



Madhya Bharat Agro Products Ltd  
(MBAPL)  
[A unit of Ostwal Group of Industries]

**Q4 and FY24 Financial Results  
presentation**



# Forward Looking Statement

Disclaimer:- This presentation may contains “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating Madhya Bharat Agro Products Ltd (MBAPL) future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors 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, legislative developments, and other key factors that could affect our business and financial performance.

MBAPL undertakes no obligation to publicly revise any forward looking statements to reflect future/likely events or circumstances.



# Recent Updates, Quarterly & Yearly Performance



# Financial Performance Updates – Quarterly & Yearly



- **Quarterly Performance – 4QFY24**
  - Revenue at INR 145.7 Cr,
  - EBITDA at INR 22.8 Cr (EBITDA per ton is ~ INR 3,800)
  - PAT at INR 1.4 Cr.
- **Annual Performance – FY24**
  - Revenue at INR 816.9 Cr
  - EBITDA at INR 107.5 Cr (EBITDA per ton is ~ INR 3,700)
  - PAT at INR 24.9 Cr.



# Recent Updates



- In **February 24**, the government revised the subsidy upward for NPK and SSP effective from 1<sup>st</sup> April 2024, which should benefit the company significantly from 1QFY25.
- In April 2024, the group has entered into a long-term agreement to procure Rock Phosphate from Egypt.
- **Updates on Capacity addition plan at Maharashtra**
  - Considering high demand for Phosphoric Acid the company has increased its capacity expansion plan at Maharashtra.
  - Under revised plan, the total capex will be Rs. 750-800cr in Maharashtra over next 2 to 3 years. The plant is expected to be commissioned starting October 2026 in a phased manner.
  - MIDC has allotted 587,500 sq mt land at Nardana, Dhule which is already under possession and approval for Term Loan with various banks is under progress.
- **Expansion at Madhya Pradesh**
  - Company has also recently been allotted 137,052 sq mtr land adjacent to existing plant at Sagar, Madhya Pradesh with Phosphoric Acid Plant of 33,000 MT under evaluation which may be commissioned by 1QFY26.



## Outlook – FY25

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The company has also been allotted 137,052 sq mtr. land at Sagar, MP adjacent to existing plant. We expect to come with phosphoric acid plant at a capex of ~INR 70 cr. This commercial production expect by 2025.

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In FY24, the volumes for SSP and DAP/NPK were not strong due to market conditions. With the increase in subsidy for SSP and NPK, we are positive on the volume growth.

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The marketing arrangement with NFL has kick started and major volumes will be covered in FY25.

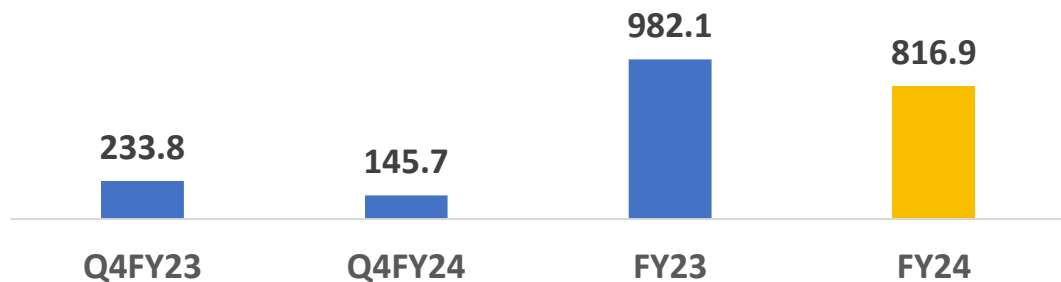
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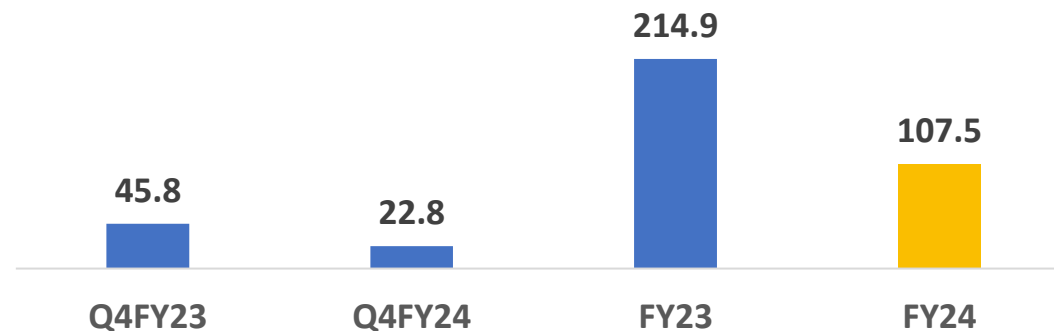
# Performance Trend for the Quarter & Year



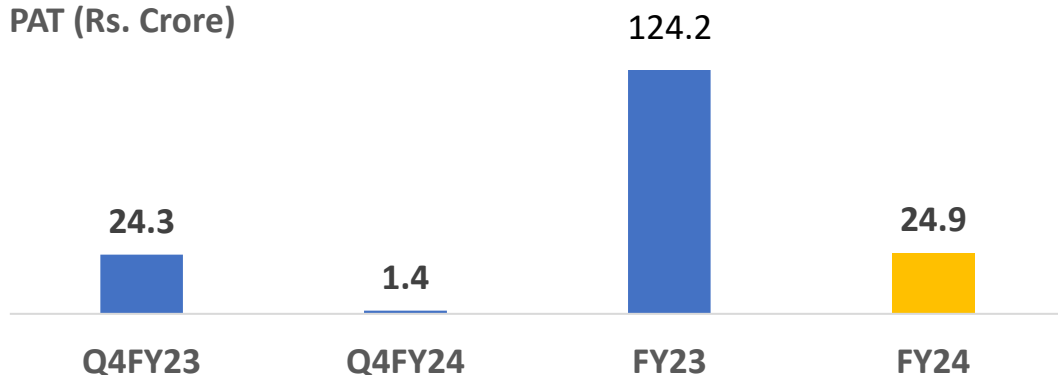
Revenue (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)



- Q4 & Yearly Revenue stands at Rs. 145.7 crore & Rs. 816.9 Cr
- Lower realizations with stagnant input costs lead to lower operating margins
- Subsidy receivable as on March 31, 2024 stands at INR 105.7 crore (as against Rs119 cr as of March 31, 23 - down 11% yoy).



