



IPO DETAILS

#IPOlogy

# SANSTAR LIMITED



 **ISSUE OPEN**

19th July, 2024

 **ISSUE CLOSE**

23rd July, 2024

Min. Lot Size  
**150 shares**

Issue Price Band  
**₹90 - ₹95**

### Issue Size

Fresh Issue:  
4.18 Cr Eq shares  
(₹397.10 Cr)

OFS:  
1.19 Cr Eq shares  
(₹113.05 Cr)

### Face Value

₹2

### Industry

Food Processing

### Listing at

NSE, BSE

RATING

**Subscribe**

**OPEN ACCOUNT**

**APPLY NOW**

#### Marwadi Shares and Finance Limited

**Corporate Office:** Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

**Registered Office:** X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.  
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

**Disclaimer:** 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

[For Facts & Figures](#)



## SANSTAR LIMITED

### Rationale

Considering the FY24 EPS of Rs 3.66 on a post-issue basis, the company is going to list at a P/E of 25.98 with a market cap of Rs.1731.32 cr, whereas its peers namely Gujarat Ambuja Exports Limited, Gulshan Polyols Limited & Sukhjit Starch and Chemicals Limited are trading at P/E of 17.8, 70.9 & 14.5.

We assign "Subscribe" rating to this IPO as the company is among the largest manufacturers of maize-based specialty products and ingredient solutions in India. Also, it is available at reasonable valuation as compared to its peers.

## Company Overview

Sanstar Ltd is one of the major manufacturers of plant-based specialty products and ingredient solutions in India for food, animal nutrition and other industrial applications. The company's product portfolio includes starches, derivatives and co-products, amongst others.

These products are used in:

- i. Food products: as ingredients, thickeners, stabilizers, sweeteners, emulsifiers, and additives (including in baked goods, confectionery, pasta, soups, ketchup, sauces, creams and desserts);
- ii. Pet food products: as nutritional ingredients; and
- iii. Other industrial products: as disintegrants, excipients, supplements, coating agents, binders, smoothing and flattering agents, and refining agents.

In FY 2024, Sanstar's revenue from operations was led by the food industry segment (58.12%), followed by animal nutrition products (10.45%), and other industrial applications (31.43%).

The company has two manufacturing facilities covering a total area of 10.68 million square feet (approx 245 acres) at Dhule in the state of Maharashtra and Kutch in the state of Gujarat. With an installed capacity of 3,63,000 tons per annum (1,100 tons per day), the company is the fifth largest manufacturer of corn-based specialty products and ingredients in India.



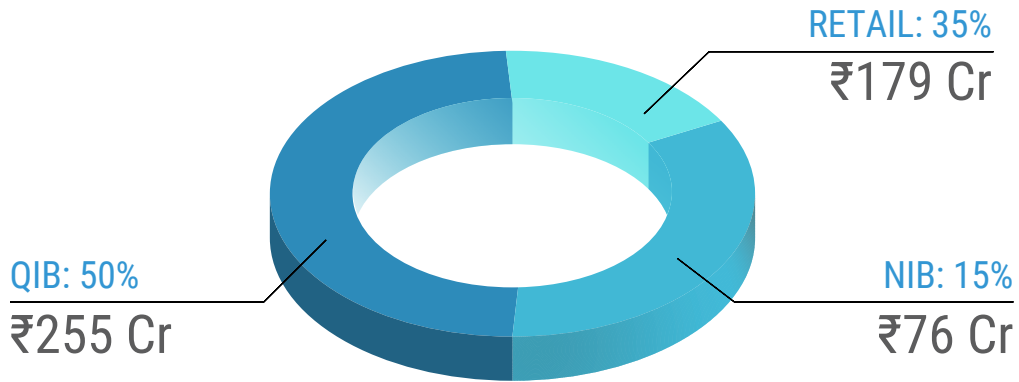
### Worldwide Exporter with National Footprint

The company exports its products to companies in 49 countries including Asia, Africa, the Middle East, America, Europe and Oceania. The company also has a pan-India presence where its products are sold in 22 states.

