

The CUB Series

*“Catch the CUB before it
roars like a Lion”*



Adi Finechem Ltd

Initiating Coverage (CMP INR 229)

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It is our pleasure to initiate coverage on **Adi Finechem Ltd.** under the **‘CUB’ series**. Under the **‘CUB’ series**, we are covering small-cap companies with robust long-term growth potential. Our endeavor is to recommend small-cap companies with limited coverage owing to low liquidity and small business size. But, these companies have robust long-term fundamentals and sustainable structural growth drivers.

According to us, investment themes in equity markets play out over a long-term period and the potential payoffs take time to materialise. A number of multi-bagger stocks are still available in the Indian market across various sectors. Under the **CUB series** our goal is to identify quality small-cap companies in the early stages of significant growth cycle.

Some of the important attributes of CUB series stocks are as under:

- * Small cap companies with robust long-term growth potential
- * Steady cash flows, healthy balance sheets and return ratios
- * Good corporate governance
- * Not widely covered and liquidity could be an issue

Key risks to investing in CUB Series

- * Despite being potential multi-baggers the CUB stocks are essentially micro cap plays and tend to be more risky vis-à-vis Large- and Mid-Caps
- * The CUB stocks also tend to be highly volatile and fluctuate sharply on either side
- * The CUB stocks tend to be relatively illiquid when compared to Large- and Mid-Caps
- * The clients should exercise utmost care while investing in CUB stocks; patience and discipline are key
- * Clients should set aside only a small proportion of their investible surplus towards CUB stocks to mitigate risks
- * Try to diversify your exposure to CUB stocks by investing in multiple stocks rather than bet on just a few scrips

Adi Finechem Ltd. (ADFL) is a manufacturer of niche, high-value oleo-chemicals. We like the company due to its sole Indian producer status for few key products, low production costs and strong growth expected on account of capacity expansion.

Investment Rationale

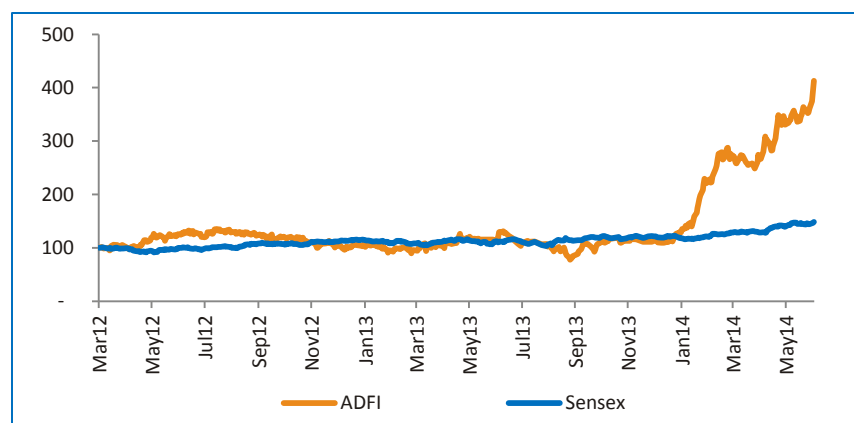
- * Approximately 70% increase in its production capacity (by FY15-end) will support strong revenue CAGR of 35% over FY14-16. ADFL's status as sole Indian producer of 3 key products (accounting for 54% of total revenues), steady long-term demand for oleo-chemicals & nutraceuticals globally (7-8% CAGR) and low production costs will ensure that the company is able to sell all its incremental production
- * The company's established relationship with raw material suppliers (vegetable oil refiners) ensures availability of key raw materials viz., de-odorised distilled and acid oil (a key challenge in this industry). Its ability to handle raw material streams of diverse composition and flexibility of plant to switch between products gives the company a strong competitive edge
- * Manufacturing of niche high-value products, and low fixed costs have enabled ADFL to generate high (relative to peers) EBITDA margins of 14-22% (FY11-14) and consequently sturdy RoCEs (~50% in FY15, 30-32% over FY12-13, 40%+ over FY14-16). We expect EPS to grow at 30% CAGR over FY14-16.
- * We initiate coverage with a BUY rating and target price of INR 301 (12x FY16 EPS).

(INR crore)	FY12	FY13	FY14	FY15E	FY16E
Net revenues	97	123	152	192	277
EBITDA margin	15	14	22	20	20
Adjusted PAT	7	8	19	22	31
Adj. EPS	8	7	15	17	25
P/E	30.0	31.0	15.4	13.3	9.1
P/B	9.2	8.5	6.1	4.3	3.0
RoACE	33	32	50	42	48
RoAE	35	31	48	38	39

Target (INR)	301*	CMP	229
Upside/downside (%)	32%*	52 week high/low	229/30
Rating	BUY	Market cap (INR crore)	287
		Avg. Daily Vol.	33,000

	Jun-13	Sep-13	Dec-13	Mar-14
Promoter	62.9	62.9	62.9	62.9
FII	0.7	0.7	0.7	0.4
DII	-	-	-	0.7
Others	36.4	36.4	36.4	36.0

Key non-promoter shareholders (as on March 2014)	%
Lalbhai Realty Finance Pvt. Ltd	2.6
Ajay Parikh	1.6
Dhirendra Shah	1.1
SBI small & midcap fund	0.5



Source: Edel Invest Research.

