

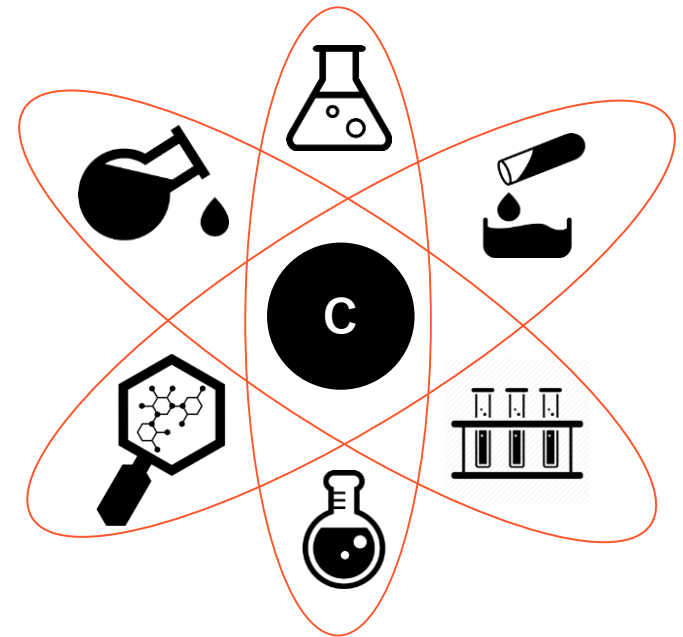


BOBCAPS

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BOBCAPS CATALYST

Chemicals Sector
Investment Banking Newsletter
Inaugural Edition



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Dear Reader,

It gives me immense pleasure to share the inaugural edition of BOBCAPS CATALYST, Investment Banking Newsletter covering Chemicals and Fertilizers segment. Our endeavour is to publish CATALYST as a bi-annual newsletter covering the industry deal dynamics, trends and events that has shaped the industry in recent times.

We have covered the following key subsectors – Diversified Chemicals, Fertilizers & Agrochemicals segments.

We hope you find this newsletter interesting and we look forward to receiving your feedback to help us improvise on our future editions.

Please get in touch with us: ib.equity@bobcaps.in

Warm Regards,
Avdhoot Deshpande
President, Investment Banking – Equity

Expansion and Diversification

Adani Group to forge Petrochemicals JV with BASF

BASF will set up INR 160 bn petrochemical production hub in Gujarat in a JV with Adani Group. The German Company will hold a majority stake in the JV, which will invest in the “acrylics value chain“. The designated site would be at Mundra port in Gujarat and would operate production plants including propane dehydrogenation (PDH), oxo C4 complex (butanol and 2-ethylhexanol), glacial acrylic acid (GAA), butyl acrylate (BA).

China Synthetic Rubber Corporation to invest INR 10 bn in Gujarat unit

The China Synthetic Rubber Corporation (CSRC) is planning to make an investment of INR 10 bn to set up a manufacturing unit in Gujarat. The manufacturer and distributor of carbon black has identified a location near Dahej Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) for the proposed project.

Aarti Industries plans expansion of Gujarat unit

Aarti Industries is planning expansion at its synthetic organic chemical unit. The brownfield expansion will increase the annual capacity from 13,936 TPM to 22,136 TPM.

Asiatic Pharma Chem to set up synthetic organic chemicals unit

The synthetic organic chemicals unit in Gujarat will have a capacity of 150 TPM. The project is estimated to cost INR 45 mn and will include products such as 2 Mercapto Benzimidazole, 5 Methoxy 2 Mercapto Benzimidazole, 5 Methyl 2 Mercapto Benzimidazole, and 4 Hydroxy 3 Amino Chlorobenzene (with a combined capacity of 140 TPM) and 3,5 Dinitro Benzoic Acid (with a capacity of 10 TPM).

Phillips Carbon Black plans INR 9 bn capex by 2020

Phillips Carbon Black will make an investment of INR 9 bn towards capex of which INR 6 bn will be towards greenfield plant in Ennore, Tamil Nadu. The plant will have an annual capacity of 150,000 tonne and is expected to be operational around September 2020. The facility will focus on rubber black and specialty black products.

Axalta inaugurates new coating manufacturing facility in India

The new plant will double Axalta’s coating manufacturing capacity for coatings products of light vehicles, commercial vehicles, and industrial segments. The Company will invest close to USD 70 mn in the country over the next five years.

SRF commissions Phase-I of multipurpose plant at Dahej

SRF is planning to invest in production facilities in Gujarat at a total outlay of INR 3.4 bn. The Company has approved its 3rd multipurpose plant at an estimated cost of INR 18 bn and Chloromethanes plant at an outlay of INR 1.6 bn at its chemical complex in Dahej, Gujarat.

