Fineotex Chemicals Limited

CMP - ₹249 **Target Price - ₹ 332 (▲ 33%)**

Specialty Chemicals

NSE: FCL **BSE: 533333**

23th April, 2025

Initiating Coverage Report - BUY

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Exencial Research Partners

Fineotex Chemicals Limited

Speciality Chemicals

BUY

CMP (₹) - 249 | Target Price (₹) – 332 (▲ 33 %) | April 23, 2025

Fineotex Chemicals Limited:

Fineotex Chemicals Limited is a leading specialty chemicals company that provides tailor-made performance chemicals across multiple industries, including textiles, FMCG, cleaning & hygiene, oil & gas, and water treatment.Fineotex has three state-of-the-art manufacturing facilities–Ambernath (61,000 MTPA), Mahape (36,500 MTPA), and Malaysia (6,500 MTPA)–with a total capacity of 1,04,000 MTPA. The company has built a strong reputation for innovation and sustainability, focusing on environmentally friendly chemical solutions and technical services. Strategic collaborations with international players such as EuroDye-CTC, HealthGuard, and Biotex further strengthen its R&D capabilities. Fineotex is accredited with multiple industry certifications, including NABL, ZDHC, and Bluesign, highlighting its commitment to quality and compliance. The company has a diversified portfolio of over 1,500 SKUs spanning 470 product categories and serves clients in approximately 70 countries. Fineotex's products cater to the entire textile value chain while also addressing growing markets like hygiene products and specialty chemicals for oil exploration.

Investment Rationale

Strong Market Position & Business Diversification

- FCL is among the leading producers of tailor-made specialty chemicals catering to multiple high-growth industries, including textile chemicals, FMCG & hygiene, oil & gas, and water treatment.
- It has a diversified product portfolio of over 1,500 SKUs across 470+ product categories, serving a wide range of industries.
- With a presence in over 70 countries, FCL has built a strong international reputation, reducing dependence on a single market and mitigating regional risks.

Capacity Expansion & Growth Potential

- The company operates three state-of-the-art manufacturing plants in Ambernath (61,000 MTPA), Mahape (36,500 MTPA), and Malaysia (6,500 MTPA), totaling a capacity of 1,04,000 MTPA.

- Recently, FCL expanded its Ambernath facility capacity by 40,000 MTPA, out of which Phase 1 is expected to commence with 15,000 MTPA by Q2FY26 and can contribute additional ₹100 cr to revenue at optimal capacity utilization for full year and has also acquired additional land (7 acres) at Ambernath MIDC for further expansion.

- The new capacity addition aligns with the company's vision to scale production and capture growing demand in specialty chemicals across different industries.

Future Growth Drivers & Industry Tailwinds

- No Impact of Trade war: As per management, US tariffs are not expected to impact any of company's business verticals.

- Growing Demand for Specialty Chemicals: Driven by rapid industrialization, stricter environmental regulations, and increasing applications in textile, FMCG, oil & gas, and water treatment sectors.

- Expansion into Oil & Gas & Water Treatment Segments: New product innovations such as AquaStrike Premium (eco-friendly mosquito control solution) are opening additional revenue streams.

Stock Data

NSE	FCL
Market Cap (₹ Cr.)	2,576
52 W High / Low	439/213
Avg. Daily Vol. (3M)	4,78,742

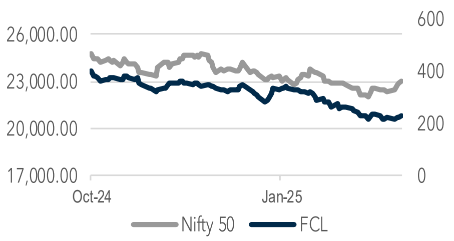
Source: Company, Investing

Shareholding Pattern (%)

	Dec-24	Sep-24	Jun-24
Promoter	62.9%	62.9%	64.5%
FII	3.4%	3.3%	0.9%
DII	3.6%	3.6%	3.7%
Others	30.2%	30.2%	30.9%

Source: Company, Screener

Price Performance (Preceding 6 Months)



Source: NSE

Key Financial Estimates

	FY25E	FY26E	FY27E
Revenue (cr. ₹)	584	722	890
Revenue Growth(%)	3%	24%	23%
EBITDA (cr. ₹)	146.0	180.4	226.9
EBITDA Growth(%)	-1%	24%	26%
Net Profit (cr. ₹)	118.9	143.9	180.9
Profit Growth(%)	-2%	21%	26%
EPS (₹)	10.3	12.0	15.1
EPS Growth (%)	-4%	16%	26%
ROE %	19%	17%	18%
ROCE %	22%	19%	21%
P/E	22.4	19.3	15.4
EV/EBITDA	18.2	14.7	11.7

Source: Exencial Research

• Government Support & Policy Initiatives: Indian government initiatives supporting the textile and chemical industries provide additional tailwinds for growth.

• ICRA Rating Upgrade: FCL's long-term credit rating has been upgraded to A+ (Positive) and short-term rating to A1+, reflecting its strong financial position and business stability.

High Entry Barriers & Competitive Edge

• Technical Expertise & Customization: The specialty chemicals sector has high technical barriers to entry, requiring deep industry knowledge and R&D expertise.

• Customer Retention & Long-Term Contracts: FCL maintains strong relationships with major clients, ensuring steady demand.

• Fungible Production Capabilities: The company's manufacturing units have fungible capacities, allowing it to optimize production based on changing market demand.

Strategic Collaborations & R&D Strength

• FCL has entered into strategic joint ventures with Biotex Malaysia, EuroDye-CTC (Belgium), and HealthGuard (Australia), enhancing its global reach and technical capabilities.

• It has strong R&D capabilities through its partnerships with Sasmira Institute in India and leading European chemical innovators, helping it develop next-generation eco-friendly chemical solutions.

Focus on Sustainability & ESG Initiatives

• Fineotex is a leader in sustainable chemistry, replacing polluting agents with eco-friendly alternatives while maintaining cost-effectiveness.

• It has received multiple sustainability certifications, including Bluesign®, ZDHC (Zero Discharge of Hazardous Chemicals), and NABL accreditation.

• The company successfully commissioned a 100 kW solar power plant at its Ambernath facility, reinforcing its commitment to renewable energy and environmental responsibility.

Valuations & View

Fineotex Chemicals Limited (FCL) is well-positioned for sustained growth due to its diversified product portfolio, expansion into high-growth segments such as home care, hygiene, and oil & gas specialty chemicals commissioning of new capacity and launch of new product aquastrike premium which if gets acceptance in market, can turn out to be gamechanger for company & can have good contribution to overall revenue and profit over next few years. Apart from this, company also has around 300 cr cash which is marked for acquisitions which are in advanced stages & once acquisition deal done can provide good contribution to the overall revenue and contribution and will be EPS accretive. Moreover, the company maintains a strong balance sheet with minimal debt and robust cash generation, further supported by recent equity fund-raises for expansion initiatives.

We expect the Company's Revenue, EBITDA, and PAT to grow at CAGR of above 20% for FY25-27E,while the company is currently trading at 15.4 times on FY27E EPS, which looks undervalued given its growth potential. Also, another important point to note is we have not considered impact of new acquisitions on topline & bottomline in our estimates. As management said in recent concalls that new acquisitions is expected to have similar operating margins and return ratios. Thus, acquisition deal once get successful can have a substantial impact on topline and bottomline and also improving return ratios, thereby making stock trade at even lower valuations on FY27E then our estimates.**Thus,we recommend buy on Fineotex Chemicals Limited with a target price of ₹332, implying upside potential of 33% valuing it a 22 times PE on FY27E EPS.**

Downside risk to our thesis

a) Supply Chain Disruptions

b) Increase in Crude oil price as more than 60% of company's raw material is dependent on crude oil & its derivatives.

Mosquito Life Cycle Controller & Water Preservation

Aquastrike Premium - Non-Toxic & Eco-Friendly Mosquito Killer & Water Preservation Additive

• Non-toxic, non-polluting, and eco-friendly solution, produced in Malaysia with European design engineering.

This nontoxic and eco-friendly product, not only disrupts the mosquito life cycle more efficiently than conventional methods, but also contributes to water preservation.

Regulatory Approvals & Certifications

• Declared as a Non-Pesticide by the Pesticide Board.

• NSF confirms non-toxicity, even in drinkable water.

• Under WHO registration application.

• Approved by:

- Ministry of Health, Malaysia
- Singapore Public Utility Board
- Vietnam and Cambodia regulatory bodies
- EU approval for shipment to Europe

Key Benefits

• Odorless, invisible, and easy to apply by pouring/sprinkling like water instead of spraying in gaseous form.

• Simple handling, offering higher productivity compared to traditional solutions like BTI.

Market Opportunities

• Growing focus on water preservation, public health, and environmental sustainability.

• Effectively eradicates the mosquito lifecycle, surpassing conventional control methods.

• Strong global market potential, supported by multiple international approvals.

