



TARSON PRODUCTS LTD

IPO NOTE

SUBSCRIBE FOR LISTING GAINS

KEY INFORMATION

IPO DETAILS	
Price Band	Rs 635 to Rs 662
Issue Size	Rs 1023.47Cr
Face Value	Rs 2 per share
Market Lot	22 Shares
Listing At	NSE , BSE
Investment Range	Rs 13,970 to Rs 14,564

IPO DATES	
IPO Opens	Nov 15, 2021
IPO Closes	Nov 17, 2021
Basis of Allotment Date	Nov 23, 2021
Refund Initiation	Nov 24, 2021
Shares Credit	Nov 25, 2021
IPO Listing Date	Nov 26, 2021

QUOTA	
QIB	50%
NIB	15%
Retail	35%

Share Holding Pattern	Pre-IPO	Post-IPO
Promoters & P. Group	50.04%	47.3%
Public (Others)	49.2%	52.7%
Total	100%	100%

OFFER DETAILS

IPO SIZE	Rs 1023 Cr	100%
Fresh Issue	Rs 150 Cr	15%
OFS	Rs 873Cr	85%

FRESH ISSUE OBJECTIVE

1. Repayment/prepayment of all or certain of borrowings (Rs 78.54Cr).
2. Funding a part of the capital expenditure for the new manufacturing facility at Panchla, West Bengal (Rs62 cr) (the “Proposed Expansion”)
3. General Corporate Purposes.

RECOMMENDATION

- Company’s implied market Capitalization is at Rs 3522 Cr. (Upper price band) which brings PE (x) of 51 FY21.
- With a Structural Shift from Glass Labware to Plastic Labware is expected to grow at 16% CAGR till FY25. Company sales majorly driven by Reusable labwares, which provides repeated revenue for Tarson. We believe IPO is Fairly Priced, Hence assign Subscribe and Investors may consider IPO for long term investment as well.

OFFER FOR SELL OFS

- The Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. (up to 390,000 equity shares by Sanjive Sehgal, up to 310,000 equity shares by Rohan Sehgal and up to 12,500,000 equity shares by Clear Vision Investment Holdings Pte. Limited)

TARSON PRODUCTS LTD



- Tarsons Products Ltd. (TPL) is a leading Indian life sciences company engaged in the designing, development, manufacturing and marketing of 'consumables', 'reusables' and 'others' including benchtop equipment, used in various laboratories across research organizations, academia institutes, pharmaceutical companies, Contract Research Organizations (CROs), Diagnostic companies and hospitals.
- Tarsons manufactures a range of quality labware products which helps advance scientific discovery and improve healthcare. As of June 30, 2021, TPL had a diversified product portfolio with over 1,700 SKUs across 300 products.
- Tarsons product portfolio is classified into 3 key categories which include Consumables, Reusables, and Others. 'Consumables' category includes products such as centrifuge ware, cryogenic ware, liquid handling, PCR consumables and petri dish, transfer pipettes and others. 'Reusables' category includes products such as bottles, carboys, beakers, measuring cylinders and tube racks. 'Others' category includes benchtop instrumentation such as vortex shakers, centrifuges pipettors and others.
- Tarsons distributes the products to the end customers on a pan-India basis through the authorised distributors. TPL has long-standing relationships with the end customers as well as distributors, which the company has achieved by aligning the offerings with the business needs and through the support of an on-ground sales and marketing team.

