



KEMISTAR CORPORATION LTD.

CIN No. : L24233GJ1994PLCO22845

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Gujarat, India. **Ph** : 079-26923570 / 26923587 **Email** : kemistarbse@gmail.com

June 28, 2021

To,
Department of Corporate affairs
Bombay Stock Exchange Limited,
P.J Dalal Street,
Mumbai-400001

Dear Sir,

Subject: Investor Presentation for Q4 FY 2020-21 Result

Scrip code: 531163
Security ID: KEMISTAR

We are attaching herewith, the Investor Presentation prepared on Audited Financial Result of the 4th quarter ended on 31.03.2021 for information of members.

Kindly take same on records.

Thanking you

Yours faithfully,

For, Kemistar Corporation Limited

Trusha Shah
Company Secretary





Kemistar Corporation Limited

INVESTOR PRESENTATION Q4 FY 2021 RESULTS





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.

The document contains certain words and statements which create an expressions that are “forward-looking statements” like hope, believe, future growth etc. These statements are not guarantees of future performance and undue reliance should not be placed on them. Actual results may differ materially from any projections of future performance or result expressed or implied by such forward-looking statements due to certain risks or uncertainties, changes in the market, policy changes, volatility of income etc. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated.

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.



Company Overview

- ❑ 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.
- ❑ 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**.
- ❑ **The Company has successfully commenced the process of expansion of capacity for phase-II in the existing plant situated at Dahej in the month of June 2021.**
- ❑ **On account of project of expansion, company remains committed to its long term plan and strategy.**

Performance Highlights- Full Year

Key Highlights:

➤ COVID-19 2nd Wave:

- Lockdowns in 2021 have been less stringent and more localised, and business/societal behavior has adjusted, supporting activity.
- Our routine business did not affected much as our company adopted Work from home policy as per COVID-19 guidelines issued by government but expansion in second phase of production delayed by sometime.

➤ New Product:

- Company has launched Chemical Intermediates during the year and looking forward for more products to be launched every year going forward.



Q4 Highlights of Consolidated Financials

(Amt in Lakhs)

	4 th Quarter (2020-21)	4 th Quarter (2019-20)	YoY %	Year to date (2020-21)	Year to date (2019-20)	YoY %
Turnover	604.50	472.36	27.97	1403.32	1414.49	(0.79)
EBITDA	12.41	49.78	(75.07)	85.88	66.55	29.05
PAT	(20.23)	32.54	(162.17)	44.29	42.8	3.48
EPS	(0.19)	0.30	(163.33)	0.41	0.40	2.50

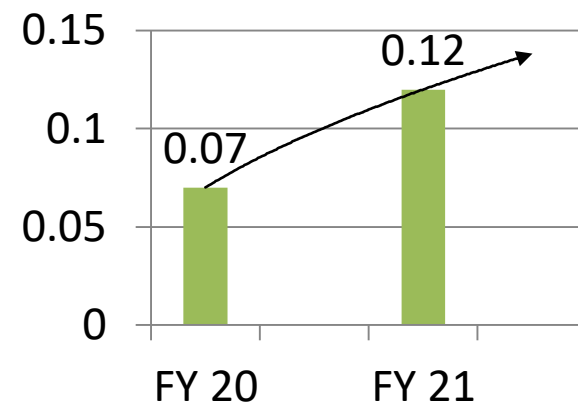
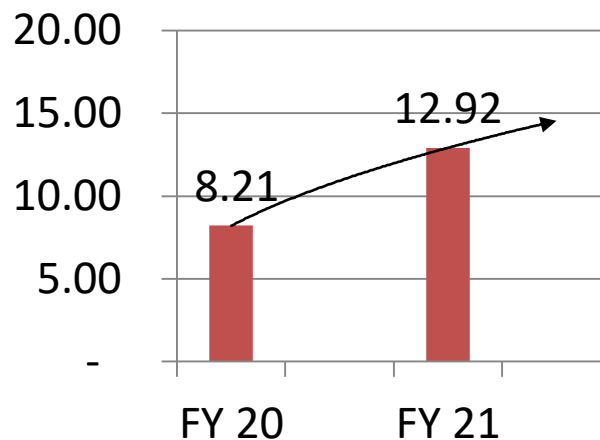
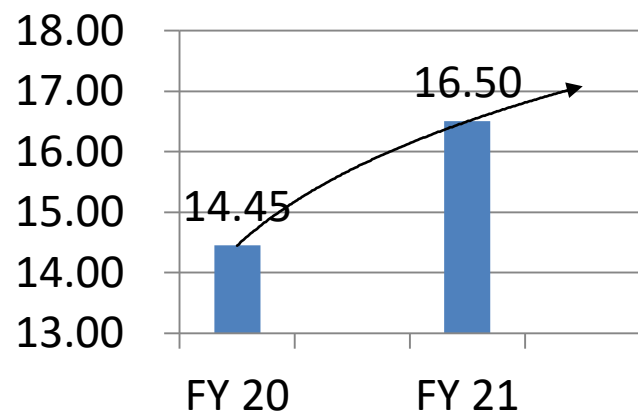


