



KEMISTAR CORPORATION LTD.

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October 30, 2020

To, BSE Limited,
Listing Dept./Dept. of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Dear Sir,

Sub: Investor Presentation

Scrip code: 531163
Security ID: Kemistar

Please find enclosed herewith Investor Presentation as required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

This is for your information and records.

Thanking you,

Yours faithfully,

For Kemistar Corporation Limited


Sheeja Mohan
Company Secretary





Kemistar Corporation Limited

INVESTOR PRESENTATION 2020





Disclaimer

This presentation has been prepared by Kemistar Corporation Limited (the “Company”/“we”/“our”) and is general background information about the Company’s activities at the date of this presentation. This is solely for information purpose and do not constitute any advice or a recommendation to investors or potential investors in respect of the holding, purchasing or selling of securities or other financial instruments and does not take into account any investor’s particular objectives.

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The Company may, make additional written and oral forward-looking statements, including statements contained in the Company’s filings with SEBI and the Stock Exchanges and reports to shareholders as and when required. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company, to reflect events or circumstances after the date thereof.



Company Profile

The company is into the business of Colors, Agro Chemicals and Speciality Chemicals since last 25 years.

The company is promoted by Mr. Parshottambhai Patel and Mr. Ketankumar Patel.

Initially started with the business of Colors and pigments, gradually the company also entered into the businesses of speciality chemicals, agro chemicals and chemical intermediaries.

The company has its business across the globe having clients from South Africa, Turkey, etc.

The Company has its state of Art Facility including lab, manufacturing unit in Ahmedabad as well as Dahej in the state of Gujarat.



Glance on Current Project

- ❑ The company currently has its registered office at Ahmedabad.
- ❑ The company vide its subsidiary company K.P. INTERNATIONAL PRIVATE LIMITED is having an industrial project at **GIDC Dahej**.
- ❑ The promoters, in order to expand its manufacturing capacities and thereby grow the business beyond the existing limits, have proposed to set up a **manufacturing plant** at the said place.
- ❑ Promoters are highly hopeful of this project, as the said plant/facility shall have the potential to increase the outcome/ turnover of the company by manifolds.
- ❑ Foreseeing the said project, the company has also acquired various **licenses** and **environmental clearances** for various chemical intermediates, pigments etc, proposed to be manufactured over the said facility.
- ❑ The commercial production of Phase-I has started from **August 2020**.





CHEMICAL INTERMEDIATES

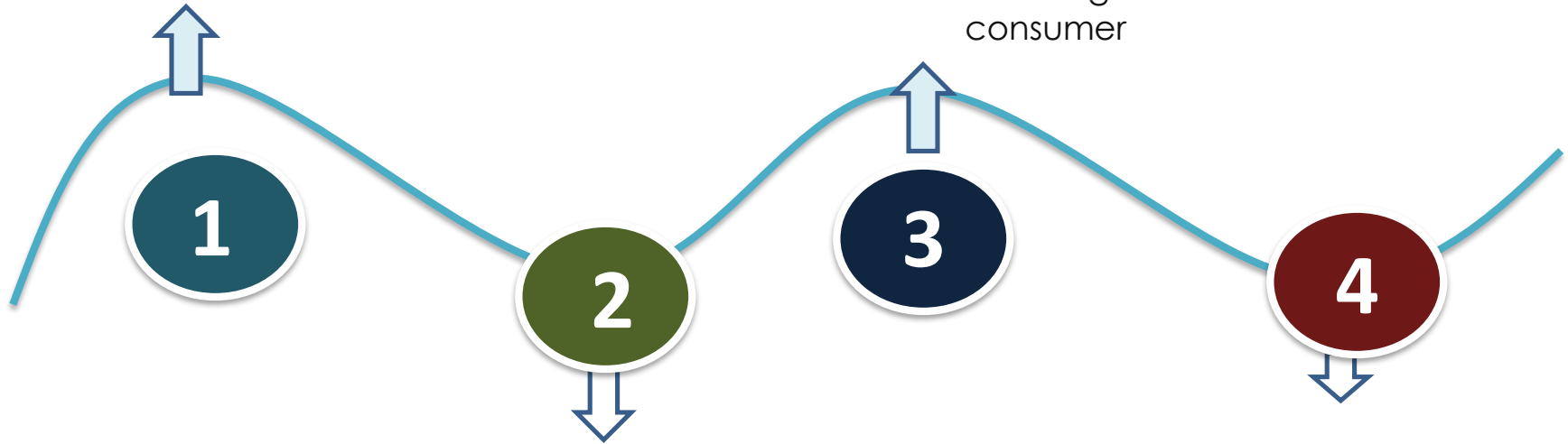
- Chemical intermediates are a part of petrochemicals, which are then processed further in order to derive chemicals of various kinds
- Intermediates are also referred to those molecules that are generated when a chemical substance is converted into a final product.
- These chemicals are used in various applications. For example, they are utilized in the manufacturing of detergents, coatings, plastics, dyes, fibers of elastic textile, and pharmaceutical & crop protections.
- The Growth of Chemical Intermediate Industry is directly proportional to the growth of its Supplementary industries such as pharmaceuticals, textiles etc.



