



July 24, 2021

To,

General Manager,  
Listing Department,  
**BSE Limited,**  
P.J. Towers, Dalal Street,  
Mumbai – 400 001  
**Company code: 533333**

The Manager,  
Listing & Compliance Department  
**The National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East, Mumbai – 400051  
**Company code: FCL**

Dear Sirs/Madam,

**Subject:- Regulation 30, Schedule III Part A (15) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

With reference to the above caption subject, we enclose Earning Presentation for the quarter ended 30<sup>th</sup> June, 2021 requesting you to kindly take this in your record.

Kindly acknowledge receipt of the same.

Thanking You,

Yours faithfully,

**FOR FINEOTEX CHEMICAL LIMITED**



**Sanjay Tibrewala**  
**Executive Director**  
**DIN: 00218525**

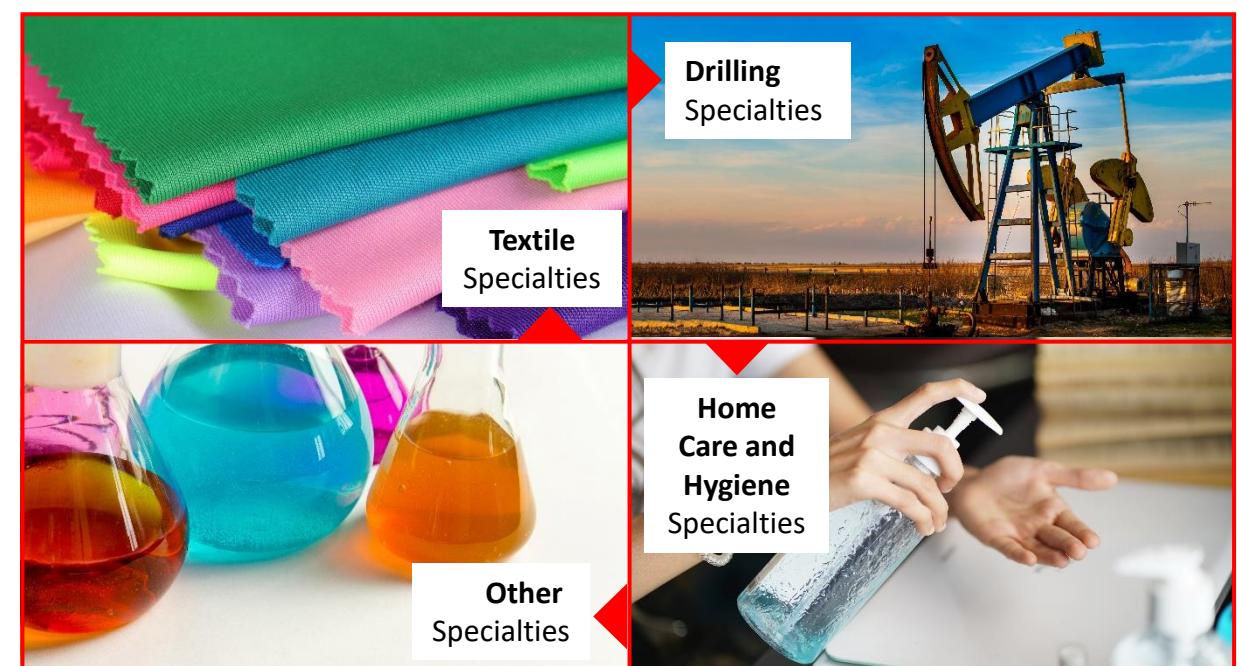


# Fineotex Chemical Limited

(BSE: 533333; NSE: FCL)

Q1 FY2022

Earnings Presentation



# Q1 FY2022 Consolidated Financial Highlights

**Rs 632.8 mn**

Total Revenue

**Rs 98.2 mn**

EBITDA

**Rs 96.9 mn**

Net Profit

**34.7%**

Gross Margin

**15.5%**

EBITDA Margin

**15.3%**

PAT Margin

**108.2%**

Revenue Change  
(Y-o-Y)

**138.8%**

EBITDA Change  
(Y-o-Y)

**18.2%**

PAT Growth  
(Y-o-Y)



**Surendrakumar Tibrewala**  
Chairman and Managing Director

*“Fineotex Chemical continued to deliver a robust financial performance during the year with topline growth of over 100% from the first quarter of the previous year. Q1 FY21 faced strict lockdowns and the country was in the initial stages of dealing with the pandemic and the strong financial performance during Q1 FY22 is testament to our preparedness and resiliency planning to deal with pandemic related business challenges during the second wave.*

*Fineotex continues to focus on expanding its brand and developing sustainable chemistries. Our recent joint venture with HealthGuard, Australia and R&D collaboration with SASMIRA is testament to this.*

*We have also strengthened our leadership team by adding Mr. Arindam Choudhuri as Chief Executive Officer. He will lead the Company in the next phase of growth, expanding our reach to new geographies.*

*The Group remains focused on enhancing stakeholders value driven by strong performance, expanding our product profile and various strategic initiatives.”*

## About the Facility

- Located on ~4 acres of land
- The first phase is expected to be commissioned in September 2021. Equipment and machinery is currently being installed
- Proposed deployment of Rs. 270 million out of which Rs. 200 million has been deployed

## Strategic Advantages

- Caters to customer demands in the existing Textile Specialities and fast growing Home Care and Hygiene and Drilling Specialities business
- State of the art automated unit which will be fully compliant with the highest standards of sustainability
- Located in close proximity to key port areas near Mumbai providing logistical and cost advantages



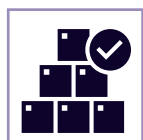
**Upcoming facility provides additional manufacturing capacity for existing product lines and new growth areas**



Joint venture with HealthGuard, Australia to become the exclusive global marketing and sales channel partner with joint operations from Malaysia



Setting up a state of art Research & Development centre in collaboration with Sasmira Institute, one of India's premier textile institutes



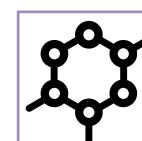
HealthGuard® will concentrate on developing cutting-edge solutions, that will be marketed and channelized across the world by Fineotex-Biotex



