

The

sukhjit

STARCH & CHEMICALS LIMITED



ISO 9001 : 2008
Certificate No. Q-01160722
www.sukhjitgroup.com

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No: SSC/VPF/BSE/ 2018-19/ 647

Dt.15.02.2019

Department of Corporate Services,
Bombay Stock Exchange-Mumbai,
25th Floor, P.J. Towers,
Dalal Street, Fort.,
MUMBAI- 400 001.

Kind Attn: Mr. Shyam Bhagirath

Dear Sir,

Please find attached the Feb, 2019 Investor Presentation of the company, to be placed on your website.

Thanking You,

Yours Faithfully,

For THE SUKHJIT STARCH & CHEMICALS LTD


AMAN SETIA
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARY





Evolving with Nature



Sukhjot Starch
Feb 2019
Presentaion

SAFE HARBOR

Some of the statements in this document that are not historical facts are forward-looking statements. These statements entail risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our product, market situation for our key inputs, market conditions that could cause our customers to reduce their spending for our products, our ability to create, acquire and build new businesses and to grow our existing businesses and other risks not specifically mentioned herein but those that are common to industry. The Company does not undertake to update these statements publicly to reflect changed eventualities.



1. Time Line
2. Product and business overview
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4. Industry Dynamics
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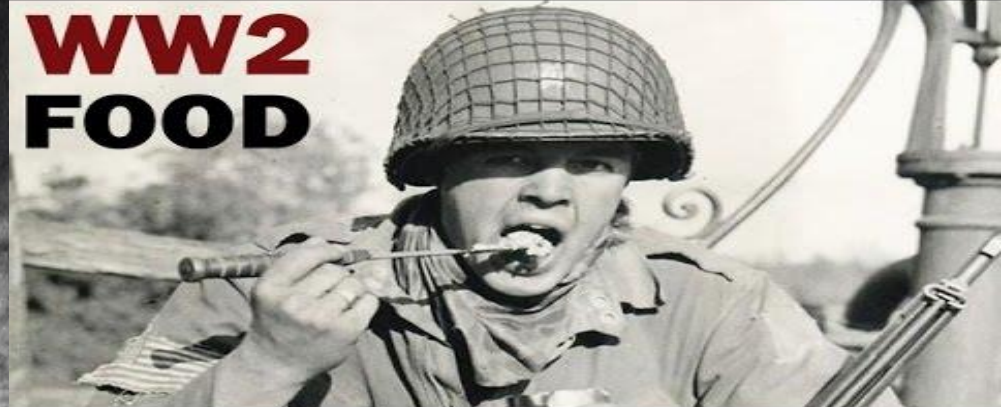
1943



Sukhjit established its first facility with a capacity of 1800 TPA at Phagwara (Punjab)



WW2
FOOD





1944



SUKHJIT was converted
into a Public Limited
Company



1968

SUKHJIT

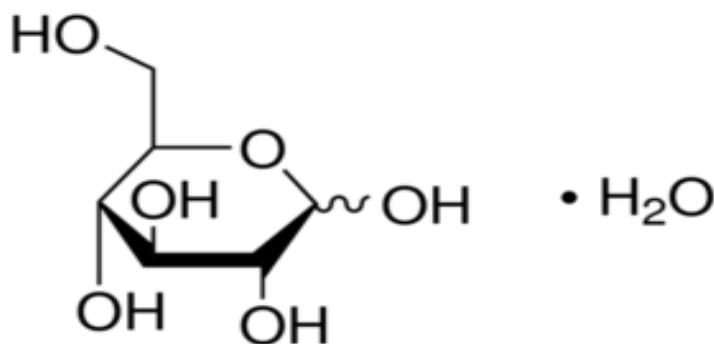
Commissions **Liquid Glucose
Plant** at Phagwara with 100%
indigenous technology



1975



SUKHJIT **expands**
Crushing at
Phagwara to
36000 TPA.

