



# **FAIRCHEM SPECIALITY LIMITED\***

INVESTOR PRESENTATION | JULY 2017

The creation of a *Renewable Speciality Chemicals Company*  
from the merger of the businesses of Adi Finechem Ltd And Privi Organics Ltd

\* Formerly known as "Adi Finechem Limited". The name of the Company has been changed from Adi Finechem Limited to 'FAIRCHEM SPECIALITY LIMITED' w.e.f. October 06, 2016 as per the fresh certificate of incorporation received from Registrar of Companies, Gujarat.



## **About Fairchem**

Aroma Chemicals

Oleo Chemicals & Nutraceuticals

Financial Overview



# Executive Summary

## Overview:

- Fairchem Specialty Limited (Fairchem) is the unique creation of a specialty chemicals company from the merger of the businesses of Adi Finechem Ltd (manufacturer of oleo chemicals & nutraceuticals) and Privi Organics Ltd (manufacturer of aroma chemicals).
- Fairchem lays great emphasis on renewable feedstocks and business sustainability.
- The combined entity represents significant financial, Research & development, marketing and global sourcing capabilities with the requisite management bandwidth.
- Fairchem will serve as a platform for organic as well as inorganic growth in the area of speciality chemicals.
- Fairchem is well supported by high quality institutional shareholding – FIH# holds 48.7% of the equity capital

For the year ended 31' March 17\*

Net revenue

**INR 5,974 Mn**

EBITDA

**INR 808 Mn**  
(13.52%)

PAT

**INR 214 Mn**  
(3.57%)

As on 31<sup>st</sup> March 17

Net Worth

**INR 4,380 Mn**

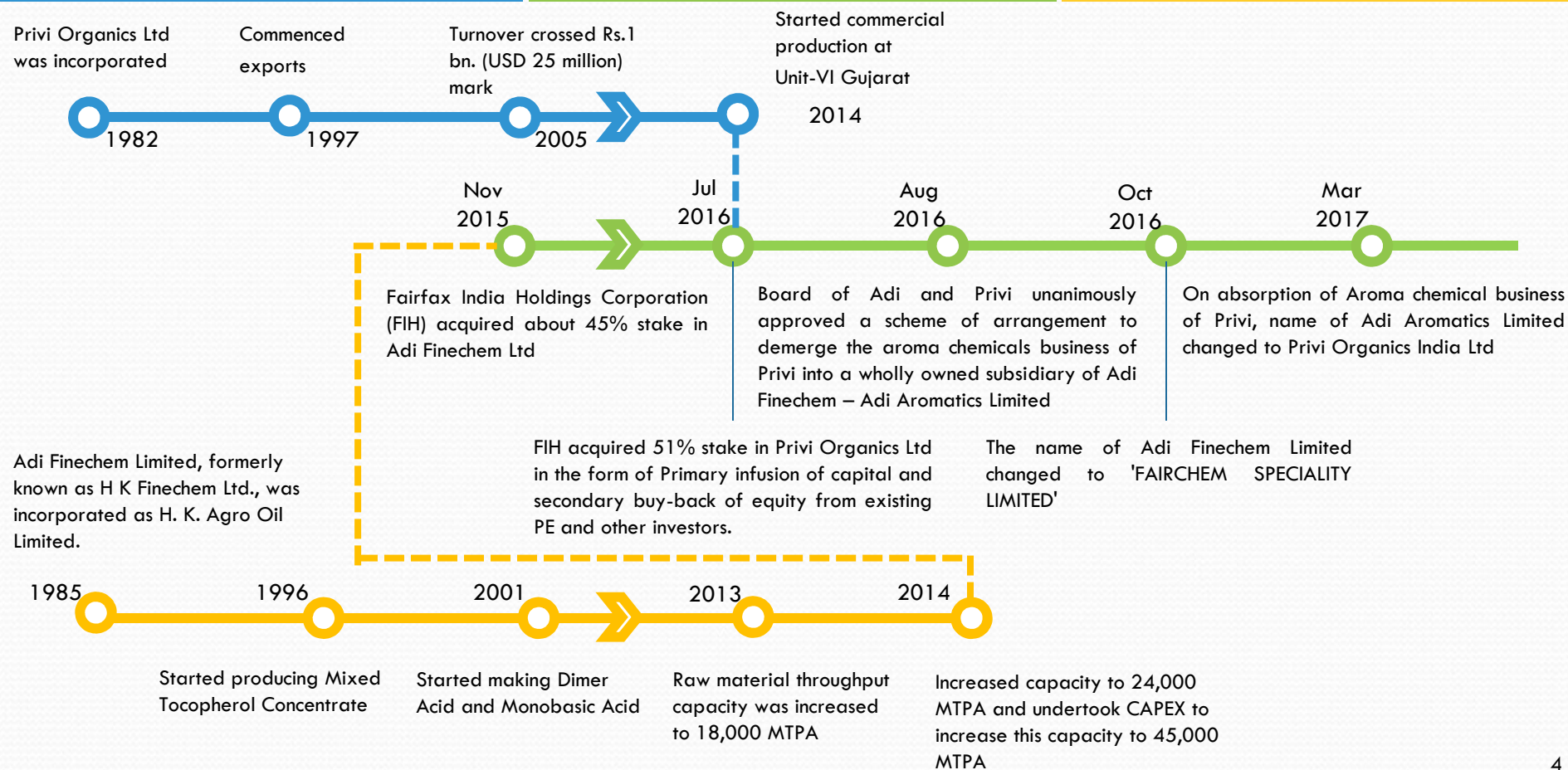
Total Debt

**INR 2,946 Mn**

\* Consolidated Audited Results comprises 12 month operation of Standalone Fairchem (Adi) and 8 month operations of Privi for the year ended 31/03/17



# Formation of Fairchem Specialty Ltd.



## VISION *a waste to wealth story*

**Adi**  
processes waste products from the edible oil refining process

**Privi**  
processes waste products from pulp and paper mills

To Be The Leading **Renewable**  
**Speciality Chemicals** Company

**Adi**  
manufactures oleo chemicals with end use in adhesives, paints, inks and nutraceuticals

**Privi**  
manufactures aroma chemicals with end use in perfumes, fragrances and FMCG products



## Formation of Fairchem Specialty Ltd.



The two drops and a leaf symbol is an artistic representation of a merger of two companies forming a new beautiful green leaf. Which is a main source of agricultural waste products into value added speciality chemicals. Yellow colour is for the sun, blue colour is for water and the green for agriculture. When the blue and yellow merge it turns into green colour. No vegetation is possible without this combination. The two upper tips of symbol also suggest a future growth.

## Financial Governance Standards

- Invest for long term growth / value creation at the cost of short term gains
- Always be adequately capitalized
- Not overleverage the balance sheet
- Not bet the entire company on any one project or acquisition
- Secure sources of sustainable raw material supply
- Invest in backward and forward integration
- Acquire complementary businesses to enhance product diversification
- Consider long term value accretive acquisitions
- Transparent communications with all the stakeholders
- Low volatility in the cash flow generation