Develop a first-of-its-kind Support and Solution Centre for technical service in Sasmira to catalyze innovation and focus on sustainable chemistry



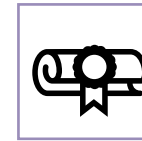
Synergy will provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti-viral



Focus on new sustainable solutions and chemicals to reduce water, time and energy consumption for the textile wet processing industry



Range of products over several industries - textile, detergent, leather and allied industries



Provide the much-needed exposure for students and help provide practical experience, which will benefit the industry in the long term

**Recent collaborations to expand product profile, geographical reach and develop sustainable practices**



## Financial Performance

- Consolidated revenues from operations Q1 FY22 of Rs. 633 mn, up 108.2% YoY
- Consolidated EBITDA from operations Q1 FY22 of Rs. 98 mn, up 138.8% YoY
- Consolidated profit after tax Q1 FY22 Rs. 97 mn, up 18.2% YoY
- EBITDA Margins of 15.5% and has expanded 200 bps YoY and PAT Margin of 15.3%



## Business Model

- Chemical Product offerings across the entire textile value chain: pre-treatment to finishing
- Diversified business with top 10 customers contributing to 33% of sales and top 10 products contributing to 18% of sales
- Biotex Malaysia spearheads the R&D solutions, application research and product development and is approved as a Bluesign partner, the highest sustainability certificate in textile chemistry globally



## Business Updates

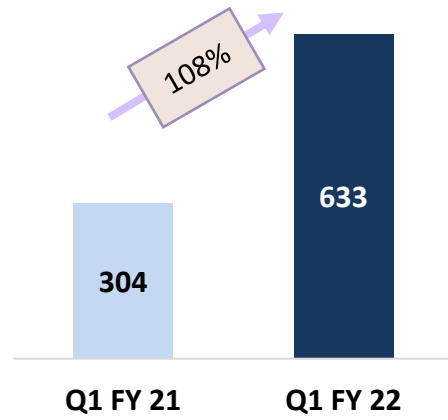
- Joint venture with HealthGuard, Australia to become the exclusive global marketing and sales channel partner. To provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti-viral
- Appointed Arindam Choudhuri as Chief Executive Officer. He brings with him over two decades of deep insight, thought leadership and vast experience from the global textile chemical industry
- CRISIL has assigned a long-term rating of A- (Stable) and short-term rating of A2+ to the bank facilities
- First phase of the new manufacturing plant at Ambarnath to be commissioned by September 2021, will provide an additional 36,000mt of production capacity

# Q1 FY2022 Performance Trend

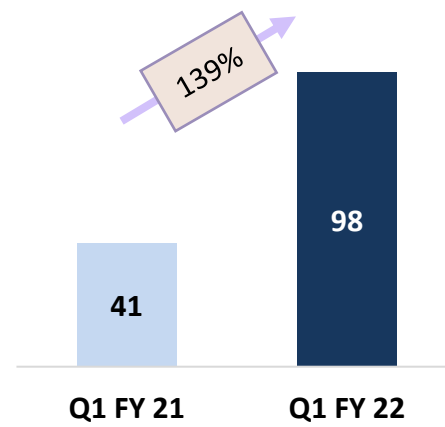
Figures in Rs. Mn.