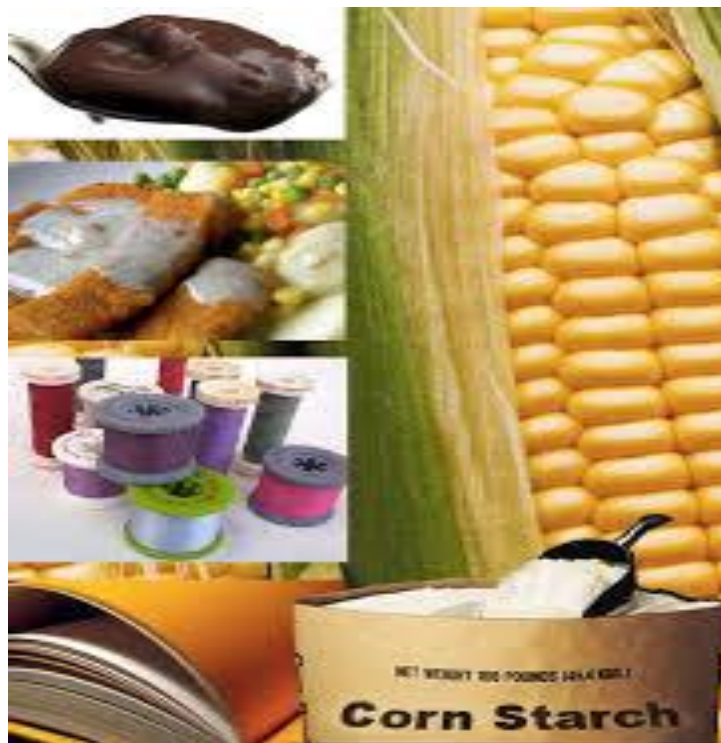
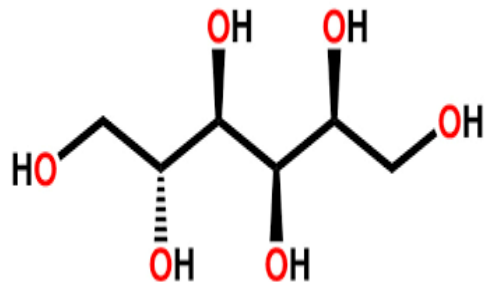


In 1982, SUKHJIT
commissions **Mono-
Hydrate Dextrose** Plant
at Phagwara with 100%
Indigenous Technology

1985



SUKHJIT venture out
of Punjab and
commissions the
second greenfield
facility at Nizambad
(A.P.), now Telengana



1996

1992 SUKHJIT
commissions Sorbitol
70% Sol. at Phagwara
with 100% Indigenous
Technology

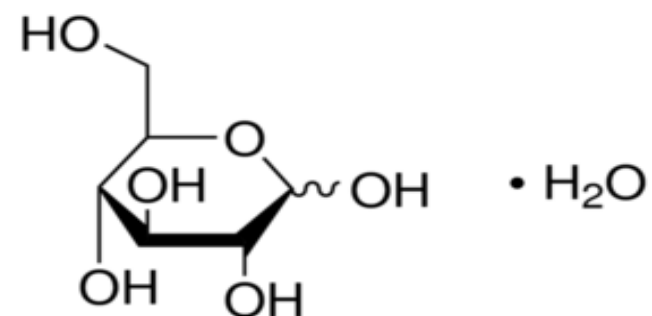
SUKHJIT Commissions
Anhydrous Dextrose plant
at Phagwara with 100%
Indigenous Technology



2003 SUKHJIT
commissions the Third
greenfield facility at Malda
(West Bengal)



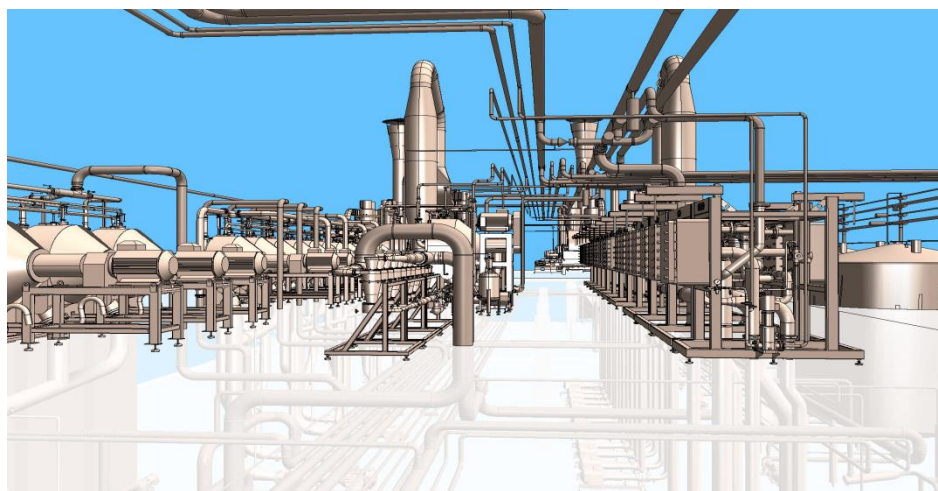
2008 Commissioning
of HP Plant for value added
products with latest
technology