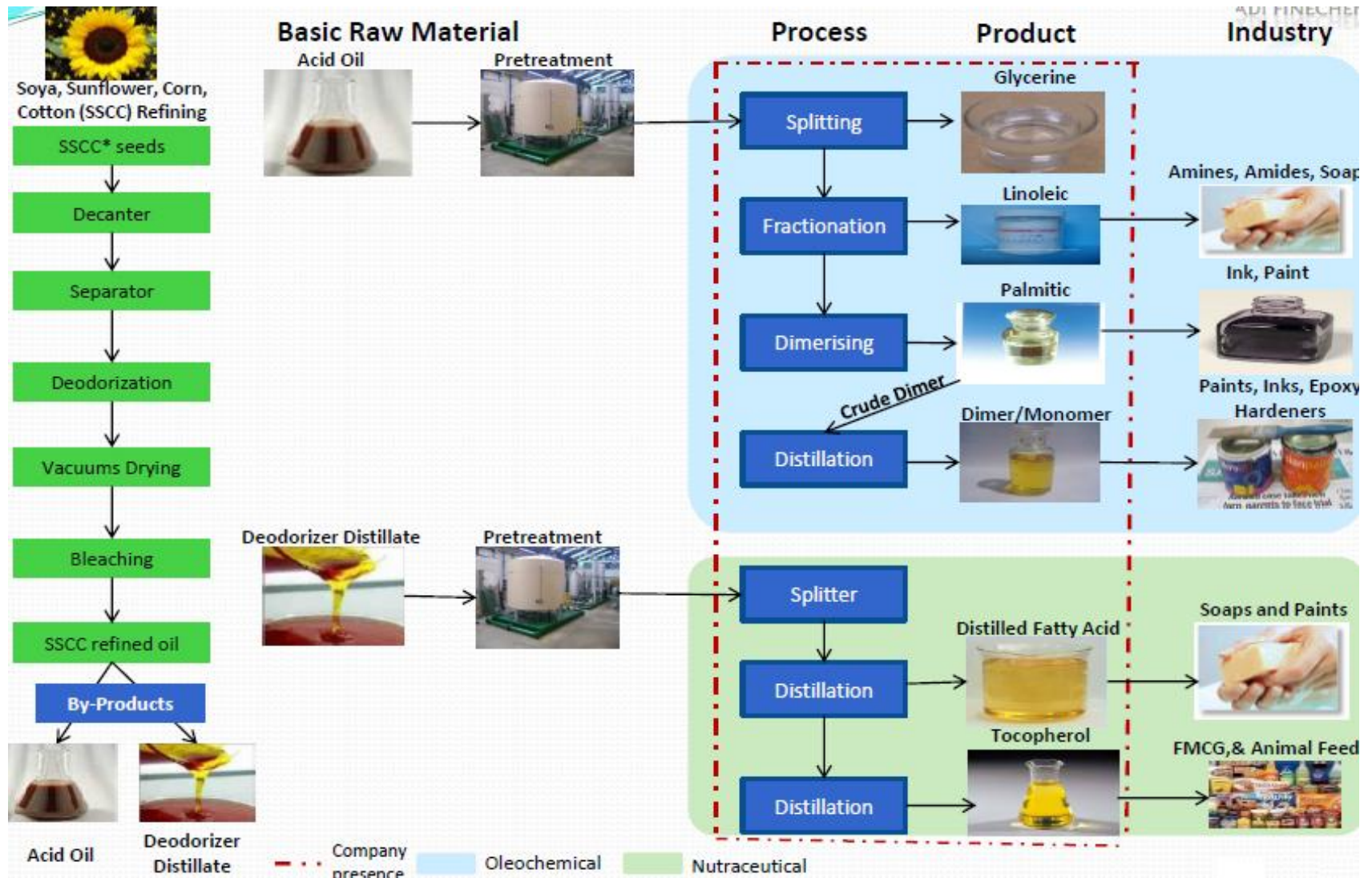
***The company has announced bonus of 1 share for every 10 share. Our EPS estimate and target price is not adjusted for bonus.**

Business overview

	Key products	Applications	Key Clients	Revenue (Share)	FY10-14 CAGR	
Nutraceutical	Mixed Tocopherol Concentrate (Tocopherol)	<ul style="list-style-type: none"> It is used to manufacture Natural Vitamin E Natural Vitamin E is used in food and cosmetic industry 	BASF, US (main client) ADM, US RIKEN, Japan TAMA, Japan	43 (28%)	42%	Sole Indian manufacturer of these 3 products
	Concentrated Sterols (Sterol)	<ul style="list-style-type: none"> It helps in controlling cholesterol level in body Used in food and pharmaceutical industry 	BASF, US	12 (8%)	NA	
	Dimer Acid (Dimer)	<ul style="list-style-type: none"> It is used to manufacture Polyamide Resins & Hot-melt Adhesives, which are used in epoxy and high-value paints It is also used in Adhesives, Lubricants, Fuel Oil additives and surfactants 	Asian paints Microinks Akerma	26 (17%)	32%	
Oleochemicals	Linoleic Acid (Linoleic)	<ul style="list-style-type: none"> It is used to produce fast drying protective coatings It finds applications in paints and printing inks It is also used in cosmetics and pharmaceuticals as it is useful prevent skin dryness & swelling and acne 	Asian Paints Contract manufacturers of large paint companies	14 (9%)	27%	
	By-products	<ul style="list-style-type: none"> It is produced during manufacturing of above chemicals Includes Monobasic Acid, Palmitic Acid, Distilled Fatty Acids It is used in soaps, detergents, paints and lubricants 	Local small manufacturers of FMCG products Traders, Agents	56 (37%)	41%	
Total				151	41%	

Source: Company, Edel Invest Research.

Manufacturing Process



Source: Company, Edel Invest Research.

- * **ADFL is sole manufacturer of Tocopherol, Sterol & Dimer in India. These 3 products accounted for 54% of its FY14 revenues**
 - The company has indigenously developed and perfected the process to manufacture these products
 - It has over 10 years of experience in manufacturing and marketing of these products in domestic as well as export markets

- * **The company exports all Tocopherol & Sterol production to leading global manufacturers of Vitamin E viz., BASF US, ADM US, TAMA Japan and RIKEN Japan**
 - Given its ability to effectively source raw materials and its low production costs, it is able to successfully compete with international manufacturers of Tocopherol
 - Internationally availability of raw material viz, soya deodorised distillate is a key challenge