## Consolidated Performance

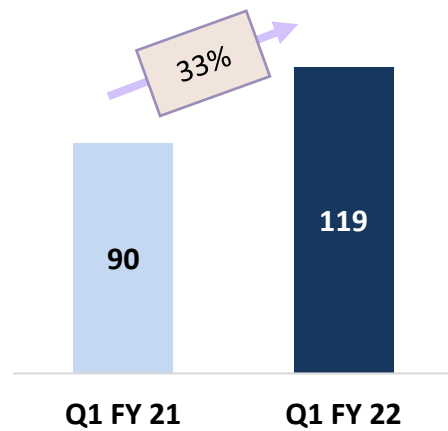
### Revenue from Operations



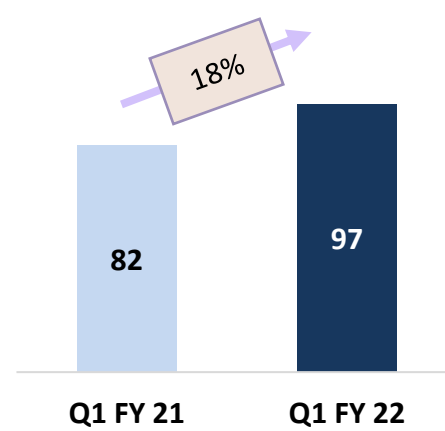
### EBITDA



### Profit Before Tax

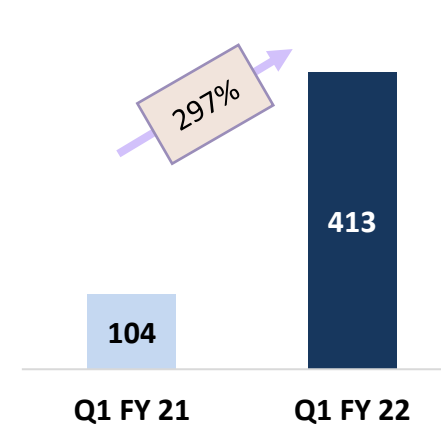


### Profit After Tax

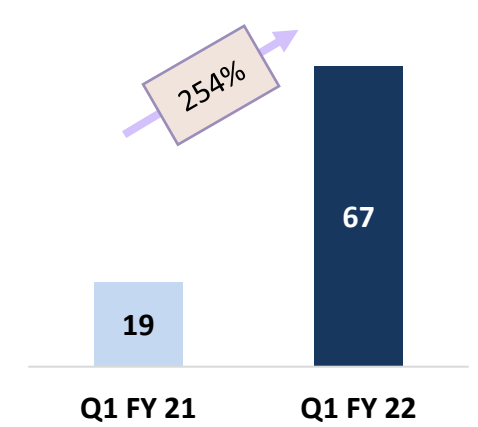


## Standalone Performance

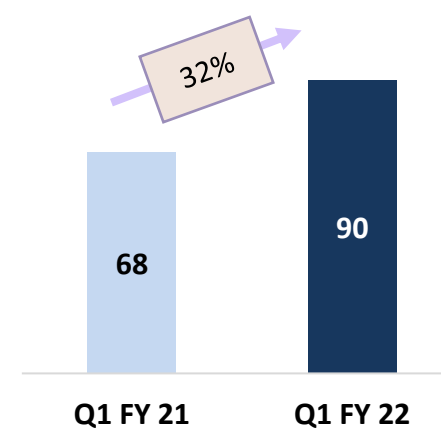
### Revenue from Operations



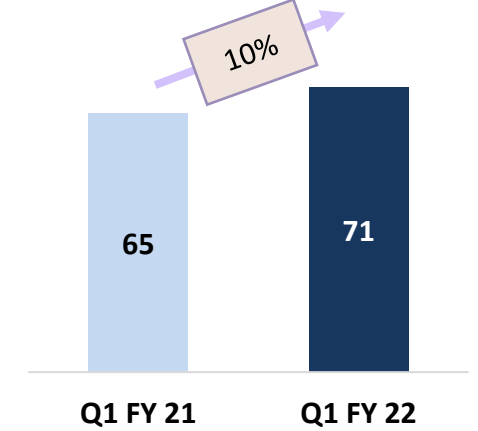
### EBITDA



### Profit Before Tax



### Profit After Tax



# Consolidated P&L Summary: Q1 FY2022

| (Rs. Million)              | Q1 FY 22     | Q1 FY 21     | YoY%          | FY 21          | FY 20          | YoY%          |
|----------------------------|--------------|--------------|---------------|----------------|----------------|---------------|
| Revenue from Operations    | <b>632.8</b> | <b>303.9</b> | <b>108.2%</b> | <b>2,185.1</b> | <b>1,963.4</b> | <b>11.3%</b>  |
| COGS                       | 413.1        | 209.7        | 97.0%         | 1,405.7        | 1,231.4        | 14.2%         |
| <b>Gross Profit</b>        | <b>219.7</b> | <b>94.2</b>  | <b>133.3%</b> | <b>779.3</b>   | <b>731.9</b>   | <b>6.5%</b>   |
| <b>Gross Profit Margin</b> | 34.7%        | 31.0%        |               | 35.7%          | 37.3%          |               |
| Employee Benefit Expenses  | 26.4         | 15.6         | 69.0%         | 88.6           | 87.3           | 1.4%          |
| Other Expenses             | 95.1         | 37.4         | 154.0%        | 285.4          | 302.6          | (5.7%)        |
| <b>EBITDA</b>              | <b>98.2</b>  | <b>41.1</b>  | <b>138.8%</b> | <b>405.4</b>   | <b>342.0</b>   | <b>18.5%</b>  |
| <b>EBITDA Margin</b>       | <b>15.5%</b> | <b>13.5%</b> |               | <b>18.6%</b>   | <b>17.4%</b>   |               |
| Depreciation Expense       | 5.0          | 3.3          | 48.3%         | 14.7           | 11.7           | 26.1%         |
| <b>EBIT</b>                | <b>93.2</b>  | <b>37.8</b>  | <b>146.9%</b> | <b>390.6</b>   | <b>330.3</b>   | <b>18.3%</b>  |
| <b>EBIT Margin</b>         | <b>14.7%</b> | <b>12.4%</b> |               | <b>17.9%</b>   | <b>16.8%</b>   |               |
| Finance Cost               | 2.2          | 1.3          | 75.7%         | 6.9            | 6.3            | 9.9%          |
| Other Income               | 28.1         | 53.1         | (47.1%)       | 174.9          | 21.8           | 701.0%        |
| <b>PBT</b>                 | <b>119.1</b> | <b>89.6</b>  | <b>32.9%</b>  | <b>558.6</b>   | <b>219.6</b>   | <b>154.4%</b> |
| Total Tax                  | 22.2         | 7.6          | 192.2%        | 113.1          | 76.5           | 47.8%         |
| <b>PAT</b>                 | <b>96.9</b>  | <b>82.0</b>  | <b>18.2%</b>  | <b>445.6</b>   | <b>143.1</b>   | <b>211.4%</b> |
| <b>PAT Margin</b>          | <b>15.3%</b> | <b>27.0%</b> |               | <b>20.4%</b>   | <b>7.3%</b>    |               |
| Basic EPS (Rs.)            | <b>0.86</b>  | <b>0.70</b>  | <b>22.9%</b>  | <b>3.85</b>    | <b>1.17</b>    | <b>229.1%</b> |





## Fineotex+ Biotex Synergies

Leverage Fineotex's industry insights and long standing customer relationships with Biotex's high end product expertise and regional positioning to serve global customers



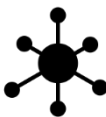
## Greenfield Developments

Upcoming brownfield facility at Ambernath, Maharashtra to be future ready for next phase of growth. Partnerships with International companies to establish manufacturing facilities in India



## New Product Categories

Enter fast growing synergistic segments such as Home Care and Hygiene and Drilling Specialties while continuing to focus on the core Textile Chemicals business