2009
Capacity of Nizamabad unit
trebled from 150 TPD to 450 TPD



2015 SUKHJIT was awarded **Mega food park** by The Ministry of Food Processing Industries, Govt. of India.



2018 Setting up of New Unit with 600TPD maize grind capacity as an Anchor Unit of the Mega Food Park in Punjab



Completion of 600 TPD Maize Processing Facility (Anchor Unit in the Mega Food Park) in Punjab in October 2019.

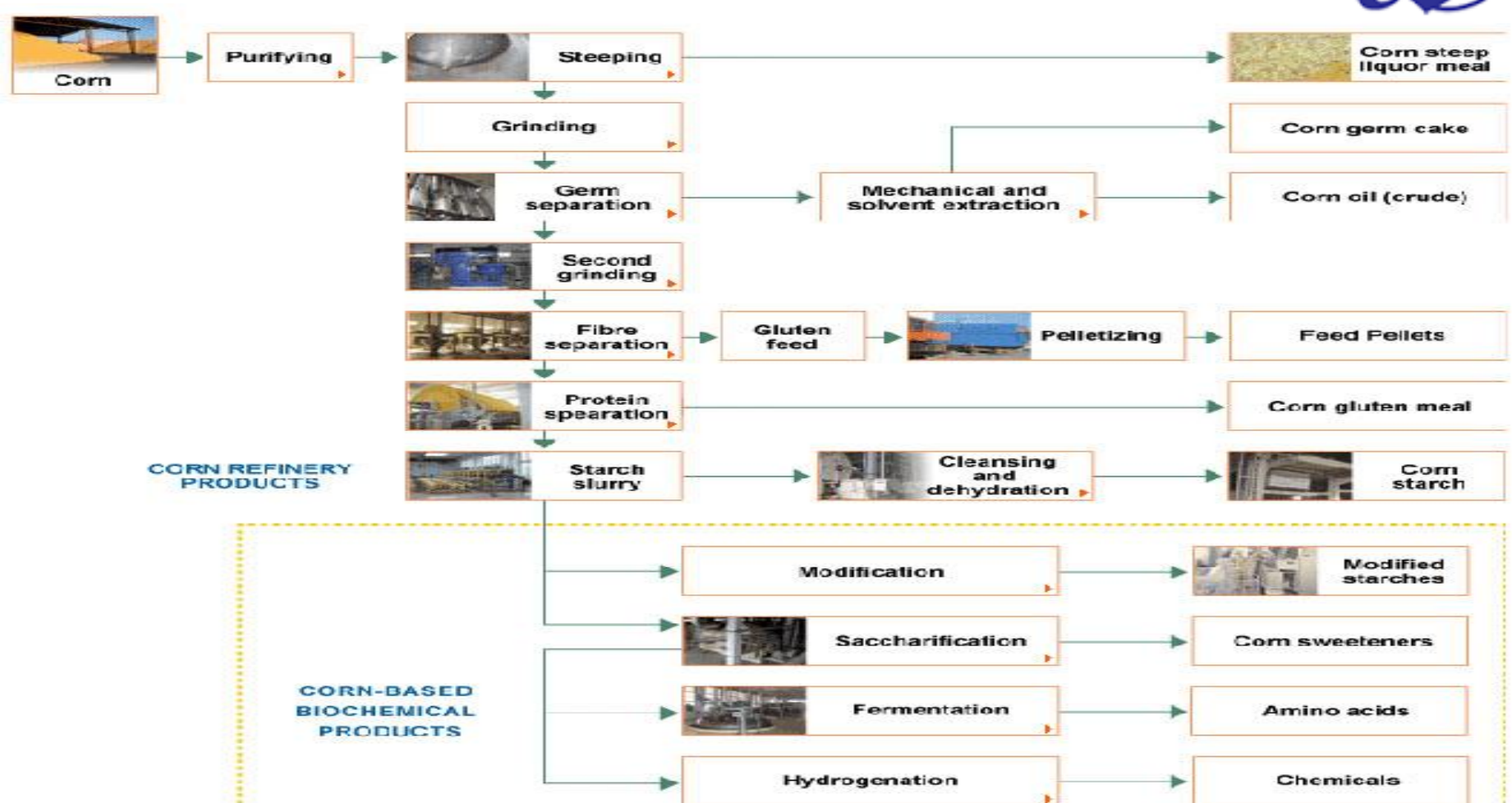
Boost top line / bottom line by Anchor Unit by November / December 2019

