



MSEARCH

IPO OFFERING

ANUPAM RASAYAN INDIA LTD



About Company

Anupam Rasayan India Limited (ARL) is one of the leading companies engaged in custom synthesis & manufacturing of specialty chemicals in India. It offers multistep synthesis and undertakes complex chemical reactions technologies, for a diverse base of Indian and global customers. It mainly caters through two distinct business verticals Life science related specialty chemicals and other specialty chemicals. ARL's strong and long-term relationships with various multinational corporations, including, Syngenta Asia Pacific Pte. Ltd., Sumitomo Chemical Co. Ltd. and UPL Ltd has helped them expand their product offerings and geographic reach across Europe, Japan, United States and India. It operates 6 manufacturing facilities in Gujarat, India, with 4 facilities located at Sachin, Surat and 2 located at Jhagadia, Bharuch with an aggregate installed capacity of 23,438 MT, as of December 31, 2020.

Recommendation: Subscribe for Listing gain

Price Band	: Rs. 553 to 555 per share
FV	: Rs. 10
Bid Lot size	: 27 Shares
Issue size	: Rs. 749 Cr
Issue Opens	: March 12 th 2021, Friday
Issue Closes	: March 16 th 2021, Tuesday
Min App Amount	: Rs. 14,985 /- at upper band

Important Note: All retail applications compulsory in UPI mode*. Currently IPO through UPI Mechanism in Retail Category is available only on BHIM App. Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

Msearch View: We believe Anupam Rasayan is well-positioned to tap the shifting global demand to India by having expertise customized solutions in life science specialty chemicals. We are optimistic about the sector and expect robust multiyear export opportunities ex china as well as local demand in the current "Vocal to Local" environment. While rising "Make in India" campaign would also add impetus to the emergence of India as a manufacturing hub for the specialty chemicals industry. Hence Anupam Rasayan stands well to get the favourable and supportive Industry growth to drive sustainable business as well as profitable growth in the medium to long-term as its well-diversified presence in agrochemicals, personal care, and pharmaceuticals; and specialty chemicals, comprising specialty pigment and dyes, and polymer additives. Key risk also to be considered before investing, funds raised via IPO will be used for repayment/prepayment of certain indebtedness availed by the company (including accrued interest) and discounted preferential share placement to KPI LLC (a promoter Company) between Sept-20 to Nov-20 in the range of Rs 197-249/- price per equity share vs. IPO ask price of Rs 555/- price per equity share in March 2021. **On valuations parse at upper price band (Rs 555/-), the issue is asking for a market cap of Rs 5544 Cr with higher PE 69x vs. industry average P/E at ~42x which seems IPO offer is aggressively priced compared to its peers while higher export potential and global business shift which can create multiyear export opportunity justifies the premium for listing gain. Considering all the above factors we recommend investors to "SUBSCRIBE FOR LISTING GAIN ONLY".**

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BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	2018	2019	2020	9M FY21	9M FY21
Equity Share Capital	50	50	50	50	86
Reserves as stated	408	457	544	533	738
Net worth as stated	458	507	594	583	824
Revenue from Operations	341	501	529	372	539
Revenue Growth (%)	-	46.88%	5.46%	-	45.03%
EBITDA as stated	75	92	135	102	131
Profit Before Tax	50	66	71	55	67
Net Profit for the period	40	50	53	43	48
EPS (₹)	6.59	6.6	6.94	5.67	6.03
RoNW%	11.78%	10.21%	9.62%	7.85%	6.78%
Debt to Equity	0.95	1.32	1.38	1.26	1.20
NAV (₹)	61.32	67.95	76	74.69	95.64

Source: Company RHP

COMPARISON WITH LISTED INDUSTRY PEERS ₹ (in Cr).

Companies	Mcap	FV	Revenue	EPS	NAV	P/E	RoNW
Anupam Rasayan India Ltd	5544	10	539	6.94	76	69	9.62%
PI Industries Ltd	34717	1	3415	33.08	189.64	65.72	17.43%
Navin Fourine Int Ltd	13283	2	1095	82.60	285.38	32.20	28.93%
Astec Lifesciences Ltd	2092	10	534	24.29	126.17	42.73	19.25%
SRF Ltd	33634	10	7258	177.29	858.26	30.58	20.66%

Source: Company RHP