Pidilite Industries reaches financial closure for adhesives unit

Pidilite Industries, is planning to set up an adhesives manufacturing unit with a capacity of 100,000 TPA at a cost of INR 2.2 bn in Visakhapatnam district (AP) and expects to complete the project by February 2020. The Company expects to part fund this capex through INR 2.15 bn internal accruals.

UPL to expand pesticides unit capacity by Jan 2020

UPL is planning to expand pesticides unit’s capacity located at Haldia Industrial Area in West Bengal. It intends to expand the capacity from 460 TPM to 2,100 TPM.

Balaji Specialty Chemicals to invest 962 mn in new project

Balaji Specialty Chemicals is planning to invest INR 962 mn in a chemicals plant with a capacity of 45,330 TPA. The unit will have a capacity to produce Ethylenediamine (37,350 TPA), Piperazine (4,050 TPA), and Diethylenetriamine (3,150 TPA).

Beva Silicones to invest in new unit

Beva Silicones is planning to setup a textile finishing chemicals and silicone based products unit. The company is planning to commence commercial production by December 2019. The proposed unit is located at Sri City in Chittoor district of Andhra Pradesh and will have an annual capacity of 108,000 TPA.

Air Products to invest over USD 100 mn for setting up six units

Air Products and Chemicals, the industrial gases producer, will invest up to USD 100 mn in India for setting up six units for liquid oxygen and nitrogen production. The investment will be made through the company’s JV INOX Air Products and will be based in Chakan, Pune; Durgapur, West Bengal; Sriperumbudur, Tamil Nadu; Simej, Gujarat; Modinagar, UP; and Kanjikode, Kerala.

Zuari Agro seeks shareholders' nod to raise up to INR 7.55 bn for plants revamp

Zuari Agro Chemicals has sought shareholders' nod to raise up to INR 7.55 bn to fund revamp of its ammonia-urea plants. It proposes to raise EUR 32 mn (INR 2.55 bn) by Foreign Currency Convertible Bonds and up to INR 5 bn by issuing Compulsory Convertible Debentures via a rights issue.

...Expansion and Diversification

Hindustan Urvarak and Rasayan inks loan pact worth INR 53.1 bn

Hindustan Urvarak and Rasayan (HURL) has inked a term loan agreement for INR 53.1 bn for Gorakhpur fertilizer plant in Uttar Pradesh. The loan pact has been signed with a consortium of banks led by SBI as the lead banker and Punjab National Bank, Allahabad Bank, Union Bank of India, Indian Bank, Bank of India and Canara Bank. HURL is a joint venture (JV) company of three companies, NTPC, the Indian Oil Corporation and Coal India along with the Fertilizer Corporation of India and the Hindustan Fertilizer and Corporation.

McDermott awarded Polypropylene Technology Contract in India

McDermott International has been awarded a contract by HPCL Rajasthan Refinery (HRRL) for the license and basic engineering design of two 490 KTA polypropylene plants in Pachpadra Tehsil, Barmer District, Rajasthan, India. The plants will use Lummus' proprietary NOVOLEN® process reactors and proprietary NHP® catalyst to produce polypropylene products.

Strategic M&As and Private Equity Investments

Bain-Piramal fund invests USD 156 mn in Archeon Chemical

India Resurgence Fund, a joint venture of Bain Capital Credit and Piramal Enterprises has invested USD 156 mn through debt and equity in Chennai-based Archeon Chemical Industries. The Company will use the proceeds to refinance its existing debt and make investment to optimize the output of its factory at Hajipir, Gujarat. The funds will also be utilized for working capital and to grow its market share in India and in export markets such as Japan, China, West Asia and Europe.

Indo Amines to be merged with Core Chemicals and Key Organics

Chemicals manufacturer Indo Amines would merge with Core Chemicals and Key Organics, a wholly owned subsidiary of Indo Amines. The merger is likely to help Indo Amines to strengthen its financials as well as utilize its approvals of agro surfactants and emulsifiers with MNCs in India.

Kansai Nerolac Paints acquires Perma Construction Aids for USD 4.16 mn

Kansai Nerolac Paints entered into a Share Purchase Agreement to acquire Perma Construction Aids for USD 4.16 mn (INR 291 mn). The transaction is expected to close by January 28, 2019. The acquisition will increase Kansai Nerolac's product offerings in the construction chemicals business and strengthen its existing portfolio.

