

Company Business

- ✦ Core Business: Beezaasan Explotech Limited is involved in manufacturing and supplying a wide array of explosives, covering cartridge explosives such as Slurry Explosives, Emulsion Explosives and Detonating Fuse. The company considers itself a one-stop solution for explosives products.
- ✦ Company has designed products that meet the stringent requirements of varied Industries which includes cement industry, mining industry and defence industry.
- ✦ Manufacturing unit situated at Bhanthala Village in Mahisagar District, Gujarat. Company has also built storage magazines near its manufacturing unit at Felsani, Gujarat to store the explosives.
- ✦ Company has a licensed capacity of 45,000 Metric Ton for manufacturing Slurry Explosives, 11,400 Metric Ton for Emulsion Explosives and 51 million Mtrs. for Detonating Fuse.

Promoter details

- ✦ The promoters of the company are Mr. Navneetkumar Radheshyam Somani, Mr. Sunilkumar Radheshyam Somani, Mr. Rajan Sunilkumar Somani, M/s. Navneet R Somani HUF, and M/s. Sunil R. Somani HUF.
- ✦ Mr. Navneetkumar Radheshyam Somani is the Chairman and Managing Director.
- ✦ Mr. Sunilkumar Radheshyam Somani is the Whole-Time Director.
- ✦ Mr. Rajan Sunilkumar Somani is an Executive Director.

Object of the Issue

The company plans to use the net proceeds from the IPO for:

- ✦ Funding of Capital expenditure towards expansion of existing manufacturing facility situated at Bhanthala, Mahisagar, Gujarat.- **Rs. 3.87 Cr.**
- ✦ Funding of Capital expenditure towards purchase of Plant and Machineries for Expansion of existing manufacturing unit for Emulsion Explosive-3 Plant, Emulsion Bulk Explosive Plant and Detonating Fuse Plant at the existing Manufacturing facility situated at Bhanthala, Mahisagar, Gujarat - **Rs. 23.04 Cr.**
- ✦ Funding of Capital expenditure towards civil construction required for Expansion of additional magazine (Storage) facility required for Emulsion Cartridge Explosives and Detonating Fuse at the existing location situated at Felsani, Gujarat.- **Rs. 2.02 Cr.**
- ✦ Purchase of Commercial Vehicle. - **Rs.1.44 Cr.**
- ✦ Repayment/prepayment of certain borrowings.- **Rs. 18 Cr.**
- ✦ General corporate purposes

IPO Details

- ✦ The IPO is a fresh issue of up to 34,24,800 Equity Shares.
(Rs. 59.93 Cr.)
- ✦ The Equity Shares are proposed to be listed on the SME Platform of BSE (BSE SME).
- ✦ Promoters hold 96.02 % of the pre-Issue equity share capital.
- ✦ Post-Issue, promoters will hold 70.57% of the equity share capital.

Financials of the company

(Fig. in Cr)

Particulars	Sep 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	100.68	186.35	227.91	140.94
EBITDA	13.40	10.57	7.85	5.77
EBITDA Margins	13.31%	5.67%	3.45%	4.10%
PAT	8.32	4.86	2.93	2.74
PAT Margins	8.27%	2.61%	1.29%	1.95%
ROCE		16.20%	12.90%	15.42%
D/E ratio	1.27	1.59	3.02	2.29
CFOA	1.98	10.03	2.19	-1.19

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Beezaasan Explotech -SME (FY 2024)	186.35 Cr.	5.67%	2.61%	1.59	226 Cr.	46.52*
Premier Explosives- Main Board (TTM)	430 Cr.	15%	7.21%	0.40	1,973 Cr.	62.60
Solar Industries- Main Board (TTM)	6,984 Cr.	25%	16.96%	0.32	80,033 Cr.	71.30

*Forward PE is 13.58 on the basis of FY 25 PAT.

Positive and Negative Points

Positive

- ✦ One Stop Solution for Explosives Product.
- ✦ Long Standing Relationship with key Customers & Suppliers.
- ✦ IPO funds will be used for capex and repaying the debts.
- ✦ The peer company has a market capitalization of ₹80,000 crore, indicating that the industry is **significantly large** and that the company operates in the **right sector**.
- ✦ PE is lower amongst peers. **Forward PE is just 13.58 on the basis of FY 25 PAT.**

Negative

- ✦ Sales declines in FY 24.
- ✦ High debts in the company.
- ✦ Profit margins are not impressive.
- ✦ In **FY25**, profit margins have **suddenly increased**, whereas they were previously **low**. This needs to be **analysed carefully**.
- ✦ IPO is coming on Feb 25 but financials are available up to 30th Sep 2024.



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