



Annual report
2010-11

APPLYING SCIENCE TO
FOOD PROTECTION.

Camlin Fine
Chemicals Limited

Camlin. Inheriting a rich legacy. Creating an attractive future.



Late Mr. D. P. Dandekar



Mr. Subhash Dandekar

Rich pedigree

Camlin was founded as a writing ink, colour and writing instruments manufacturing company in 1931, by the late Mr. D. P. Dandekar. Mr. Subhash Dandekar grew the business of Camlin Limited to a leadership position and was responsible for diversifying the Company into pharmaceutical and fine chemicals.

The chemical division of Camlin Limited was de-merged into Camlin Fine Chemicals Limited in 2006. Since then, the company has grown attractively to emerge as the

largest producer of food antioxidants like TBHQ and BHA. After acquiring Borregaard Italia Spa, the company will expand its global footprint in line with the rich Camlin culture.

The Company has inherited a rich legacy, which is reflected in its willingness to grow its business through proactive investments, product development, innovation and operational efficiency. Today the company is among the world's largest integrated players in the food protection space

Forward-looking statement

In this annual report the forward-looking information if any, is for enabling investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by

using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccuracies in our assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, arising as a result of new information, future events or otherwise.

Content

Corporate Identity 02 Managing Director's Message 04 Strengths 05
Evolution 06 Globalisation 08 Acquisition 10 Bringing Innovative
Post-harvest Solutions 12 Financial Highlights 14



Today's
consumer
demands a
wider
variety of
food
products
than ever
before.

Foods that are packaged, ready-to-cook and ready-to-eat.

In most forms of packaged food, there is some amount of oil and fat.

The increasing tenure between the time of manufacture and consumption exposes the fat and oil in food to the risk of oxidation. Affecting taste and odour. Impacting shelf-life.

The challenge for the food industry is to protect food longer, preserve freshness and extend shelf-life.

Camlin Fine Chemicals Limited manufactures antioxidants which prevent the oxidation of fats and oil, thus preventing off odours, maintaining freshness and taste and improving shelf-life.

Our visiting card

Largest in the world in our space. Rapidly increasing product portfolio. Innovative natural freshness enhancer for fruits and vegetables.

These are only some aspects of what makes Camlin Fine Chemicals a unique company.

Location

The Company's head office is located in Mumbai, with its plants located at Tarapur, Maharashtra.

Portfolio

Food applications

TBHQ, BHA, Ascorbyl Palmitate, BHT,
Customised antioxidant formulations, Natural
shelf-life enhancers for fruits and vegetables.

Non-food applications

Catechol, MEHQ, TBC, Guaiacol, Veratrole and
Guethol, Hydroquinone

Listing

The Company's equity shares are listed on the Bombay Stock Exchange.

Accreditations

- Certified with ISO 9001:2008 for application of a quality system
- Certified with ISO 22000: 2005 for

food safety management

- FAMI-QS-certified
- Star-K Kosher-certified

This is what we achieved in 2010-11

Revenue growth		Profit before tax growth		Cash profit growth		Exports growth		EBIDTA	
31.61 %		27.96 %		39.15 %		44.90 %		28.33 %	
2009-10 ₹ 125.22 crore	2010-11 ₹ 164.80 crore	2009-10 ₹ 6.58 crore	2010-11 ₹ 8.42 crore	2009-10 ₹ 8.71 crore	2010-11 ₹ 12.12 crore	2009-10 ₹ 98.59 crore	2010-11 ₹ 142.87 crore	2009-10 ₹ 17.05 crore	2010-11 ₹ 21.88 crore

Board room achievements

- Acquired 100% Borregaard Italia Spa through its subsidiary in Mauritius

Product achievements

- Launched Ascorbyl Palmitate for infant food and cosmetics
- Launched MEHQ for industrial applications
- Launched TBC for industrial applications
- Patent applied for natural shelf-life

enhancer for fruits and vegetables

Market-place achievements

- Widened its reach in Europe, Middle East, South America and China
- Commissioned a sales office in Brazil, South America

Plant achievements

- De-bottlenecked the Tarapur plant resulting in 20 per cent increased capacity
- Invested in automation at the

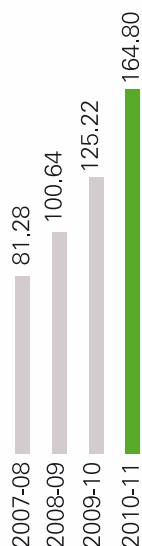
Tarapur facility, improving the efficiency of packing products as well as a reduction of manpower and material handling.

Research achievements

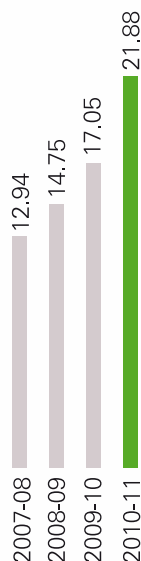
- Invested in quality and process streamlining, leading to de-bottlenecking and process efficiency
- Developed specialty intermediates for pharmaceuticals.
- Aroma/flavour compounds-to be launched

Complex science. Simple numbers.