Currently, there are a lot of conventional methods being used for the mosquito control breeding by the authorities, which includes conventional methods, which are based on oil -- crude oil-based things like BTI and other MLO kind of oil, which are being used to control the mosquito breeding.

This is one of the product which was developed in Biotex Malaysia, and company is also marketing this product to a few countries around Malaysia. In India,also company trying to convince the authorities to use this product.

Exhibit 1: Fineotex Chemical's Future Growth Drivers

New Capacity Addition	Opportunities in Oil & Gas and Water Treatment Sector	Inorganic Growth Opportunities	Other Strategies
• Acquired 7 Acre land at Ambernath, project expected to commence in Q2 FY26 • Capacity addition of 15,000 MTPA • Fungible capacity with focus on sustainability	• Successfully Eco-friendly solutions and sustainable growth • Rising industrialization and urbanization • Water scarcity, desalination and expansion of refineries & natural gas pipeline	• Focusing on inorganic growth opportunities • The company is actively looking at various options and is in advanced discussions for potential acquisitions. Any acquisition will be EPS accretive and strategically aligned. • The current muted demand in the chemical industry presents more acquisition opportunities.	• Increasing wallet share from existing customers. • Increase share of sustainable products in detergent market

Source: Company, Exencial Research

Exhibit 2: Peer Comparison

Company Name	Current Price	Revenue Growth CAGR(FY20-24)	EBITDA Margins (FY24)	ROE	ROCE	TTM P/E Ratio	EV/EBITDA
Fineotex Chemicals	232	31%	26%	30.10%	38.70%	22.4	15.8
Industry average	-	17%	15%	17.91%	21.34%	35.5	17.29
Sudarshan Chemicals	970	10%	13%	11.30%	11.40%	53.4	20.9
Tatva Chintan	708	11%	17%	4.86%	7.02%	116	35.3
Privi Speciality Chemicals	1537	8%	19%	10.50%	11.80%	40	16.6
Transpek Inds.	1296	1%	14%	6.08%	9.10%	21	6.8
Rossari Biotech	610	32%	14%	13.20%	18.10%	25	13.4
BASF India	4437	16%	6%	19%	25%	32	18.6
SRF	2946	16%	20%	13.80%	18.50%	42.5	27.8
Vinati Organics	1606	17%	25%	13.80%	18.50%	43	28

Source: Industry reports, Individual Company data, Screener.in, Exencial Research

Note: Current price is taken as closing price of 25/03/2025

Q3FY25 Conference Call Highlights

Financial Performance:

- Consolidated revenue has grown at a CAGR of 30.5% since 2020, and profits have grown by 70.5% CAGR over the same period.
- For the first 9 months of FY'25, performance remained stable despite a challenging environment with muted demand in the FMCG space.
- Export share decreased to 19% from 24% in the same period due to political and social turmoil in Bangladesh. However, the company is hopeful for a recovery soon.
- Quarterly total income stood at INR 131 crores, reflecting a modest decline of 8.5% compared to the same period last year. This was due to order postponements by some customers and issues with letter of credit issuance in Bangladesh. Customer retention remained intact.
- EBITDA margins remain healthy and strong at 27.2%, indicating strong operational efficiencies despite external pressures.
- Gross margins for Q3 were 41%, which the company considers not a decline and possibly slightly higher.
- The total volume of the company for Q3 has gone down by almost 4% to 5%.
- For the 9 months period, volumes are almost flat, approximately 1% down.

Sector Outlook:

- The textile segment continued to expand, possibly at a pace exceeding expectations. The company added 30 new customers in the textile business in Q3 itself. The worst seems to be behind for the textile sector. There was a massive inflow of foreign buyers at Bharat Tex in Delhi, indicating strong future prospects for Indian textiles.
- While the FMCG segment showed muted growth, the company anticipates demand to pick up due to recent budget taxation policies expected to boost urban and rural demand. The worst for FMCG is also likely behind. The summer season typically sees higher demand for FMCG cleaning products.
- The oil and gas and water treatment segments are witnessing strong growth. These new segments have a strong and expanding order pipeline geographically.
- In the water treatment industry, demand is driven by industrial expansion, affluent treatment, and zero liquid discharge policies, increasing the need for coagulants, flocculants, and biodegradable polymers. Increasing water pollution and scarcity are also boosting investments in desalination plants, increasing the need for antiscalants and metal chelating agents. The company has started exports to Middle East countries for desalination applications.
- The oil and gas sector is seeing increased upstream activity, driving demand for oil drilling and function chemicals like corrosion inhibitors and paraffin dispersants. Expansion of offshore and deepwater exploration increases the need for high-performance drilling and cementing fluids, while shale gas and CBM exploration boost the market for fracturing and stimulation chemicals. The move towards eco-friendly and water-based drilling fluids is also a factor. The company is tying up with major global oil and gas companies, particularly U.S. companies looking to increase sourcing from India. They have already secured excellent orders from Eastern Europe, the Middle East, and African countries.

Segment-wise Details:

- **Textiles:** Remains the major focus. It experienced substantial volume growth of 20% and revenue growth of 12% in Q3. The company offers end-to-end solutions for all textile substrates and processes. They have a high number of product certifications, aiding ecological approvals for buyers. EBITDA margins are similar across divisions, but gross margins in textiles are better due to technical services, certifications, and factory audits. For Q3, approximately 78% of the sales were from textiles. For the 9 months period, textile sales were around 70%. Volume mix for Q3 saw textiles at around 56-57%.

- **FMCG, Cleaning and Hygiene:** Experienced muted demand in Q3 and the 9-month period due to slower urban and rural demand. Despite this, the company has not lost any customers or products in this segment. For Q3, approximately 23% of sales were from FMCG and others. For the 9 months period, it was around 30%.

- **Oil and Gas & Water Treatment:** These are new, high-growth segments. The oil and gas business has seen a 30x growth year-on-year in Q3, although from a smaller base. Receivables in the water treatment and oil & gas businesses are reported to be good. The water treatment sector primarily involves private sector clients, not government entities. The company is benefiting from the shift away from China in oil & gas specialty chemicals. Fineotex has secured major orders from Eastern Europe, Middle East, and Africa and is actively pursuing strategic partnerships with industry giants.

- **AquaStrike Premium (Mosquito Control):** A new biotechnology-based, non-toxic, and eco-friendly product targeting mosquito control. It also contributes to water preservation by reducing evaporation. The company is targeting NGOs, authorities, and foundations like the Bill Gates Foundation for distribution, starting with the domestic market and then expanding internationally. The market size is potentially thousands of crores. The product aims to replace conventional crude oil-based methods. The company is unaware of any direct competitors with a similar product. They have discussed the product with Haffkine's Research Institute.

Capex:

- A new manufacturing plant is under construction and is expected to become operational in Q2 FY'26 (July to September 2025).
- Phase 1 of the new plant will add another 15,000 tonnes of production capacity.
- Some production lines will be shifted from the Mahape plant to the Ambernath plant to improve economies of scale and reduce operating costs by optimising logistics and enabling larger production batches.
- The company successfully transitioned to renewable energy with the installation of a 100-kilowatt solar power plant at their Ambernath facility.
- Manufacturing processes have been optimised to achieve Zero Discharge of Hazardous Chemicals (ZDHC) certification.

Fund Raising:

- The company has a robust earmarked fund of over INR 300 crores for inorganic growth initiatives (M&A).
- Cash on books currently amounts to almost INR 350 crores.
- Promoters contributed INR 44 crores through preferential issue, which is a mix of equity and warrants.

- Another expectation of around INR 150 crores is yet to come in by November from the warrants issue.

Future Growth Guidance:

- The company remains confident in achieving its growth targets in the coming times despite short-term challenges.
- Long-term growth trajectory remains robust, supported by strategic diversification into new high-potential segments like oil and gas and water treatment.
- Innovation and new product launches, including AquaStrike Premium, will drive business forward and support global market expansion. The company launched 30 new products in Q3, primarily connected to the textile industry. They also developed 15 new products during the quarter.
- Inorganic growth (acquisitions) is a key part of the strategy, with INR 300 crores earmarked for this purpose. The company is actively looking at various options and is in advanced discussions for potential acquisitions. Any acquisition will be EPS accretive and strategically aligned. The current muted demand in the chemical industry presents more acquisition opportunities.
- The company expects the situation in Bangladesh to improve, leading to a pick-up in exports. They plan to increase manpower in their Bangladesh office for technical marketing.
- The oil and gas and water treatment verticals are expected to be significant growth drivers. The company anticipates substantial growth in the oil and gas sector due to geopolitical factors favouring Indian sourcing by major global companies.
- The company's vision is long-term, focusing on product diversification and technology advancements.