BRIEF ON CHEMICAL INTERMEDIATES INDUSTRY

The Global Chemical Intermediate Market is expected to grow at healthy annual increment which is driven by demand from end use industries

The industry is increasingly shifting towards Asia Pacific region in line with the shift of its key consumer industries such as automotive, electronics to leverage higher manufacturing competitiveness of emerging economies and to serve the increasing demand from consumer



The Chemical intermediate industry in India provides several building blocks and raw materials for many industries, textiles, paper, paints, soap, detergents, pharmaceuticals and agrochemicals etc.

Over the past few years, Chemical Intermediate Market has witnessed healthy demand from end use industries such as pharmaceuticals textiles automobiles, paints, papers, soaps detergents.

INDIAN CHEMICAL INTERMEDIATE INDUSTRY

Indian Chemical Intermediate Market is estimated to grow above average annual growth rate of the world market

Several initiatives taken by Government of India will support the growth of chemical industry in India



Regionally, western India has been the dominant region contributing approx. 50% to the Gross Value Added (GVA) for the Chemical Intermediate sector.

India accounts for approximately 16% of the world production of dyestuff & dye intermediates, particularly for reactive acid & direct dyes



Growth Opportunities due to Make in India

GOVERNMENT INITIATIVES

Several initiatives taken by Government of India will support the growth of chemical industry in India. One of such initiative is 'Make in India'.

100% FDI is allowed in the Chemical Sector which is another benefit considering the intermediate sector.

STRONG R&D

The R&D investment and facility of Indian companies have been limited traditionally, but the situation is changing slowly with more and more companies looking at R&D as a key source of staying in competitive environment of Chemical Intermediate Market in India.

GROWING MARKET

The Chemical industry in India stands at USD 178 Bn as of 2019 which is expected to reach USD 304 Bn by 2024-25 (nearly double), at an annual growth rate of 9.3%. Further, at present the consumption of speciality chemicals is low compared to the world average, hence there is a enormous scope for growth in chemical intermediate products.



SWOT ANALYSIS



STRENGTHS & WEAKNESSES

- **STRENGTHS**

- Experienced Management
- Strong customer base in domestic market
- Presence in export market
- Manufacturing capacity
- Skilled work force
- Environmental clearances.
- High standards of environment, health and safety norms.

- **WEAKNESS**

- High R & D Costs
- Lack of quality raw materials in domestic market, hence incurring expenses on import of raw materials.



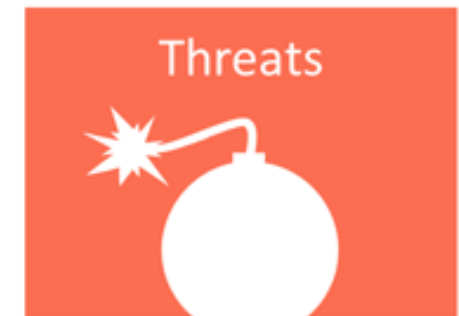
OPPORRTUNITIES & THREATS

- **OPPURTUNITIES**

- **Increased domestic demand** due to slow down in Chinese Market
- Shift of focus on India due to slow down in supply of chemical products in China due to new environmental policies.
- Competitive location of the manufacturing unit.

- **THREATS**

- Unstable market
- Increased fuel charges
- Prices of petrochemicals
- Probability of environmental issues that may come up in the near future.





