

Shivam Gupta  
shivamgupta@rathi.com

### Issue Details

Issue Details	
Issue Size (Value in million, Upper Band)	2,353.2
Fresh Issue (No. of Shares in Lakhs)	2,353.2
Offer for Sale (No. of Shares in Lakhs)	-
Bid/Issue opens on	27-Feb-24
Bid/Issue closes on	29-Feb-24
Face Value	Rs. 10
Price Band	162-171
Minimum Lot	87

### Objects of the Issue

➤ **Fresh Issue: ₹ 2,353.2 Million.**

- Investment in the subsidiary, Platinum Stabilizers Egypt LLC.
- Funding capital expenditure requirements of the company (Palghar Facility).
- Funding working capital requirements of the company.
- General corporate purposes.

Book Running Lead Managers	
Unistone Capital Private Limited	
Registrar to the Offer	
Bigshare Services Private Limited	

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	600.00
Subscribed paid up capital (Pre-Offer)	411.64
Paid up capital (post-offer)	549.25

Share Holding Pattern %	Pre-Issue	Post Issue
Promoters & Promoter group	94.7%	71.0%
Public	5.3%	29.0%
Total	100.0%	100.00%

### Financials

Particulars (₹ In million)	FY23	FY22	FY21
Revenue from operations	2,314.8	1,881.6	892.7
Operating expenses	1,776.2	1,628.0	817.1
EBITDA	538.6	253.5	75.6
Other Income	10.7	10.8	2.6
Depreciation	18.3	8.9	7.4
EBIT	531.1	255.4	70.8
Interest	21.7	15.8	3.9
PBT	509.4	239.6	67.0
Tax	133.5	61.7	18.8
Consolidated PAT	375.8	177.9	48.2
EPS	6.84	3.24	0.88
Ratios	FY23	FY22	FY21
EBITDAM	23.27%	13.47%	8.47%
PATM	16.24%	9.46%	5.39%
Sales growth	23.03%	110.77%	

### Company Description

Platinum Industries Limited is a multi-product company engaged in the business of manufacturing stabilizer. Their business segment includes PVC stabilizers, CPVC additives and lubricants. They operate in the speciality chemicals industry. The products find their application in PVC pipes, PVC profiles, PVC fittings, electrical wires, and cables, SPC floor tiles, Rigid PVC foam boards, packaging materials, etc. The Indian speciality chemicals industry, accounting for ~26% of the overall chemicals industry (excluding pharmaceuticals), was worth \$29 billion in fiscal 2020.

The industry expanded at 6.7% CAGR over fiscals 2015-20, driven by an increase in domestic offtake from various end-user industries and rising exports. However, in fiscal 2021, the industry declined 3.4% on-year because of a slowdown in economic activity and the consequent decline in demand from end-user industries. The industry exhibited recovery in fiscal 2023 with a worth of \$37.9 billion. The Indian specialty chemical industry is expected to reach \$48.1 billion by fiscal 2026, growing at 8.3% CAGR over 2023-26.

They are the third largest player of PVC stabilizer in terms of sales with an ~13.00% market share for the financial year 2022-23 in the domestic market. Amongst the considered peers in the industry, their Company has in the fiscal 2023 recorded the highest Revenue CAGR (FY20-FY23) of 48.8%, Gross profit increased with a CAGR of 92.4%, EBITDA margin of 145.5%, PAT margin of 185.60%, respectively. The gross margin improved significantly between fiscals 2020 and 2023, from 15.6% to 37.5%, thereby recording the highest gross margin vis-à-vis all peers in fiscal 2023.

CPVC additives, or chlorinated polyvinyl chloride additives, are chemical substances added to enhance the properties and performance of chlorinated polyvinyl chloride (CPVC) materials. CPVC additives improve the heat and chemical resistance of CPVC materials, allowing them to withstand higher temperatures compared to standard PVC and withstand exposure to a wide range of chemicals and corrosive substances. This makes CPVC suitable for applications that involve hot water handling such as plumbing systems, industrial pipes, and fire sprinkler systems and for use in chemical processing plants, laboratories, and industrial applications where resistance to chemicals is crucial. CPVC Additives also improve the mechanical strength and toughness of CPVC materials. They enhance the impact resistance, tensile strength, and dimensional stability, making CPVC suitable for demanding applications where durability and strength are required.

Their Manufacturing Facility is located at Palghar, Maharashtra which is spread across an aggregate parcel of land admeasuring about 21,000 sq. ft.

### Valuation

The Company has grown from commencing from 2 products portfolio to a multi-product manufacturing company with sales across India and in international markets. It is into manufacturing of various important industrial products like PVC Stabilizers, lubricants etc. along with strong R&D capabilities.

At the upper price band company is valuing at P/E of 25.0X, with a market cap of ₹ 9,392.1 million post issue of equity shares and return on net worth of 61.26%.

We believe that valuations of the company is fairly priced and recommend a “**Subscribe-Long Term**” rating to the IPO.