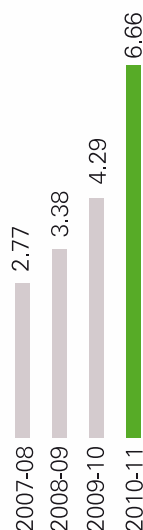
Net revenue
(₹ in crores)



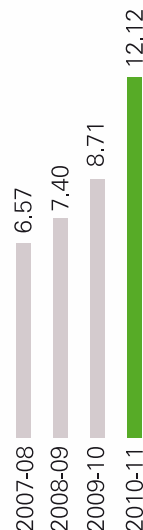
EBIDTA
(₹ in crores)



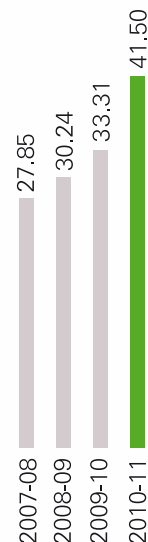
Profit after tax
(₹ in crores)



Cash profit
(₹ in crores)



Net worth
(₹ in crores)





Managing Director's message

Dear Shareholders

Camlin Fine Chemicals Ltd de-merged from Camlin Ltd in 2006 with the objective to strengthen business focus, mobilise resources and generate attractive growth. Camlin Fine Chemicals retained the Camlin legacy of ethical and responsible work practices, resulting in global leadership in the specialised field of scientific food protection.

The food industry is one of the most dynamic in the world; constantly re-inventing itself to meet ever-changing consumer demands. This is reflected in a growing need to redefine packaged, ready-to-eat and ready to cook food. Over the years, Camlin Fine Chemicals Ltd has prepared itself for growing industry opportunities through various initiatives.

Camlin's values and principles are reflected in its performance. Your Company reported a 31.61% rise in

revenues from ₹ 125.22 crore in 2009-10 to ₹ 164.80 crore during the year under review and a corresponding increase in bottomline from ₹ 6.58 crore in 2009-10 to ₹ 8.42 crore in 2010-11.

Acquisition

The year 2010-11 was a landmark one: the Company acquired Borregaard Italia Spa through its wholly-owned subsidiary in Mauritius on 8th March 2011. Borregaard Italia Spa was a subsidiary of Borregaard Industries Ltd, UK.

The acquisition will now provide us with a reliable supply of our key raw material. It has also given us the technology for the manufacture of Hydroquinone and Catechol, with an integrated production capacity of 8,000 MT per annum. Besides world-class engineering and technical expertise, this acquisition also opens more growth

opportunities for the company by expanding the base of downstream products.

Looking ahead

The Company expects to report attractive growth over the foreseeable future, resulting from a superior leverage of long-term relationships with customers in 52 countries, the acquisition of Borregaard Italia Spa and the commissioning of a sales office in Brazil.

Besides, the Company is undergoing an identity transformation, from a chemical Company to a multidisciplinary organisation having expertise in basic chemistry, food chemistry, biochemistry and biotechnology, with primary focus on the food protection space.

Yours sincerely,

Ashish Dandekar
Managing Director

Core strengths



BUSINESS MODEL

After the acquisition of Borregaard Italia Spa, the Company is now the largest integrated global manufacturer of food antioxidants - TBHQ and BHA.

TEAM

The Company's efficient team possesses production and marketing skills, providing a competitive edge and services that meet the needs of its customers

MARKET SHARE

The Company is the largest producer of TBHQ and BHA with nearly 35% share of global market and a product presence in 52 countries

RESEARCH & DEVELOPMENT

The Company's success is driven by research and development-led product innovation and process re-engineering. The Company's sustained R&D effort led to development of an innovative manufacturing process for biotechnology-based products that enhance the shelf-life of fruits and vegetables.

FINANCIALS

The Company's revenue more than doubled during the last four years, and is expected to grow at a much faster rate



SAFETY AND QUALITY MANAGEMENT SYSTEMS

The food antioxidant manufacturing facilities are designed and governed by food safety certifications like ISO 22000: 2005 and FAMI-QS, and audited by firms of global repute like Intertek. The manufacturing facility is also audited by large global food and ingredient companies.

STRONG CUSTOMER RELATIONSHIPS AND PARTNERSHIPS

The Company has developed long-term relations with its customers based on timely deliveries of consistent quality products. The Company works closely with its customers and constantly keeps improving technology and applications based on their needs. The Company intends to have strategic relationships on a deeper level with key large customers, to leverage its strengths as an integrated manufacturer of antioxidants for long-term and mutual benefits.



Evolution

THE COMPANY IS ON THE PATH OF EVOLVING INTO ONE OF THE STRONGEST PLAYERS IN THE FOOD PROTECTION SPACE.

The Company is adding experience, expertise and proprietary knowledge-base of various branches of sciences like food chemistry, biochemistry and biotechnology, besides basic chemistry. As the food industry itself keeps evolving and presents challenges to food protection, the Company is at the forefront to meet

the exacting needs of the industry.

The Company has a dedicated food application laboratory to cater to the growing needs of food protection in the industry.

The Company acquired Borregaard Italia Spa during the year, as a part of its backward integration. This is a big leap for the Company in its evolutionary process.

In addition, the product range has been diversified to meet preservation

needs for fresh farm produce. The Company's natural post harvest freshness enhancer significantly reduces damages related to microbial spoilage, over-ripening, drying and handling damages, resulting in a more efficient farm to retail supply chain

The Company is also evolving to launch new flavour and aroma products.