



# KESAR PETROPRODUCTS LIMITED

404, Naman Centre, C-31/G Block, BKC, Bandra (E), Mumbai - 400 051.

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To,  
**Listing Department**  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001.

Date: 18<sup>th</sup> August, 2017

Scrip Code: 524174  
Scrip ID: KESARPE

Dear Sir/Madam,

**Sub:** Investor presentation.

PFA presentation to be made to investor / analysts as and when their meeting(s) are scheduled.

Kindly take the same in your record.

Yours faithfully,  
For Kesar Petroproducts Limited

Snehlata D. Sharma  
Director  
DIN: 01854393



**KESAR**

**KESAR PETROPRODUCTS LIMITED**

Investor Presentation – August 2017

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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





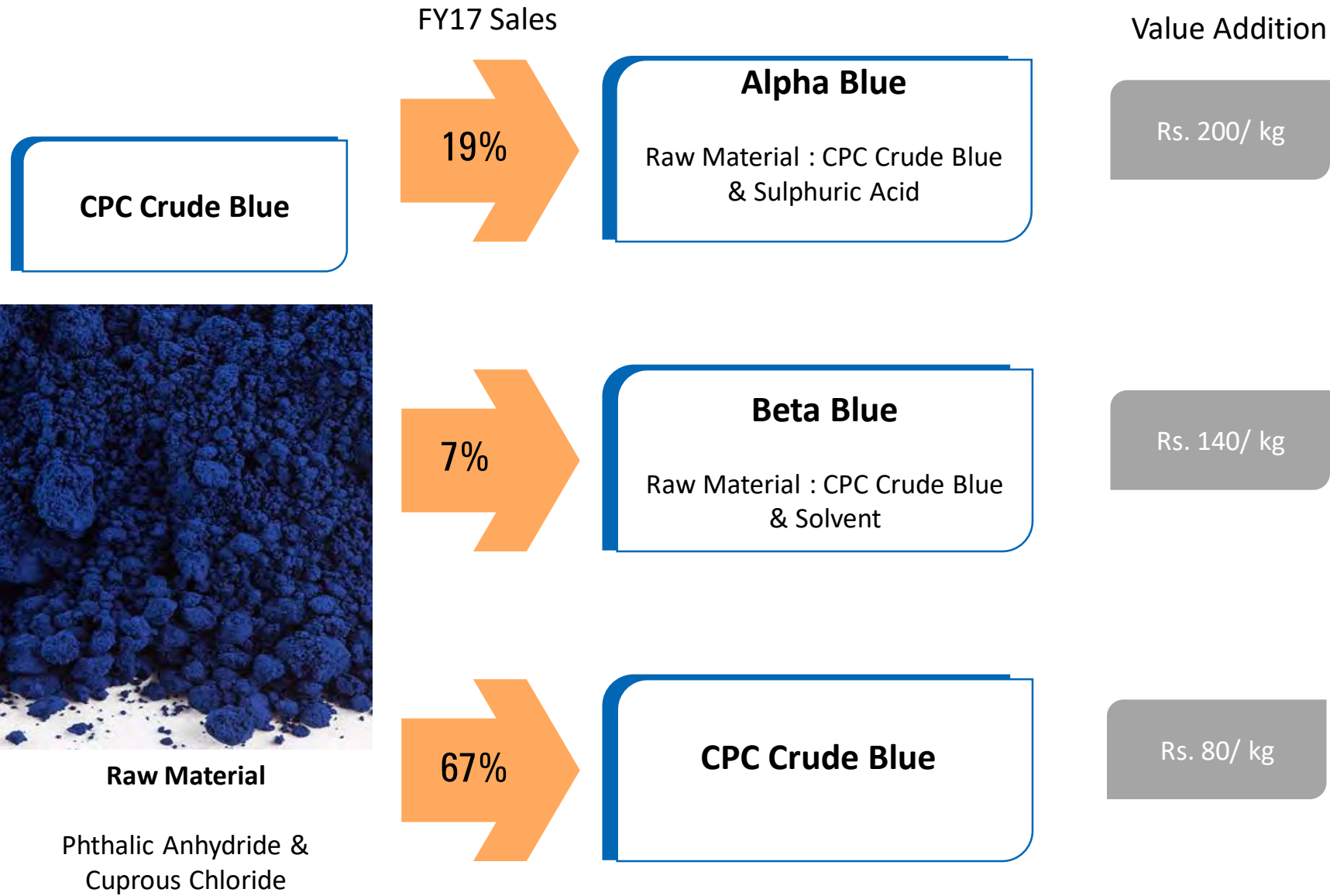
Kesar integrates services in a manner that aims to provide timely deliveries along with high quality product output