Will help to change the maize scenario in Punjab, HP and Haryana

Completion of Mega Food park expected in November 2019

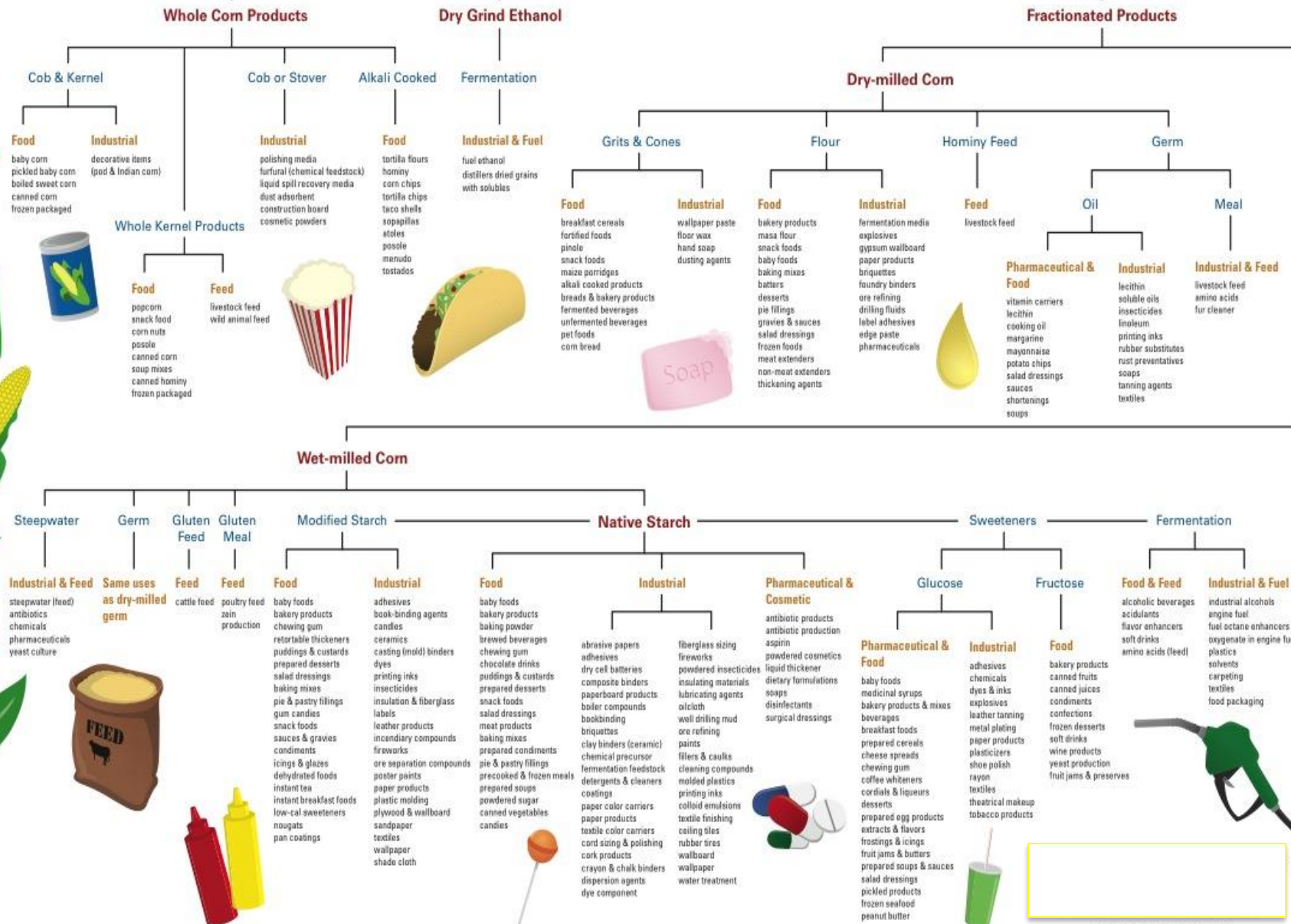


MANUFACTURING PROCESS



Maize (/meɪz/ MAYZ; *Zea mays* subsp. *mays*, from Spanish: *maíz* after Taíno *mahiz*), also known as **corn**, is a cereal grain first domesticated by indigenous peoples in southern Mexico¹ about 10,000 years ago. The leafy stalk of the plant produces separate pollen and ovuliferous inflorescences or ears, which are fruits, yielding kernels or seeds.

Corn



MYTH & TRUTHS ABOUT SUKHJIT



Myth	TRUTH
we are in a commodity business	we are in value added business although our raw material is about 62% of total cost
we are a family run business/company	we are a company headed by family owned professionals and a team of other professionals. We are an equal opportunity employer and our employees and workers are like management family for last 75 years and will continue this culture.
our growth depends on Monsoon	our growth in sales PARTIALLY depends on Monsoon and growth of the economy like other companies but our bottom-line depends on the strategic procurement of raw material during the season, creditworthiness in the market and the most importantly the strategic location of the Units near the maize growing areas
our EBITDA margins were below industry average	we just focus on quality which can only be matched by international players. Plus we do our business with 100% transparency and ethics. We believe that buyers trust is impossible without consistency in quality improvement, new innovative products and standard business practices based on ethics & integrity
