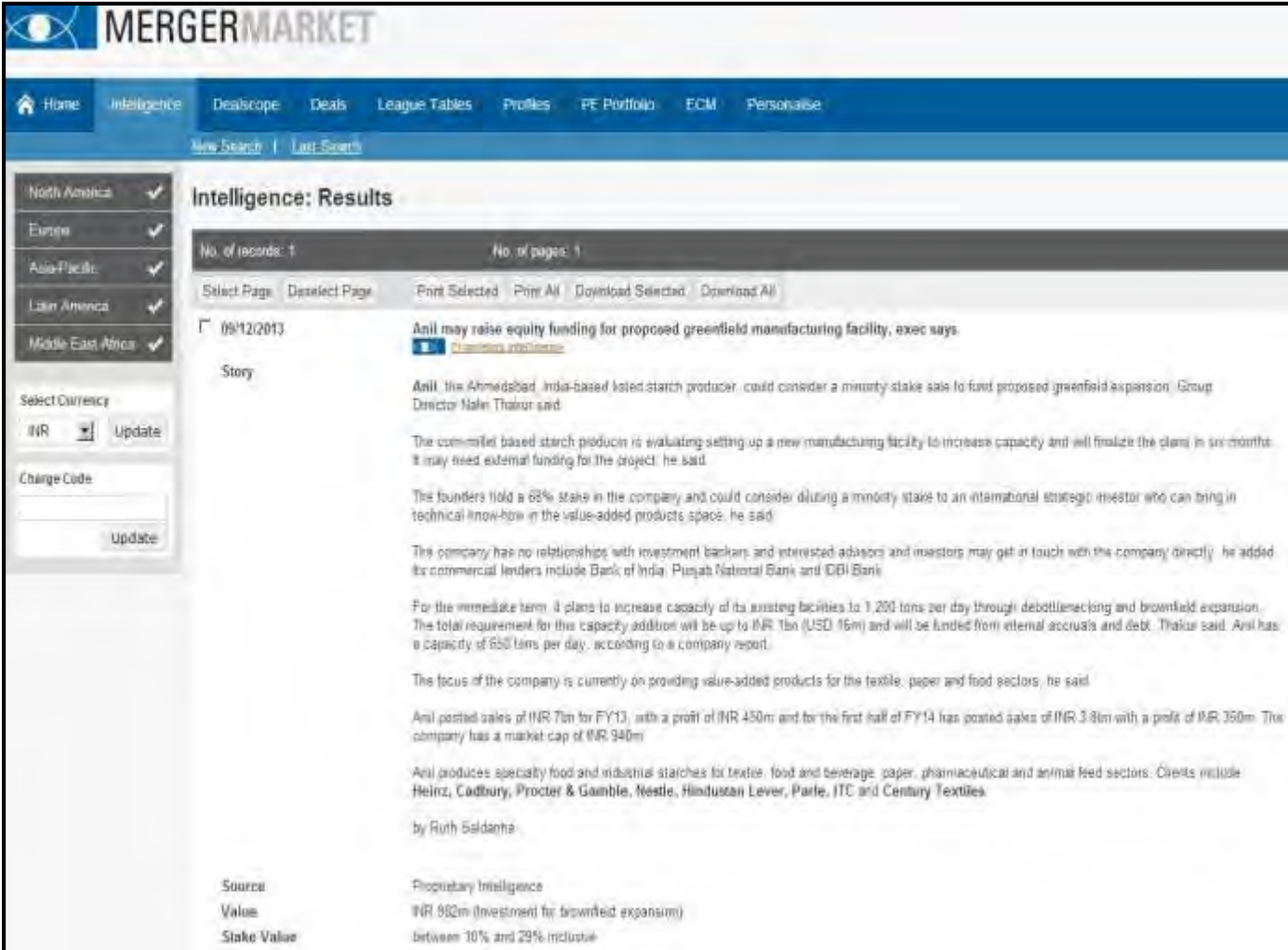


PUBLICATION NAME : **Mergermarket - Online**

DATE : **10-12-2013**



MERGERMARKET

Home Intelligence Dealscope Deals League Tables Profiles PE Portfolio ECM Personalise

New Search | Last Search

North America ✓
Europe ✓
Asia-Pacific ✓
Latin America ✓
Middle East Africa ✓

Select Currency: INR Update
Change Code: Update

Intelligence: Results

No. of records: 1 No. of pages: 1

Select Page Deselect Page Print Selected Print All Download Selected Download All

09/12/2013

Anil may raise equity funding for proposed greenfield manufacturing facility, exec says

Story

Anil, the Ahmedabad, India-based listed starch producer, could consider a minority stake sale to fund proposed greenfield expansion, Group Director Nalin Thakur said.

The committed based starch producer is evaluating setting up a new manufacturing facility to increase capacity and will finalize the plans in six months. It may need external funding for the project, he said.

The founders hold a 68% stake in the company and could consider diluting a minority stake to an international strategic investor who can bring in technical know-how in the value-added products space, he said.

The company has no relationships with investment bankers and interested advisors and investors may get in touch with the company directly, he added. Its commercial lenders include Bank of India, Punjab National Bank and IDBI Bank.

For the immediate term, it plans to increase capacity of its existing facilities to 1,200 tons per day through debottlenecking and brownfield expansion. The total requirement for this capacity addition will be up to INR 1bn (USD 16m) and will be funded from internal accruals and debt, Thakur said. Anil has a capacity of 650 tons per day, according to a company report.

The focus of the company is currently on providing value-added products for the textile, paper and food sectors, he said.

Anil posted sales of INR 7bn for FY13, with a profit of INR 450m and for the first half of FY14 has posted sales of INR 3.8bn with a profit of INR 350m. The company has a market cap of INR 940m.

Anil produces specialty food and industrial starches for textile, food and beverage, paper, pharmaceutical and animal feed sectors. Clients include Heinz, Cadbury, Procter & Gamble, Nestle, Hindustan Lever, Parle, ITC and Century Textiles.

by Ruth Saldanha

Source: Proprietary Intelligence
Value: INR 952m (Investment for brownfield expansion)
Stake Value: between 10% and 29% inclusive