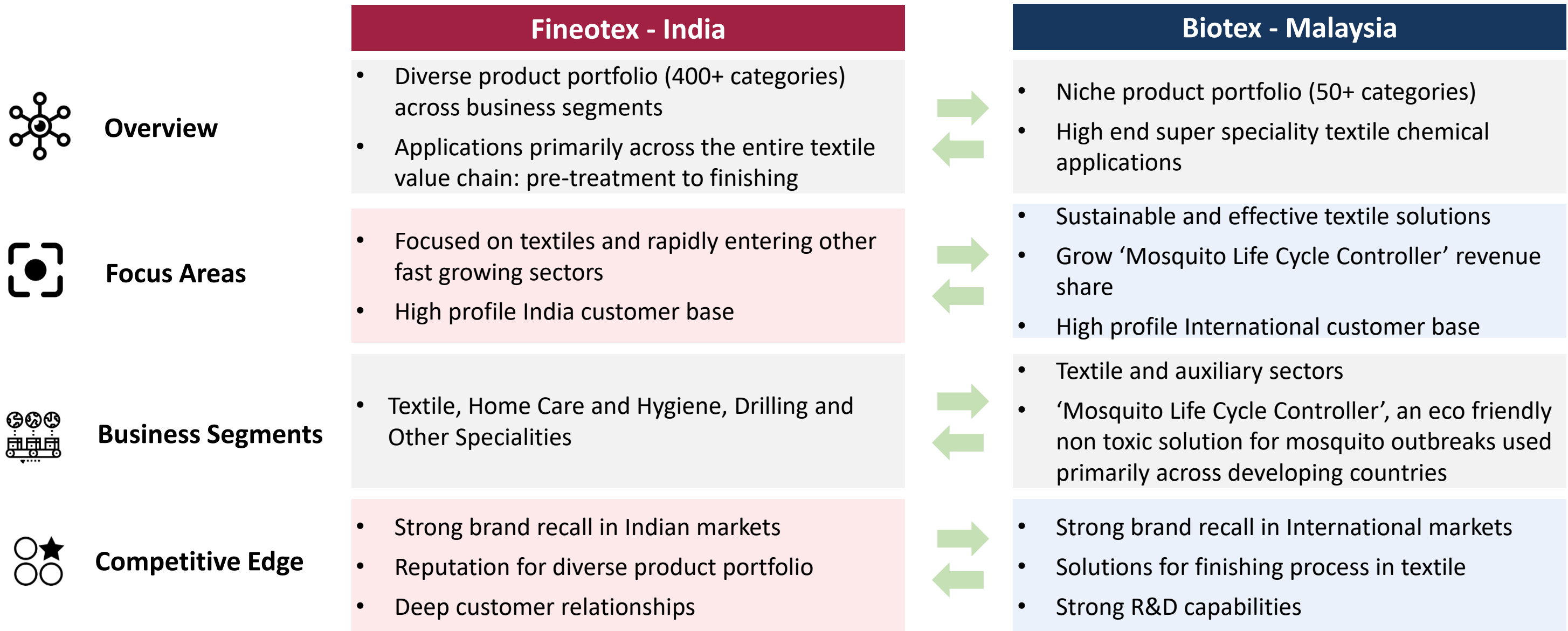
## Grow Market Share

Strong in-house development capabilities to grow market share across existing and new customers in both Indian and International markets. Continue to develop direct customer relationships and expand distribution network







## Disciplined Capital Allocation

Fineotex has a conservative approach to funding acquisitions, capacity expansions and greenfield/brownfield developments through internal accruals. Capital structure targeted to be net debt neutral



**Fineotex and Biotex complement each others strengths and offer distinguished speciality chemical solutions globally**

# Manufacturing Platforms (GMP\* Certified)

| Location  | Operating Facts   | Strategic Advantages  | Manufacturing Excellence   |
|---|---|---|--|
|  <p>Navi Mumbai, India</p>   | <ul style="list-style-type: none"> <li>Total Production Capacity: 36,500 MT</li> <li>Current Utilisation: 56%</li> <li>Peak Utilisation: 75%</li> </ul> | <ul style="list-style-type: none"> <li>Strategically located plant near key port close to Mumbai with logistical advantage to textile hubs across North, West, South and Central India</li> </ul>   |   |
|  <p>Selangor, Malaysia</p> | <ul style="list-style-type: none"> <li>Total Production Capacity: 6,500 MT</li> <li>Current Utilisation: 70%</li> <li>Peak Utilisation: 75%</li> </ul>  | <ul style="list-style-type: none"> <li>Easy access to high quality raw materials in the region</li> <li>Backward integration into key raw materials</li> <li>Cost benefits due to Free Trade Agreements (FTAs) with important regional markets like Vietnam, China and India</li> </ul> |  |

\* GMP: Good Manufacturing Practice Certification

|  Home Care and Hygiene Chemicals  |  Drilling Speciality Chemicals  |  Other Speciality Chemicals   |
|--|--|--|
| <ul style="list-style-type: none"> <li>Customised solutions for:               <ul style="list-style-type: none"> <li>Housekeeping, Kitchen Care and Disinfectants</li> <li>Public Health and Hygiene</li> </ul> </li> <li>The plant has been <b>approved and certified by the Food &amp; Drugs Administration (Maharashtra State) department</b>. The license has been granted for production of disinfectant/antimicrobial hygiene and cleaning products ensuring safety and effectiveness.</li> <li>Post the outbreak of COVID-19, large addressable market for solutions used in disinfectants and sanitizers</li> </ul> | <ul style="list-style-type: none"> <li>Customised solutions for Oil and Gas</li> <li>Significant potential for offering effective products used for drilling in oil exploratory processes</li> <li>Sizable orders from a leading oil and gas company in India</li> </ul> | <ul style="list-style-type: none"> <li>A unique 'Mosquito Life Cycle Controller' product under development by Biotex</li> <li>Non toxic eco-friendly solution designed with European technology in Malaysia by Biotex</li> <li>Approved by Ministry of Health Malaysia, Singapore PUB, European Union, NSF and relevant authorities in Vietnam and Cambodia</li> </ul> |