we are a conservative Company from investor's point of view	we believe in equal opportunity for investors and doing regular conference calls for last 4 years. We believe in delivering rather than speaking about unachievable dreams.

GLOBAL OUTLOOK



- The Global industrial starch market, by volume, is projected to reach 113.9 MT by 2022, at a CAGR of 3.80% from 2016. In terms of value, the same market is projected to reach USD 106.64 Billion by 2022, at a CAGR of 6.64% from 2016. Growth in demand for convenience foods, and multiple functionalities of starch, starch derivatives & sweeteners in a diverse range of end-user industries are the factors driving this market. However, market is saturated in some advanced economies while Indian market for starch & its derivatives is yet to catch-up. So, the growth for such products will be much higher than the Global rate of growth in the coming decade.
- **Corn Starch Sales Defined by Strong Demand for Sweeteners in Food and Beverage (FMCG) Industry**
- Due to fewer raw materials & production costs, as well as less rigid environment regulations, Asia-Pacific is in a better position to produce starch at more competitive prices than developed countries of Europe and North America





GLOBAL OUTLOOK

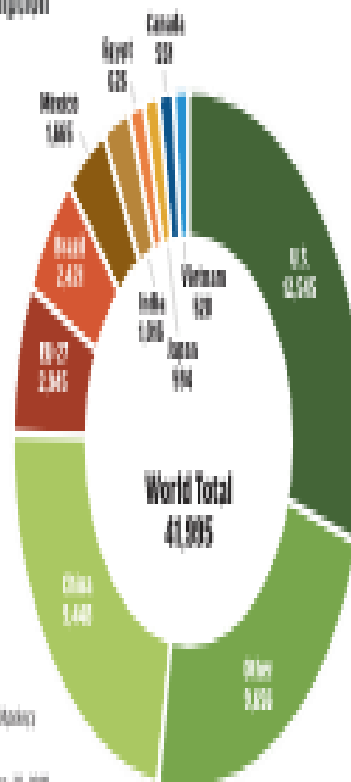
- Production in china is 9 times more than India, Brazil is 4 times and Argentina is close to 2 times bigger than India . Interestingly, Indian & China had the same per capita consumption of starch in 92-93 but the present per capita consumption of China is 6 times as that of India, showing huge potential for Indian Industry.