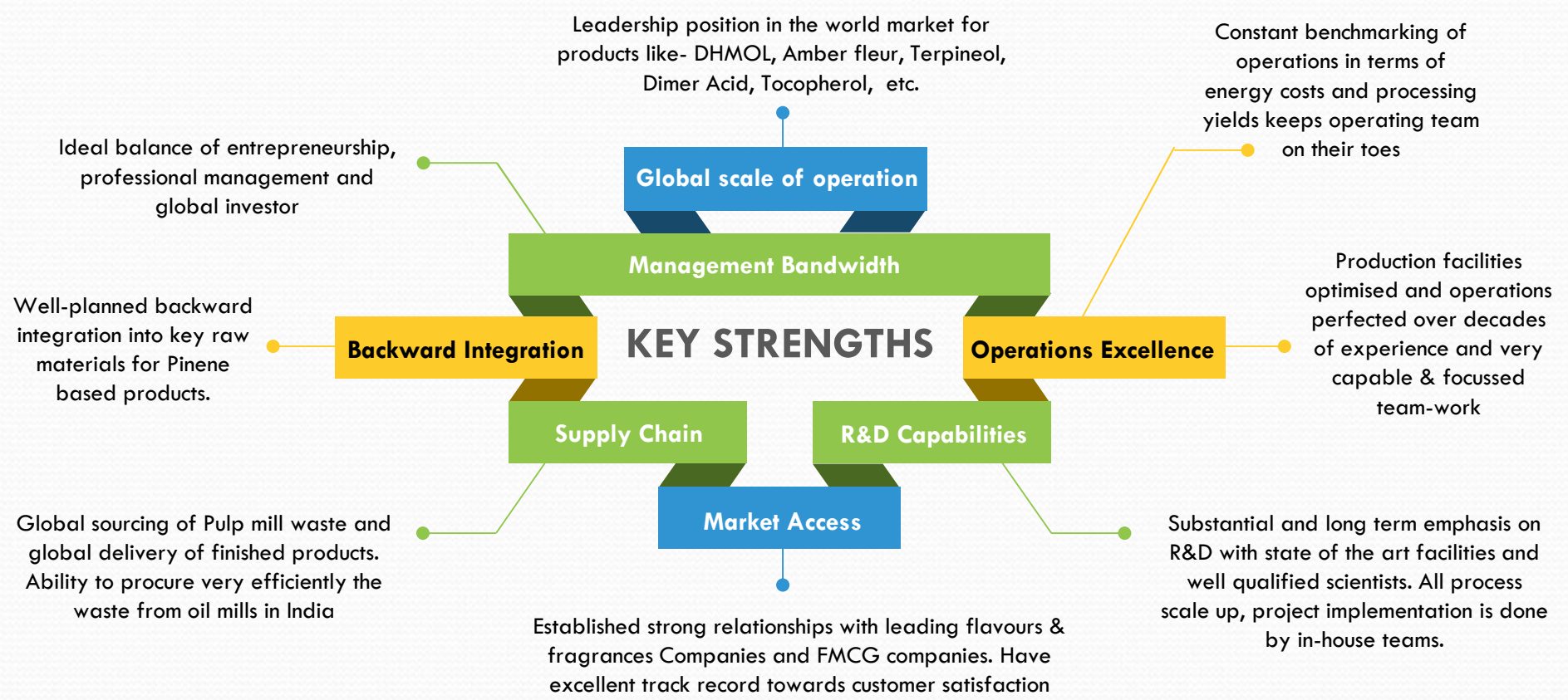
# Product Portfolio

	AROMA CHEMICALS	OLEO CHEMICALS	NUTRACEUTICAL
<b>Source</b>	Processes waste products from pulp and paper mills (pinene products) & petrochemicals building blocks	From waste products generated during processing of soft vegetable oils namely Soya, Sunflower, Corn and Cotton (SSCC).	
<b>Products</b>	<p><b>Pinene Based:</b> DHMOL, Terpeneol &amp; Terpeneol Acetate, Amber Fleur</p> <p><b>Phenol Based:</b> PTBCHA, OTBCHA</p> <p><b>Citral Based:</b> Ionone, Citronellyl Nitrile, Timber Touch &amp; Timber Forte</p> <p><b>Specialty Products:</b> Damascones, Rosaxanol, Sandal Derivatives</p>	<p>Glycerine</p> <p>Linoleic / Palmitic</p> <p>Crude Dimer</p> <p>Dimer / Monomer</p>	<p>(Natural) Mixed Tocopherol Concentrate</p> <p>Distilled Fatty Acid</p>
<b>Applications</b>	Consumer goods like - Soaps, perfumes, deodorants, hair oil, talc, detergent, liquid detergent, fabric softeners, bleach air fresheners, incense sticks, candles, room fresheners etc.	Consumer & Industrial goods – Paints, Soaps, Printing Ink, Amines, Amides, Epoxy Hardeners	Health & lifestyle products – Vitamin E, Sterols for Food, Pharmaceutical, Soap & Pet Food applications
<b>Key Customers</b>	Givaudan, Firmenich, IFF, Takasago, P&G, Henkel	Asian Paints, Micro Inks, Arkema etc.	BASF , A.D.M (USA), A.O.M.C.(Argentina), Cargill Inc. (U.S.A.) etc.

DHMOL – Dihydromyrcenol  
 PTBCHA – Para Tertiary Butyl Cyclo Hexyl Acetate  
 OTBCHA - Ortho Tertiary Butyl Cyclohexyl Acetate



# Key Strengths



## Promoter Directors

### **Mr. Utkarsh Shah - Chairman**

A graduate in Chemistry with vast exposure to the chemical industry. Manages global scale operations in trading and supply of coal, real estate business. Over the past 7 years has been responsible for the metamorphosis of H K Finechem to Adi Finechem and then to Fairchem Speciality. He has been one of the architects in creation of Fairchem Speciality.

### **Mr. Nahoosh Jariwala - Managing Director**

A Graduate in Commerce, he is the Founder of H K Agro Oil Limited which was later transformed into Adi Finechem Limited. Over the past 25 years he has been leading the evolution of the company from a very humble beginning to India's largest producer of Dimer Acid and Tocopherol starting from waste obtained from vegetable oil mills. He also plays a vital role in marketing the products globally and has formed strong business relationships with large MNCs like Cargill, ADM, BASF.

### **Mr. Mahesh Babani - Managing Director**

A Graduate in Commerce, he has created an institution which is India's largest producer and exporter of Aroma chemicals and the only non-European and non-US aroma chemical company to be fully integrated in supply-chain. He has travelled across the globe has played a vital role in developing markets for Privi's aroma chemicals with global leaders like Givaudan, Firmenich, P&G, Henkel and others. He has developed a strong management team in Privi with great emphasis on Research & Development.

### **Mr. D. B. Rao**

A post graduate in Civil engineering from the Indian Institute of Science, Bangalore he has been associated with Privi as a Founder Director. He has played a vital role in creating a world class and efficient manufacturing facilities for Privi and setting up processes for a professionally managed organization. He oversees all the operational aspects of Privi.

### **Mr. Harsha Raghavan**

Harsha holds a double major in Computer Science and Economics for his undergraduate degree from the U.C. Berkeley and an MS and MBA from Stanford University. He has been the Managing Director & CEO of Fairbridge Capital Pvt Ltd, since its inception in 2011, and has successfully lead the growth in investments of Fairfax with over \$ 3 billion in investments in India. Previously he served as Head of India for Candover Investments, co-Head of India for Goldman Sachs PIA

### **Mr. Sumit Maheshwari**

Sumit is a Chartered Accountant, and also holds an MBA degree from the Indian School of Business, Hyderabad. He is a recognized accounting expert, in valuations, financial due diligence, mergers & acquisitions. At Fairbridge, he actively participates in financial due diligence, portfolio company reporting and overall transaction and investment advisory services.



