



**Date : 23.10.2023**

National Stock Exchange of India Limited  
Exchange Plaza  
Bandra Kurla Complex,  
Bandra (East)  
Mumbai-400 051

**Company Code: MBAPL**

Dear Sir/Madam,

**Sub: Results Presentation for the Quarter -2 for the financial year 2023-24**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Result Presentation for the Quarter -2 for the financial year 2023-24 of the Company. The same shall also be uploaded on Company's website.

The above is for your kind information and records.

Thanking You,

For Madhya Bharat Agro Products Limited

Pallavi Sukhwai

(Company Secretary & Compliance Officer)

Place: Bhilwara

Date: 23.10.2023

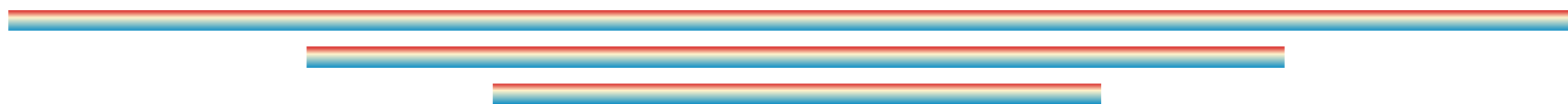


**Madhya Bharat Agro Products Ltd  
(MBAPL)  
[A unit of Ostwal Group of Industries]**

**Q2 and H1 FY24 Financial  
Results presentation**



## Quarterly Performance





# Q2FY24 Highlights

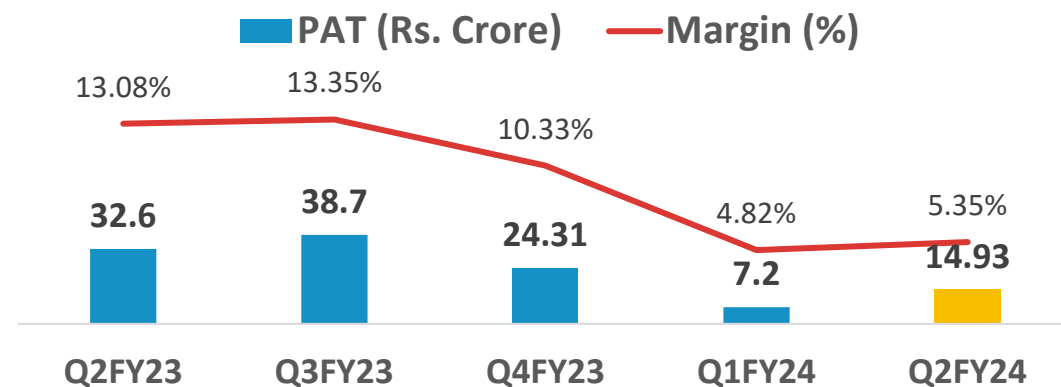
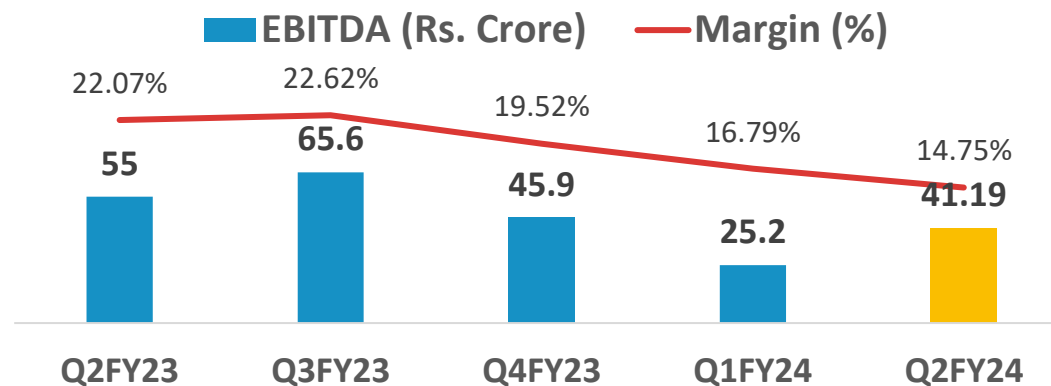
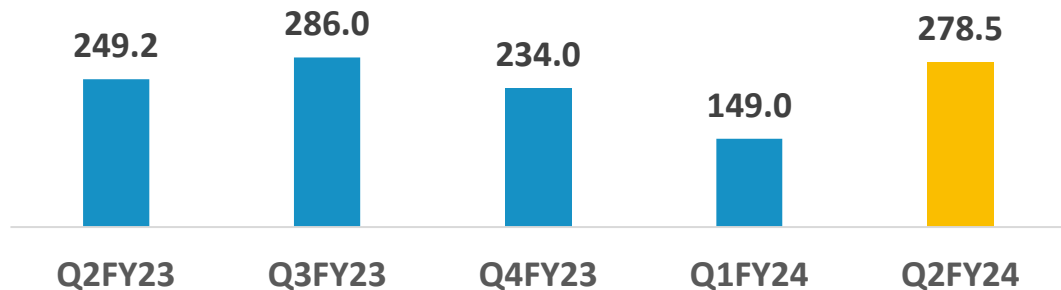
- **Recorded highest ever DAP/NPK Volumes at ~38,700MT** (Total fertilizer volumes – 95,084 MT)
  - Revenue at INR278 Cr, has grown by 12%
  - EBITDA at INR41 Cr (EBITDA Margins are 14.7%; EBITDA per ton is ~INR4300)
  - PAT at INR15 Cr (PAT Margins are 5.3%).
- **Launched tech-based marketing app ‘Annadata Samridhi Yojna’ to deepen MBAPL’s connect with the farmer**
  - Enables farmers to avail incentives.
  - Will help Company to offer a range of products and farm solutions to farmers
- **Migrated to latest state of the art SAP systems in Oct 2023 for accounting, operation controls, Fixed Asset management, Audits, Inventory, Receivables Management and MIS etc.**
- **Completed acquisition of Hindalco’s DAP / NPK Plant**
  - Received in principle approval for allotment of land in Dhule, Maharashtra
  - Plant installation expected to be completed by Q1FY27
  - Strengthens MBAPL’s presence in Maharashtra and western India



# Performance Trend



### Revenue (Rs. Crore)



- Revenue improves over sequential quarter on the back of increased volumes
- Lower realizations with stagnant input costs lead to lower operating margins
- Subsidy receivable and subsidy disbursed for September 30, 2023 stands at INR 139 crore and INR 138 crore respectively



