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A Billion Dollar Empire

From Punjab to global kitchens, LT Foods has moved from rice to FMCG category

Next growth curve

Fineotex is building scale through diversification and sustainability

Tibrewala: ready to diversify into new verticals

The Indian chemical industry has long been one of the silent workhorses of the country's industrial base. Hidden behind the more glamorous sectors of IT services, consumer goods and automobiles, it provides the raw materials, process enhancers and functional additives that keep multiple value chains moving. From the textile auxiliaries that give fabric its sheen and feel, to the industrial cleaning agents that maintain hygiene in public spaces, to water treatment chemicals that enable recycling and liquid discharge systems, the chemicals sector quietly underpins a significant portion of India's manufacturing output and service delivery.

This is particularly true for the specialty chemicals segment – where the Mumbai-based Fineotex Chemical Limited (FCL) has built its business over the last four decades. Unlike commodity chemicals, which have a broader range of uses, specialty chemicals are performance-oriented. They are engineered for specific applications and are often formulated in collaboration with customers. This high-touch, solutions-driven model makes the business less cyclical than bulk chemicals and positions companies that master it for long-term, relationship-based revenue streams.

India, over the last decade, has emerged as an increasingly important node in the global specialty chemicals network. Multiple factors have driven this shift. Rising costs and stricter regulations in Europe have prompted global manufacturers to diversify sourcing, while China's recent environmental crackdowns have created opportunities.

Fineotex has positioned itself to take advantage of this moment. Founded in 1979 by Surendra Tibrewala, the company has now emerged as a single-stop sustainable solutions provider across sectors including textiles, home and institutional cleaning, water treatment, and oil and gas. It offers more than 1,500 SKUs (stock-keeping units) across roughly 470 product categories, serving customers in over 70 countries. Its distribution network spans more than 100 dealers, and its relationships range from textile mills in India and Southeast Asia to industrial laundries, water utilities and oilfield operators.

"While textile auxiliaries remain an important part of the business, through a legacy built on deep technical knowhow and long-standing customer partnerships, we have made no secret of our intent to diversify into new verticals," says Sanjay Tibrewala, ED, FCL. Over the last few years, the company has invested in product development and market entry for water treatment polymers, oilfield production chemicals, and high-performance cleaning and hygiene solutions. This diversification will help drive growth, balance exposure across end-markets and position the company in segments with robust, regulation-driven demand.

Over the years, Fineotex has expanded its presence across multiple industries, including textiles, FMCG, cleaning and hygiene, oil and gas, and water treatment. Its state-of-the-art manufacturing plants are backed by FDA Pharma, ZDHC and NABL approvals, reflecting its commitment to world-class standards. Fineotex has built strong distribution partnerships with over 100 entities, while also exporting to 70 countries.

The company's growth trajectory has been remarkable, registering a compounded annual growth rate (CAGR) of 45 per cent in profitability and sales over the last 5 years, with volumes growing threefold in the same period. Looking at a longer horizon, Fineotex has achieved a 29 per cent CAGR in sales and profitability over the last 14 years. Complementing this growth is continuous innovation, with NABL-accredited R&D labs established at the Sasmira Institute for the past 3 years.

Financially, the company stands on a strong foundation. It is debt-free, holding cash reserves of ₹350 crore even after a capital expenditure of ₹115 crore in the recent period. On the sustainability front, Fineotex has made significant strides, including the establishment of a solar power plant, and has received recognition through the D&B ESG Badge and the Ecovadis Commitment Badge for its sustainable achievements.

As a listed entity since 2011, Fineotex today commands the confidence of 1,40,000 shareholders. The promoters have further reinforced their commitment by increasing their stake from 61 per cent at the time of the company's initial public offering to 62.50 per cent currently. Fineotex is part of the Nifty Microcap Index and the MSCI Index, while rating agencies Crisil and ICRA have upgraded its rating to A+ (Positive). Fineotex's strong track record of growth is also demonstrated by a threefold increase in volumes over the last 5 years, alongside a 45 per cent CAGR in profitability and sales during the same period. The company's return on capital and return on equity stand above 29 per cent.

