

IPO Details	
Opening Date	Sept 14, 2023
Closing Date	Sept 18, 2023
Stock Exchange	BSE, NSE
Lot Size	119 Shares
Issue Price	₹ 119 to ₹ 126 per share
Issue Size	Aggregating up to 1,370 Cr.
Fresh Issue	Aggregating up to 1,200 Cr.
Offer for Sale	Aggregating up to 170 Cr.
Application Amount	Min. Inv. - ₹ 14,994 (119 shares) Max. Inv. - ₹ 1,94,922 (1,547 shares)

IPO Objective	
Repayment/ prepayment/ redemption, in full or in part, of certain borrowings and subsidiaries payment of the interest accrued.	
General Corporate Purposes.	

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	-	-
Public	12,27,97,231	100.00 %

Promoter of the Company	
-	

Competitive Strengths	
1	Portfolio's scale and diversification.
2	Track record of managing hotels efficiently.
3	Ability to create operating efficiencies and long-term performance.
4	Strong governance and seasoned management team.
5	Ability to acquire dislocated hotels and demonstrated track record to re-rate hotel.

Company Background	
<ul style="list-style-type: none"> SAMHI Hotels Limited was incorporated in the year 2010 and has its registered office in New Delhi. The Company is a branded hotel ownership and asset management platform in India. The company's portfolio is at 4,801 keys across 31 operating hotels. The company acquire or builds primarily business hotels, and the company take steps to further upgrade properties to allow the hotels to be appropriately positioned within the market. As of 31st March 23, the Company has 1,981 permanent employees on its payroll. 	

Market Capitalization	
(In Cr.)	
Pre-Issue	Post-Issue
₹ 1,547	₹ 2,747

Financial Summary			
(In Lacs)			
For the Period Ended	Mar-21	Mar-22	Mar-23
Total Assets	2,48,165.10	2,35,327.60	3,48,954.00
Net Assets	-19,548.90	-63,884.00	5,473.20
Total Borrowings	2,38,703.10	2,59,332.40	2,99,252.10
Total Revenue	17,925.00	33,310.40	96,436.60
Profit After Tax	-47,772.70	-44,325.30	-36,590.30

Tentative Timeline	
Opening Date	Sept 14, 2023
Closing Date	Sept 18, 2023
Basis of Allotment	Sept 22, 2023
Initiation of Refunds	Sept 25, 2023
Credit of Shares to Demat	Sept 26, 2023
Listing Date	Sept 27, 2023

Company Background and Analysis

The Company was originally incorporated on December 28, 2010. The company acquire or builds primarily business hotels, takes steps to further upgrade properties, and engages with established branded hotel operators to allow the hotels to be appropriately positioned within the market. The company have adopted an acquisition-led strategy, which is underpinned by its track record of acquiring and successfully turning around hotels to grow its business. As a hotel owner and asset manager, the company identifies the focus markets and target properties for capital allocation and growth.

The company's portfolio comprises 3,839 keys across 25 operating hotels in 12 of India's key urban consumption centres, as of March 31, 2023. All the hotels are in the Upper Upscale and Upscale, Upper Mid-scale and Mid-scale hotel segments. This does not include the 962 keys across six hotels and a parcel of land for the development of a hotel in Navi Mumbai, Maharashtra that the company acquired pursuant to the ACIC Acquisition, which was completed on August 10, 2023.

The Hotel Portfolio –

1. Hyatt Regency – Pune, Maharashtra
2. Renaissance – Ahmedabad, Gujarat
3. Sheraton – Hyderabad, Telangana
4. Courtyard by Marriott – Bangalore, Karnataka
5. Hyatt Place – Gurugram, Haryana
6. Four Points by Sheraton – Visakhapatnam, Andhra Pradesh
7. Fairfield by Marriott – Bangalore, Karnataka (Whitefield)
8. Fairfield by Marriott – Bangalore, Karnataka (City Center)
9. Fairfield by Marriott – Bangalore, Karnataka (Outer Ring Road)
10. Fairfield by Marriott – Coimbatore, Tamil Nadu
11. Fairfield by Marriott – Chennai, Tamil Nadu
12. Fairfield by Marriott – Goa
13. Fairfield by Marriott – Pune, Maharashtra
14. Caspia – New Delhi
15. Holiday Inn Express – (Ahmedabad, Bangalore, Pune, Gurugram, Pune, Hyderabad, Nashik, Hyderabad, Bangalore, and Chennai)
16. Caspia Pro – Greater Noida, Uttar Pradesh