KEY TO SUCCESS



Good reputation in the market



Own brand value within the industry



Skilled and experienced personnel



Consistent delivery of Quality Products



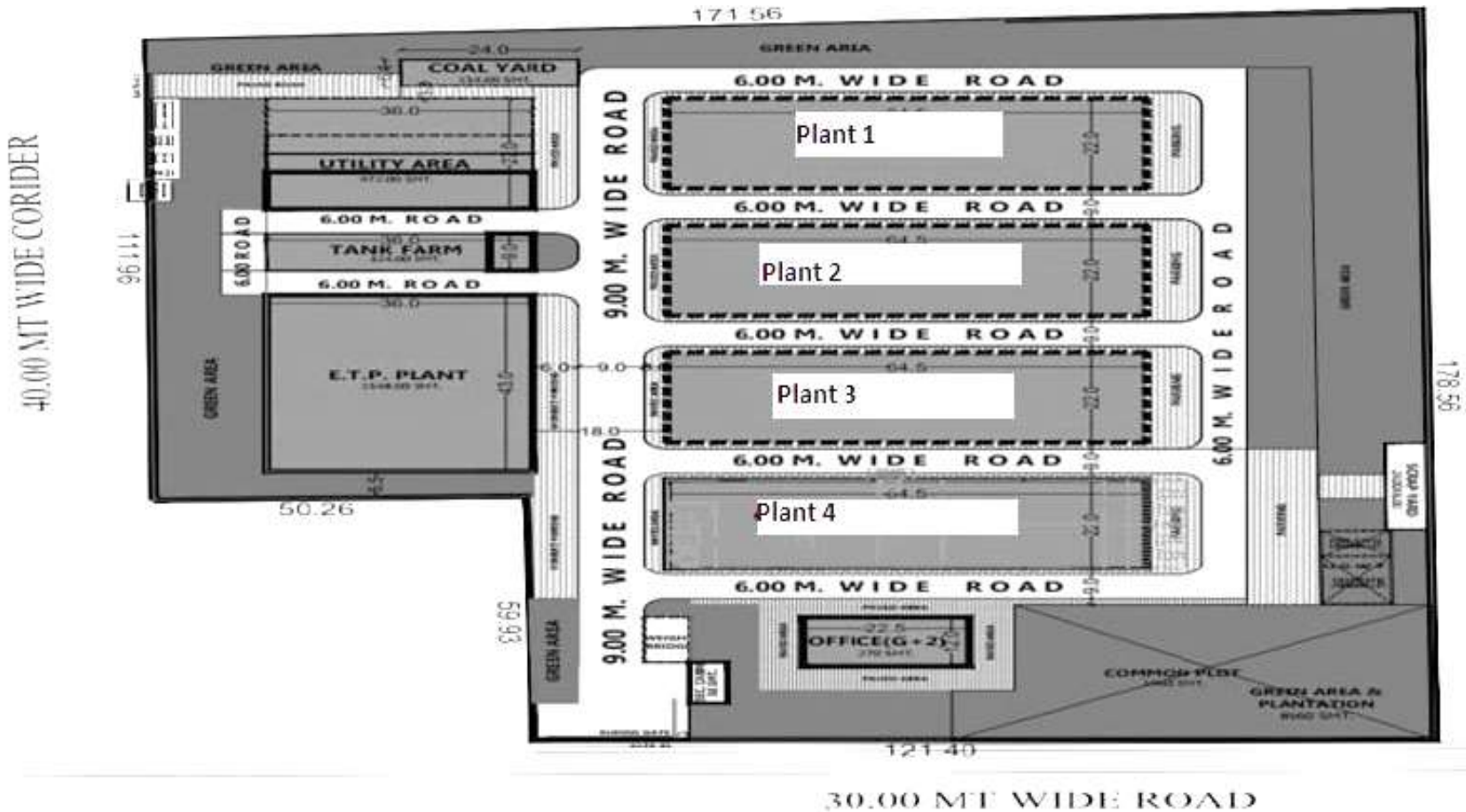
Export across the globe such as in US, Mexico, Columbia, Latin America, Turkey & South Africa.





