Zuari Agro Chemicals Limited- Agri Business

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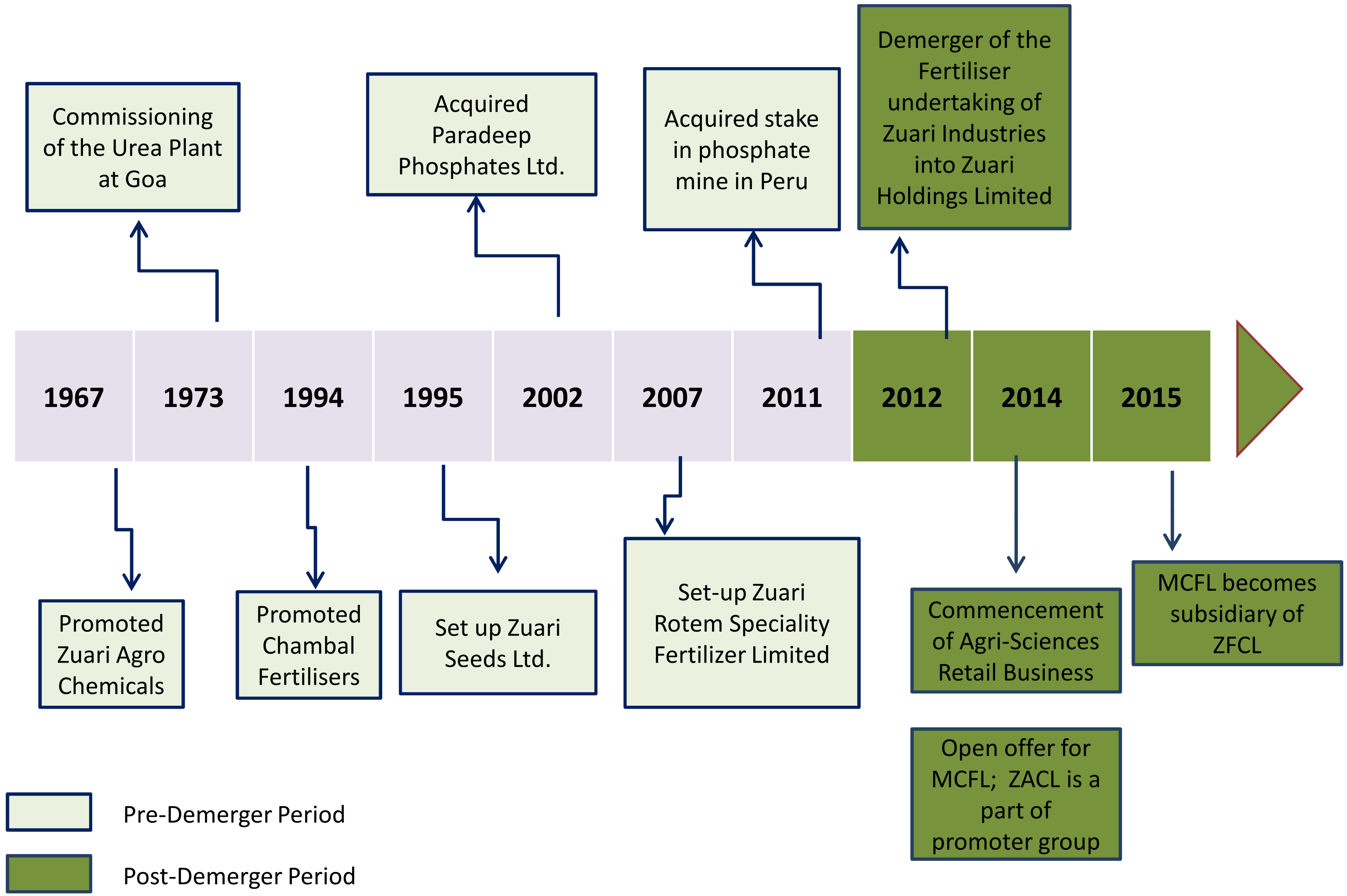
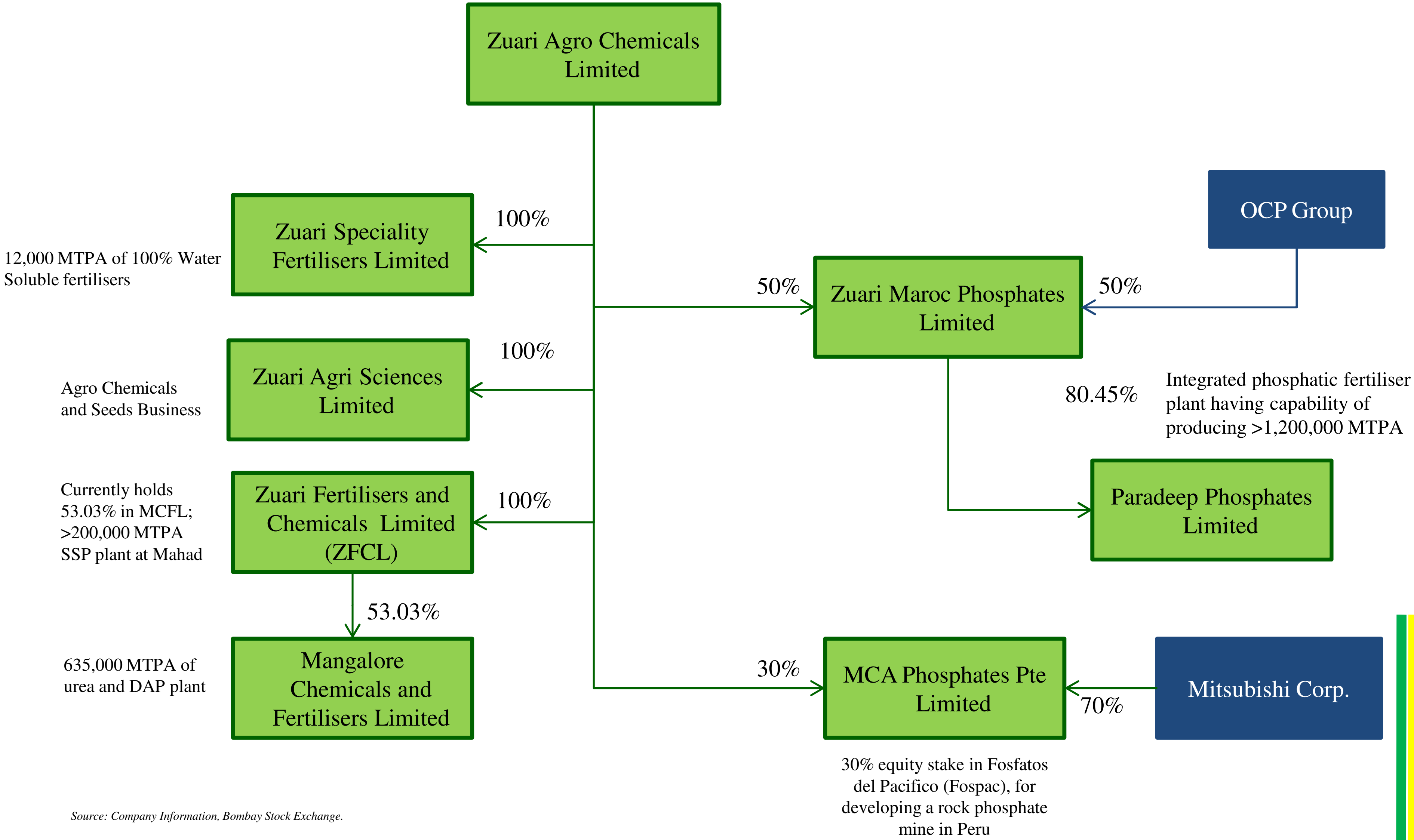
Evolution - Agri Business