On March 30, 2023, the company entered into a binding share subscription and purchase agreement with Asiya Capital to acquire nine SPVs incorporated in India comprising the ACIC Portfolio. The company completed the ACIC Acquisition on August 10, 2023, through the issuance of 37,462,680 Equity Shares to Asiya Capital. The ACIC Portfolio comprises six operating hotels with a total of 962 keys in the Upper Mid-Scale segment. It also includes a parcel of land for the development of a hotel under the Upper Mid-scale segment in Navi Mumbai, Maharashtra.

To conclude, the company was originally incorporated in the year 2010. The company acquires or builds primarily business hotels. The company has recently acquired ACIC Portfolio comprising of nine SPV's. The company is raising total gross proceeds of Rs. 1,370 Cr.

Business Strategies

1. Position of Hotels to benefit from favourable demand trends in the Sector in the Sector and Enhance Operating Efficiencies.

The company intends to focus on increasing Average Room Rates and improving operating margins while driving occupancies further. The company intends to focus on the following key initiatives to benefit from a favourable demand environment for the hospitality industry:

- a) monitor the performance of various demand generators, analyze trends in the modes and sources of bookings and identify high occupancy periods to improve Average Room Rates across the portfolio.
- b) Work with the hotel operators to identify areas that could present incremental revenue opportunities.
- c) rationalize the operating cost base across all significant expense heads while benchmarking each of the hotels to other hotels within the existing portfolio, using the analytics platforms; etc.

2. Complete Development of Identified Opportunities that are Currently Under Development.

The Company intends to renovate and rebrand the existing 301 Keys Hyatt Regency Pune into a Luxury brand hotel under Hyatt's management, which is expected to be completed by September 30, 2025. The intended renovation and rebranding of this hotel is targeted to improve the Average Room Rates and the facilities for meetings, incentives, conferences, and exhibitions.

3. Integrate ACIC Portfolio to Improve Financial Performance.

The company believes the ACIC Acquisition will benefit the company by improving the inventory and market share in key cities such as Hyderabad (Telangana), Pune (Maharashtra), Chennai (Tamil Nadu) and Ahmedabad (Gujarat) and give access to new cities such as Jaipur (Rajasthan) and Mumbai (Maharashtra) (future development) and enable us to create synergies, streamline costs and enhance the overall margin profile.

4. Pursue Growth Opportunities via Programmatic Capital Deployment and Tactical M&A.

The company intends to use a portion of the Net Proceeds towards repayment of debt and thereafter intends to utilize the cash generated from operations towards further reduction in debt and partly to fund continued growth. The company believes that it should benefit from the structural up-cycle that is projected in the years to come, driven by strong demand and stable supply, growth in discretionary spending, and a rise in travel and tourism.

Competitive Scenario and Peer Mapping

Competition

The company operates in a highly competitive market and the company's hotels are in Upper Upscale and Upscale, Upper Mid-scale and Mid-scale hotel segments and are spread across 12 key urban consumption centres across India. As a result, they compete with large multinational and Indian companies, as well as regional and local companies in each of the geographies in which they operate. The barrier to entry is moderate in the sector in which the company operates. The bargaining power of consumers is low in the sector in which the company operates.