UPCOMING PLANT AT GIDC DAHEJ

PLANT LAYOUT





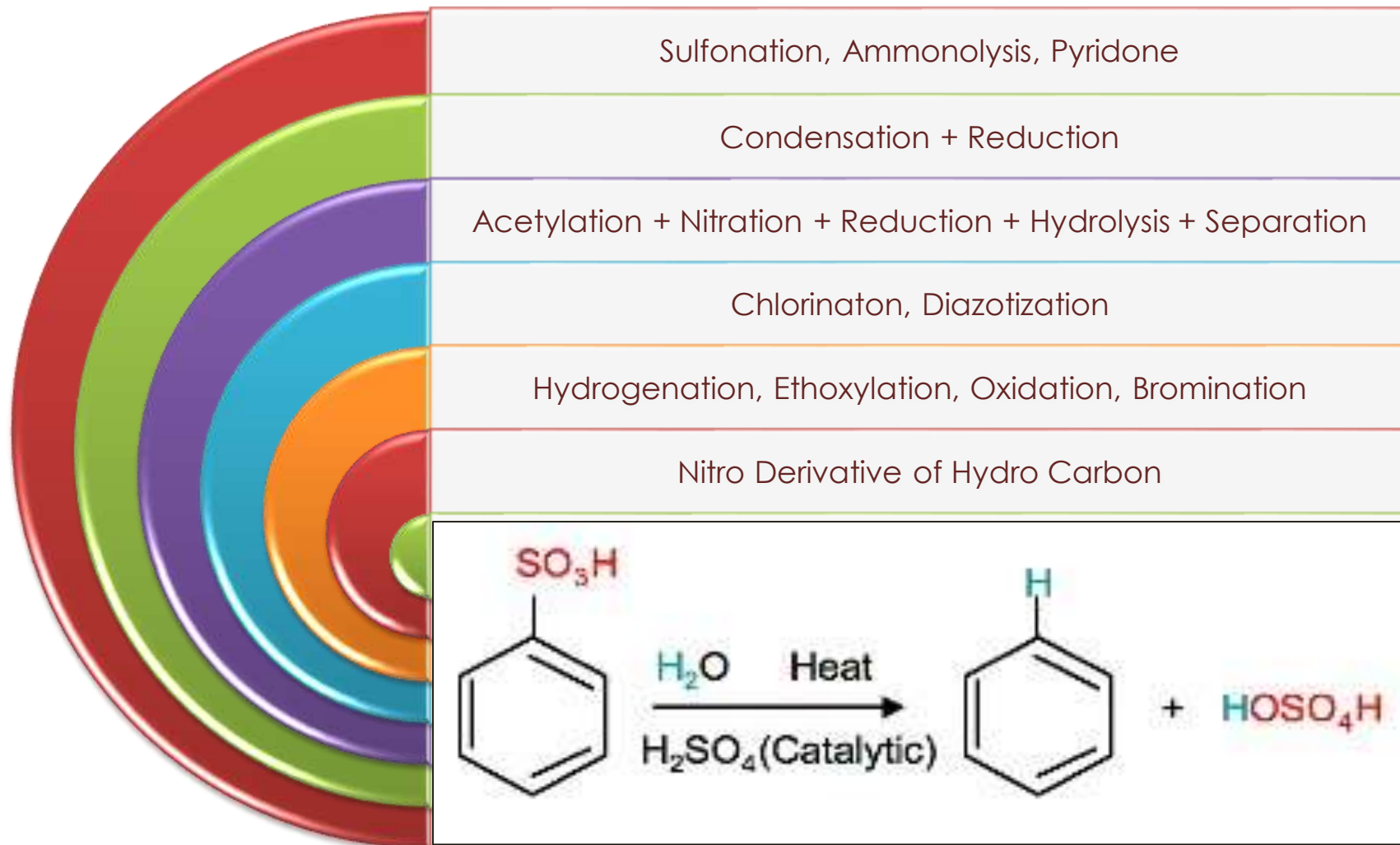
Few Glimpses of Dahej Plant







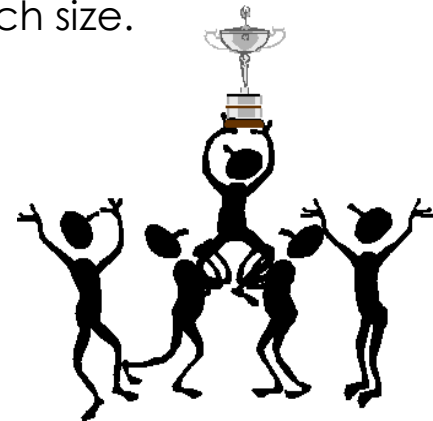
Processes to be used in the Manufacturing Unit





