

## Company Business

Arunaya Organics Limited, incorporated in 2010, is engaged in the **manufacturing** and **trading** of **dyes** and **dye intermediates**. Their product range includes **reactive, acid, direct, basic, and solvent dyes**, available in various forms such as spray-dried powders, granules, reverse osmosis-treated products, and salt-free products. A significant part of their production is outsourced to their group company, **Chinmay Chemicals Pvt. Ltd.** The company also manufactures **speciality chemicals for the paper and textile dyeing industries**.

## Industry Analysis and TAM

- Indian dye industry is a significant contributor globally, accounting for **16%** of the world production of dyestuff and dye intermediates.
- Growth is driven by **rising demand in textiles, leather, paper, and cosmetics** industries.
- Increased global outsourcing to India due to environmental restrictions in China.
- TAM** is expanding with demand from sectors such as **apparel, packaging, paper, and specialty chemicals** industries.
- Indian dyes and pigments market is expected to grow at a **CAGR of 6–7%** over the next few years.

## Pros and Cons

### Pros

- High RoNW at 36.27%, much superior to listed peers.
- EBITDA Margin improving significantly (10.39% in FY24 vs 3.72% in FY23).
- Expansion project at Dahej to drive future revenue.
- Strong export potential due to location advantage (near Mundra Port).

### Cons

- Heavy dependency on **outsourced manufacturing**.
- Small production scale (only 30 MTPA currently).
- Concentrated exposure to the highly competitive **dye industry**.
- High working capital intensity due to nature of the business.

## IPO Details

- IPO Size** : Up to 58,60,000 Equity Shares (Rs. 33.99 Cr.)
  - Fresh Issue** : 52,60,000 Equity Shares (Rs. 30.51 Cr.)
  - Offer for Sale (OFS)**: 6,00,000 Equity Shares (Rs. 3.48 Cr.) (by Promoter, Shivali Agrawal)
- Promoters** : Vinod Agrawal and Shivali Agrawal
- Pre-IPO Promoter Holding** : 91.72%
- Post-IPO Promoter Holding** : 60.79%

## Objects of the Issue

Proceeds from the Fresh Issue will be utilized for:

- Setting up a new manufacturing facility at Dahej, Gujarat – ₹11.79 Cr**
- Working Capital Requirements – ₹9.00 Cr**
- General Corporate Purposes.**



## Financials of the company

(Fig. in Cr)

Particulars	Dec 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	57.8	62	76	62
EBITDA	6.5	6.4	3	2
EBITDA Margins	11.25%	10.39%	3.72%	3.20%
PAT	3.5	4	2	1.3
PAT Margins	6.22%	6.50%	2.30%	2.10%
ROCE	37.24%	55.71%	35.50%	41.20%

## Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT	D/ERatio	MCap	P/E
Arunaya Organics Limited	62 Cr.	10.39%	4	1.19	101.7Cr.	25.4
Vipul Organics Limited	150 Cr.	8%	3	0.53	242 Cr.	51
Mahickra Chemicals Limited	72 Cr.	0.93%	1.07	0.44	92.6Cr.	48
Ducol Organics & Colours Ltd	75 Cr.	10.6%	5.25	0.26	202 Cr.	38.6





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