

Fineotex Chemical Limited

Where Dependability Counts...



Investor Presentation

November 2015

FCL

Safe Harbour

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Fineotex Chemical Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the tire industry in India and worldwide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



Snapshot

Product
Range of over
400 Products

Presence
across 33
Countries

Expertise of
over 35 years
in Speciality
Chemicals

EBITDA – 30%
PAT – 29%
4YCAGR

ZERO DEBT



Diversified
Customers
and Product
Base

Technical
Knowhow
from Europe
and Malaysia

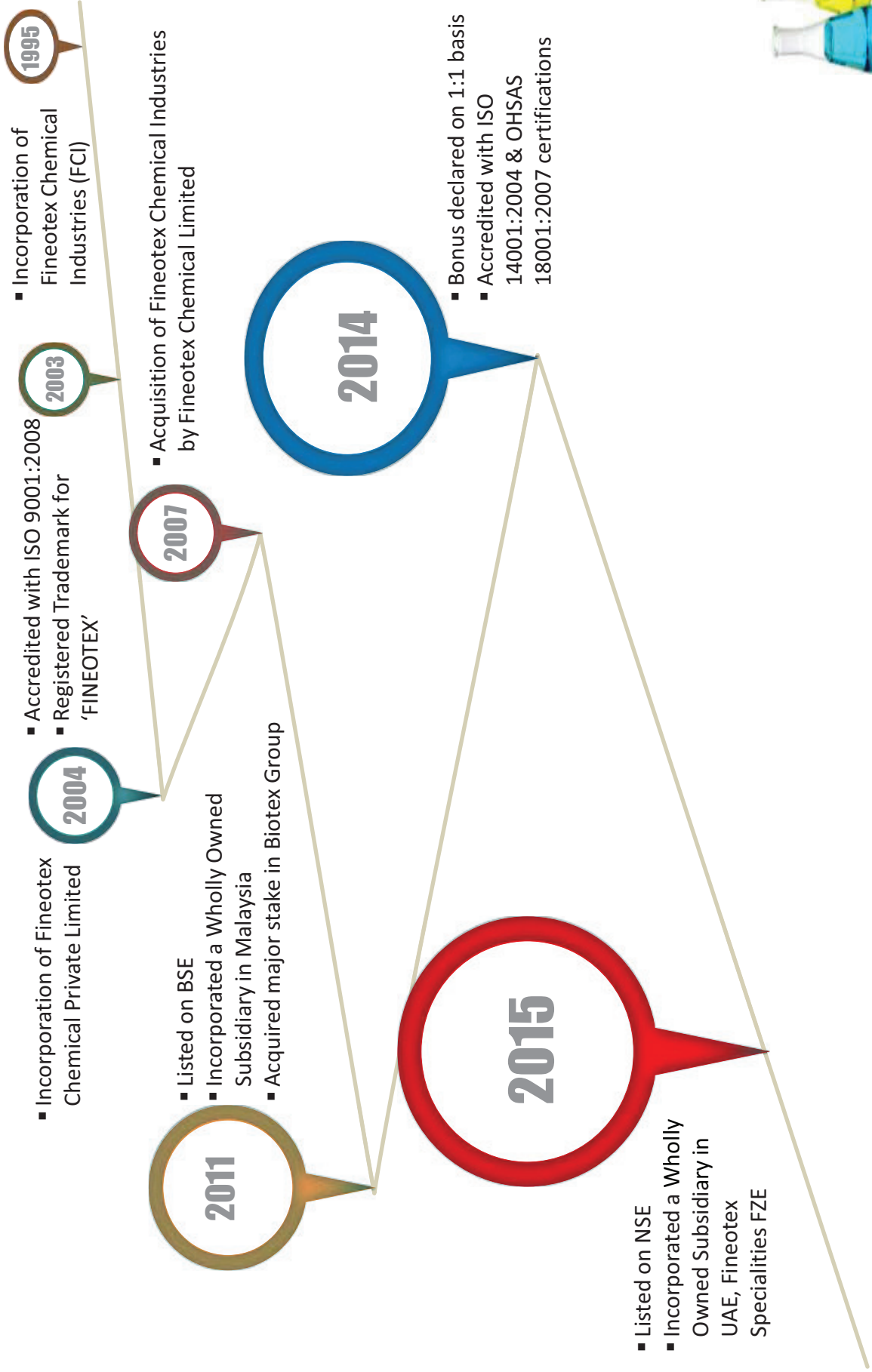
Strong R&D
Relationships
with Large
Customers

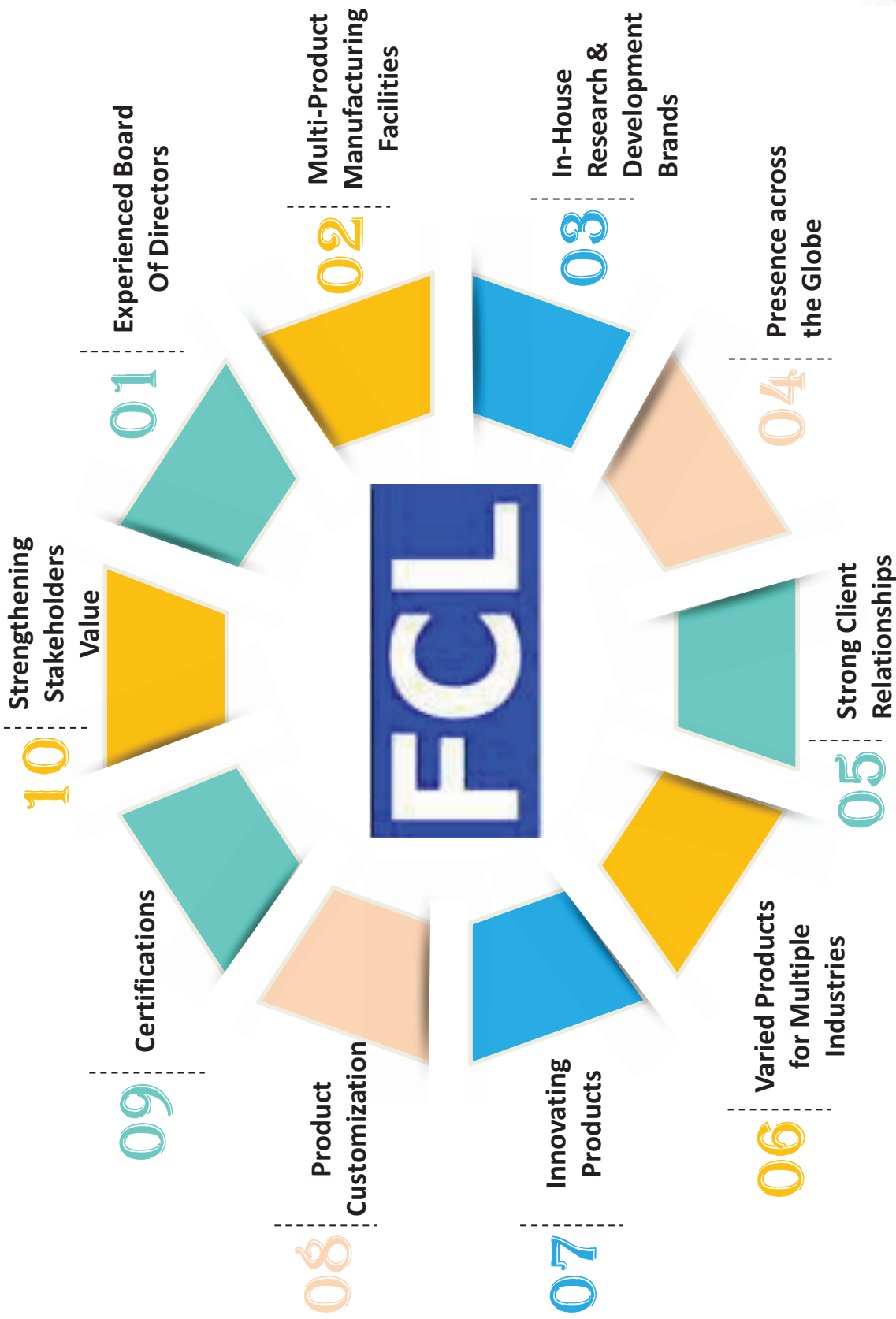
Production
Facilities in
India &
Malaysia

Experienced
Management
Team from
MNC
background



Evolution





01 Experienced Board Of Directors

Mr. Surendra Kumar Tibrewala - Chairman & MD

- Commerce graduate from Mumbai University & a Law graduate from Government Law College
- 4 decades of experience into manufacturing Speciality Chemicals & Enzymes for various industries namely Textiles & Garments, Construction, Water Treatment, Leather, Paper, Paint, Adhesives etc.

