



SHREE GANESH **REMEDIES** LIMITED
excelling in chemistry



BSE CODE:
540737

BLOOMBERG:
SGRL:IN

YAHOO FINANCE:
SGRL.BO



**Manufacturing API Intermediates & Speciality-
Chemicals**
**Core Competencies in Pharmaceutical
Intermediates & Fine Chemicals**

From Toll Manufacturing to Custom Chemistry Collaborations we are one of the fastest growing CMO & CDMO based in India for Pharmaceutical Intermediates & Fine Chemicals.

INVESTORS PRESENTATION 20-21

www.ganeshremedies.com

Disclaimer

This presentation contains statements that constitute “forward looking statements” including and without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, such statements reflect various assumptions concerning future developments and a number of risks, uncertainties and other important factors that could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, regulatory and legislative developments which could adversely affect our business and financial performance.

Also, for products that are approved, there are manufacturing and marketing risks and uncertainties, which include, but are not limited, to inability to build production capacity to meet demand, unavailability of raw materials and failure to gain market acceptance. Bifurcation of products by geography and application is only for representational purposes. However all the products classify under a single segment viz. Bulk Drug Intermediates

SGRL undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances

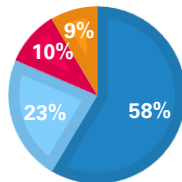
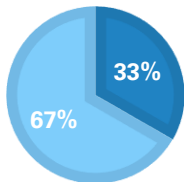
Company Overview

Overview

- A leading supplier of Pharmaceutical Intermediates & Fine Chemicals with Chlorination and Hydrogenation as our core expertise
- Set-up as a small unit in 1991 in Ankleshwar by a first generation entrepreneur
- Wide-spread operations spanning API intermediates, Fine-Chemicals and Specialty Chemicals.
- Strong R&D capabilities for developing customized products and to support contract manufacturing.
- Plants located in western India with proximity to ports

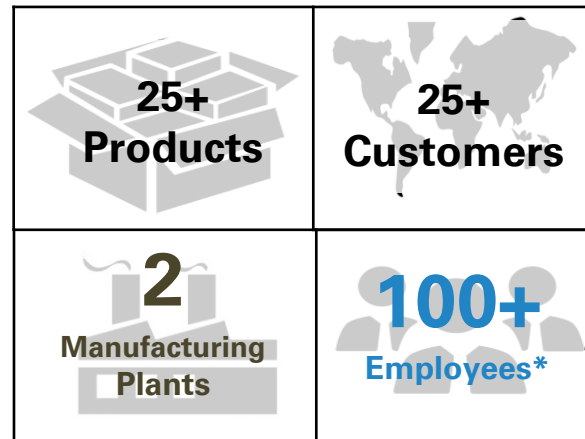
Revenue split - Segmental and Geographical – FY21