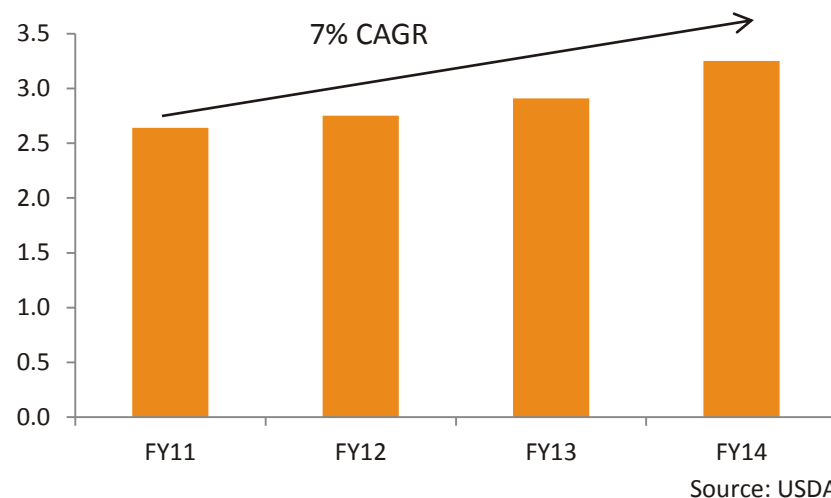
- * **Dimer is currently imported into India and ADFL is the only domestic manufacturer of this product in India**
 - ADFL prices it marginally lower than the landed price of imported Dimer
 - Further, it provides just-in-time delivery. In case of imports, the customer has to maintain inventory to ensure availability
 - Given these strong advantages, ADFL has been able to substitute imports and has been able to sell all its incremental production

- * **The company has been able to maintain high quality of products which has enabled it in meeting stringent quality requirements of reputed clients like BASF, Asian Paints etc**
 - For instance, as per company management, Asian Paints sources 70-80% of its linoleic acid requirement from ADFL

Access to raw material, ability to handle diverse compositions gives ADFL competitive edge

- * **ADFL uses by-products of vegetable oil refining viz., de-odorised distillate and acid oil as raw materials**
 - It primarily uses by-products of soya oil refining along with small quantities of sunflower, cottonseed and corn oil refining
 - Most of the large oleo-chemical manufacturers use virgin vegetable oils and global players face constraints on raw material availability
- * **India is 4th largest consumer of soya oil in world; strong growth in soya oil consumption (due to growing health consciousness) will further improve raw material availability for ADFL**
- * **It has already tied up raw material requirements for its expanded capacity (42,000 tpa)**
- * **Strong relationship with raw material suppliers ensures availability**
 - Nearly 30% of its raw material is sourced from Adani Wilmar while rest from 90+ large and small edible oil refineries
- * **Ability to handle diverse mix of raw material streams due to different sources while maintaining product quality is a key edge for ADFL**
- * **The company pays in advance/against delivery to ensure raw material availability**
 - It competes against unorganised low-cost soap manufacturers, which also use deodorised distillate/acid oil

India soya oil consumption (in mn tonne)



In tonne	FY14	FY15E	FY16E
India soya oil consumption	32,50,000	34,77,500	37,20,925
Acid oil production	40,625	43,469	46,512
Deodorised distillate production	8,125	8,694	9,302
Total raw material available	48,750	52,163	55,814
ADFI's effective raw material processing capacity	25,000	30,000	42,000

*We have considered only soya oil consumption; the company can process sunflower, cotton seed and corn oil as well

Source: Industry, Edel Invest research.

* **Approximately 70% increase in capacity to support strong revenue growth**

- The company is in the process of expanding its manufacturing capacity (based on raw material processed) from 25,000 tpa to 42,000 tpa through de-bottlenecking activities
- It aims to complete the installation and start trial runs by Oct-Nov 2014 and commence production by Dec. 2014
- It has planned a capex of INR 28 cr; of which it has already spent INR 18 cr in FY14. The expansion is being funded through internal accruals
- The company will focus on manufacturing domestic products (Dimer, Linoleic acid, other fatty acids) through the incremental capacity

* **Sole India maker for 3 key products, relationships with customers and low production costs will ensure high capacity utilisation**

- Globally, Tocopherol production is restricted by availability of raw materials viz., deodoriser distillate. ADFL's access to the raw material gives it a strong competitive edge. Vitamin E production is an oligopoly industry and ADFL supplies to 4 of the top global producers
- Indian Dimer consumption is estimated at 10,000 tpa; of which ADFL supplies ~22%. Thus, there is potential of ~4-5x growth in this product just by substitution of imports
- ADFL has strong relationship with paint manufacturers, which will enable it to sell its linoleic acid production. As per management, it produces one of the best quality of linoleic acids in India at the lowest cost

Growth in end-use industries to drive demand for ADFL's key products

* Dimer Acid, Linoleic Acid demand to track growth in underlying paints and ink industries

- Recovery in consumer sentiment and discretionary spending to drive 10-12% volume growth in paints industry. Printing Ink industry to witness similar 10-15% growth
- We expect ADFL to be able to substitute imports of Dimer due to its low cost advantage and strong customer relationships

* Global Tocopherol demand to witness steady 7% CAGR in long-term

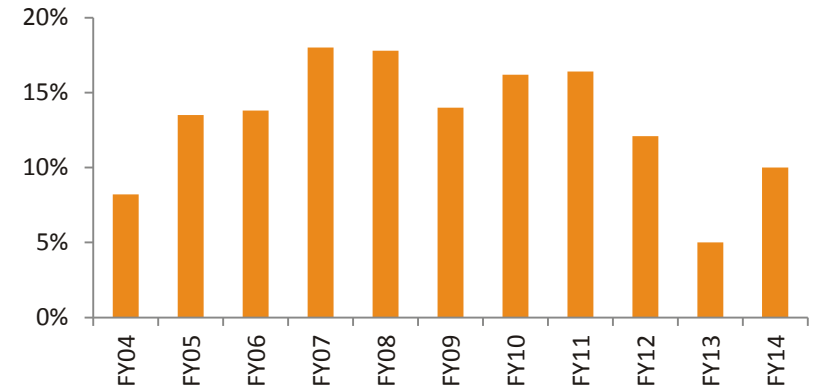
- We expect global Tocopherol demand to be driven by consumption of Vitamin E, which is expected to grow at 7% CAGR
- Growing health consciousness and multi-purpose usage (foods & beverages) will drive growth in Vitamin E demand