## Pigments

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

## Dye Intermediates

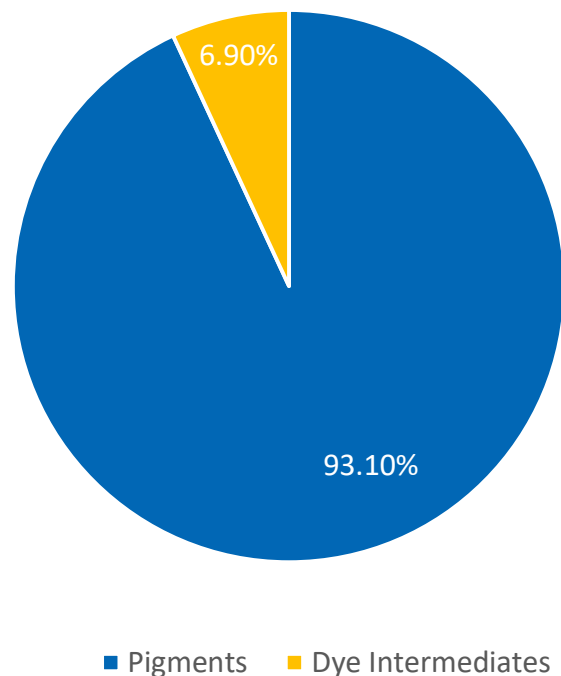
Product	Capacity (MTA)
K - Acid	840
Gamma Acid	360
Vinyl Sulphone	1,200
Sulpho VS	600





- Dye Intermediates are extensively used in the production of a wide range of reactive dyes which are used by the textile industry
- We currently produce K Acid and Gamma Acid
- Amido G and G Salt are the major raw materials
- Major Clients include Hindprakash Tradelinks Pvt. Ltd. And Rasayano

% Of FY17 Revenues





# Long Term Client Relationships



15 Years+



15 Years+



8 Years+



10 Years+



8 Years+



8 Years+



8 Years+



17 Years+



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**



**K-Acid**



**Beta-Blue-15-3**



**Beta-CPC-15**



**CPC-Blue-15-0**



**CPC-Blue-15-1-**



**CPC-Crude**



**CPC-Crude2**



**CPC-Crude4**



**K-Acid**



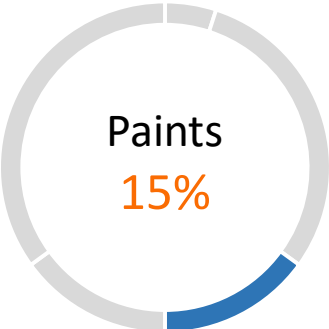
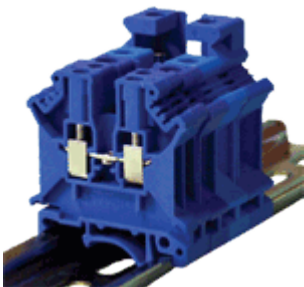
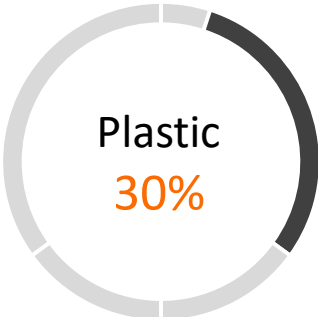
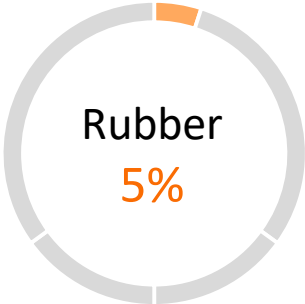
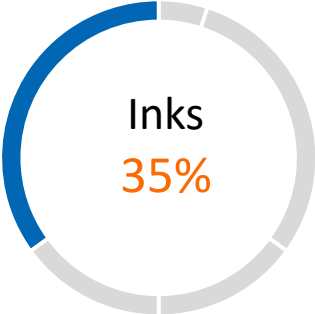
**Phthalic Anhydride**



**Gamma Acid**



# End Users Pigment Application





## Mr. Dinesh Sharma, Promoter

- More than two decades of experience in an array of chemical products and setting up industries in the same field
- Chartered Accountant and a Law Graduate
- Under his leadership, the company gained a reputation as a large scale quality supplier of their products

## Mr. Shreyas Sharma

- Graduated from UDCT 2008 in B.Tech specializing in dyes and pigments
- 9 years of experience including 4 years production shop floor experience

## Mr. Gajanan Bhavdekar

- M.Sc. Organic Chemistry and associated with Kesar since 7 years
- 43 years experience in R&D, production, technical service, marketing of pigments in India & abroad
- Had worked with Colour Chem Ltd, Clariant Chemicals India Ltd, Hoechst AG, Frankfurt Germany etc.

