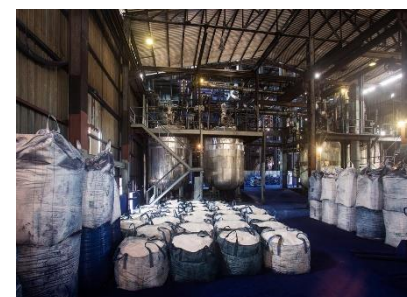
CPC-Blue-15-0



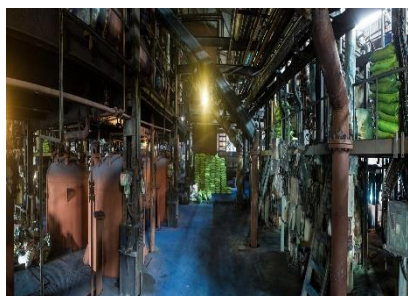
CPC-Blue-15-1-



CPC-Crude



CPC-Crude2



CPC-Crude4



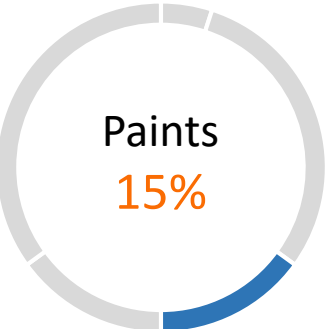
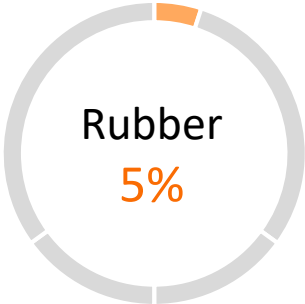
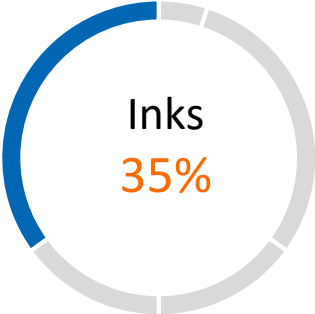
Nitrated-N



