



J.G. CHEMICALS LTD

IPO NOTE

March 2024

ISSUE HIGHLIGHTS

- The Company was initially formed as a partnership firm “J.G. Chemicals” in 1975 in West Bengal. It was converted to “J.G. Chemicals Pvt Ltd” in 2001 and subsequently the name was Changed to “J.G. Chemicals Ltd” in 2022. J.G. Chemicals is **India’s largest zinc oxide manufacturer** in terms of production and revenue for zinc oxide manufacturing through the French process and had a **market share of ~30% as of March 2022**. The company sells over **80 grades of zinc oxide** and is **among the top 10 manufacturers of zinc oxides globally**.
- The company’s products cater to a wide range of industrial applications, including in the rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed.
- Tyre industry companies are the largest consumers of the company’s product. Apart from being a **supplier to 9 out of top 10 global tyre manufacturers** and **to all of the top 11 tyre manufacturers in India**, the company also supplies to leading paints manufacturers, footwear players and cosmetics players in India.
- The company’s material subsidiary **BDJ Oxides** is the **only zinc oxide manufacturing facility in India to have an IATF certification**, which is preferred by tyre manufacturers supplying to original equipment manufacturers.
- The company’s manufacturing is spread across **three manufacturing facilities** with 1 located at Jangalpur (West Bengal), 1 facility at Belur (West Bengal); and 1 facility at Naidupeta (Andhra Pradesh). As on December 31, 2023, the company’s aggregate **installed capacity stood at 77,040 MTPA** which includes an installed capacity of 59,904 MTPA for zinc oxide, 7,056 MTPA for zinc ingots and 10,080 MTPA capacity for zinc sulphate and other allied chemicals.
- The company has done **over 95% of the sales in the last three Fiscals directly to its customers** without involvement of any intermediary / distributor. In the last three Fiscals, the company catered to 250+ customers, of which **~90% were repeat customers**. Moreover, the company has built a diverse **global supplier base of 100 suppliers** in the last three Fiscals.
- The company **plans to establish a greenfield manufacturing facility in the state of Gujarat**. Moreover, the company is an approved vendor to most of the large global tyre companies having a significant presence in South-east Asia. The company is currently exploring both organic and inorganic growth opportunities in South-east Asian countries.

BRIEF FINANCIAL DETAILS*

(₹ In Cr)

	As of Sep,30 [^] ,	As of Mar’ 31,			
	2023 (06)	2023 (12)	2022 (12)	2021 (12)	
Share Capital	31.72	31.72	1.22	1.22	
Net Worth	217.86	199.89	147.66	108.48	
Revenue from operations	486.32	784.58	612.83	435.30	
Total Income	491.10	794.19	623.05	440.41	
EBITDA	32.94	85.12	66.38	48.61	
EBITDA Margin (%)	6.77%	10.85%	10.83%	11.17%	
PAT	18.51	56.79	43.13	28.80	
PAT Margin (%)	3.81%	7.24%	7.04%	6.62%	
Operating Cash Flows	67.11	31.17	6.75	(7.35)	
Net Debt as stated	(70.91)	(42.15)	(3.96)	(13.62)	
Debt Equity Ratio (x)	0.11	0.34	0.62	0.69	
ROCE (%)	11.86%	29.38%	25.83%	25.27%	
ROE (%)	8.20%	30.50%	30.64%	24.23%	

Source: RHP, *Restated Statement, ^ not annualised,

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹165 Crore and Offer for Sale of 39,00,000 Equity Shares

Issue summary

Issue size: ₹ 247 –251 Cr

No. of shares: 1,17,57,142-1,13,66,063 Shares

Face value: ₹ 10/-

Price band: ₹ 210-221

Bid Lot: 67 Shares and in multiple thereof

Post Issue Implied Market Cap =

₹ 831 – 866 Cr

BRLMs: Centrum Capital Ltd, Emkay Global Financial Services, Keynote Financial Services
Registrar: KFin Technologies Ltd