**Key Products**



Home Care and Hygiene Chemicals

'Mosquito Life Cycle Controller' under development

**Non-textile segments will drive volume and value growth going forward**



Available across East and West India

15 Distributors added in March

8 Marketing Technical Associates hired in March

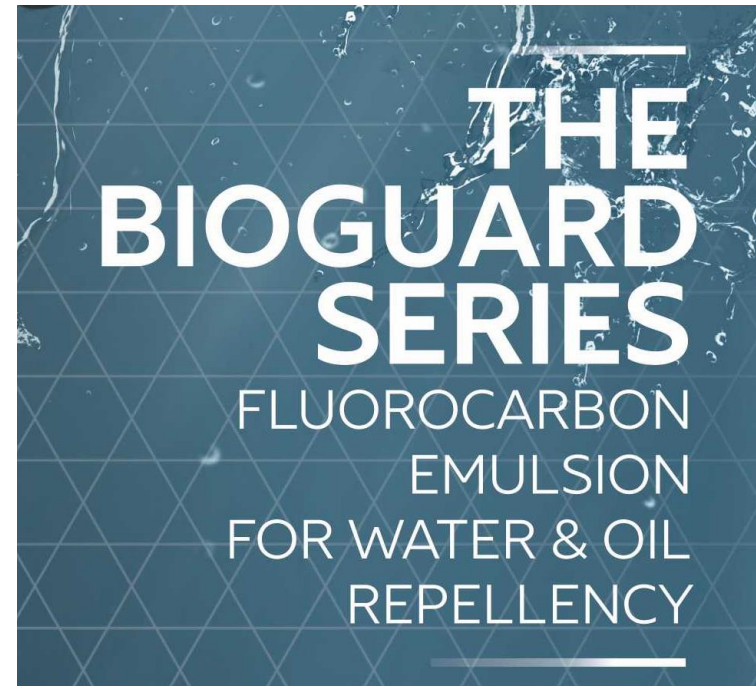
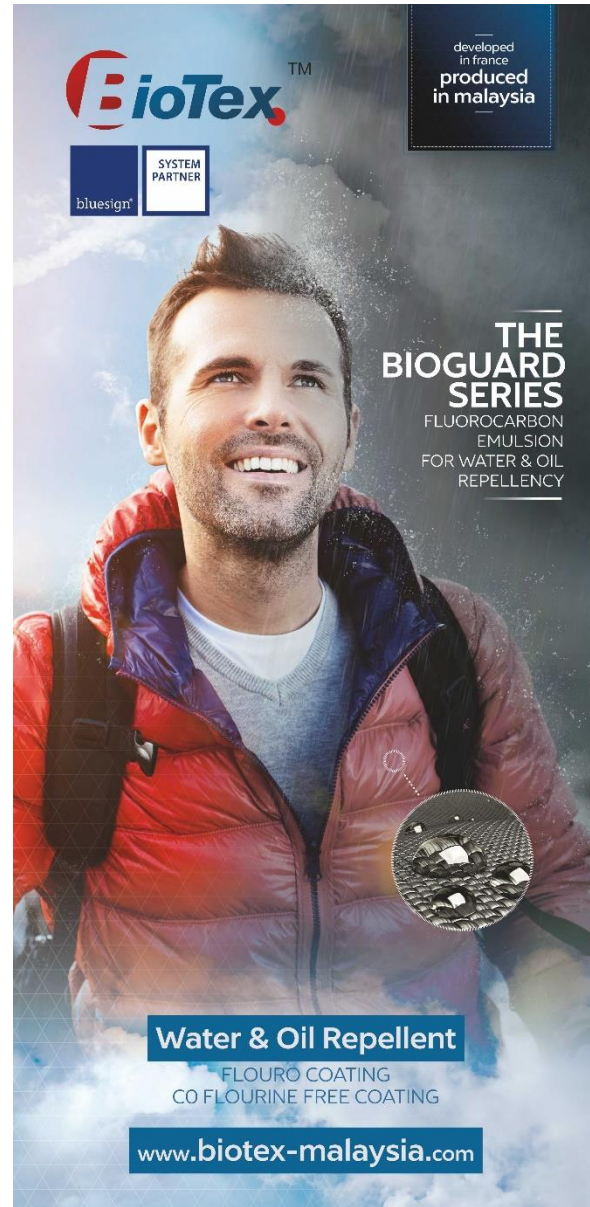
## Diversified Product Offering

|                     |  |
|---------------------|--|
| <b>Housekeeping</b> | <ul style="list-style-type: none"> <li>Air freshener</li> <li>Carpet cleaner</li> <li>Carpet shampoo</li> <li>Deodorizers</li> <li>Floor cleaner</li> <li>Furniture maintainer</li> <li>Glass cleaner</li> <li>Hygienic bathroom cleaner</li> <li>Hygienic hard surface cleaner</li> <li>Multi surface cleaner</li> <li>Surface cleaner cum disinfectant</li> <li>Toilet bowl cleaner</li> <li>Toilet seat disinfectant</li> <li>Washroom cleaner</li> </ul> |
| <b>Kitchen Care</b> | <ul style="list-style-type: none"> <li>Automatic dish wash detergent</li> <li>Automatic dish wash neutralizer</li> <li>Drain cleaner</li> <li>Heavy duty floor cleaner</li> <li>Kitchen multipurpose cleaner</li> <li>Manual dish wash liquid</li> <li>Oven and grill cleaner</li> <li>Stainless steel polish</li> </ul>   |
| <b>Disinfection</b> | <ul style="list-style-type: none"> <li>Hand disinfectant</li> <li>Gentle wash</li> <li>Multi surface disinfectant</li> <li>Surface disinfectant – fogging and fumigation</li> <li>Hand sanitizer</li> <li>Veg &amp; non-veg disinfectant cleaner</li> <li>Sanitizing tablet</li> </ul>   |

# Specialty Textile Chemicals Overview



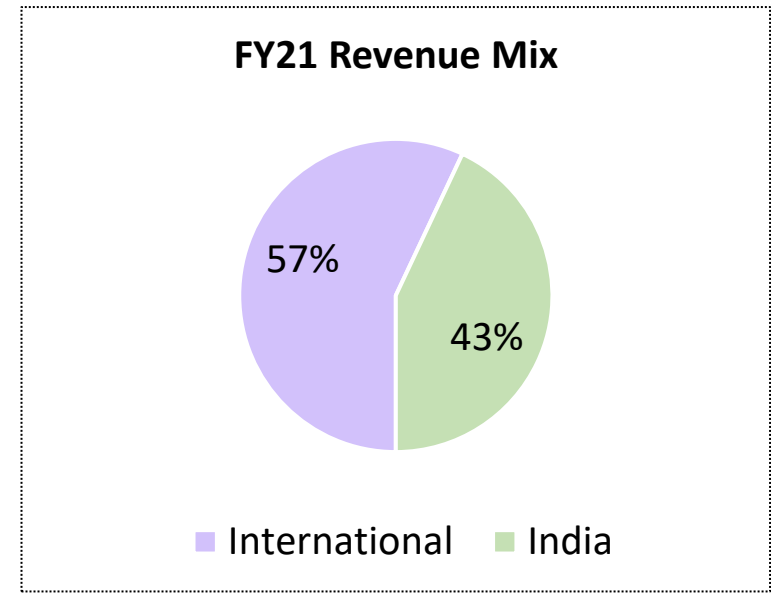
**Fineotex + Biotex together offer tailored solutions across the textile value chain with a focus on higher realisations**