RM

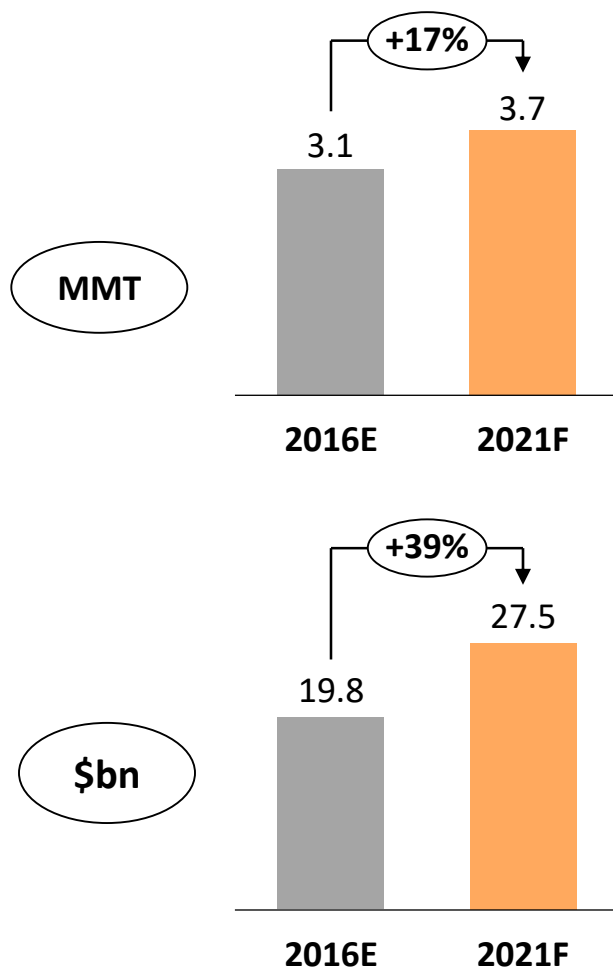


Sulphonated-N





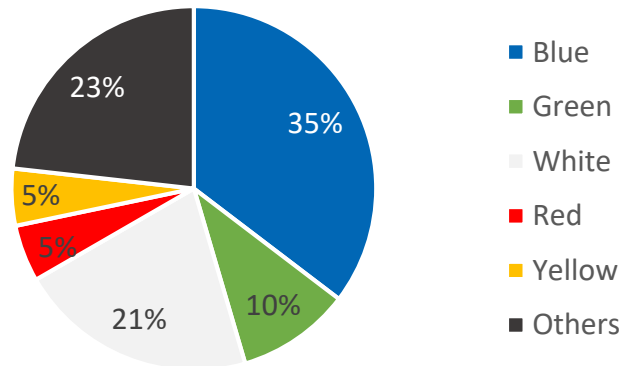
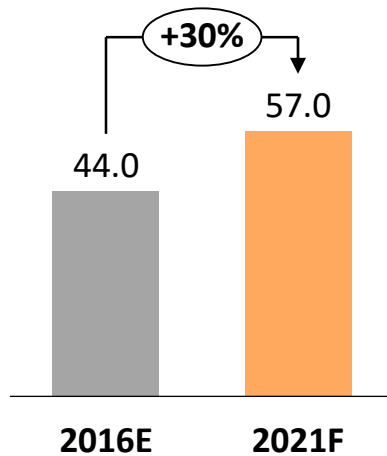
Global Demand for Dyes & Organic Pigment



Outlook : Global Dyes & Pigments

- Growth in Dyes segment will be driven by textiles, leather and food
- Pigments market is expected to be propelled by printing ink, paints and coatings
- China and India account for over 50% of total production and are expected to increase their market share in the global markets
- **Key Expected Trends**
 - Strict environmental norms to limit growth of China's market, Reduced capital inflows and Increased cost of production
 - China's slowdown to benefit India and increase the latter's market share in global dyes and pigments
 - India's share in total global production to reach ~20% by 2021 from ~15-16% in 2016

Domestic Demand for Pigment Industry



Classification - Types of Pigment

Outlook : Global Dyes & Pigments

- The Organic Dye and Pigments Industry is estimated at ~\$3-3.2bn as of 2015-16
- Dyes : The demand has grown at a healthy pace of 6-7% over the last 5 years driven by textile industry
- Pigment : The domestic organic pigments industry, driven largely by paints and inks, has grown by 4-5% in the last 5 years
 - Blue, Green and White Colors together account for 65% of domestic production of organic pigments
 - The key movers in the pigment markets are inks (42-44%), plastics (12-13%), paints and coatings (27-28%), textiles (7-8%) and others (7-8%)
 - Demand from Paints and Plastic segment is healthy at 6-7% led by improved demand from Housing Industry and Irrigation