UPL acquires Arysta Life Science for USD 4.2 bn in all cash deal

In one of the largest overseas deals by an Indian entity, agrochemicals producer UPL with a consortium Abu Dhabi Investment Authority and TPG acquired US-based Arysta Life Science for USD 4.2 bn in an all-cash deal. The transaction will enhance the position of UPL as a global leader in the agriculture solutions market and make it a USD 5 bn entity in combined sales, offering it a USD 200 mn savings through operational synergies.

Abu Dhabi Investment Authority (ADIA) is set to invest USD 1 bn to acquire a 20 % in UPL Corporation, the Mauritius-based arm of India-listed UPL. This will be the vehicle used to acquire Platform Specialty Products Corp's agricultural pesticides business called Arysta Life-Science for USD 4.2 bn. (please refer case study)

Ramagundam Fertilizers and Chemicals raises USD 23 mn

Ramagundam Fertilizers and Chemicals raised USD 23 mn (INR 1.57 bn) from a stake sale of 11.7% to Investment Fund for Developing Countries, Danish Agribusiness Fund and Haldor Topsoe. The fertilizer plant is scheduled to begin in second quarter of 2019 as the first of the revival projects planned by Government of India.

Sebacic India raises USD 4.75 mn from IndiaNivesh Renaissance Fund

Sebacic India raised USD 4.75 mn (INR 330 mn) from IndiaNivesh Renaissance Fund. As a part of the transaction, SME Technology Venture Fund, a fund managed by GVFL will sell its entire stake in the company. The proceeds will be used mainly to finance working capital needs, costs related to operations and ramp up the production.

ECM

Neogen Chemicals files for a INR 700 mn Initial Public Offering

Neogen Chemicals plans to raise INR 700 mn through IPO. According to the DRHP filed with SEBI, the initial share sale comprises fresh issuance of shares aggregating up to INR 700 mn and an offer for sale of up to INR 2.9 mn by the company's promoters. Proceeds of the issue will be utilized towards repayment of debt and repayment of long-term working capital.

Industry News

Anti-dumping duty on Chinese chemical for 5 years

The revenue department has imposed anti-dumping duty for five years on a Chinese chemical used in making detergents to guard domestic players from cheap imports from the neighbouring country. The levy on 'Zeolite 4A' [Detergent grade] has been imposed on recommendations of Directorate General of Trade Remedies (DGTR) after conducting a probe in this regard. The duty in the range of USD 163.9-207.7 per tonne of the chemical will remain in force for five years (unless revoked, superseded or amended earlier) as per Central Board of Indirect Taxes and Customs (CBIC) in a notification. DGTR, the investigation arm of the commerce ministry, had conducted the probe on complaint of Gujarat Credo Mineral Industries and Chemicals India which alleged injury to the domestic industry on account of the cheap import from China.

Government to clear fertiliser subsidy arrears of INR 100 bn by March 2019

Government to clear fertiliser subsidy arrears of INR 100 bn by March 2019. Fertiliser subsidy arrears to the industry has decreased by 75% to INR 10 bn in the last four years. The government will also not raise the minimum retail price (MRP) of urea to protect farmers interest. The direct benefit transfer (DBT) scheme in the fertiliser sector has been a great success as 55 mn tonnes of nutrients have been sold to 138 mn farmers through around 2 lakh PoS machines.

CCEA okays INR 10.3 bn equity infusion in Talcher Fertilizer plant

The Cabinet Committee on Economic Affairs (CCEA) has sanctioned an equity investment of INR 10.3 bn by the Rashtriya Chemicals and Fertilizers (RCF). The investment has been made towards setting up of coal gasification-based fertilizer project by Talcher Fertilizer (TFL) in Odisha. This capital infusion is ~29.7% of the total project cost.

Environmental Clearances

ELANTAS Beck India gets green nod for expansion of plant

ELANTAS Beck India has been granted environmental clearance (EC) from the State Level Environment Impact Assessment Authority (SEIAA), for setting up a synthetic organic chemicals manufacturing plant at GIDC, Ankleshwar.

PI Industries gets green nod for INR 3.9 bn project in Gujarat

PI Industries has been given the environment clearance for its INR 3.9 bn pesticides project in Gujarat. The proposal is to set up a manufacturing unit to produce pesticide, pesticide intermediates and fine chemicals with a total capacity of 43,240 TPA.

Balaji Amines' expansion project gets MoEFCC's nod

Balaji Amines has received approval from the Ministry of Environment, Forest and Climate Change (MoEFCC) for their expansion project. The project includes Acetonitrile (ACN), Morpholine (MOR) & Di Methyl Amine Hydrochloride (DMAHCL) products.