Peer Analysis

The comparison of the key performance indicators of the listed peers as of Mar-23 is given below –

Particulars	SAMHI Hotels Limited	Chalet Hotels Limited	Lemon Tree Hotels Limited	Indian Hotels Co. Limited	EIH Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	-39.23%	16.22%	16.11%	18.12%	16.30%
EBITDA Margin	32.06%	40.16%	51.20%	31.07%	29.67%
Return on Capital Employed	6.81%	8.66%	10.44%	12.19%	12.14%
Return on Equity	-	10.59%	16.51%	13.19%	9.75%
EPS (INR)	-43.93	8.94	1.45	7.06	5.03

The comparison of the key performance indicators of the listed peers as of Mar-22 is given below –

Particulars	SAMHI Hotels Limited	Chalet Hotels Limited	Lemon Tree Hotels Limited	Indian Hotels Co. Limited	EIH Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	-137.34%	-15.94%	-34.08%	-8.67%	-9.64%
EBITDA Margin	-2.16%	19.29%	29.60%	13.25%	-3.45%
Return on Capital Employed	-5.52%	-0.55%	0.44%	-0.01%	-4.55%
Return on Equity	-	-5.34%	-16.49%	-3.75%	-3.14%
EPS (INR)	-58.12	3.98	-1.10	-1.74	-1.56

The comparison of the key performance indicators of the listed peers as of Mar-21 is given below –

Particulars	SAMHI Hotels Limited	Chalet Hotels Limited	Lemon Tree Hotels Limited	Indian Hotels Co. Limited	EIH Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	-281.71%	-48.60%	-74.21%	-50.54%	-75.91%
EBITDA Margin	-41.66%	2.45%	22.62%	-22.98%	-71.66%
Return on Capital Employed	-10.37%	-3.38%	-1.45%	-9.10%	-12.99%
Return on Equity	-	-9.06%	-20.39%	-21.81%	-12.08%
EPS (INR)	-62.64	-6.78	-1.60	-5.45	-5.91

Based on the above analysis, The company's majority of the margin, and RoCE are in the negatives for the previous three years. In the year 2023, the peer companies have recovered from the negatives, yet the SAMHI hotels are under negative for Net Profit margins, and ROE.

Industry Overview

Exhibit 1: Direct Contribution of Tourism and Hospitality to GDP (US\$ billion)

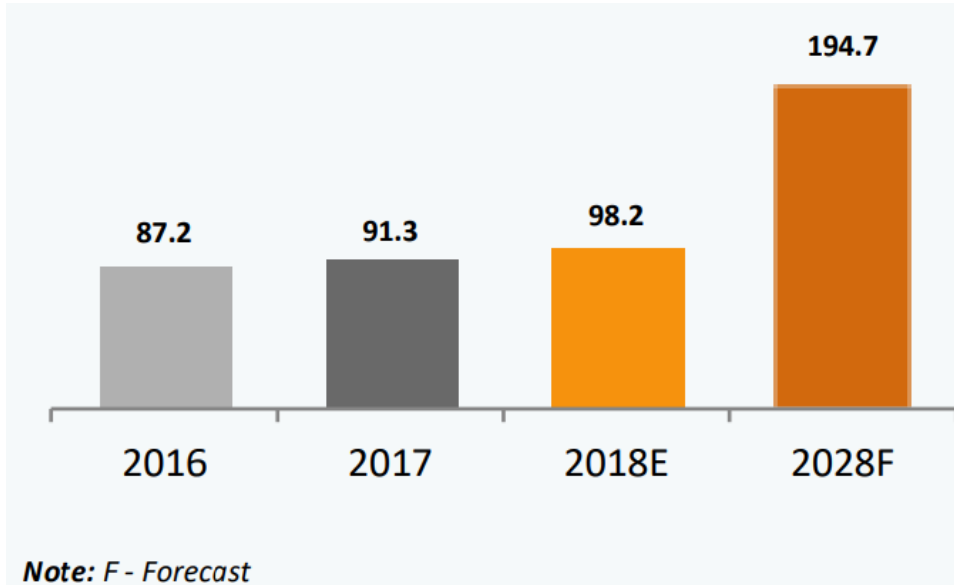
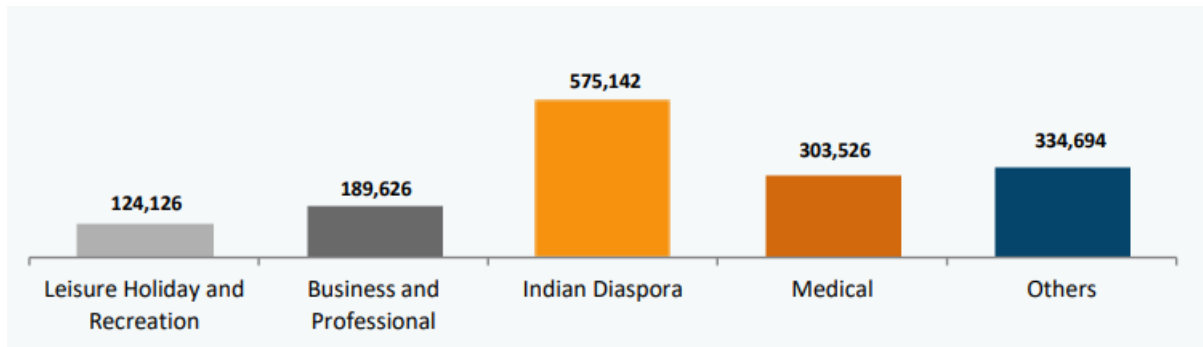