‘The Bioguard Series’ of products from Biotex with water and oil repellent features in great demand post outbreak of COVID-19



- Sales in **60+** countries including Brazil, Bangladesh, Germany, Indonesia, Malaysia, Singapore, Syria, Thailand, USA, Venezuela and Vietnam
- **30+** technical marketing experts
- **100+** dealers in Indian and International markets



● Facilities at Mahape and Ambernath (upcoming), Mumbai, India   ● Facility at Bangi, Malaysia   ● Sales

**Diversified revenue mix across clients, products and geographies coupled with technical expertise**

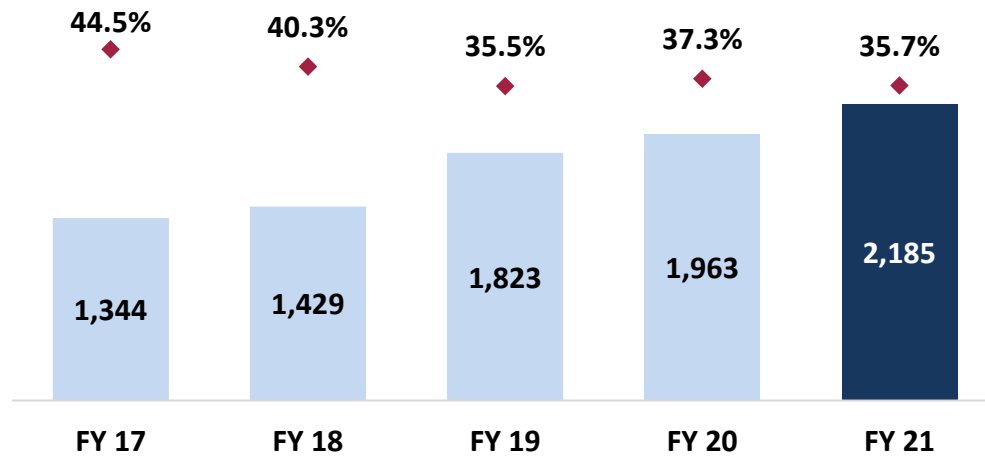




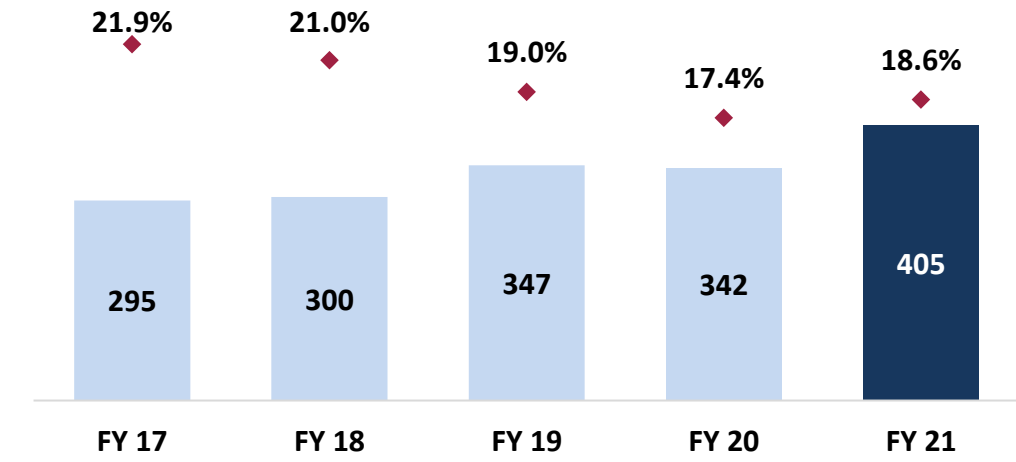
# Consolidated Annual Performance Trend

Rs. Mn.

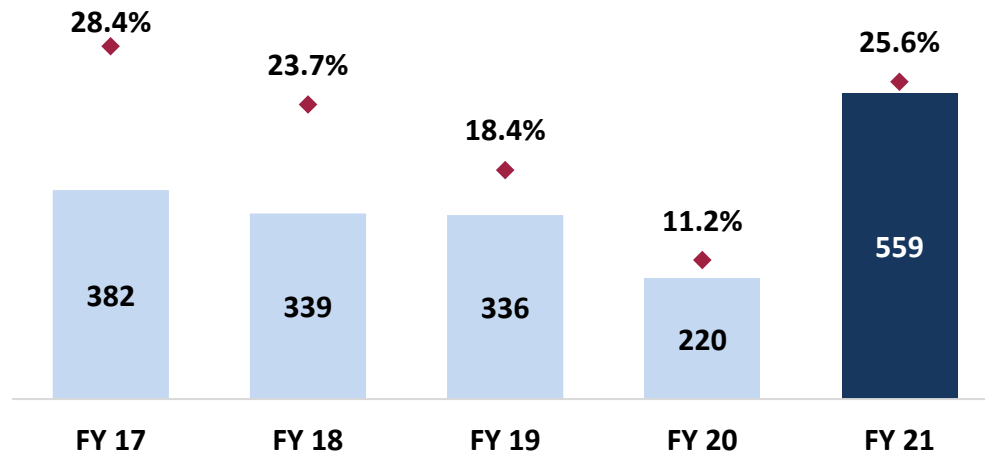
## Revenue from Operations and Gross Margin