Reliance Industries gets green nod for Jamnagar refinery expansion

Reliance Industries has secured (MoEF&CC) nod for expansion of Jamnagar refinery. The company intends to expand the capacity of its export-oriented refinery in the special economic zone (SEZ) at Jamnagar by 5.8 mn tonnes.

Key Transactions

M&A and Private Equity

Date	Target Company Name	Investor (s) / Buyer (s)	Deal Type	Deal Value (\$ mn)	% Sought
2019-01-09	Sebacic India	IndiaNivesh Renaissance Fund	Private Equity	4.7	-
2018-12-27	Perma Construction Aids	Kansai Nerolac Paints	M&A – Domestic	4.1	100.0
2018-12-25	Solaris Chemtech Industries	Agrocel Industries	M&A – Domestic	-	100.0
2018-11-26	Archean Chemical Industries	India Resurgence Fund	Private Equity	-	-
2018-11-21	Syngenta International (3 Insecticides & Fungicide Brands)	Crystal Crop Protection	M&A –Outbound	-	100.0
2018-08-20	FMC Corp (Furadan, Splendour, Metcil and Affinity Force Brand)	Crystal Crop Protection	M&A	-	100.0
2018-08-02	Ramagundam Fertilizers and Chemicals	Danish Agribusiness Fund, Investment Fund for Developing countries	Venture Capital	23.0	11.7
2018-07-20	Arysta LifeSciences	UPL Corporation	M&A - Outbound	4,200.0	100.0
2018-07-20	UPL Corporation	Abu Dhabi Investment Council, TPG Capital	Private Equity	1,200.0	22.0

UPL

- UPL is a global leader in agricultural solutions headquartered in Mumbai, India
- Products include seeds, crop protection, and nutrition, soil & water technologies
- 35 manufacturing facilities with over 241 granted patents and 6,181 registrations
- Exports to over 130 countries, direct presence in major markets with own distribution & sales force in more than 40 nations
- 25+ successful acquisition integrations in the past 20 years



Arysta Lifescience

- Arysta Lifescience is a global agricultural company specializing in the development, marketing and distribution of innovative crop protection and life science brands
- 3 large organizations integrated to create Arysta with presence in over 60 countries
- 13 manufacturing facilities with more than 200 active ingredients and 6,850+ registrations
- Arysta LifeScience has a well-integrated biological and chemical portfolio
- Product offering includes BioSolutions, fungicides, herbicides, insecticides and seed treatments

Deal Contours

- Deal Value - ~USD 4.2 bn (all cash consideration)
- EV / EBITDA¹ - 9.9.x (ex-synergies)
- Expected to be EPS accretive for UPL by ~INR 10 - 12 in FY 2020
- Following the acquisition, UPL will enhance its position as a global leader in agriculture solutions:
 - ~USD 5 bn in combined sales
 - ~USD 1 bn EBITDA
 - 20%+ EBITDA margin pre-synergies

Transaction Overview

- Transaction is backed by a USD 1.2 bn equity investment in UPL Corp from long-term investors including a wholly owned subsidiary of the Abu Dhabi Investment Authority (“ADIA”) and TPG, a leading global alternative asset firm
- UPL Corp has received debt financing commitments of USD 3 bn for the balance of the consideration, with bullet maturity of 5 years, from MUFG Bank and Coöperatieve Rabobank U.A. (Hong Kong Branch)

Strategic Rationale

- Annual run-rate synergies from business optimization estimated to be USD 200 mn
- Economies of scale: Creating a top-5 player in agricultural solutions market
- Significant synergies across geographies and crops
- Exposure to an attractive mix of high value and high growth segments
- Best-in-class manufacturing capabilities provide an advantage for sustainable growth

¹Based on acquired EBITDA of USD 424 mn for the twelve months ended March 2018



- Crystal Crop Protection is engaged in the manufacturing, formulation and marketing of agrochemical products. It offers insecticides, fungicides and herbicides
- The Company was incorporated in 1994 and is based in New Delhi, India
- Everstone Capital Partners invested INR 1.5 bn in November 2011 for ~9% stake

syngenta



November, 2018

- Acquired three insecticide and fungicide brands of Syngenta International AG for an undisclosed value
- Brands include: Proclaim, Tilt and Blue Copper
- The acquisition would strengthen Crystal Crop Protection's presence in the pulses, cotton, rice, wheat, vegetable and grapes markets