## Mr. Kanayo D Fatnani

- B Tech (Chemical Engineering), IIT Mumbai, 1971
- 40 years+ experience in handling a wide variety of industrial projects including process design, design of pilot plants, scale-up of process plants, hazop studies, engineering design and project management

## Mr. Sayyad, Pigments Business Head

- M.Sc. Chemistry with over 35 years of experience
- Associated with the Company from past 21 years

## Mr. Rathod, CPC Business Head

- M.Sc. Chemistry with over 50 years of experience
- Associated with the Company from past 3 years

## Mr. Dubey, Dye Intermediates Business Head

- B.Sc. Chemistry with over 33 years of experience
- Associated with the Company from past 2 years

## Mr. V.K Hiralal, Marketing Head

- MBA in International Marketing with over 50 years of experience
- Associated with the Company from past 8 years

## Mr. Rajesh Pareek, Purchase Head

- M.Com with over 37 years of experience
- Associated with the Company from past 6 years

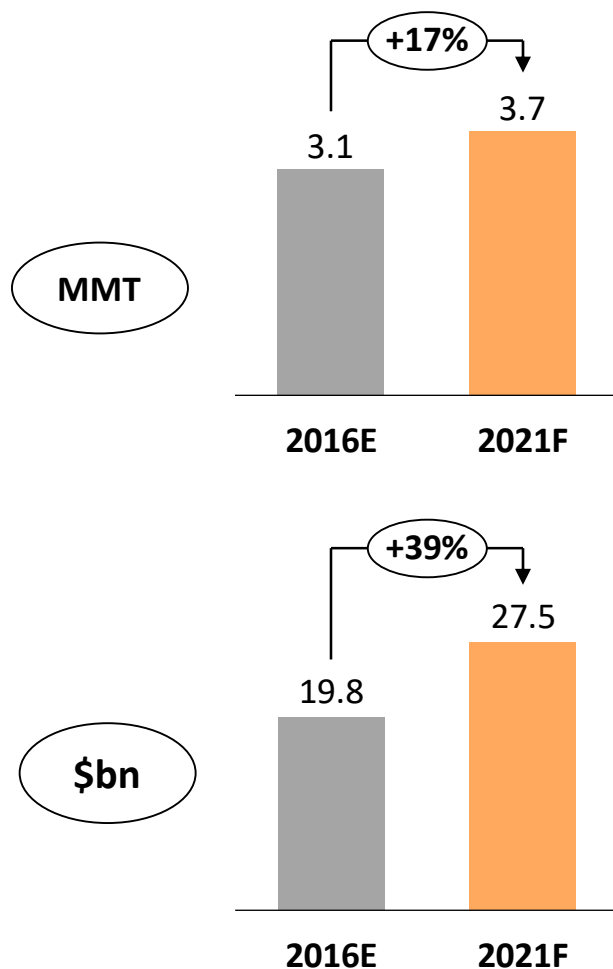
## Mr. Mahadik, HR Head

- Diploma in Computer Engineering with over 21 years of experience
- Associated with the Company from past a year

# We are Future Ready



## Global Demand for Dyes & Organic Pigment

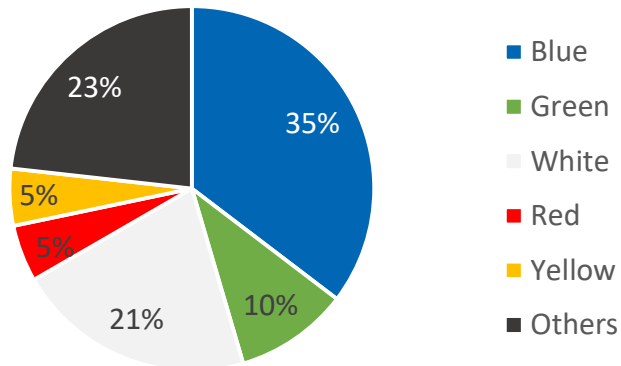
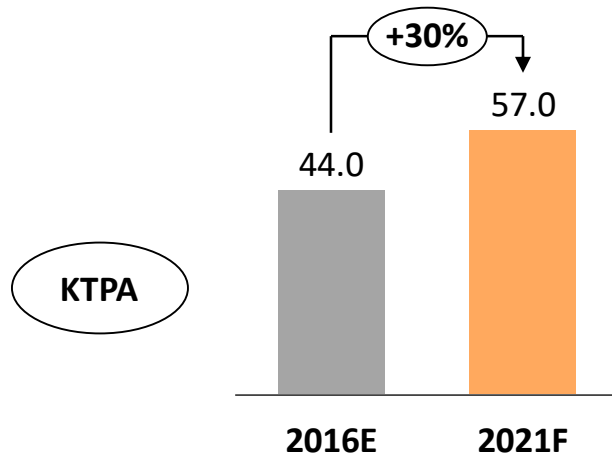