Mr. Sanjay Tibrewala – Executive Director & CFO

- Commerce Graduate from Mumbai University & a Post Graduate, having specialized in Textile Processing and Chemicals from Sasmira University, Mumbai
- Spearheading the company into Organic & Inorganic Growth by venturing into Exports & Foreign Acquisitions
- Diversified into segments like Construction Chemicals, Adhesives & Enzymes

Mr. Manmohan Mehta – Independent Director

- Chairman of the Remuneration Committee
- Commerce Graduate with over 20 years of experience in various industries
- Extensive knowledge in the field of Law and Business

Mr. Navin Mittal – Independent Director

- Graduate with experience in Iron & Steel Industry
- More than 2 decade experience in bringing innovation to its peak and to build value in growth oriented businesses and support them to achieve higher levels of performance

Mrs. Ritu Gupta – Independent Director

- MBA Finance from S P Jain, School of Global Management
- A part of Key Management Team at the time of IPO
- Experience includes managing campuses of S P Jain School of Global Management in Dubai, Singapore and Sydney

Mr. Alok Dhanuka – Independent Director

- Qualified MBA from Hariot Watt University in UK
- Experience in EXIM and is an entrepreneur running his business in export of Agro products



02 Multi-Product Manufacturing Facilities

Indian Facility at Mahape, Navi Mumbai



Malaysian Facility at Bander Baru Bangi, Malaysia



Varied Manufacturing Process

SULPHONATION

Sulphation and Sulphonation are the most widely used processes for the production of synthetic anionic surface active agents derived from a wide range of synthetic and natural feedstocks

ESTERIFICATION

The method to derive products from acids by the exchange of the replaceable hydrogen of the latter of an organic radical. The usual reaction is that of an acid (organic or inorganic) with an alcohol or other organic compound rich in OH groups



PHOSPHONATION

Phosphonation is a process for the production of Phosphate ester which can be called organic salts of orthophosphoric acid $O=P(OH)_3$. They are also organophosphorous compounds

POLYMERIZATION

A chemical reaction, usually carried out with a catalyst, heat or light, and often under high pressure, in which a large number of relatively simple molecules combine to form a chain like macromolecule

BLENDING & FORMULATION

It is the adding and mixing of several raw materials with water in the required proportion at the right temperature with a specialized technique



03 In-House Research & Development



- 2 state-of-the-art laboratories at Navi Mumbai & Andheri continually updated with in house R&D
- Undertaking constant development measures through in-house R&D to stand up with the growing requirements of the clients
- Laboratories are equipped with all kinds of modern equipments like Brookfield Viscometers, Refractometers, Pilot Vessels and Application Equipments to perform Pre-treatment, Dyeing, Printing & Finishing Trials
- An experienced and technically qualified team strives round the clock to develop and improve upon the product features by incorporating the latest technology and developing New Specialty and Cost-Effective Products which will in turn add value to our products



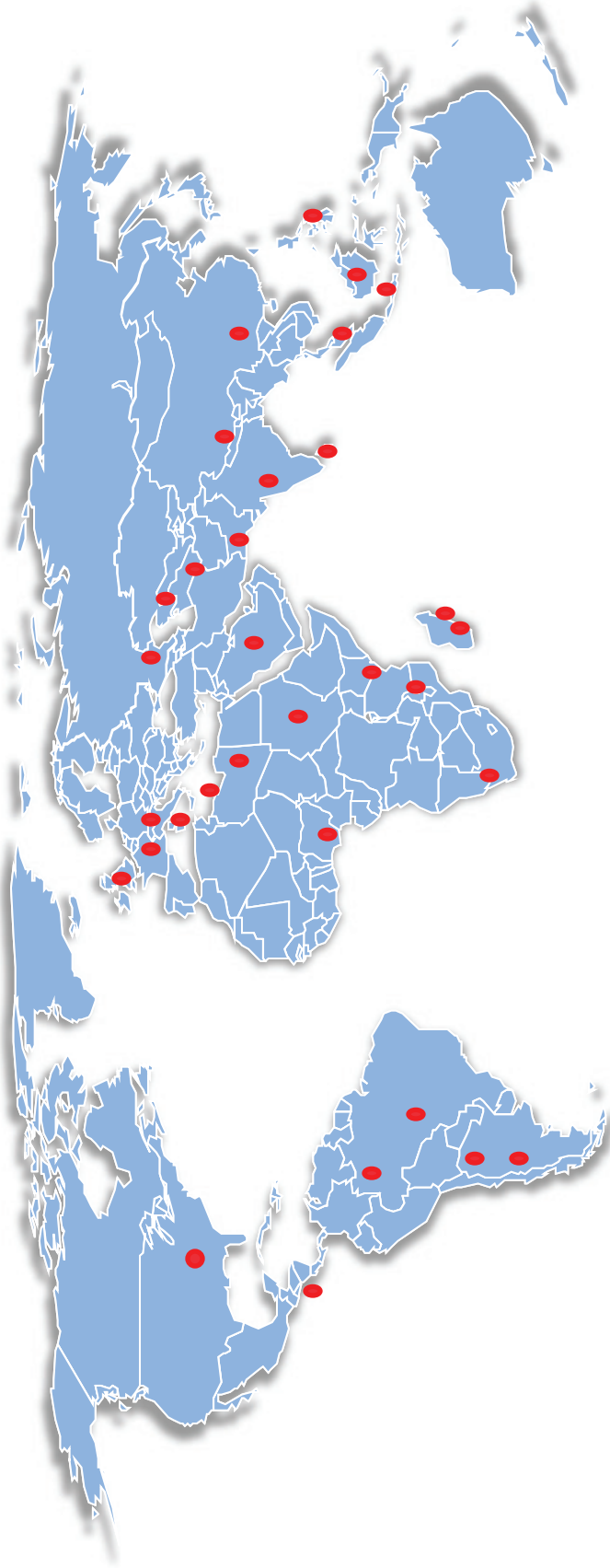
Well Equipped Research Laboratories



Strong Brand Positioning



04 Presence across the Globe



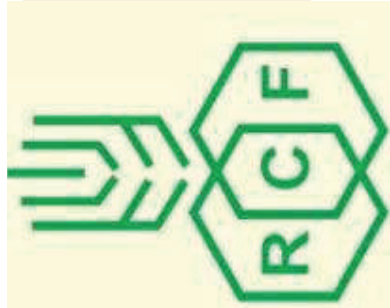
- Presence in 33 countries like Argentina, Bangladesh, Indonesia, Thailand, Pakistan, Colombia, Singapore, UAE, Sri Lanka, Tanzania etc
- Company expands its export directly & also indirectly through export house
- Constantly tapping new markets, tie ups with reputed distributors with a sole selling policy to channelize its efforts in view of long term relationship



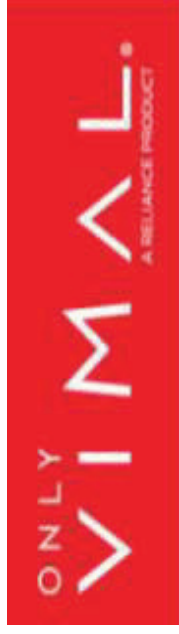
05 Strong Client Relationships



DEEPAK FERTILISERS
AND PETROCHEMICALS CORPORATION LIMITED



Vardhman



worldwide denim



Banswara Syntex Ltd.



textiles and industries limited



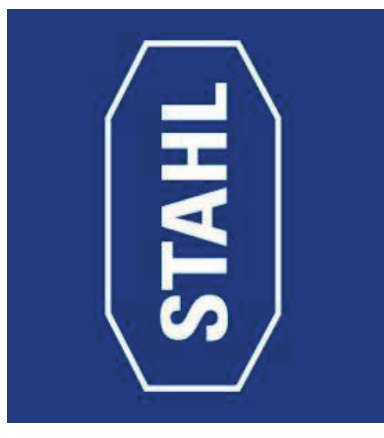
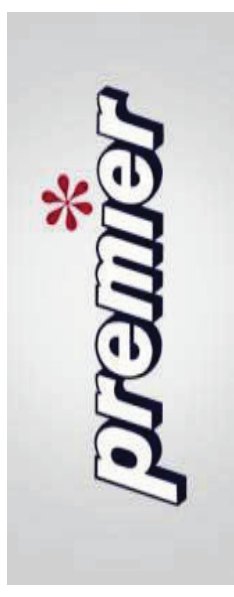
Strong Client Relationships



