

Fineotex Chemical IPO on Feb 23

Agencies

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Speciality chemicals and enzymes-manufacturer Fineotex Chemical said that its initial public offer is slated to hit the market on February 23 and the proceeds of the issue would be used to fund the company's expansion plans.

"We have fixed the price-band of our IPO at Rs 60-72. At the lower-end of the price-band, we are eyeing Rs 25.27 crore and at the upper-end, Rs 30.32 crore," the company's Director Sanjay Tibrewala said.

The company plans to set-up a 13,125 metric tonnes per annum plant at Khopoli in Maharashtra which is expected to become operational by April 2012, he said.

Fineotex at present has a 5,000 metric tonnes plant at Mahape in Navi Mumbai.

In Mahape, the size of land the company requires is not available and besides, land prices are also high and hence, the company has zeroed-in on Khopoli for its plant, Tibrewala said.

The IPO proceeds will be used to fund the company's expansion, acquire plant and machinery and for general corporate purposes, he said, adding the investment in the plant will be around Rs 17-crore.

The company also plans to set-up a sales office in Mumbai.

"We are into value-addition and have a wide diversified portfolio of products. We make tailor-made products for our customers," he said.

On exports, Tibrewala said that the company's products have a good export potential. "Exports presently contribute around 25 per cent to our total revenues," he said

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