## Outlook : Global Dyes & Pigments

- 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 Pigments Industry



Classification - Types of Pigment

## Outlook : Domestic Dyes & Pigments

- The Indian 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%

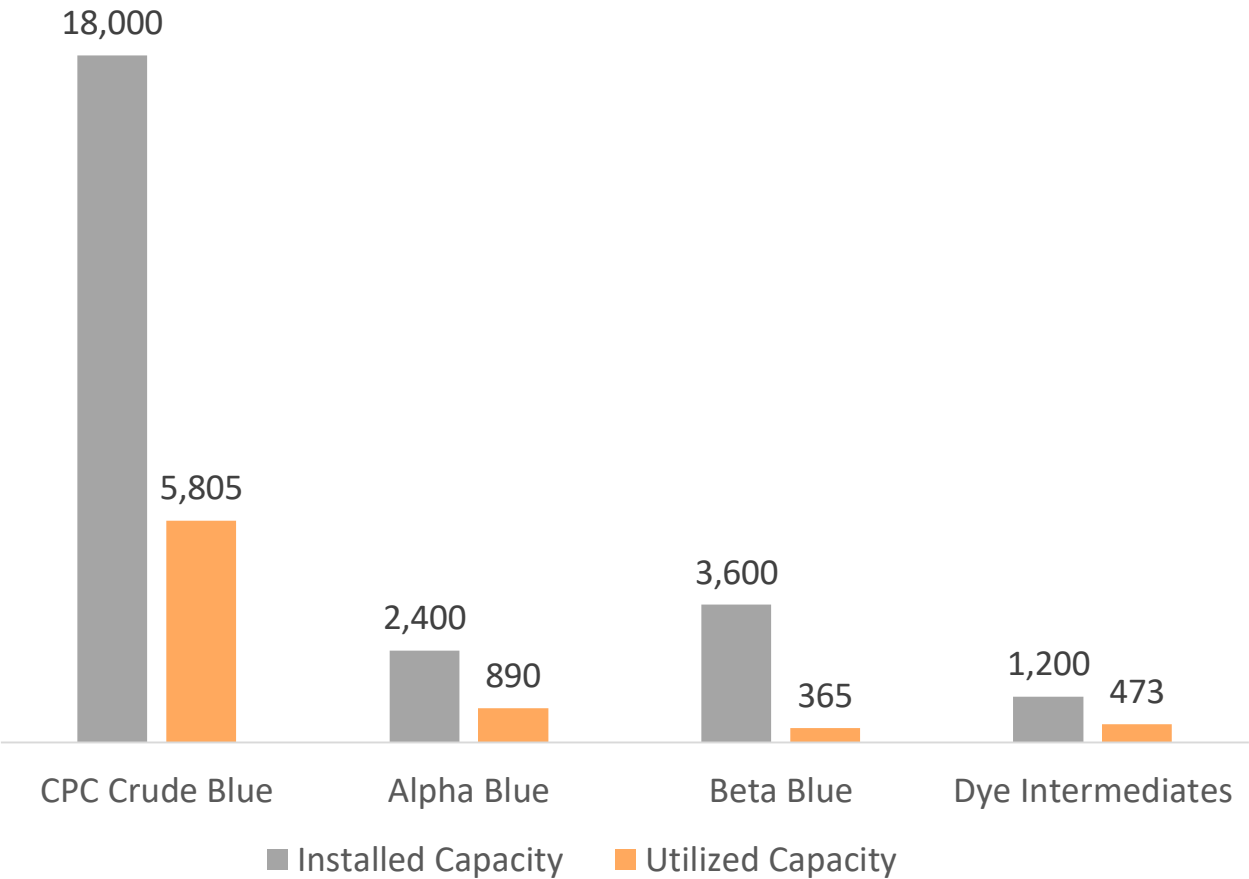
37%

10%

39%

No Major Capex in Near Future

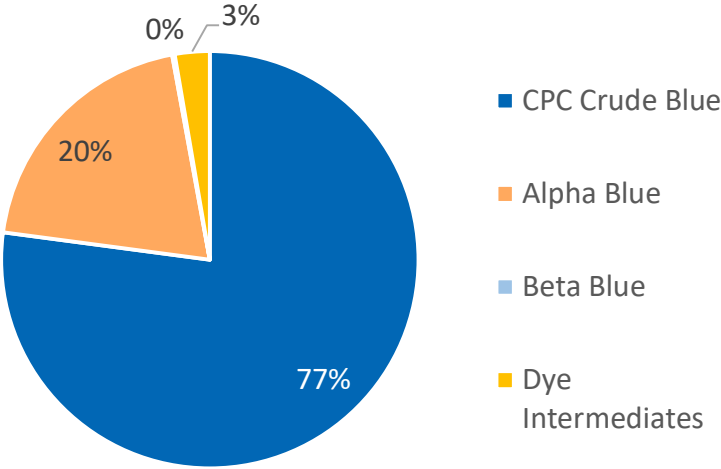
Increase in volumes will lead to Operating Leverage and Better Profitability



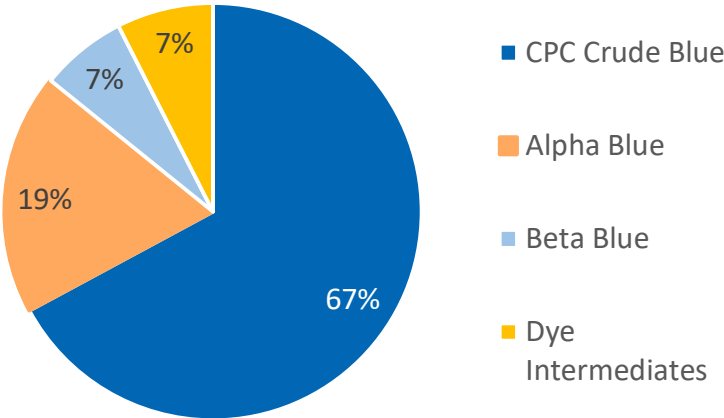
# Moving up the Value Chain with...



