



# IPO INSIGHTS



Sah Polymers Ltd

**Issue Dates - Opens: 30-12-2022 | Closes: 04-01-2023**

<b>IPO Note</b>	<ul style="list-style-type: none"> <li>▪ Primarily engaged in manufacturing and selling of Polypropylene (PP), High Density Polyethylene (HDPE), FIBC Bags, Woven Sacks, HDPE/PP Woven Fabrics, based products of different weight, sizes and colours as per customer specifications</li> <li>▪ Promoter group consist of RBI's Willful Defaulter Aeroflex Industries</li> <li>▪ Negative Cash-flows from Operating and Investing Activities in FY2022</li> <li>▪ High Debt</li> <li>▪ Highly Competitive Industry</li> </ul>
<b>Rating</b>	★ (WEAK)

## IPO SNAPSHOT

Issue Size	₹ 66.30 Crores
Issue Type	Fresh Issue
Fresh Issue	₹ 66.30 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹ 61 to ₹ 65 per share
Minimum Lot Size	230 shares
Listing On	BSE, NSE
Pre-Issue Promoter Holding	100%
Post-Issue Promoter Holding	60.46%
Registrar to the Issue	Link Intime India Private Ltd

# IPO SNAPSHOT – Sah Polymers Ltd

<b>About the Company</b>	<ul style="list-style-type: none"> <li>Incorporated on April 20, 1992</li> <li>ISO 9001:2015 Certified Company</li> <li>Primarily engaged in manufacturing and selling of Polypropylene (PP), High Density Polyethylene (HDPE), FIBC Bags, Woven Sacks, HDPE/PP Woven Fabrics, based products of different weight, sizes and colours as per customer specifications.</li> <li>Offer customized bulk packaging solutions to B2B manufacturers catering to different industries such as agro-pesticides industry, Basic Drug, Cement, Chemical, Fertilizer and Food Products, Textile, Ceramic and Steel Industries</li> <li>A Del-Credere Associate cum consignment stockiest (DCA/CS) of Indian Oil Corporation (IOC)</li> <li>Operates as Dealer Operated Polymer Warehouse (DOPW) of IOC for their polymer division</li> <li>Enters into arrangements as third-party manufacturers to manufacture tape and fabric according to customer requirements</li> <li>2 Business Divisions: <b>Domestic Sales and Exports</b></li> <li><b>Presence in 5 states and 1 union territory for their domestic market based on sales for the quarter ended June 30, 2022 and FY2022 respectively</b></li> <li><b>Export products to 14 countries including Algeria, Togo, Ghana, Poland, Portugal, France, Italy, Dominican, Republic, USA, Australia, UAE, Palestine, United Kingdom, Ireland</b></li> </ul>																														
<b>Competitive Strengths</b>	<ul style="list-style-type: none"> <li>Evolving Product Portfolio</li> <li>Customer-base across geographies and industries</li> <li>Management Team</li> </ul>																														
<b>Financials (₹ in Crores)</b>	<table border="1"> <thead> <tr> <th>Particulars</th> <th>31-3-2020 (S)</th> <th>31-3-2021 (S)</th> <th>31-3-2022 (C)</th> <th>Y-o-Y</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>49.10</td> <td>55.07</td> <td>80.51</td> <td>46.20%</td> </tr> <tr> <td>EBITDA as stated</td> <td>2.61</td> <td>3.30</td> <td>7.73</td> <td>134.24 %</td> </tr> <tr> <td>EBITDA Margin</td> <td>5.24%</td> <td>5.96%</td> <td>9.52%</td> <td></td> </tr> <tr> <td>Profit After Tax as stated</td> <td>0.30</td> <td>1.27</td> <td>4.38</td> <td>244.88%</td> </tr> <tr> <td>Profit After Tax Margin</td> <td>0.60%</td> <td>2.31%</td> <td>5.43%</td> <td></td> </tr> </tbody> </table> <p>Debt to Equity = 1.15</p>	Particulars	31-3-2020 (S)	31-3-2021 (S)	31-3-2022 (C)	Y-o-Y	Revenue from Operations	49.10	55.07	80.51	46.20%	EBITDA as stated	2.61	3.30	7.73	134.24 %	EBITDA Margin	5.24%	5.96%	9.52%		Profit After Tax as stated	0.30	1.27	4.38	244.88%	Profit After Tax Margin	0.60%	2.31%	5.43%	