FMC



August, 2018

- Acquired insecticide and herbicide brands Furadan, Splendour, Metcil and Affinity Force brands of FMC Corp at an undisclosed value
- The acquisition would strengthen the agrochemical company's product portfolio

syngenta

Mahalaxmi (Sorghum)
Atheeva (pearl millet)
SX-17

April, 2018

- Acquired three seed brands from Syngenta India for an undisclosed value
- The brands - Mahalaxmi (sorghum), Atheeva (pearl millet) and SX-17 (fodder sorghum) have been acquired from the Swiss firm's Indian unit
- As part of the transaction, the company has also acquired grain sorghum, fodder sorghum (SSG) and pearl millet seeds business including their germplasms, plant variety protection applications and registrations and market authorizations



**Cytec India Specialty
Chemicals and
Materials**

November, 2017

- Acquired specialty chemical manufacturing unit of Cytec India Specialty Chemicals and Materials for a total consideration of USD 15 mn (INR 967 mn)

All the acquisitions of Crystal Crop are in line with the company's strategy to diversify its product portfolio and tap inorganic growth opportunities

Public Market Data

Diversified Chemicals (1/2)

Company	Ent. Value	Stock Price	Market Cap.	Net Sales	EBITDA Margin	Profit Margin	EV/Sales(x)			EV/EBITDA(x)			P/E(x)			ROE	ROCE
	(INR bn)	(INR)	(INR bn)	(INR bn)	(%)	(%)	TTM	FY19E	FY20E	TTM	FY19E	FY20E	TTM	FY19E	FY20E	(%)	(%)
Diversified Chemicals																	
Pidilite Industries	560.5	1,123	570.4	60.3	22.3%	16.0%	7.6x	7.9x	6.9x	33.9x	39.6x	32.4x	59.3x	60.6x	48.8x	27.3%	31.4%
Tata Chemicals	213.7	668	170.2	101.8	21.6%	23.9%	2.1x	1.9x	1.7x	9.5x	9.3x	8.2x	13.2x	15.4x	13.2x	25.6%	37.5%
Aarti Industries	154.1	1,632	132.7	37.6	18.4%	8.9%	3.0x	3.2x	2.7x	16.6x	17.0x	14.0x	39.9x	30.1x	24.1x	22.6%	20.4%
Gujarat Fluorochemicals	124.0	881	96.8	38.9	19.0%	6.5%	3.0x	2.4x	2.0x	15.6x	10.4x	8.6x	38.2x	14.3x	14.3x	5.5%	7.7%
Atul	104.0	3,512	104.2	32.4	15.6%	8.5%	2.4x	2.5x	2.3x	15.3x	14.0x	12.2x	37.7x	22.2x	19.3x	13.1%	16.6%
Solar Industries India	94.8	995	90.0	19.2	21.5%	11.5%	5.3x	4.0x	3.2x	24.6x	19.0x	15.3x	40.8x	34.4x	26.6x	21.9%	22.3%
Vinati Organics	79.8	1,579	81.2	10.3	33.0%	25.7%	NA	NA	NA	NA	NA	NA	32.2x	NA	NA	26.1%	24.6%
