

# IPO Note of Neogen Chemicals Limited

## Issue Highlights:

Issue Details	Fresh Issue of Equity Shares aggregating upto Rs.70 Cr		
	+Offer for sale of upto 2,900,000 Equity Shares		
Issue Opens on	Wednesday, 24 <sup>th</sup> April, 2019*		
Issue Closes on	Friday, 26 <sup>th</sup> April, 2019		
Bid Lot	65 shares and in multiple thereof		
Face Value	Rs. 10		
Issue Size	Rs. 131.48 Cr - 132.35 Cr		
Price Band	Rs. 212 - 215		
Listing	BSE & NSE		
Book Running Lead Managers	INGA Advisors, Batlivala & Karani Securities		
Registrar	Link Intime India Pvt Ltd		
Who can Apply	QIB	NIB	Retail
	50% of the net offer (3,077,907~ - 3,100,943 <sup>^</sup> Equity shares) (Rs. 65.74~ Cr - Rs. 66.18 <sup>^</sup> Cr )	15% of the net offer (923,372~ - 930,283 <sup>^</sup> Equity shares) (Rs. 19.72~ Cr - Rs. 19.85 <sup>^</sup> Cr )	35% of the net offer (2,154,535~ - 2,170,660 <sup>^</sup> Equity Shares) (Rs. 46.02~ Cr - Rs. 46.32 <sup>^</sup> Cr )

\*The Anchor Investor Bidding Date Shall be April 23<sup>rd</sup>, 2019 , ~ Lower Price Band and ^Upper Price Band

**Note:** Application made using third party UPI or ASBA Bank A/C are liable to be rejected.

## Competitive Strengths:

- » Experienced promoters with domain knowledge
- » Large and diverse array of products
- » Diversified and stable customer base
- » Growth led by continuous investment in R&D
- » Management expertise
- » Specialized business model with high entry barriers
- » Established and stable relationship with suppliers

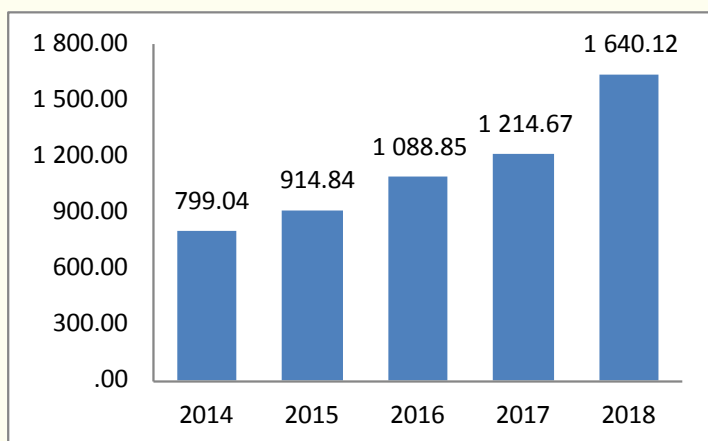
## Company Strategies:

- » Expanding its production capacities
- » Increasing its contract manufacturing portfolio
- » Augmenting growth in domestic and global markets
- » Improving financial performance through focus on operational efficiencies and functional excellence
- » Focus on advanced specialty intermediates which offer higher value addition

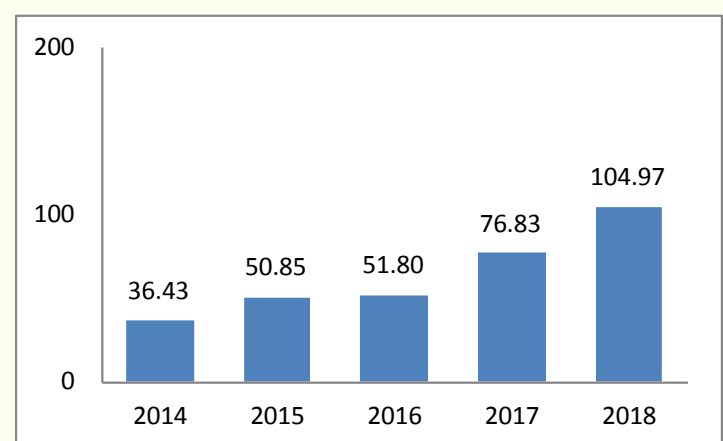
## About the Issuer:

- » Neogen Chemicals Ltd commenced its business operations in 1991, at its Mahape, Navi Mumbai manufacturing facility with a few Bromine Compounds and Lithium Compounds. Over the years company has expanded its range of products and, presently, manufacture an extensive range of specialty chemicals which find application across various industries in India and globally.
- » Neogen Chemicals Ltd is one of India's leading manufacturers of bromine-based, and lithium-based, specialty chemicals. Specialty chemicals are those chemicals that impart different properties to a variety of products (i.e. the effect that specialty chemicals have varies based on the product) and have a high degree of value addition. Specialty chemicals are, also generally, in the Indian context, manufactured in smaller volumes when compared to non-specialty chemicals.
- » Specialty chemicals, including bromine and lithium-based compounds, comprise pharmaceutical intermediates, agrochemical intermediates, engineering fluids, electronic chemicals, polymers additives, water treatment chemicals, construction chemicals and flavours and fragrances.
- » Company manufactures specialty organic bromine-based chemical compounds (Bromine Compounds) and other specialty organic chemical compounds as well as specialty inorganic lithium-based chemicals compounds (Lithium Compounds and together with the Bromine Compounds the Products).
- » As on February 28, 2019, company has manufactured an aggregate of 198 products comprising 181 organic chemicals and 17 inorganic chemicals.
- » Company operates out of its manufacturing facilities located in Mahape, Navi Mumbai in Maharashtra (Mahape Facility) and Karakhadi, Vadodara in Gujarat (Vadodara Facility). Its corporate office is located in Thane, Maharashtra.
- » Company is, presently, developing a green-field manufacturing unit in Dahej SEZ, in Gujarat (Proposed Dahej Facility) and is also proposing to expand its operations in Karakhadi, Vadodara (Proposed Vadodara Facility). Its manufacturing facilities in aggregate are spread across approximately 40 acres with an additional 12 acres of leased property in Dahej SEZ. Its manufacturing units at Vadodara and Mahape also contain research and development (R&D) units comprising a dedicated 20 member in-house team.

### Revenue from Operations (Rs. Million)



### Net Profit After Tax (Rs. Million)



## Restated Consolidated Statement of Profit and Loss

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014	
<b>I. Revenue from operations</b>	1,640.12	1,214.67	1,088.85	914.84	799.04	
<b>II. Other income</b>	6.63	3.08	1.62	9.96	4.10	
<b>Total Income (I+II)</b>	1,646.75	1,217.75	1,090.47	924.80	803.14	
<b>III. Total Expenses</b>	1,473.78	1,103.07	1,005.66	844.15	741.25	
<b>IV. Profit/(loss) before, share of profit of investment accounted for using equity method and taxes</b>	172.97	114.68	84.81	80.65	61.89	
<b>Share of Profit/(Loss) of investments accounted for using equity method</b>	0.38	0.38	-	-	-	
<b>Profit before tax</b>	173.35	115.06	84.81	80.65	61.89	
<b>V. Income tax</b>	<b>1. Current Tax</b>	64.77	39.05	31.47	25.50	18.33
	<b>2. Deferred Tax</b>	3.61	(0.82)	1.54	4.30	7.13
<b>VI. Profit for the year/period</b>	104.97	76.83	51.80	50.85	36.43	
<b>VIII. Total comprehensive income for the year</b>	105.32	72.13	51.45	49.74	36.67	
<b>IX. Earnings per equity share (In INR)</b>						
<b>Basic</b>	5.25	3.84	2.59	11.30	8.10	
<b>Diluted</b>	5.25	3.84	2.59	11.30	8.10	

Source: RHP

### Disclaimer

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