# Results Table

(Rs. in Cr)	Q4		Y-o-Y	Q3	Q-o-Q	Full Year		Y-o-Y
	FY2024	FY2023	Growth (%)	FY2024	Growth (%)	FY2024	FY2023	Growth (%)
Revenue from operations	145.7	233.8	-37.7	243.8	-40.2	816.9	982.0	-16.8
Other income	8.8	1.1	700	0.4	2100	10.9	5.2	109.6
<b>Total income</b>	154.5	234.9	-34.2	244.2	-36.7	827.8	987.2	-16.1
Cost of materials consumed	101.3	170.8	-40.7	157.7	-35.8	560.0	652.2	-14.1
Changes in Inventories of finished goods, work in progress and stock in trade	-36.1	-12.7	184.3	37.4	-196.5	-2.7	-29.6	-90.9
Employee benefits expenses	6.9	6.6	4.5	5.3	30.2	20.3	16.1	26.1
Depreciation and amortisation expenses	7.1	6.8	4.4	7.4	-4.1	29.0	22.4	29.5
Finance costs	7.9	5.0	58	4.4	79.5	26.2	16.4	59.8
Other expenses	59.5	24.4	143.9	25.4	134.3	142.8	133.5	6.9
<b>Total expenses</b>	146.8	200.9	-26.9	237.6	-38.2	775.7	811.1	-4.4
<b>EBITDA</b>	22.8	45.8	-50.3	18.3	24.6	107.5	214.9	-50
<i>Margin (%)</i>	15.6	19.6	-400bps	7.5	810bps	13.2	21.9	-870bps
<b>Reported Profit After Tax</b>	1.4	24.3	-94.2	1.3	7.7	24.9	124.2	-80
<i>Margin (%)</i>	1	10.4	-940bps	1	-	3.0	12.6	-960bps
Basic EPS (Rs./share)	0.16	2.77	-94.2	0.15	6.7	2.84	14.17	-80

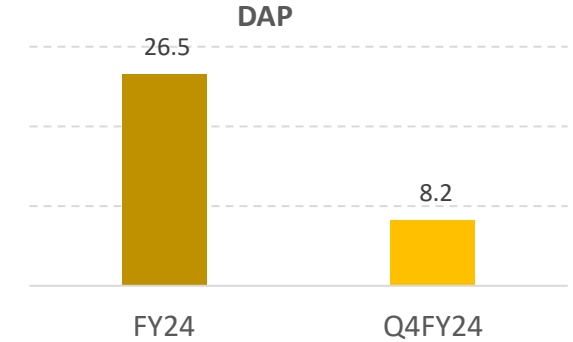
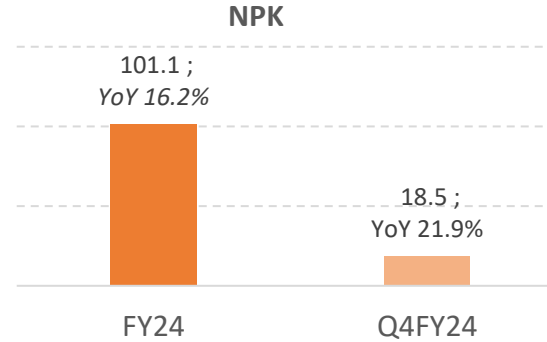
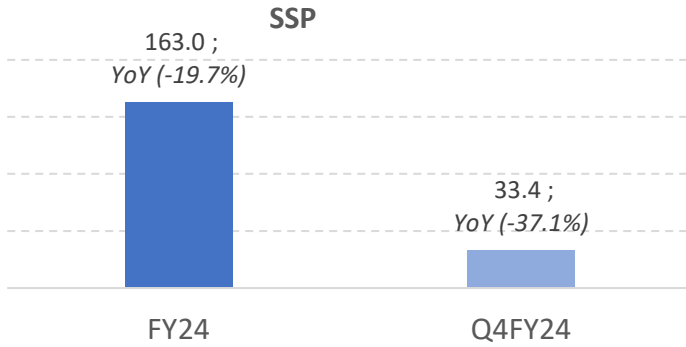




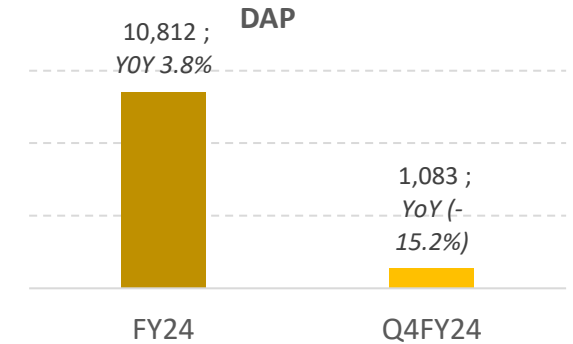
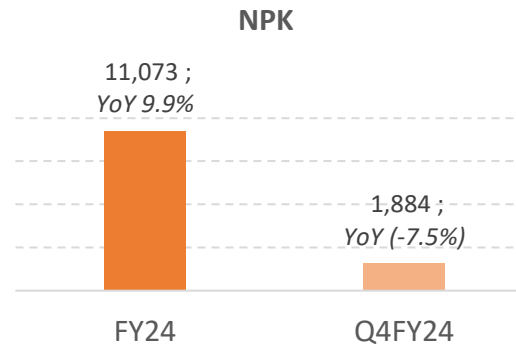
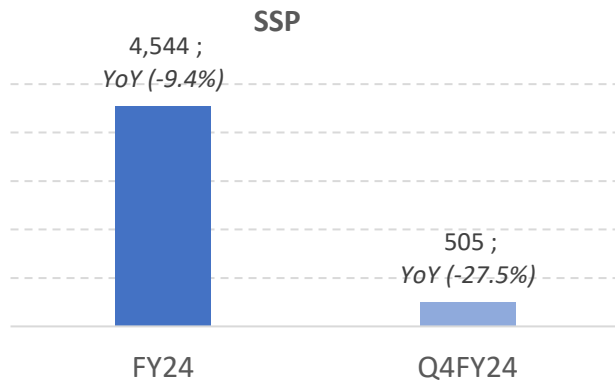
# Company & Industry Performance