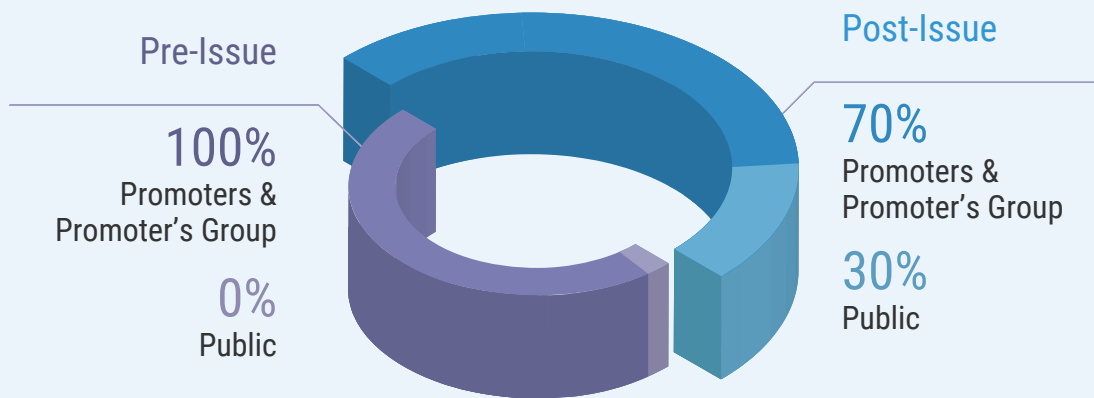


# SANSTAR LIMITED Issue Details

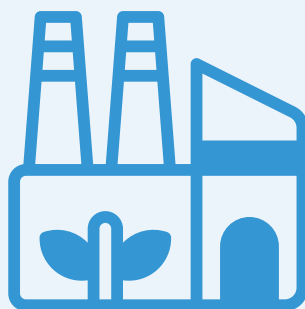
## Issue Break-Up



## Shareholding Pattern

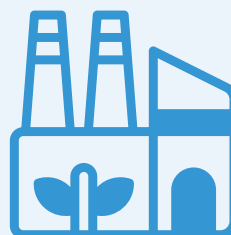


## Capital Structure (in ₹ Cr.)



**38 Cr**

Authorised Equity  
Share Capital



**28 Cr**

Paid-Up Capital  
(Pre-Offer)



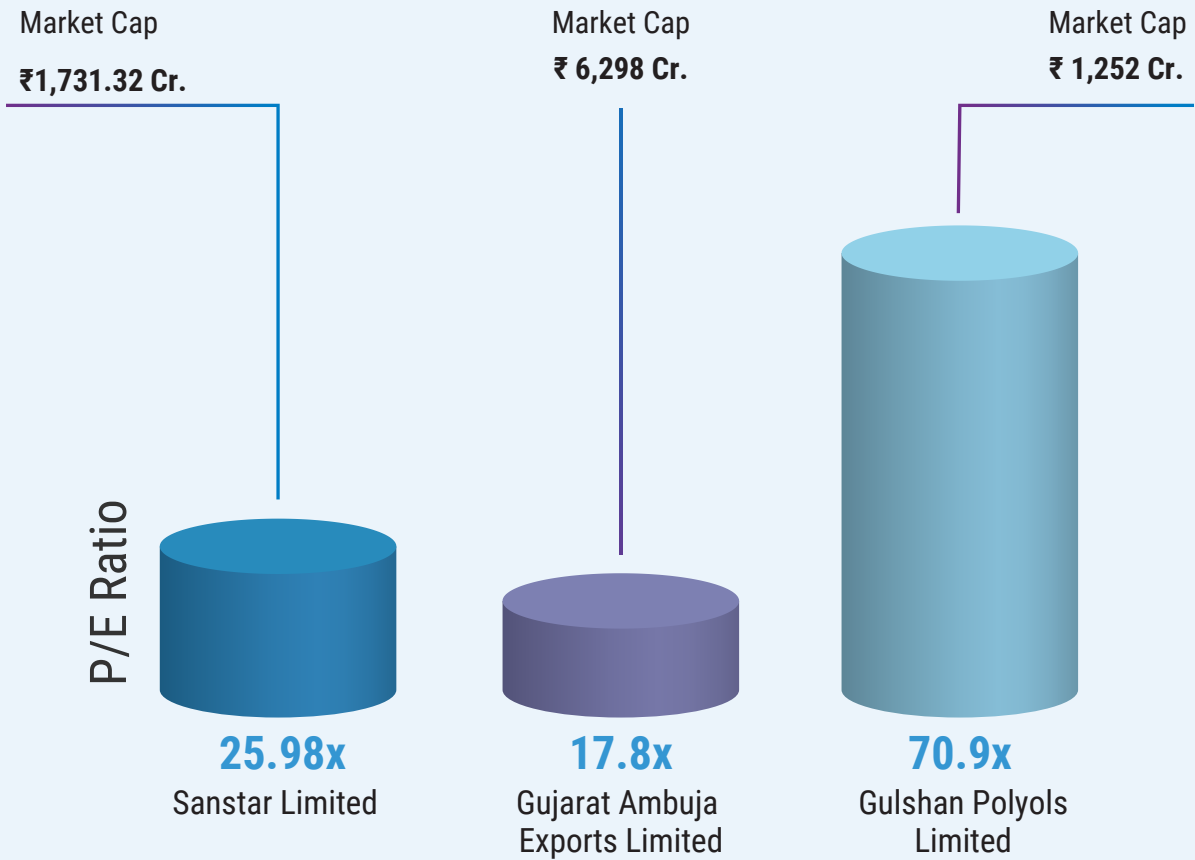
**36 Cr**

Paid-Up Capital  
(Post-Offer)