KEY HIGHLIGHTS

- Company all manufacturing facilities are located in West bengal

COMPANY PROFILE

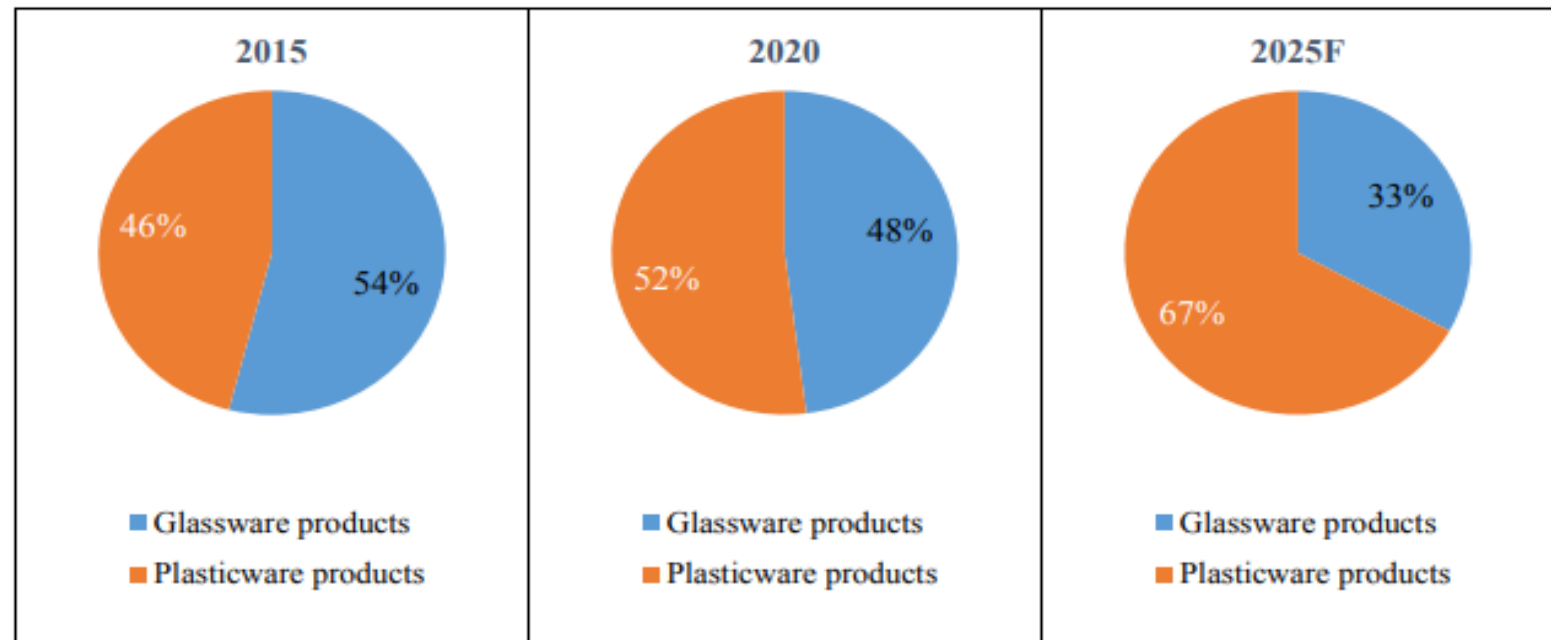
- Tarsons currently operate through 5 manufacturing facilities located in West Bengal. The company, by focusing on stringent quality norms across manufacturing processes, has been able to provide a safe, efficient, and cost-effective mode to conduct research for the scientific community. These facilities are vertically integrated and equipped with automated support systems that help to maintain quality, increase productivity, and reduce costs.

KEY HIGHLIGHTS

- Global Lab Equipment Market to grow with 10.5% CAGR by 2025
- Plastics labware to replace the traditional Glass labwares .

SECTORAL OUTLOOK

- The need for various types of equipment across laboratories and increasing trend of research based studies is driving the global demand for laboratory equipment. As a result, the global laboratory equipment market is expected to register a growth of 4.90% CAGR from 2020 to 2025 to reach USD 20.5 billion by 2025 from USD 16.2 billion in 2020.
- With high penetration expected in the coming years, plastic labware is expected to replace glassware products by another 15.00% to reach a market share of approximately 67.00% in the global laboratory equipment market by Fiscal 2025, given plastic products are superior in terms of shelf life, handling, and safety benefits.