Huge Headroom for Growth

Percentage Utilization

32%

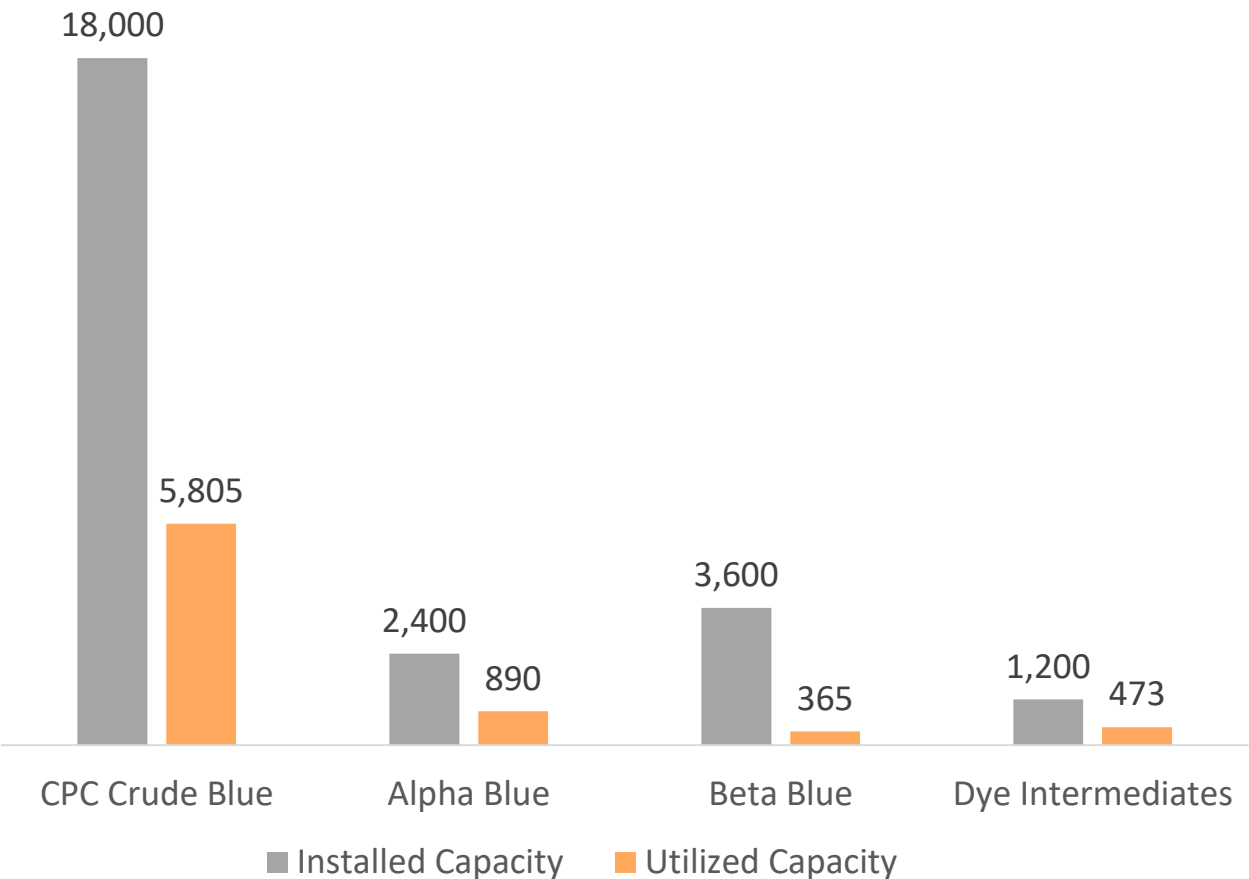
37%

10%

39%

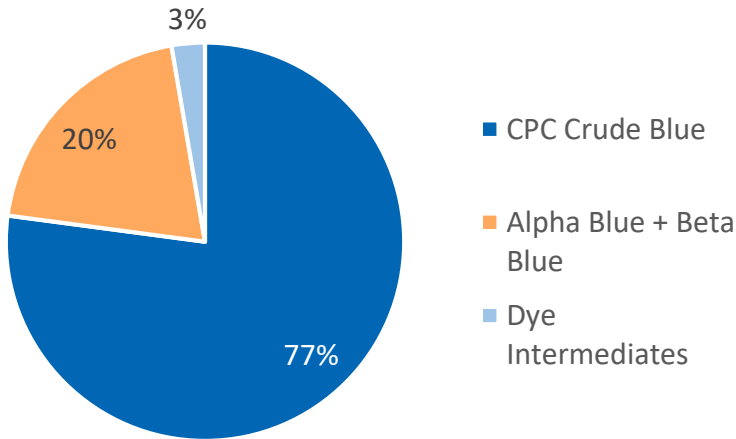
No Major Capex in Near Future

Increase in volumes will lead to Operating Leverage and Better Profitability

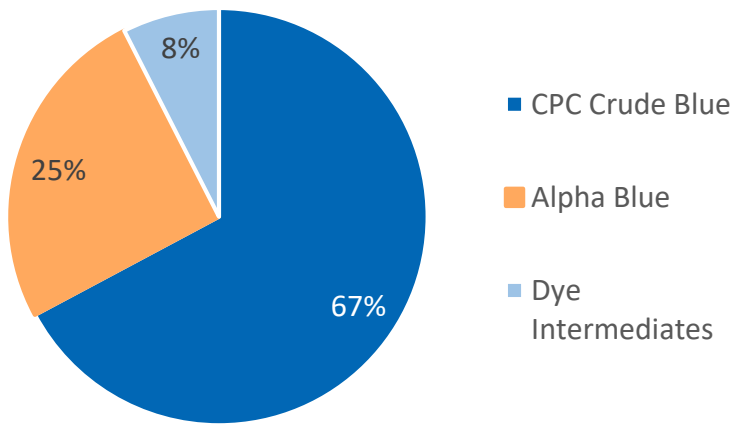


Moving up the Value Chain with...