Issue opens on: Tuesday, 5th Mar’2024

Issue closes on: Thursday, 7th Mar’2024

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	11-03-2024
Refunds/Unblocking ASBA Fund	12-03-2024
Credit of equity shares to DP A/c	12-03-2024
Trading commences	13-03-2024

Issue break-up

	No. of Shares		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	58,78,570	56,83,030	123.45	125.59	50%
NIB	17,63,572	17,04,910	37.04	37.68	15%
-NIB2	11,75,715	11,36,606	24.69	25.12	-
-NIB1	5,87,857	5,68,304	12.35	12.56	-
RET	41,15,000	39,78,123	86.41	87.92	35%
Total	1,17,57,142	1,13,66,063	246.90	251.19	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	67 Shares	938 Shares	4,556 Shares
Minimum Bid Lot Amount (₹)	₹ 14,807 [^]	₹ 2,07,298 [^]	₹ 10,06,876 [^]
Appl for 1x	59,375 Applications	606 Applications	1,212 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre-issue	Post issue [^]	Post issue#
3,17,20,000	3,95,77,142	3,91,86,063

[^]@Lower price Band [#]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoter	37.70%	30.52%
Promoters Group	62.30%	40.47%
Public - Others	0.00%	29.01%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The Company was initially formed as a partnership firm “J.G. Chemicals” in 1975 in West Bengal. It was converted to “J.G. Chemicals Pvt Ltd” in 2001 and subsequently the name was Changed to “J.G. Chemicals Ltd” in 2022. The company is India’s largest zinc oxide manufacturer in terms of production and revenue for zinc oxide manufacturing through French process, selling over 80 grades of zinc oxide and is among the top ten manufacturers of zinc oxides globally. The company has one Subsidiary, namely BDJ Oxides Pvt. Ltd, which is currently engaged in the business of manufacturing zinc oxide and its allied products.

Brief Biographies of Directors & Key Managerial Personnel

Suresh Jhunjunwala is the Executive Chairman & Whole-time Director and has been associated with the Company since its incorporation. He has over 35 years of experience in chemical and speciality chemical industry. He is responsible for strategy formulation and identifying new growth areas for the Company.

Anirudh Jhunjunwala is the Managing Director and CEO of the Company. He has been associated with the Company since its incorporation and has over 20 years of experience in chemical and speciality chemical industry. He is responsible for the overall business activities of the Company.

Anuj Jhunjunwala is a Whole-time Director and CFO of the Company. He has been associated with the Company since March 7, 2022. He has over 14 years of experience. In the past, he was associated with Greater Pacific Capital India Pvt. Ltd and is currently associated with the company’s Material Subsidiary, BDJ Oxides Pvt. Ltd since November 2010.

Ashok Bhandari is an Independent Director of the Company. He has been associated with the Company since June 30, 2022. He was previously associated with Shree Cements Ltd as group financial advisor and as the CFO. Additionally, he was previously associated with Intrisoft Technologies Ltd, Mcleod Russel India Ltd, NPR Finance Ltd., Eastern Financiers Ltd., Newa Investments Pvt. Ltd, AUM Capital Market Pvt. Ltd, Bindal Equities Pvt. Ltd, Lone Star Holdings Pvt. Ltd., Cast Solutions Pvt. Ltd and CEM Logistics Pvt. Ltd

Sukanta Nag is an Independent Director of the Company. He has been associated with the Company since June 30, 2022. He was previously associated with organizations including Credit Analysis & Research Ltd and Infomerics Valuation and Rating Pvt. Ltd and is presently associated with Riskman Consulting LLP and Bagchi Sengupta Pal & Co LLP as designated partner.

Savita Agarwal is an Independent Director of the Company. She has been associated with the Company since June 30, 2022. Currently, she is a partner at R. Kothari & Co. LLP, a practicing Chartered Accountants firm. She was previously associated with Knitwoth Exports Ltd., Kalpaturu Engineering Ltd., Mapple Commerce Pvt. Ltd and Manmohak Suppliers Pvt. Ltd.