REVENUE FY15 : Rs. 112 Crores



REVENUE FY17 : Rs. 171 Crores



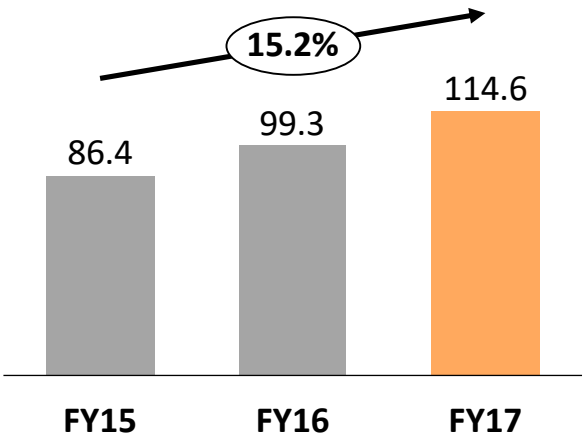
**Increasing contribution from High Value High Margin Products like Alpha Blue and Beta Blue has resulted in an improvement in our Overall Margins**

# ...significant growth in High Value Products

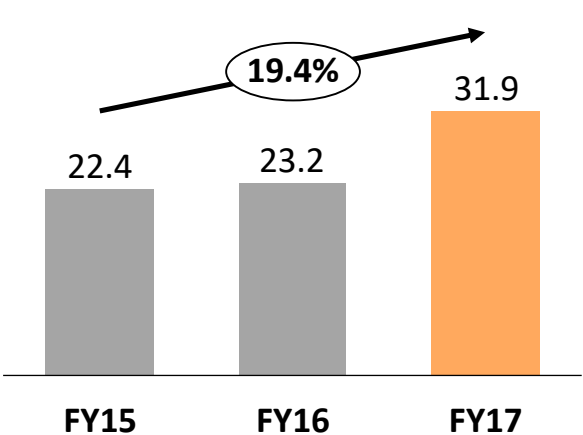


In Rs. Crs

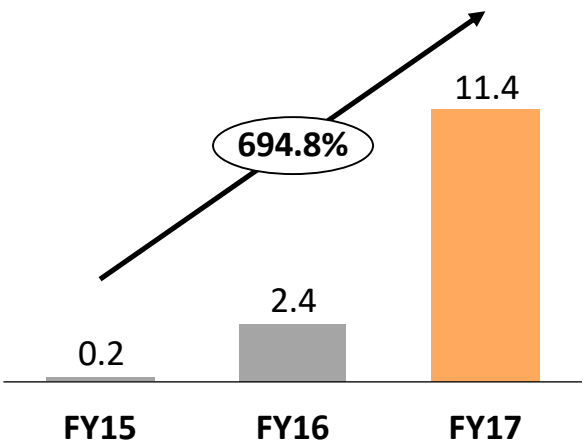