REVENUE FY15 : Rs. 112 Crores



REVENUE FY17 : Rs. 171 Crores

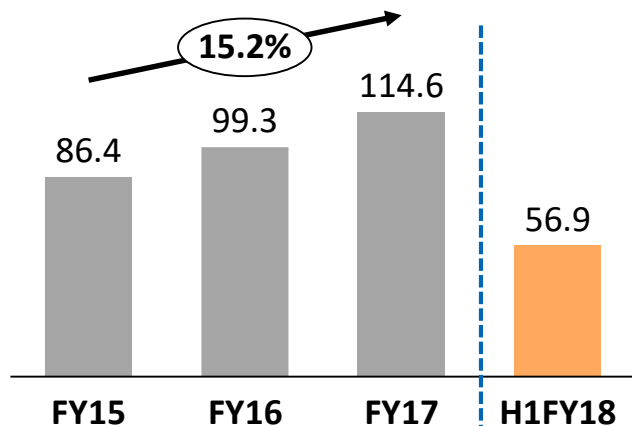


Increasing contribution from High Value High Margin Products like Alpha Blue and Beta Blue has resulted in an improvement in our Overall Margins

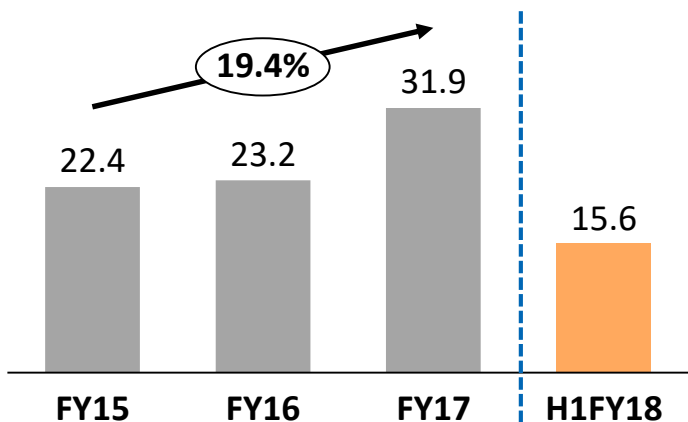
...significant growth in High Value Product

Rs. Crores

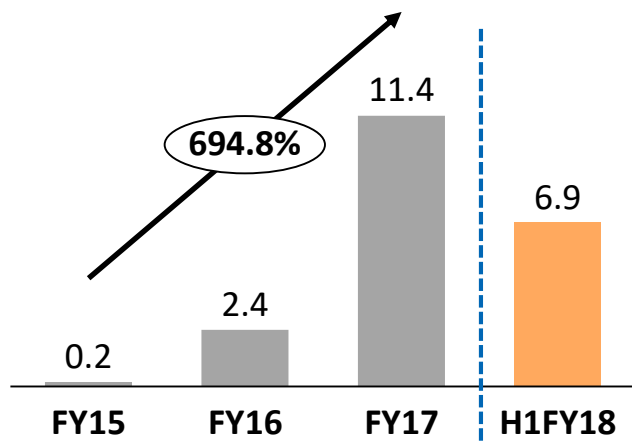
CPC CRUDE BLUE



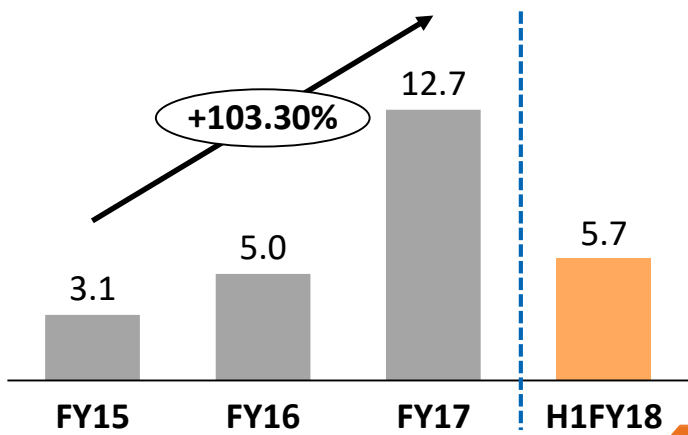
ALPHA BLUE



BETA BLUE



DYE INTERMEDIATES



01

Economies of Scale

Geared to improve utilization levels resulting in better operating leverage

02

High Margin Products

Focus on increasing the mix of high value products like Alpha Blue & Beta Blue Pigments

03

Product Innovation

Continuous Product Innovation through use of Technology and by way of Backward / Forward Integration