Swati Poddar is the Company Secretary & Compliance Officer of the Company and has been associated with the Company since June 2022. She has 5+ years of experience in secretarial compliance. Previously, she was associated with Finecrete Eco-Blocks Pvt. Ltd, Hind Syntex Ltd and Celica Developers Pvt. Ltd.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Investment in Material Subsidiary, viz. BDJ Oxides:	
• Repayment/ pre-payment, in full /part, of all or certain borrowings availed by the Material Subsidiary	25.00
• funding capital expenditure requirements for setting up of R&D Centre	6.06
• funding long-term working capital requirements of BDJ Oxides	60.00
• Funding long-term working capital requirements of the Company	35.00
• General Corporate Purposes	[•]
Total	[•]

OFFER DETAILS

Fresh Issue	No. of Shares	WACA per Equity Share (₹)
Fresh Issue (₹ 165 Cr)	Upto 78,57,142 ~ - 74,66,063 ^A Equity Shares	-

The Offer for Sale by:	Upto 39,00,000 Equity Shares	WACA per Equity Share (₹)
Promoter Group Selling Shareholders:		
Vision Projects & Finvest Pvt. Ltd	Upto 2,028,900 Equity Shares	0.38
Jayanti Commercial Ltd	Upto 1,100 Equity Shares	0.38
Suresh Kumar Jhunjhunwala (HUF)	Upto 1,260,000 Equity Shares	0.38
Anirudh Jhunjhunwala (HUF)	Upto 610,000 Equity Shares	0.38

(~ at lower price band and ^ upper price band) WACA = Weighted Average Cost of Acquisition

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue [^] and Offer for Sale Shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	1,19,60,000	37.70%	0	1,19,60,000	30.52%
Promoter Group	1,97,60,000	62.30%	39,00,000	1,58,60,000	40.47%
Total for Promoter and Promoter Group	3,17,20,000	100.00%	39,00,000	2,78,20,000	70.99%
Public	0	0.00%	74,66,063	1,13,66,063	29.01%
Total for Public Shareholders	0	0.00%	1,13,66,063	1,13,66,063	29.01%
Total Equity Share Capital	3,17,20,000	100.00%		3,91,86,063	100.00%

([^] at upper price band),

BUSINESS OVERVIEW

J.G. Chemicals is India's largest zinc oxide manufacturer in terms of production and revenue for zinc oxide manufacturing through the French process and had a market share of ~30% as of March 2022. The company sells over 80 grades of zinc oxide and is among the top 10 manufacturers of zinc oxides globally. Since its incorporation in 2001, the company has grown into a large, diversified zinc oxide player with a global footprint.

The company's products cater to a wide range of industrial applications, including in the rubber (tyre & other rubber products), ceramics, paints & coatings, pharmaceuticals & cosmetics, electronics & batteries, agro-chemicals & fertilizers, speciality chemicals, lubricants, oil and gas and animal feed.

The company has built long-standing relationship with customers across end-user industries like tyres, ceramics, rubber, paints, cosmetics, and batteries industry, owing to its four-decade experience in manufacturing and catering to customer requirements. Over the last three years, the company marketed and sold its products to over 200 domestic customers and over 50 global customers in more than 10 countries.

Tyre industry companies are the largest consumers of the company's product. Apart from being a supplier to 9 out of top 10 global tyre manufacturers and to all of the top 11 tyre manufacturers in India, the company also supplies to leading paints manufacturers, footwear players and cosmetics players in India. The company's material subsidiary BDJ Oxides is the only zinc oxide manufacturing facility in India to have an IATF certification, which is preferred by tyre manufacturers supplying to original equipment manufacturers.