## CPC CRUDE BLUE



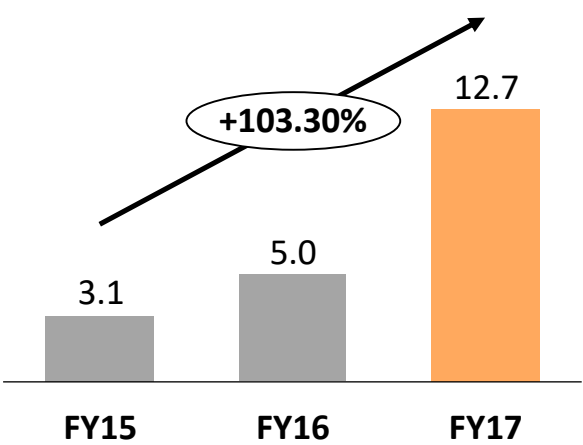
## ALPHA BLUE



## 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

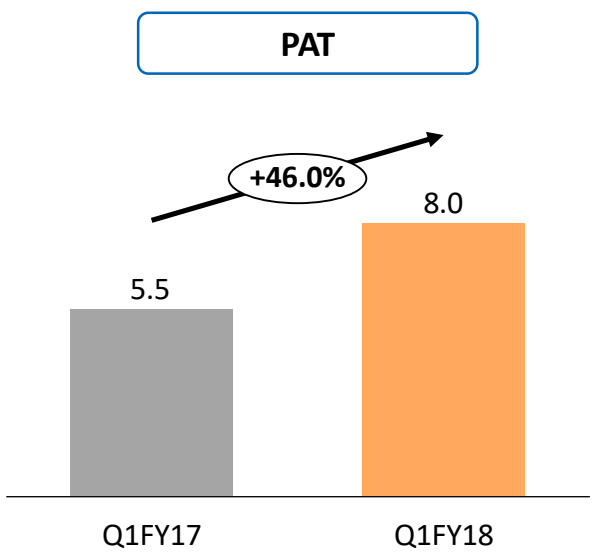
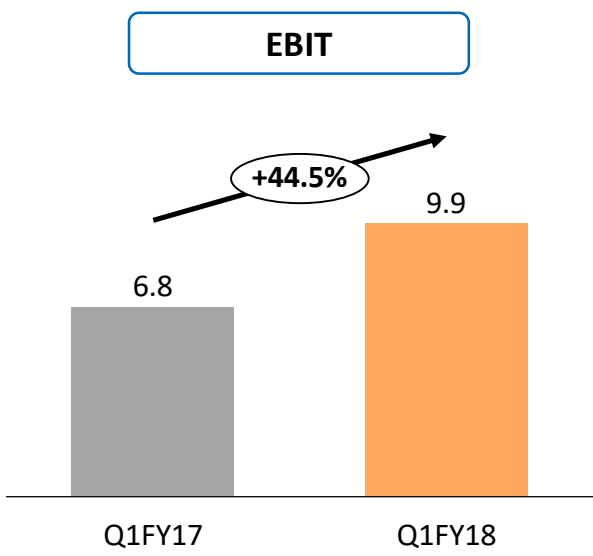
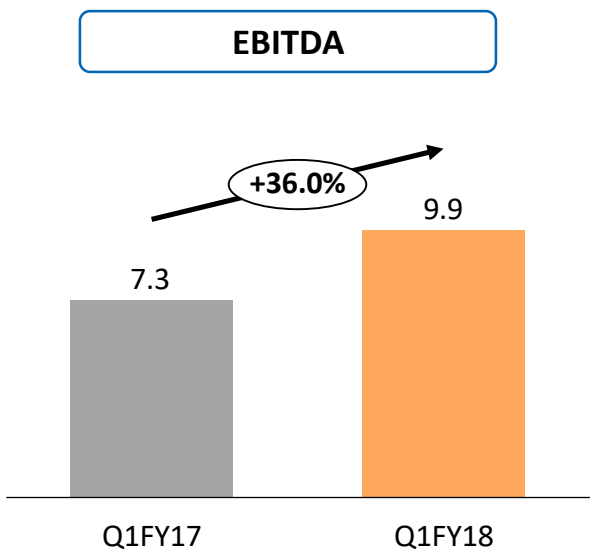
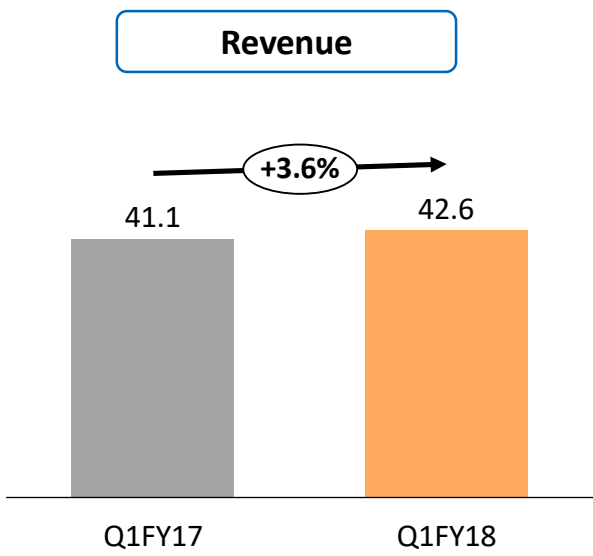
Growth in the Pigment Industry and the continued dominance of Indian Players in Pigments such as Blue and Green