Source: Frost & Sullivan

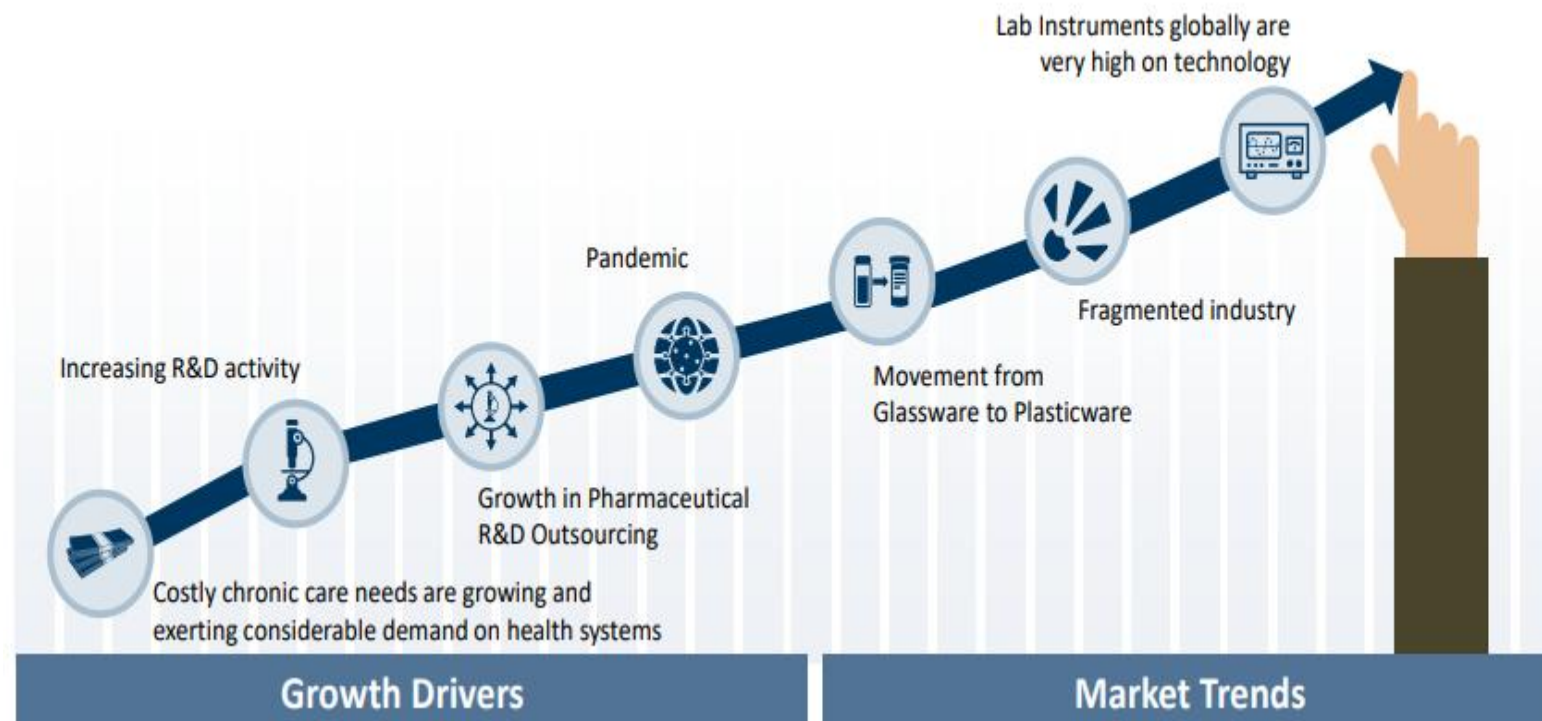
KEY HIGHLIGHTS

- Indian Plasticware market to grow at 16% CAGR till FY25..

SECTORAL OUTLOOK

- Indian Laboratory Equipment Market Size (only Plasticware) to reach Rs 2575 cr by FY 2025 with a CAGR of 16%.
- India has seen a huge acceptance of plasticware products over glassware products mainly due to ease of handling and the varied application which has boosted the growth of domestic companies like Tarsons, Abdos Labtech, Genaxy Scientific and Accumax as they deal mainly with plasticware products only.

