




# *Project Platinum - Company Profile*

*October 2018*

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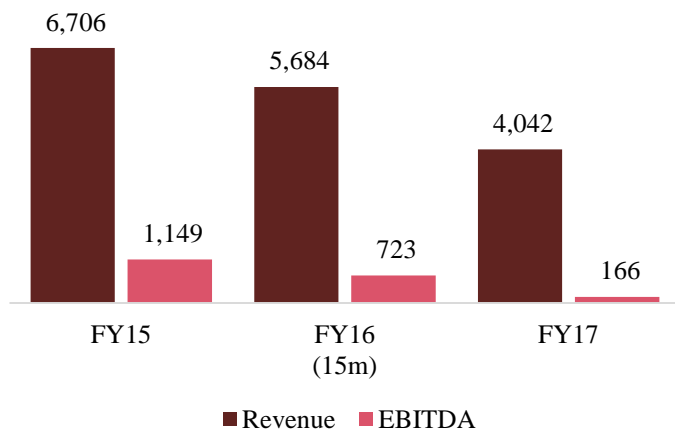


# Project Platinum is one of the leading manufacturers of Gelatine and specialist Oncology and Cardiovascular APIs

## Transaction Opportunity

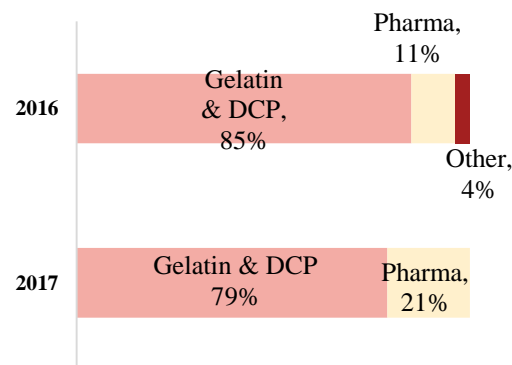
- State-of-the-art manufacturing facility for gelatine from various sources (bovine bones, fish) with significant unutilised capacity and dedicated fermentation facility for niche anti-cancer and anti-cholesterol APIs
- Adherence to international quality and certification norms allowing access to global food and pharma markets
- Established marketing operations, clientele comprising leading players across pharma & food markets
- Reliable sourcing linkages for key inputs
- Lenders to Company have initiated Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code (IBC), 2016. Management control is vested with the Resolution Professional

## Key Financials (INR mn)\*



\*Note that recent operating performance of the Company is impacted owing to under utilised capacities  
Source: Company Data

## Distribution of Revenues



Please note that the company did not provide segment information before FY16

Source: Company Data

## Business Overview

- ❑ Founded in 1985 and based in Gujarat (Western India), the Company is a leading manufacturer of pharma-grade gelatine and di-calcium phosphate
- ❑ The gelatine produced has applications in the pharmaceutical, food, cosmetic and personal care sectors
- ❑ The Company has 2 operational gelatine manufacturing facilities (additional facility is under construction) with certifications INFANCA (Halal) /MUI, Kosher, HACCP, ISO 9001, ISO 14001 etc.
- ❑ Company also operates a fermentation-based API manufacturing facility for anti-cancer and anti-cholesterol drugs. This facility has global quality certifications including WHO-GMP, EDQM CEP
- ❑ The Company has defaulted on loans exceeding ~INR 40,000 mn as per Company Annual Report for 2016-17. The lenders have invoked CIRP under IBC, 2016 and management control is vested with the Resolution Professional

## Products

- ❑ Hydrolyzed proteins including Pharma and Edible grade gelatine and by-products such as Di-Calcium Phosphate (DCP)
- ❑ Oncology APIs such as Doxorubicin, Idarubicin, Daunorubicin, Imatinib and Epirubicin etc.
- ❑ Cardiovascular APIs such as Lovastatin and others

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## Manufacturing Facilities: Gelatine

Gelatine								
<b>Location</b>	Facility 1, Gujarat	Facility 2, Tamil Nadu						
<b>Year of Commissioning</b>	Unit 1: 1998, Unit II: 2002	Commissioned in 1972						
<b>Capacity</b>	Bone gelatine: 6,400 MTPA, Hydrolysed & Fish gelatine: 600 MTPA each Di-Calcium Phosphate: 20,100 MTPA	Bone gelatine: 2,250 MTPA Phosphoryl: 7,000 MTPA						
<b>Certifications</b>	INFANCA (Halal) /MUI, Kosher, HACCP, ISO 9001, ISO 14001							
<b>Utilisation</b>	Average capacity utilisation is around 55-60% for FY18							
<b>Geographies Served</b>	Europe, Middle East, South East Asia							
<b>Packages / SKUs</b>	50 kg bags, 500 kg jumbo bags, 20 kg packs, 125 kg drums							
<b>Market focus</b>	Caters largely to clients in global pharmaceuticals and food sectors. ~30% of the production is exported to other countries	Focused on domestic pharmaceutical clients. Occasional exports to ASEAN countries						
<b>Headcount</b>	~240 employees	~200 employees						
<b>Land Area</b>	50 acres	14 acres						
<b>Building</b>	62,646 sq.mt. (consisting of production wing, bone handling unit, DMB building)	21,519 sq.mt. (bone godown, boiler house, pump house, ossessin section, DG room gelatine plant)						
<b>Assets</b>	Bone handling shed, acidulation shed, DCP precipitation & drying, gelatine filtration & re-boiling system, Fish gelatine plant, ETP (Capacity of 7 MLD)	Bone handling system, drier, bagging system, intake pumps, EOT crane, MEL system						
<b>Distribution of Revenues By Gelatin grade</b>	<table border="1"> <thead> <tr> <th>Grade</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Pharmaceutical Grade</td> <td>95%</td> </tr> <tr> <td>Edible Grade</td> <td>5%</td> </tr> </tbody> </table>		Grade	Percentage	Pharmaceutical Grade	95%	Edible Grade	5%
Grade	Percentage							
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Edible Grade	5%							