# Volumes



	H1 FY23	H1 FY24	Q2FY23	Q2FY24
<b>Production (MT)</b>				
SSP	1,14,450	103,879	53,417	52,663
DAP	-	5,639	-	5,639
NPK	34,036	53,510	14,996	21,638
<b>Total</b>	<b>148,486</b>	<b>163,028</b>	<b>68,413</b>	<b>79,940</b>

	H1 FY23	H1 FY24	Q2FY23	Q2FY24
<b>Sales (MT)</b>				
SSP	110,315	92,886	63,424	56,386
DAP	864	5,689	-	5,689
NPK	36,771	51,096	21,422	33,009
<b>Total</b>	<b>147,950</b>	<b>149,671</b>	<b>84,846</b>	<b>95,084</b>



# Key Ratios

	H1 FY23	H1 FY24
<b>Operational</b>		
EBITDA/tonne (Rs.)	7,117	4,869
<b>Financial</b>		
Debt-Equity Ratio	0.92	0.82
Current Ratio	1.59	1.54
Working Capital (Rs. Crore)	158.9	180.6
Total Debt (Rs. Crore)	244.4	286.4
ROCE (%)	29.6	11.3
RONW (%)	23.1	6.4
Debtors (Days)	90	99
Creditors (Days)	25	42



# Results Table



	Q2		Y-o-Y	Q1	Q-o-Q	H1		Y-o-Y	Full Year
(Rs. in crore)	FY2024	FY2023	Growth (%)	FY2024	Growth (%)	FY2024	FY2023	Growth (%)	FY2023
Revenue from operations	278.5	248.9	11.9%	149.0	86.9%	427.49	461.9	-7.5%	982.1
Other income	0.8	0.3	149.3%	1.1	-28.8%	1.82	0.4	403.3%	5.2
<b>Total income</b>	<b>279.2</b>	<b>249.2</b>	<b>12.0%</b>	<b>150.1</b>	<b>86.0%</b>	<b>429.30</b>	<b>462.3</b>	<b>-7.1%</b>	<b>987.2</b>
Cost of materials consumed	155.9	114.0	36.8%	145.1	7.5%	301.00	265.4	13.4%	652.3
Changes in Inventories of finished goods, work in progress and stock in trade	47.7	38.1	25.0%	(51.7)	-192.3%	(4.00)	20.3	-119.7%	(29.6)
Employee benefits expenses	7.1	6.6	8.4%	6.3	13.4%	13.38	11.8	13.0%	27.6
Depreciation and amortisation expenses	7.3	4.6	57.6%	7.2	1.5%	14.46	9.2	56.5%	22.4
Finance costs	8.3	3.8	116.2%	5.6	48.2%	13.87	7.3	91.0%	16.4
Other expenses	27.3	35.7	-23.5%	25.2	8.2%	52.54	61.2	-14.2%	122.0
<b>Total expenses</b>	<b>253.6</b>	<b>202.8</b>	<b>25.0%</b>	<b>137.7</b>	<b>84.2%</b>	<b>391.25</b>	<b>375.3</b>	<b>4.3%</b>	<b>811.1</b>
<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>	<b>25.6</b>	<b>46.4</b>	<b>-44.8%</b>	<b>12.4</b>	<b>106.3%</b>	<b>38.06</b>	<b>87.0</b>	<b>-56.3%</b>	<b>176.2</b>
<b>EBITDA</b>	<b>41.2</b>	<b>54.9</b>	<b>-24.9%</b>	<b>25.2</b>	<b>63.5%</b>	<b>66.39</b>	<b>103.5</b>	<b>-35.9%</b>	<b>215.0</b>
<b>Margin</b>	<b>14.8%</b>	<b>22.0%</b>	<b>-33.0%</b>	<b>16.8%</b>	<b>-12.1%</b>	<b>15.5%</b>	<b>22.4%</b>	<b>-30.9%</b>	<b>21.8%</b>
<b>Reported Profit After Tax</b>	<b>14.9</b>	<b>32.6</b>	<b>-54.1%</b>	<b>7.2</b>	<b>106.3%</b>	<b>22.2</b>	<b>61.2</b>	<b>-63.8%</b>	<b>124.2</b>
<b>Margin</b>	<b>5.3%</b>	<b>13.1%</b>	<b>-59.1%</b>	<b>4.8%</b>	<b>10.9%</b>	<b>5.2%</b>	<b>13.2%</b>	<b>-61.0%</b>	<b>12.6%</b>
Basic EPS (Rs./share)	3.41	7.43		1.65		5.06	13.97		28.35





## Chairman's Quote



Commenting on the financial performance of the company for Q2FY24, Mr. MK Ostwal said, *“The quarter under review has been a challenging one due to lower realisations with stagnant input costs thereby putting pressure on operating performance. Despite these challenges the new capacity addition of DAP/NPK (120,000 MT) commenced in Mar-23 is stabilized and has significantly increased its productivity in short time.*

*We have commenced the setting up of a new DAP/NPK and SSP facility in Maharashtra and allotment of 47 hectare land from MIDC has been received. The process of getting other regulatory approvals have started. This expands our reach and is in line with our objective of becoming a sizeable fertiliser manufacturer.*

*We commenced tech-based marketing by connecting directly with farmers to provide them incentives which will be huge value driver going head for all the stake holders.*

*On operational side we have migrated to SAP from our legacy system, the benefits of it on operations are already visible.”*



# 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; 1,400 wholesalers; 15,000 dealers & retailers.
- SSP market share of 11% in Madhya Pradesh & 19% in Chhattisgarh
- A- stable credit rating
- MBAPL is an NSE listed Company (ISN: INE900L01010) since 2016 (Market cap~ Rs.28b)