Exhibit 2: Purpose-wise Foreign Tourist Arrivals in 2021 (000's)



(Source: ibef.com)

Indian Hospitality Industry-

The Indian hospitality industry is a direct beneficiary of economic growth in India. Rapid urbanization, expansion of the office market, increasing domestic travel, low set-up costs as compared to other developed and developing economies, initiatives from the Government of India and the availability of an established talent pool provide strong demand for the sector in the foreseeable future. On the back of this surge in domestic consumption and underlying GDP growth, the Indian hotel industry has seen strong capacity utilization in recent quarters (and in quarters preceding the COVID-19 pandemic impact in the Financial Year 2020) driven primarily by the buoyant domestic demand across all segments of hotels. With the sharp increase in capacity utilization combined with negligible supply growth, hotels are seeing a significant ability to yield the demand for branded hotels by re-pricing their hotels on a continuous basis to drive superior ARR growth from current levels. While the material contribution from international travellers is yet to materialize, hotels in India are witnessing a sharp upward re-rating in performance levels driven by domestic demand and a more diversified set of customers from a diverse range of industries.

In today's context particularly, the growth and outlook for the office sector can provide some clues to the pace of performance that hotel markets can hope to see moving forward. Key office markets in India displayed resilience with higher leasing activity recorded for the first quarter of the Financial Year 2023 than in the corresponding periods during the last two years. India's gross leasing activity across the top seven cities was recorded at 12.8 million sq. ft, better than the quarterly run rate of 2022. It was higher by 23.3% year-on-year and was the highest in terms of leasing activity during the same periods in 2021 and 2022.

Moreover, India's G20 presidency comes as a mammoth boost to the hospitality sector as it presents an opportunity to establish India as global meetings, incentives, conferences and exhibitions destination while generating significant room night demand and higher room rates, especially across key metro markets and urban consumption centres. JLL anticipates significant demand to come from the more than 200 meetings and conferences that are likely to happen in the Financial Year 2024. In light of the same, the government is also undertaking necessary initiatives to streamline visa and immigration processes to further boost inbound travel.

Given this environment, investors and operators are optimistic about the overall hospitality market potential for the near future on the back of a structural up-cycle that is projected in the years to come, driven by strong demand and stable supply, growth in discretionary spending, and a rise in travel and tourism. Apart from this, the Indian hospitality market also offers low set-up costs as compared to other developed and developing economies, improving government support, and the availability of an established talent pool. With anticipated demand likely to outpace current supply and should the current travel momentum continue into the new financial year, the first half of the Financial Year 2024 is likely to witness growth in room rates while hotel occupancy levels stabilize at pre-COVID-19 levels.