■ API ■ FINE CHEMICALS ■ India ■ Japan ■ USA ■ Europe ■



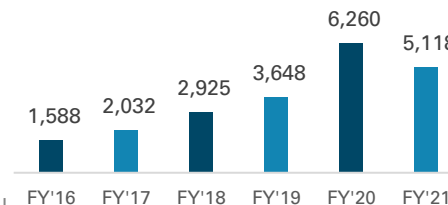
* Including contract employees

Key Metrics

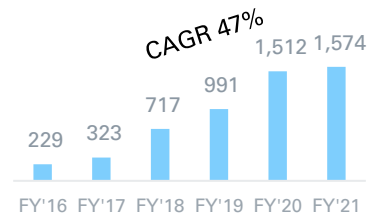


Key Financials

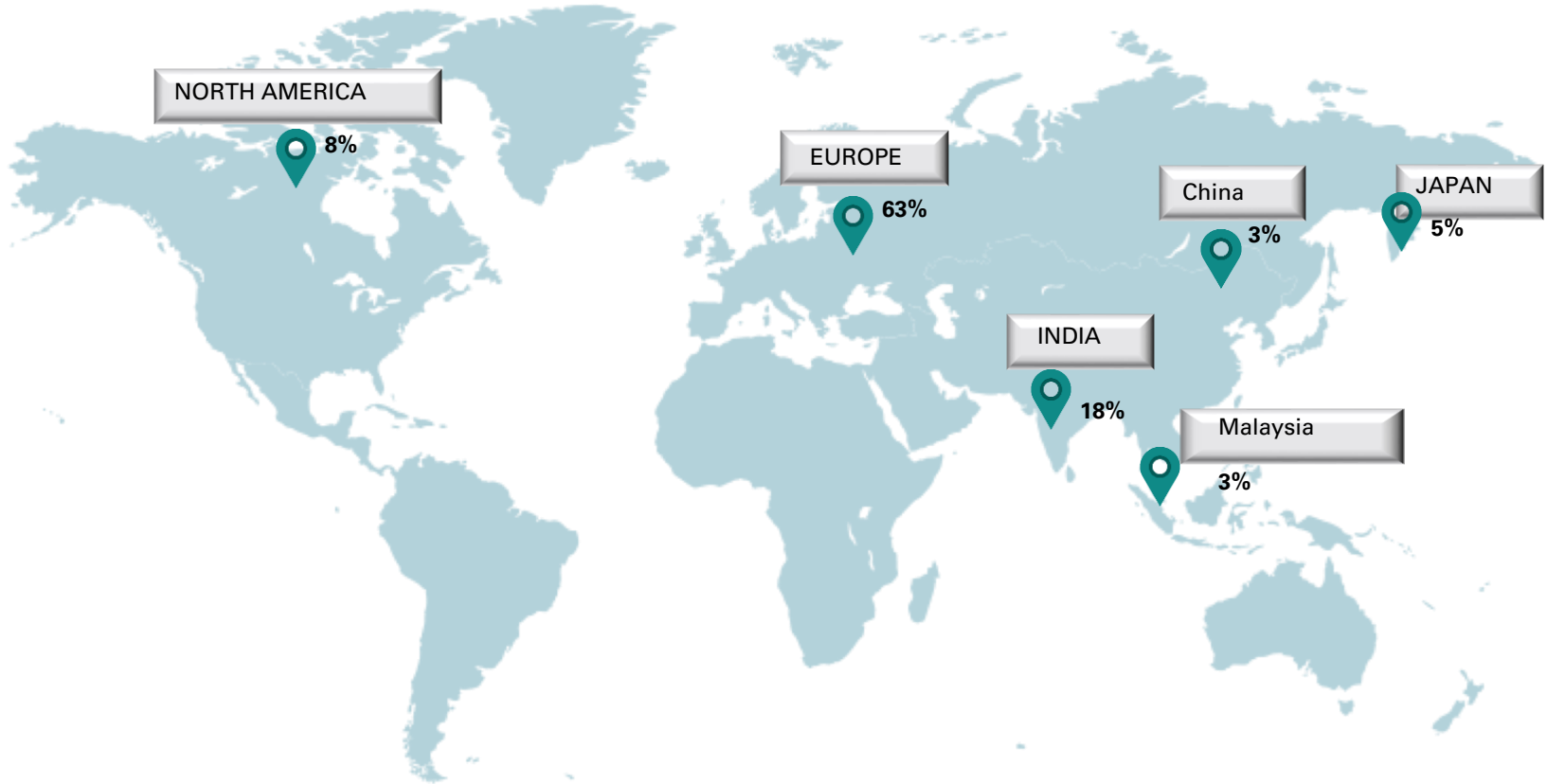
Revenue (Rs. in Lakhs)



EBITDA (Rs. in Lakhs)



Global Presence



Key Strengths

Global Player in Thionyl Chloride based Derivatives with Integrated Operations

- o Strong/Leadership position in key products and processes
- o Integrated operations across product chain of Thionyl Chloride based products
- o Ability to effectively use co-products and generate value-added products

Well Diversified Across Multiple Dimensions

- o Diversification provides significant de-risking
- o Multi-product, multi-customer, multi-geographies & multi- end-user industry

Pharma – Significant growth with diversification across products and geographies

- o Pharma segment has seen significant growth over last 5 years
- o India's API market (both domestic and exports) is expected to witness strong growth

Strong Return Profile despite Significant Capex

- o Expanded capacities and diversified into new products while maintaining return profile
- o New capacities are still ramping up providing operating leverage

Strong Focus on R&D and Process Innovation

- o Focus on downstream products through processes like high value chlorination, hydrogenation, ammonolysis

Well placed to benefit from Industry Tailwinds

- o Significant opportunity for exports arising from environmental related shutdowns in China
- o Structural drivers in places for a robust domestic demand growth

Management Speak



Chandulal Kothia

Chairman & Managing Director

"While the world has witnessed unprecedented challenges, SGRL team has demonstrated resilience by ensuring quick bounce back to the production schedules immediately after the lockdown was lifted. The revenue for the quarter was 10.5% lower over the corresponding quarter of the last fiscal due to the ongoing COVID-19 situation across the world. The pressure on revenue was off-set by introducing high value products which improved the EBITDA margins. EBITDA margin for the year was 30.8% which is 6.6% higher than the last fiscal. We remain confident of our long-term growth aspirations as well as our margin targets."