Himatsingka



Strong Client Relationships



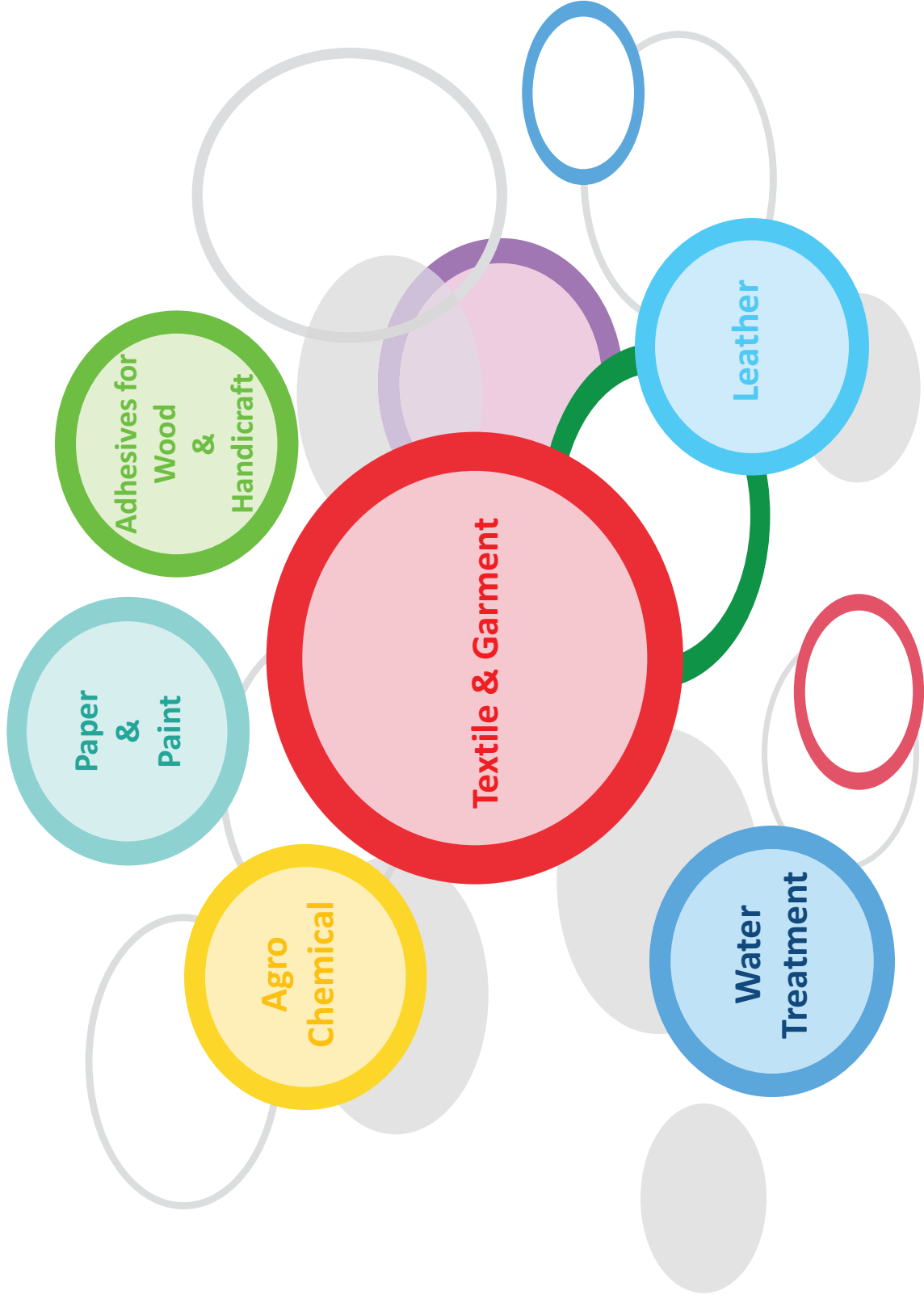
Chenab Textile Mills
Blending Perfection
(A unit of Suflej Textiles & Industries Ltd.)



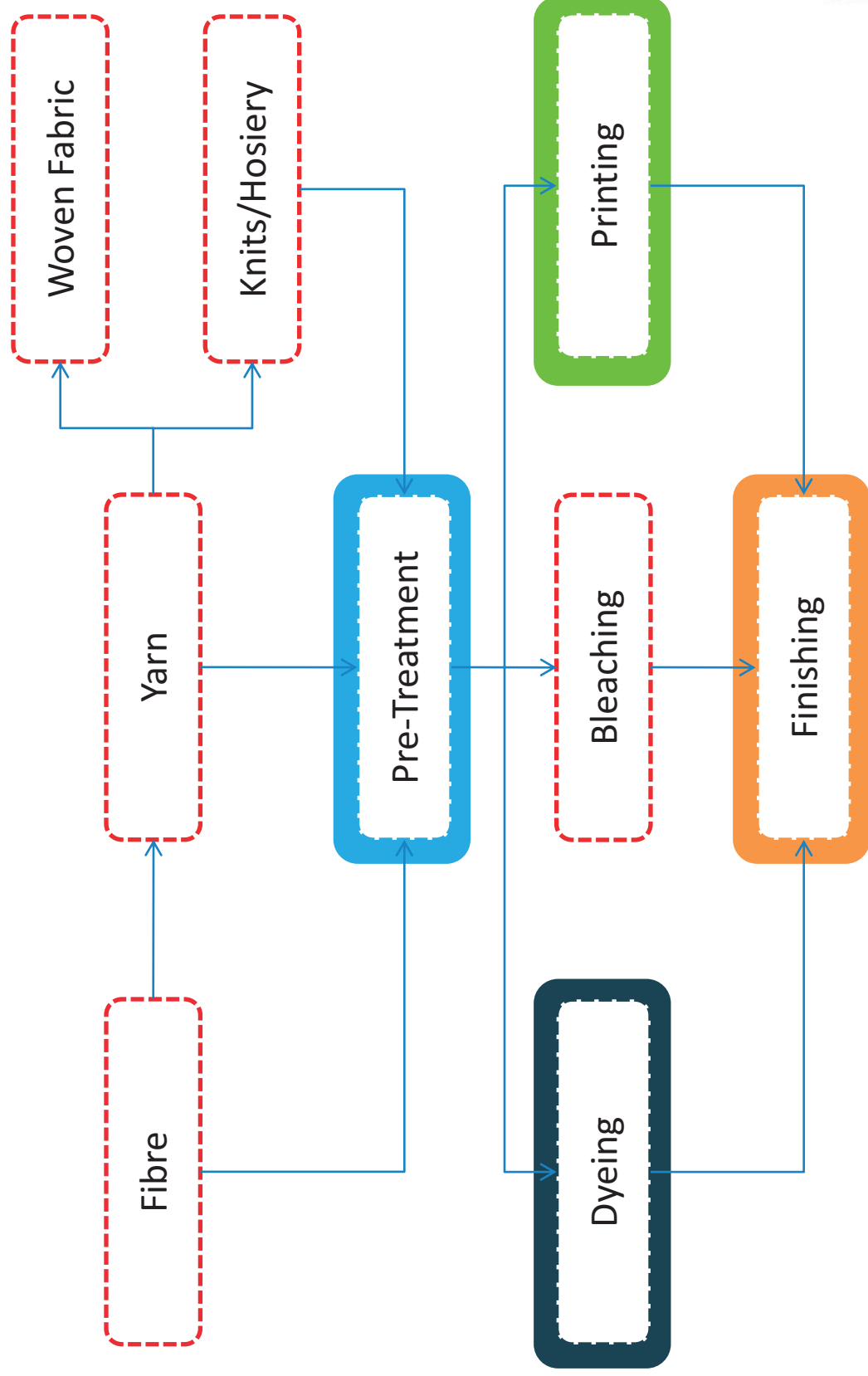
H.B. Fuller



06 Varied Products for Multiple Industries



Multi-Stage Textile Applications...



...with Multiple Product Offering

Desizing Agent
Sequestering Agent
Deminceralising Agent
Silicone Defoamer
Neutralizer
Anti-back Staining Agent
Core Alkali Neutraliser
Wetting Agent
Penetrating Agents

Pre-Treatment Process

Anti Crease Lubricant
Acid Buffers
Soda Ash Substitute for Reactive Dyeing
Leveling Agent
Washing Off Agent
Reduction Clearing Agents
Sequestering Agents
Silicon Defoamer
Anti Crease Lubricants

Printing Process

Fixation Accelerators in Polyester
White Inks
Thickeners
Fixers in Pigment Printing