Sales to the various end-use industries

(figures in %)

Industry	Nine months ended December 31,2023	As of March 31, 2023		
		2023	2022	2021
Rubber and tyres	90.50	90.46	90.10	89.20
Pharmaceuticals & chemicals	7.09	6.79	6.37	7.48
Agriculture	0.75	0.92	2.06	1.79
Others*	1.66	1.83	1.47	1.53
Total	100.00	100.00	100.00	100.00

*Includes ceramics, paints & coatings, electronics & batteries, lubricants, oil & gas and animal feed end-user industries

The end use industries require the products to be customised as per their specifications which acts as a significant entry barrier for zinc-oxide manufacturing. Further, high cost of product development, complexity of the chemistry for customised products, necessary technical expertise and lengthy and stringent supplier qualification process are the entry barrier in the business.

Industry wise break-up of revenue from operations

Industry	Nine months ended December 31, 2023		As of March 31, 2023					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Rubber	440.12	90.50	709.73	90.46	552.16	90.10	388.29	89.20
- Tyres	404.86	83.25	651.04	82.98	501.30	81.80	353.03	81.10
-Other rubber products	35.25	7.25	58.68	7.48	50.86	8.30	35.26	8.10
Pharmaceuticals & Cosmetics	34.48	7.09	53.27	6.79	39.03	6.37	32.56	7.48
Agriculture	3.64	0.75	7.22	0.92	12.62	2.06	7.79	1.79
Others*	8.07	1.66	14.36	1.83	9.01	1.47	6.66	1.53
Total	486.32	100	784.58	100	612.83	100	435.30	100

The company's manufacturing is spread across three manufacturing facilities located at (i) Jangalpur (Kolkata, West Bengal); (ii) Belur (Kolkata, West Bengal); and (iii) Naidupeta (Nellore District, Andhra Pradesh), which is the largest manufacturing facility and is owned and operated by the company's Material Subsidiary. As on December 31, 2023, the company's aggregate installed capacity stood at 77,040 MTPA is spread across the three manufacturing facilities.

Sets (nos.)	Technical specification	Installed Capacities
Belur Facility		
1	Complete zinc oxide production line consisting of furnaces, storagetanks, bag filters, blowers, blenders, combustion systems, compressors, electrical panels, packaging systems and materialhandling equipment's and instrumentation controls.	1,800 MTPA for zinc oxide
Jangalpur Facility		
4	Complete zinc oxide production line consisting of furnaces, storage tanks, bag filters, blowers, blenders, combustion systems, compressors, electrical panels, packaging systems and material handling equipment's and instrumentation controls.	14,400 MTPA for zinc oxide
1	Complete zinc ingot production line consisting of furnace, bag filter, compressor, blower, combustion system, electrical panel, crane and instrumentation controls.	5,040 MTPA for zinc ingots
Naidupeta Facility		
9	Complete zinc oxide production line consisting of furnaces, storage tanks, bag filters, blowers, blenders, combustion systems, compressors, electrical panels, packaging systems and material handling equipment's and instrumentation controls	43,704 MTPA for zinc oxide, 2,016 MTPA for zinc ingots
1	Complete zinc sulphate production line consisting of reactors, storage tanks, crystallisers, centrifuge, pumps, motors, dryers, bag filters, blowers, compressors, electrical panels, packaging systems, ancillary equipment and material handling equipment's and instrumentation controls	10,080 MTPA for zinc sulphate and other allied chemicals

Manufacturing Capacities

Financial Year / Date	Installed Capacity*			
	Zinc Oxide	Zinc Ingot	Zinc Sulphate and other allied chemicals	Total Capacity
December 31, 2023	59,904	7,056	10,080	77,040
2023	59,904	7,056	10,080	77,040
2022	46,464	5,040	NA	51,504
2021	38,832	NA	NA	38,832

*Capacities in Metric tonnes per annum (MTPA)

The installed capacity of the Naidupeta Facility specified, has recently been augmented by an additional 13,440 MTPA for zinc oxide and 10,080 MTPA for zinc sulphate and other allied chemicals. The company has also been granted the consent and hazardous waste authorisation order under the 'Orange Category' for generation, collection, storage, transport, reuse, recycling, utilisation, processing and treatment or any other use of hazardous or wastes and permissible quantity of emissions per hour at all the manufacturing facilities, by the respective state pollution control boards.