# Strong Performance in Q1 FY18



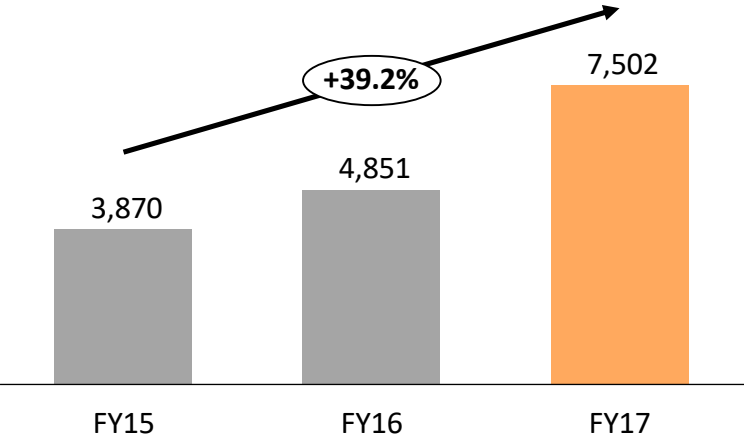
In Rs. Crs



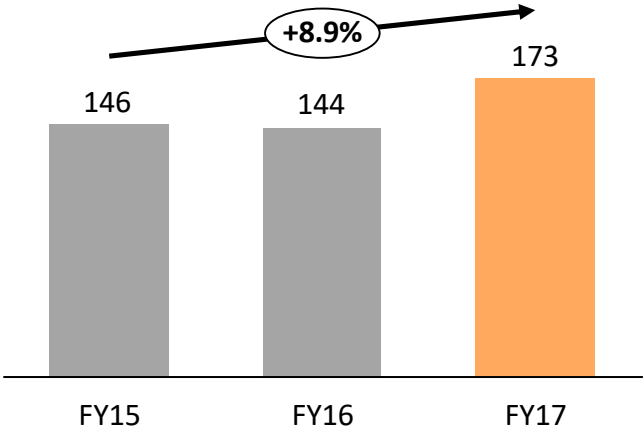
# Historical Financial Highlights



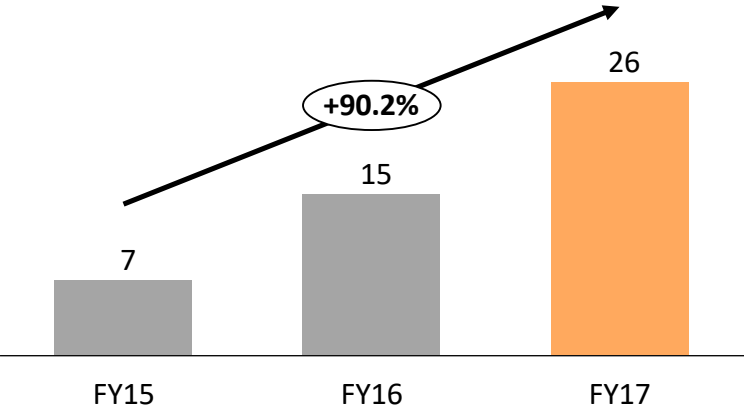
Volume (MT)



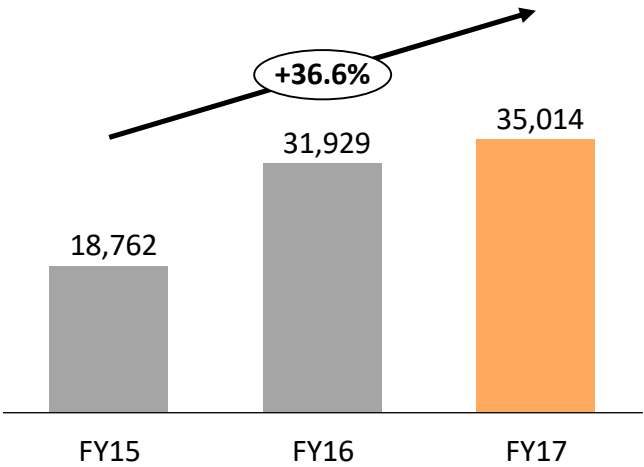
Revenue (In Rs. Crs)



EBITDA (In Rs. Crs)

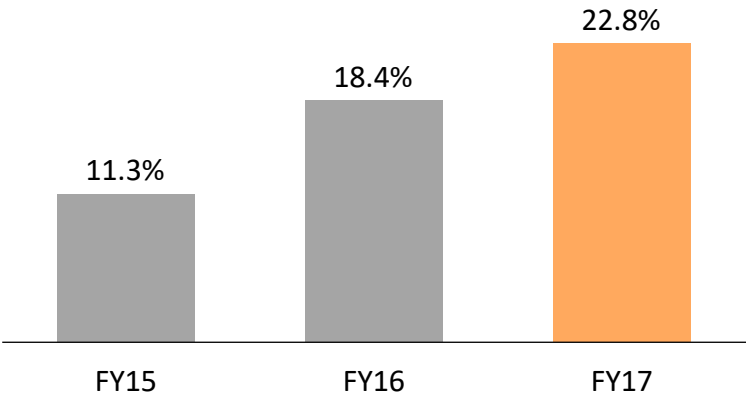


EBITDA (per MT)

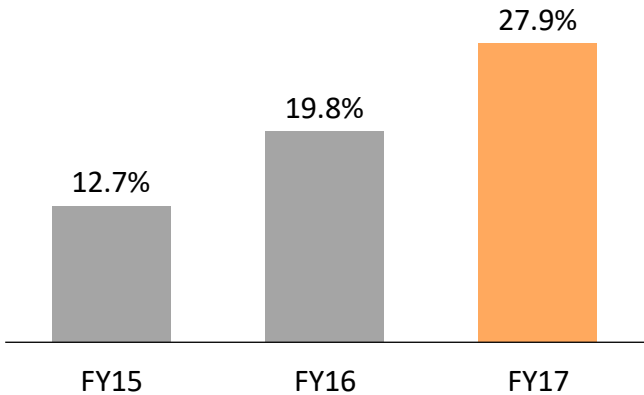




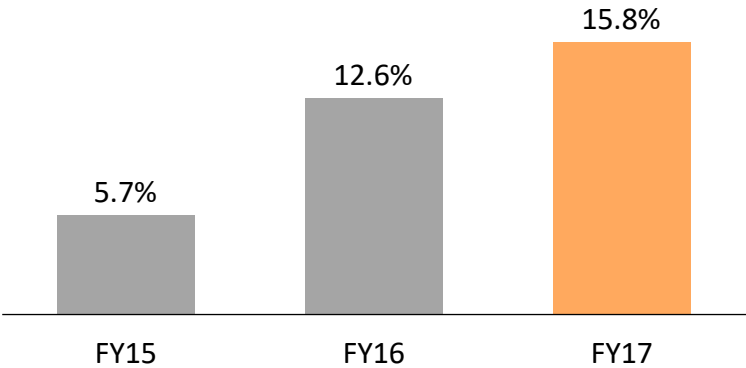
ROE (%)



