



IPO INSIGHTS



Sanstar Limited

Issue Dates - Opens: 19-07-2024 | Closes: 23-07-2024

IPO Note	<ol style="list-style-type: none"> Sanstar Limited manufactures specialty plant-based products and ingredient solutions for food, pet food and other industrial applications in India. The Company's product portfolio includes liquid glucose, dried glucose solids, maltodextrin powder, dextrose monohydrate, native maize starches, modified maize starches, and by-products such as germ, gluten, fiber and fortified proteins
Rating	★★★(Good)

IPO SNAPSHOT

Issue Size	₹510.15 Crores
Issue Type	Book Built Issue IPO
Fresh Issue	₹397.10 Crores
Offer for Sale	₹113.05 Crores
Face Value Per Share	₹2
Price Band Per Share	₹90 to ₹95
Minimum Lot Size	150 shares
Listing On	BSE, NSE
Registrar to the Issue	Link Intime India Private Ltd

IPO SNAPSHOT – Sanstar Limited

About the Company

- Incorporated in 1982
- The Company is one of the major manufacturers of plant based speciality products and ingredient solutions in India for food, animal nutrition and other industrial applications.
- The Company's products include liquid glucose, dried glucose solids, maltodextrin powder, dextrose monohydrate, native maize starches, modified maize starches and co-products like germs, gluten, fiber and enriched protein, amongst others.
- Their speciality products and ingredients solutions add taste, texture, nutrients and increased functionality to (i) foods as ingredients, thickening agents, stabilizers, sweeteners, emulsifiers and additives (ii) animal nutrition products as nutritional ingredients, and (iii) other industrial products as disintegrants, excipients, supplements, coating agents, binders, smoothing & flattering agents, finishing agents, among others.
- The Company is the fifth largest manufacturer of maize based speciality products and ingredient solutions in India.
- Their leading position in the industry, technical knowledge to bring specific functionality and nutrition to end products, more than five decades of presence, state of the art manufacturing facilities, diverse product portfolio and clientele in domestic and global markets, provide us with competitive advantage.

Competitive Strengths

- Diversified and Strong Product Portfolio
- Established Sales & Distribution Network
- Diversified Clientele
- Experienced Promoter and Management and Raw Material Accessibility
- Robust framework to combat volatility in raw material pricing

Financials (₹ in Crores)

Particulars	31-3-2022	31-3-2023	31-03-2024	Y-o-Y
Revenue	504.40	1205.07	1067.27	-11%
EBITDA	39.72	72.45	98.14	35%
EBITDA Margin	7.9%	6.0%	9.2%	
PAT	15.92	41.81	66.77	60%
PAT Margin	3.2%	3.5%	6.3%	

Valuation

- Attributing Annualized FY23 Earnings asking P/E = 19.98

Peers

Company Name	P/E ratio
Gujarat Ambuja Exports Limited	18.19
Gulshan Polyols Limited	70.41
Sukhjit Starch and Chemicals Limited	15.10

Note : P/E ratio is calculated as closing share price as on 16th July, 2024.

Promoters

- Gouthamchand Sohanlal Chowdhary
- Sambhav Gautam Chowdhary
- Shreyans Gautam Chowdhary

Objects of the issue

- Funding the capital expenditure requirement for the expansion of the Dhule Facility
- Repayment and/or pre-payment, in part or full, of certain borrowings availed by the Company
- General Corporate Purposes

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