Corporate Structure



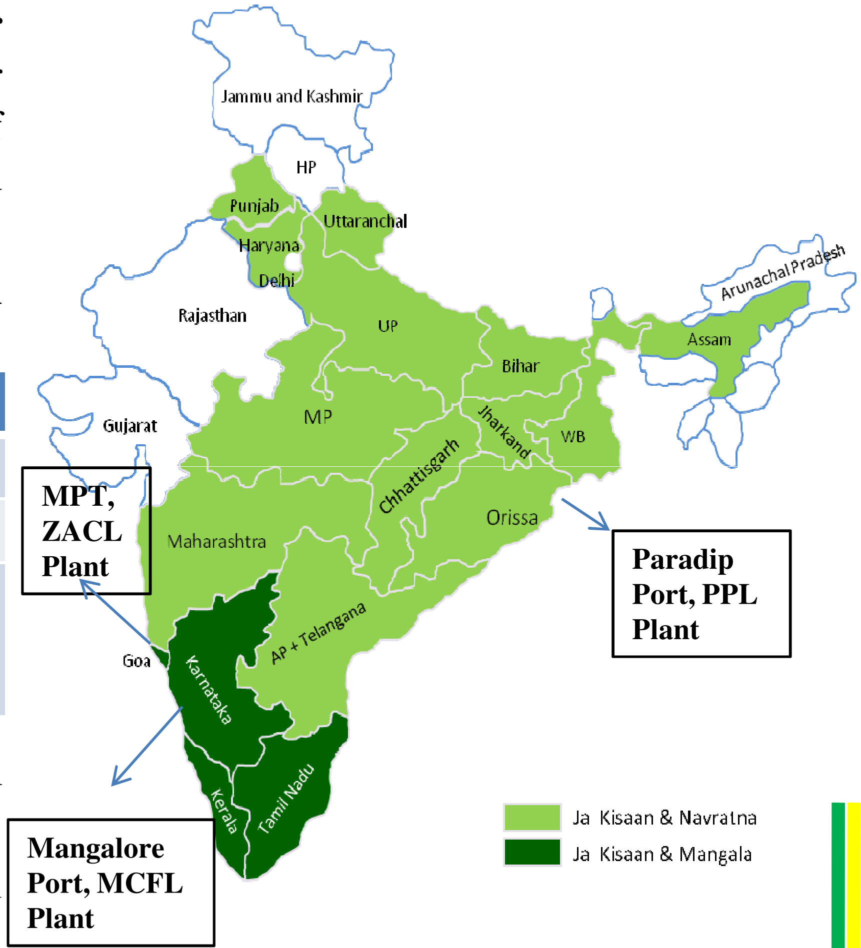
Source: Company Information, Bombay Stock Exchange.