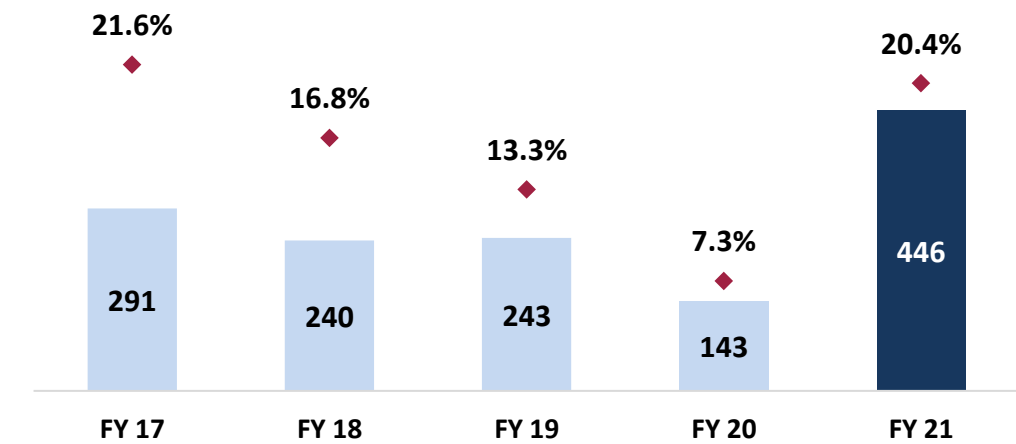
## EBITDA and EBITDA Margin



## PBT and PBT Margin



## PAT and PAT Margin

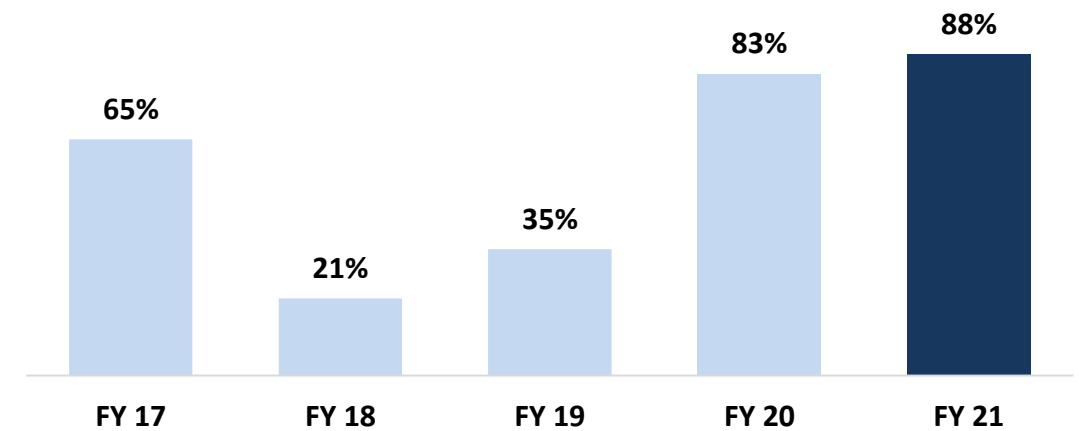


# Consolidated Balance Sheet and Return Ratios Trend

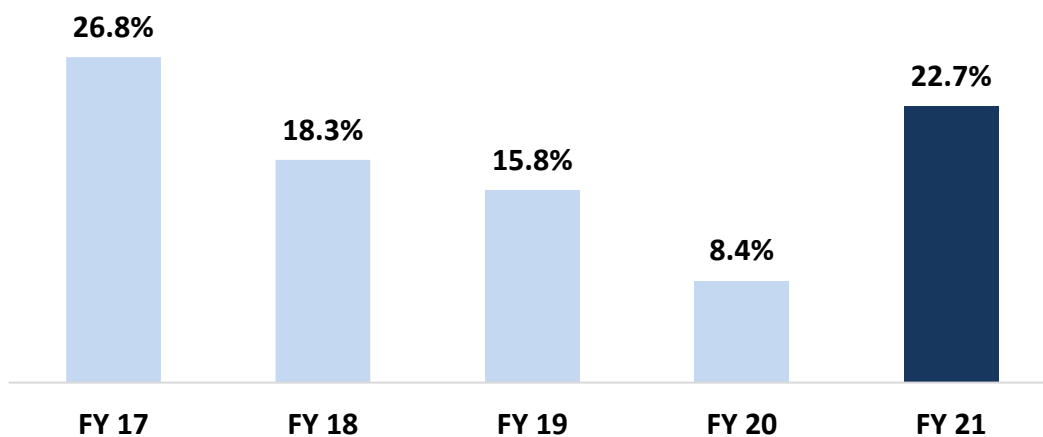
| (Rs Mn)                | Mar-20     | Sep-20     | Mar-21     |
|------------------------|------------|------------|------------|
| ST Debt                | 28         | 30         | 34         |
| LT Debt                | 0          | 0          | 0          |
| <b>Total Debt</b>      | <b>28</b>  | <b>30</b>  | <b>34</b>  |
| Cash & Cash Equivalent | 179        | 314        | 339        |
| <b>Net Cash</b>        | <b>151</b> | <b>284</b> | <b>305</b> |
| Equity                 | 1,760      | 1,939      | 2,161      |
| Total debt/Equity      | 0.02x      | 0.02x      | 0.02x      |

| CRISIL Rating     |             |
|-------------------|-------------|
| Long Term Rating  | A- / Stable |
| Short Term Rating | A2+         |