About Fairchem

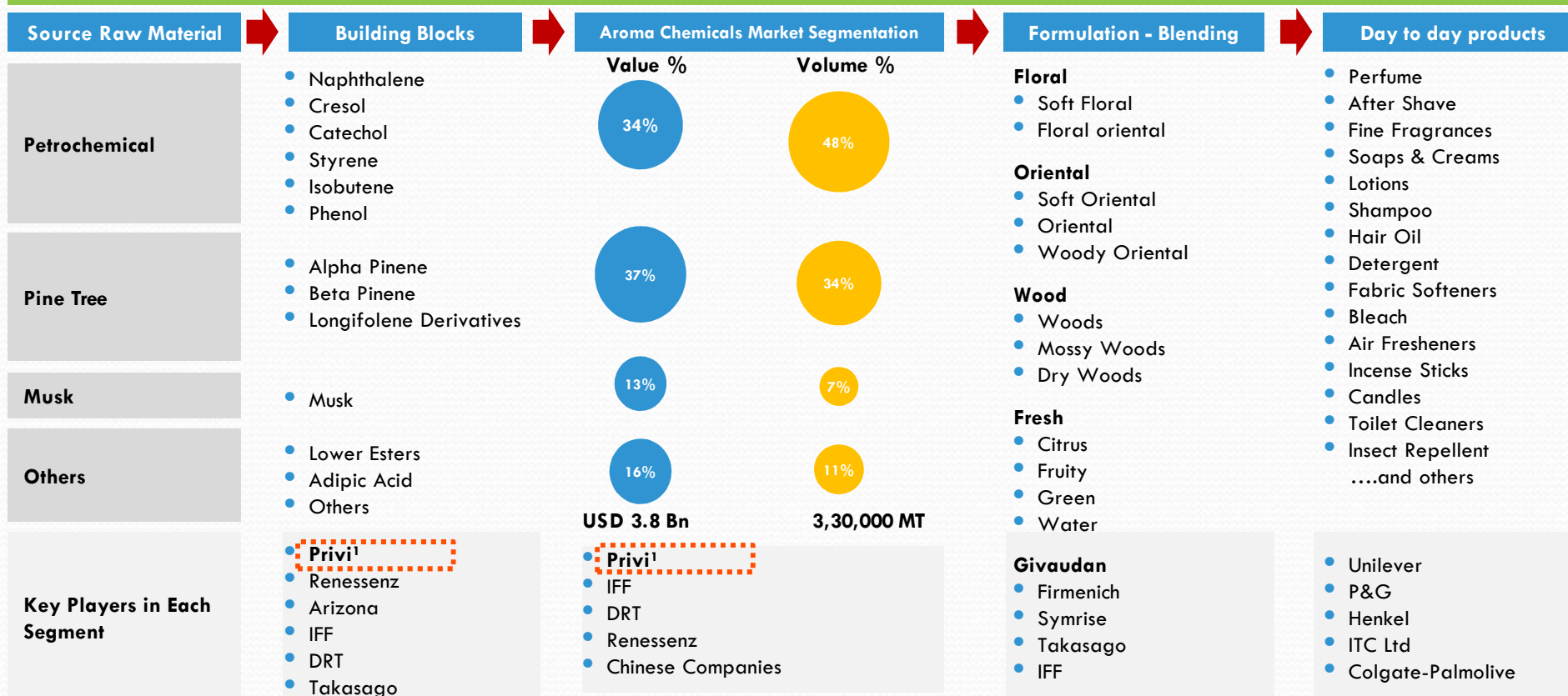
**Aroma Chemicals**

Oleo Chemicals & Nutraceuticals

Financial Overview

# Flavor & Fragrance (F&F) Industry Value chain

Petrochem & Pine based Aroma Chemicals Constitute ~70% Of Global Aroma Chemicals Market

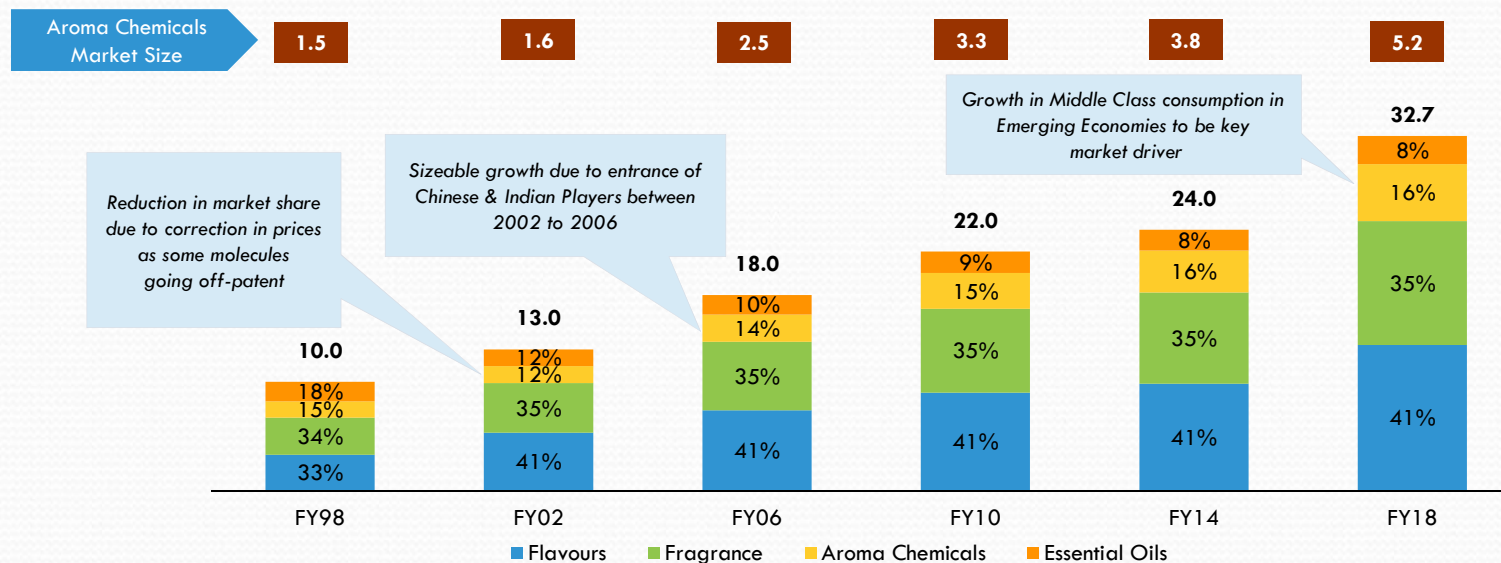


<sup>1</sup> Majority of Privi's products are produced from the pine chain.

# Aroma Chemicals in F&F Industry

Global Flavours and Fragrance - USD 20 Bn Market (Estimated 2016 market size)

Aroma Chemicals is the Fastest Growing Segment Within F&F industry, current market size is over USD 4 Bn



Reduction in market share due to correction in prices as some molecules going off-patent

Sizeable growth due to entrance of Chinese & Indian Players between 2002 to 2006

Growth in Middle Class consumption in Emerging Economies to be key market driver

- Global Flavours & Fragrance (F&F) Industry is expected to reach USD 33 Bn by 2018 with Aroma Chemicals market of USD ~5 Bn
- Top 4: Givaudan, IFF, Firmenich, & Symrise control over 70% of the global F&F Market
- Top 10 control over 80% of the global F&F market

Note: Total 2016 market potential of ~\$20B based on Company estimates using 2015 market data and assuming Company estimates of category growth rates shown above

# Top 40 Aroma Chemicals Form 85% of Market by Volume & 50% by Value

Out of the Top 40 molecules, 11 Molecules are Pine Based & 20 Molecules are Petrochem Based