**Banda Plant in Sagar**



**Rajoua Plant in Sagar**



# Journey so far



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

2016

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

2017

Commenced GSSP  
and Organic  
Fertilizers

2019

Migrated to NSE  
Main board of stock  
exchange

2021

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

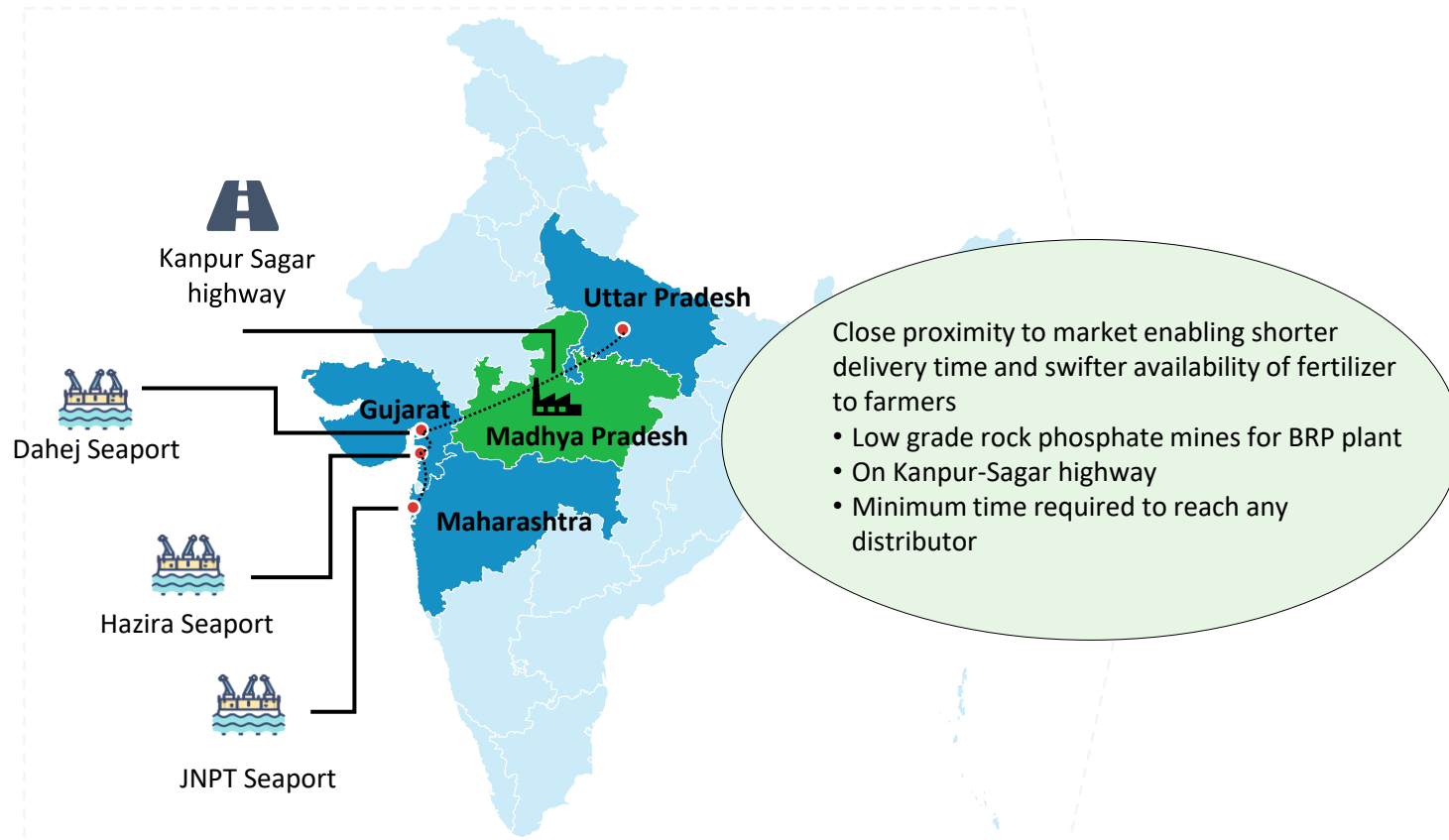
2023

Doubled manufacturing  
capacity of DAP/NPK/ASP  
plant to 240,000 MT and  
PA to 49,500 MT per  
annum

*\*DAP is Di Ammonium Phosphate  
NPK is Nitrogen Phosphorus and Potassium  
ASP is Ammonium phosphate sulphate*



# Strategic Location with regular capacity additions

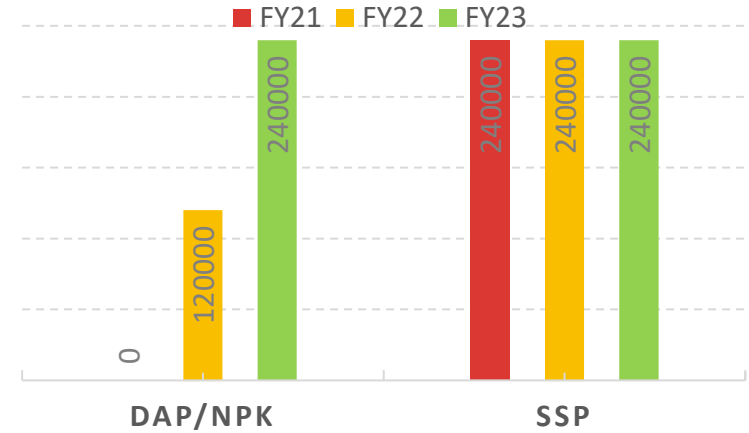


## Adequate availability of land, infrastructure & inputs to expand capacity

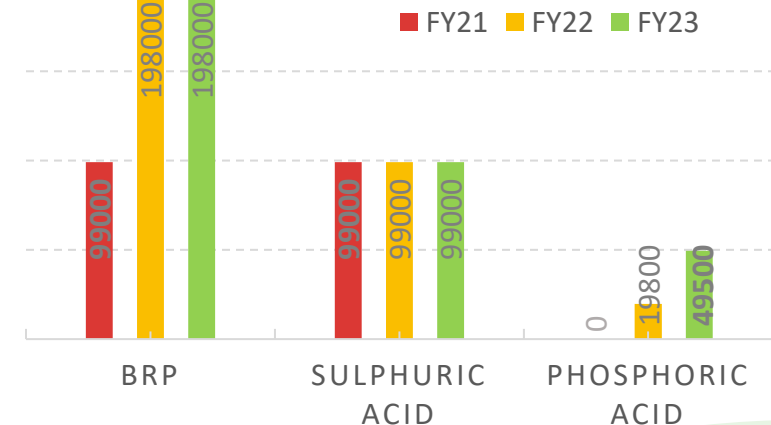
\* Phosphoric acid capacity enhanced to 49500 MTPA on 29<sup>th</sup> March, 2023

