

Issue Highlights:

Issuer: Galaxy Surfactants Limited

Issue Type: 100% Book Built Issue IPO

Issue Open: Monday, Jan 29, 2018

Issue Close: Wednesday, Jan 31, 2018

Offer Size: 6,331,674 Equity Shares

(Rs. 930.75 Crs – Rs. 937.08 Crs)

Face Value: Rs.10 per Equity Share

Price Band: Rs.1470 - Rs.1480 per Equity Share

Minimum Order Quantity Retail: 10 Equity Shares and in multiples thereof

Maximum Bid amount for Retail: Rs. 2 Lakhs

Listing: NSE & BSE

Issue Size and Investor Category Allocation

Total Issue Size: 63, 31,674 Equity Shares

QIB: 50% of the issue size: 465.37 Crs* - 468.54 Crs^

NIB: 15% of the issue size: 139.61 Crs* - 140.56 Crs^

Retail Individual: 35% of the issue size: 325.75 Crs* - 327.98 Crs^

* Lower Band; ^ Upper Band

Book Running Lead Managers:

Edelweiss, ICICI Securities, JM Financials

Registrar:

Link India Time Private Ltd

Key Business Strategies:

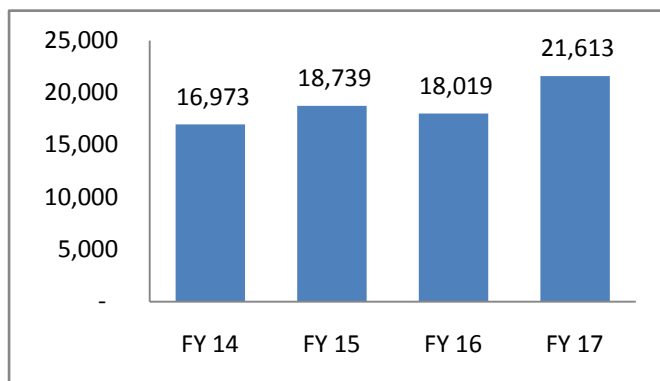
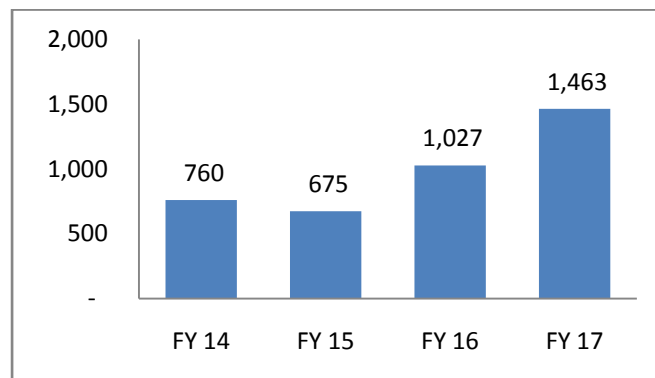
- Established Global Supplier to Major FMCG Brands with Demonstrated Track Record
- Robust Product Portfolio Addressing Diverse Customer Needs
- Proven R&D Capabilities with Dedicated Focus on Innovation
- Global Footprint Supporting Local Reach
- Strong Presence in High Growth Markets of India and AMET Region
- Track Record of Robust Financial Performance

Key Strengths:

- Increasing the Share of Specialty Care Products in Sales Mix
- Continue to Focus on R&D and Product Innovation as part of 'Consumer to Chemistry' Approach
- Increase Wallet Share with Existing Customers and Continued Focus to Expand Customer Base
- Mutually Complimentary Two-pronged Strategy to Drive Growth in both Emerging and Mature Markets
- Continue Improving Financial Performance through Focus on Operational Efficiencies and Functional Excellence

About the Issuer:

- Incorporated in 1986 they are India's one of leading manufacturers of surfactants and other specialty ingredients for the personal care and home care industries.
- Their products include inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent etc.
- Currently, their product portfolio comprises over 200 product grades, which are marketed to more than 1,700 customers in over 70 countries.
- They have their manufacturing facilities in Suez, Egypt, and New Hampshire, USA and sales offices in India, Egypt and USA.
- Since 2002, they have got a total of 47 patents. Currently, 10 patents in USA, and 2 patents each in China, the European Union, India, Japan and Russia.
- At present, they have 7 strategically-located manufacturing facilities, out of which 5 are located in India and 2 are located overseas.
- Promoters, namely Mr. Unnathan Shekhar, Mr. Gopalkrishnan Ramakrishnan, Mr. Shashikant Shanbhag and Mr. Sudhir Dattaram Patil, have been associated with the Company since its incorporation in 1986.
- For Fiscal 2017 and the six-month period ended September 30, 2017, the total revenues were Rs.21,717.00 million and Rs.11,972.77 million, respectively. From Fiscal 2014 to Fiscal 2017, as per the Restated Consolidated Financial Statements, (i) EBITDA increased from Rs.2,198.03 million to Rs.2,780.48 million, representing a CAGR of 8.15%; (ii) profit after tax increased from Rs.759.97 million to Rs.1,463.06 million, representing a CAGR of 24.40%

Revenue from Operations (Rs. Million)

Net Profit After Tax (Rs. Million)

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in million)