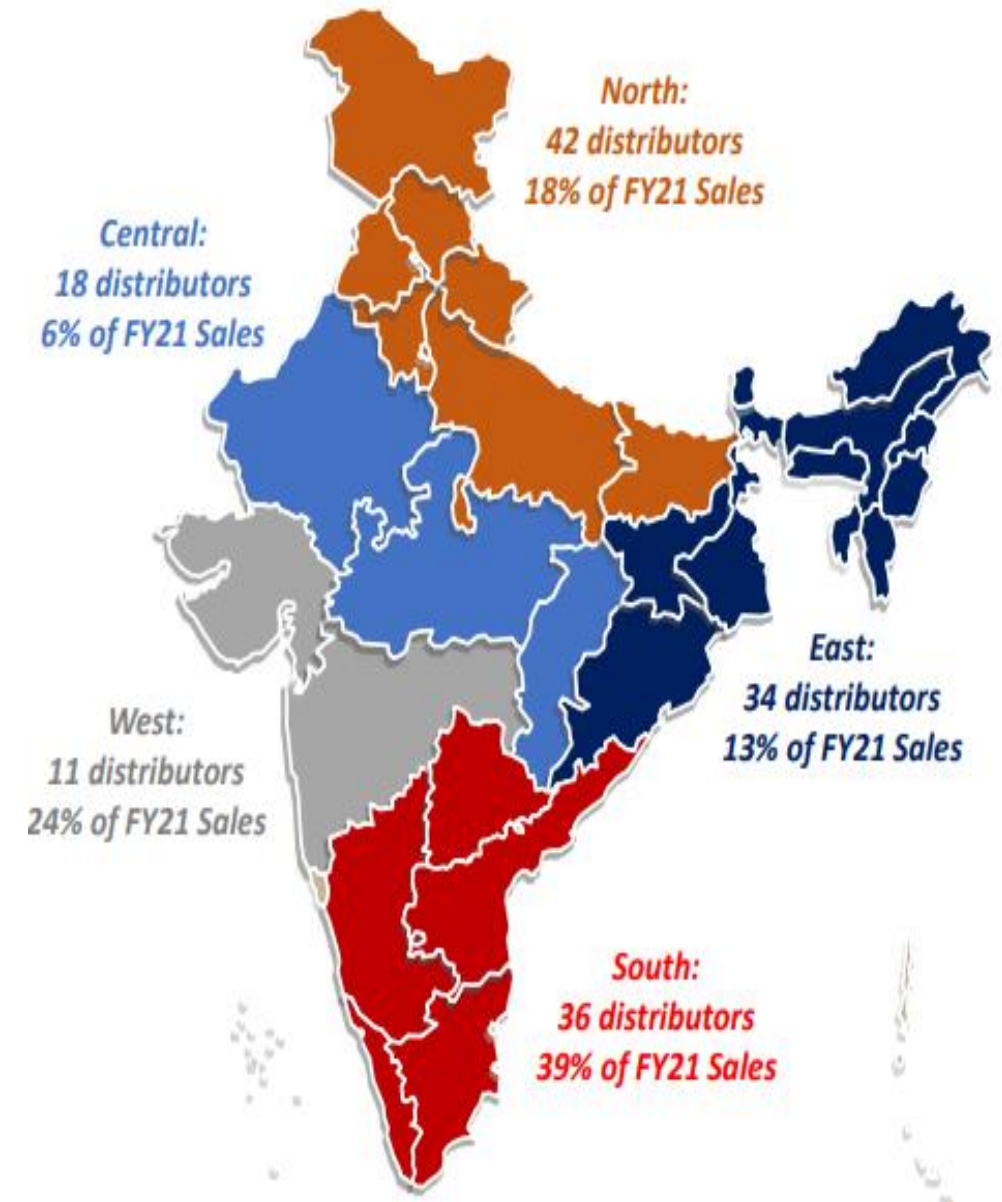
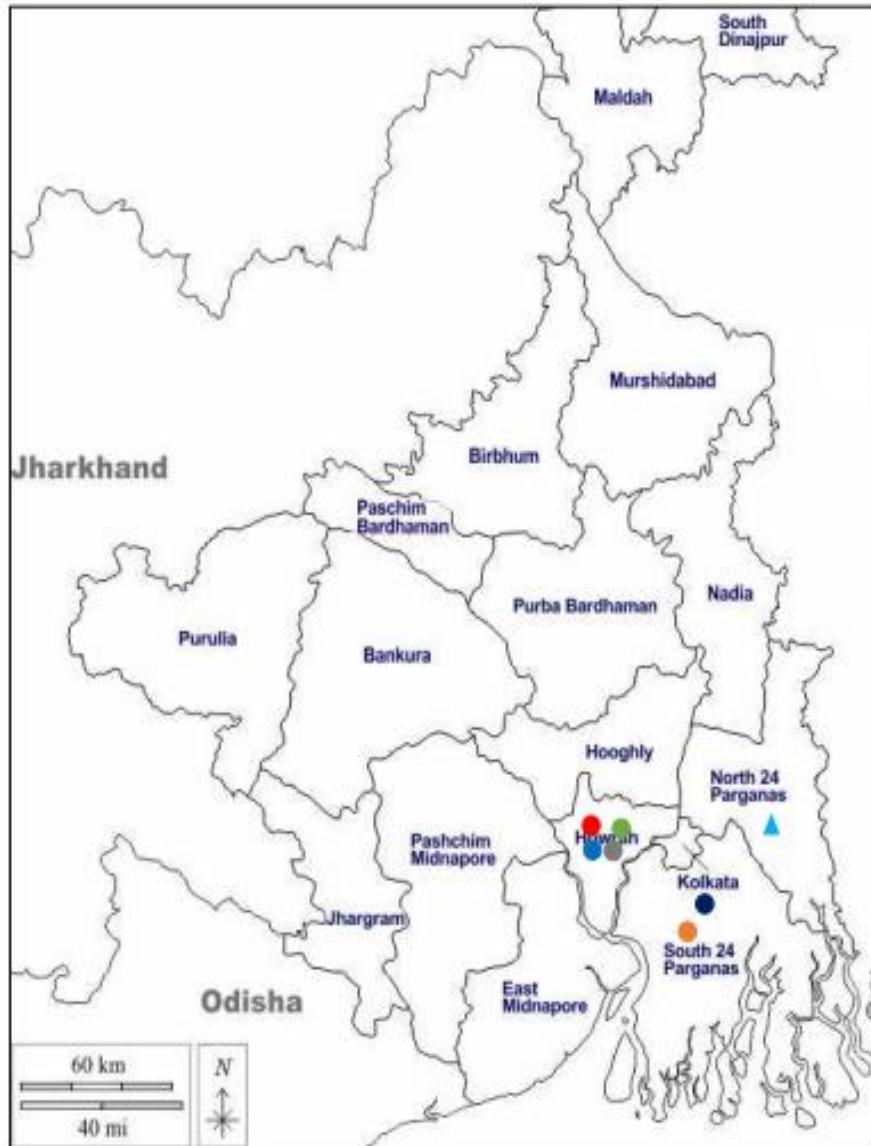
Key Market Trends and Growth Drivers