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

## Finished Goods Capacities (MT)

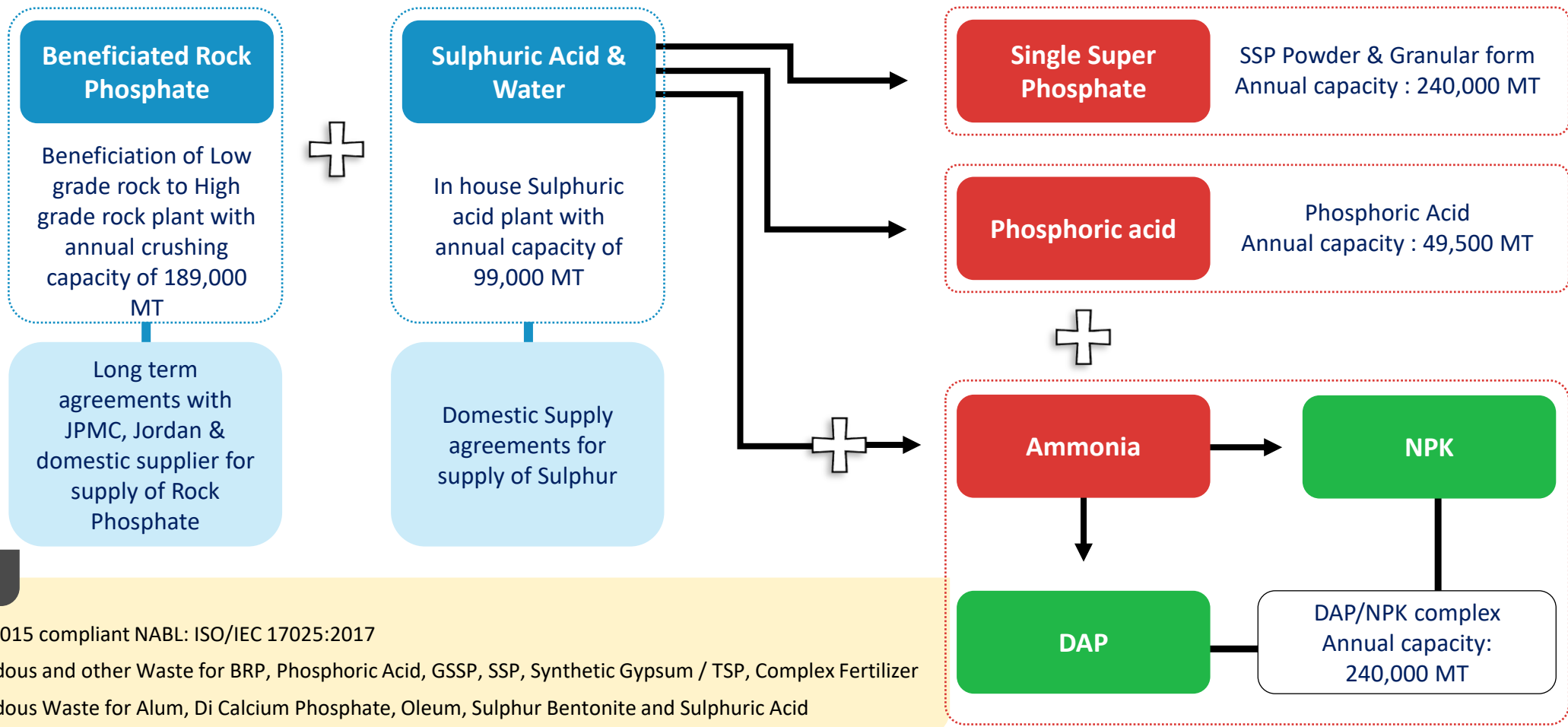


## Backward integrations Capacities (MT)





# 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

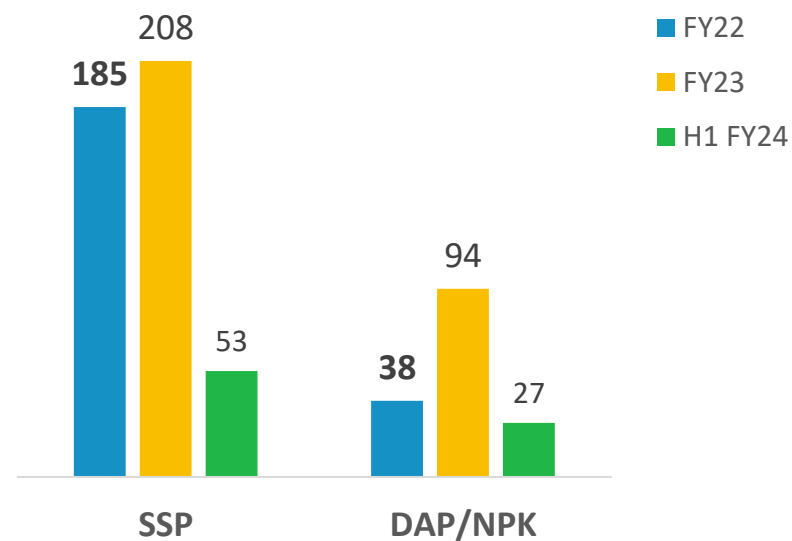


# Efficient Operating Metrics



	Production capacity (MTPA)	Capacity utilisation (MT) H1 FY24 (ann.)	Capacity utilisation (MT) FY23	Capacity utilisation (MT) FY22
DAP/NPK**	240,000	49%	78%	32%
SSP/GSSP	240,000	87%	87%	77%
Organic Fertiliser	60,000	-	27%	49%
BRP (Crushing)	189,000	56%	64%	58%
Phosphoric Acid*	49,500	30%	72%	46%
Sulphuric Acid & Other	99,000	92%	90%	89%

Fertilizer Production Volumes (in '000 MT)



Adequate availability of land, infrastructure & inputs to expand capacity

\* Phosphoric acid capacity enhanced from 19,800 MTPA to 49,500 MTPA from 29<sup>th</sup> March, 2023

\*\* DAP/NPK capacity enhanced from 120,000MT to 240,000 MTPA on 29<sup>th</sup> March, 2023