Strong FY25

Fineotex ended FY25 with a steady performance in the textile chemicals segment and good growth in its newly diversified businesses. The fiscal year presented many geopolitical and economic challenges for the global economy, affecting the overall demand environment. However, the company continued to focus on its strategic plans to execute projects aimed at long-term growth.

During the quarter, the textile chemicals segment remained stable, with sustained demand across key geographies. Fineotex added 25 new customers during Q4 FY25 and also developed 15 new products, reinforcing its focus on innovation and its ability to respond swiftly to evolving customer requirements.

The company's state-of-the art plants maintain world-class standards

The company recorded a total income of ₹558 crore, with a gross profit of ₹205 crore and stable gross margins of 38.57 per cent. Fineotex also focused on CAPEX and brand-building initiatives for future growth, along with the development of new business verticals and product lines, particularly for the oil and gas sector, water treatment, and mosquito lifecycle controllers.

Fineotex's cash balance and equivalents stood at ₹352 crore, while exports accounted for 22 per cent of total income during Q4 FY25. The company's EBITDA margin for FY25 was around 24 per cent. The company anticipates strong growth ahead, with management expecting performance in line with the trends of the past 4-5 years in terms of EBITDA percentages. Fineotex has recorded an average of 50 per cent CAGR in profit after tax and maintained approximately 32 per cent EBITDA CAGR over the last 5 years.

While the FMCG, cleaning and hygiene segment witnessed temporary softness in volumes, the underlying demand fundamentals remain strong, and Fineotex anticipates a pickup in the coming quarters. The company's new business verticals – water treatment and oil and gas – delivered strong performance, with a substantial increase in both volumes and value contribution, backed by a robust and growing order pipeline.

Fineotex is also undertaking focused capital expenditure and promotional and brand-building initiatives. "These investments are aimed at enhancing production capabilities, strengthening market presence, and accelerating customer acquisition in these fast-growing business segments. The company expects the India-UK Free Trade Agreement to improve market access, reduce trade barriers and enhance Fineotex's competitiveness in the UK and Europe, particularly for textile and specialty chemicals," adds Tibrewala.

The company's operational footprint reflects this optimism. It operates manufacturing plants in Mahape (Mumbai), Ambernath (Mumbai) and Selangor, Malaysia, through its wholly-owned Biotex subsidiary. Together, before its latest expansion, these sites had an installed capacity of approximately 119,000 metric tonnes per annum (MTPA): 15,000 MTPA (new) and 61,000 MTPA (existing) at Ambernath, 36,500 MTPA at Mahape, and 6,500 MTPA in Malaysia. In Q4 FY25, exports contributed about 22 per cent of the company's total income, reflecting Fineotex's dual market strategy: a strong domestic base alongside a meaningful international presence.

Strategic collaborations have helped

the company deepen its technological capabilities and broaden market access. Partnerships with firms in Australia and Belgium have supported the development of advanced formulations and opened channels into regulated export markets. Ties with India's Synthetic & Art Silk Mills' Research Association (Sasmira) have strengthened its R&D and testing framework. Meanwhile, the Malaysian operations have provided both production redundancy and proximity to Southeast Asian customers.

The company's oil and gas-related products have found their largest markets in the Middle East and the United States. With many US-based companies diversifying or shifting their supply chains to India, Fineotex has been expanding its presence through participation in industry exhibitions and events, including the OTC in Houston, ADIPEC and WETEX in Dubai. During its Q4 earnings call, management noted significant order bookings and expressed optimism that this business segment will continue to grow and become an increasingly important contributor to revenues.