Gunjan Kothia

Director

"We are pleased with the progress made with the existing business by catering to the increased demand while the CMO continues to play an important part in the growth. We remain highly positive for the future growth trajectory as the company endeavors into new product for growth prospects, targeting domestic API intermediates demand which is backed by the Government's vision to make India self-reliant."

Q4 & Year ending 31 March 2021 - FY21 Highlights

Financial Highlights

Q4 FY21

- ❖ Total income increased by 12.41% in Q4FY21 on account of secular growth in bounce back in production capacity
 - *Prime segment continues growth led by Chloro-alkyl amine salts*
 - *Specialty chemical business in aroma and polymer sector had supported the growth*
 - *CMO business witnessed growth in scale up projects*
 - *China substitute advance intermediates are expected to boost the growth to even higher level*
- ❖ EBITDA margin increased by 6.84% from 26.9% to 33.75% in Q4FY21, mainly due to high margin on last quarter product line
- ❖ Consequentially PBT margins increased by 16.1% and PAT margins by 9.3%

12M FY21

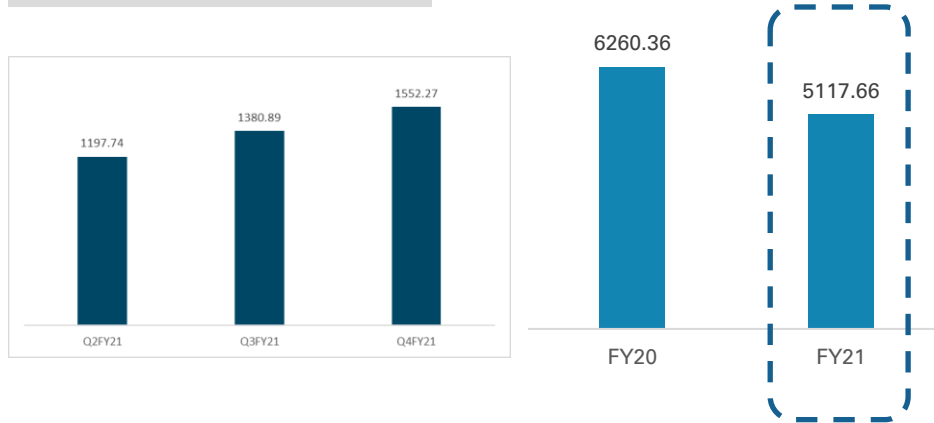
- ❖ Total income decreased by 12.5% compared to last year same time period
- ❖ EBITDA margins increased by 6.6% from 24.2% to 30.8%
- ❖ PBT margins increased by 4.9% and PAT margins increased by 3.7%