Binders-Acrylic, Self-Thickening for Gold & Flock

Finishing Process

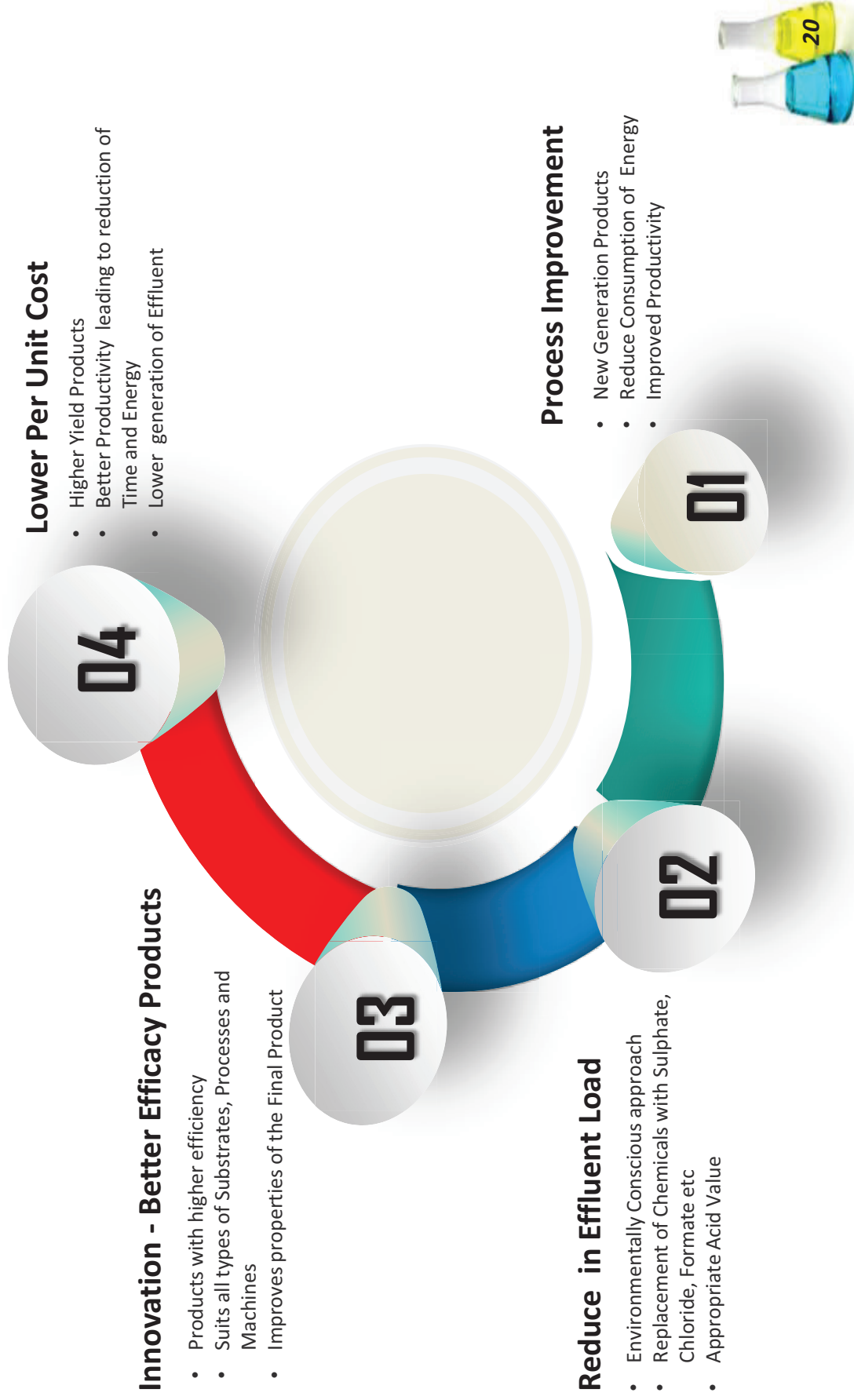
Stiffeners
Silicone Emulsions
Polyurethane Finishing Agent
Antistatic Agent
Wax Finishing Agent
Yarn Lubricant
Softeners
Water Repellants



07 Innovating Products...

<p>Sodium Alginate Substitute</p>  <p>BIOPRINT RDT</p>	<p>Low Temperature Bleaching Process</p>  <p>Biotex LTB</p>	<p>Multifunctional Auxiliary for Pretreatment</p>  <p>Biotex NELA</p>
<p>Soda Ash Substitute</p>  <p>FINOCON ADA Premium</p>	<p>Acetic Acid Substitute</p>  <p>FINOCON ECO Cong</p>	<p>Water & Oil Repellent</p>  <p>FINOGUARD SI</p>
<p>Zero Formaldehyde Resin</p>  <p>FINOPRET ZF</p>	<p>Highly Concentrated Silicone</p>  <p>FINOX SIL</p>	<p>Towel Silicones</p>  <p>FINOX XLR</p>

...with Value Proposition



08 Product Customization



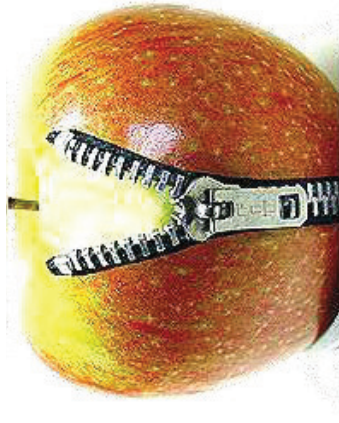
Customer Centric Workforce

The philosophy of every person working at Fineotex is 'Customer Comes First'



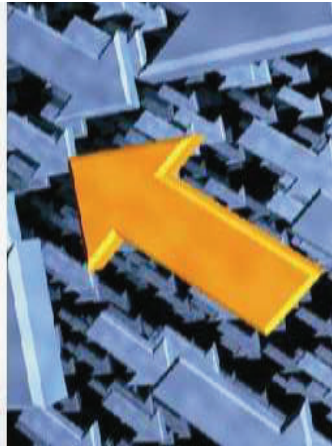
Customized Products

Modifying the products as per customer needs is one of our core competencies



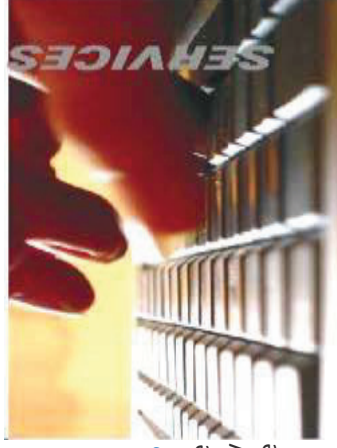
Packaging

Fineotex provides the right packaging as per Seaworthy International Standards, taking utmost care & safety to prevent hazards



On Time Delivery

Special focus is given by the team to ensure an on time delivery



On Line Solutions

Customers needs and demands right from the product utilization to trouble shooting are met by online assistance