Fineotex Chemical's Business Overview

Fineotex is a leading producer of tailor-made specialty performance chemicals, offering technical services and sustainable solutions across industries. The company serves as a single-stop provider for textiles, FMCG, cleaning, and hygiene sectors. Its focus on sustainability includes substituting polluting agents with cost-effective alternatives. With a proven management team boasting over four decades of experience, Fineotex operates in an industry characterized by high technical barriers to entry and a strong emphasis on product customization. The company has three manufacturing plants with a total production capacity of 1,04,000 MTPA, located in Ambernath (61,000 MTPA), Mahape (36,500 MTPA), and Malaysia (6,500 MTPA). Additionally, Fineotex prioritizes research and development, engaging in a joint venture with Biotex of Malaysia and collaborating with EuroDye of Belgium, Healthguard of Australia, and Sasmira of India to drive innovation in the industry.

Exhibit 3: Fineotex Chemical's Journey

2004-07

- Accredited with ISO 9001:2008
- Incorporation of Fineotex Chemical Private Limited (FCPL)
- Acquisition of FCPL by Fineotex Chemical Limited

2011-14

- Listed on BSE
- Incorporated wholly-owned subsidiary in Malaysia
- Acquired majority stake in Biotex Group
- Bonus declared on a 1:1 basis
- Accredited with ISO 4001:2004 & OHSAS 8001:2007 certifications

2015-19

- Listed on NSE.
- Received Star Export House recognition.
- Biotex partnered with Bluesign.
- Manufacturing capacity increased to 43,000 MTPA annually and both facilities GMP certified.

2020-21

- Buyback of 11 lacs shares up to a maximum price of Rs. 40
- Deploying Rs. 270 million for the new facility at Ambernath, Maharashtra
- One of the plants is approved and certified by the FDA
- JV with HealthGuard & Eurodye-CTC
- Partnership with Sasmira
- Ambernath facility commenced production in Nov '21

2022-23

- Ambernath facility capacity expanded by an additional 40,000MTPA, taking the overall capacity to 104,000MTPA.
- ICRA rating upgraded - Long Term Rating: A+ and -Short Term Rating: A1+.
- Dun & Bradstreet ESG Badge.
- Successfully commissioned Solar Power Plant at Ambernath Facility.
- Received accreditation by NABL.

2024

- Promoters participated in the fund raise of Rs. 3,425.5 million via preferential allotment
- ICRA rating upgraded – Long-Term Rating: A+ (Positive) and Short-Term Rating: A1+ (Positive)
- Alloted 25,052 Equity shares through Fineotex Chemical Limited – Employee Stock Option Plan.
- Received 2nd Dun & Bradstreet ESG Badge.
- Purchased Additional factory land premises of 7 acres at Additional Ambernath MIDC.
- Received accreditation by NABL: Second Consecutive Year

Source: Company, Exencial Research

Exhibit 4: Fineotex Chemical's at a Glance

470+ Product Categories	**100+ Dealers in India & International Market**	**2nd ICRA Rating Upgrade** Long Term Rating: A+ Positive Short term Rating: A1+ Positive	**FDA Approved Plant/s** Plants approved by FDA Pharma	**Bluesign, ZDHC, Star Export House** Accrediations
70 Countries Present	**4 Business Verticals**	**NABL Accredited** Second Consecutive year Fineotex Chemical Laboratory	**1500+ SKUs** Across all product categories	**Solar Power Plant** Successfully running at Ambernath Plant

Source: Company, Exencial Research

Fineotex Chemical's ESG accreditations

Fineotex is a leading producerThe company has been awarded various certifications like Green Screen Certificate, Beehive Certificate, Bluesign, ECO Passport, to name a few. These certifications pertaining to sustainability standards guarantee the highest level of security for clients and considers the chemical composition of textile products to ensure healthy and safe materials. It was also rewarded ESG Registered Badge by Dun & Bradstreet (D&B), which is a testament to FCL's dedication and adherence to ESG initiatives. Recently, the company's R&D laboratory in collaboration with Sasmira Institute was accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL).

Exhibit 5: Fineotex Chemical's Key Strengths

Single Stop Solution in Textile, FMCG, Cleaning & Hygiene	**Fungible Production Capacities**	**R & D Strength Via International Collaborations**	**High Customer Retention**
Minimal Time loss: Maximizing efficiency through in-depth know how of Chemistry	**Sustainable Product Certification : Highest in India**	**Product Validation among the largest players in India**	**Debt Free Company**

Source: Company, Exencial Research

Exhibit 6: Fineotex Chemical's Business Verticals

Textile Chemical Vertical

- Specialty chemicals producer with a focus on textiles chemicals
- Offering tailor-made solutions to customers
- Attractive industry dynamics with technical barriers to entry
- and high levels of development and product customization
- Biotex Malaysia spearheads the R&D solutions, application research and product development.

FMCG, Cleaning & Hygiene Vertical

- Successfully diversified into the cleaning and hygiene business
- Leveraged its existing technical expertise and knowledge in production and distribution to gain a competitive advantage
- Products such as floor cleaners, hand-washes, sanitizers, dishwashers, and toilet bowl cleaners are manufactured

Oil & Gas Vertical

- Produces chemicals which play an important role in improving the efficiency, safety, and environmental sustainability of oil and gas production
- Aids in reducing maintenance costs and increasing the lifespan of equipment.
- Chemicals Produced - Demulsifiers , Corrosion inhibitors , Biocides , Surfactants.

Water Treatment Vertical

- Manufactures wide range of polymers preventing scale deposits allowing higher flow rates and efficiency for water treatment

Source: Company, Exencial Research

New Product Launch – Aquastrike Premium marks entry into Water Chemicals Segment

FCL has launched a new product called Aquastrike, based on Azadirachtin. Azadirachtin is a compound also found in neem and is considered a very effective insecticide. FCL plans to market this product for mosquito repellant properties and water soluble and sustainable properties. The TAM for a product is very large, while existing practices involve local governments spraying smoke-based chemicals. With this new sustainable product, it can open new doors for the water segment of the company.

The company is benefiting from the shift away from China in oil & gas specialty chemicals. Fineotex has secured major orders from Eastern Europe, Middle East, and Africa and is actively pursuing strategic partnerships with industry giants.

While FMCG demand was muted, management anticipates a rebound due to favorable taxation policies and rural demand recovery. The upcoming summer season is expected to boost demand for hygiene and cleaning products, further aiding growth

Exhibit 7: Fineotex Chemical's Single Stop Solution for Textile Manufacturing

Steps	Weaving	Pre-treatment	Dyeing	Printing	Finishing
Process	Sizing	De- sizing, Sourcing, Bleach	Dyeing, Washing, Fixing	Rotary Printing, Table Printing	Exhaust Padding
Product Categories	Polymers, Softeners	Enzymes, Wetting & Detergent, Sequesting Additives	Dyes,Acids, Alkali Levelling, Detergent Fixer	Dyes,Binder Thickener, Fixer Detergent ,Loop accelerator	Softeners, Silicones, Polymers, Resins
Key Customers					

Company added 30 new customers in Q3FY25

Source: Company, Exencial Research

Exhibit 8: Fineotex Chemical's FMCG, Cleaning & Hygiene Vertical

Products Manufactured at Ambernath Plant

Disinfection | House keeping | Kitchen Care | Laundry

Plant approved & certified by Food & Drugs Administration (Maharashtra)
Production of disinfectant/antimicrobial hygiene and cleaning products ensuring safety and effectiveness.

Source: Company, Exencial Research

Synergy between Textile, FMCG, Cleaning & Hygiene Chemicals

- Fineotex utilised its fundamental strength in the textile chemical industry to enter the cleaning and hygiene industry

- Numerous chemical compounds that are utilised in the textile specialty vertical have potential applications in the cleaning and hygiene vertical as well.

- This expansion allows Fineotex to diversify its business and revenue streams while leveraging its core competencies

- Its move into the cleaning and hygiene vertical aligns with the heightened importance of cleanliness post-pandemic has increased demand for hygiene products

- Fineotex aims to maintain the same standards of quality and performance in its cleaning and hygiene products as its textile chemicals

- We actively encourage sustainability and endeavor to minimise our environmental footprint by fostering collaboration and knowledge sharing between the textile and cleaning and hygiene industries

Moreover Company has developed Technical Expertise to enter attractive new markets as follows.

Drilling Speciality Chemicals

- Customised solutions for Oil and Gas
- Significant potential for offering effective products used for drilling in oil exploratory processes
- Sizable orders from a leading oil and gas company in India.

Water Treatment Speciality Chemicals

- Offers wide range of polymers under Diquest brand, addressing the needs of variety of applications
- Prevents scale deposits in the cooling systems allowing higher flow rates and efficiency

Non-textile Verticals is expected to contribute to volume and value growth going forward in future.