Q4 FY 2020-21 Highlights (Standalone)

EBITDA

PAT

EPS





Consolidated Financial Statement

(Amt in Lakhs)

Particulars	Quarter Ended			Year to date		
	31.03.2021	31.03.2020	YoY	31.03.2021	31.03.2020	YoY
Revenue from Operations	604.50	472.36	27.97	1403.32	1414.49	(0.79)
Other Income	0.35	2.43	(85.60)	7.27	33.55	(78.33)
COGS	540.23	381.74	(41.52)	1163.64	1218.56	(4.51)
Expenses	95.48	43.27	120.66	161.07	162.94	(1.15)
EBITDA	12.41	49.78	-75.07	85.88	66.55	29.05
EBITDA Margin	2.05	10.48	-80.42	6.09	4.60	32.47
Depreciation	23.93	2.21	982.81	30.42	8.66	251.27
EBIT	-11.52	47.57	(124.22)	55.46	57.89	(4.20)
Taxes	8.72	15.03	-41.98	11.17	15.08	-25.93
PAT	(20.24)	32.54	(162.20)	44.29	42.81	3.46
PAT Margin	(3.35)	6.85	-148.85	3.14	2.96	6.20



Q4 Highlights Standalone Financials

(Amt in Lakhs)

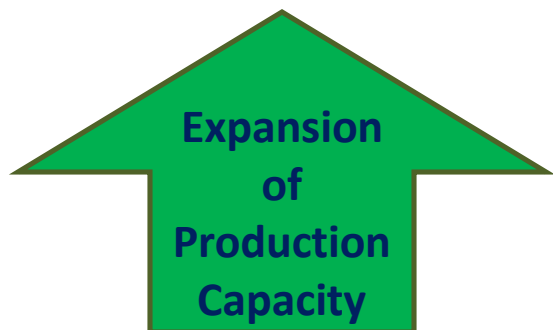
	4 th Quarter (2020-21)	4 th Quarter (2019-20)	YoY %	Year to date (2020-21)	Year to date (2019-20)	YoY %
Turnover	310.68	178.83	73.73	620.68	440.84	40.79
EBITDA	16.50	14.45	14.19	28.16	25.22	11.66
PAT	12.92	8.21	57.37	18.88	16.76	12.65
EPS	0.12	0.07	71.43	0.18	0.16	12.50

Q4 Key Highlights

- Consolidated Revenues in Q4 FY21 **increased by 27.97% to Rs. 604.50 Lakhs**. EBITDA shrink by 75.07% to Rs. 12.41.
- Standalone PAT **increased by 57.37% to Rs. 12.92 Lakh**.
- Standalone EBITDA **grew to Rs. 16.50 Lakhs** .



