



IPO OFFERING AMBER ENTERPRISES INDIA LTD



About Company

Recommendation: Subscribe for Long term

Amber Enterprises Ltd (AEL) is a three decade old Punjab based company. AEL is a manufacturer of Air conditioners and its components. AEL has got a diversified product portfolio of RAC, RAC Components and Non AC Components. AEL is a market leader in India in RAC OEM/ODM industry with market share of 55.4%. AEL has achieved great expertise in indoor, outdoor, split and window AC units and in components like heat exchangers, sheet metal components, injection moulding components and also in system tubing and motors. AEL has 10 manufacturing facilities across seven locations in India. These manufacturing facilities have R&D and product design capabilities leading to high proportion of ODM business.

Price Band	: Rs. 855 to Rs. 859 per share
Bid Lot size	: 17 Shares
Issue opens	: January 17th 2018, Wednesday
Issue Closes	: January 19th 2018, Friday
Min App Amount	: Rs. 14,603/- at upper band

Msearch View:

We believe AEL is rightly placed to tap the strong demand for white goods products in India. With strong leadership position as well as leading prime brands in its basket to offer all the components of AC & Non AC, which gives company a comfort level of decent growth. We are optimistic on the future growth considering increasing plant utilisation and better financial ratios as majority of the IPO proceeds would be utilised to repay debt. At the higher end of the price band the issue is highly priced, while considering AEL's leadership position and Debt free status post IPO which will improve return ratios justify the demanding price and provide sufficient margin at higher end of the subscription price. We are positive on the future prospects of demand in white good products in which AEL is a leader as on date. Hence, we recommend investors with a long term investment horizon to subscribe this issue.

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