# First to implement tech-enabled marketing with deep network

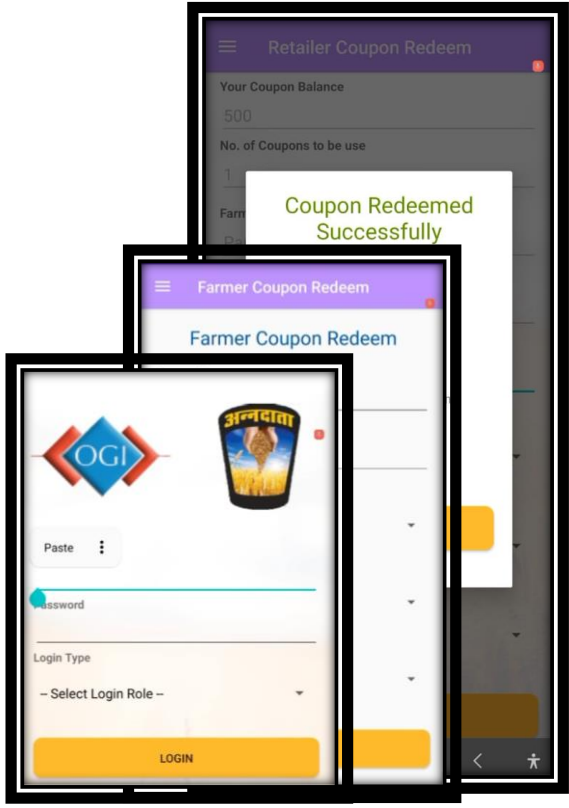


Expansive distributors and marketing reach in areas of market & **EXPANDING**

150  
Marketing professionals

1,400  
Wholesalers

15,000  
Dealers & retailers



STRONG  
FORMIDABLE  
SUSTAINABLE  
VISIONARY

**'Marketing Strategy'**

**PIONEER in using Technology to directly connect with farmers.**





# 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**

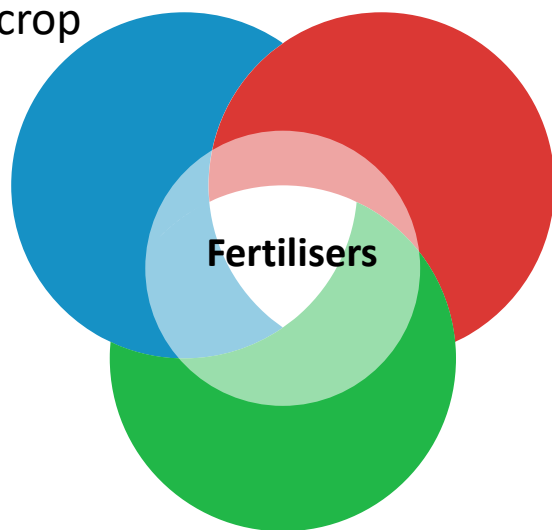
Low acquisition cost and turning around leads to high returns.



# 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.





# Doubling Capacity by 2026



- MBAPL has recently entered into a definitive agreement with Hindalco to acquire their DAP/NPK facility at Dahej.
- The acquired facility will be relocated to new location by MBAPL. Necessary land has already been procured at MIDC, Nardana, Dhule district, Maharashtra.
- Maharashtra is largest consumer of Phosphatic fertilizer in India.
- Proposed Capex for the project – **Rs.650 crores (Phase 1) + Rs.150 crore (Phase 2)**
- Phase 1 is proposed to commence production in 1QFY27 which will include
  - relocation of acquired DAP/NPK facility
  - New SSP, Phosphoric Acid & Sulphuric Acid facility
- Phase 2 of the project will be Ammonia storage facility at port.

## Existing & Proposed (Phase 1) capacity enhancement

Particulars	FINISHED GOODS (MT)			BACKWARD INTEGRATION (MT)		
	SSP	DAP/NPK	Organic Fertiliser	BRP	Sulphuric Acid	Phosphoric Acid
Existing Capacity	240,000	240,000	60,000	189,000	99,000	49,500
Proposed Capacity	330,000	330,000	-	-	231,000	99,000
<b>Total</b>	<b>570,000</b>	<b>570000</b>	<b>60000</b>	<b>189000</b>	<b>330000</b>	<b>148500</b>

SSP: Single Super Phosphate; BRP: Beneficiated Rock Phosphate; DAP- Di Ammonium Phosphate



# 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**

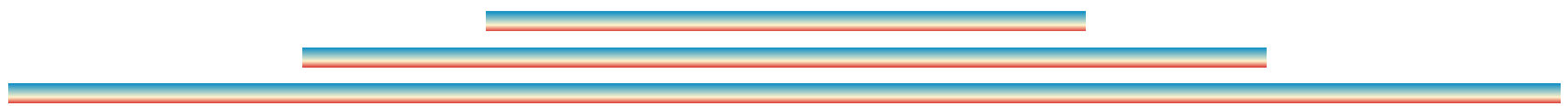
Aged 46 years is a C.A by qualification with 23 years of experience in the field of fertiliser, textiles, chemical & mineral beneficiation. He is a commercial director and oversees all the Import and Export Business of the Ostwal Group of Industries.