## COMPANY SALES VOLUME ('000 tons)



## INDUSTRY SALES VOLUME ('000 tons)





# Production Volumes



	Q4 FY23	Q4 FY24	FY23	FY24
<b>Production (MT)</b>				
<b>Chemical &amp; Intermediates</b>				
- BRP (Crushing)	12,950	45,725	120,261	151,729
- Sulphuric Acid	13,311	28,422	88,742	101,757
- Phosphoric Acid	4,264	7,639	14,247	22,714
<b>Fertiliser</b>				
- SSP	35,774	39,035	208,446	183,843
- DAP	-	8,067	-	26,503
- NPK	22,304	24,169	93,700	100,488



## Chairman's Quote



**Mr. M.K. Ostwal**  
**(Promoter, Chairman & Director)**

*“On the back of excellent FY23 we kept high benchmarks for ourselves for FY24 but unfortunately, the price concession for FY24 failed to synchronize with volatile imported phosphatic fertilizer leading to sharp decline in margins. Despite the challenging market scenario we have kept our head high and achieved our expectations compared to the overall performance of industry. The year was defined with slowdown and reduced subsidy which impacted the industry severely. Despite these challenges our new DAP/NPK plant has scaled up production to the expectations and financials continue to be robust. The marketing arrangement with NFL reinforces our market standing. With the recent upward revision in the subsidy rates, we believe the worst is behind us and the outlook for the near to long term looks reasonably satisfactory. Further, we have formalized our long-term growth plan and now wish to concentrate on future growth in chemical business which acts as feeder to phosphatic fertilizer industry. Our learning curve in intermediate chemical manufacturing like Phosphoric Acid has been tremendous. We believe we can leverage our expertise to the benefit of Indian markets which imports 60% of its requirement of Phosphoric Acid. To tap this opportunity, we plan to increase our Phosphoric Acid Capacity from 49,500 MT to ~ 248,000 MT in next 2-3 years. We are very excited to walk the growth strategy as envisaged.”*



## MBAPL – an overview

अन्नदाता का साथ, किसान का विकास





# Overview

- MBAPL, a part of **Ostwal Group of Industries**, is led by **Mr. MK Ostwal**, a first generation technocrat entrepreneur.
- Mr. Ostwal is regarded as one of the pioneers of Single Super Phosphate (SSP) manufactured from BRP. He along with his sons **Mr. Pankaj Ostwal** and **Mr. Praveen Ostwal** have mastered the art of turning around loss making fertilizer units. They have turnaround 4 such fertiliser units.
- MBAPL acquired in 2004 as loss making unit then, which is now one of the most profitable unit for the group. It manufactures and markets fertilisers (SSP, NPK/DAP complex) under the brand name '**Annadata**' and '**Bharat**' respectively.
- 2 manufacturing locations with 5 Plants in Sagar, Madhya Pradesh.
- Wide reach and distribution network comprising of 150 Marketing Professionals; 2,000 wholesalers/dealers; 23,250 retailers.
- Group's SSP market share of 20% in Madhya Pradesh & 19% in Chhattisgarh
- 'A' stable credit rating by CRISIL
- MBAPL is an NSE listed Company (ISN: INE900L01010) since 2016 (Market cap~ INR 20 bn)



**Banda Plant in Sagar**



**Rajoua Plant in Sagar**



# Journey so far & way forward



Incorporated in 1997 was taken over by OGI with its 60,000 MT SSP plant in 2004.

2004

2012

Commenced Beneficiated Rock Phosphate (BRP) production

Began SSP & Sulphuric Acid & got listing on NSE SME Emerge.

2016

2017

Commenced GSSP and Organic Fertilizers

Migrated to NSE Main board of stock exchange

2019

2021

Started DAP/NPK/APS\* (120,000 MT) integrated with Sulphuric Acid & Phosphoric Acid Plants

Doubled manufacturing capacity of DAP/NPK/ASP plant and Phos Acid to 49,500 MT per annum

