



3rd July, 2021

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
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Dear Sir/Madam,

Subject:- Press Release – Assignment of CRISIL Ratings

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

This is for the information of the exchange and the members.

FOR FINEOTEX CHEMICAL LIMITED



Sanjay Tibrewala
Executive Director
DIN: 00218525



Fineotex Chemical Limited

CIN: L24100MH2004PLC144295

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

Press Release

Fineotex Group is proud to announce an impressive CRISIL rating

Mumbai, July 03, 2021: Fineotex Chemical Limited (BSE: 533333, NSE: FCL), a global leader of speciality chemicals headquartered in Mumbai India, is proud to announce its **CRISIL long term rating as A-** which denotes **Stable**. The **short-term** rating is **CRISIL A2+**. CRISIL A-/Stable/CRISIL A2+¹ is assigned to Bank Debt.

In its detailed report, CRISIL reasoned the rating to: “The established position of the company in the textile chemicals segment with reputed clientele, healthy operating efficiency, strong financial risk profile and the extensive industry experience of its promoters. These strengths are partially offset by exposure to volatility in raw material prices and competition from multinational companies, and the moderate scale of operations.”

CRISIL highlighted the company’s strength as: established position in the specialty textile chemicals market and reputed clientele, healthy operating efficiency and strong financial risk profile. Declaring the outlook as “stable”, the CRISIL report said, “CRISIL Ratings believes the business risk profile of FCL will benefit from ramping up of new capacities and improving performance of end-user segments. The financial risk profile will continue to be healthy, supported by steady cash accrual, and low debt.”

CRISIL lauded FCL’s healthy business risk profile driven by the strong market position in textile chemicals due to robust Research and Development (R&D) capabilities and increasing brand presence and network. Over the last five years, the company achieved a 15% growth in compounded terms with regular addition of capacities and established clientele in domestic as well as international markets spread over 69 countries. It offers more than 400 products. Over the medium term, growth will be driven by the addition of capacities in the new plant at Ambarnath, Maharashtra; increasing wallet share among existing customers and changing customer preference leading to increased use of technical textiles.

The report said, “Revenue is expected to grow 50-60% in fiscal 2022 driven by ramp up in new capacities and expected investment plan for expansion. Diversification into new segments in the last two years, namely drilling chemicals and home care and hygiene chemicals, to further support overall growth for the company. Healthy operating

efficiency of FCL is expected to sustain with margins of 18-20% and return on capital employed (RoCE) of more than 20% over the medium term.”

“Financial risk profile is healthy supported by strong capital structure and moderate cash accrual. Gearing is expected to remain below 0.5 time in fiscal 2022 despite large capital expenditure (capex) for organic or inorganic expansion. FCL is expected to generate net cash accrual of Rs 50-70 crore per annum, which will be sufficient for debt repayment and incremental working capital requirement.”

Fineotex at a glance: Fineotex is a leading speciality chemical producer with a market leader position in the international textiles industry. The company has entered the next phase of growth by diversifying into growing home care and hygiene products, and drilling specialty chemical segments. The subsidiary in Malaysia, Biotex leads the R&D initiatives and the overall product development and is a Bluesign System Partner. FCL has been recognized for its sustainability practices by leading global organisations. The business is well-diversified across key international textile hubs such as Brazil, Germany, Turkey, Bangladesh, Indonesia, Malaysia, Thailand, USA and Vietnam. FCL’s objective is to leverage Fineotex and Biotex’s strengths to expand its market share across existing and new customers in both Indian and international markets.

For further information, please contact:

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Cautionary Statement: This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Fineotex’s future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Fineotex undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.