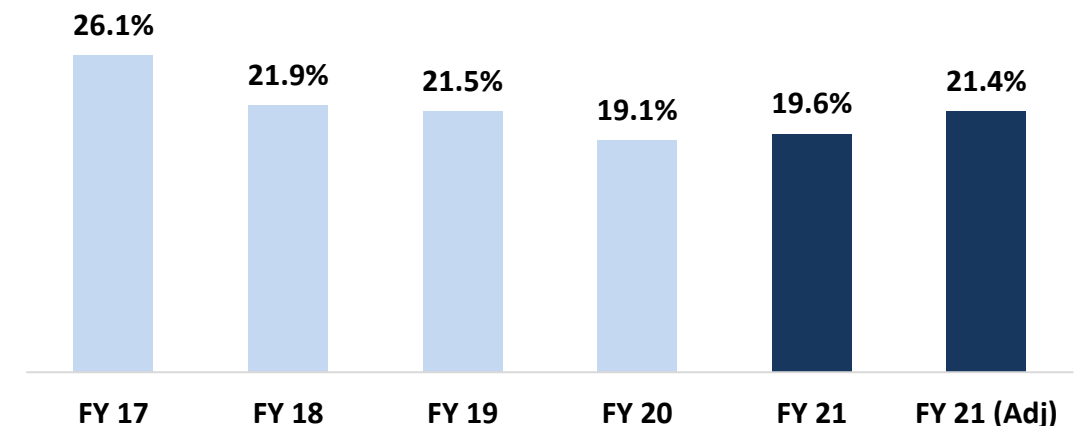
## Cash Flow from Operations / EBITDA (%)



## Return on Equity (%)



## Adjusted ROCE\* (%)



\*Debt has been adjusted for cash and bank balance for FY21 (adj) ROCE

ROE= PAT/Average Equity, ROCE = EBIT/Average Capital Employed (Capital Employed = Total Equity + Short Term Borrowings + Long Term Borrowings)



## Environment Highlights

Fineotex is accredited with **ISO 9001:2015, ISO 14001:2015, ISO 14045:2012 and WHO GMP**

Fineotex is assessed and in compliance with **GOTS, REACH, Bhive, ZDHC, HACCP and Blue Sign**

Fineotex has successfully achieved the compliance Green Certificate - Level 1 by the **Indian Green Building Council (IGBC)**

*“Fineotex Chemical Limited makes effort to respect, protect, and make efforts to restore the environment. FCL is committed to ensuring clean environment beyond satisfying all stipulated requirement laid down by the statutory authorities.”* [Environment Strategy in Place](#)

*“The Company’s products are made from no hazardous chemicals which require a very minimal quantity of natural resources like water or fuel. The process also does not emanates pollutants in the form of gases, liquids or solid wastes. Neither the employees of the Company nor of its users face any harmful effects or side effects due to its products”* [Product Free From Harmful Substances](#)

*“The Company’s production process ensures that the air and water pollution norms laid by the local authorities are met. We are members of a central efficient treatment plant (CETP). Besides, we are also taking efforts internally to control the water pollution at midlevel through our own ETP”* [Air Pollution Reduction Initiatives](#)

*“Energy consumption is not very high for the Company’s business. However, efforts are continuously made to monitor the consumption, reduce energy costs and take appropriate measures for energy conservation”* [Energy Savings](#)

*“Company’s raw materials are mainly basic manufactured chemicals and not natural materials whose sustainability would affect natural imbalance in case of ruthless utilization ”* [Material Usage Initiatives](#)

**Committed to ensuring clean environment beyond satisfying all stipulated requirements5**



## Social Highlights

Fineotex is accredited with

**ISO 22000 and ISO 45001**

Fineotex is accredited with

**SA 8000 - World's leading social certification program**

*"We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. We provide equal opportunity to all our employees"* [Social Strategy in Place](#)

*"The Company has around four decades of experience in this business backed by expertise in storage. Quality checking will increase also for hitherto non-hazardous goods. There could be a department to guarantee virus-free packing for the movement of goods sold. Goods may have to be packed in such a way that they can be sanitized. There would be a high degree of caution amongst stakeholders. There would be additional terms and conditions to the buy-sell transactions that were in vogue during the past"* [Product/Service Safety and Quality Metrics](#)

*"The company has taken various community initiatives such as: Education of any persons and enable them to earn an independent livelihood and thereby become useful and efficient citizen of India, To provide financial assistance and supply items of necessity like food, clothing, medicine etc. for running and maintenance of houses for destitute, aged persons/retired needed persons, Organize re-habilitation of destitute, old age persons wherever possible and provide assistance in cash, To look after family planning centres and nursing homes/ run eye bank, blood bank, organ banks etc"* [Community Support Initiatives](#)

**Follows the principles of human rights as enshrined in the Universal Declarations of the human rights of the UN**



## Governance Highlights

*The Board comprises of **qualified members who bring in the required skills, competence and expertise***












*“The Company’s philosophy on Corporate Governance relates to creating an organization intended to maximize the wealth of shareholders, establish productive and lasting relationships with all shareholders with the emphasis laid on fulfilling the responsibility towards the entire community and society. The Company’s products are marketed not only in India but also across the globe. The Company is, therefore, conscious of the fact that the management and the employees need to work ethically to achieve success” [Corporate Governance Policies](#)*

*“The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate” [Executive Pay Performance Alignment Policies](#)*

**Corporate Governance philosophy - Create an organization intended to maximize the wealth of shareholders**




## Key ESG Facts

-  Bhive certified
-  Blue Sign certified
-  Global Organic Textile Standard (GOTS) certified
-  Hazard Analysis Critical Control Point (HACCP) Certification
-  Indian Green Building Council
-  REACH certified
-  SA 8000 - Social Accountability Certification
-  Scivera
-  Star Export House
-  WHO Good Manufacturing Practice certified
-  ZDHC Zero Discharge Hazardous Chemical (ZDHC) Gateway certified

## Certificates

ISO 9001      ISO 14001      ISO 14045\*      ISO 45001  
ISO 20000\*      SA 8000      OHSAS18001

## New Accreditations

 scivera makes it easy to quickly gather chemical data and prescreen products.

Screened Chemistry is an innovative method of assessing, scoring, and certifying textile chemicals for human and environmental health characteristics.

**This rigorous certification program shows our company's commitment to sustainable chemistry.**

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Fineotex Chemical Limited (“Fineotex Chemical” or the Company) 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.

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

## For further information, please contact:

**Hemant Auti**  
**Company Secretary**  
Fineotex Chemical Limited

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