# SANSTAR LIMITED

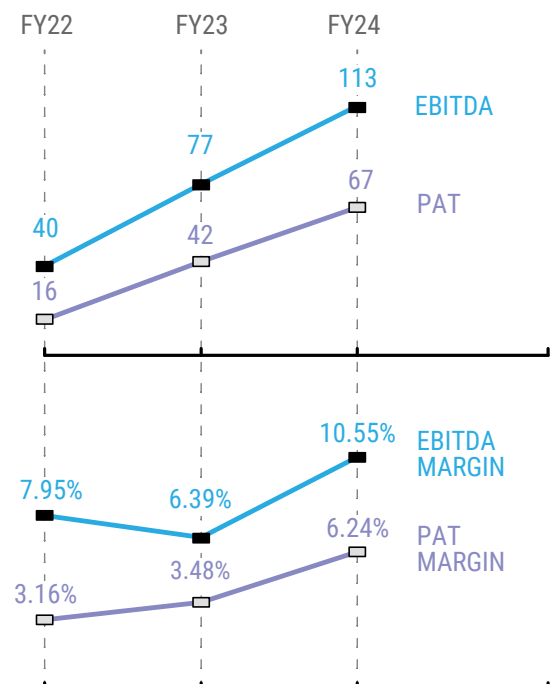
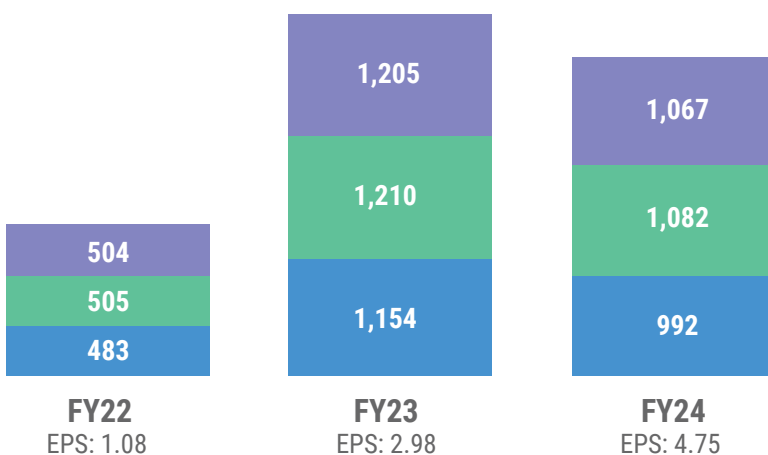
## Valuations and Peer Comparison



Market Cap data of listed securities as on July 16, 2024

## Financial Snapshot (in ₹ Cr.)

- Revenue
- Total Income
- Total Expenses





SANSTAR LIMITED

# Business Insights



## Competitive Strengths

- One of the largest manufacturers of maize-based speciality products and ingredient solutions in India with diverse product portfolio; The company has grown with Revenue and PAT CAGR of 45% and 105% over Fiscal 2022-2024
- Speciality products and ingredients solutions player catering to diverse industry segments and poised to benefit from mega industrial trends
- Strategically located, sustainability driven, state of the art manufacturing facilities
- Global presence in a market with high entry barriers
- Strong financial growth along with robust performance metrics
- Two Generations of Promoters with domain knowledge
- Well, positioned to leverage the large opportunities in speciality products and ingredient solutions industry
- Large, diversified customer base with long lasting relationships



## Business Strategy

- Expand manufacturing capacities to capture additional market share
- Leverage industry-leading capabilities by continuing to diversify customer base and increase wallet share with existing customers
- Increase global footprint and augment growth in current geographies



## Risks

- During the peak arrival season of maize harvesting, Company procures and stores significant quantities of maize which is the primary raw material required for the manufacturing of Company's products and for the purpose of doing the same significant amount of working capital is required. Company's inability to meet the said working capital requirement during the peak harvesting season of maize may have an adverse effect on results of operations and overall business.
- Company is dependent for its raw material requirement on a few numbers of raw material suppliers who are local farmers located near Manufacturing Units and suppliers in 'mandis' which are unorganized marketplaces.

## Promoters and Management Details

Gouthamchand Sohanlal Chowdhary - Managing Director and Chairman

Sambhav Gautam Chowdhary - Joint Managing Director

Shreyans Gautam Chowdhary - Joint Managing Director

Research Disclaimer <https://bit.ly/2RK2tzc>