The company invest in R&D activities to create a differentiating factor and sustainability in their products and services vis-à-vis their competitors. In addition to the manufacturing facilities at Palghar, Maharashtra they have a dedicated in-house R&D facility located at Gut no.181/11 to 181/26, village Dhansar, Palghar, Maharashtra ("R&D Facility"). Their R&D Facility is equipped with analytical laboratory infrastructure for various developmental activities which includes process, finished products and other raw materials. They share their R&D facility with their group companies. They also have Technical Collaboration Agreement 193 with HMS Concept E.U., which is the sole proprietorship concern of Dr. Horst Michael Schiller, who is an internationally renowned scientist with over three decades of experience in the PVC industry.

Their business model is aimed at consistently expanding their product portfolio by introducing new products to cater to multiple end-use applications. With a strict focus on product quality and a good track record in the distributor network, they have an established brand image which helps them in penetrating new product categories. Their Company was originally incorporated as a Limited Liability Partnership in the year 2016 under the provisions of the Limited Liability Partnership Act, 2008 under the name and style of "Platinum Industries LLP". In July 2020, the limited liability partnership was converted into a private limited company registered under the Companies Act. They initially started manufacturing lead-based stabilizers and mixed metal-based stabilizers and subsequently diversified by manufacturing low lead-based stabilizers, organic stabilizers, CPVC Additives and lubricants.

Krishna Dushyant Rana, their Managing Director and Parul Krishna Rana, their Executive Director are the Promoters of the Company. The Promoters have combined experience of over two decades in the chemical industry and act as a driving force of the Company. The Company has grown consistently over the last few years under their leadership.

The company, through their subsidiary Platinum Stabilizers Egypt LLC, intend to establish a project in Egypt, which shall be spread over an aggregate parcel of land admeasuring about 10,000 sq. mtrs ("Proposed Facility 1 (Egypt)") and shall venture into manufacturing of PVC stabilizers (both lead based, and non-lead based). Further, the company are in a process of setting up a new manufacturing facility at Palghar, Maharashtra which shall be spread across an aggregate parcel of land admeasuring about 14,800 sq. mts. ("Proposed Facility 2 (Palghar)") which shall be used to manufacture of PVC stabilizers (non-lead based). The table below sets forth certain key operational and financial metrics for the periods indicated:

Particulars	For the period ended September 30,2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
<b>Operational Parameters</b>				
Number of Customers Served (B2B Segment)	171	273	273	120
Number of distributors	10	13	11	12
COGS as % of revenue from Operations	59.3%	62.6%	76.2%	79.6%
Total metric ton sales done	6574.86	12364.68	10028.59	6494.73
Sales realization per metric ton	182.07	189.29	183.82	137.25
<b>Financial Parameters</b>				
Revenue from Operations (₹ in million)	1228.21	2314.81	1881.56	892.69
Total Income (₹ in million)	1237.34	2325.55	1892.38	895.3
Operating EBITDA (₹ in million)	323.77	538.57	253.54	75.63
Operating EBITDA Margin (%)	26.4%	23.3%	13.5%	8.5%
Profit/(loss) after tax for the year/period (₹ in million)	228.35	375.84	177.48	48.15
Net profit Ratio/ Margin (%)	18.6%	16.2%	9.4%	5.4%
Return on Equity (ROE) (%)	31.4%	90.0%	132.4%	138.6%
Debt To Equity Ratio	0.13	0.28	1.09	0.73
Interest Coverage Ratio	19.88	24.49	16.13	18.37
ROCE (%)	28.8%	56.9%	52.5%	74.3%
Current Ratio	2.52	1.87	1.29	1.04
Net Capital Turnover Ratio	2.07	6.07	11.01	98.3

#### Business Operations:

#### Product Portfolio

#### 1. PVC Stabilizer:

##### Lead Based-

- Lead Based Stabilizer.
- Hybrid / Low Lead Stabilizer.
- PVC Add Pack

##### Non-Lead Based-

- Calcium Zinc Stabilizer.
- Calcium Organic Stabilizer.
- PVC Add Pack.

**2. PVC Stabilizer:**

- CPVC Add Pack.
- CPVC Compound.

**3. Lubricants:**

- PE Wax.
- Lubpack.

Set forth below is the bifurcation of their revenue from operations.

**a) In terms of product category:**

Product Category	For the period ended September 30, 2023		Fiscal 2022-23		Fiscal 2021-22		Fiscal 2020-21	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
PVC Stabilizers								
Lead based stabilizers	214.7	17.93	274.48	11.73	318.97	17.3	293.03	32.87
Non-Lead based Stabilizers	501.67	41.91	923.16	39.44	457.29	24.81	227.38	25.51
CPVC Additives	47.48	3.97	177.48	7.58	139.75	7.58	92.46	10.37
Lubricants	358.86	29.98	626.08	26.75	397.07	21.54	149.43	16.76
Trading Sales	66.78	5.58	318.26	13.6	522.07	28.32	123.24	13.83
Others	7.6	0.63	21.1	0.9	8.32	0.45	5.87	0.66
<b>Total</b>	<b>1197.08</b>	<b>100</b>	<b>2340.56</b>	<b>100</b>	<b>1843.48</b>	<b>100</b>	<b>891.41</b>	<b>100</b>