(Source: prospectus)

Key Managerial Personnel

Ashish Jakhanwala, aged 48, is the Chairman, Chief Executive Officer and Managing Director of the company. He holds a bachelor's degree in commerce, a diploma in hotel management and catering technology, and a postgraduate diploma in management. He has experience in the field of hotel operations, design, consulting, and investment.

Manav Thadani, aged 52, is the Non-Executive Director of the company. He holds a bachelor's degree in science and a master's degree in arts. Manav Thadani is an experienced consultant in the field of hospitality and is the founder and chairman of Hotelivate Private Limited.

Ajish Abraham Jacob, aged 40, is the Non-Executive Director of the company. He holds a bachelor's degree in commerce and is a Certified Public Accountant from the State of Delaware, USA.

Michael Peter Schulhof, aged 80, is the Non-Executive Director of the Company. He holds a bachelor's degree in arts, a master's degree in science, and a degree of Doctor of Philosophy (physics) and was awarded an honorary degree of Doctor of Philosophy in physics.

Krishna Dhawan, aged 63, is the Independent Director of the Company. He holds a bachelor's degree in economics and a postgraduate diploma in management. He joined the Chandrakanta Kesavan Center for Energy Policy and Climate Studies at the Indian Institute of Technology, Kanpur as a governing board member. Further, he is associated with the Federation of Indian Chambers of Commerce and Industry as an advisor of the Environment, Social and Governance Task Force, etc.

Michael David Holland aged 64 is the Independent Director of the Company. He holds a bachelor's degree in building surveying, and a master's degree in Property Development (Project Management) and is a fellow of the Royal Institution of Chartered Surveyors. He has work experience in the commercial real estate sector in Asia.

Aditya Jain aged 66 is the Independent Director of the Company. He holds a bachelor's degree in mechanical engineering and a master's degree in business administration. He is the chairman and editorial director of International Market Assessment India Private Limited.

Archana Capoor aged 59 is the Independent Director of the Company. She holds a master's degree in business administration. She has experience across various sectors, including tourism and finance, and has previously worked with the Tourism Finance Corporation of India as the chairman and managing director and Jet Airways as a finance consultant.

To conclude, the company has no promoters and is run by the management. The management has vast experience and knowledge in the industry in which the company operates with top management being with the company since its incorporation and in the fields which help in the growth of the business.

Financial Snapshot

FY 23* is provided as per Pro Forma Condensed Financial Information.

Particulars	FY 21	FY 22	FY 23*
Revenue from Operations	16,958.00	32,274.30	93,280.90
Other Income	967.00	1,036.10	3,155.70
Total Income	17,925.00	33,310.40	96,436.60
Expenses			
Cost of Material Consumed	1,855.20	3,276.80	7,743.90
Employee benefits expense	8,654.00	9,054.50	15,995.40
Finance costs	30,872.90	34,600.90	56,863.30
Depreciation and Amortization expense	11,179.50	10,060.30	12,959.80
Other expenses	13,387.20	18,799.80	41,550.90
Total Expenses	65,948.80	75,792.30	1,35,113.30
Earnings Before Interest, Taxes, Depreciation & Amortization	-7,064.60	-697.40	29,909.10
EBITDA Margin	-42%	-2%	32%
Profit before exceptional and extraordinary items and tax	-48,023.80	-42,481.90	-38,676.70
Exceptional items	126.2	1,840.6	-1,918.4
Profit/(Loss) before tax	-48,150.00	-44,322.50	-36,758.30
Tax Expense			
Current Tax	-215.50	2.80	-91.30
Deferred tax (net)	-161.80	-	-76.70
Total Tax Expense	-377.30	2.80	-168.00
Profit/(Loss) for the year	-47,772.70	-44,325.30	-36,590.30
Net Profit Margin	-266.51%	-133.07%	-37.94%

