

Amtech Esters IPO

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- The company is engaged in the B2B business of manufacturing UPRs and trading in complementary products.
- The company posted growth in its top and bottom lines for the reported periods.
- Based on its recent average financial data, the issue appears fully priced.
- Small equity base post- IPO indicates longer gestation period for migration.
- Only well-informed investors may park moderate funds for long term.

About the Company

Amtech Esters Ltd. (AEL) is engaged in the B2B business of manufacturing of Unsaturated Polyester Resins (referred as “UPR” or “UPRs”) and trading in their complementary products like fiber resin, hardeners & silicones and other ancillary products. By offering these complementary products along with its manufactured UPRs, the company is able to provide customers with an integrated sourcing solution rather than a single-product offering. It also enables AEL to serve customers across different stages of the resin and FRP value chain, from base resin requirements to curing, reinforcement, finishing and application-specific consumables.

Further, its wholly owned subsidiary, Croda Pigments Private Limited (referred as “CPPL”) is into the business of manufacturing pigments which are used as colorants and additives in various industrial and household products. CPPL operates in a vertically aligned line of business, complementing and expanding its operations. AEL’s product portfolio consists of polyester resin (referred as “UPRs”), fiberglass of different variants, hardener, silicones and pigments used in paints, varnishes, dyes, glue gums and allied chemical applications.

Its production processes are designed to ensure that products meet prescribed quality standards and customer requirements. It has established a Research & Development and Quality Control department, through which the company continuously review and modify its production processes to cater to evolving customer requirements, improve product performance and maintain consistency in quality. Its commitment to quality is validated by ISO 9001:2015 certification, assuring customers of its adherence to stringent quality control processes throughout manufacturing. As of March 31, 2026, it had 60 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden IPO of 2384000 equity shares of Rs. 10 each to mobilize Rs. 17.88 cr. at the upper cap. The company has announced a price band of Rs. 71 - Rs. 75 per share.

The minimum application to be made is for 3200 shares and in multiples of 1600 shares thereon, thereafter. The issue opens for subscription on September 09, 2026 and will close on September 11, 2026. The shares will be listed on BSE SME. The IPO constitute 27.00% of the post-IPO paid-up capital of the company. From the net proceeds of the fresh issue, the company will utilize Rs. 8.81 cr. for investment in wholly owned subsidiary Croda Pigments Pvt. Ltd., Rs. 4.20 cr. for repayment/prepayment of certain borrowings, and the rest for inorganic growth / general corporate purposes.

The IPO is solely lead managed by Credora Partners Pvt. Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. Nikunj Stock Brokers Ltd. is the market maker.

After issuing initial equity capital at par value, the company also issued further equity shares in the price range of Rs. 200 – Rs. 239 per share between February 2010, and March 2023. It has also issued bonus shares in the ratio of 3 for 1 in February 2023, 3 for 1 in September 2023, and 1 for 1 in February 2026. The average cost of acquisition of shares by the promoters is Rs. NIL, and Rs. 29.88 per share.

Post-IPO, company's current paid-up equity capital of Rs. 6.45 cr. (6445168 equity shares) will stand enhanced to Rs. 8.83 cr. (8829168 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 66.22 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted total income/ net profit, of Rs. 27.24 cr. / Rs. 2.84 cr. (FY24), Rs. 36.97 cr. / Rs. 3.72 cr. (FY25), Rs. 40.75 cr. / Rs. 4.22 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. FY24 earnings got boosted by other income of Rs. 2.64 cr.

For the last three fiscals, the company has reported an average EPS of Rs. 5.94 and an average RoNW of 25.94%. The issue is priced at a P/BV of 2.47 based on its NAV of Rs. 30.38 per share as of March 31, 2026 , and at a P/BV of 1.77 based on its post-IPO NAV of Rs. 42.43 per share (at the upper cap).

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 15.46, and based on FY25 earnings, the P/E stands at 17.44. The issue appears fully priced based on its recent average earnings.

The company has posted PAT Margins of 11.53% (FY24), 10.09% (FY25), 10.38% (FY26) and RoCE margins of 30.77%, 35.10%, 30.16%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for any financial year. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

Merchant Banker's Track Record

This is the 1st mandate of Credora Partners Pvt. Ltd., in the ongoing fiscal. Hence it has no track records, so far.

Conclusion / Investment Strategy

AEL is engaged in the B2B business of manufacturing UPRs and trading in complementary products. The company posted growth in its top and bottom lines for the reported periods. Based on its recent average financial data, the issue appears fully priced. Small equity base post- IPO indicates longer gestation period for migration. Only well-informed investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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