Q4 Key Highlights



CHEMICAL INTERMEDIATES

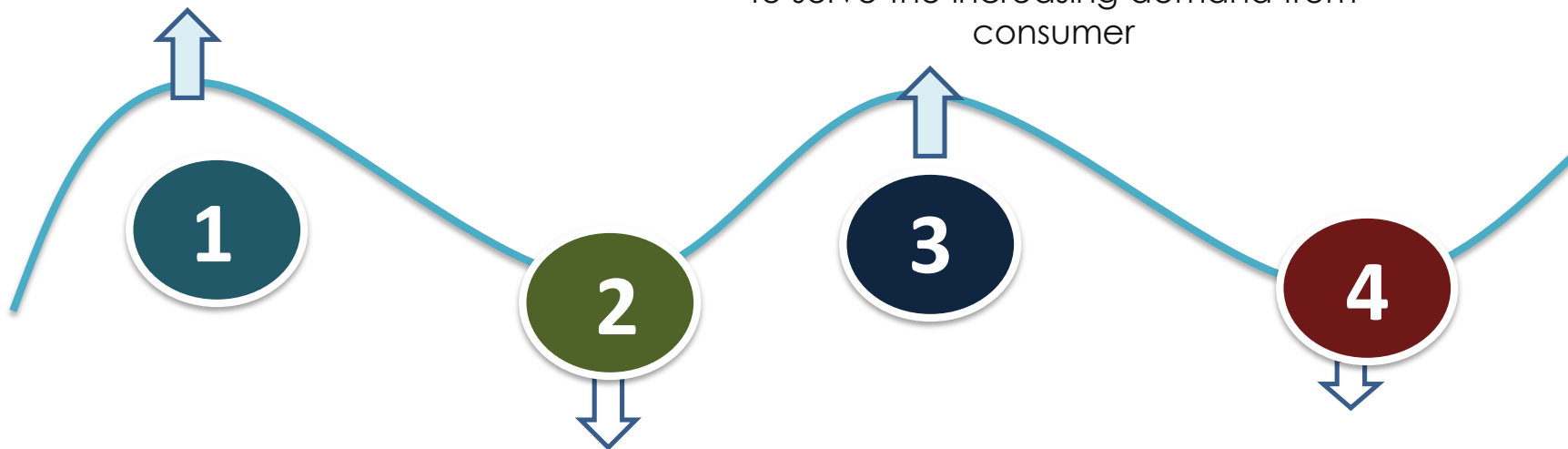
- Chemical intermediates are a part of petrochemicals, which are then processed further in order to derive chemicals of various kinds
- Intermediates are also referred to those molecules that are generated when a chemical substance is converted into a final product.
- These chemicals are used in various 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.

Increased custom duties leading to greater domestic production and lesser import.

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.



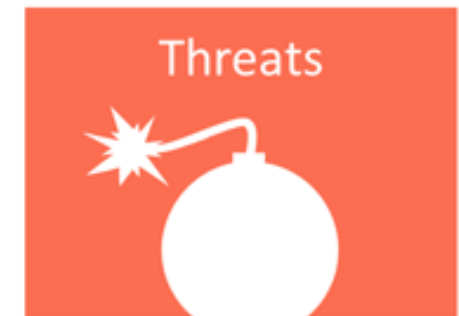
OPPORRTUNITIES & THREATS

- **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

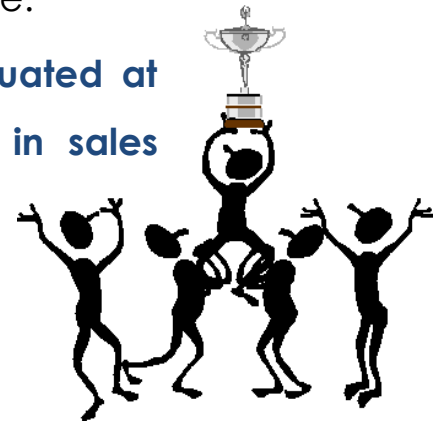


Export across the globe such as in US, Mexico, Columbia, Latin America, Turkey & South Africa.