Particulars	31-3-2020 (S)	31-3-2021 (S)	31-3-2022 (C)	Y-o-Y																											
Revenue from Operations	49.10	55.07	80.51	46.20%																											
EBITDA as stated	2.61	3.30	7.73	134.24 %																											
EBITDA Margin	5.24%	5.96%	9.52%																												
Profit After Tax as stated	0.30	1.27	4.38	244.88%																											
Profit After Tax Margin	0.60%	2.31%	5.43%																												
<b>Valuation</b>	<ul style="list-style-type: none"> <li>Based on Annualized FY23 Earnings, fully diluted paid up equity capital Asking P/E = 33</li> </ul>																														
<b>Peers &amp; Industry P/E (As mentioned in RHP)</b>	<table border="1"> <thead> <tr> <th>Company</th> <th>TTM P/E</th> <th>Industry</th> <th>TTM P/E</th> </tr> </thead> <tbody> <tr> <td>Rishi Techtex Ltd</td> <td>15.67</td> <td>Highest</td> <td>21.20</td> </tr> <tr> <td>Jumbo bag Ltd</td> <td>17.37</td> <td>Lowest</td> <td>7.17</td> </tr> <tr> <td>SMVD Polypack Ltd</td> <td>7.17</td> <td>Average</td> <td>14.00</td> </tr> <tr> <td>Emmbi Industries Ltd</td> <td>8.60</td> <td></td> <td></td> </tr> <tr> <td>Commercial Synbags Ltd</td> <td>21.20</td> <td></td> <td></td> </tr> </tbody> </table>	Company	TTM P/E	Industry	TTM P/E	Rishi Techtex Ltd	15.67	Highest	21.20	Jumbo bag Ltd	17.37	Lowest	7.17	SMVD Polypack Ltd	7.17	Average	14.00	Emmbi Industries Ltd	8.60			Commercial Synbags Ltd	21.20								
Company	TTM P/E	Industry	TTM P/E																												
Rishi Techtex Ltd	15.67	Highest	21.20																												
Jumbo bag Ltd	17.37	Lowest	7.17																												
SMVD Polypack Ltd	7.17	Average	14.00																												
Emmbi Industries Ltd	8.60																														
Commercial Synbags Ltd	21.20																														
<b>Promoters</b>	<ul style="list-style-type: none"> <li>Sat Industries Ltd</li> </ul>																														
<b>Objects</b>	<ul style="list-style-type: none"> <li>Setting up of new manufacturing facility to manufacture new variant of FIBC</li> <li>Funding Working Capital</li> <li>Repayment of borrowings</li> <li>General Corporate Purposes</li> </ul>																														
<b>Risk Factor</b>	<ul style="list-style-type: none"> <li>Promoter Group consist of Aeroflex Industries which is in willful defaulters list of RBI</li> </ul>																														

## DISCLAIMER

The information provided by or in this newsletter is generally from the press reports, electronic media, research websites and other media. It also includes information from interviews conducted, analysis, views expressed by our research team. Investors should not rely solely on the information contained in this publication and must make their own investment decision based on their specific objectives and financial positions and using such independent advisor as they believe necessary. The material and the information provided herein are not and should not be construed as an advice to buy or sell any of the securities named in this newsletter. SIHL may or may not hold positions in any of the securities named in this newsletter as a part of its business. Past performance is not necessarily an indication of future performance. SIHL does not assure for accuracy and correctness of information of reports in this newsletter.