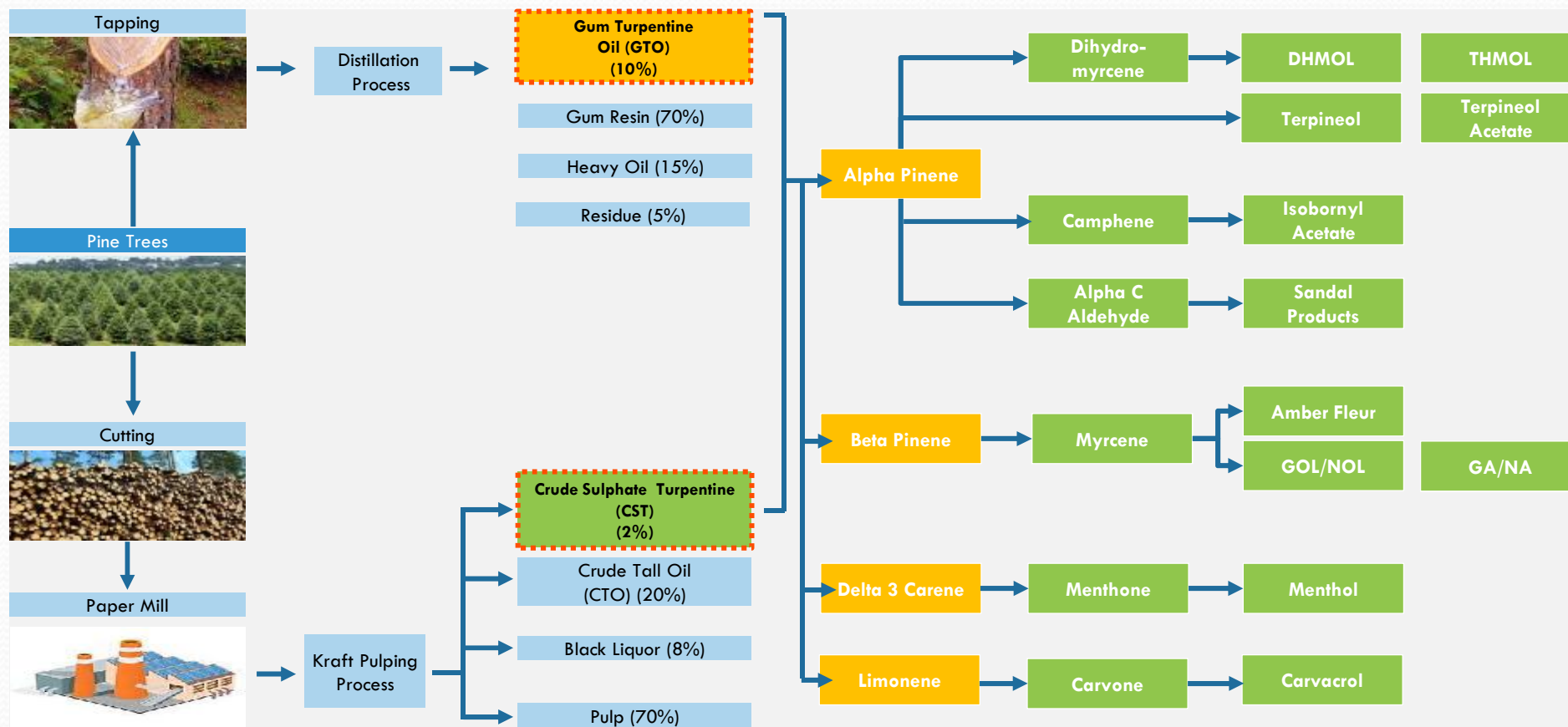
Segment wise Top 40 Molecules	Value (USD Mn)	Volume (Tns)	Value%	Volume%
Petrochem	977	145,500	50%	50%
Terpenes (Pine Based)	831	117,000	43%	41%
Musk	57	5,700	3%	2%
Others	88	18,700	4%	7%
<b>Total for Top 40</b>	<b>1,954</b>	<b>282,900</b>	<b>100%</b>	<b>100%</b>

*Privi manufacturers products highlighted. In many of these, Privi enjoys a globally dominant position*

11 Terpene Molecules – 43% Value			20 Petrochem Molecules – 50% Value			9 Other Molecules – 7% Value		
Terpene Molecules	Tonnes	USD Mn	Petrochem Molecules	Tonnes	USD Mn	Musk & Other Molecules	Tonnes	USD Mn
Camphor	25,000	193	Ethyl Vanillin	18,000	183	Galaxolide,astrolide,betulide-50% In Bb	4,500	36
Menthol -Synthetic	10,000	165	Lilial,lysmeral,lillestralis	11,000	112	Tonalide/Kevalide	1,200	22
<b>Dihydromyrcenol</b>	<b>16,000</b>	<b>94</b>	Pea & Derivs	18,000	86	Methyl Cedryl Ketone,vertofix	1,500	19
<b>Amberfleur/Iso-e-super/</b>	<b>12,000</b>	<b>92</b>	<b>GMI</b>	<b>6,500</b>	<b>68</b>	Allyl Caproate & Heptoate	3,000	18
Linalool	12,000	79	<b>Citronellol &amp; Esters</b>	<b>6,000</b>	<b>65</b>	Ethyl Butyrate	5,000	16
Borneol & Acetate	6,000	67	<b>CN</b>	<b>4,000</b>	<b>65</b>	Balance	9,200	36
<b>Terpineol&amp; Pine Oil</b>	<b>14,000</b>	<b>57</b>	Hexyl Cinnamic Aldehyde	12,000	59	<b>Top 9</b>	<b>24,400</b>	<b>146</b>
<b>Pine Oil-60,70,80,90%</b>	<b>12,000</b>	<b>38</b>	Geraniol/Nerol&esters	5,000	49			
<b>Isobornyl Acetate</b>	<b>6,000</b>	<b>19</b>	Hedione,mdj	6,000	49			
<b>Terpinyl Acetate</b>	<b>3,000</b>	<b>17</b>	Benzyl Salicylate	12,000	37			
IBCH/ICCH	1,000	10	<b>PTBCHA</b>	<b>8,000</b>	<b>23</b>			
<b>Top 11</b>	<b>117,000</b>	<b>831</b>	<b>OTBCHA</b>	<b>5,000</b>	<b>17</b>			
			Balance	34,000	163			
			<b>Top 20</b>	<b>145,500</b>	<b>977</b>			

\*POIL Management estimated

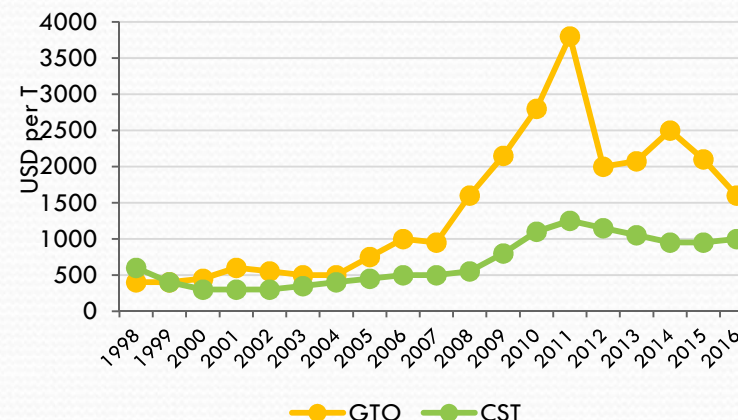
# Manufacturing Process



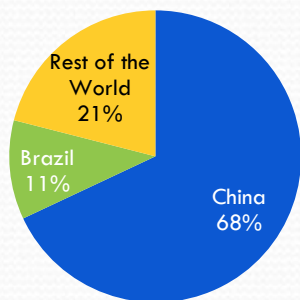
# Strong raw materials sourcing capabilities

- The two key routes for making of the building blocks which are used for manufacturing Pinene based aroma chemicals are:
  - Tapping a Pine tree to get Gum Turpentine Oil (GTO)
  - Using the waste from a Pulp and Paper industry -Crude Sulphate Turpentine (CST)
- GTO as a source of Raw Material is highly volatile in terms of prices with China being the largest supplier.
- On the other hand, CST – a waste product in making pulp can be sourced with six month to one year fixed price contracts. However, making building blocks from CST is a complex process, as it has a foul smell due to Sulphur impurities
- The Company's core chemistry strength has enabled it to develop the Sulphur separation process & design the CST refining plant.
- The Company has tied up its procurement of CST directly from over 30 mills across Europe and North America.
- CST processing has given a long term visibility and sustainability on the raw material pricing for the company. In turn, giving visibility on the finished product pricing in a competitive B2B business which is a big advantage.