09 Certifications



10 Strengthening Stakeholders Value

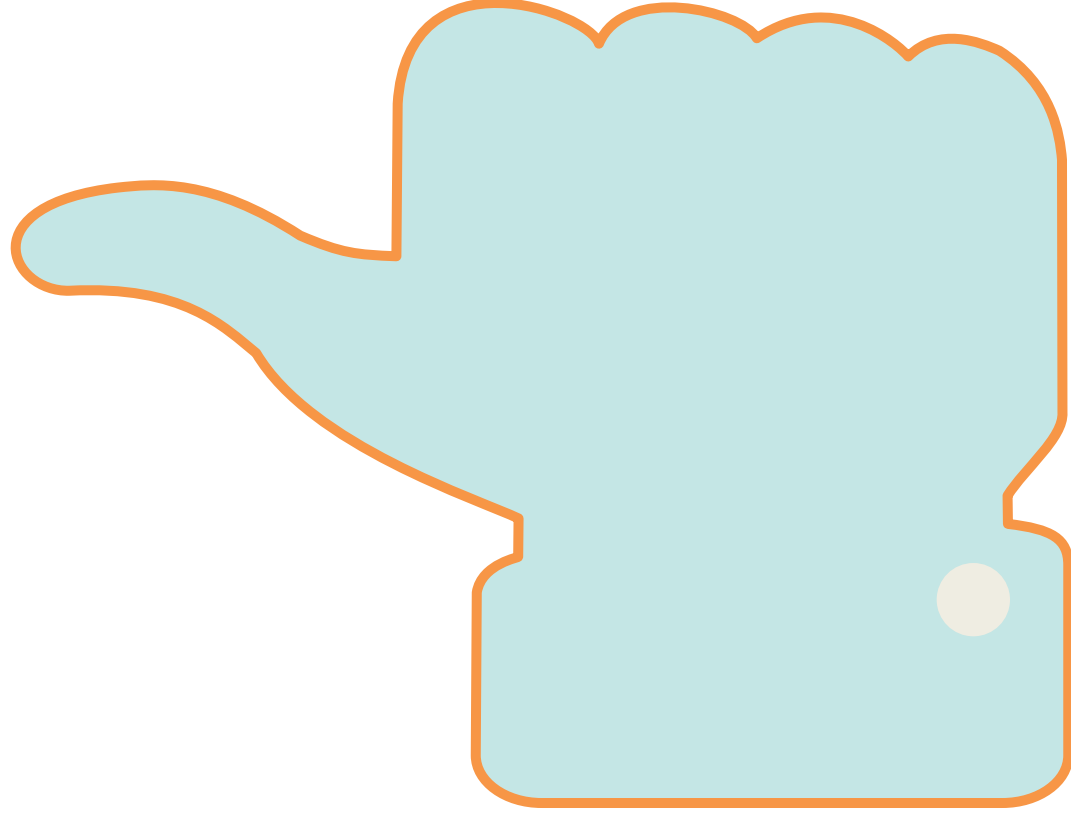
01 | Zero Debt Company

02 | Bonus Issued in 1:1 ratio

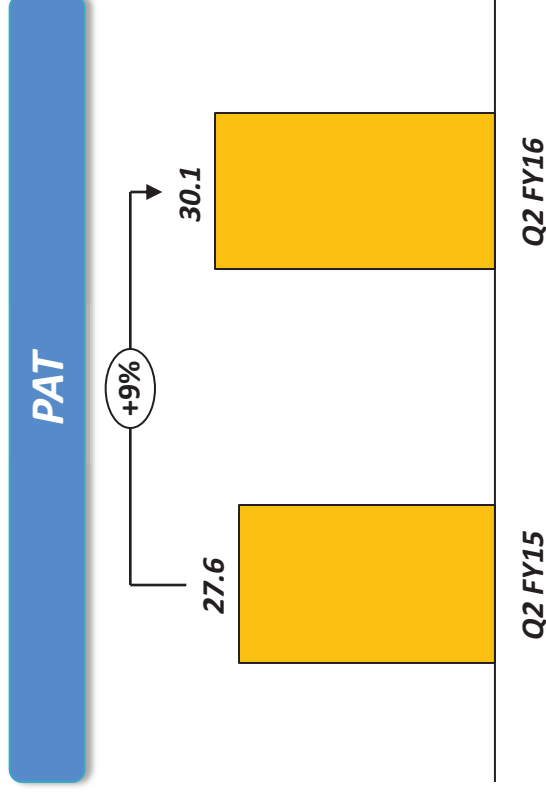
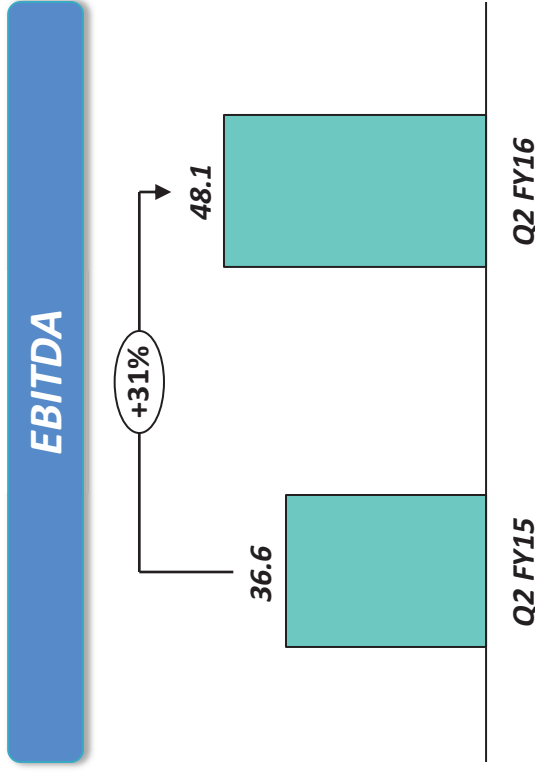
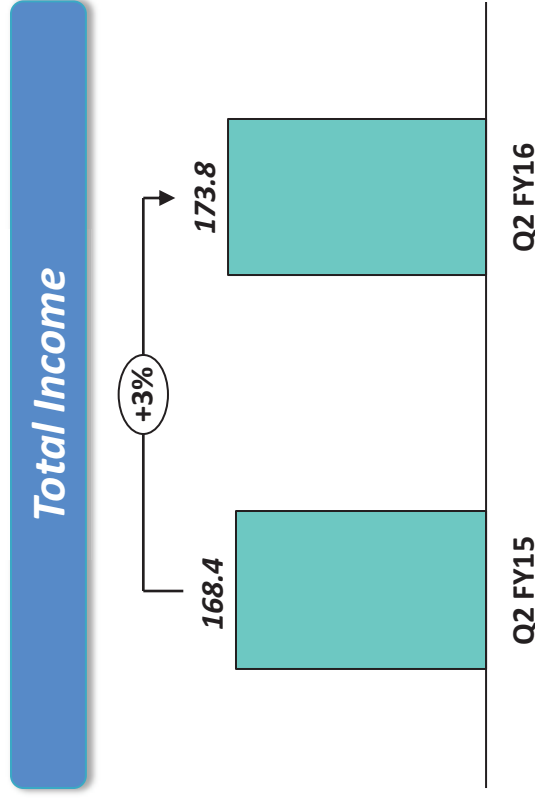
03 | 4 years PAT CAGR of 29%

04 | Promoter Stake up from
62.5% to ~72%

05 | Proposed Dividend
Payout Doubled



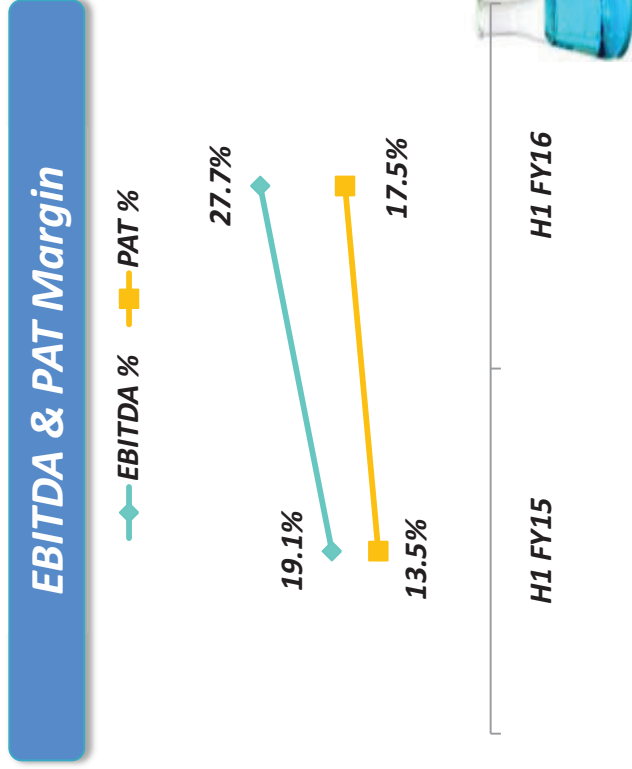
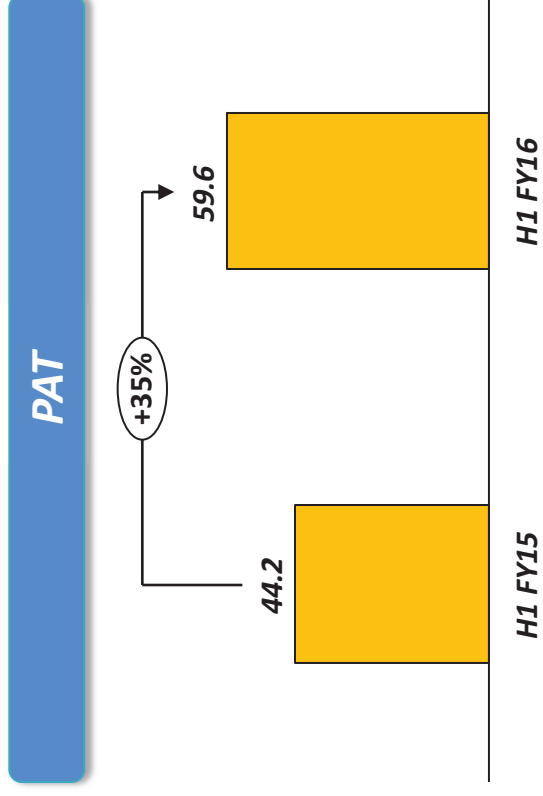
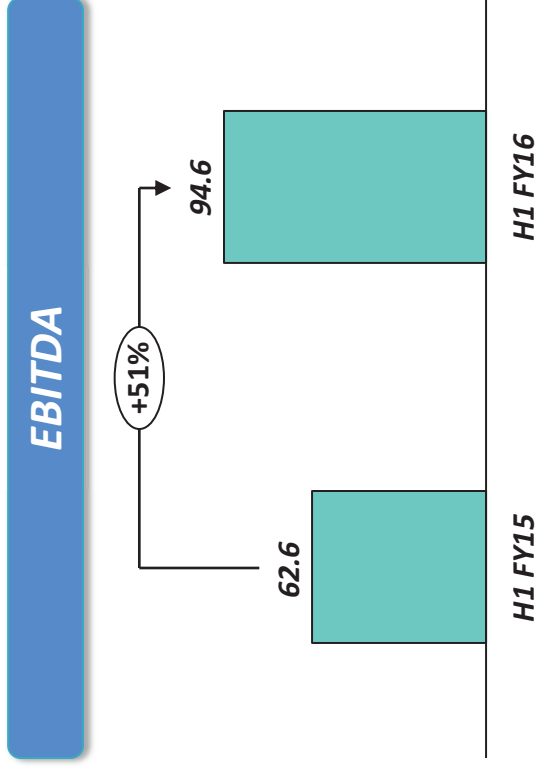
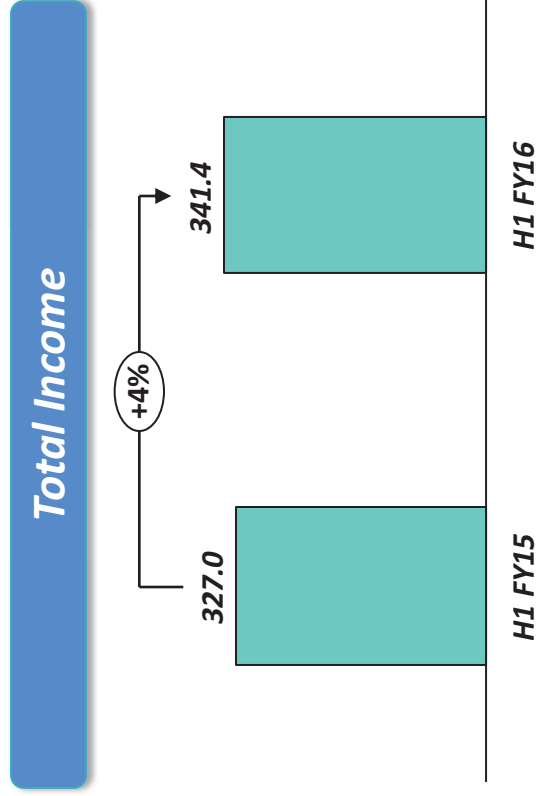
Standalone Quarter Financial Performance