Key Competitive Strengths

- **Adventz** Group led by **Mr. Saroj Kumar Poddar,** has been created by the coming together of some of India's leading companies of erstwhile **KK Birla Group**, with a combined turnover of around USD 3 billion.
- **Well Positioned reliable Raw Material sourcing:**

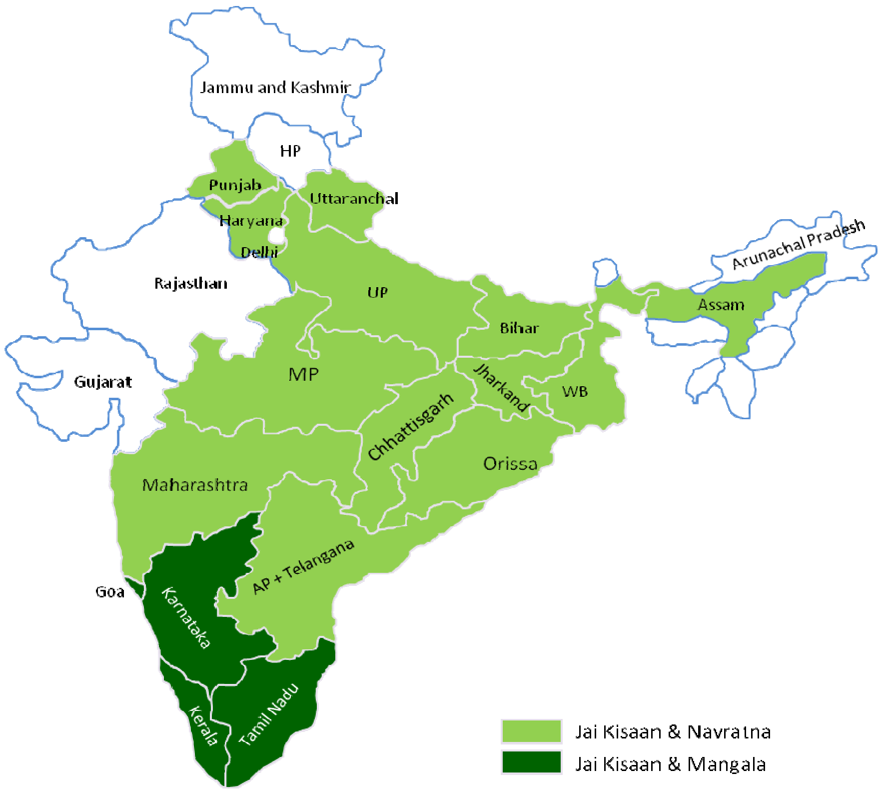
Material	Partner
Phosphoric Acid/ Rock	OCP, Morocco
Ammonia	Muntajat, Qatar
Muriate of Potash	APC(Jordan),Canpotex (Canada), BPC(Belarus), Uralkali (Russia)

- Group's focus mainly on Complexes not on Generics
- Geographically well positioned plants to cater all India fertiliser demand
- Strong Dealer networks of more than 10,000 dealers across India

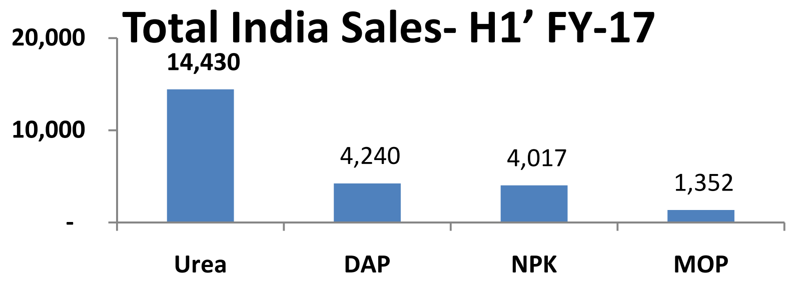


Marketing Reach

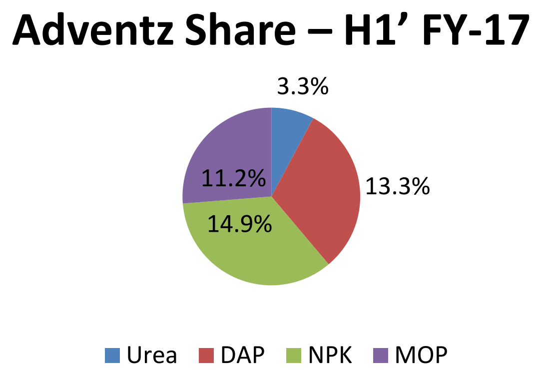
- Adventz Agri Business comprises three leading fertilizer companies – Zuari Agro Chemicals Ltd. (ZACL), Paradeep Phosphates Ltd. (PPL) and Mangalore Chemicals & Fertilizers Ltd. (MCFL)
- The group has a pan-India presence through the three marquee brands – **Jai Kisaan, Navratna** and **Mangala** and our marketing strategy is leveraging the **consumer connect of the three brands**



Fertiliser Sales (`000 MT)



Source: FAI, Ministry of Chemical and Fertilisers. .



