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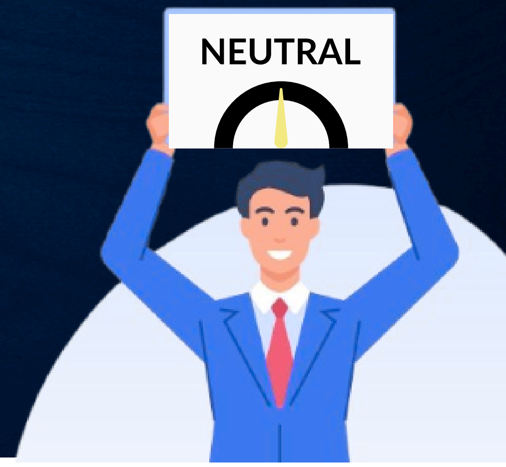
swastika



PRASOL

IPO NOTE

PRASOL CHEMICALS LIMITED

Rating:

NEUTRAL

Prasol Chemicals operates in the specialty chemicals industry. The company manufactures over 150 specialty chemicals, including acetone-based, phosphorous-based, and other complex chemicals.

OBJECTS OF THE ISSUE

- Repayment and/ or pre-payment, in full or part, of certain borrowings availed by the company
- General Corporate Purposes

ISSUE OFFER

ISSUE OFFER	
Issue Opens on	SEP 08, 2026
Issue Close on	SEP 10, 2026
Total IPO size (cr)	₹500 CR
Fresh issue (cr)	₹80 CR
Offer For Sale (cr)	₹420 CR
Price Band (INR)	₹643-676
Market Lot	22 SHARES
Face Value (INR)	₹2
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹4,000.80 CR.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	11.60	11.60	11.60
Net Worth	448.51	367.46	325.84
Revenue from operations	**1,232.59**	**1,012.49**	**876.56**
EBITDA Margin%	11.30%	8.67%	6.91%
Net Profit/Loss of the year	**83.12**	**43.57**	**18.13**

MINIMUM INVESTMENT DETAILS

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Number of Shares	73,96,437
Minimum Investment Amount	₹14,872
Small-HNI (Min)/ 308 Shares	₹2,08,208
Big-HNI (Min)/ 1,496 Shares	₹10,11,296

FINANCIAL RATIOS OF FY26

22.43%	20.37%	47.17x
ROCE	ROE	P/E (Pre IPO)

INDICATIVE TIMETABLE

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Basis of Allotment	11-09-2026
Refunds/Unblocking ASBA Fund	15-09-2026
Credit of Share to Demat A/c	15-09-2026
Listing Date	16-09-2026

ISSUE BREAK-UP (%)

QIB Portion	50%
Retail Portion	35%
NII Portion	15%

OUTLOOK & VALUATION

- Niche specialty chemicals player with 150+ products, 1,600+ customers and exports to 69 countries.
- Revenue and PAT grew strongly from FY24–26, with EBITDA margin improving to 11.7%.
- FY26 RoNW stood at 18.5%, ahead of most peers.
- At 45–47x P/E, valuation looks fair-to-full, leaving limited room for error.
- Given the rich valuation, investors can consider the stock after listing, once financial performance stabilises and the valuation becomes more reasonable.

COMPANY PROFILE

- Established in 1992, Prasol Chemicals is a specialty chemicals manufacturer with a portfolio of 150+ products.
- Its offerings include acetone-based, phosphorus-based and other specialty chemicals, catering to industries such as performance chemicals, paints & inks, construction & adhesives, pharmaceuticals, agrochemicals, and home & personal care.
- The company operates two manufacturing facilities in Maharashtra — Khopoli and Mahad — with a combined annual capacity of 98,644 MT.
- It serves around 1,600 customers, including Alembic Pharmaceuticals, Lubrizol India, Rossari Biotech and Croda India, and exports its products to 69 countries.
- With a 3-Star Export House status and a distribution network spanning APAC, North & South America, and Europe, Prasol has built a sizeable presence in both domestic and international markets.

COMPETITIVE STRATEGIES

- Expand capacity and improve existing production facilities.
- Strengthen R&D for new products, complex chemistries and import substitution.
- Pursue inorganic growth through acquisitions, technology tie-ups and JVs.
- Expand globally and increase business from existing customers.
- Improve Mahad facility performance to boost profitability.

KEY CONCERNS

- Dependence on manufacturing facilities exposes the company to shutdowns, operational disruptions and under-utilisation risks, which could impact profitability and cash flows.
- Handling hazardous, corrosive and flammable materials creates safety and operational risks, where accidents could disrupt operations and impact profitability and cash flows.
- Outstanding litigations involving the company, promoters and directors could impact financial performance if decided adversely

KEY STRENGTHS

- Highly diversified product portfolio used across various Application Industries
- Well established R&D capabilities driving innovation with strong pipeline of products to address customised customer requirements
- Long standing relationships with a diversified customer base and strong global presence
- Experienced, Qualified and Professional Leadership Team with a focus on business sustainability
- Robust financial performance

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Prasol Chemicals Limited	**14.33**	**47.17**	**77.33**	**1,232.59**	**18.53%**
Peer Group					
Aarti Industries Limited	11.56	46.79	164.27	8,286.00	7.04%
Atul Limited	230.25	28.04	2,136.46	6,273.54	10.95%
Laxmi Organic Industries Limited	2.87	59.95	71.66	2,846.66	4.00%
Vinati Organic Limited	42.80	30.95	304.99	2,226.89	14.03%
Privi Speciality Chemicals Limited	81.08	42.67	368.79	2,563.68	21.99%
Yasho Industries Limited	20.95	206.68	368.18	830.00	5.69%
Excel Industries Limited	60.19	17.12	1,354.74	1,094.52	4.44%

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CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.