The new facility in Ambernath, Maharashtra, currently under construction, is on track for completion in August 2025. Spread across seven acres and representing an investment of about ₹60 crore, the plant will add approximately 15,000 MTPA of capacity in its first phase. Strategically located near the JNPT port at Nhava Sheva, the logistics hub of Bhiwandi, and Fineotex's existing Ambernath operations, the facility is designed to reduce lead times for both domestic and export customers. Equally important, it has been developed with sustainability principles at its core – incorporating energy efficiency, water conservation and compliance readiness for multiple global markets.

Tibrewala emphasises that this is not simply a replication of existing lines. The facility is expected to play a critical role in supporting Fineotex's push into new products and high-growth areas, while also strengthening its core textile auxiliaries business. The expansion will take the company's total installed capacity to approximately 119,000 MTPA.

He says: "The commencement of the company's manufacturing facility is a testament to Fineotex's long-term vision and commitment to scaling our operations sustainably. With enhanced production capacity and strategic connectivity, we are well-positioned to add more products and avenues to meet the evolving needs of our customers while strengthening our market leadership."

Aarti Jhunjhunwala, ED of FCL, adds: "The commencement of the Ambernath facility reaffirms the company's commitment to adhering to project timelines. With this expansion, we aim to meet the growing needs of our customers and strengthen our position as a leading specialty chemical manufacturer. The new facility will not only increase our production capacity but also enhance our ability to deliver innovative and sustainable solutions to our clients."

Market leadership

The decision to expand at this time reflects a mix of confidence and strategic foresight. In FY25, Fineotex experienced steady growth, underpinned by investments in brand building, market development and capacity expansion. Capacity utilisation across plants stood at around 60 per cent, leaving ample room to accommodate new orders without operational bottlenecks. During its recent earnings call, management reiterated that Fineotex's clear growth road map, strong order pipeline and ongoing diversification into high-potential sectors position it well to deliver value to stakeholders and achieve its ambitious annual growth targets.

Broader market dynamics support this view. After a period of volatility, the textile sector is showing signs of stabilisation, while the oil and gas and water treatment segments continue to benefit from upstream activity, regulatory requirements such as zero-liquid discharge, and the ongoing shift of global supply chains towards India.

One of the company's more innovative growth levers is AquaStrike Premium, a biotechnology-based mosquito lifecycle controller formulated with Azadirachtin. Positioned for both institutional and public health applications, the product is currently undergoing regulatory approvals in multiple markets and could emerge as a significant non-textile growth engine.

Beyond capacity and products, Fineotex is placing increasing emphasis on its environmental, social and governance (ESG) credentials – not just as a compliance measure, but as an integral part of its commercial value proposition. The company is working to reduce both water and energy intensity across its operations and has installed a 100-kW solar plant at Ambernath to advance its clean energy goals.

The sustainability commitment extends into product design as well. Fineotex's manufacturing processes are focused on reducing environmental impact, with lower water consumption, safer industrial cleaning formulations and consistent efforts to lower energy usage across facilities.

As the new Ambernath facility ramps up, the opportunities and challenges ahead will be familiar ones. The global specialty chemicals market, while promising, remains sensitive to macroeconomic pressures, and competition – both domestic and international – is intensifying.

Even so, Fineotex appears well-placed to navigate these dynamics. Its combination of technical expertise, diversified end-markets, strong compliance credentials and expanded production capacity gives it the tools to adapt to shifts in demand and regulation. If management successfully converts its order pipeline into steady, high-margin revenues, and its ESG initiatives continue to drive customer loyalty, the Ambernath expansion could prove to be a pivotal milestone in the company's growth trajectory.

From its origins in textile auxiliaries to its current expansion into oilfields, water treatment and hygiene, Fineotex exemplifies the evolution of India's specialty chemicals sector: moving up the value chain, integrating sustainability into operations and products, and aspiring to a prominent role in global supply chains.

As India strengthens its position as a worldwide hub for specialty chemicals, Fineotex's next growth chapter will be closely watched – not only by investors and industry peers, but also by customers worldwide who increasingly expect chemical suppliers to deliver performance, compliance and sustainability in equal measure. ◆

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