Source: FAI, Ministry of Chemical and Fertilisers. .

Zuari Agro: Company Overview

Business Description

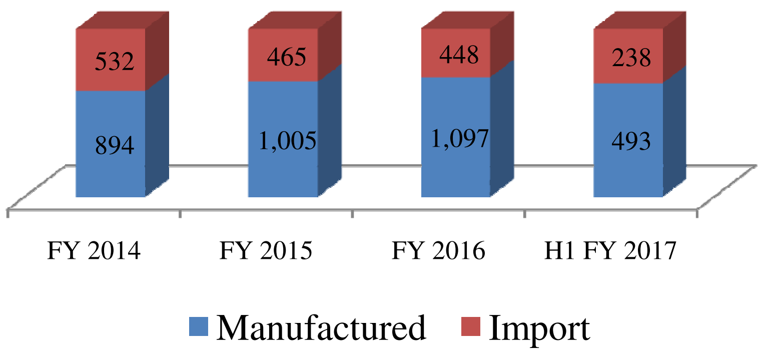
- Zuari Agro Chemicals Limited ("ZACL" or the "Company") is a part of the Adventz Group which has presence in businesses across four major verticals Agribusiness, Engineering and Infrastructure, Emerging Lifestyle and Services
- Key business area of the company include
  - Nutrients: Urea, DAP, MOP, Complex Fertilizers, SSP
  - Crop Protection: Insecticides, Fungicides and Herbicides
  - Seeds: Cotton, Maize, Paddy, Mustard
  - Speciality fertilisers: SOP and Water Soluble Fertilisers
  - Micro-nutrients: Zinc Sulphate, Sulphur, Boron
- ZACL has a network of over 6,000 dealers and sub-dealers nationwide with access to c.23mn farmers in India

Key Financials (Standalone)

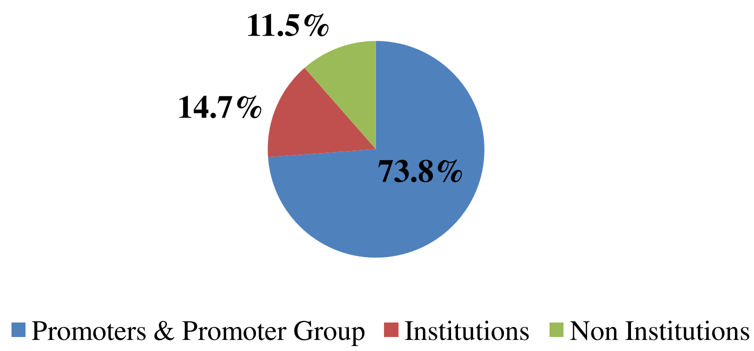
INR Mn

	FY-2014	FY-2015	FY-2016	Q1 FY 2017	Q2 FY 2017
Revenue	**52,199**	**55,563**	**53,852**	**10,134**	**10,840**
EBITDA (Before Exceptional)	3,839	2,714	2,988	484	719
margin (%)	*7.3%*	*4.9%*	*5.5%*	*4.8%*	*6.6%*
PAT	261	124	(159)	(406)	137
margin (%)	*0.5%*	*0.2%*	*(0.3%)*	*(4%)*	*1.3%*
Net Debt	***26,119***	***23,810***	***33,530***	***26,690***	***20,926***

Fertiliser Sales (`000 MT)



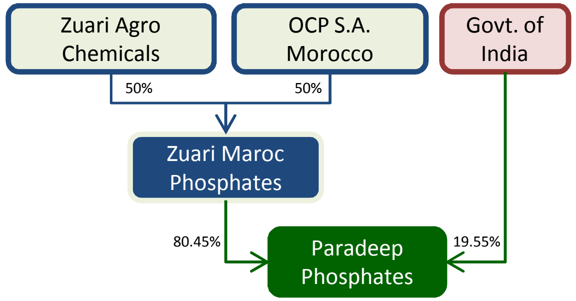
Shareholding Pattern (Sept-2016)



Paradeep Phosphates- Company Overview

PPL Overview

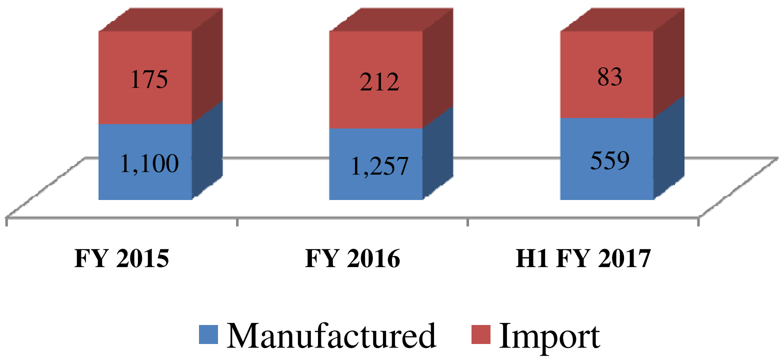
- Paradeep Phosphates Limited (PPL) was incorporated in 1981. It was acquired jointly by ZACL and OCP S.A. Morocco in 2002 pursuant to divestment by Govt. of India
- PPL manufactures and markets complex fertilizers such as DAP, various grades of NPK, MOP and Zypmite and markets products under the Navratna brand
- Sourcing of major raw materials such as phosphoric acid, ammonia, rock phosphates, sulphur and MOP is done from Morocco, Tunisia, Indonesia, Jordan, Saudi Arabia and CIS countries and unloaded at a captive berth in Paradeep
- PPL products are distributed across multiple states in India through private and institutional channels
- Preferential price on Rock,Phosphate,(OCP being partner)