**b) In terms of domestic and export sales:**

Product Category	For the period ended September 30, 2023		Fiscal 2022-23		Fiscal 2021-22		Fiscal 2020-21	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Domestic	1,086.28	90.74	2,210.85	94.46	1,721.99	93.5	843.71	94.65
Exports	110.79	9.26	129.71	5.54	119.62	6.5	47.7	5.35
<b>Total</b>	<b>1,197.08</b>	<b>100</b>	<b>2,340.56</b>	<b>100</b>	<b>1,841.61</b>	<b>100</b>	<b>891.41</b>	<b>100</b>

**c) In terms of their Top 10, top 5, top 3 customers:**

Product Category	For the period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Top 3 customers	74.8%	63.6%	54.2%	71.5%
Top 5 customers	81.8%	77.9%	73.7%	79.9%
Top 10 customers	91.1%	86.5%	83.4%	87.7%

**d) In terms of revenue generated from direct customers and revenue generated from distributors:**

Particulars	For the Period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Direct Revenue	1,133.6	94.7	2,212.6	94.5	1,757.5	95.4	818.4	91.8
Revenue from Distributors	63.5	5.3	127.9	5.5	84.1	4.6	73.0	8.2
<b>Total</b>	<b>1,197.1</b>	<b>100</b>	<b>2,340.6</b>	<b>100</b>	<b>1,841.6</b>	<b>100</b>	<b>891.4</b>	<b>100</b>

**e) The % of contribution of the Company's Top 5 customers vis-à-vis the revenue from operations respectively as of for the Fiscal 2021, 2022 and 2023 is as follows:**

Particulars	For the Period ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹)	(%)	(₹)	(%)	(₹)	(%)	(₹)	(%)
Customer 1	521.61	43.57	897.81	38.36	486.27	26.4	337.78	37.89
Customer 2	161.1	16.21	298.73	12.76	286.45	15.55	237.61	26.66
Customer 3	149.72	15.06	294.7	12.59	224.75	12.2	61.57	6.91
Customer 4	42.8	4.31	178.46	7.62	220.37	11.97	52.1	5.84
Customer 5	26.77	2.69	152.48	6.51	139.08	7.55	23.44	2.63

**PVC Stabilizers**

PVC stabilizers are one of the most important additives used in the manufacturing of PVC (polyvinyl chloride) to avoid the decomposition of PVC during the heating process. During its manufacturing, PVC releases hydrochloride, which further decomposes it and hampers its structure. Thus, lead based, mixed metals based, tin based, and organic based PVC stabilizers are used to stop the chain reaction of such decomposition. PVC stabilizers are also used to improve PVC’s resistance to sunlight, weathering, and heat aging.

***Lead based stabilizers.***

Lead stabilizers are traditional stabilizers known for their excellent heat stability and cost effectiveness. Lead stabilizers are widely used in PVC pipes, PVC foam boards and other rigid PVC applications. The use of lead stabilizer is now discouraged because lead is considered a hazardous element to health. Types of lead stabilizers are tetra-basic lead sulphate, tri-basic lead sulphate, di-basic lead phosphite, di-basic lead phthalate, di-basic lead stearate, neutral lead stearate.

***Non lead based stabilizers***

This type of stabilizer includes cadmium-barium (Cd-Ba), barium-zinc (Ba-Zn) and calcium-zinc (Ca-Zn) stabilizer systems. Developed economies have phased out cadmium-based stabilizers. Calcium-zinc stabilizers are preferred as they are heavy metal-free stabilizers and are considered safe for health and the environment. Ca-Zn stabilizers have applications in both rigid and soft applications. They are used in PVC cable insulation, PVC rigid and flexible pipes, foam boards, profiles, sheets, etc.

***CPVC Additives***

Chlorinated polyvinyl chloride (CPVC) is a thermoplastic produced by chlorination of polyvinyl chloride PVC resin. CPVC is significantly more flexible than PVC and can also withstand higher temperatures. CPVC is a heat resistant and corrosion resistant compound that is primarily used for industrial manufacturing purposes, particularly in piping and fitting materials. When the CPVC resin is infused with additives, it creates CPVC additives. These compounds are much more processable and enhance the CPVC resin’s immunity to chemicals.

***Lubricants***

***Polyethylene wax (PE wax)***

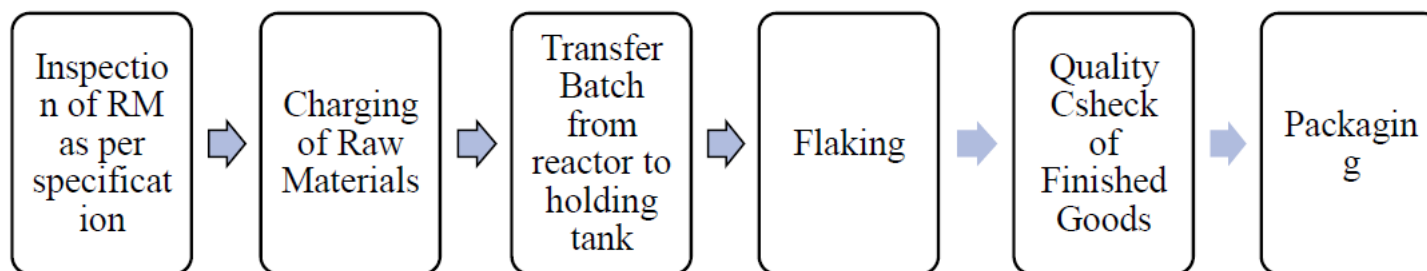
Polyethylene wax or PE Wax is a low molecular weight polyethylene oligomer used for enhancing the process parameters and properties of the finished products. It is used in diverse applications across the plastic industry. PE Wax acts as an external lubricant for PVC processing.