Exhibit 9: Fineotex Chemical's Clientele for FMCG, Cleaning & Hygiene Vertical

Source: Company, Exencial Research

Exhibit 10: Fineotex Chemical's Manufacturing Plants & Capacities

Location	Operating Facts	Strategic Advantages	Manufacturing Excellence
Mahape & Ambernath, India	**Total Production Capacity (India)** •Mahape – 36,500 MTPA •Ambernath – 61,000 MTPA Additional factory land premises of 7 acres at Additional Ambernath MIDC (Construction work started)	• Fungible and has the capabilities to manufacture products for both textile chemical and cleaning and hygiene vertical • Equipped with modern infrastructure and amenities, enabling sustainable chemical production with advanced automation, storage, and logistics handling • Efficient and environmentally friendly manufacturing processes Easy access to high quality raw materials in the region	
Selangor, Malaysia	Total Production Capacity – 6,500 MTPA	Provides raw materials to the Indian facilities Cost benefits due to Free Trade Agreements (FTAs) with important regional markets like Vietnam, China and India	

Source: Company, Exencial Research

Exhibit 11: Fineotex Chemical's Syngeries with Biotex

	Fineotex - India	Biotex - Malaysia
Overview	• Diverse product portfolio (470+ categories) across business verticals • Applications primarily across the entire textile value chain: pre-treatment to finishing	• Niche product portfolio (50+ categories) • High end super speciality textile chemical applications
Focus Areas	• Focused on textiles and rapidly entering other fast growing sectors • High profile India customer base	• Sustainable and effective textile solutions • Grow'Mosquito Life Cycle Controller' revenue share • High profile International customer base
Business Segments	Textile, Cleaning and Hygiene, Drilling and Other Specialities	• Textile and auxiliary sectors • 'Mosquito Life Cycle Controller', an eco friendly non toxic solution for mosquito outbreaks used primarily across developing countries
Competitive Edge	• Strong brand recall in Indian markets • Reputation for diverse product portfolio • Deep customer relationships	• Strong brand recall in International markets • Solutions for finishing process in textile • Strong R&D capabilities

Source: Company, Exencial Research

Synergies with Biotex

Biotex, a Malaysia-based subsidiary, is 72% owned by FCL, with the remaining 28% held by its Founder and Managing Director, Dr. Cedric Veniat, a seasoned technocrat with over 25 years of experience. The company specializes in a niche portfolio of 50+ high-end specialty textile chemicals. Biotex has been dedicated to developing value-added products that help textile companies minimize water and energy consumption. Additionally, evolving client preferences for fabrics with water and dust repellency, anti-microbial properties, and the growing demand for sustainable solutions have expanded the company's addressable market, driving higher demand and increased market share.

Moreover, in collaboration with Biotex, FCL has introduced an innovative, non-toxic, and eco-friendly 'Mosquito Life Cycle Controller.' This product has received approvals from the Ministry of Health Malaysia, Singapore PUB, the European Union, the National Sanitation Foundation (NSF), and relevant authorities in Vietnam and Cambodia.

Strategic partnerships

FCL's joint venture with Healthguard, Australia, focuses on developing advanced solutions that will be marketed and distributed through FCL-Biotex. The company's anti-microbial product is approved by the US EPA, and the collaboration aims to deliver durable, metal-free, sustainable chemistry solutions with anti-microbial and anti-viral properties. This JV offers a diverse range of products applicable across multiple industries, including textiles, detergents, leather, and allied sectors.

Additionally, FCL has established an R&D center in partnership with Sasmira Institute, India's leading textile institute. In a further strategic move, FCL has collaborated with Eurodye-CTC, Belgium, to commercialize specialty chemical products for the Indian market. This partnership is expected to enhance FCL's product portfolio, expand its geographical presence, and strengthen its R&D capabilities.

Exhibit 12: Fineotex Chemical's Leveraging the benefits of various partnerships

EURODYE - ctc TECHNOLOGY AND SERVICE Since 1856

- Produces Strategic collaboration with Eurodye-CTC, Belgium, to commercialize specialty chemicals for the Indian market.
- Facilitates an efficient production system and distribution network across the Indian textile market
- Eurodye-CTC has REACH registration, Bluesign certification & GOTS 6 certification for a large selection of its product range
- Fineotex is committed to sustainable practices and Eurodye-CTC is also an environmentally conscious company

HealthGuard®

- Strategic collaboration with HealthGuard, Australia to become the exclusive global marketing and sales channel partner with joint operations from Malaysia.
- HealthGuard® will concentrate on developing cutting- edge solutions, that will be marketed and channelized across the world by Fineotex-Biotex.
- Synergy will provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti- viral.
- Range of products over several industries - textile, detergent, leather and allied industries

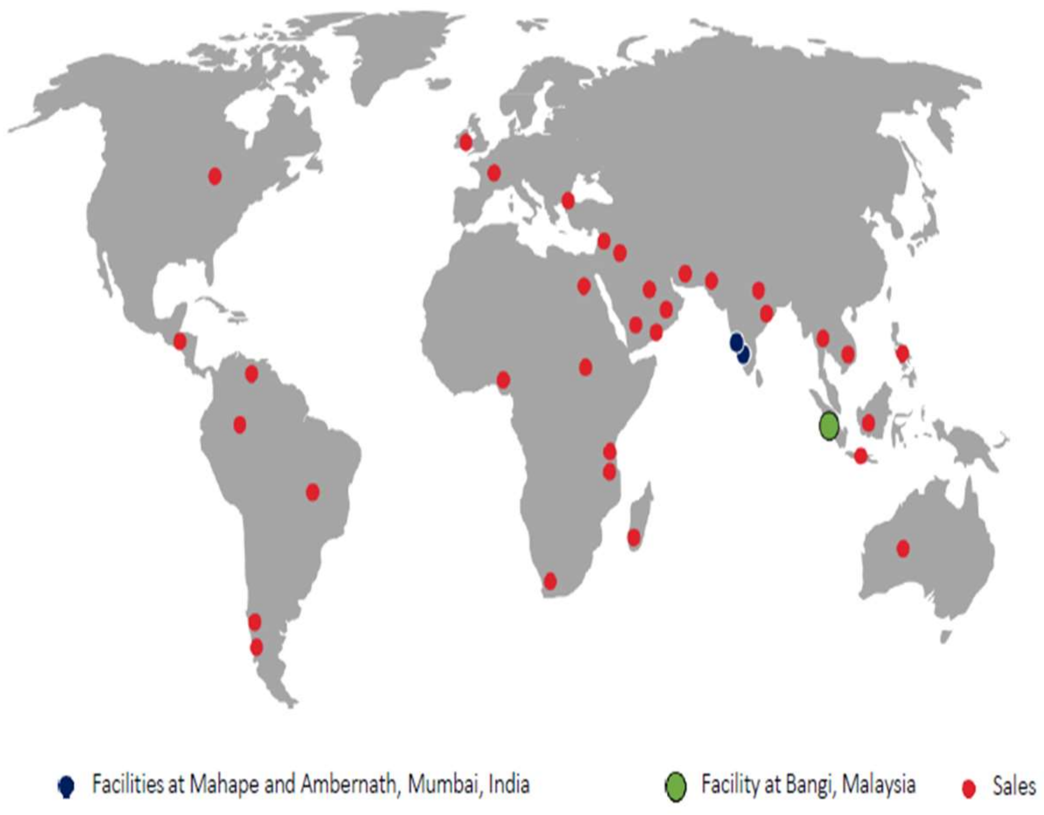
sasmira The Synthetic & Art Silk Mills' Research Association

- Setting up a state of art Research & Development center in collaboration with Sasmira Institute, one of India's premier textile institutes
- Develop a first-of-its-kind Support and Solution Centre for technical service in Sasmira to catalyze innovation and focus on sustainable chemistry
- Focus on new sustainable solutions and chemicals to reduce water, time and energy consumption for the textile wet processing industry
- Provide the much-needed exposure for students and help provide practical experience, which will benefit the industry in the long term

Source: Company, Exencial Research

Company has diversified revenue mix across clients,products and geographies coupled with technical expertise

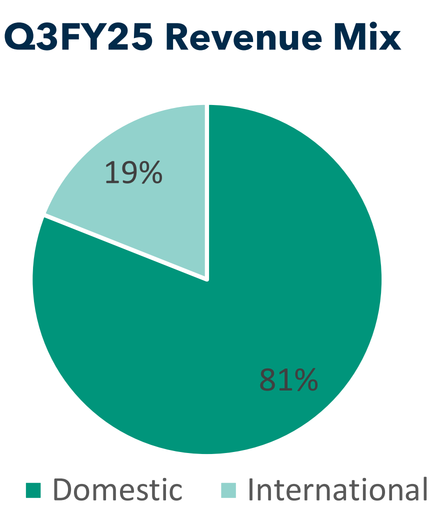
Exhibit 13: Fineotex Chemical's Operations across globe



Source: Company, Exencial Research

Company has

- **sales in over 70 countries including Brazil, Bangladesh, Germany, Indonesia, Malaysia, Singapore, Syria, Thailand, USA, Venezuela and Vietnam.**
- **34+ technical marketing experts**
- **100+ dealers in Indian and International markets**



Source: Company, Exencial Research

Industry Overview:

Textile Chemicals

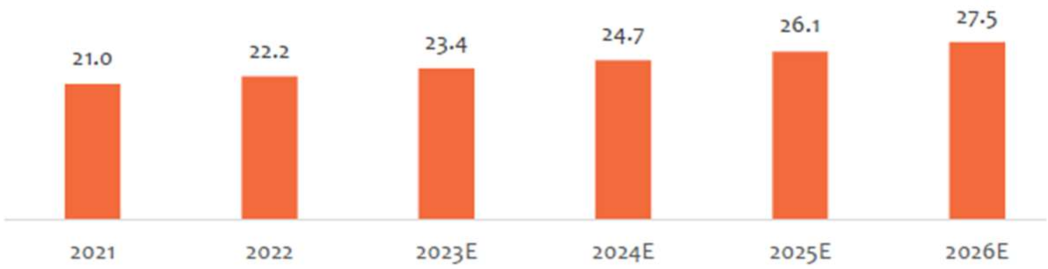
India's specialty chemicals sector is highly fragmented, with around 700 companies operating in 2010. According to McKinsey, the top 20 companies accounted for nearly 50% of total market revenue. A 2020 report by the Federation of Indian Chambers of Commerce and Industry (FICCI) similarly highlighted this fragmentation, noting that only a few major players had significantly expanded their operations. Despite this, Indian specialty chemical manufacturers are actively engaged across various segments, including colorants, construction chemicals, flavors and fragrances, paints and coatings, polymer additives, surfactants, textile chemicals, and water treatments.