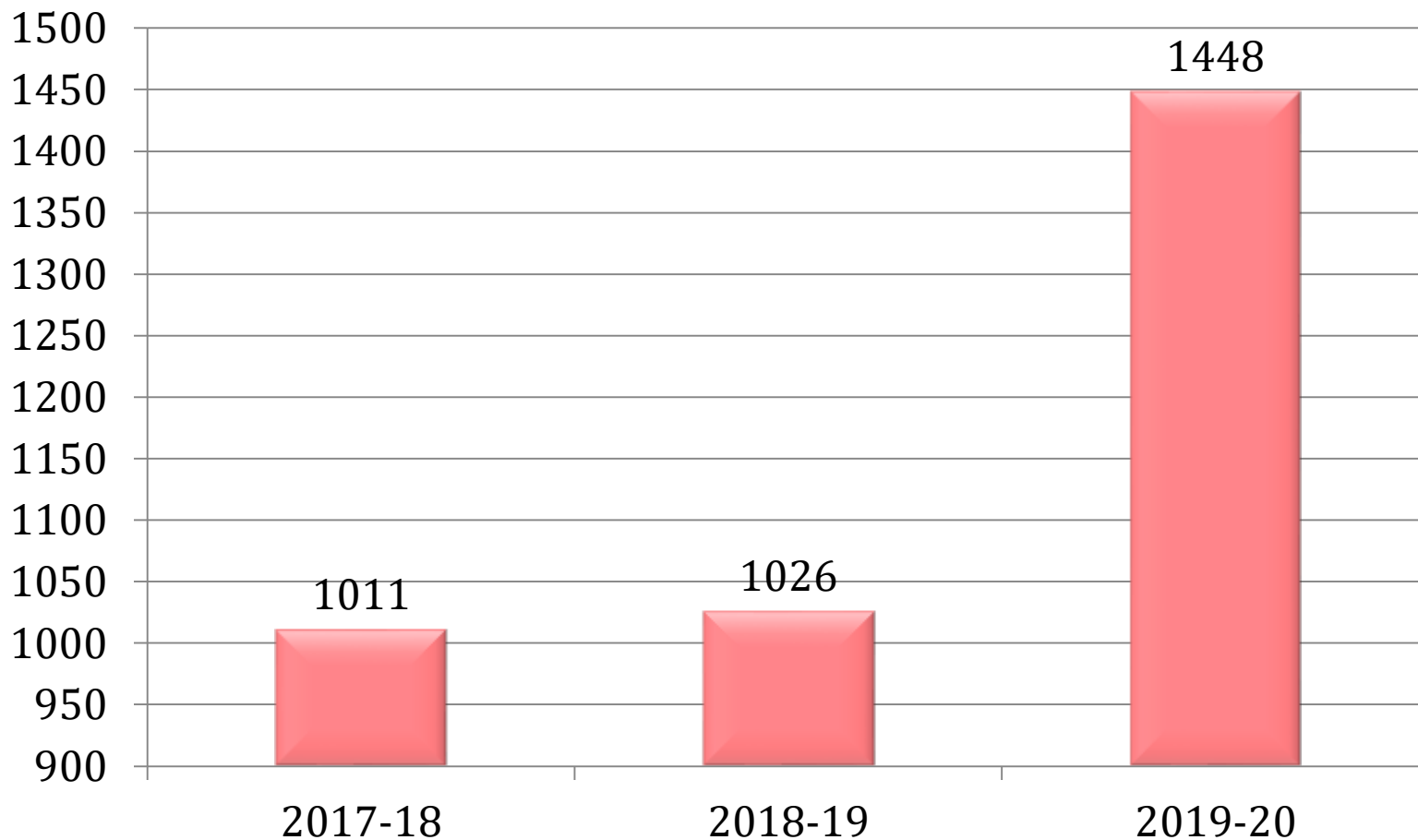
KEY STRENGTHS OF THE UPCOMING PROJECT

- The Project is situated at Dahej, which is a state government promoted industrial area.
- The size of the acquired land is 27054 sq. mtrs.
- The benefit of having plant in such place is that, the units at Dahej Industrial Estate has exclusive rights to manufacture certain chemicals in the entire state of Gujarat, manufacturing of such chemicals are prohibited at any other place except Dahej in Gujarat.
- The company has acquired environmental clearances for approx. 70 products
- The company has received permissions to discharge around 600 KL of industrial waste water per day.
- Technical know how to undertake the operations at the plant of such size.