Profit & Loss Snapshot

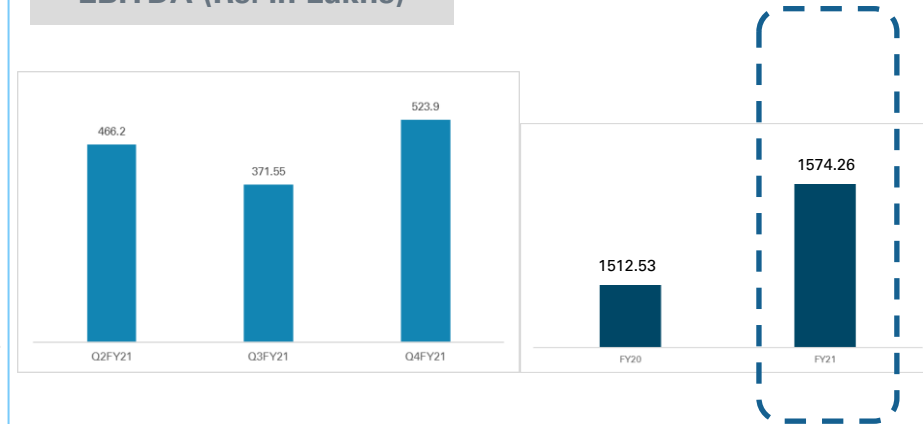
Particulars (Rs. Lakhs)	Q4FY21	Q3FY21	QoQ (%)	Q4FY20	YoY (%)	FY21	FY20	YoY (%)
Total Income	1552.3	1380.9	12.4%	1734.5	-10.5%	5117.7	6260.4	-18.3%
EBITDA	523.9	371.6	41.0%	540.3	-3.0%	1574.3	1512.5	4.1%
<i>EBITDA Margin</i>	<i>33.8%</i>	<i>26.9%</i>	<i>684 bps</i>	<i>31.2%</i>	<i>260 bps</i>	<i>30.8%</i>	<i>24.2%</i>	<i>660 bps</i>
Profit Before Tax	404.1	347.9	16.1%	417.6	-3.2%	1295.0	1274.4	1.6%
<i>Profit Before Tax Margin</i>	<i>26.0%</i>	<i>25.2%</i>	<i>83.69 bps</i>	<i>24.1%</i>	<i>196 bps</i>	<i>25.3%</i>	<i>20.4%</i>	<i>495 bps</i>
Profit After Tax	302.9	277.1	9.3%	271.4	11.6%	975.4	962.5	1.3%
<i>Profit After Tax Margin</i>	<i>19.5%</i>	<i>20.1%</i>	<i>(55.63) bps</i>	<i>15.6%</i>	<i>387 bps</i>	<i>19.1%</i>	<i>15.4%</i>	<i>369 bps</i>
Earnings Per Share (Rs.)	3.0	2.	9%	2.7	11.8%	9.8	9.6	1.4%

Financials

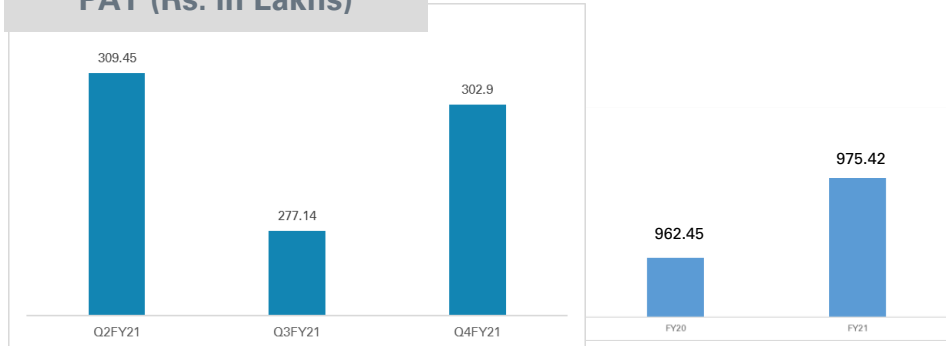
Revenue (Rs. in Lakhs)



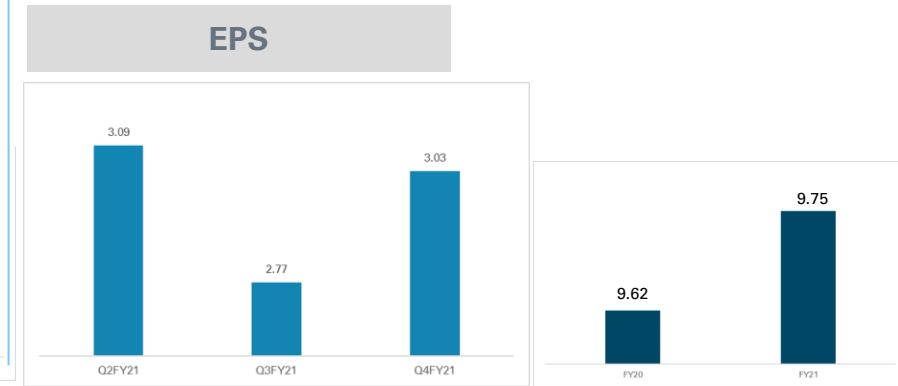
EBITDA (Rs. in Lakhs)



PAT (Rs. in Lakhs)



EPS



Number of Active CMS Projects

Q4FY21	Development	Commercial	Grand Total
API Intermediate	4	28	32
Specialty Chemical	3	7	10