***Lubpack***

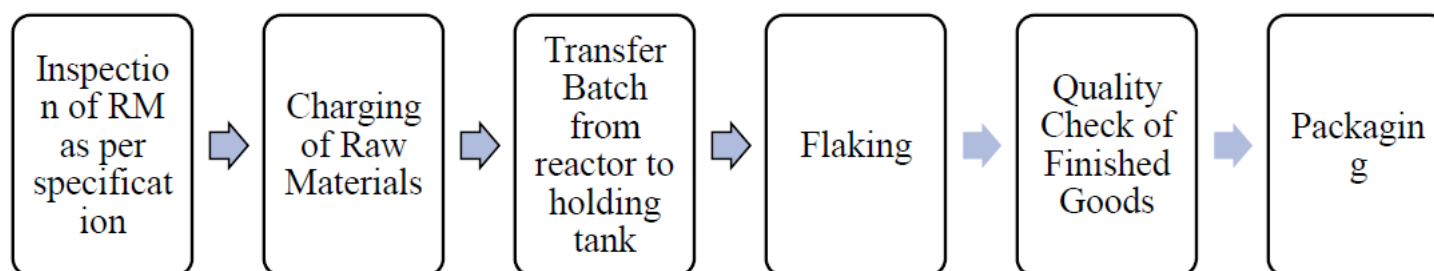
Lubpack series is a lubricant onepack with co-stabilizing additives based on high-quality Polyethylene wax and oxidized Polyethylene waxes. Lubpacks are widely used in CPVC Pipes & Fittings as well as in UPVC fittings.

**Manufacturing Process**

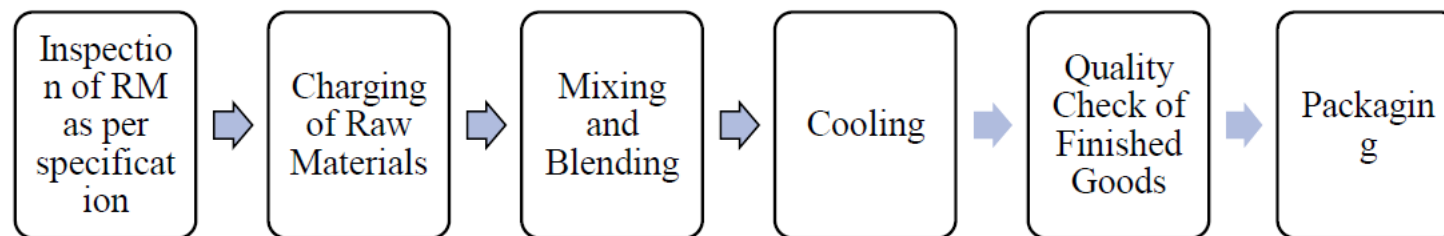
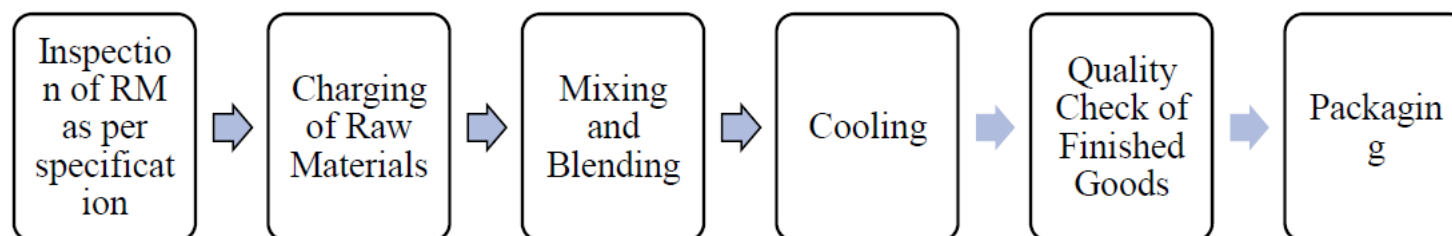
**A. Lead/Low Lead Stabilizer**



**B. Calcium Zinc/Calcium Organic Stabilizers**





**C. CPVC Additives****D. Lubricants****Strengths****➤ Consistent financial performance**

The Company has grown from commencing from 2 products portfolio to a multi-product manufacturing company with sales across India and in international markets. The company has built its business organically and has demonstrated consistent growth in terms of revenues and profitability. Their revenue from operations have grown from ₹ 891.41 million in Fiscal 2021 to ₹ 2,340.56 million in Fiscal 2023, registering a CAGR of 62.04% in last three fiscal years. For the period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, their PAT were ₹ 229.68 million, ₹ 361.96 million, ₹ 155.48 million and ₹ 48.20 million, respectively. The PAT have grown from ₹ 48.20 million in Fiscal 2021 to ₹ 361.96 million in Fiscal 2023, registering a CAGR of 174.04% in last three fiscal years. Further, their revenue from operations have grown from ₹ 284.19 million in Fiscal 2018 to ₹ 2,340.56 million in Fiscal 2023, registering a CAGR of 42.11 % in six years. Despite Fiscal 2021 being impacted by COVID-19, their stand-alone revenue from operations have grown by 162.48% between Fiscal 2021 to Fiscal 2023.