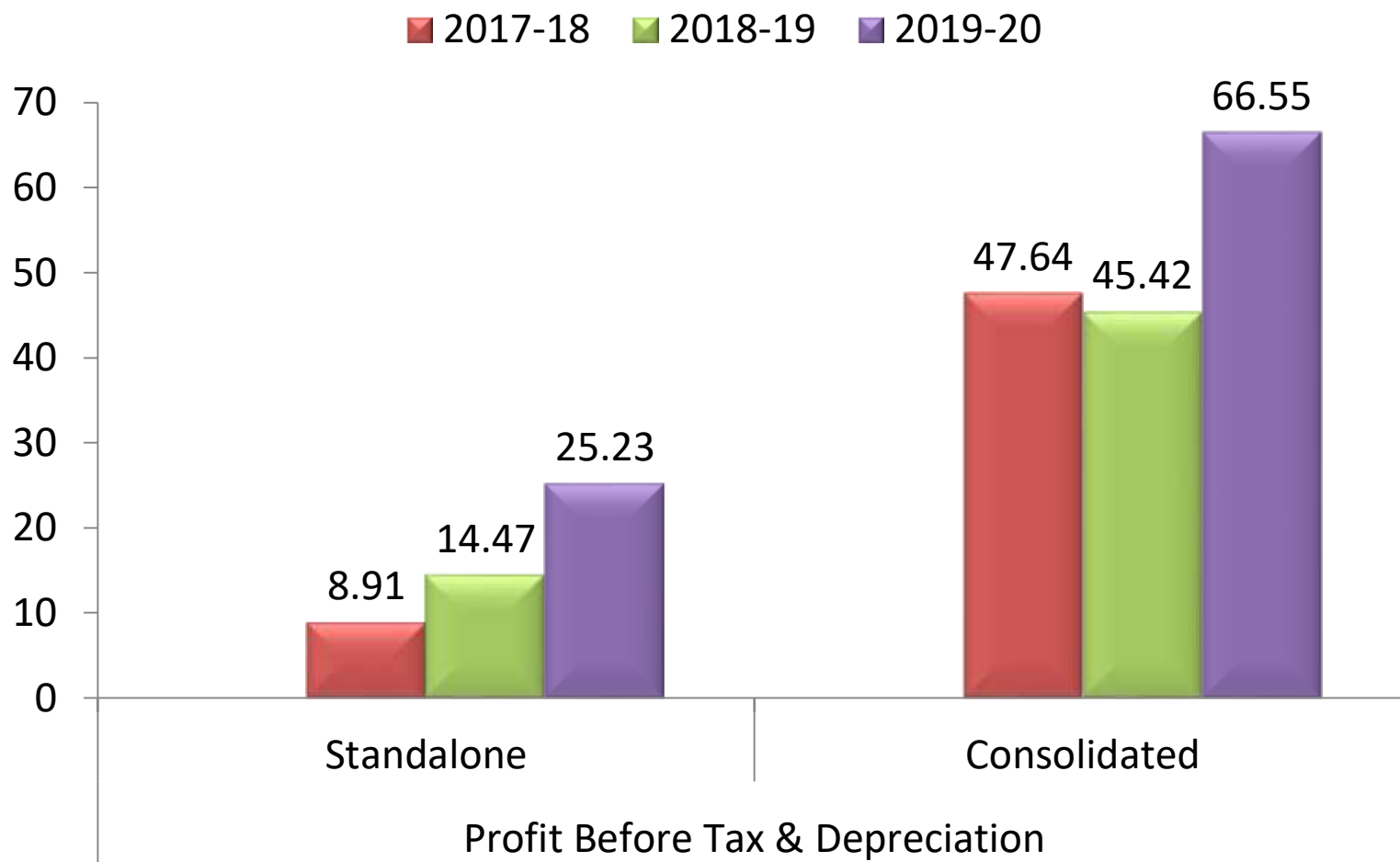


Total Revenue (in Lakhs) – Last 3 Financial Years (Consolidated)