World Corn Production				
World		1,099,912,000	1,099,611,000	-301,000
Rank	Country	December	February	Difference
1	United States	371,517,000	366,287,000	-5,230,000
2	China	256,000,000	257,330,000	1,330,000
3	Brazil	94,500,000	94,500,000	0
4	European Union	60,400,000	60,720,000	320,000
5	Argentina	42,500,000	46,000,000	3,500,000
6	Ukraine	35,000,000	35,500,000	500,000
7	India	26,000,000	26,000,000	0
8	Mexico	26,000,000	25,600,000	-400,000
9	Canada	13,900,000	13,900,000	0
10	Indonesia	11,900,000	11,900,000	0
11	South Africa	12,000,000	11,500,000	-500,000
12	Russia	11,250,000	11,250,000	0
13	Nigeria	11,000,000	11,000,000	0
14	Philippines	8,200,000	8,200,000	0
15	Ethiopia	7,100,000	7,100,000	0
16	Serbia	7,000,000	7,000,000	0

WASDE: World Ag Supply & Demand Estimates

World Corn Consumption
2017 - 2018

(in billion bushels)

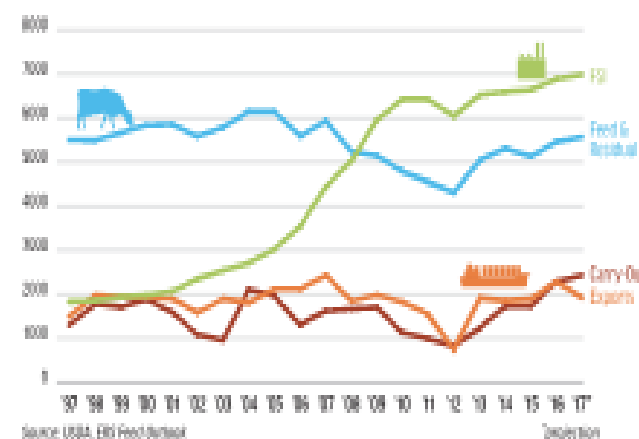


Source: USDA, Foreign Agricultural Service and Trade, Jan. 12, 2018

Working paper No. 1, 2017 - Sept. 10, 2018

Corn Processed by Segment
1997 - 2017

(in million bushels)





GOVERNMENT FOCUS TO BOOST PRODUCTION



Raising the processing of perishables in the country from the existing 6% to 20%



Processing Industries in India currently 32% & Govt. wants to promote it to 47% by 2025



Raising value addition of food processing from 20% to 35%



GREAT PUSH FROM GOVERNMENT FOR SUSTAINABILITY

The main objectives of Indian Food Processing Ministry and Agriculture Ministries are :

Enhance farmer's income by better utilization and value addition of agricultural produce
Minimize wastage at all stages in the food processing chain by the development of infrastructure for storage, transportation and processing of agro-food produce

Introduction of modern technology into the food processing industries from both domestic and external sources

Encourage R&D in food processing for product / process development, improved packaging and increase exports

To boost liquidity in the farming sector, particularly among small and marginal farmers

RBI increasing the limit on collateral-free agriculture loans to Rs 1.6 lakh from Rs 1 lakh

Government expected to waive premium for taking insurance policy for food crops

Proposal for waiving interest on crop loans for farmers who pay on time



BUSINESS OVERVIEW



- First entry mover advantages: One of oldest producer of Starch in India and third largest in India as per production
- Long lasting relationship with biggest brands and end users
- Consistent expansion results in huge jump in capacity from 1800 TPA (5 TPD) in 1943 to over 1100 TPD in 2018
- Diversification across customers and product-mix / end-markets
- Strong management team with proven trade record
- Uninterrupted Dividend Payouts at handsome rates for last over 4 decades.





