

PLATINUM INDUSTRIES LIMITED IPO



Issue Details	
Issue Opens	February 27, 2024
Issue Closes	February 29, 2024
Issue Size (Rs. Crore)	235.32
No. of shares (crore)	1.37
Price Band (Rs.)	162-171
Lot size (No. of units)	87
Listing at	BSE, NSE
Issue Type	Book Building

Issue Structure	
Qualified Institutional Buyers (QIB)	50%
Non-Institutional Investors	15%
Retail	35%

Application Structure			
Application	Lot	Shares	Amount
Retail (Min)	1	87	Rs 14,877
Retail (Max)	13	1131	Rs 193,401

Registrar
Unistone Capital Pvt Ltd

Book Running Lead Managers
Bigshare Services Pvt Ltd

Tentative Timetable	
Basis of Allotment Date	March 1, 2024
Initiation of Refunds	March 4, 2024
Credit of Shares to Demat Account	March 4, 2024
IPO Listing Date	March 5, 2024

Company Background

Incorporated in August 2016, Platinum Industries is a multi-product company engaged in the business of manufacturing stabilizers. It is the third largest player of PVC stabilizer in terms of sales for FY23 in the domestic market.

PVC stabilizers are chemical additives used in the production of polyvinyl chloride (PVC) based products to enhance the performance and durability of PVC. These stabilizers enhance the thermal stability and improves the mechanical properties of PVC such as its impact strength, tensile strength, and flexibility.

The company manufactures the following products:

- PVC Stabilizers - Lead Based (Lead Based Stabilizer, Hybrid/Low Lead Stabilizer) & Non-Lead Based (Calcium Zinc Stabilizer, Calcium Organic Stabilizer)
- CPVC Additives
- Lubricants (PE Wax and Lubpack)

The company operates in the speciality chemicals industry and its products are used in PVC pipes, PVC profiles, PVC fittings, electrical wires and cables, SPC floor tiles, Rigid PVC foam boards, packaging materials, etc.

The manufacturing facility of the company is situated in Palghar, Maharashtra, and spreads across 21,000 sq. ft. of land. As of July 2023, the company has 12 distribution centres spread across India.

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Objects of the Issue

The Net Proceeds from the Issue are proposed to be utilized by the company for the following objects:

- Investment in the subsidiary, Platinum Stabilizers Egypt LLC, for financing its capital expenditure requirements about the setting up of a manufacturing facility for PVC Stabilizers at SC Zone 'Governorate of Suez Egypt'
- Funding of capital expenditure requirements of the company towards setting up of a manufacturing facility for PVC Stabilizers at Palghar, Maharashtra, India
- Funding working capital requirements
- General corporate purposes

Strengths

- Consistent financial performance with growing from 2 products portfolio to a multi-product manufacturing company
- Have in-house R&D facility with modern equipment and instrumentation which is constantly improving and upgrading the product portfolio
- Have various products for PVC industry and also have multiple product categories
- There are high entry barriers in the specialty chemical industry which leads to less competition
- Focused on quality of products by implementing checks at various stages

Risks

- Currently operates out of a single manufacturing facility which can subject to various risks
- In the process of expanding operations and deepening the presence in regions with significant risks and challenges
- Major part of revenues is dependent on few clients and do not have any long-term agreements with customers
- To operate in this business line, certain statutory and regulatory permits and approvals are required to obtain, renew & maintain
- Higher cost of setting up the proposed facilities or possible cost overruns could have a material adverse effect on financial condition

Financials

Profit and Loss

Particulars	For the year/period ended (in Rs Cr)		
	FY23	FY22	FY21
Revenue from Operation	231.48	188.15	89.27
Other Income	1.07	1.08	0.26
Total Income	232.55	189.23	89.53
EBITDA	53.85	25.35	7.56
EBITDA Margin (%)	23.27	13.47	8.47
Profit Before Tax	50.93	23.96	6.69
Tax	13.35	6.21	1.88
Profit After Tax	37.58	17.75	4.81

CA & CL Key Parameters

Particulars	For the year/period ended (in Rs Cr)		
	FY23	FY22	FY21
<u>Current Assets</u>			
Trade receivables	31.10	48.58	16.63
Cash and cash equivalents	2.20	0.10	0.94
Bank Balance	13.28	4.11	0.26
<u>Current Liabilities</u>			
Trade Payables	13.83	27.46	19.38

Debt Matrices

Particulars	For the year/period ended (in Rs Cr)		
	FY23	FY22	FY21
Long Term Borrowing	1.04	0.50	0.68
Short Term Borrowing	16.38	23.74	2.57
TOTAL	17.42	24.24	3.25

Cash Flows

Particulars	For the year/period ended (in Rs Cr)		
	FY23	FY22	FY21
CFO	38.35	-14.89	3.27
CFI	-36.73	-4.95	-1.30
CFF	0.47	19.00	-1.17

Outlook

Platinum Industries has grown from commencing 2 products portfolio to a multi-product manufacturing company with sales across India and international markets. The company plans to increase its global market reach through expanding its production capacities. The company is also in the process of setting up a new manufacturing facility in Egypt through its subsidiary. The company is consistently seeking to diversify the application of its products which could cater to customers across various industries and help in increasing the market share. The company is in the process of establishing another facility at Palghar, Maharashtra to streamline production and increase capacity engaged in the manufacture of non-lead-based stabilizers. Investors looking to invest, can invest in this IPO with a medium to long term perspective.

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