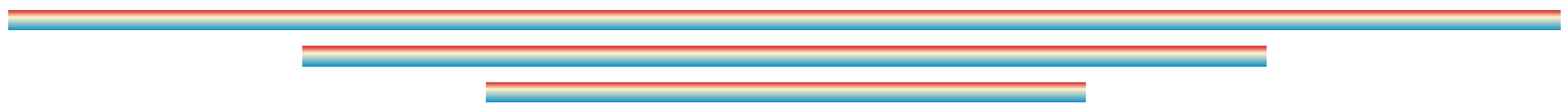
**Mr. Praveen Ostwal**

**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



# Industry Overview

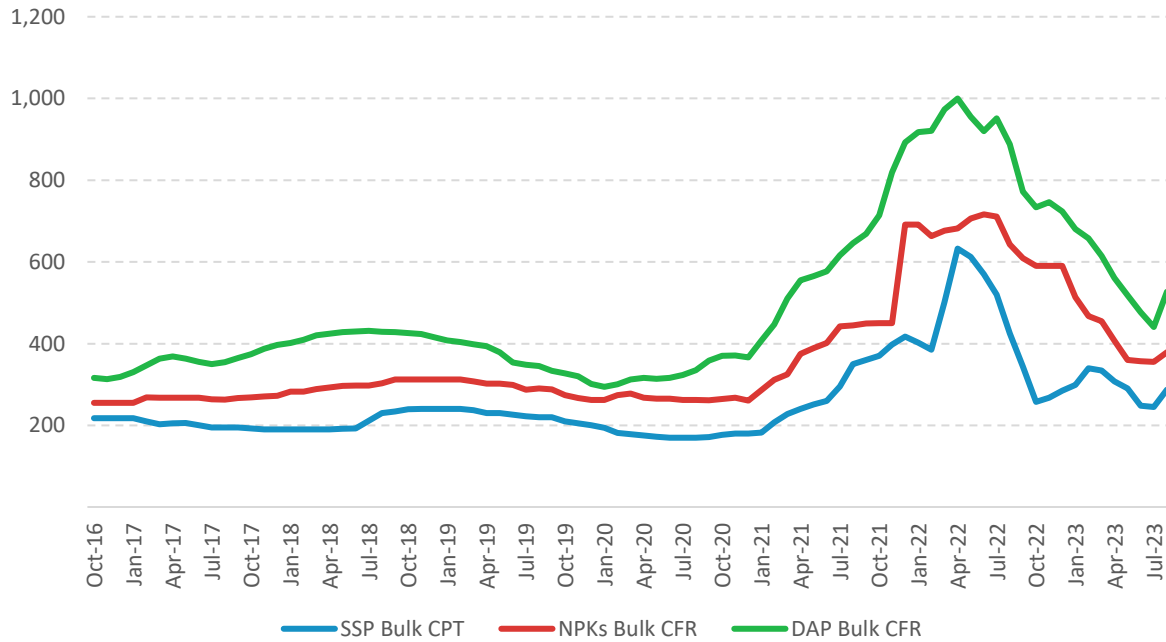




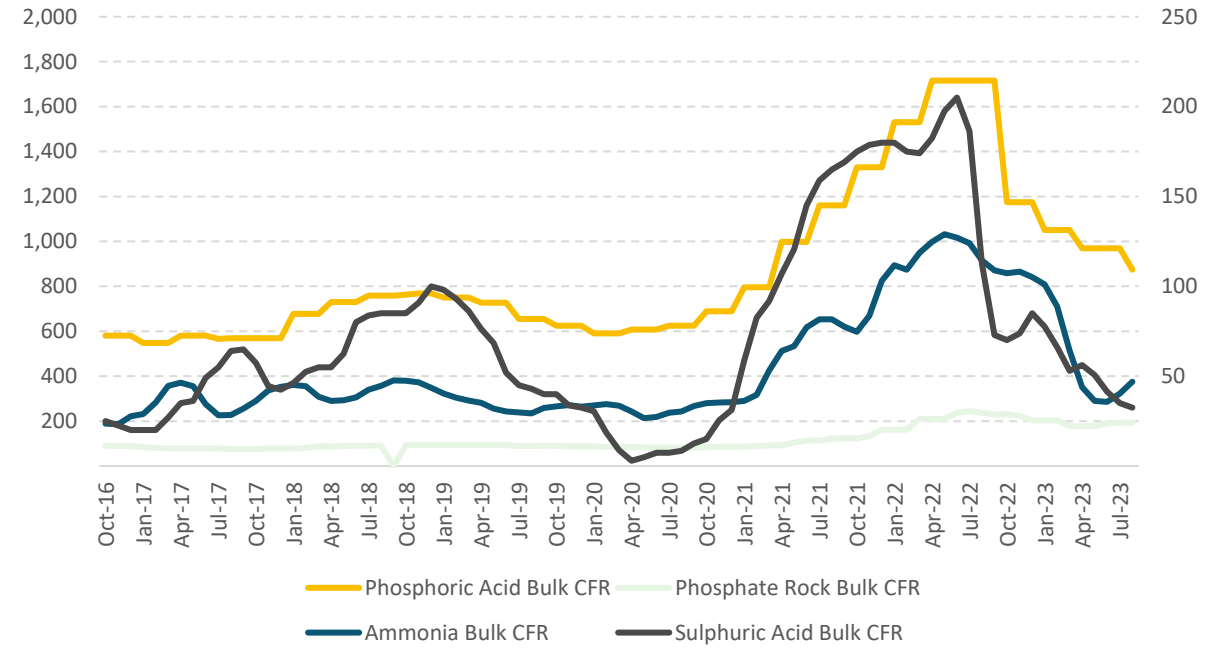
# Volatile Prices since 1 year



### Finished goods (USD/t)



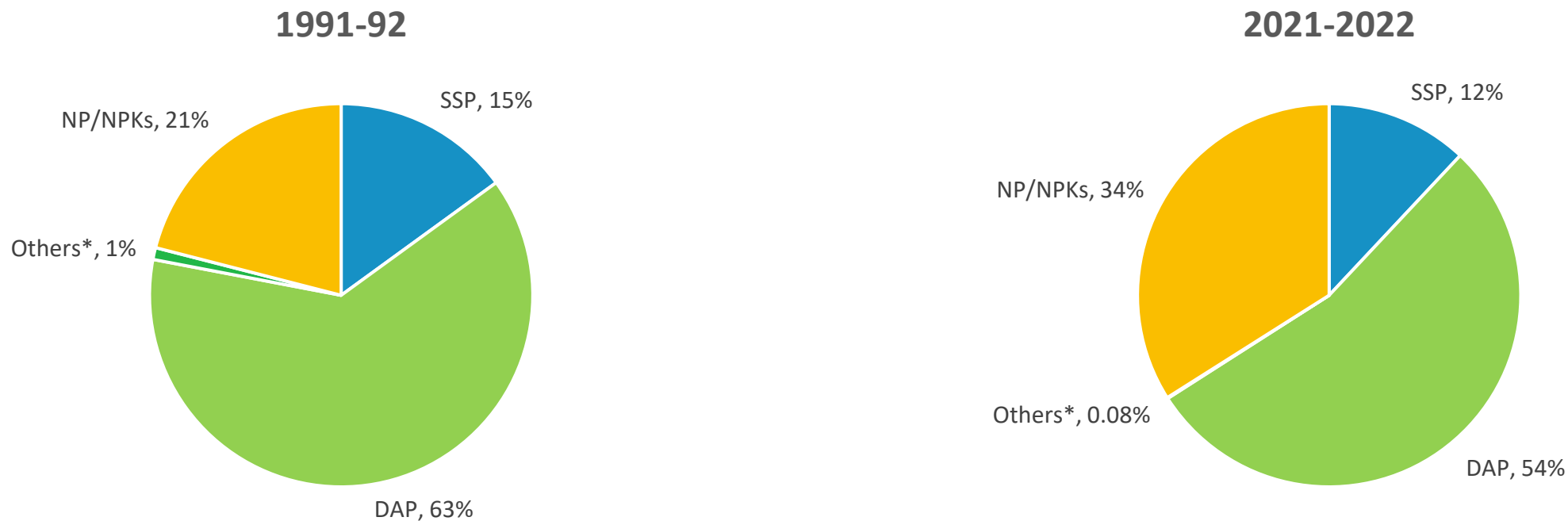
### Raw material (USD/t)