Textile chemicals play a crucial role throughout the textile manufacturing process, from fiber pre-treatment to final finishing. These chemicals fall into two main categories: colorants, such as azo dyes, anthraquinone dyes, and phthalocyanine dyes, and auxiliary chemicals, which include bleaching agents, detergents, softeners, fixing agents, and scouring elements.

Asia-Pacific Textile Chemical Market Growth.

The textile chemicals market in the Asia-Pacific region is projected to reach USD 27.5 billion by FY2026E, holding a dominant 38% share of the total global textile chemicals market. In FY2020, this region led the market in revenue generation and is expected to maintain its dominance in the coming years. Between FY2023-28E, the Indian textile chemicals market is anticipated to grow at an approximate CAGR of 11.0%, driven by strong domestic demand, increasing exports, and rising import substitution. The global textile finishing chemicals market, valued at USD 6.2 billion in FY2019, is estimated to grow to USD 8.2 billion by FY2024E, with market expansion largely fueled by the rising demand for clothing textiles, home textiles, and technical textiles.

Asia Pacific Textile Chemical Revenue(USD Bn)



Source: Industry Reports, Exencial Research

Factors Driving Growth and Challenges:

The increasing global demand for finished technical and home textiles is driving the expansion of the textile finishing chemicals market. Despite having the world's largest cultivated cotton area, India contributes only 9% to global cotton production, indicating room for improvement. Challenges such as inconsistent pricing and unreliable raw material supplies have hindered productivity and impacted worker health in textile mills. Additionally, frequent strikes, layoffs, and retrenchments across cotton mills further slow industry growth. Raw material costs make up 35% of total textile manufacturing expenses, and there is a growing demand for enhanced cotton supply, particularly for long-staple cotton sourced from countries like Pakistan, Kenya, Uganda, Sudan, Egypt, Tanzania, the United States, and Peru.

India is a leading producer and exporter of dyes and dyestuffs, playing a crucial role in the global market. As the world's second-largest textile exporter, India serves as a key end-user industry for dye and dyestuff manufacturers. The country holds a 12% share of the global colorant industry, with over 65% of its production being exported. India's strong export focus has established it as a dominant global supplier of reactive, acid, and direct dyes, accounting for 10% of the world's trade in this segment. Currently, India exports dyes and dye intermediates to countries that were once its primary sources of imports. Major export destinations include the USA, Turkey, Bangladesh, China, Germany, Europe, Southeast Asia, and Taiwan.

Meanwhile, the Chinese government has tightened environmental regulations for chemical manufacturers to control air pollution, leading to stricter enforcement and higher compliance costs. Authorities have shut down major violators and increased operational expenses across the chemical sector, reducing the cost advantage that Chinese producers once had over global competitors. Additionally, China's adherence to its zero-COVID strategy has prompted end-user industries to diversify their supply chains, creating potential growth opportunities for exporters within India's specialty chemicals sector

Opportunities in Textile Chemical Industry

Expanding Textile & Apparel Industry: The rise of fast fashion, home textiles, and technical textiles, fueling the need for advanced textile chemicals like dyes, coatings, and softeners.

Growing Technical & Functional Textile: Rising adoption of anti-microbial, waterrepellent, and UV-resistant textiles in healthcare and defense sectors.

Rising Demand for Sustainability: Organic and sustainable fabrics, increasing the need for environmentally friendly dyes, bio-based finishes, and low-VOC chemicals.

Water & Energy Efficiency: Growth in wastewater treatment, watersaving, sustainable dyeing processes and low-effluent chemicals, driving the market for environmentally friendly auxiliaries.

Cleaning & Hygiene Segment

The global household cleaning products market is projected to expand from USD 100.50 billion in CY2021 to USD 177.13 billion by CY2030E, reflecting an anticipated compound annual growth rate (CAGR) of 6.5%, according to Spherical Insights Consulting. This market expansion is driven by increasing awareness of hygiene and cleanliness, influenced by individual concerns as well as the impact of the COVID-19 pandemic. The growing consciousness among consumers regarding maintaining a clean living environment has been a primary catalyst for market growth. Additionally, factors such as an aging population, rapid urbanization, and rising disposable incomes are expected to further drive demand for household cleaning products.

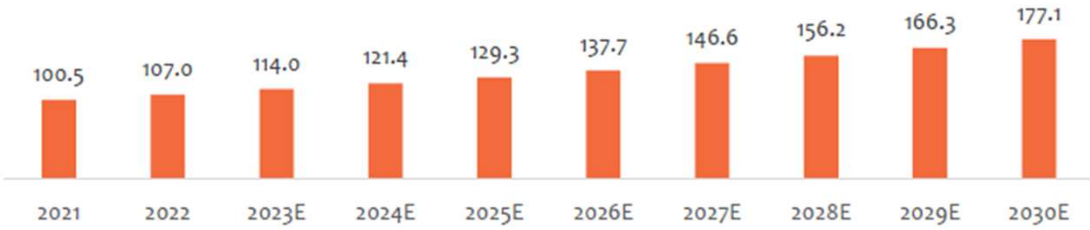
The surface cleaners segment currently holds the largest market share and is poised for substantial growth, driven by consumers' increasing reliance on surface disinfectants, particularly following the COVID-19 pandemic. The demand for surface cleaning solutions has surged due to heightened awareness of personal hygiene and the risks associated with contagious illnesses. North America remains the dominant region in the household cleaning products market, with the United States witnessing a notable rise in the use of cleaning chemicals. This expansion is attributed to a growing middle-class demographic, higher living standards, and a strong employment rate. In Italy, the home cleaning products market is being propelled by increased demand for high-quality cleaning solutions, stricter hygiene standards, and the entry of new industry players.

According to Future Market Insights, the global hand sanitizer market is projected to reach USD 1.8 billion by CY2023 and further expand to USD 3.7 billion by CY2033E, with an estimated CAGR of 7.2% from CY2023E to CY2033E. Meanwhile, Market Research Future forecasts that the global floor cleaner market will attain USD 20.46 billion by CY2030E, growing at a CAGR of 4.9%.

India's Thriving Household Cleaning Market:

India's household cleaning market is experiencing rapid growth, fueled by increasing hygiene awareness and a significant rise in disposable income, particularly among middle-income groups. A recent study by BlueWeave Consulting estimates that India's household cleaning market reached USD 7.6 billion in CY2022. It is projected to grow at a CAGR of 21.4% from CY2023 to CY2029E, reaching a valuation of USD 29.6 billion by CY2029E. Key drivers of this growth include urbanization, rising disposable incomes, evolving consumer lifestyles, and increasing hygiene awareness. The expansion of organized retail outlets, especially in Tier 2 and Tier 3 cities, has further contributed to market growth.

Global Housing Cleaning Products Market Size(USD Bn)



Source: Industry Reports, Exencial Research

The Indian government has been actively promoting household hygiene awareness in rural areas through various initiatives. Additionally, consumer preferences are shifting toward specialized cleaning solutions for different surfaces, including glass, stainless steel, wood, and concrete. The increasing demand for eco-friendly cleaning products made from natural ingredients such as citrus solvents, corn starch, oxygen bleach, baking soda, and alcohol is further driving market expansion.

However, price sensitivity and intense competition may act as challenges to overall market growth during the forecast period. According to GreyViews, India's floor cleaning and mopping machine market was valued at USD 0.50 billion in CY2022 and is expected to reach USD 1.2 billion by CY2030E, with an estimated CAGR of 12.0% from CY2023E to CY2030E. The rise in dual-income nuclear families has contributed to the growing demand for automated cleaning solutions. Additionally, the "Make in India" initiative has encouraged local manufacturers to enter the market, further accelerating its growth.