Q4FY20	Development	Commercial	Grand Total
API Intermediate	4	27	31
Specialty Chemical	2	6	8

Q4FY19	Development	Commercial	Grand Total
API Intermediate	3	25	28
Specialty Chemical	3	4	7

Capabilities



Capability

Location of Units: Ankleshwar, Gujarat

102.5 KL

40.0 KL

UNIT 1
SGRL

UNIT 2
SGRL

1991

2004

API Intermediates, Fine Chemicals,
Speciality Chemicals

API Intermediates, Fine Chemicals

ISO 9001, ISO14001 & ISO 45001

ISO 9001, ISO14001 & ISO
45001



**Year of
Establishment**



**Key
Products**



Regulatory

Adding capacities for business growth and strategic backward integration

Manufacturing facility



Manufacturing of Pharmaceutical Intermediates and Fine chemicals such as amine hydrochloride salts and Specialty fine chemicals for Aroma and Polymer industry.

Total Plot Area – 161,500 Sq.ft

Working Volume – 160.5 kl

- ▷ Glass lined reactors from 2 KL to 13.5 KL.
- ▷ S.S Autoclave reactors of 2.0 KL capable of handling H₂ pressure from 10 to 30kg pressure
- ▷ S.S reactors from to 0.8 KL to 6.0 KL.
- ▷ S.S centrifuges ranging from 36 inches.
- ▷ ANFDs of 2 and 3 KL(water) Capacity for solid products
- ▷ RCVD with 1 KL(water) Capacity for solid products.
- ▷ Ranging from 10ft to 45 ft. high tower Vacuum fractional distillation.
- ▷ Dedicated solid handling facility for powder products.
- ▷ LEV Ducting system for packing in the close area.

Manufacturing facility

- ▷ Chlorination using Thionyl Chloride and Sulphuryl Chloride
- ▷ Chlorination using Chlorine
- ▷ Reduction using H₂ pressure reaction upto 30 bar pressure
- ▷ Reduction using ammonia pressure reaction upto 30 bar pressure
- ▷ Reduction using borohydride salts
- ▷ Grignard reactions
- ▷ Acetylation using Acetic Anhydride and Acetyl Chloride
- ▷ Friedel-Craft Reactions
- ▷ High-Vacuum fraction distillation
- ▷ Mild Nitration using Nitric Acids
- ▷ Oximation using Hydroxylamine salts
- ▷ Chiral Chemistry
- ▷ Custom Synthesis also available

**** To know more about chemical reaction technologies please visit or www.ganeshremedies.com ****

Lab and R&D facility

QC Lab & Facilities

- Agilent Gas Chromatograph
- G.C Head Space
- Shimadzu HPLC
- Shimadzu Analytical Balance
- Lovibond Tinto meter
- Metro-Ohm Auto Titrator
- Metro-Ohm Auto KF
- pH Meter
- Potentiometric Titrator
- Turbidity meter
- Auto Melting-Point Analyser



R&D Lab facilities

- Facility for carrying out pilot scale reaction.
- 10/100/200 liters all glass assembly with reaction/distillation.
- Temperature range from 50 to 200°C.
- Fume hoods, vacuum pumps, weigh balance, heating ovens and vacuum ovens.
- 10 ltr. Capacity Pilot SS 316 Autoclave Hydrogenator

Awards & Recognition

Recognition Award For
Outstanding
Entrepreneurship to **Our
Chairman Chandu Kothia**
in Small Enterprise

National Award For
Outstanding
Entrepreneurship to **Our
Chairman Chandu Kothia** in
Small Enterprise