* Other fatty acid demand to be driven by growth in soaps, detergents and FMCG industries

* Fungible/flexible capacity ensures that the company is able to switch between products depending on demand environment

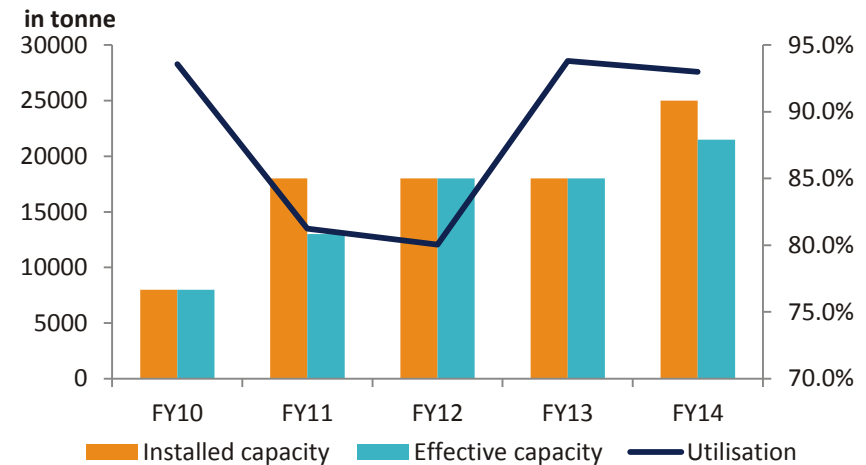
- The company can switch between deodoriser distillate and acid oil as the same plant/equipment can handle both the raw materials
- It can also shift between Dimer acid and Linoleic acid depending upon the demand condition
- The company has been historically able to maintain more than 80%+ utilisation due to this advantage

Asian Paints volume growth mirrors GDP growth



Source: Annual reports, Edel Invest Research

Capacity and utilisation trend



Capacity is based on raw material processing
Source: Company, Edel Invest research.

Niche high-value products, low production costs leading to high EBITDA margins/RoCEs

- * As compared to other oleo-chemical players, ADFL's focus on few niche high-value products has enabled it to generate better average realisations, high asset turns and strong RoCEs
- * It has been able to optimise its process to reduce its overall power & fuel costs. It has one of the lowest cost of production in India
- * It has one of the lowest fixed cost among peers. However, we believe that the same may go up as the size of company grows
- * The company's current working capital cycle is close to its peers
- * The high asset turns combined with high margins has enabled it to generate superior RoCEs viz-a-viz its peers

	Adi Finechem			Godrej Industries			Jocil Ltd		
	FY11	FY12	FY13	FY11	FY12	FY13	FY11	FY12	FY13
Net sales	57	97	123	1,112	1,438	1,465	383	392	408
Raw materials	36	65	87	686	864	929	281	278	275
Stock adjustments	1	-1	1	23	9	-26	11	-2	1
Cost of goods sold	35	66	86	662	855	954	270	280	275
gross margin	40%	32%	30%	40%	41%	35%	30%	29%	33%
Power and fuel cost	6	8	9	77	98	109	18	17	25
as % of sales	10%	8%	7%	7%	7%	7%	5%	4%	6%
Other manufacturing cost	2	3	4	52	63	65	32	37	42
as % of sales	4%	3%	3%	5%	4%	4%	8%	9%	10%
Employee cost	3	3	4	118	116	120	17	18	20
as % of sales	5%	3%	3%	11%	8%	8%	5%	5%	5%
SG&A	2	2	3	117	133	140	12	12	12
as % of sales	3%	2%	2%	11%	9%	10%	3%	3%	3%
EBITDA	11	15	17	86	174	77	34	28	35
EBITDA margin	18%	15%	14%	8%	12%	5%	9%	7%	9%
Depreciation	2	2	2	29	27	23	7	9	10
EBIT	9	13	15	57	147	53	28	20	25
EBIT margin	15%	13%	12%	5%	10%	4%	7%	5%	6%
Key Ratios									
Gross fixed Asset Turn	3.3	4.1	4.0	1.0	1.2	0.9	3.2	3.1	3.0
Inventory days	88	52	42	102	85	53	91	66	76
Debtor days	43	53	46	40	34	35	42	47	50
EBIT/Capital Employed	27.8%	28.3%	30.7%	3.4%	8.4%	2.1%	16.4%	12.3%	14.7%

Source: Capitaline, Edel Invest research.

Note: The product profile of Adi Finechem is different from Godrej Industries and Jocil. However, all of them are into oleo chemical manufacturing. ADFL has low fixed costs as compared to both JOCIL and Godrej Industries. Comparable data for FY14 was not available for Jocil.

* **Dependence on few niche products**

- Nearly 63% of the company's revenues are from 4 niche products viz., Tocopherol, Sterol, Dimer Acid and Linoelic Acid. These products enjoy much better margins as compared to other products
- Any alteration in process of end-use industry may substantially impact or eliminate the demand for these products. This can have an adverse impact on the company's profitability

* **Ability to source raw material in cost effective manner**

- The company competes with various local soap manufacturers for its raw materials. It pays in advance or against delivery to ensure availability of raw materials
- Its ability to source raw material from different refineries in a cost effective manner may impact its overall margins