All the manufacturing facilities have been accredited with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015. The company has also obtained the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals, Regulation (EC) No. 1907/2006) certification which allows the company to supply its products to the European Union. Further the company has been recognised as a 'Two Star Export House' by the DGFT, Ministry of Commerce & Industry (valid till March 31, 2028). Moreover, the subsidiary BDJ Oxides has obtained WHO GMP certificate for manufacture and supply of pharma grade zinc oxide at its Naidupeta Facility.

The company procures its raw materials from multiple domestic and global suppliers and has built a strong network of domestic as well as global supplier base. The company has procured raw materials from over 100 global suppliers in the last three years. With some of the suppliers the company has become the preferred customer for raw material Zinc Dross.

The company's revenues from operations grew at CAGR of 34.25% from ₹ 435.29 Crore to ₹ 784.57 Crore between Fiscals 2021 to 2023, while the restated profit after tax, grew at a CAGR of 40.43% from ₹ 28.80 Crore to ₹ 56.79 Crore. For 9 months ended December 31, 2023, the revenues from operations stood at ₹ 486.32 Crore and PAT stood at ₹ 18.51 Crore.

COMPETITIVE STRENGTHS

- Leading market position with a diversified customer base**

The company is the largest manufacturer of zinc oxides in India and among the top ten manufacturers of zinc oxides globally, with an installed capacity of 59,904 MTPA for zinc oxide, 7,056 MTPA for zinc ingots and 10,080 MTPA capacity for zinc sulphate and other allied chemicals. The installed capacity of the company's Naidupeta Facility has recently been augmented by 13,440 MTPA for zinc oxide and 10,080 MTPA for zinc sulphate and other allied chemicals. The Company exports products to SAARC region and in South-East Asia, which is the top market for India's zinc oxide exports.

Particulars	Nine months ended December 31, 2023		As of March 31, 2023					
			2023		2022		2021	
	Sales	%	Sales	%	Sales	%	Sales	%
Exports Sales	46.24	9.51%	72.71	9.27%	54.51	8.90%	38.69	8.92%

While India's tyre production grew at CAGR of 0.32% between Fiscals 2017 to 2021, the Company's volumes grew at a significantly higher CAGR of 13.32% during the same period. Despite slow growth in the company's biggest end-use industry customer, the growth in the company was due to long term relationship with tyre companies, ability to scale up production as per the customer requirements, timely supply products to customers.

- High entry barriers in key end-use industries**

- ✓ Stringent vendor approval process: The end-use industries have significant entry barriers due to specific factors unique to such industries. For example, the Tyre manufacturer follow a stringent vendor approval process which may take significant time of up to 5 years, acting as a disincentive for vendor change.
- ✓ Raw material tie-ups: In terms of raw material tie-ups the company has built diverse global supplier base of over 100 supplier and is a preferred customer for certain global suppliers.
- ✓ Technical Expertise: The company's strength lies in ability to produce and supply variety of grades with minimum down-time and maximum efficiency. Further, the Material subsidiary, BDJ Oxides is the only zinc oxide manufacturing facility in India to have an IATF certification and has requisite licenses to manufacture zinc oxide in accordance with Indian Pharmacopoeia/ British Pharmacopoeia/ United States Pharmacopeia/ European Pharmacopeia standards. The company believes that such certifications enable it to cater to varying needs of the industry and open new areas of growth in the pharmaceutical industry
- ✓ High working capital requirements: The company procures its raw materials on an advance basis in cash and the sales made by it to the customers is mostly on credit, leading to a high working capital requirement in the zinc oxide industry which acts as a major deterrent for entry of new players.