Rs. in Millions



Standalone Half Year Financial Performance

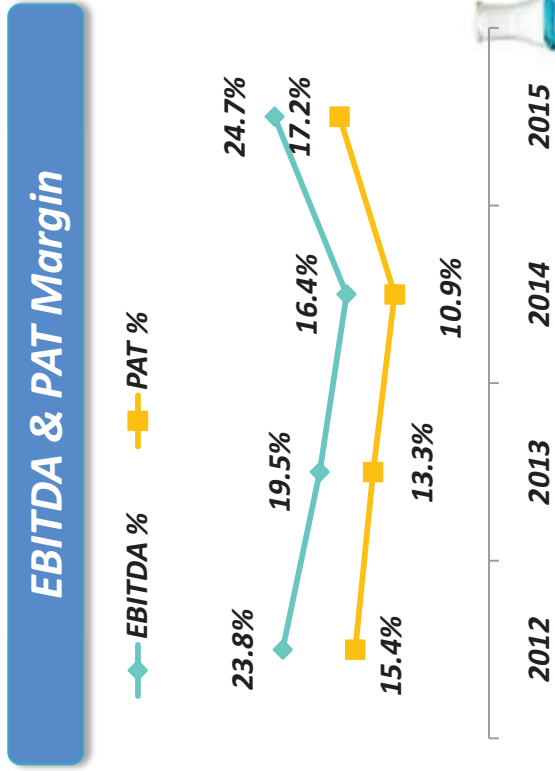
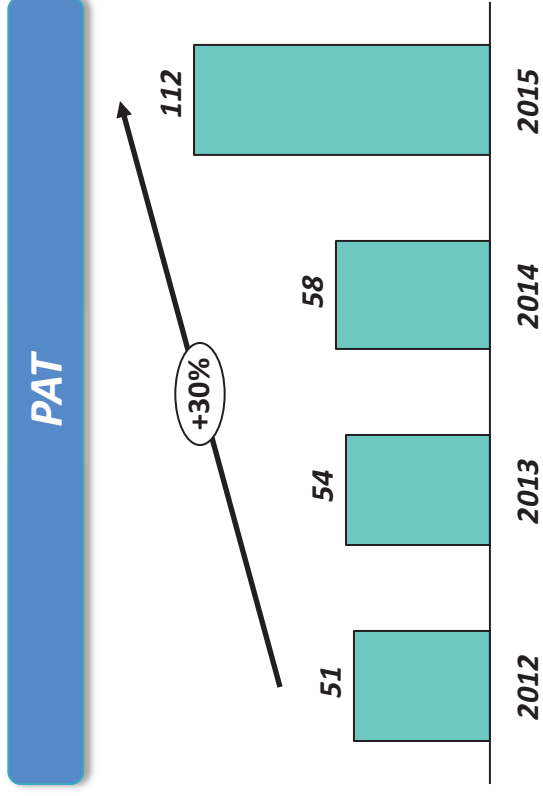
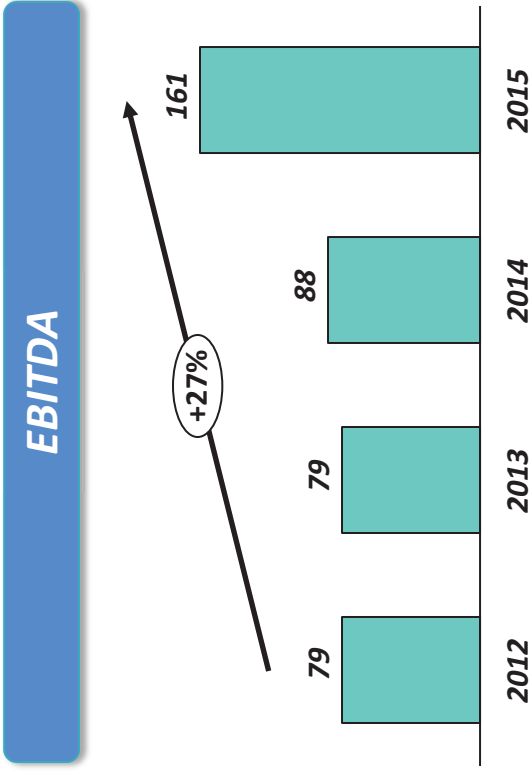


Standalone Profit & Loss account

<i>Rs. In Millions</i>	Q2 FY16	Q2 FY15	Y-O-Y	H1 FY16	H1 FY15	Y-O-Y
Total Income	173.8	168.4	3%	341.4	327.0	4%
Raw Material	101.6	122.7		199.2	234.4	
Employee Cost	5.0	5.7		10.5	8.8	
Other Expenses	22.2	19.2		44.5	42.5	
Other Income	3.1	15.8		7.5	21.3	
EBITDA	48.1	36.6	31%	94.6	62.6	51%
EBITDA Margin	27.7%	21.7%		27.7%	19.1%	
Depreciation	1.2	1.1		2.4	2.2	
Finance Cost	0.5	0.6		1.4	1.3	
Exceptional Items	0.0	0.0		0.0	0.0	
PBT	46.4	34.9	33%	90.8	59.1	54%
Tax	16.3	7.3		31.1	14.9	
PAT	30.1	27.6	9%	59.6	44.2	35%
PAT Margin	17.4%	16.4%		17.5%	13.5%	



Standalone Financial Performance



Rs. in Millions



Standalone Profit & Loss account

<i>Rs. In Millions</i>	FY15	FY14	FY13	FY12
Total Income	649.9	534.6	406.9	333.2
Raw Material	434.5	395.1	296.4	233.0
Employee Cost	21.8	21.8	18.0	13.6
Other Expenses	81.0	67.5	38.0	29.4
Other Income	48.1	37.5	25.0	22.1
EBITDA	160.8	87.8	79.4	79.3
EBITDA Margin	24.7%	16.4%	19.5%	23.8%
Depreciation	4.4	2.1	2.0	1.7
Finance Cost	2.2	3.4	4.0	2.9
Exceptional Items	0.0	2.0	0.0	0.0
PBT	154.1	80.3	73.4	74.6
Tax	42.1	22.2	19.1	23.3
PAT	112.0	58.1	54.3	51.4
PAT Margin	17.2%	10.9%	13.3%	15.4%