Facility Overview

- DAP/NPK capacity of 12,00,000 MTPA; Phosphoric Acid plant with capacity of 4,00,000 MTPA; Sulphuric Acid plant with a capacity of 14,50,000 MTPA
- Intergarted Facility to produce fertilsers from Rock
- 3.4 kms long closed conveyor from port to the plant site and a railway siding
- Captive Berth: A private berth at Paradeep Port, equipped with 14m draft

Fertiliser Sales (`000 MT)



Key Financials

INR Mn

	FY-2014	FY-2015	FY-2016	Q1 FY 2017	Q2 FY 2017
Revenue	**42,893**	**42,128**	**48,388**	**7,041**	**10,853**
EBITDA (Before Exceptional)	895	2,045	2,618	155	1,021
margin (%)	*2.1%*	*4.9%*	*5.5%*	*2.2%*	*9.4%*
PAT	(1,259)	433	679	(761)	302
margin (%)	*(2.9%)*	*1.05*	*1.4%*	*(15.4%)*	*5.8%*
Net Debt	***21,729***	***18,519***	***27,173***	***26,403***	***24,687***

Mangalore Chemicals- Company Overview

Business Description

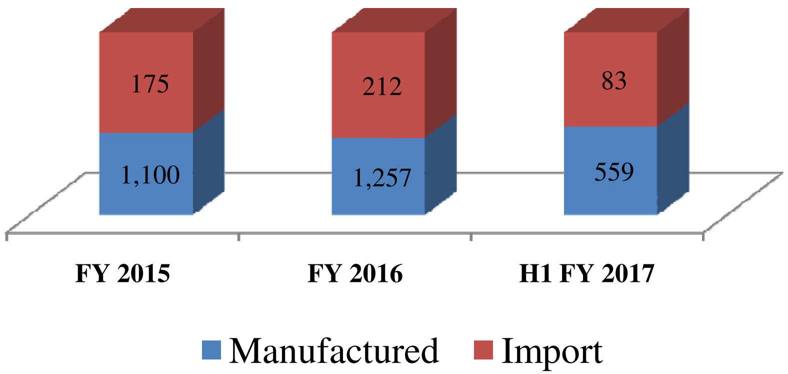
- Incorporated in 1971, Mangalore Chemicals and Fertilizers Limited ("MCFL") is engaged in the manufacture and sale of urea, di-ammonium phosphate and complex fertilisers, ammonium bi-carbonate, sulphonated naphthalene formaldehyde, plant nutrition products and plant protection chemicals
- Engaged in the sales of Crop Care, ABC, SNF
- Currently operating on Naptha. Facility converted for dual use of Naptha & Gas
- Excellent Port connectivity & infrastructure in place at Mangalore port.
- MCFL has one manufacturing facility located at Penambur, Mangalore in Karnataka

Key Financials

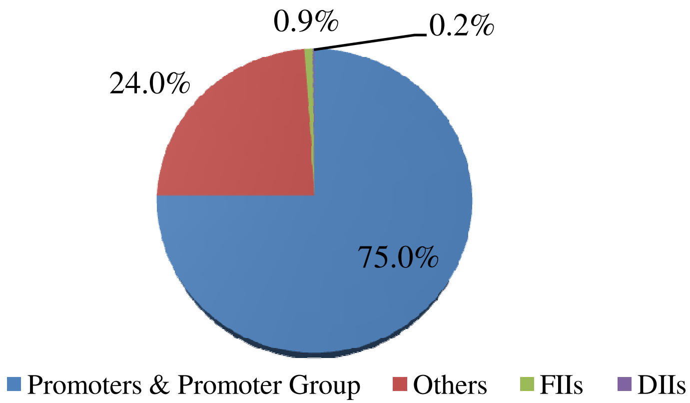
INR Mn

	FY-2014	FY-2015	FY-2016	Q1 FY 2017	Q2 FY 2017
Revenue	**33,148**	**25,903**	**30,065**	**5,594**	**8,485**
EBITDA (Before Exceptional)	2,247	1,706	1,068	372	613
margin (%)	*6.8%*	*6.6%*	*3.5%*	*6.6%*	*7.2%*
PAT	709	375	(2,401)	(84)	153
margin (%)	*2.1%*	*1.4%*	*(8.0%)*	*(1.5%)*	*1.8%*
Net Debt	***14,930***	***10,220***	***13,859***	***10,032***	***7,297***

Fertiliser Sales (`000 MT)



Shareholding Pattern (Sept-2016)



Jai Kissan Junction

Positioning

- Key value proposition: convenience, reliability and experience
- Assurance of right quality/ quantity
- High level of service and knowledge
- Enhanced buying experience due to better interiors and good ambience at the stores