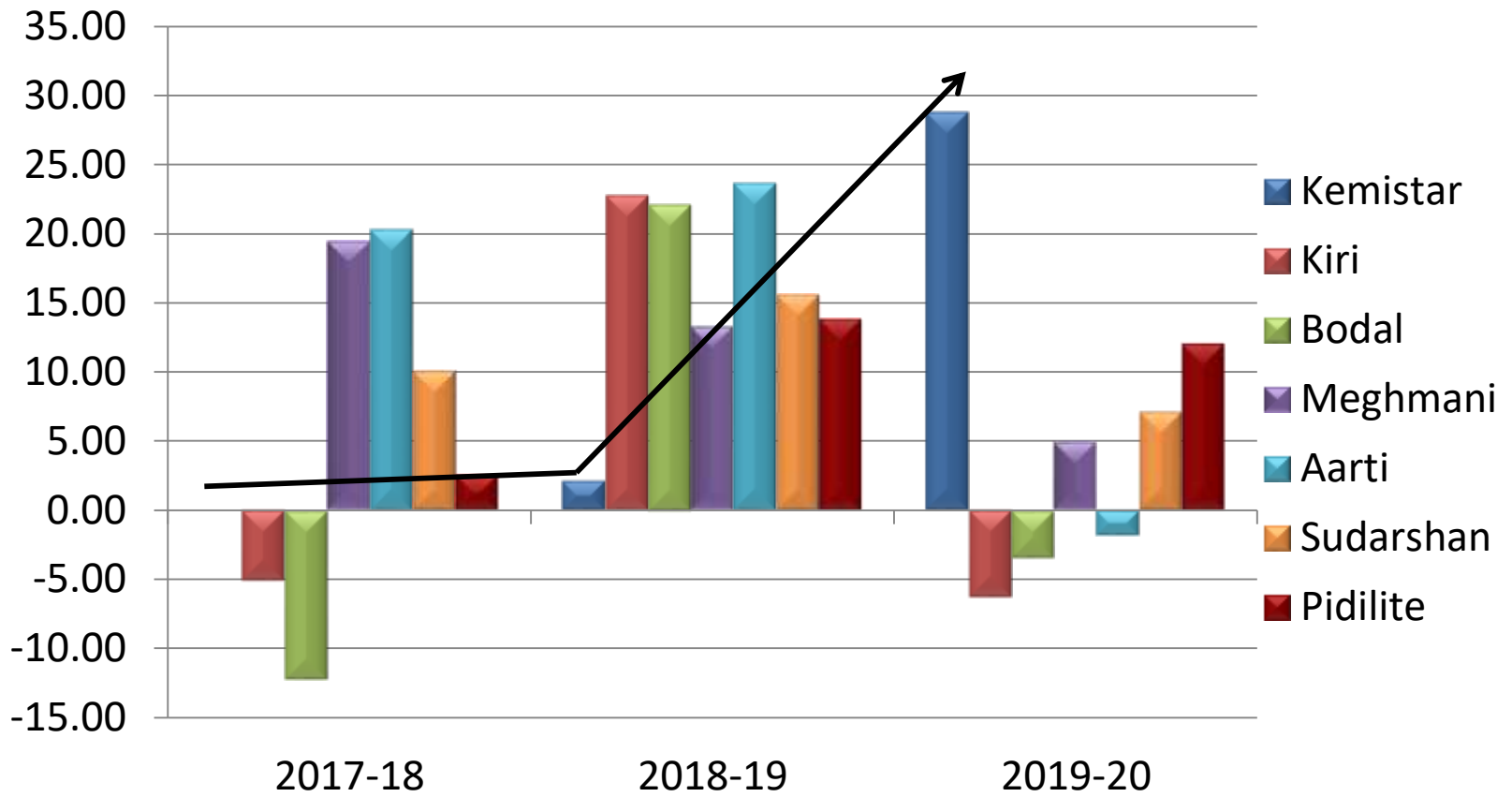
PROFIT BEFORE TAX & DEPRECIATION (In Lakhs)