**➤ R & D and Sustainability**

The company has an in-house R&D facility admeasuring about 3,351.82 sq. ft. situated at Gut no.181/11, 181/26, village Dhansar, Palghar, Maharashtra with modern equipment and instrumentation including XRF machine, lab extruder, lab mixer, Rheometer, outdoor weathering station, static stability oven, hydraulic press and two-roll mill, that is focused on developing innovative products to suit their customer needs and market demands. To stay ahead of the competition, the Company's skilled research staff is constantly improving and upgrading the product portfolio. They also have a Technical Collaboration Agreement with HMS Concept E.U., which is the sole proprietorship of Dr. Horst Michael Schiller, who is an internationally renowned scientist with over three decades of experience in the PVC industry. He has extensive knowledge and experience in the field of PVC additives and has authored several books on PVC stabilizers. Under the terms of the Technical Collaboration Agreement with HMS Concept E.U., they are in-charge and responsible for developing all know-how, product formulations, technical support, product testing and R&D and has a team of research and 200 analytical lab executives.

**➤ Varied product portfolio catering to diversified industries.**

Barriers to entry in the speciality chemical industry are typically high. The specialized nature of products leads to significant differentiation. R&D requirements, technical know-how, capital intensity service capabilities, customer relationships, and engineered or regulated specifications also create important barriers to entry. Although these barriers are not homogeneous across the industry, most speciality chemical companies enjoy the benefits of one or more of them. The nature of the application of the products and the processes involved, their products are subject to, and measured against, high quality standards and rigorous product approval systems with stringent technical specifications. Further, because end products manufactured by the customers are typically subject to regulatory and industry standards, any change in the vendor of the products may require significant time and expense for customers, which acts as an entry barrier. Thus, customer acquisition is difficult and limits the number of competitors involved in the manufacturing of their products.

**➤ Quality Products**

They provide quality products to their customers and have a rigorous quality control procedure in place. Quality checks are implemented at various stages viz. receipt of raw materials, intermediate and final products. Materials are tested for compliance with their specifications at every stage and only products that pass the quality checks are delivered. There is a system of vendor prequalification for selection of the right raw material suppliers, to ensure quality is maintained in their process. Every batch of final product manufactured is subject to testing in the analytical lab and approval from lab in-charge prior to dispatch to their customers.

**Key Strategies:****➤ Expanding their production capacities and broadening the global footprint**

The Company has an existing Manufacturing Facility located at Palghar, Maharashtra. While the company has been delivering their products to different regions of India and exporting to some countries, they intend to increase the global market reach for which they have to broaden their manufacturing capabilities. For this purpose, they are in the process of setting up manufacturing facility at Land Parcel No. (99), First Industrial Zone for Orascom Industrial Parks Co., SC Zone, Governorate of Suez, Egypt, through their subsidiary, which is scheduled to commission production by fourth quarter of FY 2024-25.

They are establishing their presence in Egypt by setting up a new manufacturing facility will, in addition to augmenting their manufacturing capacity, also enable them, to capture market share by catering to the needs of the PVC pipes and tubes, PVC profiles, PVC fittings, electrical wires and cables industries which have a presence in and around Egypt. Setting up manufacturing operations in the Egypt will also provide them easier access to cater to the needs of such industries and increase the sales due to the proximity of various manufacturing facilities in these industries in Egypt. This positioning of the manufacturing unit near the Suez Canal led to optimization of freight and transportation charges and provided access as compared to manufacturing units established in landlocked areas that use rail and roads for transportation.

**➤ Increase in market share.**

They are currently one of the leading manufacturers and suppliers of PVC stabilizers in India and they aim to expand their global footprint. Their strategy to achieve this is by having a systematic approach to customer classification and strategy of market penetration. They have established good relationships with some of the major PVC pipe producers in the country (accounting for the major share of stabilizer market) and these customers are classified as key accounts. They consistently seek to diversify their application of products which could cater to their customers across various industries. The sales team located in various regions are working on increasing sales with medium-sized customers as well as niche products for special applications. Their technical support team is experienced in the PVC/ CPVC industry and aids their customers by conducting product trials and establishing product performance - both for existing as well as new applications. This opens new business opportunities that will lead to sales volume increasing.

They also regularly take part in trade shows, road shows and exhibitions. In past, they have participated in many trade shows in Germany, Dubai, Egypt, and India. Going forward, they will continue to leverage their sales and marketing network, diversified product portfolio and their industry standing to establish relationships with new multinational, regional and local customers to expand their customer base and market share.