Source: Company Data

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## Manufacturing Facilities: Pharma

	Active Pharmaceutical Ingredients
<b>Location [Year of Commission]</b>	Facility 1, Gujarat [1993, purchased by Company in 2006]
<b>Capacity</b>	Lovastatin – 264 MTPA, Daunorubicin – 360 kg p.a., Doxorubicin - 96 kg p.a., Epirubicin – 30 kg p.a.
<b>Certifications</b>	WHO approved, EQDM CEP
<b>Utilisation</b>	Average capacity utilisation was around 85-90% for FY'18
<b>Distribution of Revenues</b>	<p><b>API Sales: Distribution of Revenues</b></p> <p>Anti Cancer, 20-30%</p> <p>Anti Cholesterol, 70-75%</p>
<b>Geographies Served</b>	<p><b>Anti-cholesterol drugs</b></p> <p>Europe and LATAM, 20-25%</p> <p>India, 50%</p> <p>China, 25-30%</p> <p><b>Oncology drugs</b></p> <p>Europe and LATAM, 25-30%</p> <p>India, 70-75%</p>
<b>Headcount</b>	~200-220 employees and an additional 150 on a contract basis
<b>Land Area</b>	90 acres
<b>Building</b>	31,010 sq.mt. (electric sub station, DTA workshop building, raw material building, fermenter building, extraction building, R&D building, pump house)
<b>Assets</b>	<ul style="list-style-type: none"> <li>▪ <b>Main fermenter:</b> Total capacity of 992 KL with 6 no. of 160 KL each and 2 no. of 16 KL each with sugar addition vessels and substrate / harvest vessels</li> <li>▪ <b>Seed fermenter:</b> 4 no. of 16KL each and 4 no. of 2KL each with distributed control system</li> </ul>
<b>Scope for expansion</b>	<ul style="list-style-type: none"> <li>▪ Current land site is nearly 70% unutilised.</li> <li>▪ Existing plant and machinery running at full-capacity for key products</li> </ul>

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## Key Investment Considerations

<b>Quality manufacturing assets</b>	<ul style="list-style-type: none"><li>▪ State-of-the-art gelatine-manufacturing assets with adherence to global quality norms to access food and pharmaceutical markets worldwide</li><li>▪ Quality certifications include: EDQM CEP, HACCP, IFANCA (Halal), KOSHER, ISO:9001, ISO:14001</li><li>▪ Significant unutilised capacity and provisions for further expansion</li></ul>
<b>Presence in niche, high growth segments</b>	<ul style="list-style-type: none"><li>▪ Global gelatine market growing steadily in-line with packaged foods and pharmaceuticals demand</li><li>▪ South-East Asia witnessing significantly faster growth in gelatine due to increased consumption of pharmaceuticals and processed foods. Few assets to service this demand (only 5-7 organised players in India)</li><li>▪ The Company is amongst the largest gelatine manufacturers in India, well-positioned to benefit from market trends</li><li>▪ The Company is amongst the largest domestic manufacturers of niche, fermentation-based anti-cholesterol and oncology APIs</li></ul>
<b>Marquee client base</b>	<ul style="list-style-type: none"><li>▪ Established marketing operations with client base comprising leading global and Indian pharmaceutical and foods manufacturers. Scope to ramp-up significantly</li></ul>
<b>Reliable sourcing linkages</b>	<ul style="list-style-type: none"><li>▪ Has established backward sourcing linkages to global and Indian suppliers of the key input (crushed cattle bones) for gelatine production</li><li>▪ Nearly 70% of the raw materials for pharma APIs are procured locally from Gujarat</li></ul>
<b>Scope for expansion</b>	<ul style="list-style-type: none"><li>▪ Current gelatine facilities are underutilized</li><li>▪ Large gelatine facility in SEZ area in Gujarat currently under construction</li><li>▪ Significant unutilised land and provisions for further expansion at the API facility</li></ul>
<b>Transparency</b>	<ul style="list-style-type: none"><li>▪ The Proposed Transaction will be executed under the ambit of the Insolvency and Bankruptcy Code, 2016</li><li>▪ Management control of the Company is vested with the Insolvency Resolution Professional</li></ul>
<b>In-conclusion...</b>	<ul style="list-style-type: none"><li>▪ Opportunity to acquire quality assets providing access to niche, growing sectors</li><li>▪ Established operations with marquee clientele across growing segments</li><li>▪ Scope for further ramp-up and efficiency improvement to augment value</li><li>▪ Management control rests with Insolvency Resolution Professional</li></ul>

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