- Strong and consistent financial performance**

In the last three fiscals the company has witnessed increase in net-worth and consistent improvement in the balance sheet position. The company's revenue from operations and profit after tax grew at a CAGR 34.2825% and 40.43%, respectively, from FY21 to FY23. While the tyre industry has grown at a CAGR of 0.32%, between Fiscals 2017 to 2021, the company's volumes grew at a CAGR of 13.32%, during the same period. The customers in the rubber industry have contributed ~90% of the revenues from operations for 9 months ended December 31, 2023, and Fiscals 2023, 2022 and 2021.

- Long-term relationships with customers and suppliers**

The company believes in establishing a direct relationship with its customers and over 95% of the sales in the last three Fiscals is directly to its customers without involvement of any intermediary/distributor, which helps the company to build a strong relationship with customers along with lowering of costs and improvement in their returns. In the last three Fiscals, the company catered to 250+ customers, of which around 90% were repeat customers. Moreover, the company has built a diverse global supplier base of 100 global suppliers in the last three Fiscals.

- **Experienced and dedicated management team**

The company is led by qualified and experienced Promoters and management team. The promoters Suresh Jhunjunwala, Anirudh Jhunjunwala and Anuj Jhunjunwala have a cumulative experience of over 8 decades in the industry. The Promoters are ably supported by the management team's collective experience and capabilities which enables them to understand and anticipate market trends, manage the business operations and growth, leverage customer relationships, and respond to changes in customer preferences.

- **Focus on long term sustainability with environmental initiatives and safety standards**

As a part of the company's initiatives towards continual improvement, they have obtained the Environment Management System certification under the new standard of ISO 14001: 2015 for each of their manufacturing facilities. The company uses the French process to produce various grades of zinc oxide and uses modern pulse jet bag filters and combustion systems which ensures high productivity, low energy consumption and maintains required standards with respect to emission norms.

KEY BUSINESS STRATEGIES

- **Expand the production capacities and broadening the footprint of manufacturing operations**

The Company has existing manufacturing facilities in the eastern and southern part of India. It has recently expanded the existing manufacturing facility in Naidupeta, District Nellore in the state of Andhra Pradesh by 23,520 MTPA of which 13,440 MTPA will be utilised for zinc oxide and 10,080 MTPA will be utilised for producing zinc sulphate and other allied chemicals. With this expansion, the company's cumulative installed capacity has increased to 77,040 MTPA.

Further, the company plans to establish a greenfield manufacturing facility in the state of Gujarat. Moreover, the company is an approved vendor to most of the large global tyre companies having a significant presence in South-east Asia. To further diversify in the overseas markets the company is currently exploring both organic and inorganic growth opportunities in South-east Asian countries.

- **Further diversify the product offerings and enter new verticals**

Presently, the company's manufacturing process leads to generation of zinc ash, which they sell in the market. Going forward, the company plans to utilize the in-house availability of zinc ash in production of zinc sulphate. The company's manufacturing facility in Naidupeta, Andhra Pradesh has been recently expanded for production of zinc sulphate, to meet the expected significant demand for zinc sulphate from the southern part of India. The company also intend to produce other allied agriculture nutrients like ferrous sulphate hepta hydrate and magnesium sulphate hepta hydrate in the same facility with minor operational modifications.

The company plans to gradually increase the production of pharmaceutical grade zinc oxide for which its subsidiary BDJ Oxides has already obtained the requisite licenses from Government of Andhra Pradesh Drugs Control Administration in the year 2020. The company further intends to cater to the demand for active zinc oxide grade, which is extensively used in electronics, petroleum and environmental protection industries. Additionally, the company intend to expand into many other zinc based chemicals and nutrients such as Zinc EDTA 13% and Zinc 39.5% solution which find application in agriculture, micro-nutrients and zinc based feeds & additives.

- **Deep mining of existing customers and continued focus to expand customer base**

The company intends to continue to leverage its direct marketing and distributor network and its industry standing to establish relationships with new export and local customers and expand the customer base. The company intends to increase the export contribution to its revenue by adding more new and customised products to the product portfolio. For example, the company is exploring both organic and inorganic growth opportunities for manufacturing zinc stearate and further, intend to develop more products which address disparate aspects within the rubber industry.