04

High Entry Barrier Business

Intensive Environmental Regulations, High Water Requirements, difficulty in Obtaining New Licenses and Client Stickiness

05

Growing Export Opportunities

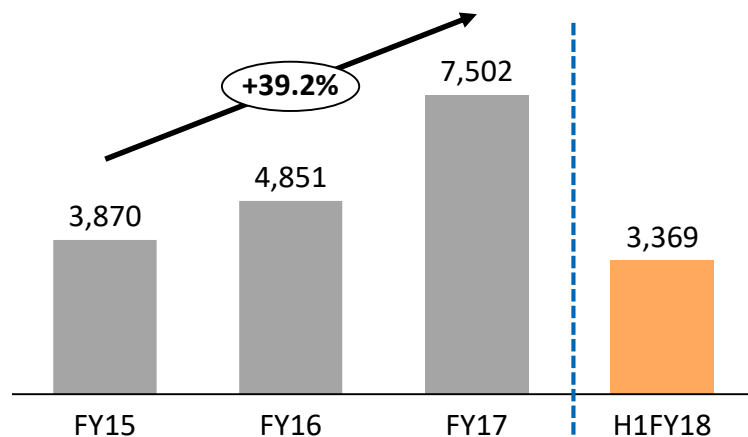
Growth in the Pigment Industry and the continued dominance of Indian Players in Pigments such as Blue and Green



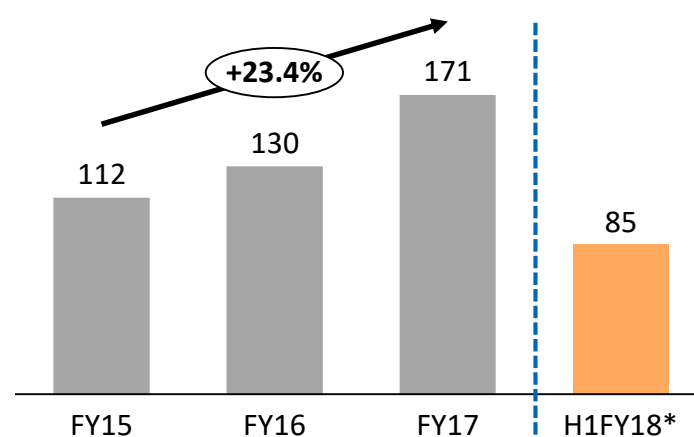
Historical Financial Highlights

In Rs. Crs

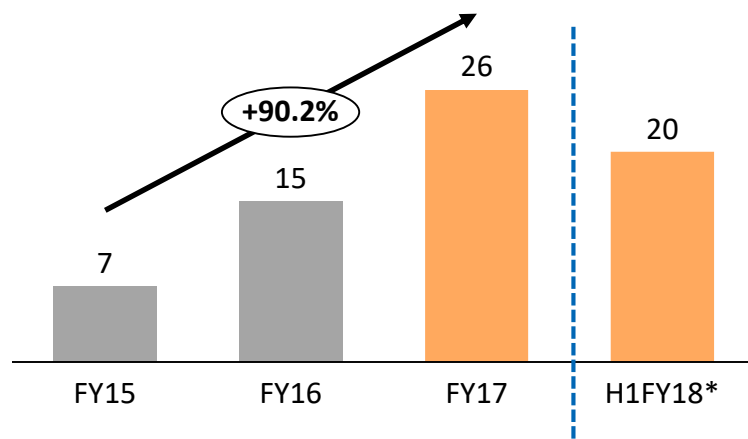
Volume (MT)