2023

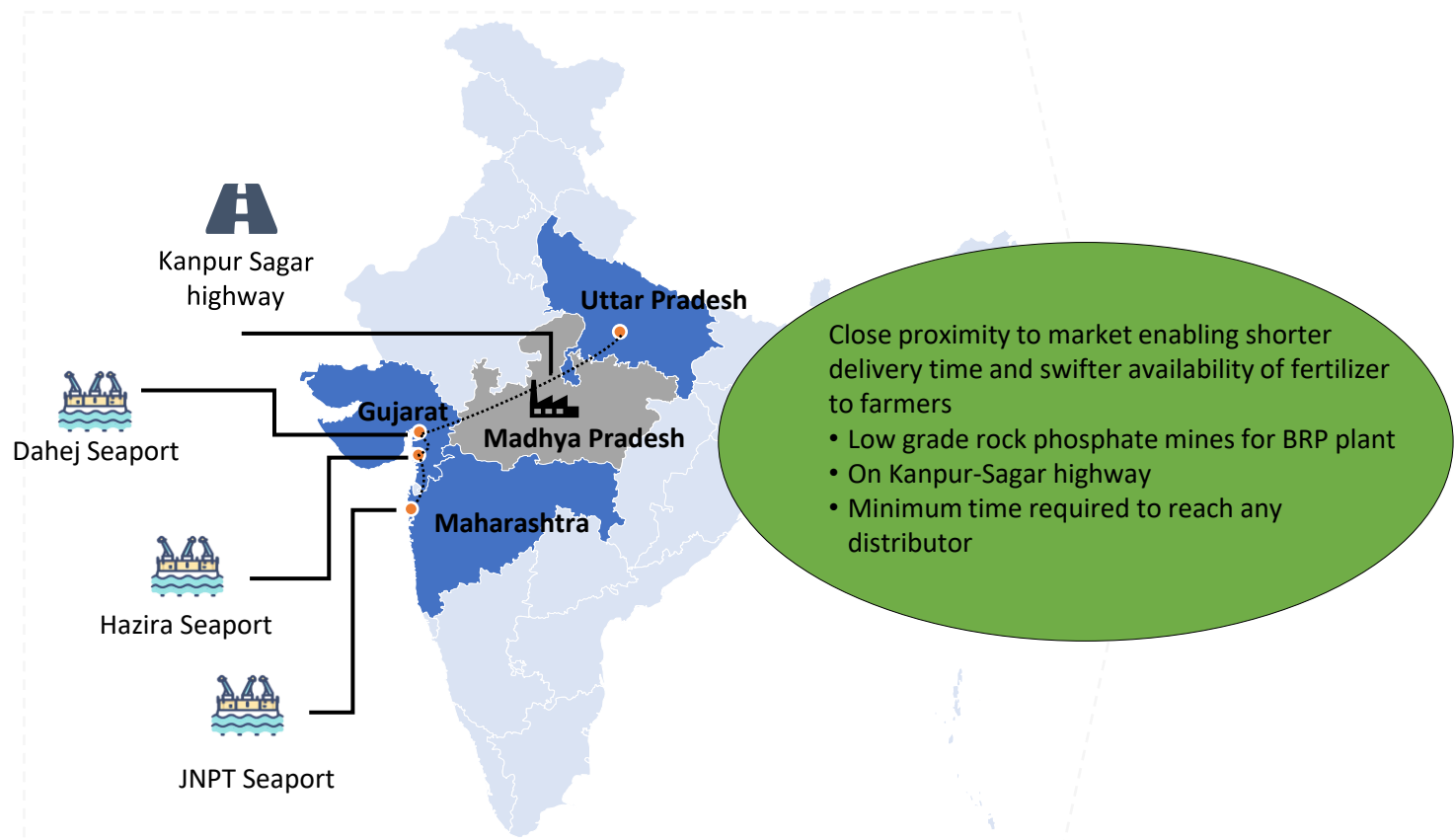
2024

**STRATEGIC SHIFT TO CHEMICAL SEGMENT SUPPORTING FERTILISER & ALLIED SECTOR**





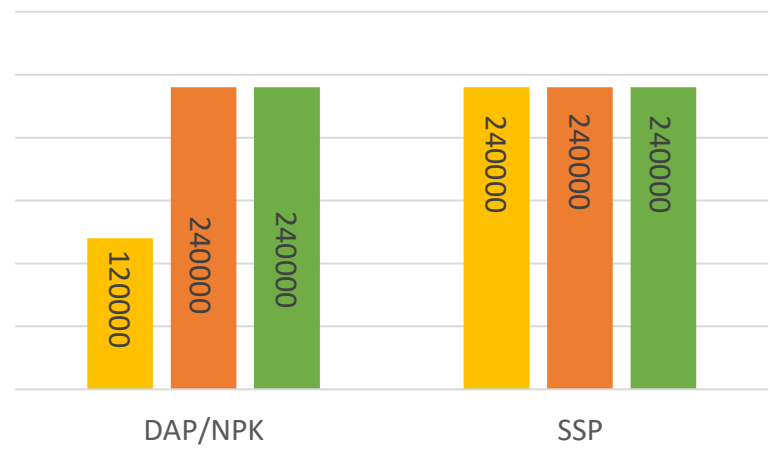
# Strategic Location with regular capacity additions



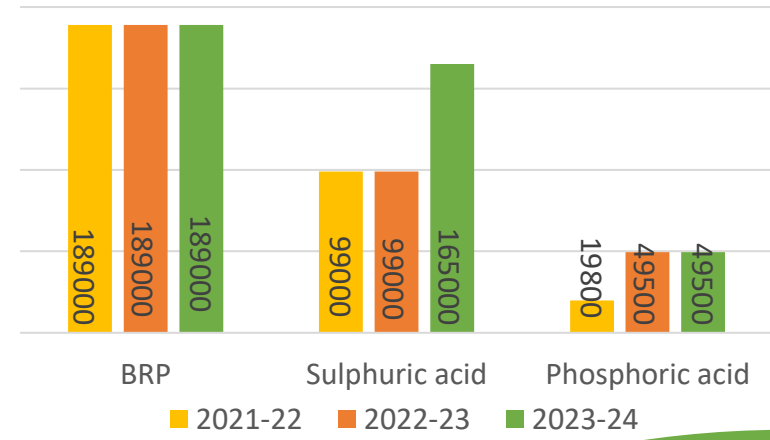
## Adequate availability of land, infrastructure & inputs to expand capacity

\* Phosphoric acid capacity enhanced to 49500 MTPA on 29<sup>th</sup> March, 2023  
 \*\* DAP/NPK capacity enhanced to 240000 MTPA on 29<sup>th</sup> March, 2023

Finished Goods Capacities (MT)