- **Increasing focus on R&D to support complex chemistries, product innovation and cost efficiencies.**

The company intends to establish a separate R&D facility to undertake complex innovations in its products for making the same available to pharmaceuticals, agro-chemicals and battery end-use industries, among others. The company is also exploring ways to develop battery grade zinc oxide and chemicals. Zinc oxide battery helps to play a major role in semiconductor ceramic elements for operation at elevated temperatures or high voltages. The company is already catering to some existing battery manufacturers and is working on developing certain tailor-made products for the battery sector.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Total Income (₹ Cr)	EPS (₹)		NAV (₹)	P/E (x)	RoNW (%)
		Basic	Diluted			
J. G. Chemicals Ltd	794.19	17.31	17.32	63.02	[·]	27.49%
Rajratan Global Wire Ltd	898.68	19.72	19.72	86.54	33.43	22.79%
NOCIL Ltd	1,622.81	8.95	8.92	93.14	30.97	9.61%
Yasho Industries Ltd	682.59	59.5	59.54	208.75	30.03	28.52%

Source: RHP; P/E Ratio has been computed based on the closing market price of equity shares on February 22, 2024 on NSE

COMPARISON OF KEY PERFORMANCE OF INDICATORS WITH PEER GROUP COMPANIES

Parameters	J.G. Chemicals Ltd			Rajratan Global Wire Ltd			NOCIL Ltd			Yasho Industries Ltd		
	FY23	FY22	FY21	FY23	FY22	FY21	FY23	FY22	FY21	FY23	FY22	FY21
Revenue from operation	784.58	612.83	435.30	895.37	892.87	546.54	1,616.57	1,571.31	924.66	671.55	612.66	359.44
Total Income	794.19	623.05	440.41	898.68	894.87	548.17	1,622.81	1,575.19	939.38	682.60	622.99	369.52
EBITDA	85.12	66.38	48.61	165.26	183.59	93.74	258.97	290.05	145.53	126.02	103.30	59.09
EBITDA Margin (%)	10.85	10.83	11.17	18.46	20.56	17.15	16.02	18.46	15.74	18.77	16.86	16.44
PAT	56.79	43.13	28.80	100.12	124.33	53.13	149.15	176.11	88.41	67.87	52.29	21.48
PAT Margin (%)	7.24	7.04	6.62	11.18	13.92	9.72	9.23	11.21	9.56	10.11	8.53	5.98
Operating Cash Flows	31.17	6.75	(7.35)	161.53	121.79	38.71	281.98	(30.22)	93.56	32.74	15.72	34.63
Net Worth	199.89	147.66	108.48	439.38	340.97	226.54	1,552.13	1,445.21	1,284.73	237.96	173.05	78.93
Net Debt	(42.15)	(3.96)	(13.62)	115.20	63.78	67.27	(276.11)	(250.71)	(218.86)	271.31	142.66	110.65
Debt Equity Ratio	0.34	0.62	0.69	0.39	0.40	0.63	NM	NM	NM	1.33	1.02	2.03
ROCE (%)	29.38	25.83	25.27	24.10	38.18	25.58	13.10	16.72	8.41	19.16	24.23	20.48
ROE (%)	30.50	30.64	24.23	25.66	43.82	23.45	9.95	12.90	6.88	33.03	41.50	27.21

NM : Not Measurable

Restated Consolidated Statement of Profit and Loss

(₹ In Cr)

