



IPO INSIGHTS



Vital Chemtech Ltd

Issue Dates - Opens: 31-10-2022 | Closes: 03-11-2022

IPO Note	<ol style="list-style-type: none"> 1. Gujarat- Ahmedabad based manufacturer and supplier of phosphorus derivatives product, with advanced manufacturing facilities 2. Rising Debt to Equity raises concern 3. Inconsistently presented financials 4. Fair Valuation
Rating	★★ (AVERAGE)

IPO SNAPSHOT

Issue Size	₹ 64.64 Crores
Issue Type	Book Built Issue
Fresh Issue	₹ 64.64 Crores
Offer for Sale	-
Face Value Per Share	₹ 10
Price Band Per Share	₹ 95 - ₹ 101
Minimum Lot Size	1200 shares
Listing On	NSE SME

Registrar to the Issue

Skyline Financial Services Private Limited

IPO SNAPSHOT – Vital Chemtech Ltd.

About the Company	<ul style="list-style-type: none"> ▪ Engaged in the business of manufacturing and supply of Phosphorus derivatives product ▪ Manufacturing facility is integrated with the state of art Programmable Logic Controller and Supervisory Control and Data Acquisition ▪ The derivatives manufactured have customers across various segments including Lifesciences, Crop Care, Specialty Chemicals, Textile Auxillaries, Dyes, Pigments and Plastic Additives ▪ They are also involved in trading of its raw material ▪ Also facilitates clients in obtaining approval of Phosphorus Pentasulfide ▪ They are having one manufacturing unit in Dahej, Gujarat and four plant in it for manufacturing different products ▪ The manufacturing unit is certified with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 from Bureau Veritas ▪ Plant is ZLD (Zero Liquid Discharge) to ensure minimum emissions and waste generation ▪ Manufactures Phosphorus Trichloride (PCl3), Phosphorus Oxychloride (POCl3), Phosphorus Pentachloride (PCl5), Phosphorus Pentoxide (P2O5), Poly Phosphoric Acid (PPA) and Phosphorus Pentasulfide (P2S5) for our customers across segments such as Lifesciences, Crop Care, Specialty Chemicals, Textile Auxiliaries, Dyes, Pigments and Plastic Additives. 																														
Competitive Strengths	<ul style="list-style-type: none"> ▪ Wide Application of Products ▪ Prime Location of our Manufacturing Facility ▪ Long-standing relationships with a diversified customer base ▪ Focus on Quality, Environment, Health and Safety 																														
Financials (₹ in Crores)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #002060; color: white;">Particulars</th> <th style="background-color: #002060; color: white;">31-3-2020</th> <th style="background-color: #002060; color: white;">31-3-2021</th> <th style="background-color: #002060; color: white;">31-3-2022</th> <th style="background-color: #002060; color: white;">Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td style="text-align: center;">41.15</td> <td style="text-align: center;">47.39</td> <td style="text-align: center;">143.20</td> <td style="text-align: center; color: green;">202.17%</td> </tr> <tr> <td>EBITDA</td> <td style="text-align: center; color: green;">4.17</td> <td style="text-align: center; color: green;">6.44</td> <td style="text-align: center; color: green;">24.60</td> <td style="text-align: center; color: green;">281.98</td> </tr> <tr> <td>EBITDA Margin</td> <td style="text-align: center;">10.14%</td> <td style="text-align: center;">13.59%</td> <td style="text-align: center;">17.18%</td> <td></td> </tr> <tr> <td>Profit After Tax</td> <td style="text-align: center; color: green;">1.05</td> <td style="text-align: center; color: green;">2.93</td> <td style="text-align: center; color: green;">14.55</td> <td style="text-align: center; color: green;">396.58</td> </tr> <tr> <td>Profit After Tax Margin</td> <td style="text-align: center;">2.53%</td> <td style="text-align: center;">6.20%</td> <td style="text-align: center;">10.16%</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Debt to Equity = 2.60 	Particulars	31-3-2020	31-3-2021	31-3-2022	Y-o-Y	Revenue from Operations	41.15	47.39	143.20	202.17%	EBITDA	4.17	6.44	24.60	281.98	EBITDA Margin	10.14%	13.59%	17.18%		Profit After Tax	1.05	2.93	14.55	396.58	Profit After Tax Margin	2.53%	6.20%	10.16%	
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Valuation	<ul style="list-style-type: none"> ▪ Attributing Annualized FY23 Earnings asking P/E = 14.94 																														
Peers	<ul style="list-style-type: none"> ▪ Neogen Chemicals Limited - P/E = 72.61 																														
Promoters	<ul style="list-style-type: none"> ▪ Vipul Jatashankar Bhatt & Sangeeta Vipul Bhatt 																														
Objects of the issue	<ul style="list-style-type: none"> ▪ To Meet Working Capital Requirements ▪ General Corporate Purpose ▪ To meet Public Issue Expenses 																														

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