Oil & Gas Industry - Opportunities

Expanding of Domestic Production
•ONGC, Oil India, and private players like Reliance and Cairn India are expanding their upstream activities.
•Enhanced oil recovery techniques require demulsifiers, corrosion inhibitors, and paraffin dispersants.

Deepwater & Unconventional Drilling
•Increasing offshore and deepwater exploration necessitates high-performance drilling and cementing fluids.
•Rising Shale Gas and CBM exploration drive demand for fracturing and stimulation chemicals.

Environmental & Safety Regulations
•Eco-friendly and high-performance drilling fluids are being developed to minimize environmental impact.
•Non-toxic and water-based drilling fluids (WBM) are gaining traction.

Infrastructure & Pipeline Projects

•Expansion of refineries and natural gas pipeline networks is boosting demand for cementing and production chemicals.
•New oil & gas wells require advanced cementing fluids.

Technological Advancements
•Hydraulic fracturing (fracking) for extraction is leading to increased demand for fracturing fluids and proppants.

Water Treatment Industry - Opportunities

Rising Industrialization & Urbanization
•Growth in sectors such as power, chemicals, textiles, and pharmaceuticals is increasing the demand for water treatment solutions.
•Rising water pollution and a growing population are driving the need for advanced municipal water treatment systems.

Stringent Environmental Regulations
•Effluent treatment laws impose limits on parameters such as COD, TDS, TSS, and BOD in industrial wastewater.
•Zero Liquid Discharge (ZLD) policies promote the use of coagulants and flocculants.

Eco-Friendly & Technological Advancements
•The adoption of eco-friendly and biodegradable polymers is increasing.
•Advances in nanotechnology and smart polymers are enhancing water treatment solutions.

Water Scarcity & Desalination
•Severe water scarcity is driving investments in desalination plants.
•Desalination requires antiscalants and metal chelating agents to improve efficiency and reduce maintenance costs.

Expansion of Power & Energy Sector
•The thermal power sector relies on scale inhibitors and antiscalants to maintain boiler efficiency.
•Growth in renewable energy sources such as hydropower, bioenergy, and solar is further driving industry demand.

Exhibit 14: Leadership Team & their Background

Name	Designation	Background
Surendrakumar Tibrewala	Chairman & Managing Director	B.Com and LLB with more than 4 decades of experience.
Sanjay Tibrewala	Executive Director	B. Com and Post Graduate in Specialized Chemistry & Textile Processing with more than 2 decades of experience.
Aarti Jhunjhunwala	Executive Director	B. Com and M. Com with more than 15 years of experience
Arindham Choudhari	CEO(Textile)	B. Tech and Marketing Management with more than 22 years of experience.
Noa N. Ouakass	CEO - Biotex	M.Sc , MBA
Kedhar Sankar Sonai	Executive Director - Biotex	M.Tech, MBA
Manoj Sharma	Senior Manager - Fineotex	B Tech
Madhukar Shenoy	Business Head – Consumer & Industrial Care	BE Chemical Engineering & Certified in Business & Climate Change
Sachin Bandodkar	Business Head – Oil Field Speciality Chemical	MSc., Organic Chemistry

Source: Company, Exencial Research

Exhibit 15: Quarterly Income Statement

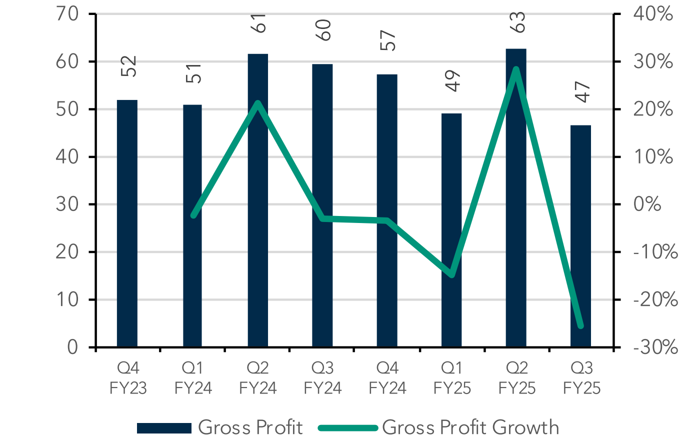
Particulars (cr. ₹)	Q3 FY25	Q2 FY25	QoQ	Q3 FY24	YoY
Sales	**126**	**146**	**-13.6%**	**138**	**-9.1%**
sales growth	*-13.6%*	*2.7%*		*-4.7%*	
COGS	79	83	-4.5%	79	0.5%
COGS % of Sales	*63.0%*	*57.0%*		*57.0%*	
Gross Profit	**47**	**63**	**-25.7%**	**60**	**-21.7%**
Gross Profit Margin	*37.0%*	*43.0%*		*43.0%*	
SG&A Expenses	0	0	NA	0	NA
SG&A Expenses % of sales	*0.0%*	*0.0%*		*0.0%*	
Employee Cost	6	6	-0.9%	5	11.1%
Employee Cost % of sales	*4.8%*	*4.2%*		*3.9%*	
Other Expense	0	0	NA	0	NA
Other Expense % of sales	*0.0%*	*0.0%*		*0.0%*	
EBITDA	**34**	**36**	**-5.8%**	**40**	**-15.0%**
EBITDA % of Sales	*27.2%*	*25.0%*		*29.1%*	
Depreciation & Amortization	3	2	9.2%	1	81.0%
Depreciation & Amortization % of Sales	*2.1%*	*1.6%*		*1.0%*	
Other Income	5	7	-27.7%	5	1.0%
Other Income % of Sales	*4.0%*	*4.7%*		*3.6%*	
Interest	0	0	-5.1%	0	-30.8%
Interest % of Sales	*0.2%*	*0.1%*		*0.2%*	
Profit Before Tax	**36**	**41**	**-10.4%**	**44**	**-16.2%**
PBT % of sales	*29.0%*	*27.9%*		*31.5%*	
Income Tax	9	9	0.2%	11	-18.7%
Effective tax rate	*23.7%*	*21.2%*		*24.4%*	
Profit After Tax	**28**	**32**	**-13.2%**	**33**	**-15.5%**
Extra Items	0	0	NA	0	NA
Net Profit	**28**	**32**	**-13.2%**	**33**	**-15.4%**
Net Profit Margin	*21.9%*	*21.9%*		*23.6%*	
EPS	**2**	**3**	**-13.3%**	**3**	**-19.2%**