Balance Sheet			(In Lacs)
Particulars	FY 21	FY 22	FY 23*
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2,06,598.90	1,92,361.50	2,37,264.20
Capital Work-in-progress	1,773.40	1,973.70	3,227.10
Right-of-use assets	9,783.90	9,186.50	25,418.70
Investment Property	1,522.50	1,491.70	1,460.90
Goodwill	669.60	669.60	42,209.20
Other intangible assets	678.80	509.50	339.60
Financial assets	-	-	-
Loans	442.90	587.80	747.30
Other Financial assets	3,125.00	3,540.60	5,555.40
Income tax assets (net)	955.90	1,316.90	1,749.80
Other non-current assets	932.30	952.70	969.20
Total Non-Current assets	2,26,483.20	2,12,590.50	3,18,941.40
Current Assets			
Inventories	287.10	251.50	517.20
Trade Receivables	1,794.20	2,478.30	6,889.40
Cash and Cash Equivalents	14,506.80	15,139.80	14,061.20
Bank balances other than those above	994.40	928.50	1,798.10
Loans	-	42.60	2.60
Other financial assets	629.50	467.70	1,364.20
Current tax assets (net)	-	-	66.10
Other current assets	3,399.90	3,058.70	5,243.80
Total Current assets	21,611.90	22,367.10	29,942.60

Balance Sheet			(In Lacs)
Assets held for sale	70.00	370.00	70.00
Total Assets	2,48,165.10	2,35,327.60	3,48,954.00
EQUITY AND LIABILITIES			
Equity			
Share Capital	762.70	762.70	853.30
Investments entirely equity in nature	-	-	-
Other Equity	-20,311.60	-64,646.70	4,619.90
Total Equity	-19,548.90	-63,884.00	5,473.20
Liabilities			
Non-current liabilities			
Borrowings	1,87,062.90	2,37,422.10	2,34,376.40
Lease Liabilities	4,972.90	4,309.80	4,481.00
Trade Payables	-	-	-
i) Total outstanding dues of micro and small enterprises	-	-	-
ii) Total outstanding dues of creditors other than above	-	799.70	136.40
Other financial Liabilities	529.20	16,202.20	409.90
Provisions	482.70	443.50	742.10
Deferred tax liabilities (net)	-	-	380.50
Other non-current liabilities	3,056.20	2,832.10	3,024.40
Total Non-current liabilities	1,96,103.90	2,62,009.40	2,43,550.70
Current liabilities			
(i) Short Term Borrowings	51,640.20	21,910.30	64,875.70
ii) Lease liabilities	766.30	971.20	924.70
(iii) Trade Payables	-	-	-
i) Due to micro and small enterprises	101.00	303.00	862.70
ii) Due to other than micro and small enterprises	9,925.30	11,947.50	16,456.90
Other financial Liabilities	5,309.10	1,463.40	11,867.20
Other Current Liabilities	4,281.50	3,723.40	4,475.70
Short-Term Provisions	221.70	213.40	1,097.20
Total Current liabilities	72,245.10	40,532.20	1,00,560.10
Total Liabilities	2,68,349.00	3,02,541.60	3,44,110.80
Total Equity and Liabilities	2,48,800.10	2,38,657.60	3,49,584.00

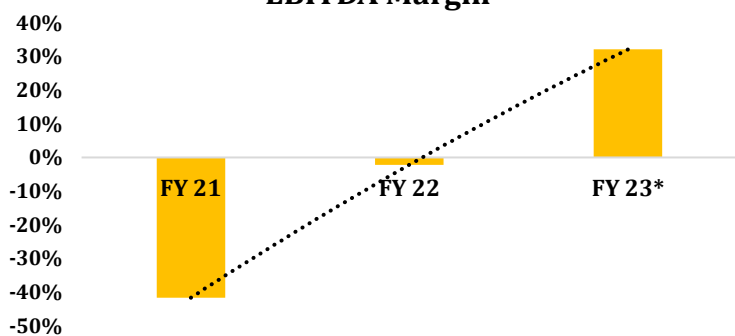
Cash Flow Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23*
Net Cash Flow from Operating Activities	2,165.30	2,631.00	21,744.60
Net Cash Flow from Investing Activities	4,228.90	-253.60	6,839.30
Net Cash Flow from Financing Activities	646.50	-1,744.40	-31,868.80