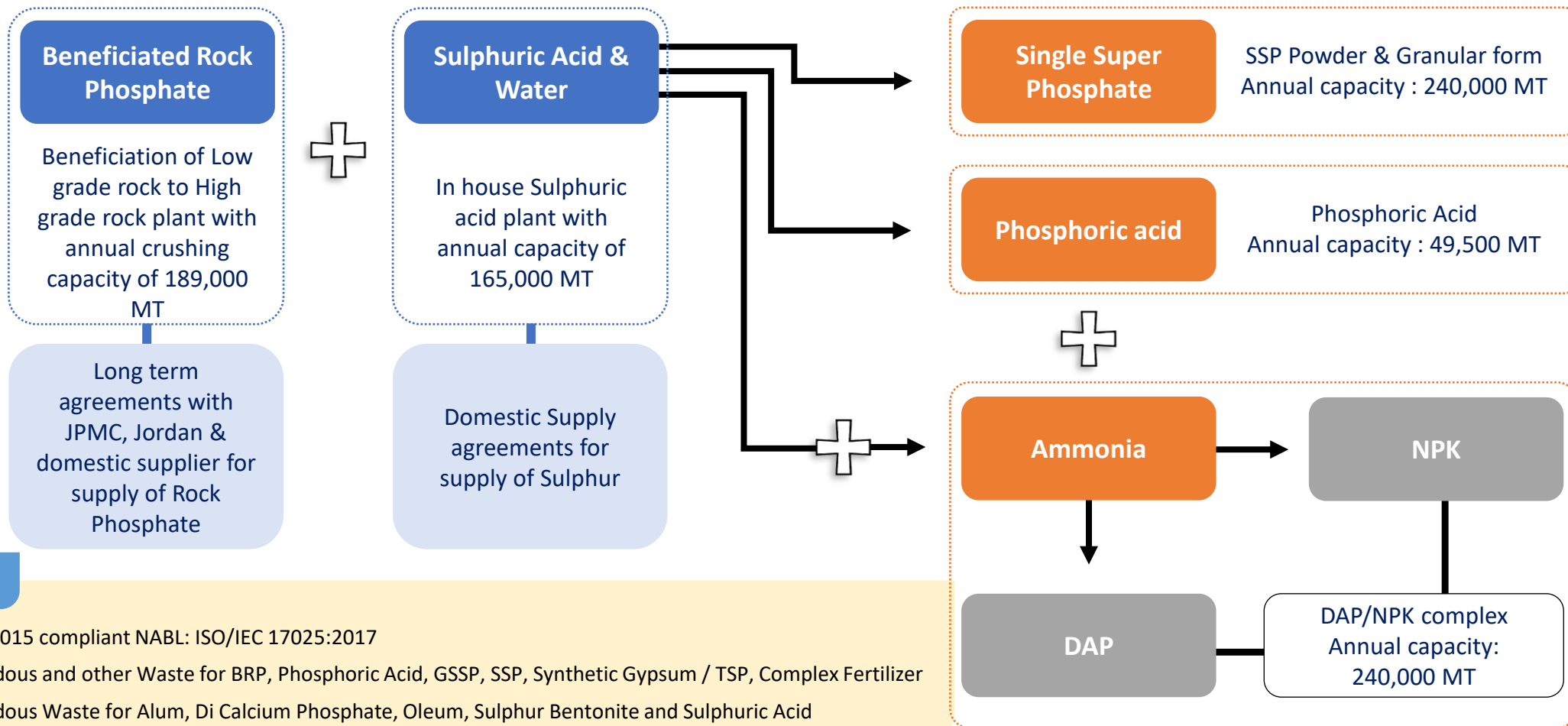


Backward integrations Capacities (MT)





# Only Manufacturer in India with Full Backward Integration



## Certifications

All facilities are ISO 9001:2015 compliant NABL: ISO/IEC 17025:2017

Authorization under Hazardous and other Waste for BRP, Phosphoric Acid, GSSP, SSP, Synthetic Gypsum / TSP, Complex Fertilizer

Authorization under Hazardous Waste for Alum, Di Calcium Phosphate, Oleum, Sulphur Bentonite and Sulphuric Acid

Access to adequate low grade rock phosphate and beneficiation ensures sustainable and efficient operations



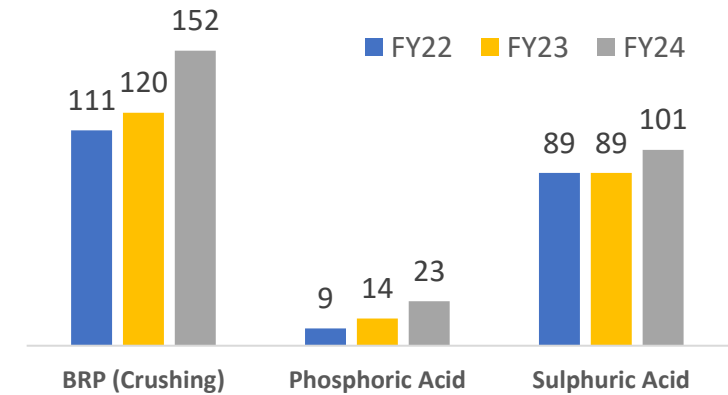
# Capacity Utilisation

	Production capacity (MTPA)	Capacity utilisation (%) FY24	Capacity utilisation (%) FY23	Capacity utilisation (%) FY22
DAP/NPK*	240,000	53%	78%	32%
SSP/GSSP	240,000	77%	87%	77%
Organic Fertiliser	60,000	30%	27%	49%
BRP (Crushing)	189,000	80%	64%	58%
Phosphoric Acid**	49,500	46%	72%	46%
Sulphuric Acid & Other@	165,000	100%	90%	89%

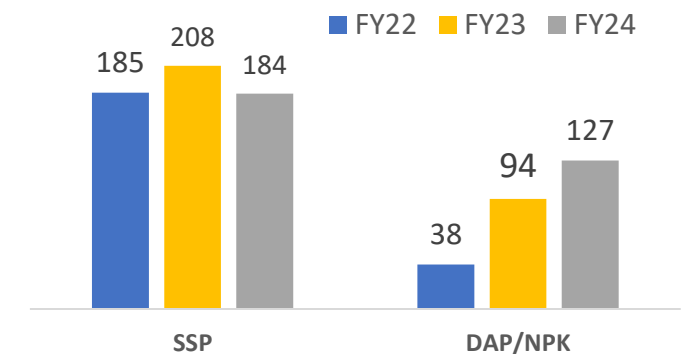
\* DAP/NPK capacity enhanced from 120,000MT to 240,000 MTPA in the end 4QFY23

\*\* Phosphoric acid capacity enhanced from 19,800 MTPA to 49,500 MTPA in the end 4QFY23

@ Sulphuric Acid Capacity increased from 99,000 MTPA to 165,000 MTPA in 4QFY24



Fertilizer Production Volumes (in '000 MT)





# Competitive Advantage



## **PROVEN track record**

Time and again promoters have acquired & turnaround loss making units at low cost of acquisition

## **ONLY Fully Backward Manufacturer**

Ability to beneficiate a low-grade Rock Phosphate to High Grade Rock Phosphate

## **BENEFITS of Economies of Scale**

Ostwal Group is 2nd largest SSP manufacturer enabling discounts on procurement

## **STRATEGICALLY Located**

Both the plants are located close to rock phosphate mines, sulphur sources and the irrigated markets

## **FREEDOM ON PRICING**

Complex manufacturer are not governed by government to determine market price

## **SECURED**

### **Raw Material Supplies**

Entered into long term rock phosphate agreement domestic as well overseas

## **Low Opex, High Margins**

Backward integration, Economies of Scale leading to high Margins

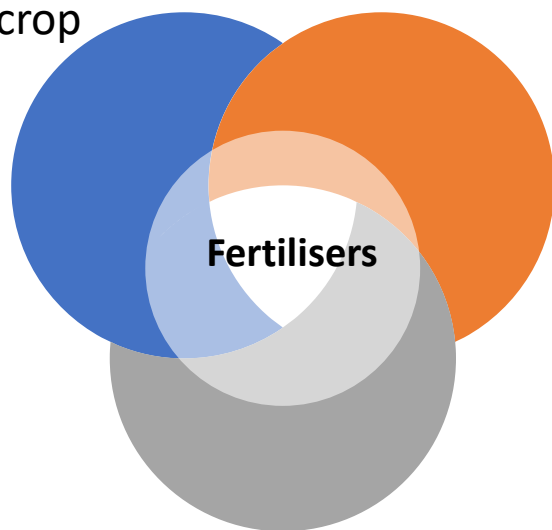
## **Low Capex, Low Opex High RoCE**

Low acquisition cost and turning around leads to high returns.