Business Model

- Located at high potential area or Taluka palace
- Typical showroom space of 500-750 sq.ft.
- Audio-visual and internet supported aids
- A permanent employee and an out-sourced Jr. Agronomist in the store

- **Total no of Stores operational till date- 100**
- **H1 FY'17 Revenue achieved – 410 Million**

Concept

- Direct relationship with end user
- One stop solution to farm needs
- Parallel marketing network
- Platform for new product/ services launch
- Customer retention and product availability

Synergies

- Synergies with existing channel partners
- Extension of knowledge of scientific farming to the farmers which will help in strengthening the brand

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SSP Business

Business Description

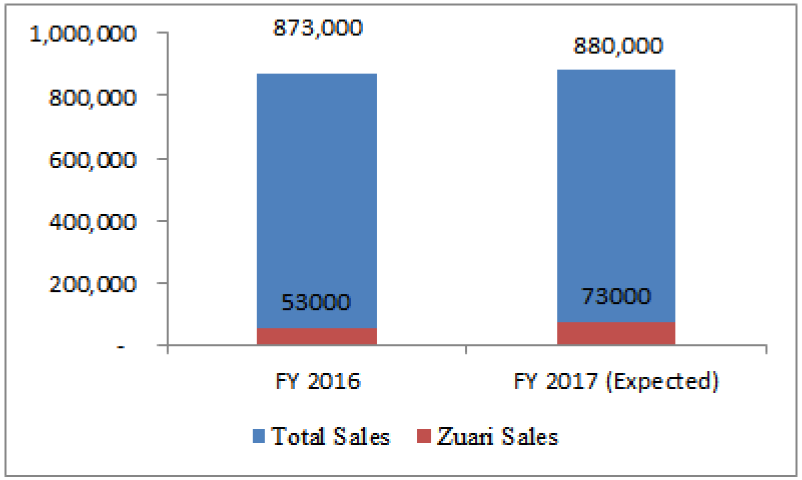
- Largest SSP Production Capacity in Maharashtra
- Regional Sales channel of ZACL & PPL
- Formidable reach and brand strength in the regions, it operates.
- Expanding market share in existing regions and strengthening in new regions
- Comprehensive CRM programs supplement distribution reach
- Grade suitable for Sugarcane, Onion, Banana, etc

Key Financials

INR in Mn

	FY-2016	Q1 FY 2017	Q2 FY 2017
Production Qty (MTs)	49,081	10,100	12,830
Sales Qty (MTs)	53,000	5,018	16,896
Total Revenue	**524.2**	**50.8**	**158.6**

Maharashtra Market Share-SSP



Source: FAI, Ministry of Chemical and Fertilisers. .

Seeds Business

Business Description

Seeds Business

- The Company has a current product offering of hybrids across its crop segments that include cotton, maize, paddy, pearl millet, tomato, Okra, hot pepper, mustard
- Significant collection of Germplasm lines
- Expected to launch new products in the next 2-3 years
- The Company has built a strong pan-India sales / distribution network with offices in 12 cities and tie-ups with 1,600+ distributors and 25,000 dealers / sub-dealers

Crop Care

- Zuari has a presence in all the geographies across India
- Tie ups with MNCs in India for marketing.
- Projected Sales Revenue for 2016-17 is Rs. 300 Cr

Key Financials

INR in Mn

	FY-2016	Q1 FY 2017	Q2 FY 2017
Revenue	**1,326.9**	**485.5**	**521.3**
EBITDA (Before Exceptional)	27.8	39.9	41.7
Finance Cost	35.7	11.7	12.1
PAT	(13.9)	26.7	28.1

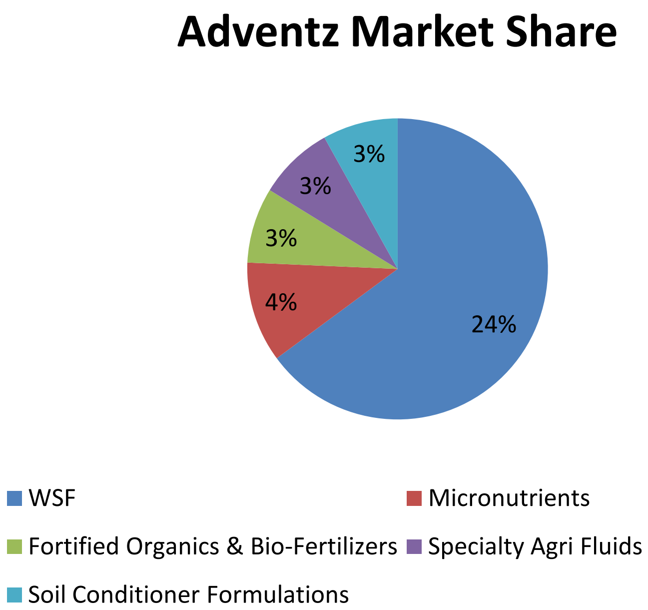
Hyderabad Facility

Andhra Pradesh Facility

Speciality Plant Nutrients Business

- **To drive the Speciality Fertilisers business, Adventz Group is pursuing integrated Management Nutrient concept.**
- **Specialty Fertilizers are broadly categorized as,**
  1) Water Soluble Fertilizers- **We are the Market Leader in WSF**
  2) Micronutrients
  3) Fortified Organic Manures & Biofertilizers
  4) Soil Amendment Formulations
  5) Specialty Agri Fluids