Source: Fertiliser week



# Increasing share of NPK Fertilisers

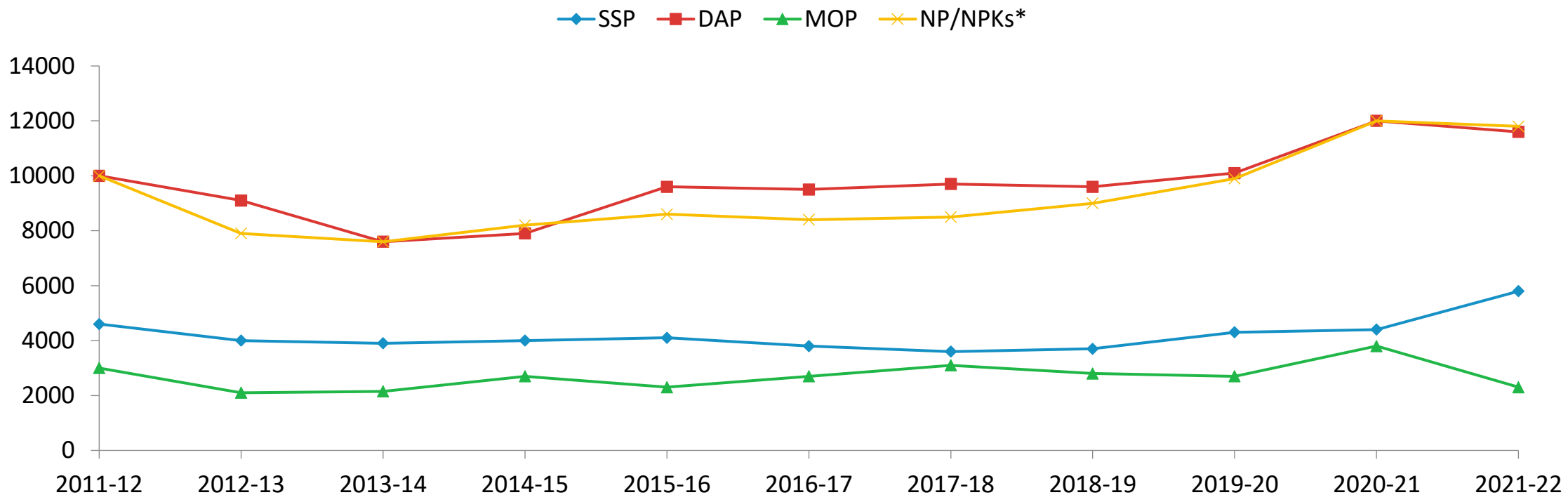


- Consistent increase in consumption share of NPK : 21% in 1991-92 to 34% in 2021-22
- MBAPL on the back of increasing complex fertiliser capacities is optimally positioned to respond to this opportunity

• Includes Rock Phosphate for direct application  
Source: Fertilizer statistics



# Trends in consumption of fertiliser products



The usage of DAP and NPK fertilisers has been consistently higher

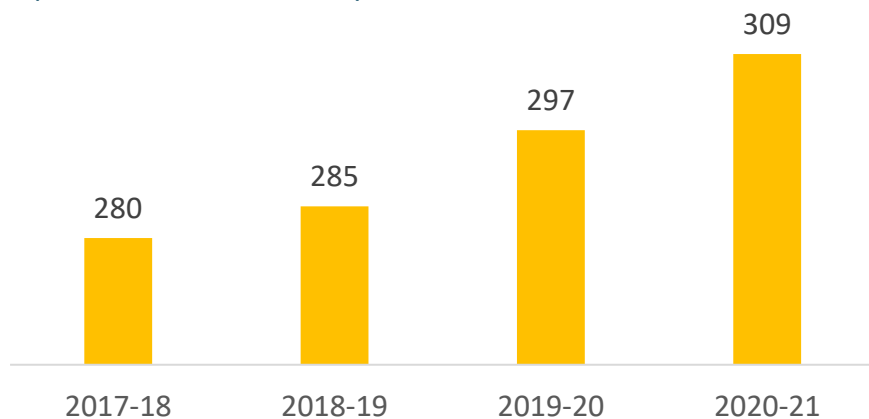
\* Other than DAP/MAP





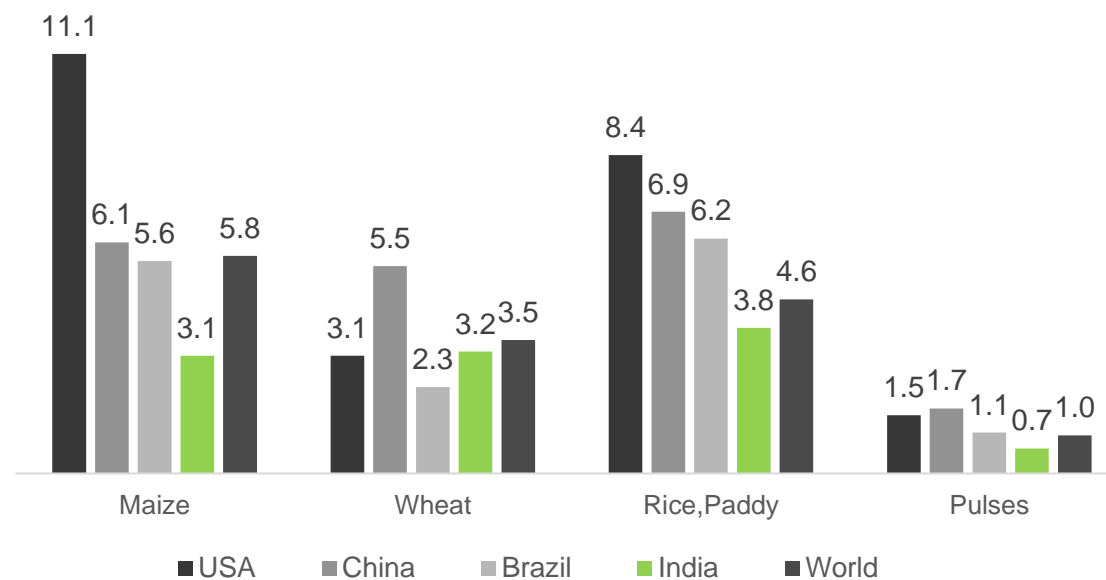
# Huge Gap in crop production and productivity

1 Food grain production growing ~3.7%  
(in Million Tonnes)



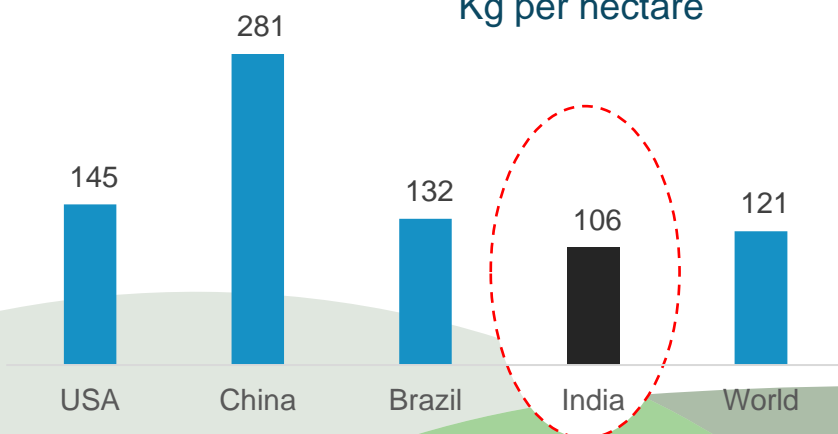
2 ...but at a significantly low productivity rate