Ratio Sheet			
Particulars	FY 21	FY 22	FY 23*
Per Share Data			
Diluted EPS	-62.64	-58.12	-43.93
BV per share	-8.97	-29.30	2.51
Operating Ratios (%)			
EBITDA Margins	-42%	-2%	32%
PAT Margins	-267%	-133%	-38%
Inventory days	6.18	2.84	2.02
Debtor days	38.62	28.03	26.96
Creditor days	2,135.37	1,379.56	816.34
Return Ratios (%)			
RoCE	-10%	-6%	7%
RoE**	-	-	-
Valuation Ratios (x)			
EV/EBITDA	-28.97	-258.54	9.72
Market Cap / Sales	16.20	8.51	2.95
P/E	-2.01	-2.17	-2.87
Price to Book Value	-14.05	-4.30	50.19
Solvency Ratios			
Debt / Equity	-12.21	-4.06	54.68
Current Ratio	0.30	0.55	0.30
Quick Ratio	0.30	0.55	0.29
Asset Turnover	0.07	0.14	0.27
Interest Coverage Ratio	-0.59	-0.31	0.30

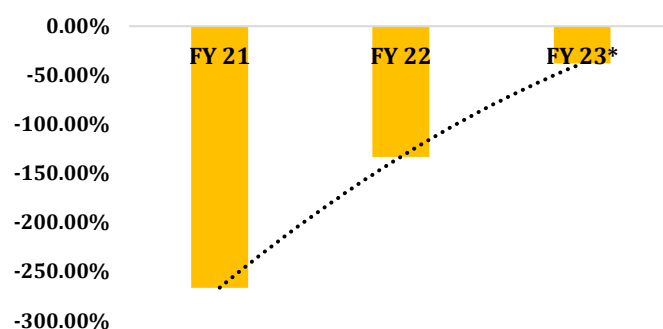
**ROE - Due to the net profit being negative ROE for the company cannot be calculated.

Financial Charts

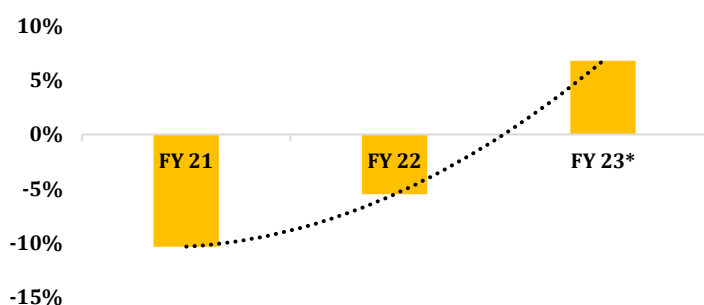
EBITDA Margin



Net Profit Margin



Return On Capital Employed



Key Risk Factors

1. The company is not in compliance with certain covenants under certain of the financing agreements in the past, and in case of any breach of covenants in the future, such non-compliance, if not waived, could adversely affect the business, results of operations and financial condition. The company and certain of its Subsidiaries were not in compliance with certain financial covenants under several financing agreements. The total outstanding principal amount under such financing agreements was Rs. 1,04,292.7 lakhs as of June 30, 2023.
2. The company have experienced restated losses and negative net worth in recent years. experienced restated loss for the last three Financial Years and negative net worth as of March 31, 2023, 2022 and 2021, as set forth in the following table:

Particulars	FY 2021	FY 2022	FY 2023
Restated loss for the year	-4,777.27	-4,432.53	-3,385.86
Net worth	-2,592.76	-7,026.27	-8,714.33