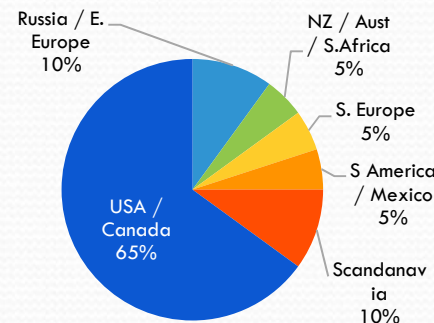
CST v/s GTO (15 year price perspective)



**Total GTO Production: 157,000 Tons**

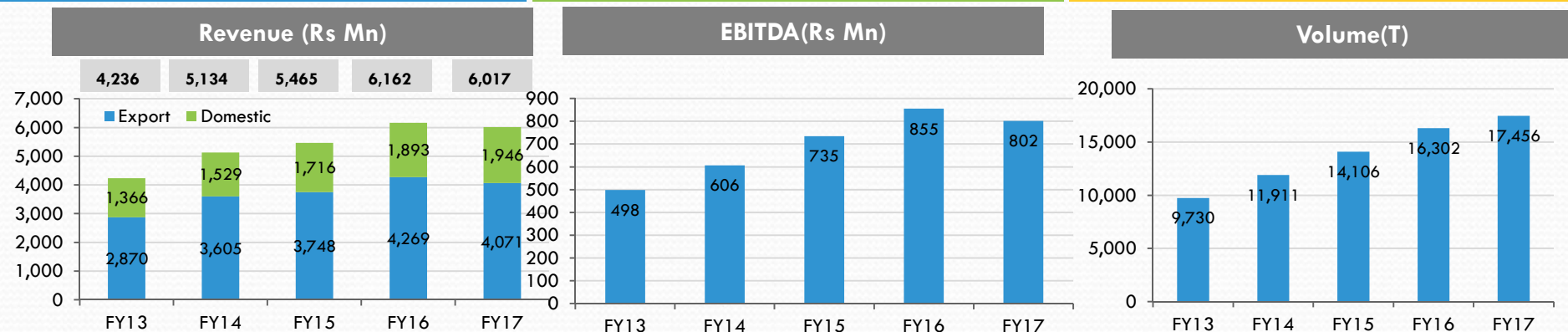


**Total CST Production: 178,000 Tons**





# Business Overview – Aroma Chemicals



*In FY17, product prices have been lower than the previous year. Privi has been able to significantly protect margins, and lessened the impact of the fall in per kg realisation. Prices are looking up during the current financial year*

## COMPANY BACKGROUND

- India's number one manufacturer of aroma chemicals such as Amber Fleur, Dihydromyrcenol (citrus character), Citral derivatives etc.
- Expanded product range from two products in 1992 to 50+ high performance chemicals in 2016 based on in-house Research & Development ("R&D")
- With an installed capacity of 22,000 MTPA (4 manufacturing plants), Privi enjoys a dominant position and globally relevant scale of operations in all its product categories

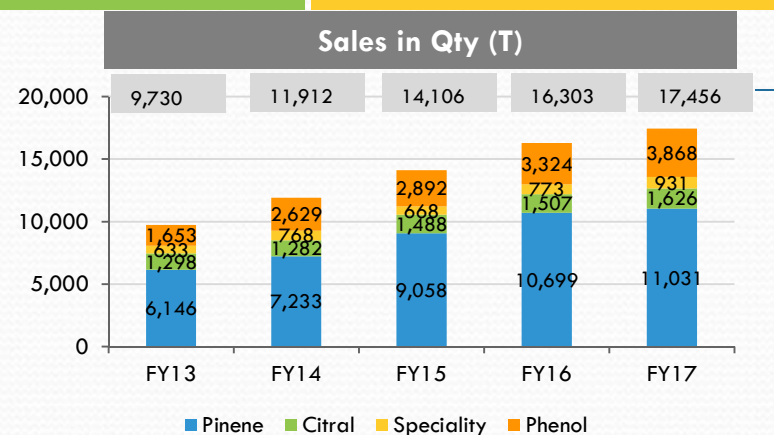
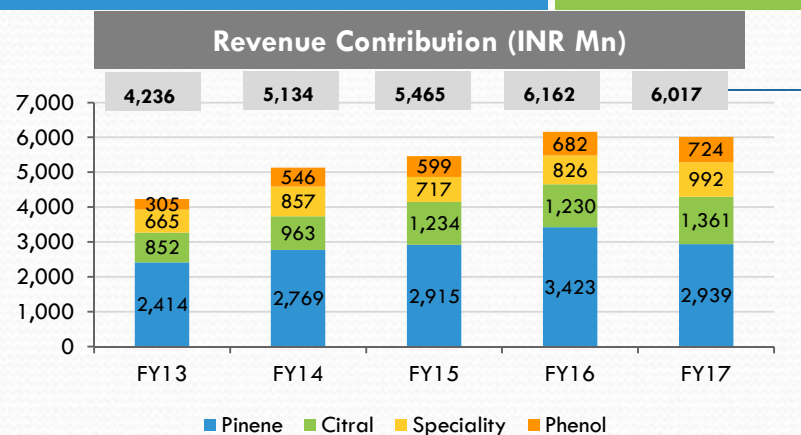
## OPERATIONAL EXCELLENCE

- Only Asian company to set-up a refinery for processing waste from pulp & paper industry to produce key building blocks for aroma chemicals
- Global sourcing capability – procures waste from over 30 mills in Europe, US & Canada.
- Integrated and automated plants running on DCS.

## ROBUST CUSTOMERS

- Trusted supplier (for over 10 years) to all of the Top 10 fragrance companies, which control about 80% of the global fragrance market
- Direct relationships with global FMCG giants like P&G, Henkel etc. to further strengthen the business model and drive growth

# Aroma Chemicals – Product Range



*Pinene based products, wherein the company has fully integrated manufacturing facility will continue to be the major thrust area for Privi. Further, the Company is working on newer, exclusive speciality products*

**PINENE BASED**

- Key Products:
  - Alpha Pinene Based: DHMOL
  - Terpineol & Terpineol Acetate
  - Beta Pinene Based: Amber Fleur

**CITRAL BASED**

- Key Products:
  - Ionones
  - Citronellyl Nitrile
  - Timber Touch & Timber Forte

**SPECIALTY PRODUCTS**

- Key Products:
  - Damascones
  - Rosaxanol
  - Sandal Derivatives

**PHENOL BASED**

- Key Products:
  - PTBCHA
  - OTBCHA

# Manufacturing Facility



Unit-II, Privi



- Manufacturing facility comprises 3 state-of-the-art manufacturing plants (Unit-I, II & III) that are located in the MIDC area of Mahad, Raigad district in Maharashtra and 1 manufacturing plant at Jhagadia, near Ankleshwar, Gujarat.
- These units together have a total production capacity of 28,000 TPA, which is the highest among any aroma chemical producer in India.
- Manufacturing plants have combination of dedicated assemblies of reactor, distillation columns, etc. as well as multi purpose processing facility-
- Dedicated facilities for all the key products ensures cost efficiency for large volume products
- Around 20% of the capacity is designed as multi-product processing facility providing the flexibility in manufacturing newer and niche products with smaller volume.

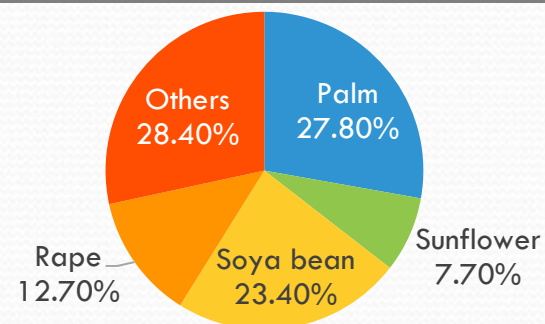


About Fairchem  
Aroma Chemicals  
**Oleo Chemicals & Nutraceuticals**  
Financial Overview

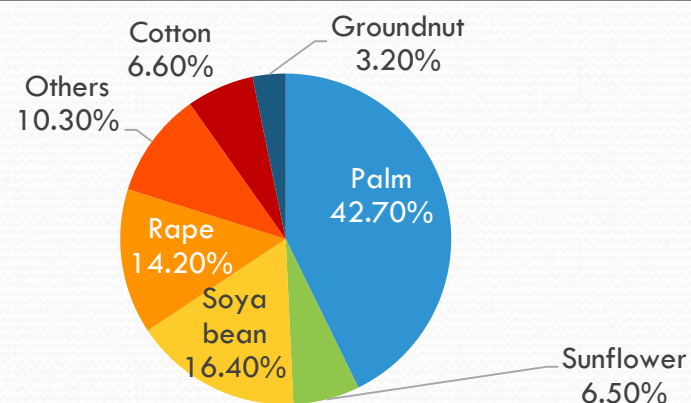
# Oleo chemicals Industry

- The oleo chemicals market is broadly segmented into four key applications markets:
  - Pharmaceutical & personal care,
  - Food & beverages,
  - Soaps & detergents,
  - Polymers
- Pharmaceutical & personal care is the largest application market for oleo chemicals accounting for majority of the share.
- Growing biochemical product demand in various consumer applications such as personal care, detergents, and food & beverages is expected to remain a key factor driving growth.
- The global oleo chemicals market is expected to reach USD 30.15 billion by 2024 from USD 20 billion in 2015.
- Asia Pacific is the leading consumer of oleo chemicals with demand share exceeding 40% in 2015. The region is also expected to witness the fastest growth over the next few years owing to abundant raw material supply and significant developments in the application markets.