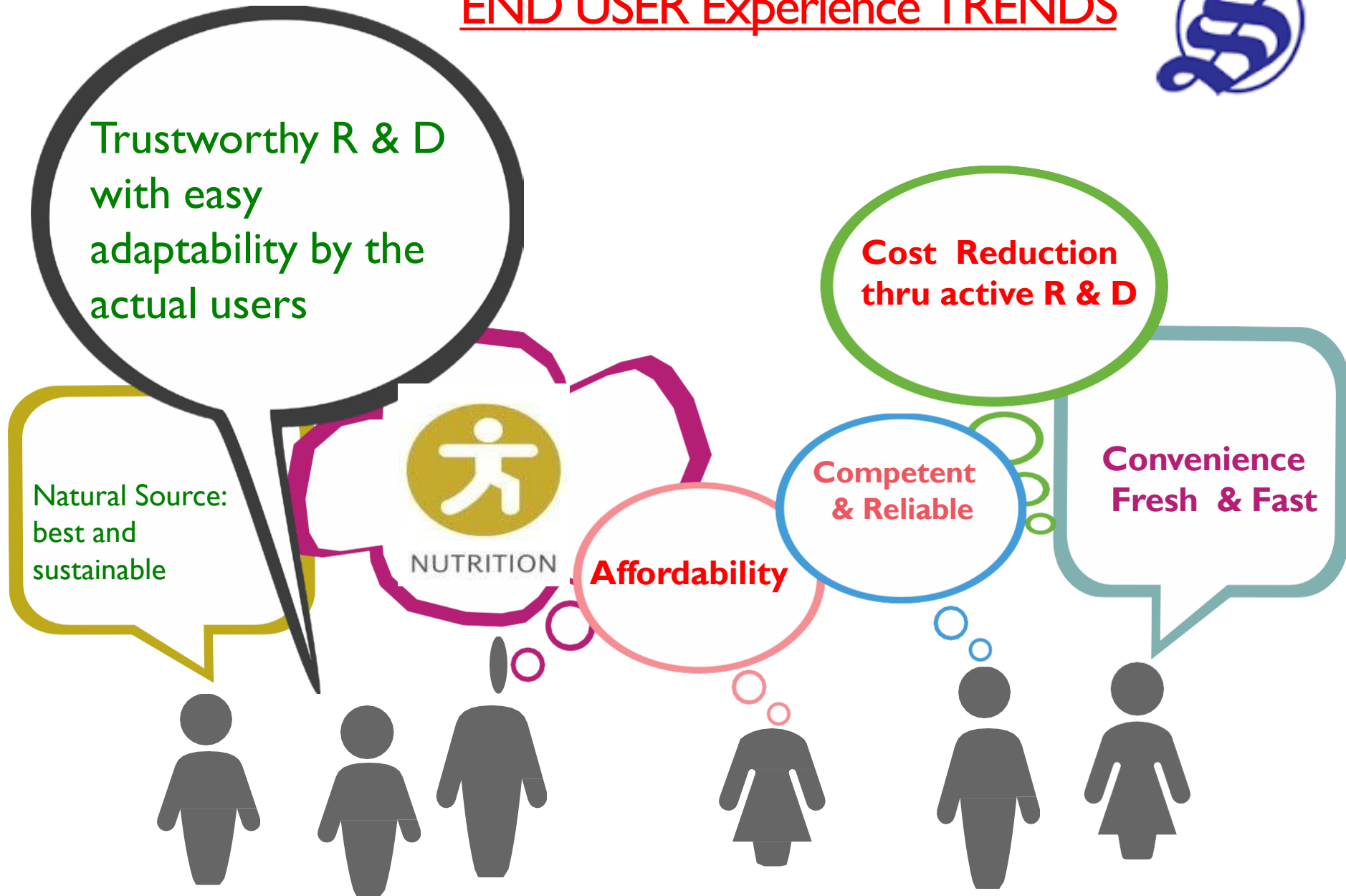
OPERATIONAL EXCELLANCE

- **Customer-focused** local supplier with extensive manufacturing network with business and technical teams to serve regional and local markets
- World-class **manufacturing and global supply chain** management
 - Process technology and engineering excellence
- Culture of **continuous improvement**
- **Safety** leadership: World class well managed plant
 - Commitment to **quality**
- Continued focus on **sustainability**

