



Indian Emulsifiers Limited

Details of the Issue:

Lead Manager: Ekadrisht Capital Private Limited
Registrar: Maashitla Securities Private Limited
Listing At: NSE SME

Promoters Shareholding Pattern:

Pre-Issue: 65.25 %
Post-Issue: 48.11 %

Offer Structure:

QIB	Shares offered:	50% of the net issue
Retail	shares offered:	35% of the net issue
NII (HNI)	shares offered:	15% of the net issue
Issue Size:		Rs.42.39 Crores
Post Issue Paid up capital:		Rs.12.22 Crores

Financial Summary (₹ in Lakhs):

Particulars	9M FY24	FY23
Total Income:	4870.16	4118.35
EBITDA:	1119.22	786.19
PAT:	675.01	389.44

Minimum Application:

#	Lots	Shares	Amount
Retail:	1	1000	1,32,000
HNI:	2	2000	2,64,000

Valuations (FY23):

Net Asset Value: ₹ 14.85 per share
EPS : ₹ 6.48
P/E: 30.54x
EV/EBITDA: 4.27x
Enterprise value: ₹ 3,356.62 Lakhs

Promoter:

Yash Tikekar

RECOMMENDATION

MAY APPLY

Price Band: ₹125-
₹132 per share

Lot Size: 1000
shares

Bidding Date: 13th May
to 16th May

INDUSTRY

Specialty Chemicals

Company Overview:

- Incorporated in December 2020, Indian Emulsifier Limited is a manufacturer and supplier of Specialty Chemicals i.e., Esters, Amphoterics, Phosphate Esters, Imidazolines, Wax Emulsions, SMO & PIBSA Emulsifiers.
- The Company supplies specialty chemicals to a wide range of industries, including Mining, Textile, Cleaning, PVC/Rubber, Personal Care, Food, and others. Indian Emulsifier Limited offers over 40 speciality chemicals and intermediates for various industries such as mining, textile, cleaning, PVC/rubber, personal care, and food.

Object of the Issue:

The Fresh Issue includes a public Issue of 32,11,000 Equity Shares of the Company having Face value of ₹ 10 each at an Issue Price band of ₹ 125- ₹ 132 per Equity Share. The Net Proceeds from the Issue are proposed to be utilized by the Company for the following objects:

- Funding of capital expenditure requirements of our Company towards Plant & Machinery, Civil work and installation cost thereon (~Rs.2091.54 Lakhs);
- Funding Working Capital Requirements of our Company (~Rs.850 Lakhs);
- General Corporate Purposes.

Valuation and Recommendation:

Based on the FY24 annualized earnings, the price-to-earnings ratio of **17.93x** suggests the issue is **fully priced**. The company is engaged in the speciality chemical segment which is driven by demand from emerging growth and diversification across end-use sectors. Also, the company has posted growth of 30% in its top and bottom lines from FY22. Profitability, EPS, and RoNW is increasing since FY22. Equity and liabilities increased steadily while the debt-equity ratio declined, signalling reduced reliance on debt financing. Hence, we advise investors **MAY APPLY** to the issue.

Financials: (₹ in Lakhs)

Particulars	FY21	FY22	FY23	9M FY24
Revenue From Operations	-	1768.31	4117.97	4867.36
Growth (in %)			132%	
EBITDA	(0.37)	79.49	786.19	1119.22
EBITDA Margin (%)	-	4.50%	19.09%	22.99%
PAT	(0.37)	4.31	389.44	675.01
ROE (%)	(58.65%)	0.53%	32.33%	25.61%
ROCE (%)	(58.65%)	7.19%	55.50%	38.03%
Basic EPS	-	0.07	6.48	10.40

Source: RHP

14th May, 2024

Comparison of Accounting Ratios with Peers:

Name of Company	Current Market Price	Face Value (Rs)	EPS (Rs)	PE	RoNW (%)	NAV per share (Rs.)
Indian Emulsifier Limited	132	10	6.48	20.37	32.34%	14.85
PEER GROUP						
Fine Organics Industries Limited	4275	5	192.63	22.20	38.80%	99.29
Fineotex Chemical Limited	361	2	4.70	76.80	19.30%	24.34

Revenue Bifurcation- Industry Wise (In %)			
Particulars	9M FY24	FY23	FY 22
Mining	27.02%	22.99%	21.01%
Personal Care	24.02%	22.00%	23.05%
PVC/ Rubber	20.99%	17.01%	18.97%
Textile	13.99%	18.02%	16.99%
Cleaning	7.00%	8.03%	8.98%
Other Industries	6.98%	11.95%	11.00%
Total	100%	100%	100%

Name of Anchor Investors:

Blue Lotus Capital Multi Bagger Fund, IEGFL Equity Opportunity, Persistent Growth Fund- Varsu India Growth Story Scheme, Zeal Global opportunities, Resonance Opportunities Fund are the Anchor Investors who have invested in this IPO.

- Investment Rationale:**
- Indian Emulsifiers Limited has a production capacity of 4,800 metric tons per annum, which has been increased from 2,400 MT per annum by the installation of additional reactors which increased their revenue from operations (Y-o-Y).
 - The company has its presence in wide range of sectors as it serves diverse industries, including mining, textiles, PVC/rubber, personal care, and food, catering to their specific needs and formulated products.
 - The company’s multipurpose facility offers exceptional flexibility. It features high-pressure stainless-steel reactors capable of batch yields from 100 kg to 8,000 kg. With a wide temperature and pressure range, it is equipped with condenser and vacuum arrangements, ensuring versatility.
 - The company’s in-house manufacturing facility equipped with advanced machinery and processes has helped in posting growth in its top line and bottom line for the reported periods. Hence, we suggest investors **MAY APPLY** to the issue.

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