BASF India	66.8	1,348	58.3	55.4	6.7%	4.4%	1.7x	NA	NA	24.9x	NA	NA	23.7x	NA	NA	20.2%	18.3%
Himadri Speciality Chemical	54.8	118	49.5	20.2	22.4%	12.2%	3.3x	2.3x	1.8x	14.8x	10.1x	7.9x	20.0x	16.5x	12.7x	20.3%	21.6%
Linde India	51.6	458	39.1	20.3	16.1%	0.8%	2.9x	2.3x	2.1x	17.8x	15.0x	14.2x	NM	NM	38.5x	1.1%	0.0%
Galaxy Surfactants	42.7	1,112	39.4	24.1	11.9%	6.5%	2.3x	1.5x	1.4x	19.6x	12.4x	10.9x	25.0x	21.1x	17.9x	24.4%	25.4%
Deepak Nitrite	39.2	228	31.1	16.1	12.2%	4.9%	2.6x	1.4x	1.0x	20.7x	9.0x	6.1x	38.0x	20.3x	12.0x	9.7%	9.2%
Gujarat Alkalies & Chemicals	39.1	511	37.5	24.2	32.5%	22.1%	2.2x	NA	NA	6.7x	NA	NA	7.0x	NA	NA	14.9%	18.2%
GHCL	37.5	250	24.5	29.4	21.8%	12.1%	1.3x	1.1x	1.0x	5.9x	5.2x	4.5x	6.9x	7.3x	6.1x	24.1%	19.0%
Phillips Carbon Black	34.9	171	29.4	25.5	14.4%	9.0%	1.7x	NA	NA	11.5x	NA	NA	12.8x	NA	NA	18.2%	19.3%
Fine Organic Industries	33.6	1,100	33.7	8.5	19.3%	11.9%	NA	NA	NA	NA	NA	NA	33.3x	NA	NA	28.4%	34.6%
Navin Fluorine International	28.4	621	30.7	9.1	23.7%	19.8%	4.0x	2.8x	2.5x	16.3x	12.1x	10.0x	17.0x	18.6x	15.4x	19.8%	28.3%
SH Kelkar & Co	26.9	169	24.4	10.3	15.8%	9.2%	3.8x	2.3x	2.0x	24.0x	15.7x	11.9x	26.3x	21.8x	17.1x	11.3%	14.4%
Sudarshan Chemicals	24.2	317	21.9	14.3	13.5%	5.9%	2.4x	1.5x	1.3x	17.8x	9.8x	8.3x	28.1x	18.5x	14.7x	20.6%	17.9%
Bharat Rasayan	20.1	4,289	18.2	7.9	20.1%	12.5%	2.5x	NA	NA	13.0x	NA	NA	18.5x	NA	NA	39.4%	35.6%
Meghmani Organics	18.9	54	13.6	18.0	25.2%	9.5%	1.4x	0.9x	0.8x	5.7x	4.0x	3.3x	8.0x	6.7x	5.8x	21.6%	24.0%
Seya Industries	18.2	481	11.8	3.5	30.3%	15.1%	5.6x	NA	NA	18.4x	NA	NA	20.6x	NA	NA	9.4%	6.9%
Fairchem Speciality	17.6	348	13.6	10.1	12.9%	5.3%	1.7x	NA	NA	13.1x	NA	NA	25.5x	NA	NA	11.4%	11.9%
Alkyl Amines Chemicals	16.8	760	15.5	6.2	18.9%	10.7%	2.2x	NA	NA	11.7x	NA	NA	23.5x	NA	NA	23.4%	19.8%
India Glycols	15.8	260	8.0	30.1	10.7%	3.2%	0.7x	NA	NA	6.7x	NA	NA	8.3x	NA	NA	12.1%	10.6%
GOCL Corp	14.5	243	12.0	4.8	5.6%	6.9%	6.1x	NA	NA	107.2x	NA	NA	36.0x	NA	NA	5.0%	47.5%
Balaji Amines	14.3	402	13.0	8.6	21.9%	13.1%	2.3x	1.4x	1.2x	10.3x	6.8x	5.7x	11.5x	10.1x	8.6x	27.6%	24.3%
Kiri Industries	13.8	404	12.7	11.2	16.4%	32.1%	1.3x	NA	NA	7.7x	NA	NA	3.2x	NA	NA	29.4%	65.6%
Bodal Chemicals	13.4	105	12.8	11.3	17.2%	10.8%	1.5x	0.9x	0.8x	8.4x	5.0x	4.3x	9.8x	7.8x	6.6x	23.1%	25.8%