Source: Company, Exencial Research

Exhibit 16: Quarterly Revenue

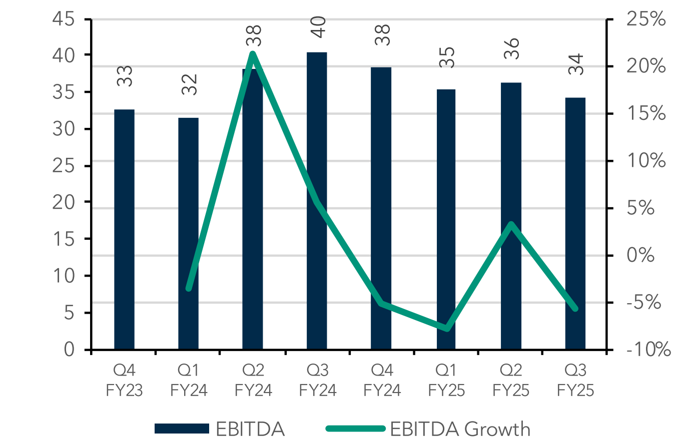
Source: Company, Exencial Research

Exhibit 17: Quarterly Gross Profit



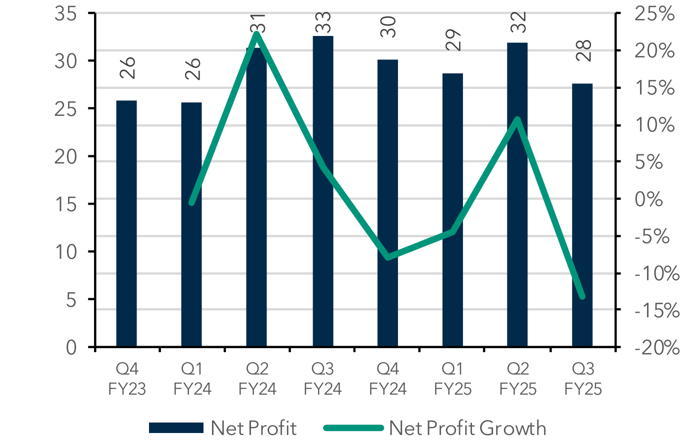
Source: Company, Exencial Research

Exhibit 18: Quarterly EBITDA



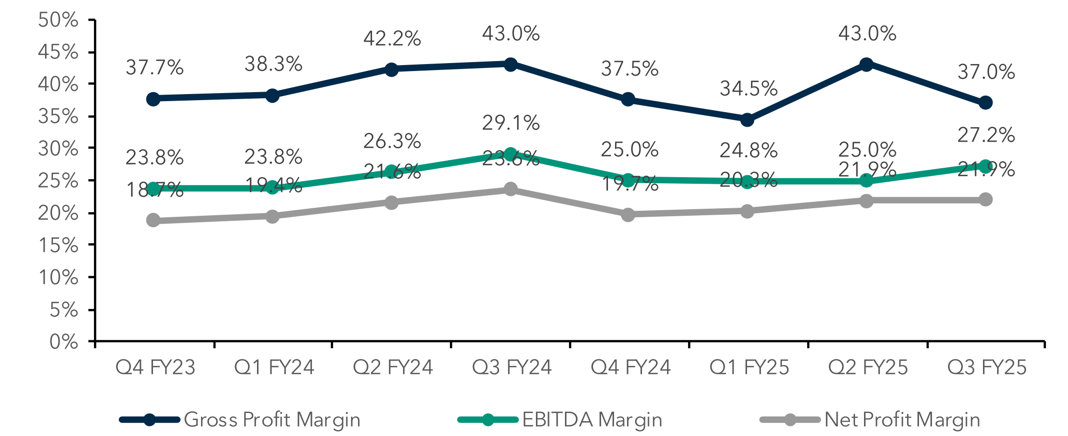
Source: Company, Exencial Research

Exhibit 19: Quarterly Net Profit



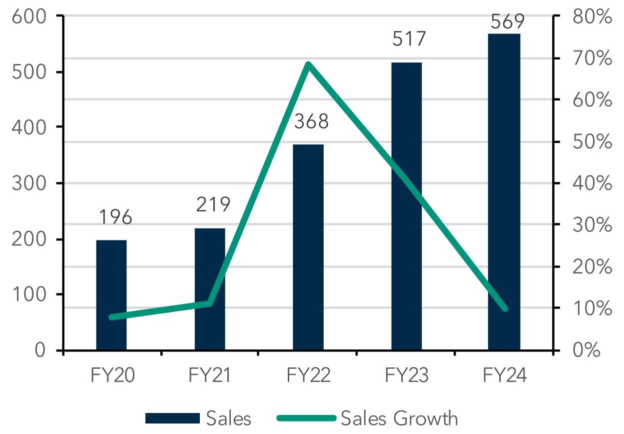
Source: Company, Exencial Research

Exhibit 20: Quarterly Margins



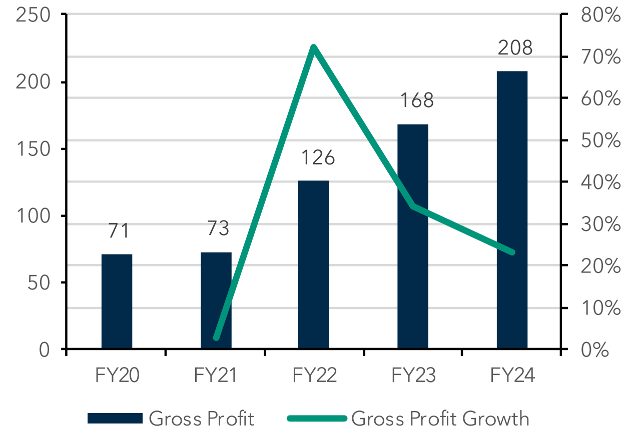
Source: Company, Exencial Research

Exhibit 21: Annual Revenue



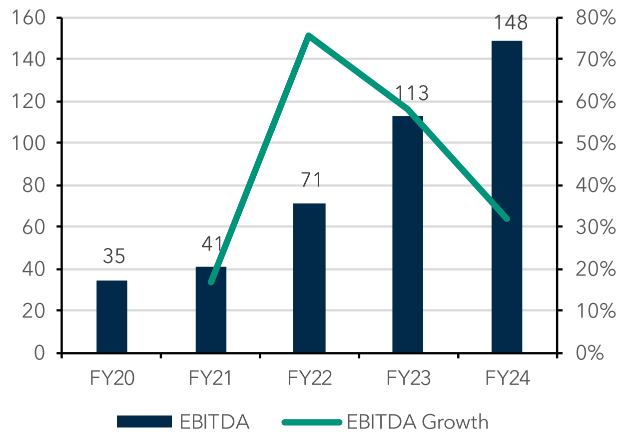
Source: Company, Exencial Research

Exhibit 22: Annual Gross Profit



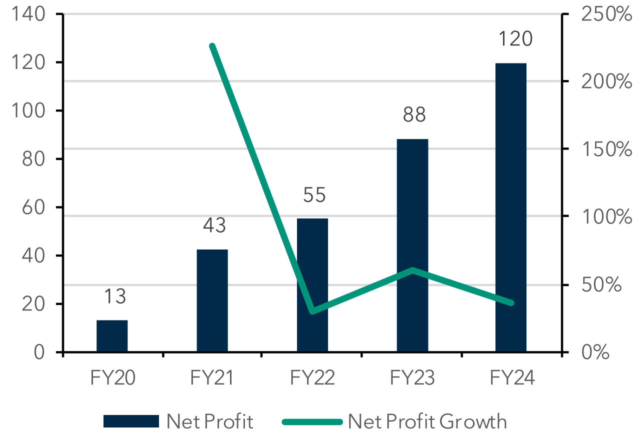
Source: Company, Exencial Research

Exhibit 23: Annual EBITDA



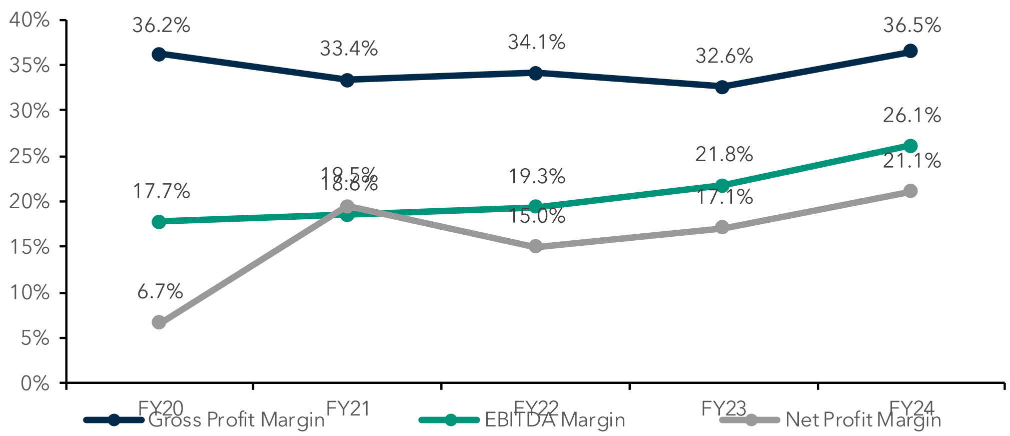
Source: Company, Exencial Research

Exhibit 24: Annual Net Profit



Source: Company, Exencial Research

Exhibit 25: Annual Margins



Source: Company, Exencial Research

Exhibit 26: Annual Income Statement

Particulars (cr. ₹)	FY20	FY21	FY22	FY23	FY24
Sales	**196**	**219**	**368**	**517**	**569**
sales growth	*7.7%*	*11.3%*	*68.5%*	*40.4%*	*10.1%*
COGS	125	146	243	349	361
COGS % of Sales	*63.8%*	*66.6%*	*65.9%*	*67.4%*	*63.5%*
Gross Profit	**71**	**73**	**126**	**168**	**208**
Gross Profit Margin	*36.2%*	*33.4%*	*34.1%*	*32.6%*	*36.5%*
SG&A Expenses	21	19	36	32	34
SG&A Expenses % of sales	*10.6%*	*8.7%*	*9.8%*	*6.2%*	*6.0%*
Employee Cost	9	9	14	18	21
Employee Cost % of sales	*4.4%*	*4.1%*	*3.7%*	*3.6%*	*3.7%*
Other Expense	5	5	6	8	9
Other Expense % of sales	*2.5%*	*2.5%*	*1.6%*	*1.6%*	*1.6%*
EBITDA	**35**	**41**	**71**	**113**	**148**
EBITDA % of Sales	*17.7%*	*18.6%*	*19.3%*	*21.8%*	*26.1%*
Depreciation & Amortization	1	1	3	4	6
Depreciation & Amortization % of Sales	*0.6%*	*0.7%*	*0.7%*	*0.8%*	*1.1%*
Other Income	2	17	6	7	17
Other Income % of Sales	*0.8%*	*8.0%*	*1.5%*	*1.4%*	*2.9%*
Interest	1	1	1	1	1
Interest % of Sales	*0.3%*	*0.3%*	*0.3%*	*0.2%*	*0.2%*
Profit Before Taxes and Exceptional Items	**35**	**56**	**73**	**115**	**158**
Exceptional Items	(13)	0	0	0	0
Profit Before Tax	**22**	**56**	**73**	**115**	**158**
PBT % of sales	*11.2%*	*25.6%*	*19.9%*	*22.2%*	*27.7%*
Income Tax	8	11	16	25	37
Effective tax rate	*34.8%*	*20.2%*	*22.4%*	*22.0%*	*23.2%*
Profit After Tax	**14**	**45**	**57**	**90**	**121**
Extra Items	0	0	0	0	0
Minority Interest	(1)	(2)	(2)	(1)	(1)
Net Profit	**13**	**43**	**55**	**88**	**120**
Net Profit Margin	*6.7%*	*19.5%*	*15.0%*	*17.1%*	*21.1%*
EPS	**1**	**4**	**5**	**8**	**11**