Particulars	9 months period ended December 31,	As on March 31,		
	2023	2023	2022	2021
Revenue from operations	486.32	784.58	612.83	435.30
Other income	4.78	9.61	10.22	5.11
Total income	491.10	794.19	623.05	440.41
Expenses				
Cost of material consumed	408.38	636.90	506.28	345.45
Purchase of Stock-in-Trade	-	-	0.50	0.52
Changes in inventories	(3.14)	(2.84)	(10.93)	3.05
Employee benefits expense	12.16	14.81	13.31	10.30
Finance costs	3.00	4.98	6.25	5.07
Depreciation and amortization Expense	3.18	3.44	2.68	2.34
Other expenses	40.75	60.20	47.51	32.48
Total expenses	464.34	717.50	565.60	399.21
Profit/(Loss) before tax	26.76	76.69	57.45	41.20
Less: Exceptional Item	1.80	-	-	-
Less: Tax expense	6.45	19.90	14.32	12.40
Restated Profit/(Loss) for the period	18.51	56.79	43.13	28.80
Other Comprehensive Income	0.71	0.10	0.08	0.09
Restated total comprehensive income	19.22	56.89	43.21	28.89
EPS (Basic & Diluted)	*5.60	17.32	12.61	7.39

• Not annualised

Restated Consolidated Statement of Assets and Liabilities

(₹ In Cr)

Particulars	9 months period ended December 31, 2023	As on March 31,		
		2023	2022	2021
ASSETS				
Non-current assets				
a) Property, plant, and equipment	37.69	35.27	22.37	22.39
b) Capital work-in-progress	3.43	0.92	7.38	0.04
c) Goodwill on consolidation	-	-	-	0.56
d) Intangible assets	0.02	0.01	0.02	0.03
e) financial assets	0.00	0.00	0.00	0.00
i. Investments	6.13	2.96	8.49	8.63
ii. Other financial assets	0.99	1.15	0.89	0.77
f) Deferred tax assets (net)	-	-	0.03	-
g) non-current tax assets	-	0.01	0.02	0.46
h) Other non-current assets	1.74	1.14	1.24	1.50
Total non-current assets	50.00	41.46	40.43	34.36
Current assets	0.00	0.00	0.00	0.00
i) Inventories	76.44	103.85	88.27	48.64
j) financial assets	0.00	0.00	0.00	0.00
i. Trade receivables	94.32	115.61	94.77	89.80
ii. Cash and cash equivalents	7.43	3.55	5.85	4.71
iii. bank balances other than (ii) above	0.02	1.31	2.21	0.45
iv. Investments	6.18	0.00	0.00	0.00
v. Loans	-	1.84	1.76	1.95
vi. Other financial assets	8.15	21.13	8.92	5.14
k) Current Tax Assets (Net)	0.74	-	-	-
l) Other current assets	27.99	9.06	21.94	24.89
Total current assets	221.27	256.34	223.72	175.57
Total Assets	271.26	297.79	264.14	209.94
EQUITY AND LIABILITIES	0.00	0.00	0.00	0.00
Equity	0.00	0.00	0.00	0.00
a) Equity share capital	31.72	31.72	1.22	1.22
b) other equity	194.19	175.94	151.40	107.26
c) Non-Controlling interest	6.60	5.87	4.02	10.53
Total Equity	232.51	213.53	156.64	119.00
Liabilities	0.00	0.00	0.00	0.00
Non-current liabilities	0.00	0.00	0.00	0.00
a) financial liabilities	0.00	0.00	0.00	0.00
i. Borrowings	4.59	6.72	5.60	5.48
ii. Other financial liabilities	-	-	-	0.20
b) Provisions	0.39	0.29	0.24	0.18
c) Deferred tax liabilities (net)	0.66	0.59	-	0.12
Total non-current liabilities	5.64	7.59	5.83	5.98
Current liabilities				
a) financial liabilities				
i. Borrowings	20.38	63.64	88.35	68.97
ii. Trade payables	6.31	8.37	5.31	7.19
b) Other financial liabilities	3.79	2.31	3.89	2.06
c) Other current liabilities	1.40	0.46	2.11	3.20
d) Provisions	1.24	1.26	1.14	0.95
e) Current tax liabilities (net)	-	0.63	0.87	2.58
Total current liabilities	33.11	76.67	101.67	84.96
Total equity and liabilities	271.26	297.79	264.14	209.94

Source: RHP,

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