Prasol Chemicals Limited

7th September, 2026

IPO Details

IPO Date	8th to 10th Sep, 2026
Face Value	₹2 per share
Price Band	₹643 to ₹676
Lot Size	22 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	73,96,437 shares (agg. up to ₹500 Cr)
Fresh Issue	11,83,431 shares (agg. up to ₹80 Cr)
Offer for Sale	62,13,006 shares of ₹2 (agg. up to ₹420 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	5,80,00,000 shares
Share Holding Post Issue	5,91,83,431 shares
QIB Shares Offered	Not more than 50% of the Offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer
Retail (Min & Max) shares	22 Shares & 286 shares
Retail (Min & Max) application amount	₹14,872 & ₹1,93,336
S-HNI (Min shares & application amount)	308 shares & ₹2,08,208
S-HNI (Max shares & application amount)	1,474 shares & ₹9,96,424
B-HNI (Min shares & application amount)	1,496 shares & ₹10,11,296
Basis of Allotment	Fri, Sep 11, 2026
Initiation of Refunds	Tue, Sep 15, 2026
Credit of Shares to Demat	Tue, Sep 15, 2026
Listing Date	Wed, Sep 16, 2026
Cut-off time for UPI mandate confirmation	5 PM on Thu, Sep 10, 2026
Promoters	Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Dhaval Nalin Parikh, Pankil Nishith Dharia, Sachin Jatin Parikh, Rakesh Gupta, Nishith Rasiklal Dharia, Kunal Tushar Dharia, Suketu Navinchandra Parikh and Usha Rajnikant Shah
Registrar	Kfin Technologies Ltd.

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IPO UPDATE

Company Profile

Incorporated in 1992 and headquartered in Navi Mumbai, Maharashtra, Prasol Chemicals Limited is a specialty chemicals manufacturer with over three decades of experience, offering more than 150 products spanning acetone-based, phosphorous-based and other complex specialty chemicals that serve the Performance Chemicals, Paints, Inks, Construction & Adhesives (PICA), Pharmaceuticals, Agrochemicals and Home & Personal Care industries. The Company operates two manufacturing facilities at Khopoli and Mahad in Maharashtra, spanning 1,20,604 sq. m. and 1,19,423 sq. m. respectively, with an aggregate installed capacity of 98,644 MT per annum. Its marquee customers include Alembic Pharmaceuticals, Lubrizol India, Rossari Biotech, Clean Science and Technology, Gharda Chemicals, Croda India, Supriya Lifescience and Yasho Industries, and as of July 31, 2026. The Company served 1,618 customers and exported to 69 countries and is led by Promoters Nishith Rajnikant Shah, Gaurang Natwarlal Parikh, Dhaval Nalin Parikh and Pankil Nishith Dharia, among others.

Objects of the Issue

- Repayment and/or pre-payment, in full or part, of certain borrowings availed by the Company – ₹60.00 Cr.
- General Corporate Purposes – ₹20.00 Cr
- Offer for sale - ₹420.00 Cr

Financial Details

Particulars (Amount in Crores)	31-Mar-26	31-Mar-25	31-Mar-24
Revenue from Operations	1,232.59	1,012.49	876.56
Other income	5.25	3.05	11.00
Total Income	**1,237.85**	**1,015.54**	**887.56**
Expenses			
- Cost of materials consumed	688.47	607.60	517.40
- Purchase of stock-in-trade	175.09	134.31	136.49
- Changes in inventories	(9.65)	(17.56)	(6.07)
- Employee Benefits Expense	50.37	41.70	32.83
- Other Expenses	189.00	158.68	135.37
Total expenses	**1,093.27**	**924.72**	**816.03**
EBITDA	**139.32**	**87.77**	**60.53**
EBITDA Margin (%)	**11.30%**	**8.67%**	**6.91%**
- Finance cost	7.98	8.25	10.89
- Depreciation and amortization	24.70	23.28	21.36
- Exceptional items	**-**	**-**	**5.76**
Profit/(Loss) before tax	**111.90**	**59.29**	**33.51**
Tax expense/(credit)	28.77	15.72	15.38
Profit/(Loss) After Tax	**83.12**	**43.57**	**18.13**
PAT Margin (%)	**6.74%**	**4.30%**	**2.07%**
Basic EPS (in Rs.)	**14.33**	**7.51**	**3.13**

Key Metrics	31-Mar-26	31-Mar-25	31-Mar-24
Net Debt to Equity	0.19	0.23	0.22
Adjusted RoCE (%)	22.43%	14.95%	12.61%
Export Revenue(%)	27.29%	28.35%	25.32%
No. of Customers	1,618	1,586	1,560
Top 10 Customers (%)	23.68%	21.96%	18.46%

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Competitive

- **Highly Diversified Product Portfolio Across Application Industries** – According to the CARE Report, the Company is a highly diversified specialty chemicals player with more than 150 products, over 1,600 customers and exports to 69 countries as of July 15, 2026, and was the largest importer of acetone in India and the only manufacturer of isophorone in India during calendar years 2022-2025, insulating it from business cycles or disruptions in any single industry.