# Focus farmer connect and sustainability

Focus on quality fertilizer for enrichment of crop



NABL accredited laboratories at every manufacturing unit

Strong focus on farmer education and partnerships by conducting camps at villages for creating awareness among them

## Sustainability

- MBAPL is committed to sustainable agriculture. The company's fertilizers are designed to minimize the impact on soil and water resources and reduce greenhouse gas emissions.
- Providing farmers quality fertilizer which will directly help them to enrich crop and make land more fertile.



## Maharashtra

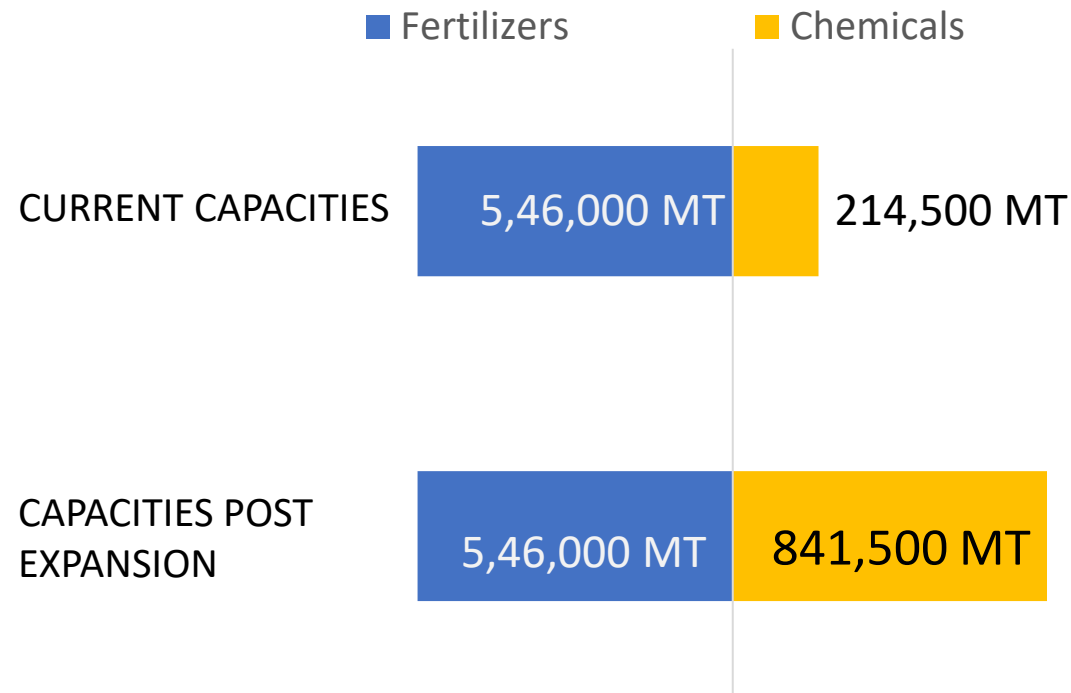
- The Group has entered into a definitive agreement with Birla Copper to purchase a fertilizer plant along with Phosphoric Acid & Ammonia Storage Plant based in Dahej. 587,350 sq mtr land allotted by MIDC to the company in Nardana, Maharashtra. Phosphoric Acid plant from Dahej will be relocated at Nardana as possession of land is been obtained & site development work has started. Following capacities will be commissioned here by October 2026.
  - Phosphoric Acid – 165,000 MT
  - Sulphuric Acid – 396,000 MT

## Madhya Pradesh

- Company has also recently been allotted 137,052 sq mtr land adjacent to existing plant at Sagar, Madhya Pradesh with following projects under evaluation which may be commissioned by end of FY25:
  - Brown field expansion of phosphoric acid plant – 33,000 MT
  - Here also work on the project has since started

# Capex: Incremental Capacities in Chemicals only

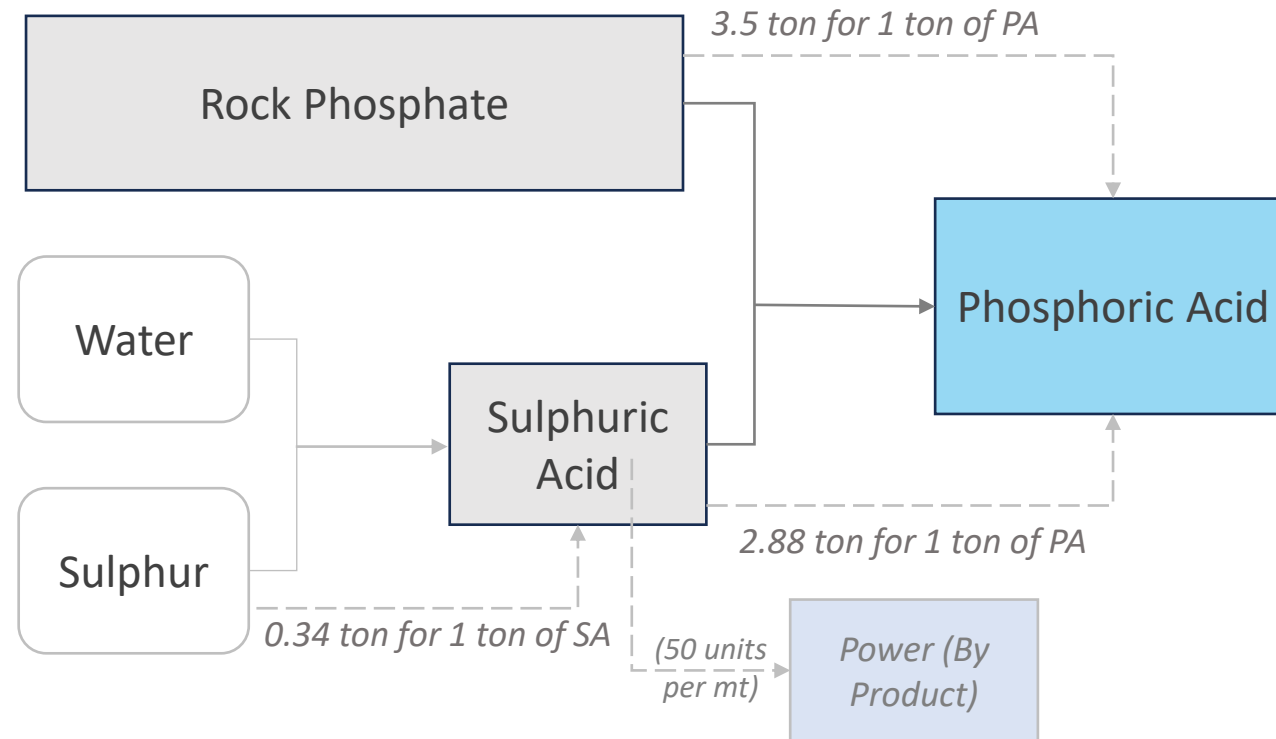
- Company has outlined a plan to increase the capacities of phosphoric acid, sulphuric acid and specialty chemical at a capex of Rs 750-800 Cr. The same is expected to be funded via debt, internal accruals and equities.