Public Market Data

Diversified Chemicals (2/2)

Company	Ent. Value	Stock Price	Market Cap.	Net Sales	EBITDA Margin	Profit Margin	EV/Sales(x)			EV/EBITDA(x)			P/E(x)			ROE	ROCE
	(INR bn)	(INR)	(INR bn)	(INR bn)	(%)	(%)	TTM	FY19E	FY20E	TTM	FY19E	FY20E	TTM	FY19E	FY20E	(%)	(%)
Diversified Chemicals																	
Oriental Carbon & Chemicals	12.7	1,197	12.3	3.7	27.5%	15.4%	2.9x	2.9x	2.6x	10.5x	10.2x	8.8x	21.7x	16.8x	13.9x	15.8%	14.2%
Bhansali Engineering Polymer	11.4	71	11.7	10.3	15.0%	9.7%	2.7x	NA	NA	18.1x	NA	NA	11.7x	NA	NA	NM	NM
Jayant Agro-Organics	10.8	203	6.1	25.1	4.3%	2.1%	0.6x	0.4x	0.4x	13.5x	6.9x	6.3x	11.4x	10.1x	8.3x	17.7%	26.2%
Camlin Fine Sciences	9.1	50	6.0	7.1	1.8%	NM	2.1x	1.0x	0.8x	118.2x	12.4x	4.1x	NA	110.7x	5.9x	NM	NM
I.G. Petrochemicals	9.1	286	8.8	11.4	24.3%	12.8%	1.7x	0.7x	0.7x	7.2x	3.7x	3.1x	6.0x	6.4x	5.4x	31.8%	30.6%
Clariant Chemicals	8.3	386	8.9	10.1	4.6%	2.1%	1.2x	NA	NA	24.5x	NA	NA	41.2x	NA	NA	3.3%	4.0%
Foseco India	8.0	1,399	8.9	3.6	14.5%	8.8%	2.3x	NA	NA	16.3x	NA	NA	27.9x	NA	NA	23.2%	24.5%
Panama Petrochem	7.8	112	6.8	13.3	8.1%	4.6%	0.9x	NA	NA	10.9x	NA	NA	11.1x	NA	NA	17.8%	21.1%
Thirumalai Chemicals	7.0	77	7.9	13.0	22.2%	13.1%	1.3x	0.5x	0.5x	6.1x	2.2x	2.0x	4.6x	4.2x	3.8x	35.1%	39.1%
Kanoria Chemicals & Industries	6.9	66	2.9	8.3	3.2%	1.7%	0.8x	NA	NA	26.1x	NA	NA	20.6x	NA	NA	2.4%	0.0%
NACL Industries	6.4	27	4.3	8.5	5.7%	1.4%	1.0x	NA	NA	16.7x	NA	NA	37.0x	NA	NA	4.9%	12.9%
Bhageria Industries	5.2	234	5.1	3.7	21.8%	11.0%	1.3x	NA	NA	6.1x	NA	NA	12.7x	NA	NA	14.4%	13.4%
Vishnu Chemicals	4.7	143	1.7	6.3	12.4%	2.3%	1.0x	NA	NA	8.0x	NA	NA	11.8x	NA	NA	11.9%	12.8%
Vikas Ecotech	4.4	12	3.3	3.7	18.4%	6.3%	1.8x	NA	NA	9.8x	NA	NA	12.8x	NA	NA	23.1%	29.7%
Shree Pushkar Chemicals & Fertilizers	4.3	136	4.2	4.0	15.5%	9.2%	1.7x	0.9x	0.8x	10.8x	5.5x	4.7x	11.2x	9.1x	8.0x	17.0%	17.9%
Fineotex Chemical	4.3	38	4.2	1.4	21.4%	16.2%	4.7x	NA	NA	21.6x	NA	NA	18.5x	NA	NA	18.3%	37.5%
Vidhi Specialty Food Ingredients	4.1	76	3.8	2.1	14.8%	7.4%	2.1x	NA	NA	13.9x	NA	NA	24.2x	NA	NA	22.0%	24.3%
Gulshan Polyols	4.1	60	2.8	6.2	11.2%	3.0%	0.7x	NA	NA	6.5x	NA	NA	15.3x	NA	NA	6.9%	8.0%
Pondy Oxides & Chemical	3.0	351	2.0	8.2	6.8%	3.5%	0.4x	NA	NA	5.7x	NA	NA	6.9x	NA	NA	50.7%	48.3%
Asahi Songwon Colors	2.9	187	2.3	2.9	14.0%	7.9%	1.6x	NA	NA	11.5x	NA	NA	9.9x	NA	NA	13.6%	14.4%
Aksharchem India	2.9	409	3.4	2.6	17.6%	11.6%	1.7x	NA	NA	9.4x	NA	NA	11.0x	NA	NA	16.2%	18.8%
Sree Rayalaseema Hi-Strength	2.7	146	2.5	5.5	7.9%	6.6%	0.5x	NA	NA	5.0x	NA	NA	6.5x	NA	NA	14.2%	19.3%
Premier Explosives	2.5	233	2.5	2.7	7.1%	3.0%	1.3x	0.9x	0.8x	18.5x	10.2x	8.8x	29.6x	23.9x	19.2x	5.0%	6.2%
Poddar Pigments	1.6	168	1.8	3.3	7.3%	5.7%	0.8x	NA	NA	10.5x	NA	NA	9.3x	NA	NA	10.7%	14.5%