**National award
from MSME in
2013** for
outstanding
entrepreneurship
in Small
Enterprise
(Manufacturing)



FINANCIALS

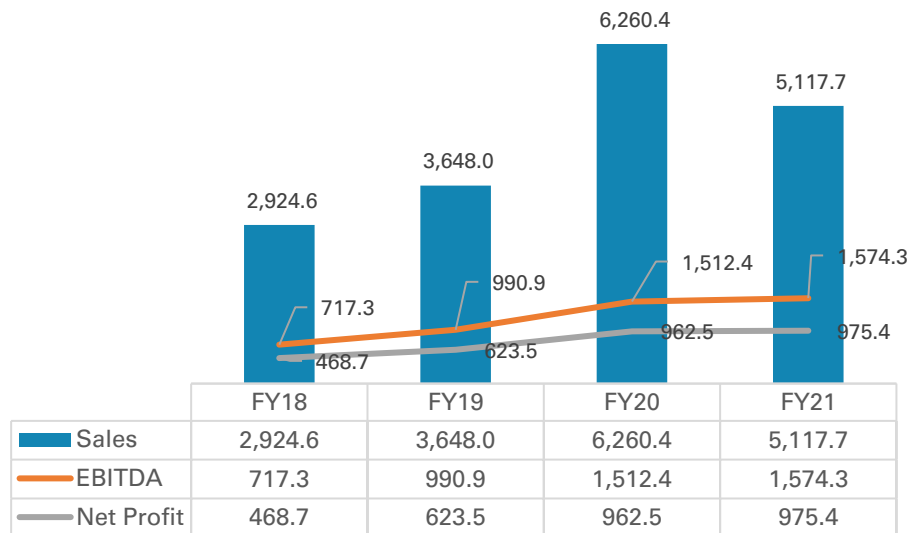


Strong Balance Sheet



FINANCIAL PERFORMANCE HIGHLIGHTS

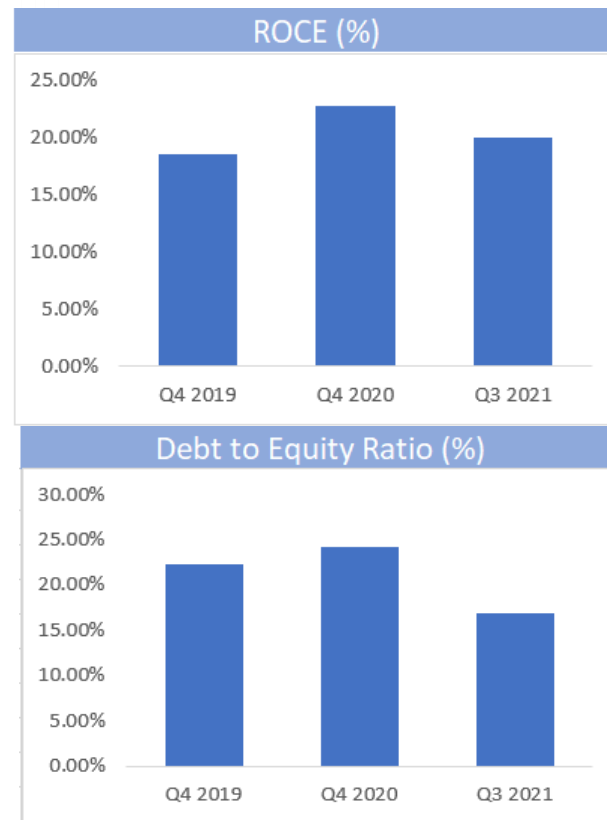
Rs. in Lakhs



- Revenue CAGR of 20.5% for FY 18-20 led by growth in all 3 businesses
- EBITDA growth of 30% CAGR in FY 18-20 due to high margin CMS business and increase in GDS contribution
- Change in business mix with increasing amount of margins coming from CMS business and certain Specialty products and cost optimization measures helped improve profitability

Growth Visibility

Particulars (Rs. Lakhs)	Mar-19	Mar-20	Mar-21
Shareholders' funds	3382.3	4209.6	5000.3
Net Debt	(430.0)	(654.4)	(644.5)
Investments	405.0	710.1	319.3
Tangible Assets	1412.2	1622.0	2029.5
Intangible Assets	7.46	4.68	60.5
(Excluding Goodwill)			
Working Capital	1435.42	1841.57	2698.69



Macroeconomic factors

FACTORS	IMPACT	SGRL's Action
Government regulation: approvals, audits	Consistent regulatory audits	Successfully cleared ISO 9001, 14001 and 45001 audits since inception
Environmental considerations in drug manufacturing	Government and regulatory monitoring on environmental impact	Effective compliance to all environmental regulations
Crude oil prices	Solvent price volatility	Investing in green chemistry leading to efficient use of solvents
COVID 19 impact	Increased logistics costs	Tactical scheduling optimized channel mix
China raw material dependence	Raw-material availability and pricing fluctuations	Qualifying new raw-material manufacturers with increased capacity
Geopolitical Issues	Geopolitical issues	Alternate India suppliers in place
Human Capital	Competition for talent	Capability building through a strong Learning & Development plan
		Active development of Leadership Pipeline across levels



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