Yield (tonnes per hectare)



3 ...primarily due to low nutrient usage

Kg per hectare



- Significantly low crop productivity forcing more and more nutrient usage
- Highly skewed nutrient consumption leaves a room for future growth



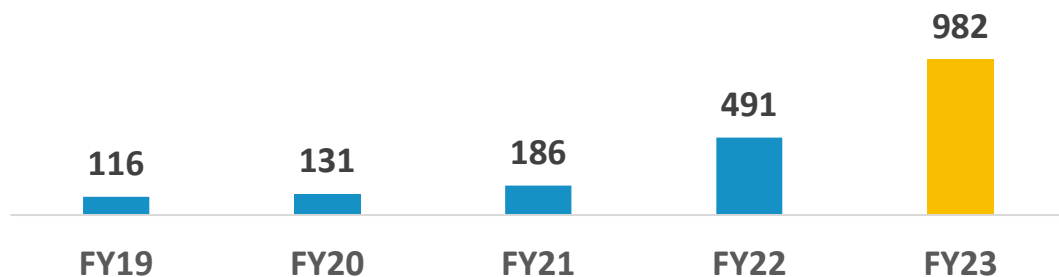
# Annexures



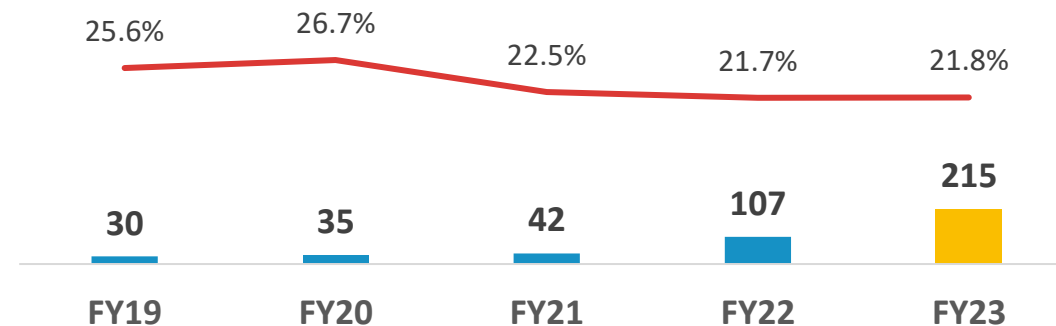
# Historical Financial Performance



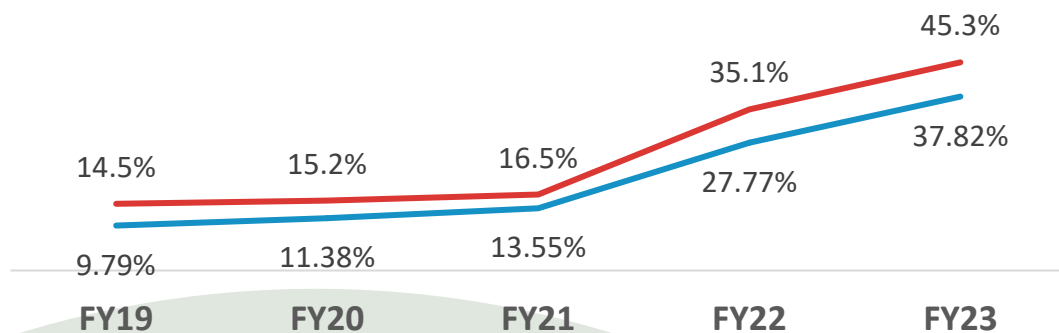
### Revenue (Rs. Crore)



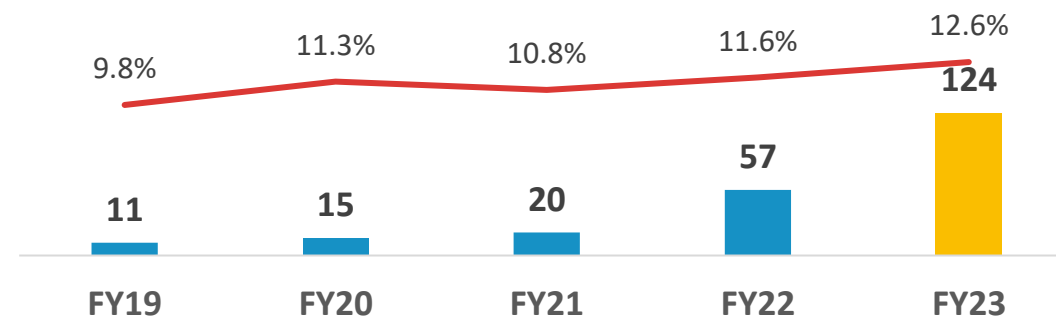
### EBITDA (Rs. Crore) and Margin (%)



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



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





# Ratios & Cashflow

(Rs. in Crores)

Particular	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Cash Flow Summary					
Cash and Cash Equivalents at Beginning of the year	0.01	0.18	0.95	0.05	0.02
Net Cash from Operating Activities	-70.04	-71.93	30.04	14.44	15.36
Net Cash Used in Investing Activities	-65.31	-13.06	-55.99	-22.39	-0.89
Net Cash Used in Financing Activities	141.35	84.82	25.47	8.84	-14.43
Net Inc/(Dec) in Cash and Cash Equivalent	6.00	-0.17	-0.48	0.90	0.03
Cash and Cash Equivalents at End of the year	6.01	0.01	0.47	0.95	0.05



# Key Ratios

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
<b>Operational Ratio</b>					
EBITDA/tonne (Rs.)	7,347	4,578	2,152	2,446	2,076
<b>Financial Ratios</b>					
Debt-Equity Ratio	0.98	0.80	0.42	0.28	0.20
Current Ratio	1.58	1.51	1.50	2.62	2.19
Working Capital (Rs. Crore)	183.15	95.15	34.34	44.57	30.43
Total Debt (Rs. Crore)	322.55	163.67	62.19	37.04	23.81
ROCE (%)	45.31	35.06	16.51	15.19	14.46
RONW (%)	37.82	27.77	13.55	11.38	9.79
Debtors (Days)	74	55	54	77	62
Creditors (Days)	8	38	84	31	28



# Thank You

Sourabh Gupta, CFO  
Madhya Bharat Agro Products Limited (MBAPL)

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