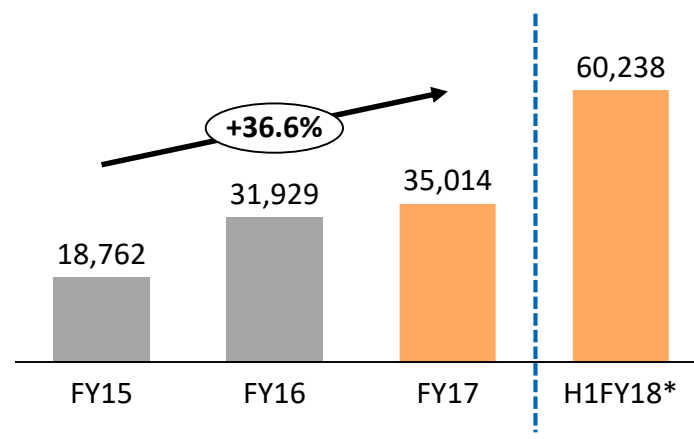
Revenue



EBITDA



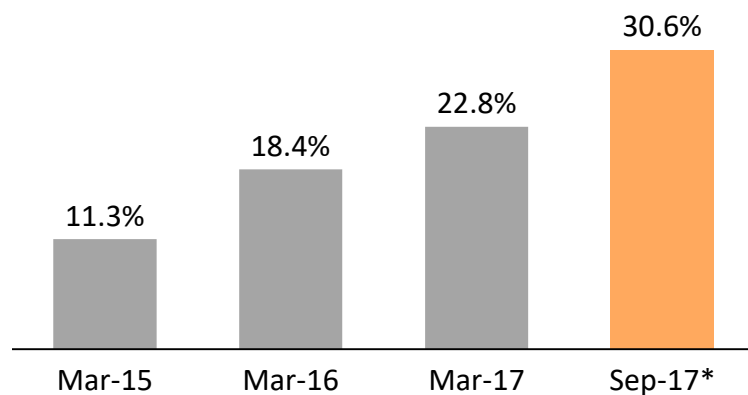
EBITDA (per MT)



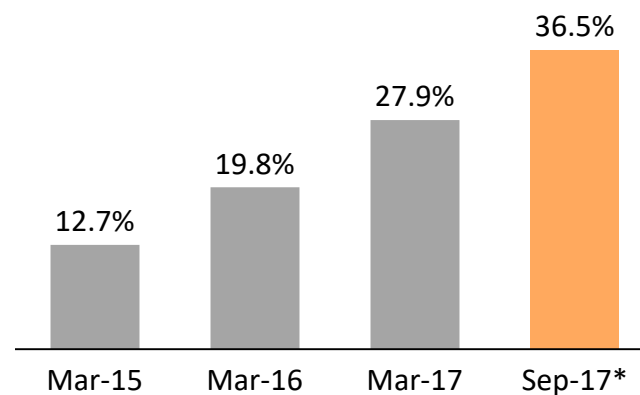
* As per IND-AS

Ratio Analysis

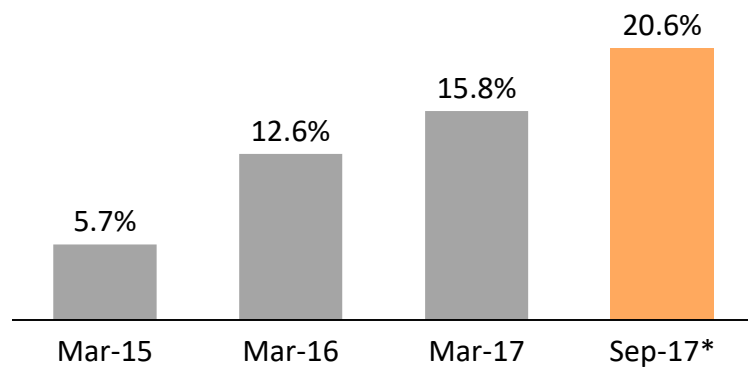
ROE (%)



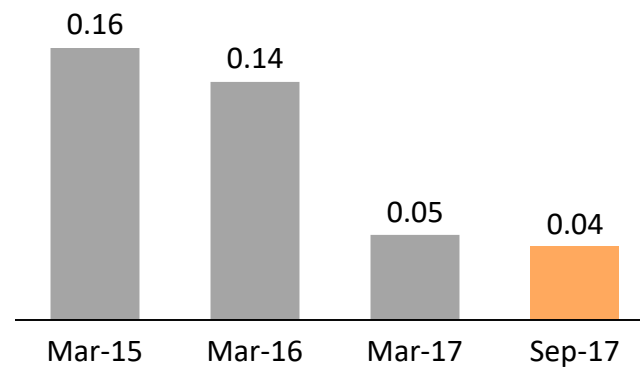
ROCE (%)



ROA (%)



Debt/Equity (x)