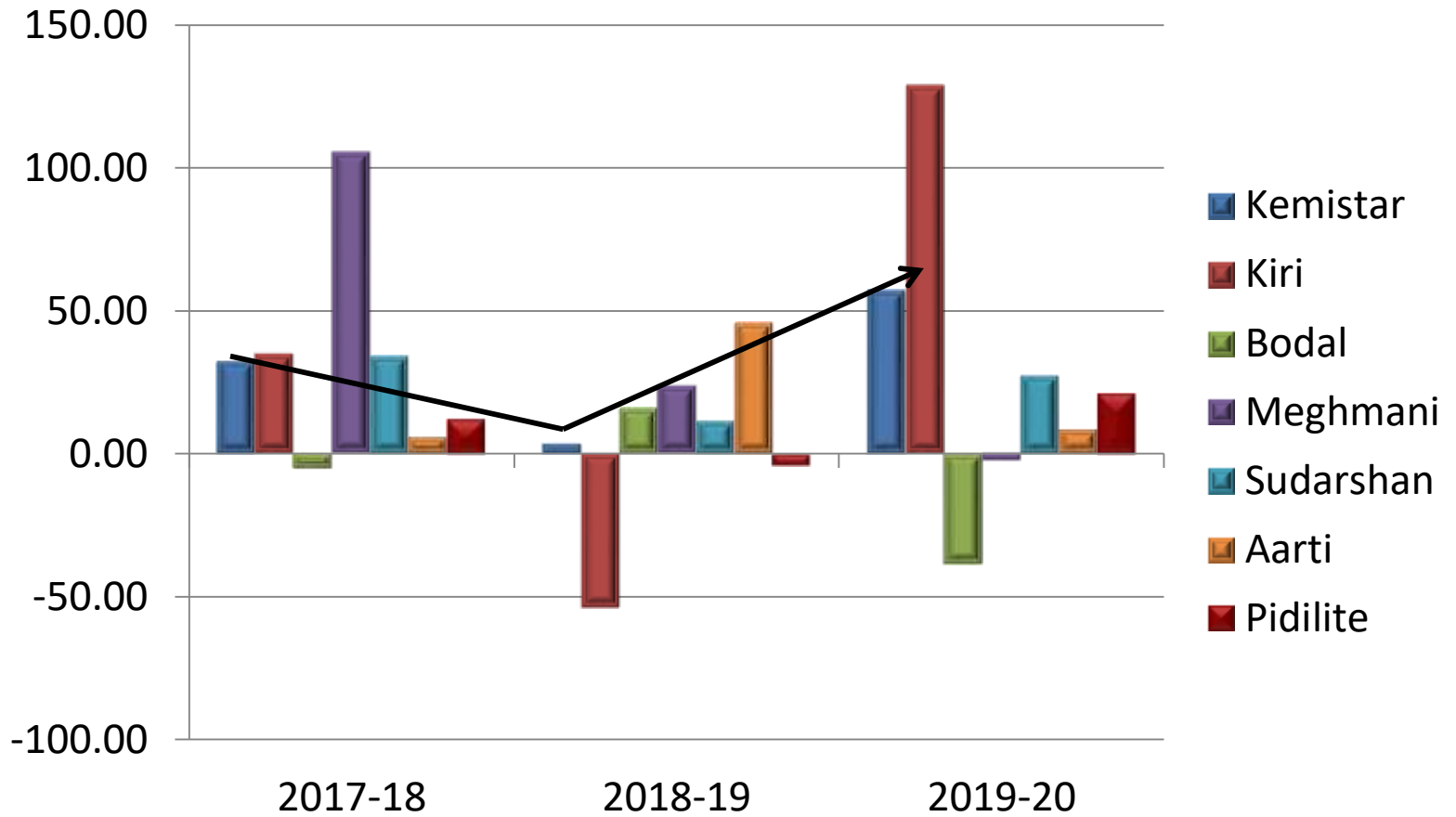
Peer Comparison

Revenue from Operations - Growth Rate





Profit After Tax - Growth Rate



INCREASE IN MANUFACTURING CAPACITY

- The manufacturing capacity of the Company is going to be increased by manifolds, as the upcoming factory shall consist of 4 plants.
- Overall the additional increase in the manufactured output is estimated to be 20,400 tons per year, after the completion of this project.
- The company will be able to achieve the economies of scale with this project as the total cost of production shall be spread among various range of products and also on the increased units of production. Hence per unit cost can be reduced by 10-15% of existing cost, thereby leading to higher profitability in the upcoming financial years.



Future Growth

- Currently the Consolidated Revenue of the company is around Rs 1448 Lakhs in the financial year 2019-20 and the management is hopeful to cross those levels in the FY 2020-21 in spite of the depressed market conditions due to pandemic. The Profit before tax is currently around 66 Lakhs.
- The operations being started in the FY 2019-20 the growth in revenue has increased in the same year. And the growth in FY 2020-21 is expected to be in the increasing trend.
- Thereafter the management is hopeful of generating a increasing revenue growth on yearly basis, whereas the profit before tax and depreciation is likely to be increased proportionately on yearly basis.

Thank You



Kemistar Corporation Limited