## Capacity Expansion plan in the next 2-3 year (MT)

Segment	Products	Current	Post Expansion
CHEMICALS & ALLIED CHEMICALS	Phosphoric Acid	49500	247,500
	Sulphuric Acid	165000	561,000
	LABSA	-	33,000
	<b>Total</b>	<b>214500</b>	<b>841,500</b>
FERTILISER & ORGANIC FERTILISER	SSP	240,000	240,000
	DAP / NPK	240,000	240,000
	Organic Fertiliser	66,000	66,000
	<b>Total</b>	<b>546,000</b>	<b>546,000</b>
<b>Grand Total</b>		<b>760,500</b>	<b>13,87,500</b>

## Phosphoric Acid: Backward integration & Manufacturing process



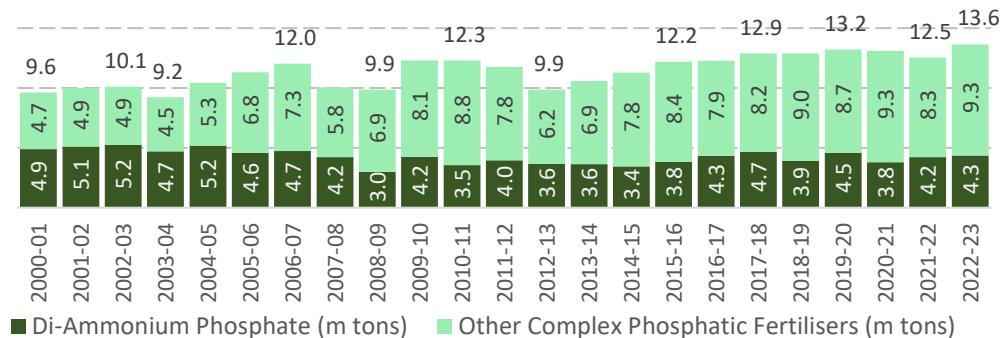
Source: FAI

*With backward integration, economies of scale and optimum conversion cost, we have a profitable spread on Phosphoric Acid*

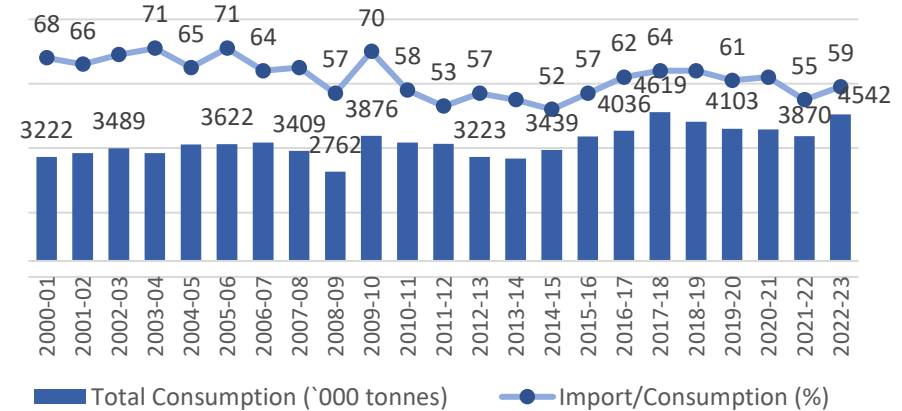
# Robust Phosphoric Acid Industry in India

- Total India Phosphoric Acid (PA) Consumption – 4.5 million MT of which ~60% is imported
- In 2022, Asia region has consumed more than 50% of global PA produced.
- 80% of PA produced in India is consumed by Phosphatic Fertiliser
- Demand and production of Phosphatic Fertiliser (DAP/NPK) is growing in India.
- ~60% of Phosphoric Acid and ~50% of phosphatic fertilizer are serviced through imports.
- Increase in usage of food additives & animal feeds anticipated to surge the demand of Phosphoric Acid in world in upcoming years.

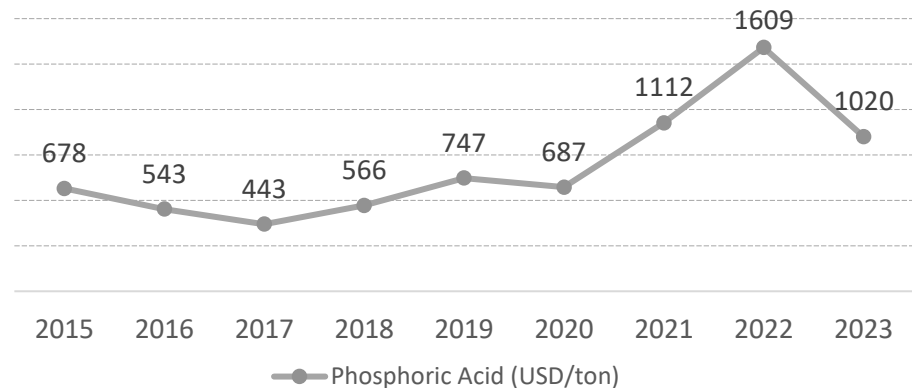
- Growth in Phosphoric Acid market is expected at 4% CAGR until 2032.
- Cyclical yet strong production in Phosphatic Fertilisers (million tons)**



## **60% imports of India Phosphoric Acid Consumption**



## **Volatile Phosphoric Acid & Rock Phosphate Prices**





# Promoters



**Mr. M.K. Ostwal**

**Promoter, Chairman &  
Director**

Aged 67 years has a vast 43 years experience in the sector setting up various fertilizer capacities. He is regarded as is one of the pioneers of BRP based SSP technology. A commerce graduate and founder of Ostwal Group of Industries is the guiding force of the Group



**Mr. Pankaj Ostwal**

**Promoter & Director-  
Commercials**

Aged 46 years is a C.A by qualification with 23 years of experience in the field of fertiliser, textiles, chemical & mineral beneficiation. He is a commercial director and oversees all the Import and Export Business of the Ostwal Group of Industries.