**➤ Modernization and Expansion of their facility in India.**

The company's first manufacturing plant was set up in 2016 at Palghar, Maharashtra which is engaged in manufacture of their existing products. Initially the production was set up on a leased plot of land to manufacture lead-based stabilizers, and over a period they expanded to non-lead-based products. The rapid increase in production has hindered the options for any automation and process improvements in their existing plant. It also does not give them any more room for expansion or for additional raw material and finished goods storage. Therefore, they are in the process of establishing another facility at Palghar, Maharashtra to streamline production and also to increase their capacity engaged in the manufacture of non-lead-based stabilizers. This will also assist in segregating the lead from the non-lead products thereby giving more control of product quality for their customers. The company has already acquired a parcel of land admeasuring about 14,800 sq. mtrs. The installed capacity of the facility is proposed to be an aggregate of 60,000 MTPA of PVC Stabilizers (Non-Lead Based). This facility is being undertaken to create a distinction between lead-based and non-lead-based products which shall help us to maintain quality and reduce impurities.

**➤ Continue to build the global customer base and enter new geographical markets.**

In the last three Fiscals they exported their products to customers in 17 countries. The long-standing relationships that they have enjoyed with their customers over the years and the repeat and increased orders received from them are an indicator of their position as a preferred source as compared to the competition. They intend to focus on increasing the wallet share with existing customers. They have built long-standing relationships with the customers through various strategic endeavors, which they intend to leverage by entering into long-term marketing arrangements. In addition, they continue to leverage their existing sales and marketing network, diversified product portfolio and their industry standing to establish relationships with new multinational, regional and local customers. They are expanding globally to serve their existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of their products in new markets.

They intend to achieve this by having dedicated sales and marketing teams whose primary focus will be on business development in international markets and in certain focus geographies like African and Europe. The focus will also be to strengthen their sales team in India and outside India to ensure that they are able to deliver products to their customers in a timely manner.

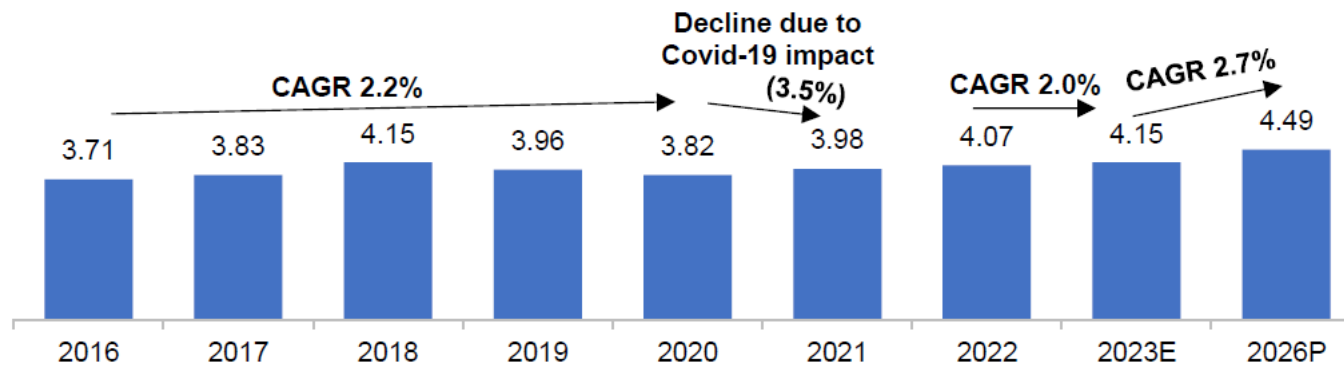
**➤ Continue to innovate new product categories, catering to wider end-applications.**

The company intends to strengthen their relationships with their existing customers and explore opportunities to grow along the value chain by expanding the array of their existing products and solutions that they supply to their customers across geographies, and to win new customers by developing products and solutions aligned with their needs. As part of their growth strategy, they seek to pursue emerging opportunities in the existing product categories. Currently, their portfolio caters to PVC pipes and tubes, PVC profiles, PVC fittings, electrical wires, and cables industry sectors. The company intends to diversify their product base to cater to other end-use industries as well, such as pharma and medical. The Company has already manufactured and tested some new products which will help them to cater to wider end-applications. For instances, they tested some new products such as transparent medical grade stabilizer for PVC tubes and bottles- e.g. blood bags, IV bottles, and biaxially oriented polyvinyl chloride (PVC-O) pipes are pipes manufactured through a special oriented processing technology.