World Production of Leading Oil & Fat, 2015



India's leading consumption of Leading Oils



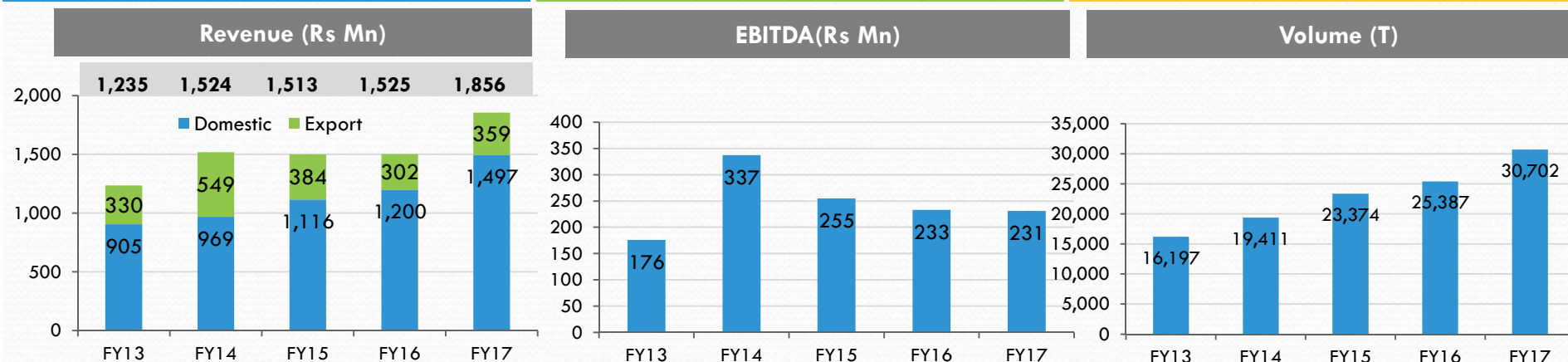
# Oleo chemicals Industry in India

- Indian Oleo Chemical players are well positioned with abundant raw material supply, lower manpower cost and improving infrastructure which should be the key market drivers for the industry at large.
- Fatty acids, Fatty Alcohol and Methyl Ester and Refined Glycerin are basic Oleo Chemicals which then go into end use application of Surfactant, Soap and Detergents, Cosmetics, Food Emulsifiers, Paints and Inks & Lubricants.
- In India while processing crude soft vegetable oils like SSCC, Groundnut and Rapeseeds 3 key products are generated by these oil refineries
  - Prime Oil (~98.5%)
  - Acid Oil (AO) (~1.25%)
  - Deodorizer Distillate (DOD) (~0.25%)
- The Prime Oil is converted into oils for edible purpose and AO and DOD which are composed of Free Fatty Acids, Mix Glycerides and other important nutraceutical products are sold to chemical companies to derive fatty Acids
- AO from different sources of Vegetable Oil can generate varied Fatty Acids that have different applications

Oils	By-product	Fatty Acids	Application
SSCC, Groundnuts, Rice Bran & Rapeseeds	Acid Oils	Palmitic, Linoleic, Dimer, Monomer	Inks & Paints, Epoxy hardeners
SSCC, Groundnuts, Rice Bran & Rapeseeds	Deodorizer Distillate	Mixed Tocopherol, Distilled Fatty Acids	Natural Vitamin E Low grade resins and Soap'
Palm, Palm Kernel & Coconut	Deodorizer Distillate	Stearic, Lauric , Distilled Fatty Acids	Soap Noodles, Rubber Tyre, Cosmetic

SSCC - Soya, Sunflower, Corn and Cotton

# Company Overview – Oleochemicals & Nutraceuticals



Over the past few years prices of Nutraceutical products have declined considerably impacting profits. Adi is strengthening its presence in Oleochemical business to retain and improve profitability

## COMPANY BACKGROUND

- Incorporated in 1985 and publicly listed on Bombay Stock Exchange since 1995 and National Stock Exchange since 2015
- Management change in 2010; capacity expansion from 8,000 MTPA in 2010 to 45,000 MTPA in 2016
- Fairfax India Holdings Corporation (“Fairfax”) acquired 44.9% stake in February 2016
- Post the merger of the businesses of Adi and Privi, the listed company will be renamed Fairchem Speciality Limited