Public Market Data

Agrochemicals and Fertilizers

Company	Ent. Value	Stock Price	Market Cap.	Net Sales	EBITDA Margin	Profit Margin	EV/Sales(x)			EV/EBITDA(x)			P/E(x)			ROE	ROCE
	(INR bn)	(INR)	(INR bn)	(INR bn)	(%)	(%)	TTM	FY19E	FY20E	TTM	FY19E	FY20E	TTM	FY19E	FY20E	(%)	(%)
Agrochemicals																	
UPL	458.1	780	397.2	171.4	20.4%	11.8%	2.4x	2.4x	1.7x	11.7x	11.5x	8.3x	19.6x	17.3x	14.6x	24.5%	23.2%
Bayer Cropscience	151.0	4,368	150.0	27.1	15.1%	11.1%	5.2x	NA	NA	34.4x	NA	NA	50.7x	NA	NA	15.8%	16.6%
PI Industries	114.1	848	117.0	22.8	24.3%	16.1%	5.3x	4.1x	3.5x	21.6x	20.1x	16.2x	31.7x	29.0x	23.4x	20.7%	20.8%
Zuari Agro Chemicals	46.1	216	9.1	72.6	11.8%	1.8%	0.9x	0.5x	0.5x	7.6x	9.0x	8.0x	7.0x	6.0x	4.6x	9.1%	47.9%
Monsanto India	41.7	2,615	45.1	6.6	25.7%	25.0%	6.7x	NA	NA	26.2x	NA	NA	27.4x	NA	NA	28.0%	33.1%
Excel Crop Care	36.9	3,359	37.0	11.5	12.0%	7.1%	2.9x	2.6x	1.6x	23.7x	19.6x	11.3x	45.6x	73.7x	56.6x	16.7%	16.4%
Rallis India	30.6	161	31.3	17.9	14.8%	9.4%	2.5x	1.5x	1.3x	17.2x	11.1x	9.3x	18.7x	17.9x	15.0x	14.6%	20.0%
Sharda Cropchem	28.8	322	29.1	17.1	20.2%	11.2%	2.0x	1.4x	1.2x	10.1x	7.6x	6.4x	15.2x	14.2x	12.0x	18.2%	34.6%
Dhanuka Agritech	21.0	438	21.5	9.5	17.4%	13.2%	2.7x	NA	NA	15.7x	NA	NA	17.0x	NA	NA	21.8%	24.2%
Insecticides India	13.0	590	12.2	10.7	13.8%	7.9%	1.4x	NA	NA	10.2x	NA	NA	14.5x	NA	NA	16.7%	18.9%
Punjab Chemicals & Crop Protection	9.5	683	8.4	4.8	8.7%	3.6%	1.2x	NA	NA	13.4x	NA	NA	48.7x	NA	NA	25.9%	33.2%
Aries Agro	3.0	91	1.2	2.9	15.7%	3.6%	1.4x	NA	NA	8.9x	NA	NA	11.3x	NA	NA	5.9%	10.7%
Fertilizers																	
Coromandel International	153.2	457	133.6	109.5	11.2%	6.1%	1.6x	1.2x	1.1x	14.3x	11.0x	10.0x	20.1x	17.8x	15.6x	22.1%	28.0%
Gujarat Narmada Valley Fertilizers	53.6	326	50.6	58.2	23.9%	13.7%	1.0x	NA	NA	4.3x	NA	NA	6.4x	NA	NA	19.0%	17.4%
Gujarat State Fert & Chemicals	48.1	96	38.3	62.7	10.2%	7.6%	0.9x	0.6x	0.5x	8.7x	7.8x	7.1x	8.1x	10.6x	9.6x	6.8%	11.6%
National Fertilizers	47.1	35	17.1	89.2	5.6%	2.4%	0.6x	NA	NA	11.3x	NA	NA	8.0x	NA	NA	11.2%	6.9%
Rashtriya Chemicals & Fertilizers	44.8	61	33.6	31.1	8.6%	2.5%	1.7x	NA	NA	19.3x	NA	NA	42.6x	NA	NA	2.7%	3.3%
Deepak Fertilisers & Petrochemicals	39.7	118	10.4	59.9	9.1%	2.7%	0.9x	0.6x	0.7x	10.2x	6.0x	5.2x	6.4x	NA	NA	8.0%	13.8%
Fertilisers & Chem Travancore	32.3	39	13.5	19.3	8.6%	NM	2.9x	NA	NA	33.2x	NA	NA	NA	NA	NA	NA	NA
Nagarjuna Fertilizers & Chemicals	20.4	9	5.1	39.2	8.3%	NM	0.6x	NA	NA	7.4x	NA	NA	NA	NA	NA	NM	NA
Madras Fertilizers	18.6	24	3.8	16.2	0.3%	NM	1.2x	NA	NA	363.1x	NA	NA	NA	NA	NA	NA	NA
Mangalore Chemicals & Fertilizers	14.6	42	5.0	26.9	8.9%	2.3%	0.7x	NA	NA	7.9x	NA	NA	8.2x	NA	NA	13.4%	19.4%



Avdhoot Deshpande

*President,
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- ▲ He has worked with KPMG, Elara Capital and JP Morgan Services. He was heading the Pharma and Consumer sectors at Elara Capital and was also a member of the Board

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