**Mr. Praveen Ostwal**

**Promoter & Director-  
Technicals**

Aged 43 years he is a C.A by qualification & has 20 years of experience in the field of fertiliser, chemicals sector & mineral beneficiation. He is engaged in managing the Company domestic as well overseas acquisitions & bringing innovations in the group





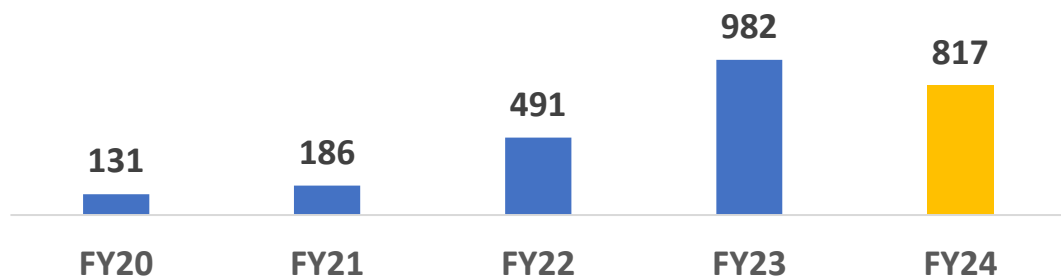
# Annexures



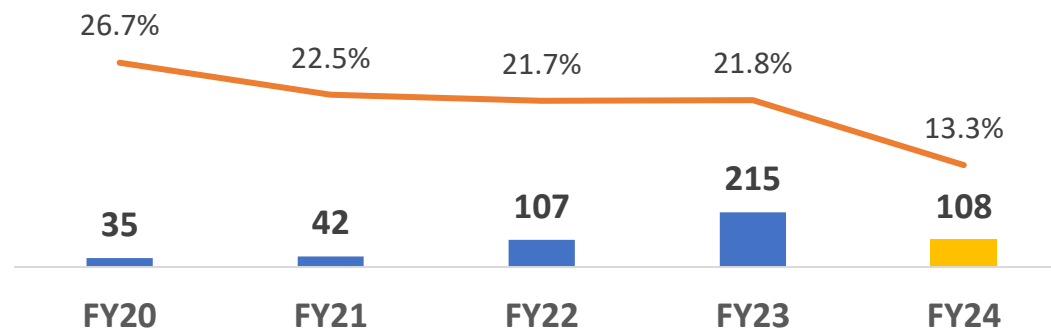
# Historical Financial Performance



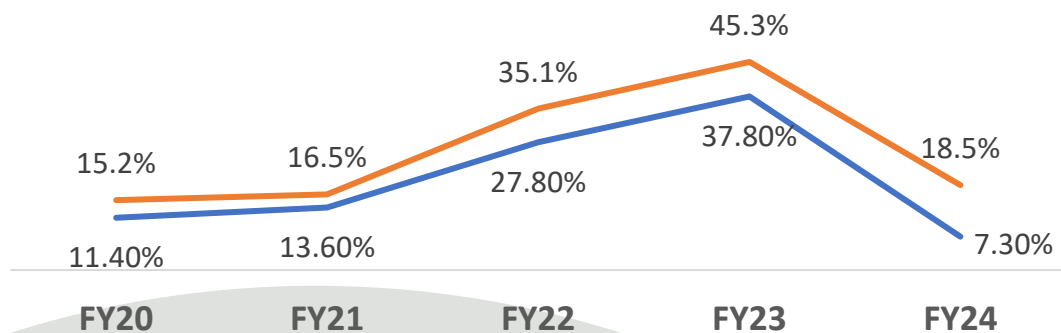
### Revenue (Rs. Crore)



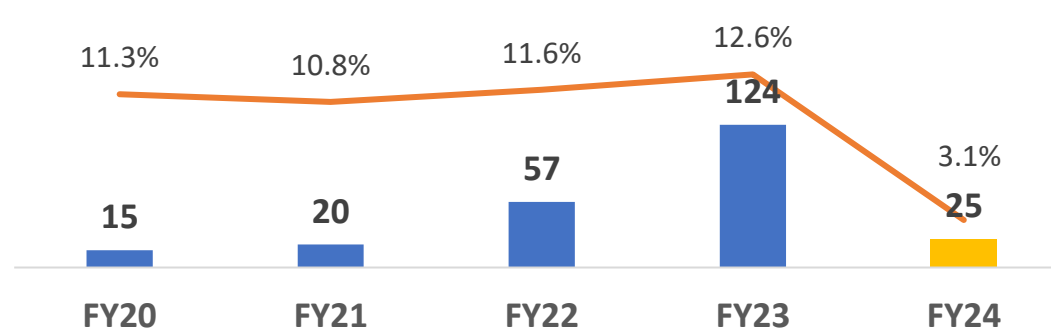
### EBITDA (Rs. Crore) and Margin (%)



### ROE (%) and ROCE (%)



### PAT (Rs. Crore) and Margin (%)





# Ratios & Cashflow

(Rs. in Crores)

Particular	FY2024	FY 2023	FY 2022	FY 2021	FY 2020
Cash Flow Summary					
Cash and Cash Equivalents at Beginning of the year	6.01	0.01	0.18	0.95	0.05
Net Cash from Operating Activities	149.04	-70.04	-71.93	30.04	14.44
Net Cash Used in Investing Activities	-93.64	-65.31	-13.06	-55.99	-22.39
Net Cash Used in Financing Activities	-61.36	141.35	84.82	25.47	8.84
Net Inc/(Dec) in Cash and Cash Equivalent	-5.96	6.00	-0.17	-0.48	0.90
Cash and Cash Equivalents at End of the year	0.04	6.01	0.01	0.47	0.95



# Key Ratios



	FY2024	FY 2023	FY 2022	FY 2021	FY 2020
<b>Operational Ratio</b>					
EBITDA/tonne (Rs.)	3,700	7,347	4,578	2,152	2,446
<b>Financial Ratios</b>					
Debt-Equity Ratio	0.83	0.98	0.80	0.42	0.28
Current Ratio	1.38	1.58	1.51	1.50	2.62
Working Capital (Rs. Crore)	131.89	184.36	95.15	34.34	44.57
Total Debt (Rs. Crore)	289.62	322.55	163.67	62.19	37.04
ROCE (%)	18.47	45.31	35.06	16.51	15.19
RONW (%)	7.08	37.82	27.77	13.55	11.38
Debtors (Days)	83	74	55	54	77
Creditors (Days)	41	8	38	84	31



**OSTWAL**

# Thank You

Sourabh Gupta, CFO

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