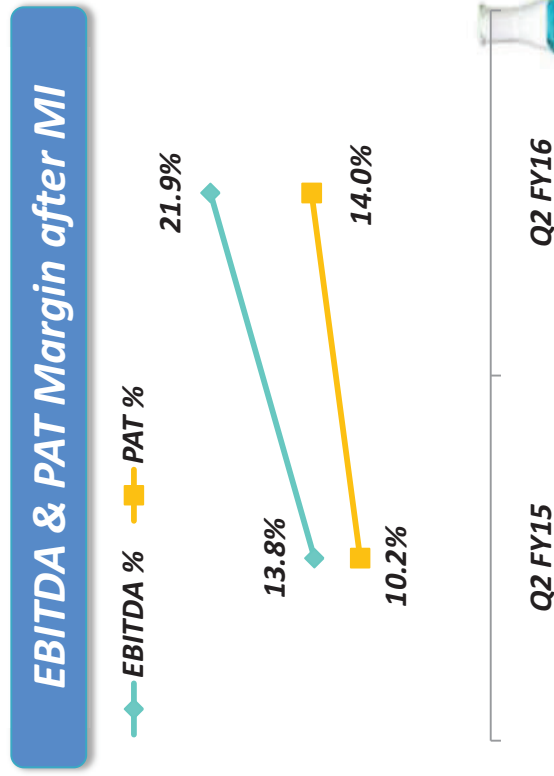
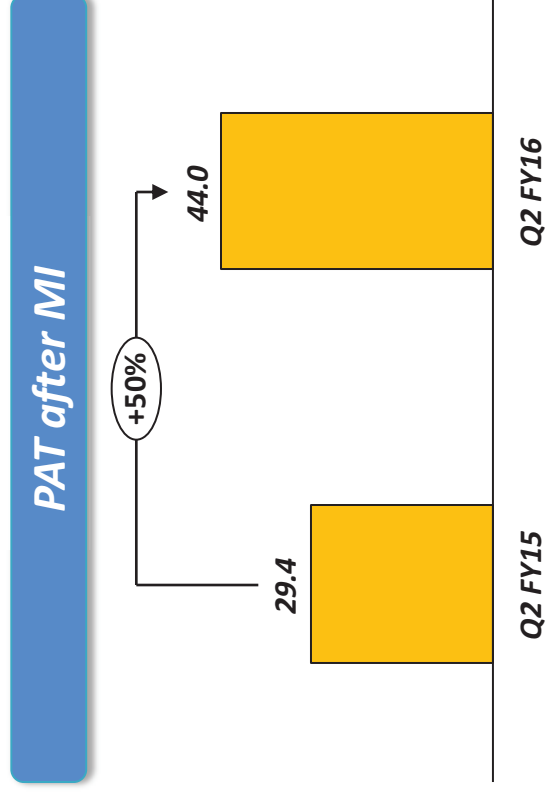
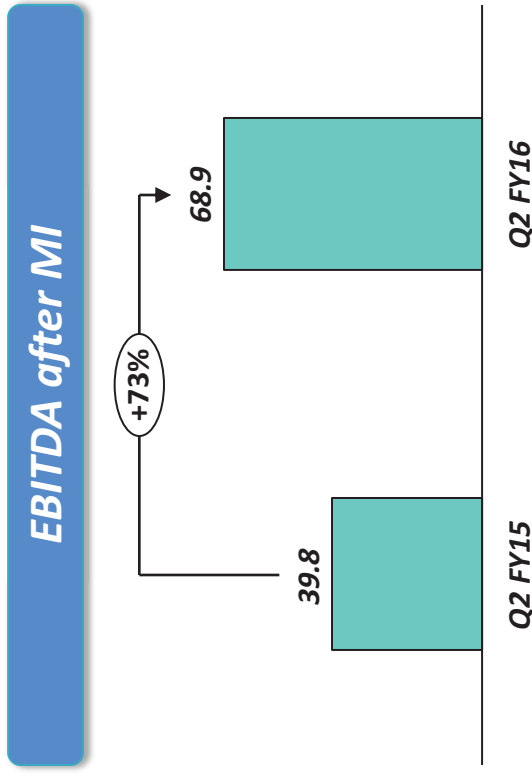
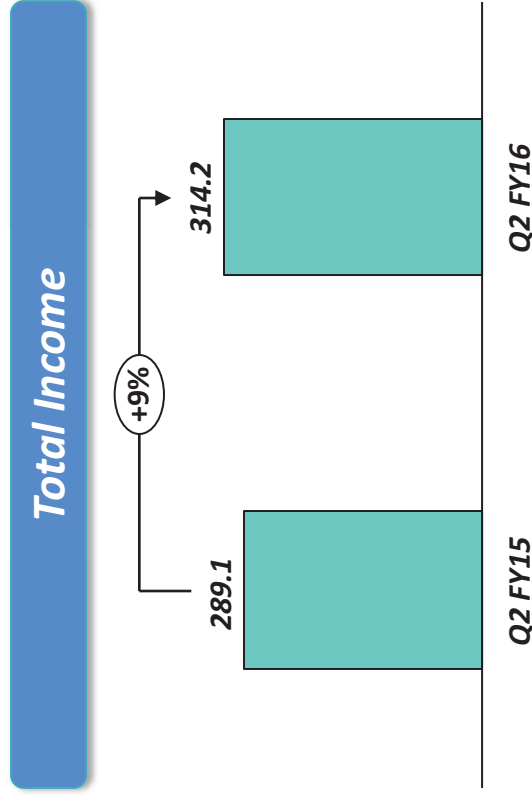
Standalone Balance Sheet

<i>Rs. In Millions</i>	Sep-15	Mar-15
Shareholder's Fund	767.6	707.3
Share capital	224.6	224.6
Reserves & Surplus	543.0	482.7
Non-current liabilities	0.0	0.0
Long term borrowings	0.0	0.0
Current liabilities	131.1	140.7
Short term borrowings	16.3	10.2
Trade payables	100.7	95.9
Other current liabilities	4.6	11.6
Short Term Provisions	9.5	23.1
Total Liabilities	898.7	848.1

<i>Rs. In Millions</i>	Sep-15	Mar-15
Non-current assets	619.7	324.6
Fixed assets (inc. CWIP)	120.9	105.5
Non – Current Investments	400.9	134.0
Deferred Tax Assets (net)	5.1	4.9
Long Term Loans & Adv.	92.8	80.2
Current assets	279.1	523.5
Current Investments	37.9	251.2
Inventories	49.2	47.5
Trade receivables	173.0	168.5
Cash and bank balances	14.6	27.1
Short term loan & advances	2.3	20.0
Other current assets	2.1	9.2
Total Assets	898.8	848.1



