



November 3, 2022

To,

General Manager, Listing Department, BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001 Company code: 533333	The Manager, Listing & Compliance Department The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051 Company code: FCL
---	---

Dear Sir/Madam,

Subject: Press Release – Assignment of ICRA Credit Ratings

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of press release issued by the Company, the content of which is self-explanatory.

This is for the information of the stakeholders.

Please take the same on your record.

Thanking you.

Yours faithfully,
For FINEOTEX CHEMICAL LIMITED

Hemant Auti
CS & Compliance Officer



Fineotex Chemical Limited

CIN: L24100MH2004PLC144295

Head Office: Manorama Chambers, S. V. Road Bandra (West), Mumbai - 400 050, India

Fineotex is pleased to announce its notable ICRA Rating

November 2nd 2022: Fineotex Chemical Limited (BSE: 533333, NSE: FCL), a leader of speciality chemicals headquartered in Mumbai, India, is proud to announce its latest ICRA ratings as below:

Long Term - Fund Based - Cash Credit	A(Stable) assigned
Short Term - Fund Based - Overdraft	A1 assigned
Short Term - Fund Based - Others	A1 assigned
Short Term - Non-Fund Based - Letter of Credit	A1 assigned
Short Term - Non-Fund Based - Others	A1 assigned

In its report dated 3 November 2022, ICRA while giving the rating rationale, stated that: "The ratings consider the established track record of Fineotex Chemical Limited (FCL, the company) in textile chemicals, the experience of the promoters and a diversified customer base comprising reputed companies in the domestic and export markets. The ratings also take note of the company's R&D capabilities, the capacity expansion undertaken in recent years and diversification into non-textile segments. ICRA also favourably considers its financial risk profile, characterised by healthy profit margins, comfortable capital structure and strong coverage indicators, despite the working capital-intensive nature of operations. "

On the future outlook, ICRA report further opined that "The Stable outlook on the [ICRA]A rating reflects ICRA's opinion that FCL's credit profile will remain comfortable, aided by expected growth in cash accruals with the ramp up in volumes and healthy profit margins"

On a cautionary note, the report said that "The company is exposed to the volatility in raw material prices. However, it has been able to pass on the price fluctuations due to its focus on specialty chemicals and customised value-added solutions, with the OPM remaining in the range of 18-22% in the last five years."

For the detailed parameter analysis, ICRA has analysed the company's performance on various key rating drivers and provided the following clarifications:

Credit strengths:

While commenting on company's credit position, the report is felt that

- a) FCL has a long track record in textile chemicals, with experienced promoters and established relationship with reputed customers in the domestic and international markets. The company is focused on specialty chemicals and customised solutions, which has helped the company add new customers over the years as well increase sales to existing customers.

- b) The company has in-house R&D facilities to develop customised specialty chemical solutions, catering to applications across the value chain. Its Malaysian subsidiary caters to high-end specialty textile applications.
- c) The company has a strong financial risk profile, reflected in healthy profit margins and comfortable capital structure and strong coverage indicators. The consolidated entity's revenue had grown at a CAGR of ~12% during FY2018 to FY2021, while the OPM and NPM had remained in the range of 18-22% and 7-20%, respectively. In FY2022, the company's revenues grew 68.5% YoY, and further the OPM and NPM were at 19.5% and 15.4%

Liquidity position: Strong

The report felt the liquidity position of the company to be strong on the basis that "FCL has no long-term debt repayment obligations in FY2023 and have moderate capex plans, against which the cash accruals are expected to witness healthy growth during the year (PY Rs. 51.8 crore), aided by the ramp-up in capacity utilisation. The liquidity position is further strengthened by the healthy cash and bank balance of Rs. 31.3 crore (as on March 31, 2022), apart from investments in mutual funds and availability of unutilised working capital limits."

About Fineotex Chemical Limited:

Founded in 1979, Fineotex Chemical (BSE: 533333 | NSE: FCL) is leading specialty chemical producer and a solution provider, having a market leading position in the specialty chemicals, in the international business as well as the domestic textile industry. Company manufactures chemicals for the entire value chain for the textile industry including pre-treatment, dyeing, printing and finishing process. The Company has successfully expanded into home care, hygiene and drilling speciality chemicals sector and manufactures over 475 products exporting to over 69 countries.

The Company has manufacturing facilities in Mumbai and Ambarnath, India and Selangor, Malaysia with combined capacity of 104,000 MT.

The subsidiary in Malaysia, Biotex Malaysia drives all the R&D initiatives of the Company and overall new product development.