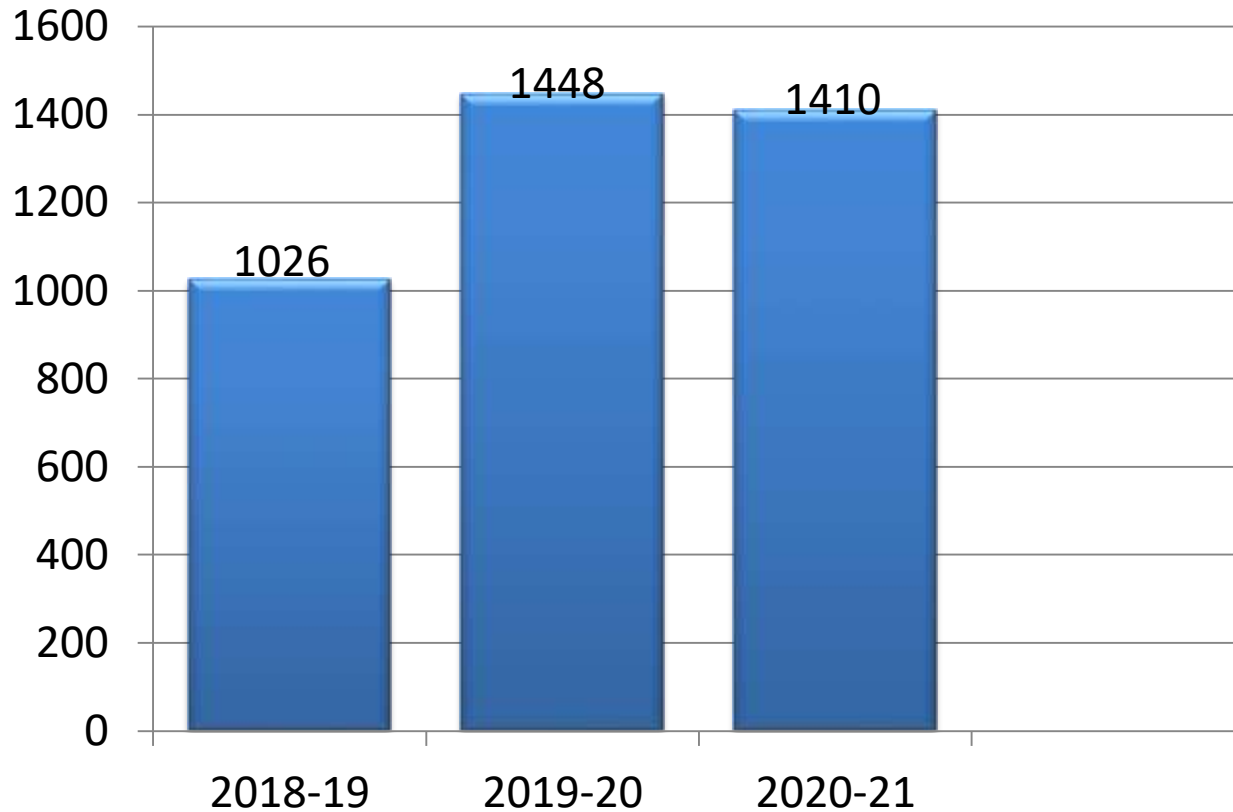


ONGOING PROJECT

- The Project is situated at Dahej, which is a state government promoted industrial area under the PCPIR scheme.
- 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 locational benefit 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
- Adequate affluent disposal system in Dahej will benefit the plant.
- Technical know how to undertake the operations at the plant of such size.
- **Additional capacity of 1800 MTPA has been installed at the plant situated at Dahej in the Month of June-2021, which will contribute increment in sales revenue subject to setting up the production system and quantity.**

