

# ABT Bioproducts



... Nurturing Soil Fertility and Productivity

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At

New Ventures India Investor Forum

Mumbai

November 2-3, 2006



# ABT Bioproducts, Pune.



- Extensive research and development has led to range of patentable biotech based products for sustainable and organic farming.
- We achieve 5 – 9 folds increase in turn over in year 2006 -07. Existing facility can support 1.6 folds scale up without major infrastructure development.
- Products are useful for nurturing soil fertility and productivity; and are useful for all crops. Particular applications are in organic farming, reclamation of degraded soils, Tsunami hit saline soil etc.
- We expect exponential growth of this sector over next 20 years.



# Market Analysis



## Local Market :

- Our initial major sales are from sugarcane.
- The market segments being targeted simultaneously are vegetables, horticulture (mainly mango, pomegranates, grapes), exporters, contract farming operators.
- Size of target market 15000 acres in year 2006 -07 out of few trillion acres in India.
- Total solution to farmers need by providing range of products, and services is our strength.

## Export Market:

- We are supplying to UAE, and Oman for past 2 years.
- We have initiated marketing activity/ demonstrations in Sri Lanka, Turkey, Fiji, and African countries.



# The Product



- The products have universal application in all cropping systems, geo-climates, . Market could be as big as that of chemicals of following categories.
  - Fertilizer.
  - Soil conditioner.
  - Plant growth promoter.
  - Pest control agents.
- To tap this market we need to develop a team of 'consultants' that will educate the farmers and market the products.

# Product Technology Overview



- Use of chemical fertilizer (especially nitrogen) has already upset the carbon nitrogen balance of the soils, making them less fertile.
- Our technology helps to reset that C:N balance in the most economic way.
- The farming thus becomes eco-friendly, and sustainable.
- Individual products are non-hazardous, easy to use, eco-friendly, and cost effective.

# Environmental Impact



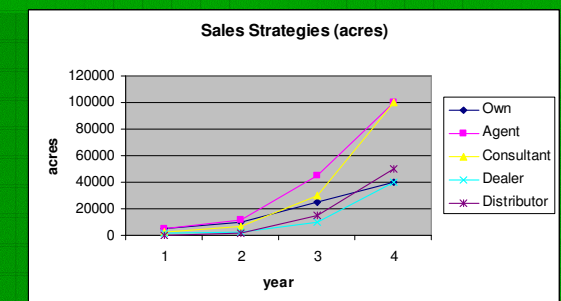
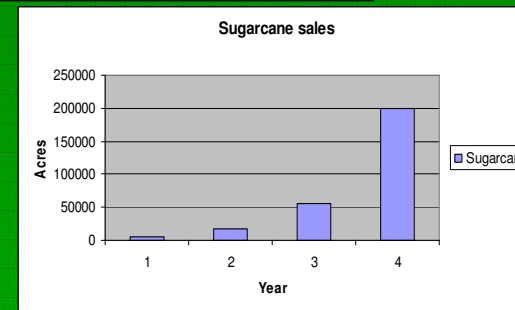
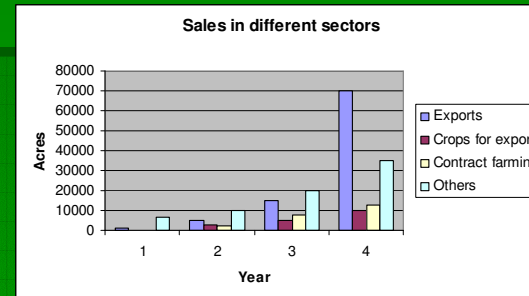
- The products directly improve the soil fertility.
- Increase in the sugarcane production per acre will save water to double the area under other crops.
- Profitability of the farmers can be double from the first year.
- Due to excess use of chemical fertilizers and water large area of land under cultivation is about to become barren. This technology is the only solution to revive such problematic alkaline saline soils.

# Marketing and Sales Activities I



Five categories of buyer will be targeted using a combination of sales strategies for optimization of sales volume.

The proposed break up for the first four years is illustrated in the graphics.



# Marketing and Sales Activities II



- ABT has six year first hand experience of marketing with the help of salaried sales staff, dealers, agents, consultants, and distributors.
- We have already evolved sales literature in various languages, established a methodology to achieve sales as per a fixed profit making model.

## Activities to be undertaken on large scale:

- Development of sales team
- Long term demonstrations
- Development of commission agents
- Conversion of employed sales staff to consultant and commission agent to distributor in the phased manner to convert fixed marketing overheads into variable expenses.

# Keys to success in competitive environment



- Technical education of the farmers
- Awareness programs
- Consistent presence of the demonstrable positive results in the market.
- Consistent field demonstrations
- Targeting organized sector
- Institutional sale
- Statutory compliance, product registration as 'organic produce', and with organized sector such as tea board, spices board, silk board, etc.

# Sales projections



- Sales team builds from 12 people to 200 over 4 years.
- Proportionate activity increases from 15000 acres to over 0.3 million acres.
- Sales volume increases from 11 million INR p.a. to 290 million INR.
- By the end of year 4 we start reducing our dependence on sugarcane for revenue generation.
- By end of year 4 we will have converted large fixed costs in to variable costs.

# Operations



- Manufacturing of products, new product development, and technical marketing.
- Flexible utility of infrastructure for different production processes.
- Techno – commercially scalable up to 300 folds of the proposed expansion.
- Right mix of people for development, implementation, and technical back up is our key strength.

# Organization and Personnel



- **Key managers and owners**

Dr. Abhay Shendye (PhD Molecular Biology) Technology development and technical marketing.

Dr. Medha Joshi (PhD Plant Tissue Culture) Technical manufacturing and management

- **Key operations employees**

Ms Rohini Damle (MSc) Manufacturing QA, QC and development. Experience of working on 1000 – 5000 L batch of one year. Associated with ABT since inception.

Ms Swati Bhoite (MSc) Supervise manufacturing, Purchase, and dispatch.

Mr. Sachin Thore Manufacturing floor in-charge. Capable of planning formulations independently in time targeted manner, once technical material is provided.





# Financial Data

- A present we have sufficient infrastructure and orders worth 8 million INR to be executed over next 6 months.
- Funds are required for working capital and minor infrastructure for year 2006 -07, immediate Land procurement (demonstrations and factory), and major machinery to be installed in 2007. Total requirement 10 million INR. Projected IRR is 109% at the end of 4<sup>th</sup> year.
- Finance required is in terms of equity.
- The exit time for the investor is at the end of 6<sup>th</sup> year. Mode will be part repurchase, and part restructuring/public offering. IPR licensing to start similar units at state level is another way for exit.

# Thank you ..... ABT Team



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