- **Well Established R&D Capabilities Driving Innovation** – The Company maintains a dedicated R&D facility at its Khopoli Manufacturing Facility with a team of 37 members, including 4 PhD holders and 25 chemists, as of June 30, 2026, and had a pipeline of 40 products under development, of which 9 had cleared pilot stage, having developed and commercialised 13 new products since April 1, 2023.

- **Long Standing Relationships with a Diversified Customer Base and Strong Global Presence** – The Company catered to 1,618, 1,586 and 1,560 customers in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, with marquee clients including Alembic Pharmaceuticals, Lubrizol India, Rossari Biotech, Gharda Chemicals and Croda India, and is a Government of India certified 3 Star Export House with a distribution network spanning 69 countries across six continents.

- **Experienced, Qualified and Professional Leadership Team** – The Company is led by Promoters Nishith Rajnikant Shah (Chairman and Whole-time Director), Gaurang Natwarlal Parikh (Managing Director), Dhaval Nalin Parikh (Joint Managing Director) and Pankil Nishith Dharia (Whole-time Director – Strategy and Business Development), supported by Chief Finance Officer Rahul Ashit Shroff and Independent Directors, including G Ramakrishnan, a promoter of Galaxy Surfactants Limited.

Key Risk Factors

- **Manufacturing Facility Dependence Risk** – The Company's operations depend on its two manufacturing facilities at Khopoli and Mahad, Maharashtra, which have in the past faced regulatory shutdowns by the Maharashtra Pollution Control Board, including a 55-day closure at Khopoli in 2018 and a gas leakage incident at Mahad in October 2023 that led to a closure until May 2024. Any unplanned slowdown, shutdown or under-utilization of these facilities could adversely affect the Company's business, results of operations and financial condition.

- **Customer Concentration Risk** – The Company's top 10 customers contributed 23.68%, 21.96% and 18.46% of its revenue from operations in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. The loss of, or a reduction in orders from, any of these key customers could have a material adverse effect on the Company's business, financial condition and results of operations.

- **Raw Material and Supplier Concentration Risk** – The Company's top 10 suppliers accounted for 68.87%, 68.10% and 67.59% of its cost of raw materials consumed in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, and it does not enter into long-term supply agreements. Volatility in the prices of key raw materials such as acetone and yellow phosphorous, or disruption in supply, could adversely affect the Company's pricing, margins and results of operations.

- **Working Capital Intensive Operations Risk** – The Company's working capital requirement stood at ₹229.56 Cr, ₹151.90 Cr and ₹83.98 Cr in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, with net working capital days of 49, 41 and 35 over the same period. Any insufficiency of cash flows from operations or inability to raise working capital financing on acceptable terms could adversely affect the Company's business and results of operations.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Prasol Chemicals Limited	NA	2	48.15*	14.05**	14.05**	18.53%	77.33
Peers:							
Aarti Industries Limited	540.42	5	46.79	11.56	11.55	7.04%	164.27
Atul Limited	6,456.21	10	28.04	230.25	230.25	10.95%	2,136.46
Laxmi Organic Industries Limited	171.46	2	59.95	2.87	2.86	4.00%	71.66
Vinati Organics Limited	1,324.66	1	30.95	42.80	42.80	14.03%	304.99
Privi Speciality Chemicals Limited	3,459.68	10	42.67	81.08	81.08	21.99%	368.79
Yasho Industries Limited	4,329.95	10	206.68	20.95	20.95	5.69%	368.18
Excel Industries Limited	1,030.45	5	17.12	60.19	60.19	4.44%	1,354.74

*P/E calculated based on upper band price.
**EPS calculated including fresh issue shares

Summary

As per the CARE Report commissioned in connection with the Offer, the Indian specialty chemicals market grew from ₹2,240 billion in Fiscal 2019 to an estimated ₹5,563 billion in Fiscal 2026, and is projected to reach ₹7,541 billion by Fiscal 2029, registering a CAGR of 10-12% over the next four years, driven by rising domestic demand, increasing exports, import substitution and the 'China+1' sourcing strategy adopted by global manufacturers.

Prasol Chemicals was incorporated in 1992 and has over 33 years in the specialty chemicals industry. It describes itself as a forward-integrated manufacturer of acetone-based and phosphorous-based specialty chemicals, plus other complex/differentiated chemistries. Per the CARE Report. Prasol is a highly diversified player with 150+ specialty chemical products, 1,600+ customers, and exports to 69 countries as of July 15, 2026, serving five application industries: Performance Chemicals (lubricant additives, mining chemicals), PICA (paints, inks, construction & adhesives), Pharmaceuticals, Agrochemicals, and Home & Personal Care.

The Company is well positioned to benefit from continued growth in India's specialty chemicals industry, supported by its highly diversified product portfolio, established R&D capabilities with a strong product pipeline, long-standing and diversified customer relationships, strong global export presence and experienced leadership team. The Company has demonstrated strong growth in revenue and profitability, along with healthy return ratios.

The Company plans to utilise a portion of the IPO proceeds towards repayment or prepayment of certain outstanding borrowings, which is expected to strengthen its balance sheet, reduce finance costs and improve financial flexibility. Additionally, with capacity utilisation currently at ~44%, the Company has significant headroom to scale production and support future growth without substantial near-term capacity additions.

Therefore, it is recommended to **"Subscribe"** to the IPO for long-term investment considering its growth potential and valuation.

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