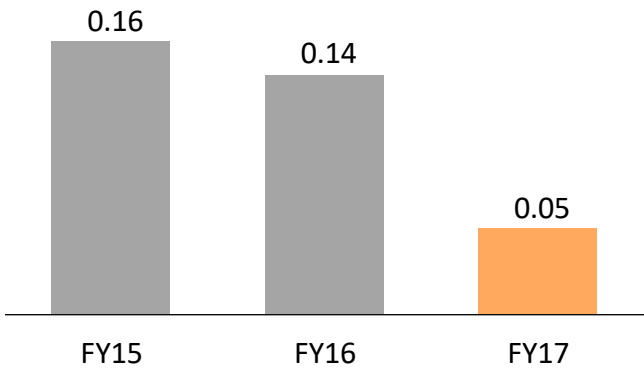
ROCE (%)



ROA (%)



Debt/Equity (x)



# Profit & Loss Statement

Particulars (Rs. Crores)	Q1 FY18	Q1 FY17	Y-o-Y	Q4 FY17	Q-o-Q
<b>Revenue from Operations</b>	<b>42.6</b>	<b>41.1</b>	<b>3.6%</b>	<b>47.1</b>	<b>-9.6%</b>
Raw Material Cost	27.0	27.1		32.0	
<b>Value Addition</b>	<b>15.6</b>	<b>14.0</b>		<b>15.1</b>	
<b>Value Addition %</b>	<b>36.6%</b>	<b>34.0%</b>		<b>32.1%</b>	
Employee Expenses	0.3	0.3		0.4	
Other Expenses	5.4	6.3		8.0	
<b>EBITDA</b>	<b>9.9</b>	<b>7.3</b>	<b>36.0%</b>	<b>6.7</b>	<b>48.7%</b>
<b>EBITDA Margin %</b>	<b>23.3%</b>	<b>17.8%</b>		<b>14.2%</b>	
Other Income	0.3	-		0.5	
Depreciation	0.4	0.5		0.3	
<b>EBIT</b>	<b>9.9</b>	<b>6.8</b>	<b>44.5%</b>	<b>6.8</b>	<b>45.2%</b>
<b>EBIT Margin %</b>	<b>23.2%</b>	<b>16.6%</b>		<b>14.4%</b>	
Finance Cost	0.0	0.2		0.1	
<b>Profit before Tax</b>	<b>9.8</b>	<b>6.7</b>	<b>47.3%</b>	<b>6.7</b>	<b>46.9%</b>
Tax	1.8	1.2		1.1	
<b>Profit After Tax</b>	<b>8.0</b>	<b>5.5</b>	<b>46.0%</b>	<b>5.6</b>	<b>43.3%</b>
<b>PAT Margin %</b>	<b>18.9%</b>	<b>13.4%</b>		<b>11.9%</b>	
<b>EPS</b>	<b>0.83</b>	<b>0.57</b>		<b>0.58</b>	

# Historical Profit & Loss Statement

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

\*As per Ind AS

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

# Balance Sheet

Particulars (Rs. Crores)	Mar-17	Mar-16
<b>EQUITY &amp; LIABILITIES</b>		
<b>Shareholders Fund</b>		
Share Capital	9.7	9.3
Reserves & Surplus	78.6	56.5
<b>TOTAL SHAREHOLDERS FUND</b>	<b>88.2</b>	<b>65.8</b>
Share Application money pending allotment	0.0	0.6
<b>Non Current Liabilities</b>		
Long Term Borrowings	4.6	9.4
Deferred Tax Liabilities(Net)	0.0	0.0
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>4.6</b>	<b>9.4</b>
<b>Current Liabilities</b>		
Trade Payables	29.1	17.4
Other Current Liabilities	0.4	0.2
Short Term Provisions	4.7	2.8
<b>TOTAL CURRENT LIABILITIES</b>	<b>34.2</b>	<b>20.5</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>127.1</b>	<b>96.3</b>

Particulars (Rs. Crores)	Mar-17	Mar-16
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Fixed Assets(incl. Capital Work in Progress)	39.5	35.9
Other Non Current Assets	0.0	0.0
<b>TOTAL NON CURRENT ASSETS</b>	<b>39.6</b>	<b>35.9</b>
<b>Current Assets</b>		
Current Investments	1.0	0.0
Inventories	18.5	13.4
Trade Receivables	28.9	14.3
Cash & Cash Equivalents	5.4	6.5
Short Term Loans & Advances	33.7	26.2
<b>TOTAL CURRENT ASSETS</b>	<b>87.5</b>	<b>60.4</b>
<b>TOTAL ASSETS</b>	<b>127.1</b>	<b>96.3</b>

**For further information, please contact:**

**Company :**

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**Ms. Jayashree Jayadevan**  
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**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**  
CIN: U74140MH2010PTC204285

**Ms. Samantha Francis / Mr. Vishal Nair**  
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