Source: Company, Exencial Research

Exhibit 27: Balance Sheet

Particulars (cr. ₹)	FY20	FY21	FY22	FY23	FY24
Total Non Current Assets	**92**	**101**	**107**	**197**	**258**
Gross Block	40	60	87	107	155
Accumulated Depreciation	3	5	7	12	18
Impairment of Assets	0	0	0	0	0
Net Block	37	56	80	95	137
Lease Adjustment A/c	0	0	0	0	0
Capital Work in Progress	1	5	0	0	0
Long Term Investments	44	32	17	89	108
Long Term Loans & Advances	7	6	6	9	13
Other Non Current Assets	0	0	0	1	0
Total Current Assets	**108**	**158**	**225**	**217**	**279**
Inventory	21	29	60	47	50
Accounts Receivable	54	83	111	101	139
Short Term Investments	8	1	0	0	39
Cash & Bank Balances	18	34	38	60	40
Other Current Assets	5	3	2	3	5
Short Term Loans and Advances	1	9	14	5	6
Total Assets	**207**	**267**	**339**	**423**	**548**
Shareholders Funds	**170**	**209**	**262**	**349**	**447**
Share Capital	22	22	22	22	22
Share Warrants	0	0	0	0	0
Reserves	147	187	240	326	424
Total Non Current Liabilities	**0**	**1**	**2**	**3**	**5**
Secured Loans	0	0	0	0	0
Unsecured Loans	0	0	0	0	0
Deferred Tax Assets/Liabilities	(1)	1	1	2	4
Other Long Term Liabilities	0	1	1	1	1
Long Term Provisions	0	0	0	0	0
Total Current Liabilities	**31**	**50**	**68**	**64**	**89**
Accounts Payable	23	37	59	47	73
Short Term Loans	3	3	2	7	5
Other Current Liabilities	5	9	7	9	11
Short Term Provisions	0	0	0	0	0
Total Liabilities	**207**	**267**	**339**	**423**	**548**

Source: Company, Exencial Research

Exhibit 28: Cash Flow Statement

Particulars (cr. ₹)	FY20	FY21	FY22	FY23	FY24
Cash from Operating Activity	**28**	**9**	**13**	**107**	**97**
Profit Before Tax	22	56	73	115	158
Adjustments	14	(13)	(1)	1	(8)
OCF Before Working Capital	36	43	73	116	150
Working Capital Changes	1	(24)	(42)	18	(14)
Taxes Paid	(8)	(10)	(17)	(26)	(39)
Cash from Investing Activity	**(19)**	**(7)**	**(1)**	**(102)**	**(47)**
Net Fixed Assets Purchased	(6)	(24)	(23)	(19)	(48)
Fixed Assets Purchased	(6)	(24)	(23)	(19)	(48)
Fixed Assets Sold	0	0	0	0	0
Investment Purchased	(13)	0	0	(69)	(6)
Investment Sold	0	26	17	0	0
Interest Recieved	1	2	1	1	2
Dividends Recieved	0	0	0	0	0
Subsidiary Investments	0	0	0	0	0
Cash from Financing Activity	**(4)**	**(4)**	**(6)**	**(6)**	**(24)**
Proceeds From Shares	0	0	0	0	0
Net Long Term Borrowings	(0)	0	0	0	0
Proceeds From Borrowings	0	0	0	0	0
Repayment From Borrowings	(0)	0	0	0	0
Interest Paid	(1)	(1)	(1)	(1)	(1)
Dividend Paid	(3)	(1)	(5)	(6)	(23)
Net Cash Flow	**5**	**(2)**	**7**	**(1)**	**27**
Opening Cash & Cash Equivalents	17	23	21	29	30
Effect of FX	0	(1)	1	2	(1)
Closing Cash & Cash Equivalents	**23**	**21**	**29**	**30**	**56**
Net Capex (est)	6	24	23	19	48
Free Cash Flow (est)	**22**	**(15)**	**(9)**	**88**	**50**

Source: Company, Exencial Research

Exhibit 29: Checklists

Benjamin Graham's Checklist	10 /13
EPS, Fiscal Year - Last Reported Year (> 0)	✓
EPS, Fiscal Year - 1 Year Ago (> 0)	✓
EPS, Fiscal Year - 2 Years Ago (> 0)	✓
EPS, Fiscal Year - 3 Years Ago (> 0)	✓
EPS, Fiscal Year - 4 Years Ago (> 0)	✓
EPS, Trailing 4 Quarters (> 0)	✓
Current Price to Book Value (> 0 And < 1.2)	✗
Current Ratio (≥ 1.5)	✓
Dividend Yield % (> 0)	✓
EPS, Trailing 4 Quarters > EPS, 4 Years Ago	✓
EPS, Last Fiscal Year > EPS, 4 Years Ago	✓
LT Debt to WC Ratio (> 0 And < 1.1)	✗
P/E Percent Rank (≤ 10)	✗

Peter Lynch's Checklist	6 /8
Sector	✓
Industry Name	✓
P/E Rank in Group (> 50)	✓
P/E Less Than 5 Years Average	✓
Dividend-Adjusted Peg (≤ 0.50)	✓
Annual EPS % Growth 5 Year (< 50%)	✗
% Held By Institutions Less Than Median	✗
total Liabilities/Assets Ratio Less Than Industry Median	✓

Warren Buffett's Checklist	15 /16
Operating Margin ≥ Industry Median	✓
Profit Margin ≥ Industry Median	✓
Total Liabilities/total Assets Ratio < Industry Median	✓
EPS Growth Rate %, 5 Year Pct Rank (≥ 75)	✓
EPS 3-Year Growth Rate ≥ 5-Year Growth Rate	✗
EPS, Trailing 4 Quarters (> 0)	✓
EPS, Fiscal Year - Last Reported Year (> 0)	✓
EPS, Fiscal Year - 1 Year Ago (> 0)	✓
EPS, Fiscal Year - 2 Years Ago (> 0)	✓
EPS, Fiscal Year - 3 Years Ago (> 0)	✓
EPS, Fiscal Year - 4 Years Ago (> 0)	✓
EPS, Fiscal Year - 5 Years Ago (> 0)	✓
EPS, Fiscal Year - 6 Years Ago (> 0)	✓
Return On Equity (> 12 %)	✓
ROE, 5-Year Average (> 12 %)	✓
Sustainable Growth (≥ 15 %)	✓

James P. O'Shaughnessy's Checklist	2 /5
Relative Strength, 3 Month (> 50)	✗
Relative Strength, 6 Month (> 50)	✗
Market Capitalization (Crore) (≥ 500 And ≤ 5000)	✓
Current Price to Sales Ratio (< 1.50)	✗
1-Year EPS Growth Rate (%) (> 0)	✓

Source: Company, Exencial Research

Ratings and other definitions/identifiers

Definitions of ratings

For stocks

Rating	Definition
BUY	We expect this stock to deliver more than 15% returns over the next 18 to 24 months.
ADD	We expect this stock to deliver 5-15% returns over the next 18 to 24 months.
REDUCE	We expect this stock to deliver -5-+5% returns over the next 18 to 24 months.
SELL	We expect this stock to deliver <-5% returns over the next 18 to 24 months.

Our Fair Value estimates are also on a 18 to 24-month horizon basis. Our Rating System does not take into account short-term volatility in stock prices related to movements in the market. Hence, a particular rating may not strictly be in accordance with the Rating System at all times.

Other definitions

Coverage view. The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: **Least Preferred, Neutral and Most Preferred.**

Rating	Definition
LEAST PREFERRED	We expect this asset class to deliver the least attractive risk adjusted returns over the next 18 to 24 months within our asset class universe
NEUTRAL	We expect this asset class to deliver risk adjusted returns over the next 18 to 24 months in line within our asset class universe
MOST PREFERRED	We expect this asset class to deliver the most attractive risk adjusted returns over the next 18 to 24 months within our asset class universe

Other ratings/identifiers

Rating		Definition
NR	**Not Rated**	The investment rating and fair value, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Exencial Research Partners policies in circumstances when Exencial Research Partners or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.
CS	**Coverage Suspended**	Exencial Research Partners has suspended coverage of this company.
NC	**Not Covered**	Exencial Research Partners does not cover this company.
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NA	**Not Available or Not Applicable**	The information is not available for display or is not applicable.
NM	**Not Meaningful**	The information is not meaningful and is therefore excluded.

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