3. The company's indebtedness and the conditions and restrictions imposed by the financing arrangements may limit the ability to grow the business. As of June 30, 2023, the company had outstanding borrowings (comprising current and non-current borrowings, the current portion of non-current borrowings as well as interest accrued on borrowings) of Rs. 2,81,248.60 lakhs on a consolidated basis (excluding the indebtedness of the ACIC SPVs).
4. The business is subject to seasonal and cyclical variations that could result in fluctuations in the results of operations. The periods during which the hotels experience higher revenues vary from property to property, depending principally on their location and the guests they serve. The company's revenues are generally higher during the second half of each Financial Year.
5. The company and the Subsidiaries are involved in certain legal proceedings. An adverse outcome in any of these proceedings may adversely affect the profitability, reputation, business, results of operations and financial condition of the Company and the Subsidiaries. 1 civil litigation by the company 4 tax proceedings against the company, 1 regulatory proceeding against the company amounting to Rs. 103.5 lakhs by the company, and Rs 55.6 lakhs against the company. 1 civil litigation and 1 criminal case by the subsidiaries amounting to Rs. 298.4 lakhs, 2 criminal cases, 43 tax proceedings, 6 regulatory proceedings, and 8 civil litigations against the subsidiaries amounting to Rs. 9,114.8 lakhs.
6. The company may require additional equity or debt financing in the future in order to continue to grow the business, which may not be available on favourable terms, or at all.
7. The company have a large workforce deployed across the hotels and may be exposed to service-related claims and losses or employee disruptions that could have an adverse effect on the business and reputation. As of March 31, 2023, the company had 1,981 permanent employees and employed 421 personnel on a contractual basis. 1,424 employees were attrited with the ratio being 90.70% for the FY ended 2023.
8. The company have contingent liabilities and the financial condition could be adversely affected if any of these contingent liabilities materialize. Total amounting to Rs. 2,757.4 lakhs.

Track Record of Lead Manager

The lead manager to the issue is JM Financial Limited and Kotak Mahindra Capital Company. A table has been set below highlighting the details of the IPO of the last 5 companies handled by the Lead Managers in recent times –

JM Financial Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Elin Electronics Limited	475.00	247.00	December 30, 2022	176.60
2.	Uniparts India Limited	835.61	577.00	December 12, 2022	611.45
3.	Archean Chemical Industries Limited	1,462.31	407.00	November 21, 2022	633.20
4.	Bikaji Foods International Limited	881.22	300.00	November 16, 2022	527.05
5.	Global Health Limited	2,205.57	336.00	November 16, 2022	695.25

Kotak Mahindra Capital Company Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Kfin Technologies Limited	1,500.00	366.00	December 29, 2022	461.30
2.	Sula Vineyards Limited	960.35	357.00	December 22, 2022	468.85
3.	Five Star Business Finance Limited	1,593.45	474.00	November 21, 2022	728.70
4.	Bikaji Foods International Limited	881.22	300.00	November 16, 2022	527.05
5.	Global Health Limited	2,205.57	336.00	November 16, 2022	695.25

*CMP for all the above-mentioned companies is taken as of 8th September 2023.

As per the offer document, JM Financial Limited has had 36 mandates and Kotak Mahindra Capital Company Limited has had 35 mandates in the last three fiscal years. JM Financial Limited's mentioned mandates had opened 2 at discount and 3 at premiums and the same for Kotak Mahindra Capital Company Limited on the listing date.

Recommendation

The company has been in the industry since 2010 and has good experience in the industry. The company has a negative bottom line (under loss) of its financials for the last 3 financial years. The company has seen a sudden increase in its operating margin for FY 23 which raises concerns.

As the EPS is in negative PE on an annualised and post-IPO cannot be calculated.

The company operates in a competitive segment. The management outlook is decent. The company has been under loss for the past three years, and the financial outlook of the company is not good with the D/E ratio being 54.68 times. The margins and the ratios are in negatives which places the company under huge risk. The company is also facing litigations and the percentage of attrition is very high details of the same are provided under the “Risk Factor” of this report. Keeping in mind all the above-mentioned factors and the details provided in the risk factor and the financial outlook of the company we believe this company is very risky and not sustainable, thus one can **AVOID** applying to this IPO.

Disclaimer

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