Category	Adventz Group (INR in Mio)		
	2014-15	2015-16	2016-17(H1)
Water Soluble Fertilizers	1,904.4	2,036.2	915.5
Micronutrients	505.9	468.8	201.0
Fortified Organics & Bio-Fertilizers	306.0	346.8	159.2
Speciality Agri Fluids	131.0	143.4	55.5
Soil Conditioner Formulations	396.2	361.1	157.8
Total	**3,243.5**	**3,356.3**	**1,489.0**



Water Soluble Plant, Baramati, Maharashtra

Subsidy Mechanism

- **New Urea Policy (NUP 2015)- Features of the Policy:**
  - Effective from Jun 1 2015 to Mar 31, 2019
  - Classification of urea units into 3 groups based on energy efficiency levels
  - Energy norms for 2018-19: Group-I = 5.5G Cal/MT, Group-II: 6.2 Gcal/MT Group-III: 6.5G Cal/MT **(ZACL & MCFL, Group-III)**
  - Gas Pooling helps Uniform price to all Urea manufacturers
  - Neem Coating compulsory

- **Nutrient Based Subsidy (NBS)- Features of the Policy:**
  - Effective from 1.4.2010, fixed rate of subsidy based on nutrients namely Nitrogen (N), Phosphate (P), Potash (K) and Sulphur (S)
  - Floating price to farmers, based on market condition

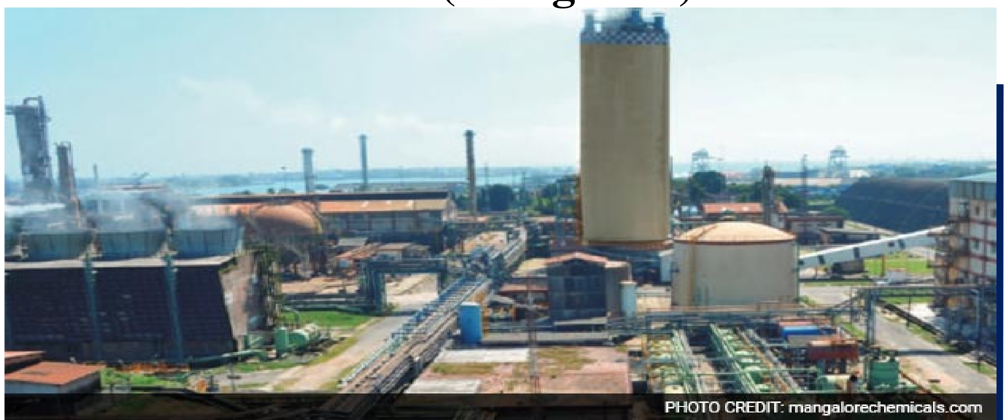
- DBT Pilot project in Krishna & Godavari, launched in Oct'16

Plant Facilities- Locations

Zuari Agro Chemicals Limited (Goa)

Paradeep Phosphates Limited (Paradeep)

MCFL (Mangalore)



Production Capacity

MTPA

Particulars	Urea	DAP/NPK	SNF	SSP	Water Solubles	Total
Zuari Agro Chemicals Ltd.	399,300	860,000				1,259,300
Paradeep Phosphates Ltd.		12,00,000				12,00,000
Mangalore Chemicals Fertilizers Ltd.	379,500	255,500	21,500			656,500
Zuari Fertilizers & Chemicals Ltd.				200,000		200,000
Zuari Speciality Fertilizers Ltd.					12,000	12,000
Total	**778,800**	**1,835,500**	**30,000**	**200,000**	**12,000**	**3,327,800**

CSR Activities

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6 states	5000 households	3000 children	1000 elderly	200 Youth
	20 Schools	14 oldage homes	2 Orphanages	

DIRECT OUTREACH (2015-16)

- Drinking Water
- Health & Sanitation
- Education
- Livelihood Skills &Training
- Oldage
- Response to Natural Disasters

JAI KISAAN

ZUARI GLOBAL

adventz FOUNDATION

Skills Development Initiative

ZUARI AGRO CHEMICALS LTD. adventz


[Training Session in Progress for Data Entry Operator]


[Training Session in Progress for Tailoring]

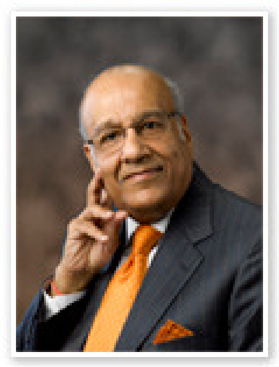

[Training Session in Progress for Domestic Electrician]

Trained -	**[92]**
Employed -	**[21]**
Self employed -	**[55]**

Aging: Helping to live with dignity

ZUARI GLOBAL adventz

Vision



Saroj Kumar Poddar
Chairman

Our Vision

To be a globally recognized conglomerate having strategic position in all its segments, achieving business excellence and creating value for stakeholders.