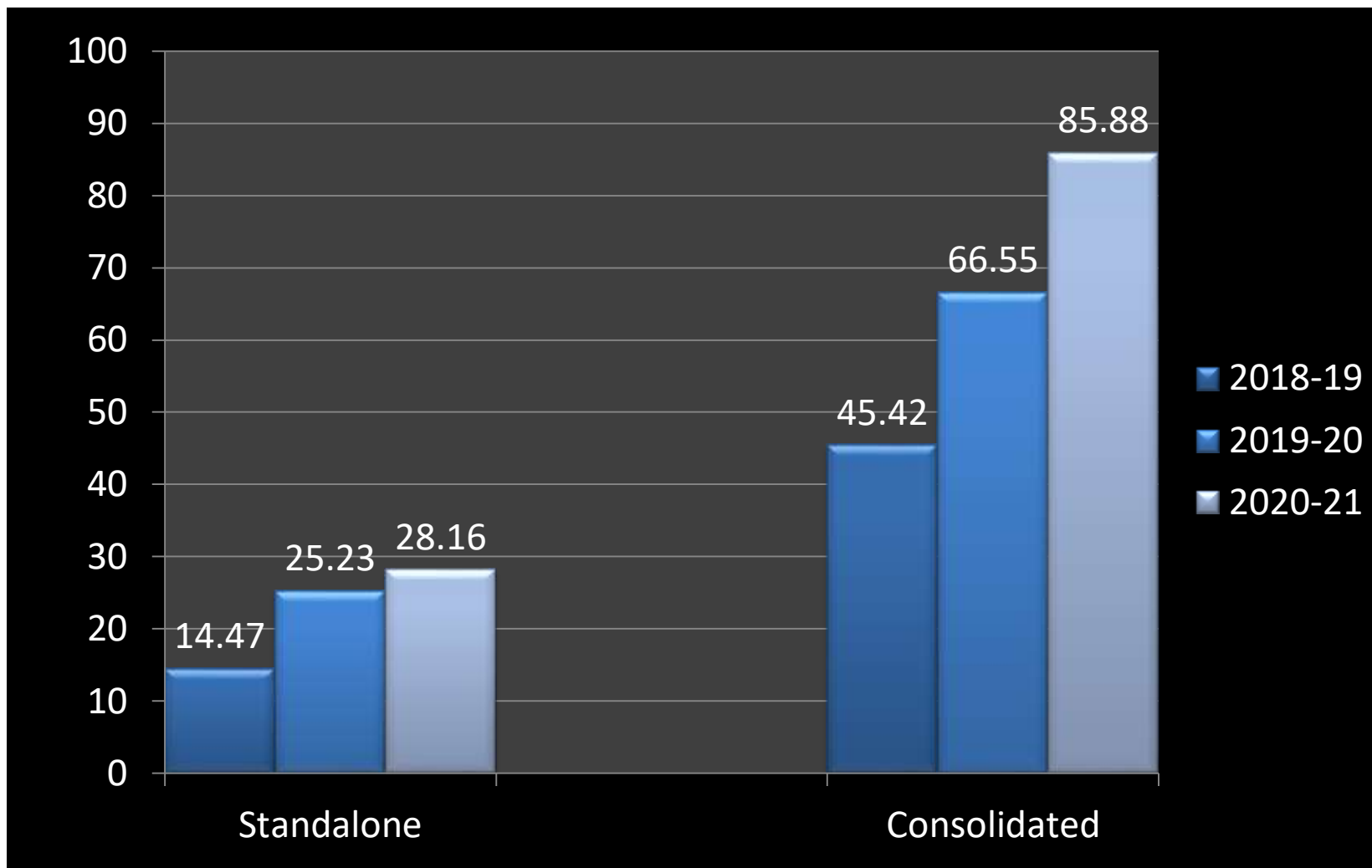


Total Revenue (in Lakhs) – Last 3 Financial Years (Consolidated)