KEY MANAGMENT

Key management	Position
Sanjive Sehgal	Chairman & MD
Rohan Sehgal	Whole Time Director
Garurav Podar	Non-Executive Director
Viresh Oberoi	Independent Director
Sucharita Basu De	Independent Director
Girish Vanvari	Independent Director

FACTORY LOCATIONS AND PAN INDIA DISTRIBUTION NETWORK



REVENUE BREAKUP

Revenue Bifurcation	Standalone		Consolidated		Standalone	
	FY 19	FY 20	FY 21		Q1 FY20	Q1 FY21
Business Segment Wise						
manufactured Goods	151.1	154.9	208.6		38.5	63.2
_Plastic Products	141.3	150	200.7		37.3	61.2
_instrument & Equipments	9.8	4.9	7.8		1.1	2.1
Traded Goods	26.6	20.1	19.4		3.5	2.6
_Plastics Products	21.9	16.7	14.9		2.7	4.8
_instrument & Equipments	4.8	3.4	4.5		0.7	0.8
Sale of Scarp	1.1	0.9	1		0.1	0.3
Total	178.8	175.9	228.9		42	69.2
Geographical Markets Wise						
India	129.6	127.7	152.3		29.3	51.1
Out of India	48.1	47.3	75.6		12.6	17.7
Sale of Scrap	1.1	0.9	1		0.1	0.3
Total	178.8	175.9	228.9		42	69.2
Product Wise						
Consumables	97.1	101.6	140.2		26	48.1
Reusables	67.1	61.1	77		14.1	17.9
Others	13.5	12.3	10.7		1.9	2.9
Total 10	177.7	175	227.9		41.9	68.9

FINANCIAL PARAMETERS(Rs Cr)

Financial Statements	Standalone		Consolidated		Standalone		Consolidated	
	FY 19	FY 20	FY 21		Q1 FY20		Q1 FY21	
Share Capital	0.2	0.2	0.2		0.2		10.2	
Net Worth	135.3	197.6	244.3		182.5		269	
Long term Borrowings	18.7	5.9	3.3		5.1		12	
Other Long Term Liabilities	4	4.8	6.5		4.5		7.9	
Short-term borrowings	45.8	30	30.2		30.2		52.4	
Other Current Liabilities	8.2	10.4	11.6		13.3		23.5	
Fixed Assets	95.5	111.3	142.5		113.4		167.3	
Non Current Assets	114.8	17.5	40.6		23.8		56.3	
Current Assets	97.1	119.8	112.8		98.4		141.2	
Total Assets	212	248.7	296		235.7		364.8	
Revenue from Operations	178.7	175.9	228.9		42		69.2	
Revenue Growth (%)		-1.6	30.1				64.6	
EBITDA	71.7	69.3	103.4		11.5		36.8	
EBITDA Margin (%)	40.1	39.4	45.2		27.5		53.2	
Net Profit	39	40.5	68.9		7		24.8	
Net Profit Margin (%)	21.8	23	30.1		16.6		35.9	
ROE	28.8	20.5	28.2		3.8		9.2	
Net Asset Value per Share (Rs.)	25.1	35.9	47.7		34.9		52.8	

VALUATIONS

- As Provided by Company, There are no listed players for identical Business Model of Tarson.
- Company's implied market Capitalization is at Rs 3522 Cr. (Upper price band) which brings PE (x) of 51 FY21.
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