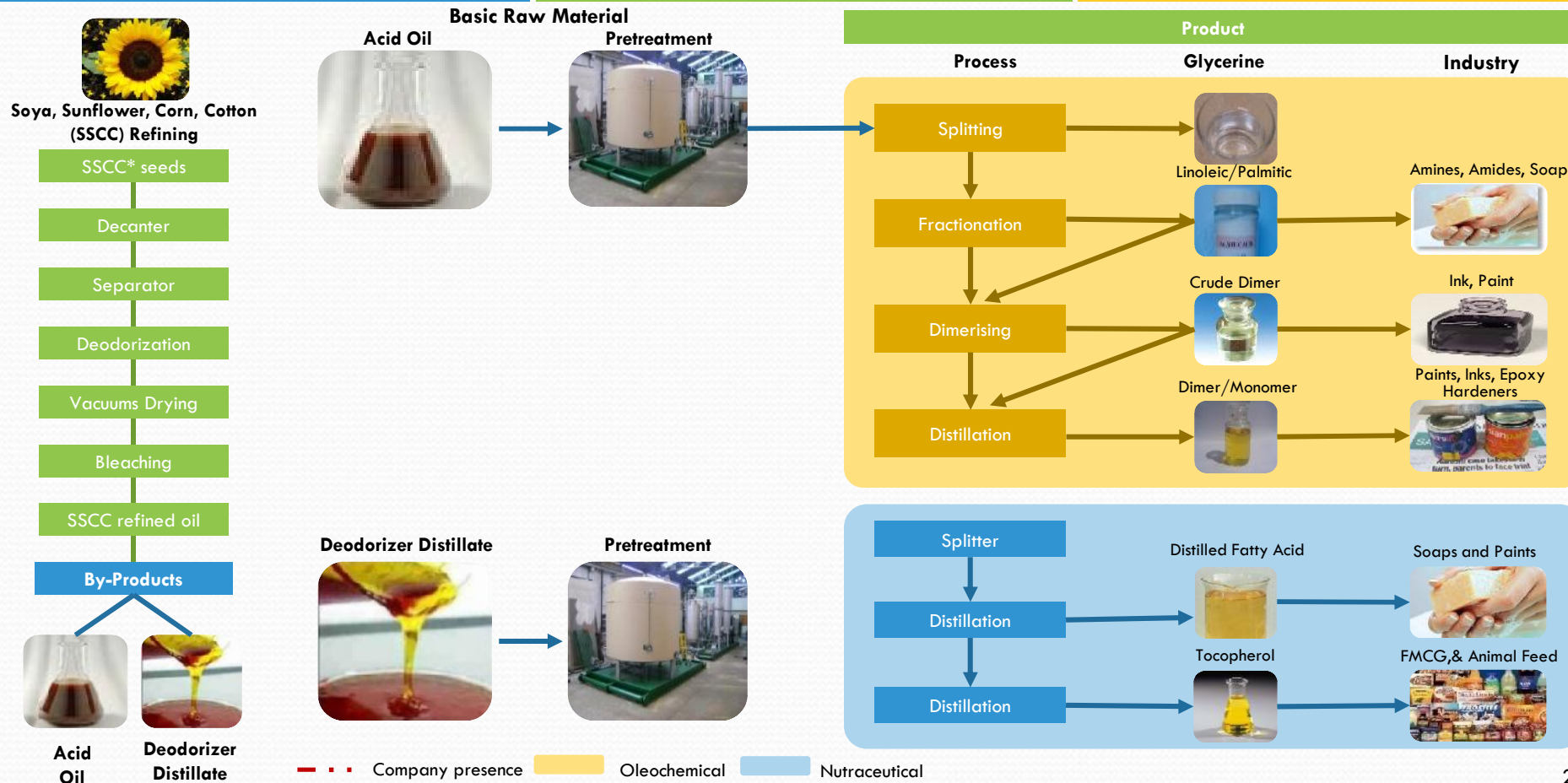
## PRODUCTS

- Manufactures a range of oleo chemicals (high grade fatty acids) from the waste products generated during refining of edible oils
- One of the largest processing capacity of natural edible oil based fatty acids in India
- Amongst the few players in the world with distinct capability set
- Key products include dimer, monomer, linoleic acid and tocopherols

## CUSTOMERS

- Longstanding customer base includes BASF, ADM, Cargill, Arkoma and Asian Paints

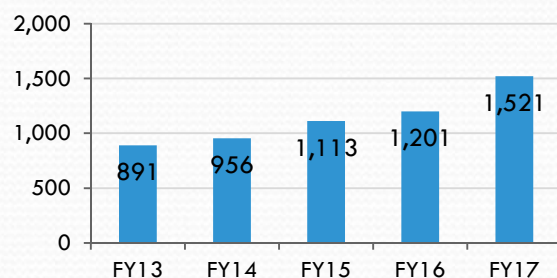
# Manufacturing Process



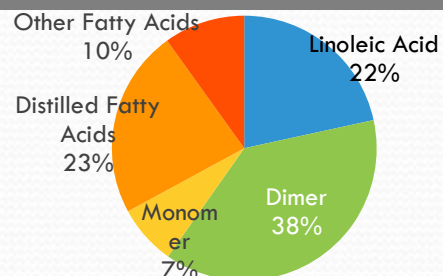


# Oleo Chemicals

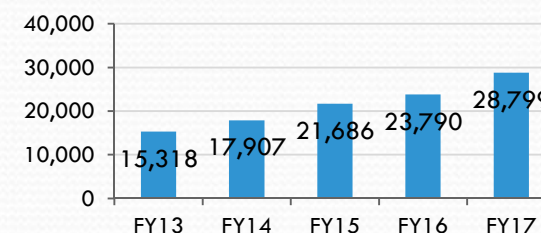
Revenue Contribution (INR Mn)



Product wise % Revenue Breakup



Volume (T)



As India's largest and only manufacturer of Dimer acid starting from oil waste, Adi is further strengthening its position by enhancing the manufacturing capacity of Dimer acid, which will play significant role in future growth and improving profitability

Main Product	Purpose of use & Application	Company's Positioning
<b>Dimer Acid</b>	<ul style="list-style-type: none"> <li>Offers improved bonding.</li> <li>Used as curing agents for epoxy-based anti-corrosion coatings and for priming and protecting metal</li> <li>Dimer acids act as a stabilizer in lubricants used for Cold Rolling Mills</li> <li>Increase the life span of nylon products</li> <li>Application: Paints, Ink, Epoxy Hardeners</li> </ul>	<ul style="list-style-type: none"> <li>One of the only company to manufacture this product in India</li> <li>Makes this product by using relatively cheaper raw material which is a by-product of refinery (Acid Oil) whereas world at large makes them from virgin Vegetable oils</li> </ul>
<b>Linoleic Acid</b>	<ul style="list-style-type: none"> <li>Designed to produce fast drying protective coating having lighter color.</li> <li>Applications that require both wetting and drying properties, such as printing ink vehicles and caulking and sealant compositions.</li> <li>Help skin with problems such as acne, dryness, and swelling</li> <li>Application: Paints &amp; Inks</li> </ul>	<ul style="list-style-type: none"> <li>One of the lowest cost manufacturers of Linoleic Acid</li> <li>Makes it from relatively cheaper raw materials, its nearest substitute is Pure Refined Soybean oil</li> </ul>
<b>Monomer Acid</b>	<ul style="list-style-type: none"> <li>Non-petroleum, non-animal based products that can be used as substitutes for various vegetable and fatty acid derivative products</li> <li>Application: Paints &amp; Resins</li> </ul>	<ul style="list-style-type: none"> <li>One of the leading producer with significant lower raw material cost</li> </ul>
<b>Distilled fatty acids</b>	<ul style="list-style-type: none"> <li>Important raw materials for the production of soaps, detergents, surfactants and lubricants</li> <li>Application: Soaps, Paints, Textiles</li> </ul>	

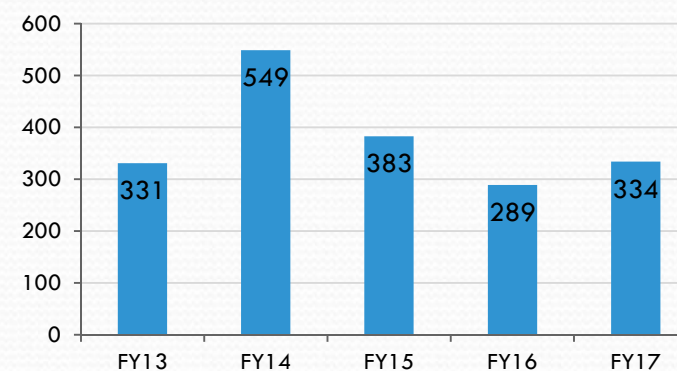
# Nutraceuticals

- Nutraceutical, a portmanteau of the words “nutrition” and “pharmaceutical”. -The term is applied to products that range from isolated nutrients, dietary supplements and herbal products, specific diets, genetically modified food, and processed foods such as cereals, soups, and beverages.
- Fairchem currently produces (Natural) Mixed Tocopherol Concentrate /Natural vitamin E which it supplies in the Nutraceutical and Health Care Industries
- Advantages of Natural Vitamin E:
  - Both natural-source vitamin E and synthetic vitamin E are absorbed well in the body but after absorption, a protein in the liver recognizes only the naturally occurring forms
  - There is an increase potential for allergic reactions in consuming synthetic. Since some synthetic vitamins are largely made up of chemicals

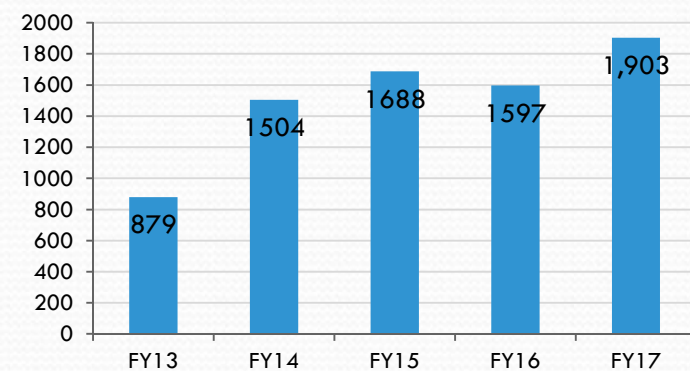
*The Tocopherol prices – main nutraceutical product have declined substantially in the past 3 years. The Company is working on an improved version of the product, as well as isolating and marketing other nutraceutical products*