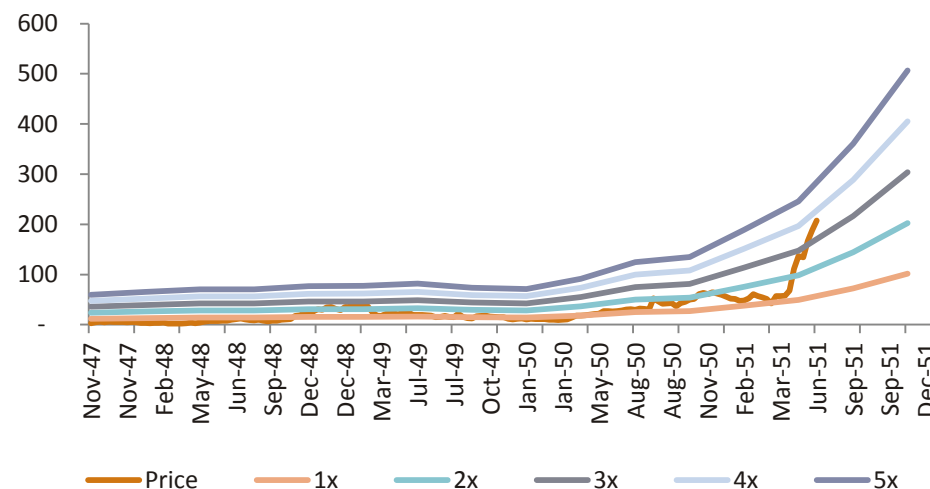
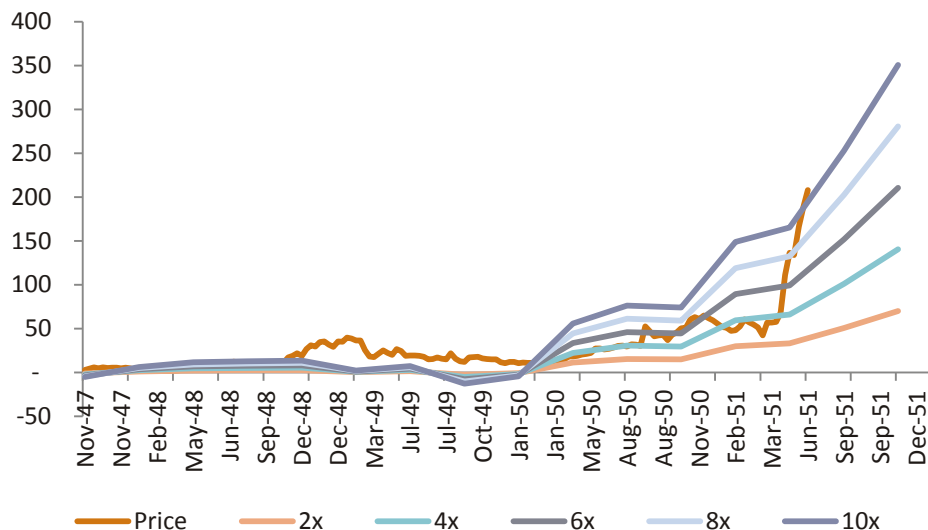
* **Delays in commissioning of new capacity**

- The company expects to start trial-runs by Oct-Nov 2014 and start production by Dec-2014
- Any delays commissioning of new capacity may impact our earnings estimates

* **Volatility in margins**

- The company's products realisation tracks raw material costs and it endeavours to maintain its EBITDA per tonne
- The vegetable oil prices have seen sharp variations over past few years, which can impact the company's profitability

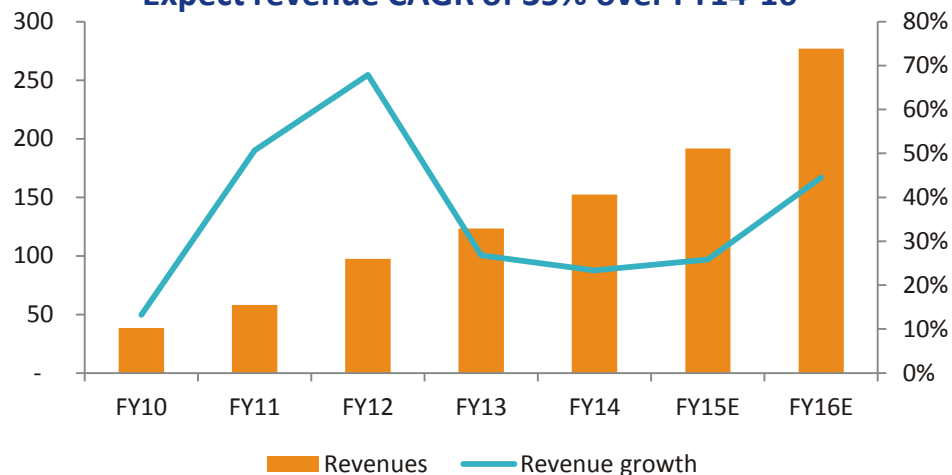
- * We have valued ADFL at 12x FY16 EPS to arrive at target price of INR 301 per share.
- * The company has announced bonus of 1 share for every 10 share held. We have not adjusted the same in our target price and EPS.
- * Since 2010, the stock has traded at 1-year forward P/E of 4x to 8x. Given the expected EPS CAGR of 30% and strong RoCE/RoE of 35%+ we believe the stock can command higher multiples than historical average



Peers	CMP	Mkt Cap INR crore	P/E			P/B			RoE(%)			EPS CAGR (%)
			FY14	FY15E	FY16E	FY14	FY15E	FY16E	FY14	FY15E	FY16E	FY14-16
Adi Fine Chem	229	287	15.4	13.3	9.1	6.1	4.3	3.0	48	38	39	30
Vinati Organics	348	1718	17.1	15.5	13.5	5.3	4.2	3.3	35	30	27	12
Atul Ltd	963	2857	13.0	11.5	9.6	3.0	2.5	2.0	26	24	23	17
Aarti Industries	223	1976	12.2	10.0	7.8	2.3	2.0	1.7	20	20	23	25

Source: Edel Invest research.

