



# IPO INSIGHTS



JG Chemicals Limited

Issue Dates - Opens: 05-03-2024 | Closes: 07-03-2024

IPO Note	<div>1. JG Chemicals Limited is a zinc oxide manufacturer using the French process.</div> <div>2. This product is used in various industrial applications such as ceramics, paints and coatings, pharmaceuticals and cosmetics, electronics and batteries, agrochemicals and fertilizers, specialty chemicals, lubricants, oil and gas, and animal feed.</div>
Rating	★ ★ ★ (Good)

IPO SNAPSHOT	
Issue Size	₹ 251.19 Crores
Issue Type	Book Built Issue IPO
Fresh Issue	₹ 165 Crores
Offer for Sale	₹ 86.19 Crores
Face Value Per Share	₹ 10
Price Band Per Share	₹210 to ₹221
Minimum Lot Size	67 shares
Listing On	BSE, NSE
Registrar to the Issue	Kfin Technologies Limited

IPO SNAPSHOT – JG Chemicals Limited																																			
About the Company	<ul style="list-style-type: none"><li>▪ Incorporated in 1975</li><li>▪ The Company is the India’s largest zinc oxide manufacturer in terms of production and revenue for zinc oxide manufacturing through French process, which is the dominant production technology for producing zinc oxide and has been adopted by all the major producers in Americas, Europe and Asia.</li><li>▪ The Company sell over 80 grades of zinc oxide and are among the top ten manufacturers of zinc oxides globally.</li><li>▪ The Company have expanded our business and scale of operations and have grown into a large, diversified zinc oxide player with a global footprint.</li><li>▪ Their product caters to a wide spectrum of industrial applications, including in the rubber (tyre &amp; other rubber products), ceramics, paints &amp; coatings, pharmaceuticals &amp; cosmetics, electronics &amp; batteries, agro-chemicals &amp; fertilizers, speciality chemicals, lubricants, oil &amp; gas and animal feed.</li><li>▪ The Company operates three manufacturing facilities in Jangalpur and Belur, both in Kolkata, West Bengal and Naidupeta in Nellore District, Andhra Pradesh. Naidupeta is the largest facility, owned and operated by the Material subsidiary.</li><li>▪ Owing to their legacy of over four decades in manufacturing businesses, they benefit from our experience in catering to a wide array of customers and they have built a long-standing relationship with customers across end-user industries in the tyres, ceramics, rubber, paints, cosmetics and batteries industry.</li></ul>																																		
Competitive Strengths	<ul style="list-style-type: none"><li>▪ Leading market position with a diversified customer base</li><li>▪ High entry barriers in key end-use industries</li><li>▪ Strong and consistent financial performance</li><li>▪ Long-term relationships with customers and suppliers &amp; having robust supply chain</li><li>▪ Experienced and dedicated management team</li><li>▪ Focus on long term sustainability with environmental initiatives and safety standards</li></ul>																																		
Financials (₹ in Crores)	<table><tr><th>Particulars</th><th>31-3-2021</th><th>31-3-2022</th><th>31-03-2023</th><th>Y-o-Y</th></tr><tr><td>Revenue</td><td>435.30</td><td>612.83</td><td>784.58</td><td>28%</td></tr><tr><td>EBITDA</td><td>43.50</td><td>56.16</td><td>75.51</td><td>34%</td></tr><tr><td>EBITDA Margin</td><td>10%</td><td>9.2%</td><td>9.6%</td><td></td></tr><tr><td>PAT</td><td>28.80</td><td>43.13</td><td>56.79</td><td>32%</td></tr><tr><td>PAT Margin</td><td>6.6%</td><td>7.0%</td><td>7.2%</td><td></td></tr></table>					Particulars	31-3-2021	31-3-2022	31-03-2023	Y-o-Y	Revenue	435.30	612.83	784.58	28%	EBITDA	43.50	56.16	75.51	34%	EBITDA Margin	10%	9.2%	9.6%		PAT	28.80	43.13	56.79	32%	PAT Margin	6.6%	7.0%	7.2%	
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Valuation	<ul style="list-style-type: none"><li>▪ Attributing Annualized FY23 Earnings asking P/E = 16.25</li></ul>																																		
Peers	<table><tr><th colspan="3">Company Name</th><th>P/E ratio</th></tr><tr><td colspan="3">Rajratan Global Wire Limited</td><td>33.11</td></tr><tr><td colspan="3">NOCIL Limited</td><td>29.41</td></tr><tr><td colspan="3">Yasho Industries Limited</td><td>35.25</td></tr></table> <p>Note : P/E ratio is calculated as closing share price as on 01st March, 2024.</p>					Company Name			P/E ratio	Rajratan Global Wire Limited			33.11	NOCIL Limited			29.41	Yasho Industries Limited			35.25														
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Promoters	<ul style="list-style-type: none"><li>▪ Suresh Jhunjhunwala</li><li>▪ Anirudh Jhunjhunwala</li><li>▪ Anuj Jhunjhunwala</li></ul>																																		
Objects of the issue	<ul style="list-style-type: none"><li>▪ Investment in Material Subsidiary, viz. BDJ Oxides (i) repayment or pre-payment, in full or in part, of all or certain borrowings availed by its Material Subsidiary; (ii) funding capital expenditure requirements for setting up of a research and development center situated in Naidupeta, Andhra Pradesh (R&amp;D Centre) and (iii) funding its long-term working capital requirements</li><li>▪ Funding long-term working capital requirements of the Company</li><li>▪ General corporate purposes.</li></ul>																																		

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