Our Values

- AGILITY
- CUSTOMER FIRST
- INTEGRITY
- SUSTAINABILITY

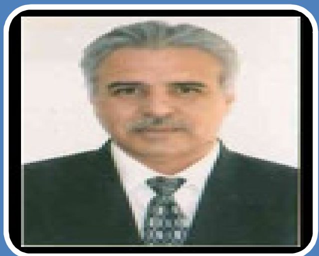
Adventz Agri Business
Key Management Personnel

Kapil Mehan, Managing Director
Zuari Agro Chemicals Ltd and Paradeep Phosphates Ltd

Mr. Mehan is a graduate in Veterinary Science and Animal Health from the Punjab Agricultural University, Ludhiana and holds a Postgraduate Diploma in Management (PGDM) with specialization in Agriculture from the Indian Institute of Management, Ahmedabad (1981). Armed with an extensive experience, he has held several prominent leadership positions and strategic roles in prestigious companies such as Rallis India, Tata Chemicals and Coromandel International.

Suresh Krishnan, Managing Director
Mangalore Chemicals & Fertilizers Ltd

Mr. Krishnan is an alumnus of BITS Pilani and has 25 years of corporate experience in fertiliser, energy and cement sectors. He has been associated with the Adventz Group for over two decades and has been widely acknowledged for his dynamic leadership, vision and commitment. His functional experience spans corporate finance, corporate strategy, projects planning, operations and business development.



P.K. Gandhi, Group President, Human Resources
Adventz Group

A graduate from the prestigious Shri Ram College of Commerce (SRCC), Mr. Gandhi post-graduated in Personnel Management from Xavier Institute of Social Service, Ranchi in 1977. A leading HR practitioner with a rich experience of over 35 years, he has worked for notable organizations such as Tata Steel, Bechtel and Punj Lloyd Ltd. before joining the Adventz Group in 2009.

Adventz Agri Business
Key Management Personnel (contd.)

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Naveen Kapoor
President - Agri Business

With over 35 years experience in Agri business, Mr. Kapoor has worked in companies like IPL, Chambal Fertilizers and other companies in the seeds business. Mr Kapoor's rich professional experience includes diverse functional responsibilities in finance, sales and marketing, supply chain and international trade.

Ranjit Singh Chugh
Chief Manufacturing Officer, Zuari Agro Chemicals Ltd

A rank- holding Chemical Engineering graduate and leading industry professional of considerable repute, Mr. Chugh brings to Zuari rich experience from over 33 years in Operations, Project construction & commissioning, maintenance and technology upgradation with leading industries both in India and abroad.

Nitin M Kantak , Vice President (Manufacturing)
Paradeep Phosphates Ltd

Mr. Kantak is a Chemical Engineer from the University Department of Chemical Technology (UDCT), Mumbai. He has more than 33 years of experience in Nitrogenous and Phosphatic fertilizer industry in Plant Operations, Project Management & Commissioning and Technical Services.

K Prabhakar Rao , Director–Works
Mangalore Chemicals & Fertilizers Ltd

Mr. K. Prabhakar Rao, B.E (Chemical Engineering) from NIT, Karnataka , has been working with MCF since 1978 and has handled various responsibilities in the Company. As Director - Works, he is presently responsible for production, maintenance, quality control, technical services, projects, safety and logistics at the Company's plant in Mangalore.

Adventz Agri Business
Key Management Personnel

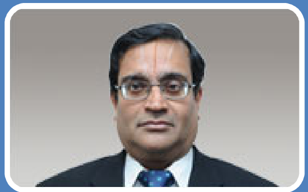
V. K. Sinha,

Joint President - Strategy, Excellence & Sustainability, Agri Business

Mr. V.K. Sinha brings over 26 years of rich experience in various functional areas such as, Projects, Operations, Business Development and Strategic Planning. A B.Tech in Chemical Engineering from the renowned IIT, Kanpur, Mr. Sinha joined Zuari as a Management trainee in 1986.

Sandeep Agrawal
Group Chief Financial Officer- Agri Business

Mr. Sandeep Agrawal is a qualified Chartered Accountant, Cost Accountant and Company Secretary with a rich corporate career spanning over 21 years in various capacities across finance and allied functions. Before joining Adventz, he worked with the Vedanta Group for 15 years in its various group companies such as India Foils, Sterlite Gold, Sterlite Energy, Vedanta Aluminium and lastly with Bharat Aluminium Company (BALCO).



V. Seshadri
Vice President, Strategic Finance

Mr. V Seshadri is an alumnus of the famed Shri Ram College of Commerce, University of Delhi. He is a qualified Chartered Accountant, Cost Accountant and Company Secretary. With considerable experience in project finance, mergers and acquisitions and legal and corporate finance, Mr. Seshadri honed his skills at the J.K. Singhania Group, RPG, Max India, Chambal Fertilisers and DCM Shriram before joining Zuari, in October 2010.

R Y Patil
Vice President & Company Secretary

Mr. R.Y. Patil joined Zuari Agro Chemicals Limited, in 1990. He is a Fellow Member of the Institute of Company Secretaries of India and has over 35 years of experience in the Secretarial and Legal fields. Prior to joining Zuari, Mr. Patil worked in the Secretarial Department of Chowgule & Co, at Goa for over nine years

Thank You

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