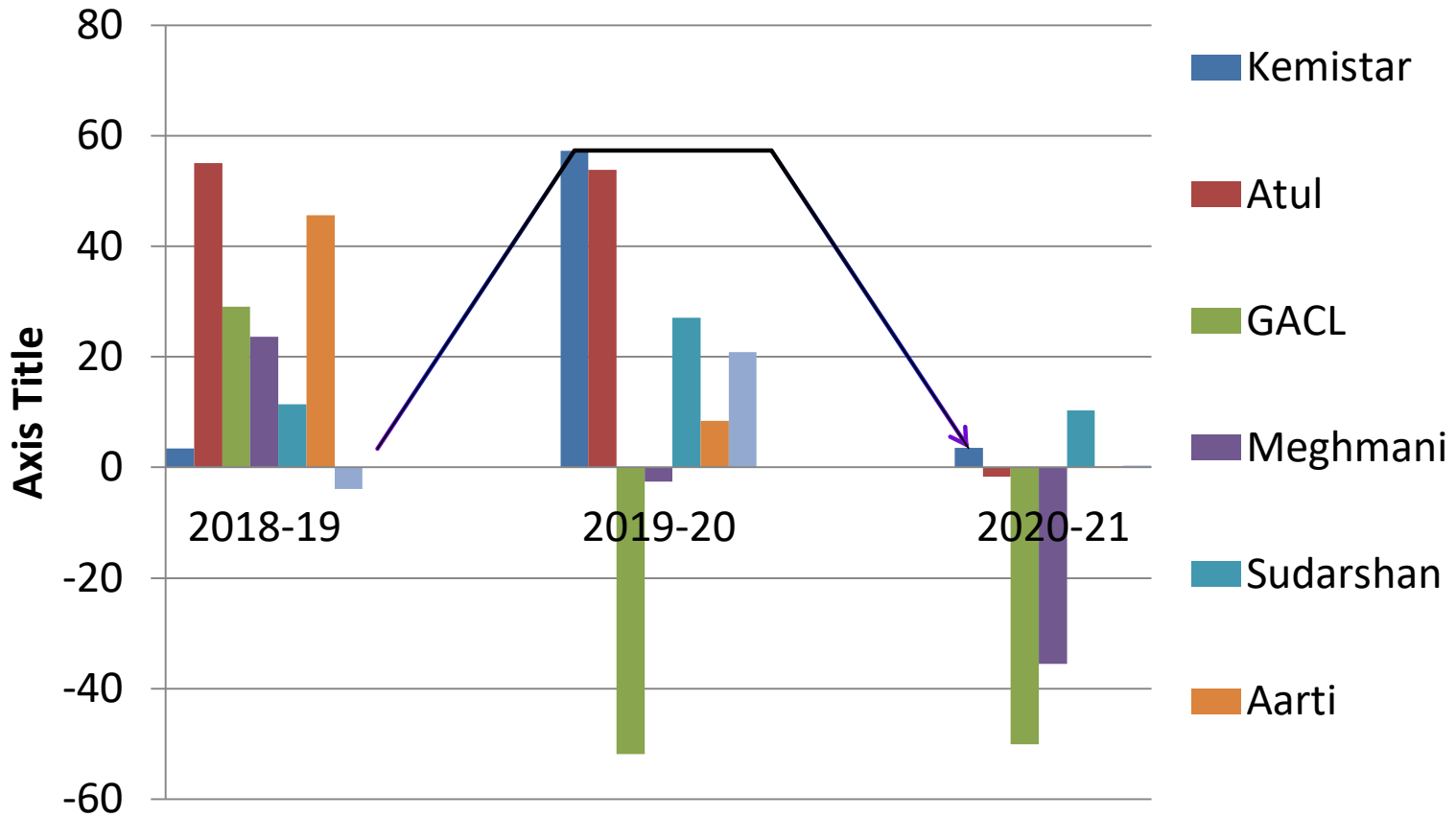




PROFIT BEFORE TAX & DEPRECIATION (In Lakhs)



Profit After Tax- Growth Rate





Outlook

- ❖ The Company is hopeful to surpass the current profitability.
- ❖ The plant in Dahej has started its production, which will result into generation of revenue in increasing trend. The initial cost of operation will also rise proportionately.
- ❖ Continue to focus on increasing domestic presence and capture market share
- ❖ **Company is focusing on key uncertainties, and then build out scenarios that can be used for business planning around these uncertainties after second wave of COVID-19.**

Thank You



Kemistar Corporation Limited