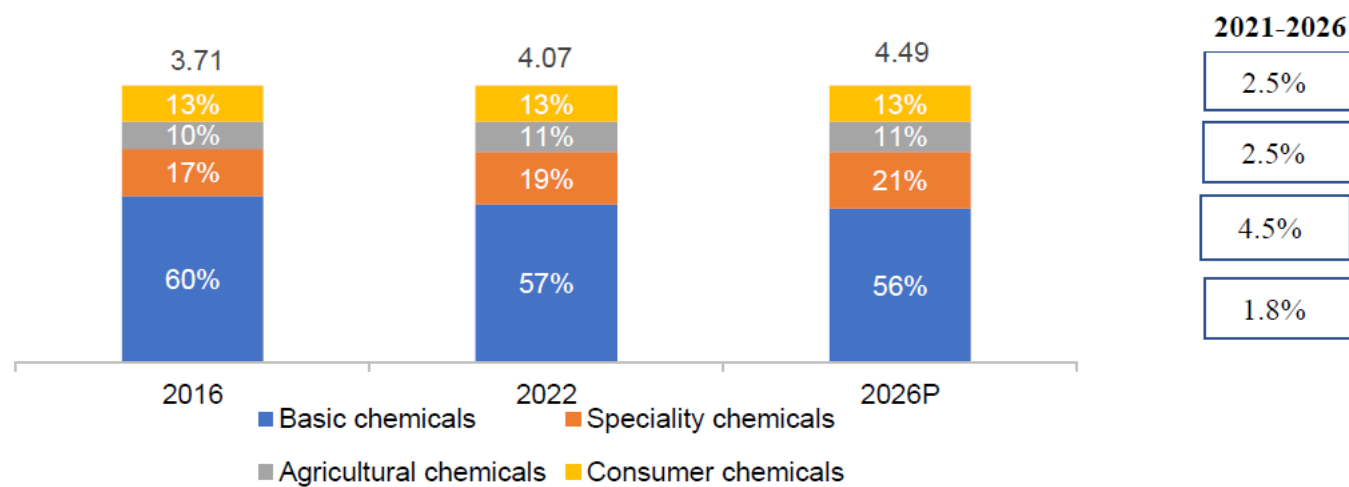
## Industry Snapshot:

### Global chemical and speciality chemical industries

#### Global chemical industry size (\$ trillion)



#### Global chemical industry by segment (\$ trillion)



### India's positioning in the global chemical industry

As of 2020, the Indian chemical industry had a share of ~3% in the global chemical industry. It is ranked sixth at the global level and third in India, contributing 7% to India's GDP. The country ranks eighth in global export of chemicals (excluding pharmaceutical products) and seventh in global import of chemicals (excluding pharmaceutical products).

### Chemical exports

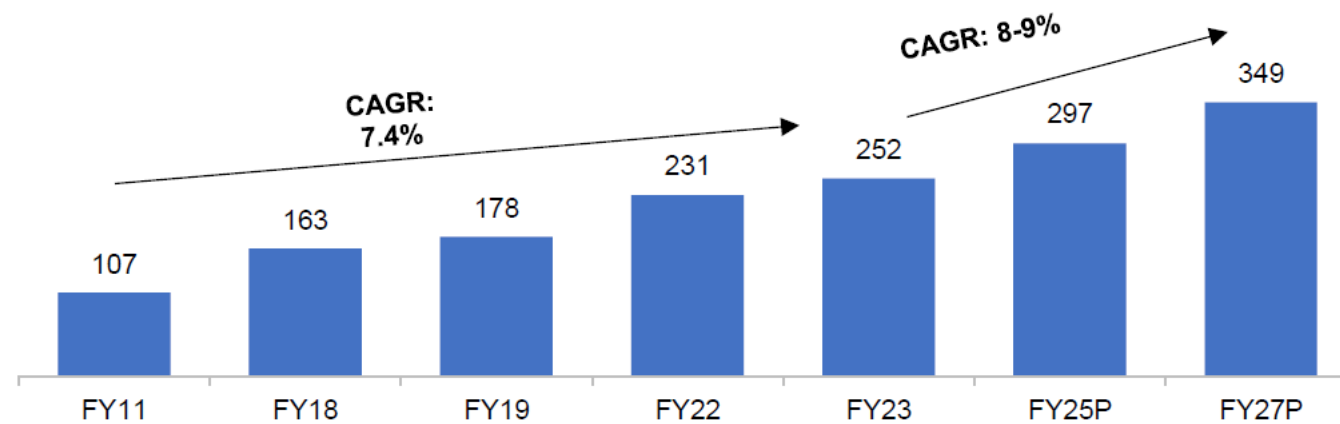
Exporters Regions/ countries	Exports (\$ bn) 2022	Share in world exports (%)		
		2005	2010	2022
EU	1,374	50.0%	46.0%	45.6%
US	307	10.9%	11.2%	10.2%
China	300	3.2%	5.2%	10.0%
Switzerland	142	4.0%	4.3%	4.7%
South Korea	106	2.5%	2.9%	3.5%
Japan	88	4.8%	4.6%	2.9%
UK	73	5.2%	4.3%	2.4%
<b>India</b>	<b>65</b>	<b>1.0%</b>	<b>1.4%</b>	<b>2.2%</b>
Singapore	59	2.4%	2.3%	2.0%
Canada	57	2.4%	2.0%	1.9%
<b>Above 10</b>	<b>2,571</b>	<b>86.4%</b>	<b>84.1%</b>	<b>85.4%</b>

## Chemical Imports

Exporters	Imports (\$ bn)	Share in world exports (%)			
Regions/ countries	2022	2005	2010	2022	
EU	1184	41.4%	37.9%	38.0%	
US	383	11.4%	10.1%	12.3%	
China	263	6.7%	8.5%	8.5%	
Japan	100	3.3%	3.5%	3.2%	
UK	92	4.7%	4.0%	3.0%	
<b>India</b>	<b>96</b>	<b>1.2%</b>	<b>2.0%</b>	<b>3.1%</b>	
South Korea	75	2.1%	2.3%	2.4%	
Brazil	85	1.3%	1.8%	2.7%	
Switzerland	71	2.3%	2.1%	2.3%	
Canada	74	2.8%	2.4%	2.4%	
<b>Above 10</b>	<b>2,422</b>	<b>77.2%</b>	<b>74.6%</b>	<b>77.9%</b>	