*A culture of
continuous improvement*



END USER Experience TRENDS





CURRENT FINANCIAL STRENGTH

- **Free cash generation for future growth and R & D**
- **Strong balance sheet provides flexibility**
- **Low Debt equity ratio and Sales to market-cap ratio**
- **Balanced regional exposure to developed and emerging markets**
- **Improved mix drives higher returns on invested capital**
- **Better Credit rating**
- **Strategic Location of the Units from raw-material / customer perspective**





SUKHIIT FOCUS & STRATEGY

- Customer-centric innovation to meet consumer needs
- Our goal is to continue to **drive growth in specialty ingredients**
Expanding our texture, sweetness, and nutritional offerings, adding new functionalities and broadening our portfolio beyond starch aligned to key consumer trends
- We continue to **drive strong cash generation**: with our balance sheet, gives us the flexibility to more aggressively pursue value enhancing activities
- Our success to date has resulted in **substantial shareholder value creation**





LONG TERM STRATEGY

OPERATING
EXCELLENCE

Organic

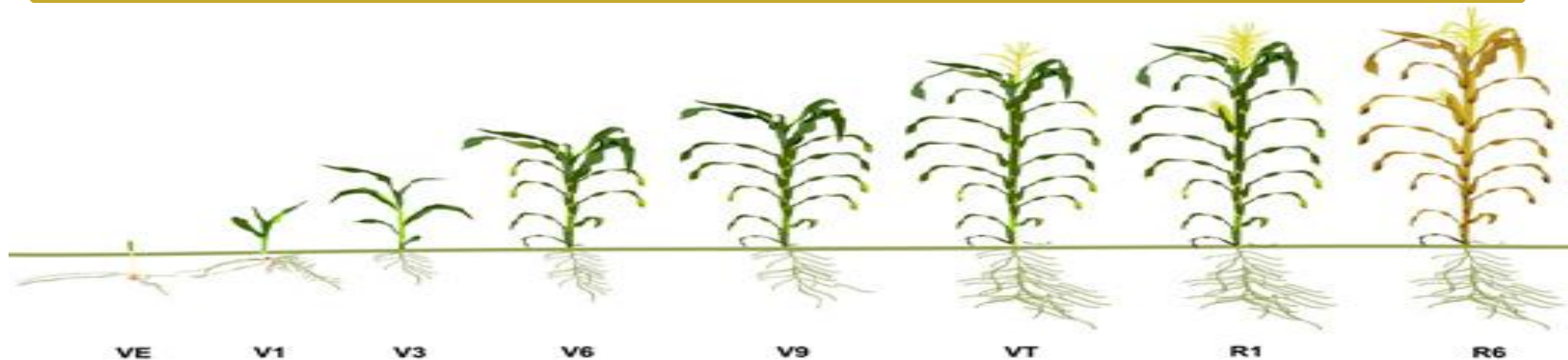
Broadening
Ingredient
Portfolio

Organic
Growth

Geographic
Scope

SHAREHOLDER VALUE CREATION

OPERATING EXCELLENCE



VE

V1

V3

V6

V9

VT






R1

R6



END USER GROWTH PROJECTIONS

5 year Annual Long Term Growth Projections

	Food	10% - 12%
	Beverage	5% - 9%
	Pharma	6% - 8%
	Paper & Corrugating	3% - 5%
	All Other	5% - 7%

Industry sales profile over time is shifting to higher-value food ingredients & Pharma Industry

DIFFERENTIATED VALUE PROPOSITIONS



- Aligned with growing market and consumer **trends**
- With **growth** potential in excess of underlying market growth
- Catalyzed by **innovation**, applications development, technical service and marketing support
- Differentiated with compelling **value** propositions driving value-based pricing





FUTURE FOCUS :

- **Broaden our portfolio : To increase the product range**
- **To adopt new technology and R & D for starch and starch derivative especially in food/nutrition, selected health and few industrial applications like paper and packaging.**
- **To increase total capacity of the Sukhjit to 2500 TPD by 2021: consistently improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy and specific direct greenhouse gas emissions while maximizing production volumes.**
- **To manage the debt equity ratio & improve / maintain credit ratings**
- **To remain the number 1 choice by our customer for BEST quality cost effective vendor available in South ASIA**
- **Educate/Literate farmers about the benefits of the Maize crop and its uses**
- **To continue the CSR initiatives for the society welfare**



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