Particulars	As at 30th September 2017	As at 31st March				
		2017	2016	2015	2014	2013
EQUITY AND LIABILITIES						
Shareholders' Funds						
Share Capital	354.55	354.55	354.55	354.55	354.55	354.55
Reserves and Surplus	5,995.87	5,371.57	4,123.17	3,424.34	2,867.95	2,058.60
Non- Current Liabilities						
Long Term Borrowings	1,014.40	1,294.05	1,957.96	1,410.74	2,041.25	2,215.14
Deferred Tax Liabilities (Net)	236.56	244.40	206.92	207.59	229.87	238.73
Other Long Term Liabilities	7.44	6.80	25.20	13.19	30.77	17.99
Long Term Provisions	122.19	88.22	76.71	75.91	37.85	49.84
Current Liabilities						
Short Term Borrowings	2,119.47	2,041.37	1,423.53	2,331.42	1,417.26	1,521.84
Trade Payables						
Micro & Small Enterprises	20.18	23.59	28.35	8.30	8.88	5.14
Other Than Micro & Small Enterprises	2,284.11	2,508.30	1,905.58	1,770.29	2,278.34	1,806.74
Other Current Liabilities	877.33	864.39	925.00	933.07	866.15	1,247.96
Short Term Provisions	120.61	56.59	65.37	72.79	107.94	40.32
TOTAL	13,152.71	12,853.83	11,092.34	10,602.19	10,240.81	9,556.85
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	4,538.58	4,647.42	4,249.38	4,461.91	4,577.50	4,531.43
Intangible Assets	69.56	78.12	108.24	132.29	162.92	25.63
Capital Work-in-Progress	161.18	103.25	507.57	65.06	60.97	269.52
Non-Current Investments	0.12	0.12	0.12	0.12	0.12	0.12
Deferred Tax Assets (Net)	32.21	26.05	13.65	15.16	-	-
Long Term Loans and Advances	386.60	434.64	359.16	270.22	278.19	223.37
Other Non-Current Assets	0.20	0.20	0.20	0.20	0.20	0.20

Particulars	As at 30th September 2017	As at 31st March				
		2017	2016	2015	2014	2013
Current Assets						
Inventories	2,721.46	3,174.20	2,357.74	2,459.86	2,303.87	1,859.25
Trade Receivables	3,826.70	3,462.83	2,501.88	2,212.66	2,044.69	1,767.12
Cash and Bank Balances	318.62	254.04	159.84	187.97	209.19	138.84
Short Term Loans and Advances	810.66	449.68	575.95	733.41	523.31	617.32
Other Current Assets	286.82	223.28	258.61	63.33	79.85	124.05
TOTAL	13,152.71	12,853.83	11,092.34	10,602.19	10,240.81	9,556.85

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in million)

Particulars	For the half year ended 30 th September 2017	For the Year Ended 31st March				
		2017	2016	2015	2014	2013
INCOME						
Revenue from Operations	12,210.83	22,480.47	18,715.20	19,564.45	17,683.44	16,601.46
Less : Excise duty	286.08	867.04	696.09	825.09	710.50	794.10
Revenue from Operations (Net)	11,924.75	21,613.43	18,019.11	18,739.36	16,972.94	15,807.36
Other Income	48.02	103.57	68.44	20.90	42.84	15.32
TOTAL REVENUE	11,972.77	21,717.00	18,087.55	18,760.26	17,015.78	15,822.68
EXPENDITURE						
Cost of Materials Consumed	7,976.96	15,144.88	11,153.65	12,532.98	11,398.29	11,048.73
Purchase of Stock-in-Trade	336.58	525.49	702.75	751.00	742.39	412.85
Changes in Inventories Of Finished Goods, Work-in-Progress and Stock-in-Trade	317.70	(417.70)	143.93	(50.17)	(392.28)	275.08
Employee Benefits Expense	751.42	1,435.56	1,446.17	1,284.06	1,041.80	893.53
Finance Costs	147.86	254.16	308.77	343.89	415.03	524.58
Depreciation & Amortisation Expense	246.45	483.45	452.26	450.76	552.58	499.78
Other Expenses	1,138.78	2,248.29	2,245.14	2,324.84	2,027.55	1,980.07
TOTAL EXPENSES	10,915.75	19,674.13	16,452.67	17,637.36	15,785.36	15,634.62

(₹ in million)

Particulars	For the half year ended 30 th September 2017	For the Year Ended 31st March				
		2017	2016	2015	2014	2013
Profit Before Tax	1,057.02	2,042.87	1,634.88	1,122.90	1,230.42	188.06
Tax Expenses						
- Current Tax	333.64	562.35	606.00	472.41	480.45	153.84
- Deferred Tax	(13.74)	24.37	1.70	(24.44)	(10.00)	31.44
- Short/(excess) provision for tax relating to prior year	(14.52)	(6.91)	-	0.37	-	-
Total Tax Expenses	305.38	579.81	607.70	448.34	470.45	185.28
Profit for the period/year	751.64	1,463.06	1,027.18	674.56	759.97	2.78
Earnings per Share						
Equity Shares of face value ₹10 each						
- Basic	21.20	41.27	28.97	19.03	21.43	0.08
- Diluted	21.20	41.27	28.97	19.03	21.43	0.08

Source for Note: DRHP
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