* EBIT & PAT are annualised

Profit & Loss Statement

Particulars (Rs. Crs)	Q2 FY18	Q2FY17	Y-o-Y	Q1 FY18	Q-o-Q	H1FY18	H1FY17	Y-o-Y
Revenue from Operations	42.6	41.1	3.6%	42.6	0.0%	85.2	82.2	3.6%
Raw Material Cost	26.5	27.8		27.0		53.5	54.6	
Value Addition	16.1	13.3		15.6		31.7	27.6	
Value Addition (%)	37.7%	32.3%		36.6%		37.2%	33.6%	
Employee Expenses	1.9	0.4		0.3		2.1	0.7	
Other Expenses	3.8	6.8		5.4		9.2	13.2	
EBITDA	10.4	6.1	69.0%	9.93	4.3%	20.3	13.8	47.3%
EBITDA Margin (%)	24.3%	14.9%		23.3%		23.8%	16.8%	
Other Income	0.5	0.5		0.3		0.9	0.4	
Depreciation	0.5	0.1		0.4		0.9	0.6	
EBIT	10.4	6.4	62.1%	9.86	5.7%	20.3	13.5	50%
EBIT Margin (%)	24.5%	15.6%		23.2%		23.8%	16.4%	
Finance Cost	0.1	0.1		0.0		0.1	0.4	
Profit before Tax	10.4	6.4		9.8		20.2	13.1	
Tax	2.1	1.2		1.8		3.9	2.4	
Profit After Tax	8.3	5.2	60.8%	8.0	3.1%	16.3	10.7	52.6%
PAT Margin (%)	19.4%	12.5%		18.9%		19.1%	13.0%	
EPS	0.86	0.53		0.83		1.69	1.11	

Historical Profit & Loss Statement

Particulars (Rs. Crores)	FY17*	FY16	FY15	FY14	FY13
Revenue from Operations	173.0	144.0	145.8	153.3	44.4
Raw Material	116.7	108.1	120.2	137.6	42.8
Value Addition^	56.3	35.9	25.6	15.7	1.6
Value Addition %	32.6%	24.9%	17.6%	10.2%	3.5%
Employee Expenses	1.3	1.4	4.2	3.2	0.2
Other Expenses	29.0	19.0	14.1	10.2	0.8
Total Expenses	147.1	128.6	138.5	151.0	43.8
EBITDA	25.9	15.5	7.3	2.3	0.6
EBITDA Margin %	15.0%	10.8%	5.0%	1.5%	1.3%
Other Income	1.3	0.5	0.4	0.2	0.1
Depreciation	1.3	1.1	1.0	0.4	0.4
EBIT	25.9	14.9	6.7	2.1	0.2
EBIT Margin %	15.0%	10.3%	4.6%	1.4%	0.5%
Finance Cost	0.6	0.1	0.1	0.0	0.0
PBT	25.4	14.7	6.6	2.1	0.2
Tax	5.3	2.6	1.5	0.4	0.0
PAT	20.1	12.1	5.1	1.7	0.2
PAT Margin %	11.6%	8.4%	3.5%	1.1%	0.5%
EPS	2.08	1.31	7.02	2.28	0.27

*As per IND-AS

^ Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories

Balance Sheet

Particulars (Rs. Crs.)	30-Sep-17	31-Mar-17
EQUITY AND LIABILITIES		
EQUITY	106.6	88.2
Equity Share Capital	9.7	9.7
Other Equity	97.0	78.6
Non-Current Liabilities	4.6	4.6
Financial Liabilities		
(i) Borrowings	4.6	4.6
Deferred Tax Liabilities (Net)	0.0	0.0
Current liabilities	47.4	34.2
Financial Liabilities		
(i) Trade Payables	32.3	29.1
(ii) Other Financial Liabilities	0.0	0.0
Provisions	6.5	4.7
Other Current Liabilities	8.6	0.4
TOTAL	158.6	127.1

Particulars (Rs. Crs.)	30-Sep-17	31-Mar-17
ASSETS		
Non-current assets	54.1	39.6
Property, Plant and Equipment	41.8	39.5
Capital work-in-progress	12.1	0.0
Intangible Assets under Development	0.1	0.0
Other Non-current assets	0.1	0.1
Current assets	104.5	87.5
Inventories	20.3	18.5
Financial Assets		
(i) Investments	5.3	1.0
(ii) Trade receivables	32.5	28.9
(iii) Cash and cash equivalents	12.7	5.4
(iv) Bank balances other than cash and cash equivalents	0.0	0.0
Other Current Assets	33.8	33.7
TOTAL	158.6	127.1

For further information, please contact:

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