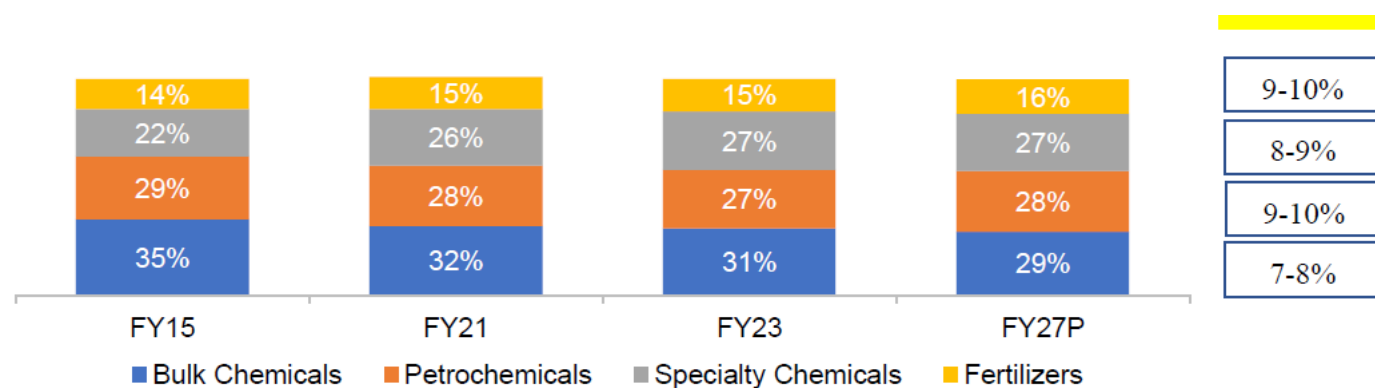
## Indian chemical and specialty chemical industry

### Indian chemical industry development (\$ billion)



The Indian chemical industry is a key constituent of the country's economy, accounting for 2.28% of the GVA (including pharmaceuticals) for all economic activities in fiscal 2020 compared with 2.23% in fiscal 2015. In 2020, it ranked sixth in the world in terms of revenue (excluding pharmaceuticals) and account for 2.7% of the global chemical industry compared with 2.5% in fiscal 2010. The Indian chemical industry is expected to double at 9.3% CAGR over fiscals 2019-25.

### Indian chemical industry by sub-segments



### Comparison with listed entity

Name of the Company	Face Value	Revenue from Operations	EPS	P/E	Return on net worth (%)	NAV per Equity Share (₹)
Platinum Industries Limited	10	2,314.81	6.8	25.0	61.3%	15.4
<b>Peer Group</b>						
Supreme Petrochem Ltd	5	52,872.05	26.5	24.4	27.0%	98.0
Apcotex Industries Ltd	2	10,799.29	20.8	22.4	22.7%	91.8



**Key Risk:**

- The company operates out of a single Manufacturing Facility which is located at Palghar, Maharashtra, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Palghar, Maharashtra or any disruption in production at, or shutdown of, their manufacturing unit could have material adverse effect on their business and financial condition.
- The company is in the process of expanding the operations and establishing a network of distributors & customers in regions where they do not have a significant presence or prior experience. Any failure to expand into these new regions could adversely affect their sales, financial condition, result of operations and cash flows.
- They are dependent on a few customers for a major part of their revenues. Further they do not enter into long-term arrangements with their customers and any failure to continue their existing arrangements could adversely affect the business and results of operations.
- The company is required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate their business and if they fail to do so in a timely manner or at all and their business, financial conditions, results of operations, and cash flows may be adversely affected.
- Under-utilization of their manufacturing capacities and an inability to effectively utilize their expanded manufacturing capacities could have an adverse effect on the business, prospects, and future financial performance.
- The company do not have long-term agreements with their suppliers for raw materials and an inability to procure the desired quality, quantity of their raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on the business, results of operations, financial condition, and cash flows.
- There have been some instances of delayed filing with the Registrar of Companies and other non-compliances under the Companies Act in the past which may attract penalties.

**Valuation:**

The Company has grown from commencing from 2 products portfolio to a multi-product manufacturing company with sales across India and in international markets. It is into manufacturing of various important industrial products like PVC Stabilizers, lubricants etc. along with strong R&D capabilities.

At the upper price band company is valuing at P/E of 25.0X, with a market cap of ₹ 9,392.1 million post issue of equity shares and return on net worth of 61.26%.

We believe that valuations of the company is fairly priced and recommend a “**Subscribe-Long Term**” rating to the IPO.

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Mid Caps (101st-250th company)	>20%	0%-20%	Below 0%
Small caps (251 <sup>st</sup> company onwards)	>25%	0%-25%	Below 0%

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- Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000.
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