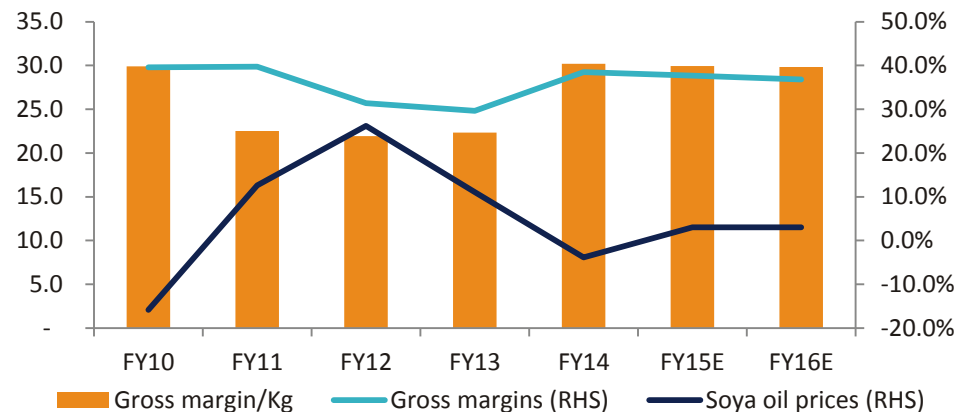
Expect revenue CAGR of 35% over FY14-16



Source: Edel Invest research.

- * Revenues increase sharply in FY11-12 owing to ~2.3x increase in capacity and improvement in yields
- * While management expect to reach full capacity utilisation in FY16, we have considered 84% utilisation by FY16
- * We expect revenues to increase at 35.0% CAGR over FY14-16 to reach INR 277 crore

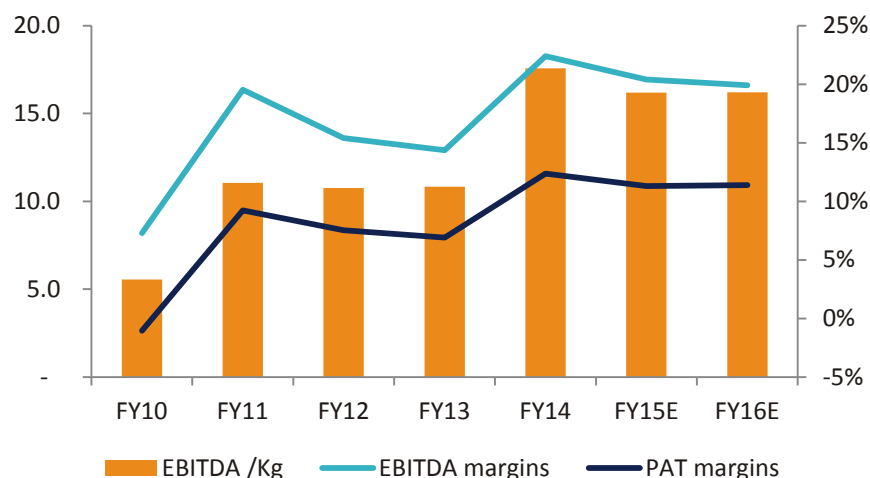
Gross margins recovered after sharp dip in FY11-12



Source: Edel Invest research.

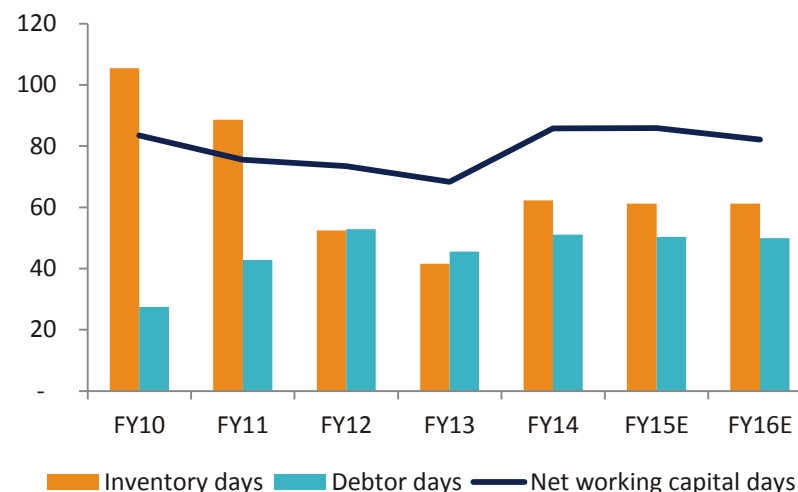
- * Sharp increase in share of low-value products led to drop in per Kg margin in FY11
- * Despite sharp increase in soya oil prices in FY12-13 the company has maintained its per tonne margin
- * While vegetable oil prices dropped in FY14, ADFL's realisations increased due to:
 - A) The depreciation of INR led to import parity prices of Dimer Acid remaining high
 - B) Increased share of Nutraceutical sales to revenues
- * We expect gross margins to decline (80bps in FY15 and 40bps in FY16) as it focuses on domestic products in the new capacity.

EBITDA margins expected decline



- * The company benefitted due to decline in raw material prices combined with higher realisations owing to rupee depreciation. The EBITDA margins reached 25% in Q3-Q4FY14.
- * We expect EBITDA margins to decline to ~20% owing to lower gross margins and faster increase in fixed costs.

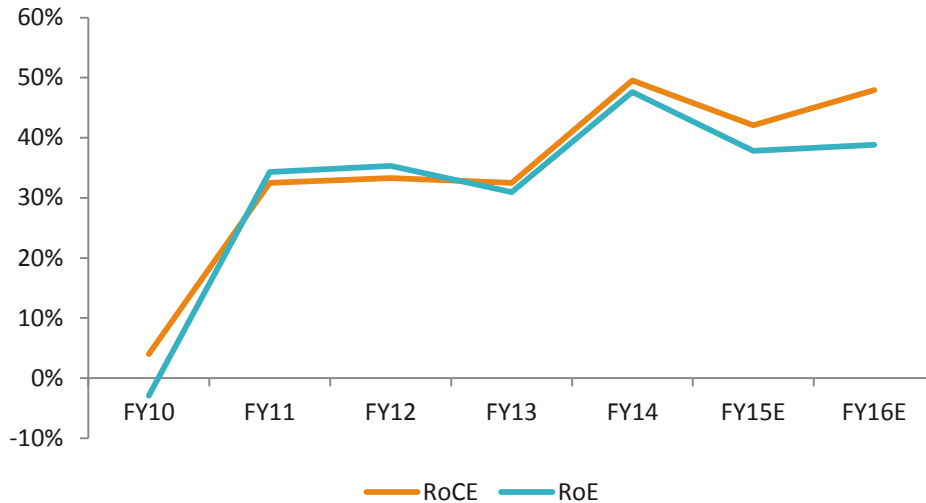
Net working capital to remain stable



Source: Edel Invest research.