Product	Purpose of use	Application
(Natural) Mixed Tocopherol Concentrate	<ul style="list-style-type: none"> <li>• Essential ingredient in making Natural Vitamin E</li> <li>• Help skin with problems such as Acne, Dryness, and Swelling</li> <li>• Useful for fighting diseases associated with aging- particularly cancer and heart disease</li> </ul>	<ul style="list-style-type: none"> <li>• Vitamin E</li> <li>• Cosmetic Industry</li> <li>• Food</li> <li>• Pharmaceutical</li> <li>• FMCG</li> <li>• Pet Food</li> </ul>

Revenue Contribution (INR Mn)



Volume (T)



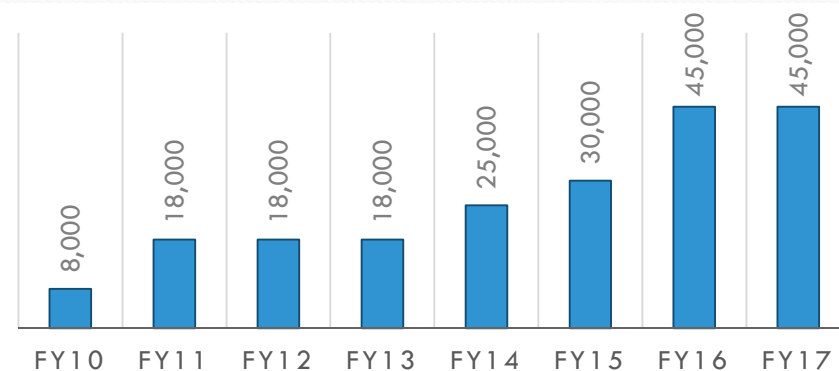
# Manufacturing Facility

- Adi has a State -of-the-Art Manufacturing unit which was set up in 1995 in Sanand, Ahmedabad.
- It has one of the largest processing capacities for Natural Soft Oil based Fatty acids in India.
- Adi has currently has a staff strength of more than 177 employees.
- The Installed capacity measured in terms of throughput of raw materials was 3,750 M.Tons per month during the quarter
- Equipment and Make : Short Part Distillation from UIC Germany, Fractionation from Sulzer Switzerland, Wiped film Evaporators, Medium and High Pressure Splitters
- Strategic Advantage of the plant location-
  - Large part of its Raw Material comes from Kutch
  - Majority of domestic sales are to the Western Region

Manufacturing Facility



Plant Capacity (MTPA)



# Leadership in Renewable Speciality Chemicals

## FOCUS ON RESEARCH AND DEVELOPMENT

- R&D focus to backward integrate and develop green chemistry
- Develop processes to add value to various by-products formed in manufacturing process leading to further expansion in operating margin
- Develop and expand work on green manufacturing processes which reduces effluents to ensure sustainability

## CAPITAL EFFICIENCY

- Adi has expanded capacity from 8,000 MT in 2010 to 45,000 MT in 2015 from internal accruals only
- Low cost of raw material and efficient manufacturing process enables Adi to be highly cost competitive vis a vis global peers

## PRODUCT DIVERSIFICATION

- Adi processes waste from edible oil refining process to produce high value oleo chemicals
- Privi processes CST (waste from paper and pulp manufacturing) to produce high performance aroma chemicals
- The two companies combined produce 60+ types of high performance niche chemicals with end use in varied industries such as paints, adhesive, inks, FMCG, perfumes etc.



About Fairchem  
Aroma Chemicals  
Oleo Chemicals & Nutraceuticals  
**Financial Overview**

## Historical Financial Statement – Aroma Chemicals

Rs in Mm, Year Ended _____	Mar12 <sup>1</sup>	Mar13 <sup>1</sup>	Mar14 <sup>1</sup>	Mar15 <sup>1</sup>	Mar16 <sup>1</sup>	Mar 17 <sup>2</sup>
<b>Income Statement</b>						
Revenue	3,837	4,295	5,142	5,493	6,276	6,090
Growth (%)	5.7%	11.9%	19.7%	6.8%	14.6%	-2.96%
EBITDA	468	553	714	771	855	802
Margin (%)	12.2%	12.9%	13.9%	14.0%	13.2%	13.2%
Net Income	136	74	118	131	170	168
Margin (%)	3.5%	1.7%	2.3%	2.4%	2.2%	2.8%
<b>Balance Sheet</b>						
Net Fixed Assets	1,531	1,410	1,878	1,722	2,966	3,149
Cash	267	256	278	664	255	302
Other Assets	2,484	3,100	3,571	4,493	4,087	4,388
<b>Total Assets</b>	<b>4,282</b>	<b>4,766</b>	<b>5,727</b>	<b>6,879</b>	<b>7,308</b>	<b>7,839</b>
Shareholders Funds	1,523	1,597	1,715	1,846	2,067	3,663
Debt	1,415	1,911	2,343	3,094	2,596	2,049
Other Liabilities	1,344	1,258	1,669	1,939	2,645	2,127
<b>Total Liabilities</b>	<b>4,282</b>	<b>4,766</b>	<b>5,727</b>	<b>6,879</b>	<b>7,308</b>	<b>7,839</b>
<b>Cash Flow Statement</b>						
Cash flow from Operating Activities	9	63	317	445	346	208
Cash from Investing Activities	100	(404)	(624)	(617)	(429)	(845)
Cash from Financing Activities	(47)	284	306	524	(271)	632

1 – Results for the financial years 2012 to 2016 pertain to standalone financials of Privi Organics Limited

2 – Results for FY17 are on proforma basis. (Effective August 1, 2016 the aroma chemical business was merged with Fairchem)

# Historical Financial Statement – Oleochemicals & Nutraceuticals

Rs In Mm	Mar12	Mar13	Mar14	Mar15	Mar16	Mar 17(S)
<b>Income Statement</b>						
Sales	974	1,235	1,524	1,513	1,525	1,857
Growth (%)	68.1%	26.8%	23.4%	-0.7%	0.8%	21.8%
EBITDA	149	176	336	255	235	231
Margin (%)	15.3%	14.3%	22.0%	16.9%	15.4%	12.4%
Net Income	74	84	187	137	106	85*
Margin (%)	7.6%	6.8%	12.3%	9.0%	6.9%	4.6%
<b>Balance Sheet</b>						
Net Fixed Assets	273	284	449	694	787	967
Cash	1	1	1	2	2	5
Other Assets	270	311	427	358	356	566
<b>Total Assets</b>	<b>544</b>	<b>596</b>	<b>877</b>	<b>1,054</b>	<b>1,145</b>	<b>1,538</b>
Shareholders Funds	238	308	473	568	633	717
Debt	211	180	291	288	337	591
Other Liabilities	95	108	113	198	175	230
<b>Total Liabilities</b>	<b>544</b>	<b>596</b>	<b>877</b>	<b>1,054</b>	<b>1,145</b>	<b>1,538</b>
<b>Cash Flow Statement</b>						
Cash flow from Operating Activities	30	120	122	321	157	39
Cash from Investing Activities	(70)	(51)	(191)	(255)	(126)	(201)
Cash from Financing Activities	38	(70)	68	(65)	(32)	165

\* Profit for the year lower by Rs.21 million due to one time merger related expenses

# Consolidated Financial Statement – Fairchem

Rs In Mm	Mar17*
<b>Income Statement</b>	
Revenue	5,974
Growth (%)	NA
EBITDA	808
Margin (%)	13.5%
Net Income	214
Margin (%)	3.6%
<b>Balance Sheet</b>	
Net Fixed Assets	4,116
Cash	307
Other Assets	4,873
<b>Total Assets</b>	<b>9,296</b>
Shareholders Funds	4,380
Debt	2,946
Other Liabilities	1,970
<b>Total Liabilities</b>	<b>9,296</b>

## Total Debt to Equity Ratio

0.67 x

## ROE #

5.76 %

## ROCE#

9.03 %

## Net Working Capital Days#

134 Days

\* Consolidate Audited Results Fairchem Speciality Ltd FY17- Adi (full year) and POIL (from 8-july-16 to 31-mar-17: – Aroma business absorbed effective 1<sup>st</sup> August 2016, thus represents 8 month Aroma business performance )

# Numbers are annualized for Privi for ratio calculation





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