Consolidated Quarter Financial Performance

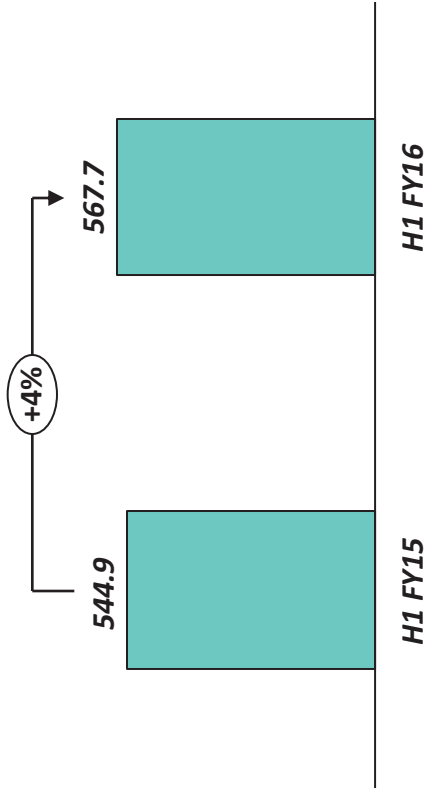


Rs. in Millions

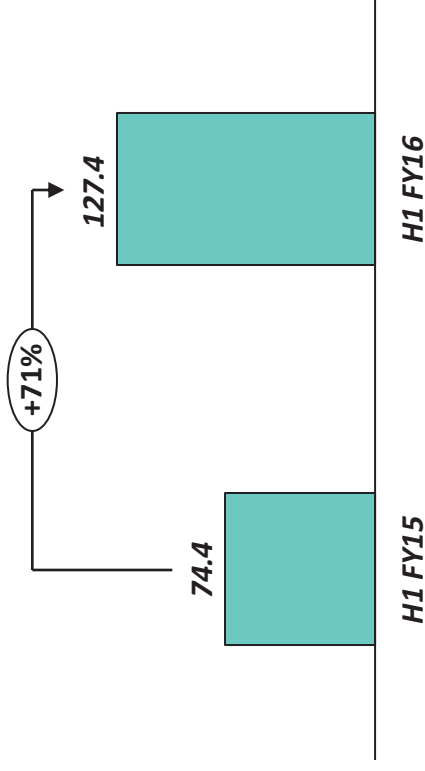


Consolidated Half Year Financial Performance

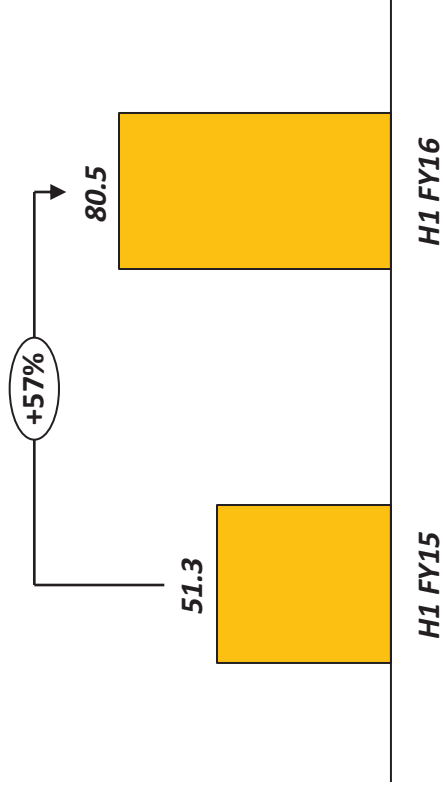
Total Income



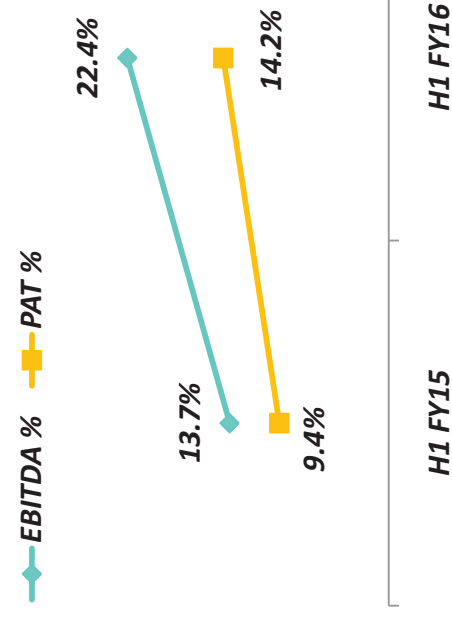
EBITDA after MI



PAT after MI



EBITDA & PAT Margin after MI



Rs. in Millions

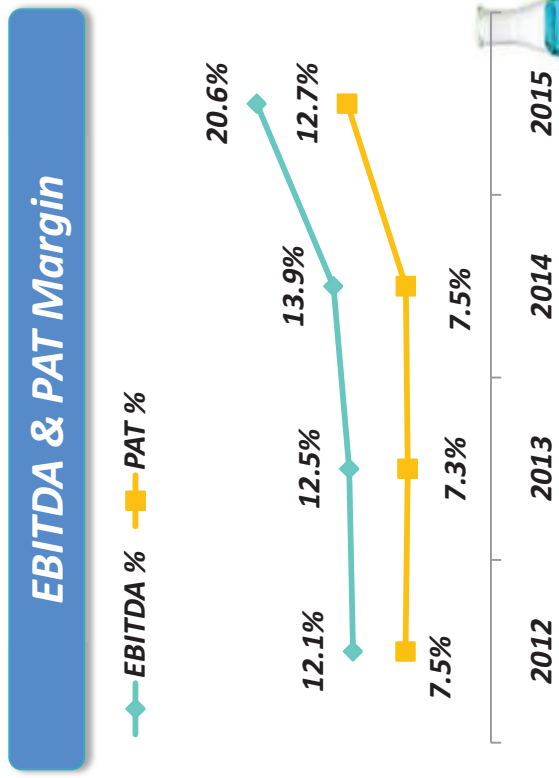
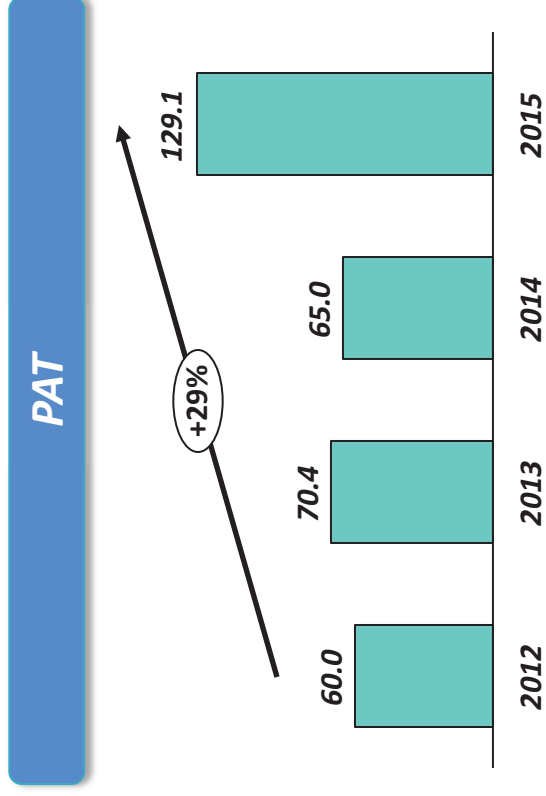
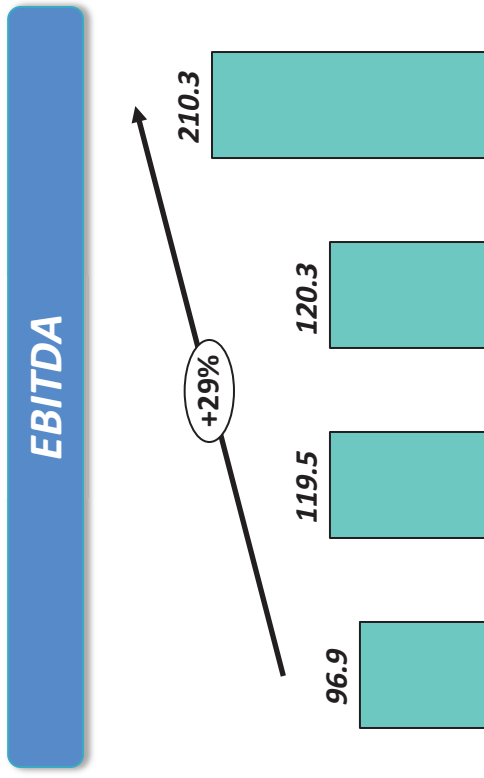
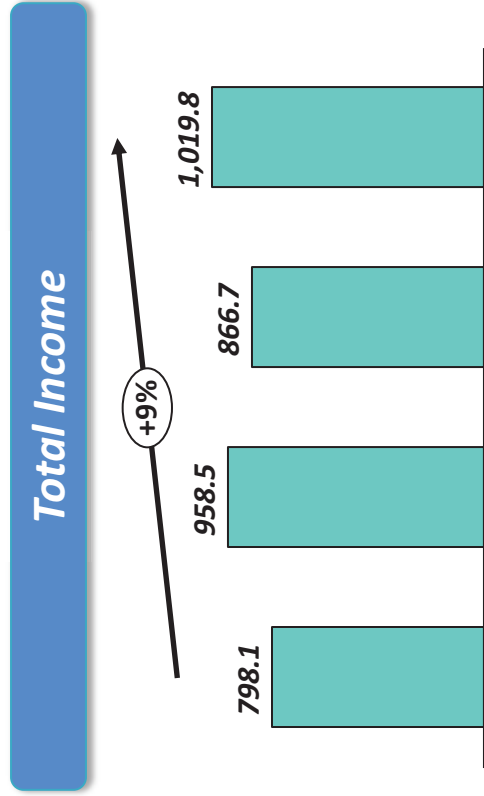


Consolidated Profit & Loss account

<i>Rs. In Millions</i>	Q2 FY16	Q2 FY15	Y-O-Y	H1 FY16	H1 FY15	Y-O-Y
Total Income	314.2	289.1	9%	567.7	544.9	4%
Raw Material	198.1	219.6		347.1	396.3	
Employee Cost	8.1	6.5		17.0	14.6	
Other Expenses	39.4	37.2		77.4	75.3	
Other Income	7.8	15.3		14.2	20.6	
EBITDA	76.6	41.1	86%	140.4	79.3	77%
EBITDA Margin	24.4%	14.2%		24.7%	14.5%	
Depreciation	1.3	1.2		2.6	2.5	
Finance Cost	0.8	0.8		2.1	1.7	
Exceptional Items	0.0	0.0		0.0	0.0	
PBT	74.5	39.0	91%	135.7	75.0	81%
Tax	22.8	8.4		42.2	18.9	
PAT	51.7	30.7	68%	93.4	56.1	67%
Minority Interest	7.7	1.3		13.0	4.8	
PAT After MI	44.0	29.4	50%	80.5	51.3	57%
PAT Margin	14.0%	10.2%		14.2%	9.4%	



Consolidated Financial Performance



Rs. in Millions



Consolidated Profit & Loss account

<i>Rs. In Millions</i>	<i>FY2015</i>	<i>FY2014</i>	<i>FY2013</i>	<i>FY2012</i>
Total Income	1,019.8	866.7	958.5	798.1
Raw Material	682.3	616.2	693.2	594.8
Employee Cost	37.0	35.4	42.8	35.5
Other Expenses	135.6	122.9	128.1	93.3
Other Income	45.4	27.9	25.2	22.5
EBITDA	210.3	120.3	119.5	96.9
EBITDA Margin	20.6%	13.9%	12.5%	12.1%
Depreciation	5.0	2.6	3.0	2.9
Finance Cost	3.3	4.0	5.2	4.7
Exceptional Items	0.0	2.0	0.0	1.8
PBT	202.0	111.6	111.3	87.7
Tax	56.0	33.5	30.2	24.8
PAT	145.9	78.2	81.1	62.8
Minority Interest	16.8	13.2	10.8	2.8
PAT After MI	129.1	65.0	70.4	60.0
PAT Margin	12.7%	7.5%	7.3%	7.5%



Consolidated Balance Sheet

<i>Rs. In Millions</i>	<i>Sep-15</i>	<i>Mar-15</i>
Shareholder's Fund	825.5	763.2
Share capital	224.6	224.6
Reserves & Surplus	600.9	538.6
Minority Interest	53.9	53.7
Non-current liabilities	0.0	0.0
Long term borrowings	0.0	0.0
Current liabilities	181.0	190.8
Short term borrowings	30.2	10.2
Trade payables	123.9	137.6
Other current liabilities	7.6	14.9
Short Term Provisions	19.3	28.2
Total Liabilities	1,060.4	1,007.7

<i>Rs. In Millions</i>	<i>Sep-15</i>	<i>Mar-15</i>
Non-current assets	592.0	518.0
Fixed assets (inc. Goodwill)	126.7	116.5
Goodwill on Consolidation	61.4	61.4
Non – Current Investments	307.0	255.2
Deferred Tax Assets (net)	4.8	4.7
Long Term Loans & Adv.	92.1	80.2
Current assets	468.3	489.8
Current Investments	37.9	37.9
Inventories	106.3	104.1
Trade receivables	200.7	217.3
Cash and bank balances	101.9	100.1
Short term loan & advances	15.5	21.2
Other current assets	6.1	9.2
Total Assets	1,060.4	1,007.7



For further information, please contact:

Company :

Fineotex Chemical Ltd.
CIN: L24100MH2004PLC144295
Ms. Raina D'Silva
raina@fineotex.com
+91-22-26559174
www.fineotex.com/

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285
Mr. Sudeep Chatterjee/ Mr. Jigar Kavaiya
csudeep@sgapl.net / kjigar@sgapl.net
+91-9870449436 / +91-9920602034
www.sgapl.net