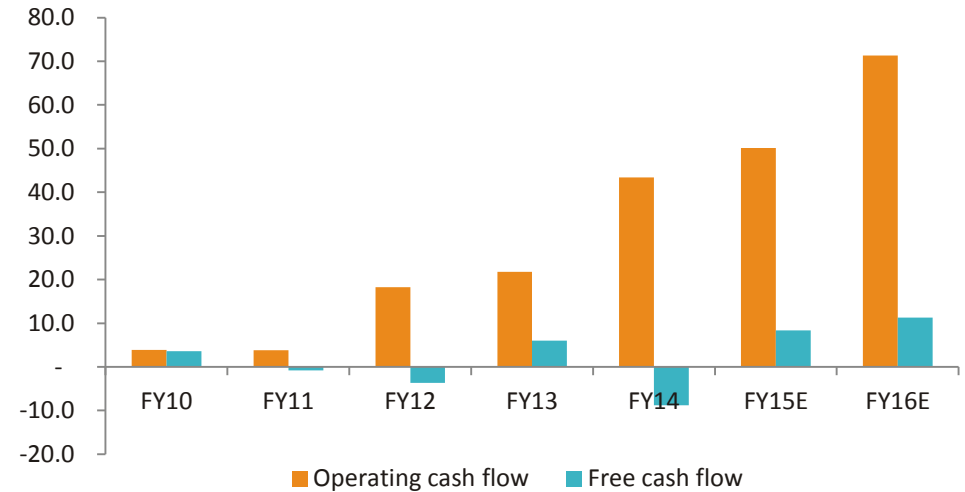
- * The company mainly has raw material inventory to ensure timely availability during production. It has negligible finished good inventory as it is able to sell all of its production.
- * The company typically provides credit to customers for high value products, however it sells its low value products on cash-on-delivery basis
- * We expect the networking capital days of 86 days to be largely maintained.

Strong RoE and RoCE profile



- * In FY10, the company took various operational measures to improve yields and reduce power consumption. This resulted in sharp increase in margins and RoE/RoCEs
- * We expect the company to maintain strong RoE and RoCE of 40%+ each over the next two years

Strong operating cash flow generation



Source: Edel Invest research.

- * Historically, the company has been able to generate strong operating cash flows
- * The free cash flows are lower as the company has been investing in capacity expansion

Financial Overview

Financial Statements						INR Crs				
Year to March	FY12	FY13	FY14	FY15E	FY16E					
Net revenue	97	123	152	192	277					
Materials costs	66	86	93	119	173					
Gross profit	31	37	60	73	104					
Power & fuel	8	9	11	13	20					
Employee costs	3	4	6	7	10					
SG&A	5	7	10	14	20					
EBITDA	15	18	34	39	55					
Depreciation & Amortization	2	2	3	3	4					
EBIT	13	15	31	36	51					
Other income	-	-	-	0	0					
EBIT incl. other income	13	15	31	36	51					
Interest expenses	2	3	3	3	3					
Profit before tax	11	13	28	33	48					
Provision for tax	3	4	10	11	16					
Adjusted Profit	7	8	19	22	31					
Extraordinary income/ (loss)	0	-	-	-	-					
Net profit	7	8	19	22	31					
Basic shares outstanding (crs)	1.0	1.1	1.3	1.3	1.3					
EPS (Rs.)	7.6	7.4	14.9	17.2	25.1					
Dividend per share (Rs.)	0.9	1.1	1.9	1.9	2.5					
Dividend payout (%)	14%	15%	12%	10%	9%					

Common size metrics - as % of net revenues

Year to March	FY12	FY13	FY14	FY15E	FY16E
Materials costs	68.6%	70.4%	61.5%	62.3%	62.7%
Power and fuel	7.9%	7.4%	7.0%	7.1%	7.1%
Employee cost	3.5%	3.4%	3.7%	3.7%	3.6%
SG&A	5.5%	5.5%	6.5%	7.1%	7.1%
Depreciation	2.1%	1.9%	1.7%	1.6%	1.5%
EBITDA margins	15.4%	14.3%	22.4%	20.4%	19.9%
EBIT margins	13.2%	12.3%	20.4%	18.7%	18.3%
Adj profit margins	7.5%	6.9%	12.4%	11.3%	11.4%
Net profit margins	7.4%	6.8%	12.2%	11.2%	11.3%

Growth ratios (%)

Year to March	FY12	FY13	FY14	FY15E	FY16E
Revenues	67.9%	26.8%	23.4%	25.9%	44.5%
EBITDA	32.7%	18.0%	92.2%	15.4%	41.3%
PBT	30.4%	19.6%	124.1%	15.8%	45.7%
Adj profit	37.0%	16.1%	120.6%	15.8%	45.7%
Net profit	35.1%	17.7%	120.6%	15.8%	45.7%

Balance sheet						INR Crs				
As on 31st March	FY12	FY13	FY14	FY15E	FY16E					
Equity capital	10	11	13	13	13					
Reserves & surplus	14	19	35	54	83					
Borrowings	21	18	29	27	23					
Other long-term liabilities	0	0	0	0	0					
Sources of funds	45	49	77	94	118					
Gross Block	45	49	57	78	88					
Accumulated Depreciation	(19)	(21)	(24)	(27)	(31)					
CWIP	2	1	12	-	-					
Net Fixed Assets	27	28	44	51	57					
Investments	-	-	-	-	-					
Inventories	10	10	16	20	29					
Sundry debtors	14	15	21	26	38					
Cash and equivalents	0	0	0	1	2					
Loans and advances	2	5	6	7	8					
Total current assets	26	30	43	54	77					
Sundry creditors and others	5	5	4	5	7					
Provisions	1	2	3	4	5					
Total current liabilities & provisions	6	7	7	9	12					
Net current assets	20	23	36	46	65					
Deferred tax assets	(3)	(4)	(4)	(4)	(4)					
Other long-term assets	1	1	1	1	1					
Uses of funds	45	49	77	94	118					
Book value per share (Rs.)	24.9	27.0	37.8	53.3	76.1					

Free cash flow

Year to March	FY12	FY13	FY14	FY15E	FY16E
Net profit	7.2	8.4	18.6	21.5	31.4
Add : Depreciation	2.0	2.3	2.6	3.0	4.2
Others	2.2	2.6	2.8	3.1	3.0
Gross cash flow	11.4	13.3	24.0	27.6	38.5
Changes in WC	-8.0	-2.2	-13.7	-9.3	-17.2
Operating cash flow	3.4	11.1	10.3	18.3	21.3
Capex	-7.0	-5.1	-19.1	-10.0	-10.0
Free cash flow	-3.6	6.0	-8.8	8.3	11.3

Cash flow metrics

Year to March	FY12	FY13	FY14	FY15E	FY16E
Cash flow from operations	3.0	12.0	12.2	18.3	21.3
Cash Flow from investing activities	-7.0	-5.1	-19.1	-10.0	-9.9
Cash Flow from financing activities	3.8	-7.0	6.8	-7.6	-9.8
Capex	-7.0	-5.1	-19.1	-10.0	-10.0
Dividends	-1.1	-1.1	-1.1	-2.2	-2.9

Profitability & efficiency ratios

Year to March	FY12	FY13	FY14	FY15E	FY16E
ROAE (%)	35%	31%	48%	38%	39%
ROACE (%)	33%	32%	50%	42%	48%
ROIC (%)	30%	25%	44%	32%	37%
Inventory day	52	42	62	61	61
Debtors days	53	46	51	50	50
Payable days	25	22	14	15	15
Cash conversion cycle (days)	73	68	86	86	82
Current ratio	4.3	4.3	6.1	6.2	6.1
Debt/Equity	0.9	0.6	0.6	0.4	0.2

Operating ratios

Year to March	FY12	FY13	FY14	FY15E	FY16E
Total asset turnover	2.5	2.6	2.4	2.3	2.6
Fixed asset turnover	2.4	2.6	2.9	2.8	3.3
Equity turnover	4.7	4.5	3.9	3.4	3.4

Du pont analysis

Year to March	FY12	FY13	FY14	FY15E	FY16E
NP margin (%)	7.5%	6.9%	12.4%	11.3%	11.4%
Total assets turnover	2.5	2.6	2.4	2.3	2.6
Leverage multiplier	1.9	1.7	1.6	1.5	1.3
ROAE (%)	35.3%	30.9%	47.6%	37.8%	38.8%

Valuation parameters

Year to March	FY12	FY13	FY14	FY15E	FY16E
Diluted EPS (Rs.)	7.6	7.4	14.9	17.2	25.1
Y-o-Y growth (%)	37.0	-3.2	101.2	15.8	45.7
Diluted PE (x)	30.0	31.0	15.4	13.3	9.1
Price/BV (x)	9.2	8.5	6.1	4.3	3.0
EV/Sales (x)	3.2	2.5	2.1	1.6	1.1
EV/EBITDA (x)	21.0	17.8	9.3	8.0	5.7
Dividend yield (%)	0.4	0.4	0.7	0.7	0.9

Source: Edel Invest research.

Annexure 1: Board of Directors

Name	Designation	Qualification and Experience
Utkarsh Shah	<i>Chairman</i>	Holds a Bachelor degree in Science. He has served on the advisory committee in Various State Government Corporations and Boards. He was the president of Gujarat Chamber of Commerce in 1998 to 1999.
Nahoosh Jariwala	<i>Managing Director</i>	He is associated with the company since more than 20 years. He holds a Commerce Degree. He has more than 25 years of experience in chemical manufacturing and trading of various textile products.
Bimal Parikh	<i>Whole Time Director</i>	Hold a Degree in Chemical Engineering and engaged in manufacture of dyes & chemicals since last 30 years. In 2001 he was the President of Gujarat Dyestuff Manufacturing Association. He is Honorary Secretary of the Gujarat Chamber of Commerce.
Hemant Shah	<i>Director</i>	He is a Commerce Graduate and involved in business of logistics, garments, trading of minerals, and retailing since 25 years. He is a Member of numerous trade organizations like Gujarat Chamber of Commerce, Confederation of Indian Industry, Ahmedabad Management Association etc.
Jayesh Shah	<i>Independent Director</i>	He is a Commerce Graduate and Chartered Accountant and holding the position of Director and Chief Financial Officer of Arvind Limited. He is associated with Arvind Limited since July, 1993. He has distinguished academic career and has extensive administrative, financial, regulatory and managerial expertise.
Kalpesh Patel	<i>Independent Director</i>	He is a Commerce Graduate and Chartered Accountant and holding the position of Director and Chief Financial Officer of Arvind Limited. He is associated with Arvind Limited since July, 1993. He has distinguished academic career and has extensive administrative, financial, regulatory and managerial expertise.
Ganpatraj Chaudhary	<i>Independent Director</i>	He is the Managing Director and overall in charge of operations in M/s. Riddhi Siddhi Gluco Biols Limited, a Company listed on Bombay Stock Exchange, promoted by him and his family.
Nitin Patel	<i>Independent Director</i>	He is the Chairman of M/s. Shree Bhagwati Flour and Foods Private Limited and is also associated with M/s. Shri Bhagwati Flour Mills Private Limited. He is associated with the Food Industry since last 35 years
Bhavin Shah	<i>Independent Director</i>	He is currently working with Equirus Securities Private Limited, Merchant Banker, as a Managing Director and Chief Executive Officer and has set up Institutional equities business. He is an expert on IPO matters and managed and got the success of IPO of TD Power in spite of negative market opinions. He was also associated with JP Morgan, Hong Kong and India as head of Asia-Pacific Technology Research and Global Sector Leader. He has also worked in Credit Suisse First Boston, Hong Kong as a Director (Head, Asia-Pacific Technology Research).

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