

IPO Details		Company Background									
<b>Opening Date</b>	Sept 20, 2023	<ul style="list-style-type: none"> <li>Signatureglobal (India) Limited was originally incorporated in the year 2000 and has its registered office in New Delhi.</li> <li>The Company is engaged in the business of real estate development.</li> <li>The company provides “value homes” with attractive designs and amenities.</li> <li>The company is strategically focused on the Affordable Housing and Middle-Income Housing segments.</li> <li>As of 31<sup>st</sup> March 2023, the Company has 963 employees on its payroll.</li> </ul>									
<b>Closing Date</b>	Sept 22, 2023										
<b>Stock Exchange</b>	BSE, NSE										
<b>Lot Size</b>	38 Shares										
<b>Issue Price</b>	₹ 366 to ₹ 385 per share										
<b>Issue Size</b>	Aggregating up to 730.00 Cr.										
<b>Fresh Issue</b>	Aggregating up to 603.00 Cr.										
<b>Offer for Sale</b>	Aggregating up to 127.00 Cr.	<table border="1"> <thead> <tr> <th colspan="2">Market Capitalization (In Cr.)</th> </tr> <tr> <th>Pre-Issue</th> <th>Post-Issue</th> </tr> </thead> <tbody> <tr> <td>₹ 4,807</td> <td>₹ 5,410</td> </tr> </tbody> </table>				Market Capitalization (In Cr.)		Pre-Issue	Post-Issue	₹ 4,807	₹ 5,410
Market Capitalization (In Cr.)											
Pre-Issue	Post-Issue										
₹ 4,807	₹ 5,410										
<b>Application Amount</b>	Min. Inv. - ₹ 14,630 (38 shares) Max. Inv. - ₹ 1,90,190 (494 shares)										
IPO Objective		Financial Summary (In Lacs)									
Repayment/ pre-payment of certain borrowings availed by the company.		<b>For the Period Ended</b>	<b>Mar-21</b>	<b>Mar-22</b>	<b>Mar-23</b>						
Repayment/pre-payment of certain borrowings availed by the subsidiaries.		<b>Total Assets</b>	3,76,236.60	4,43,085.10	5,99,912.80						
Inorganic growth and general corporate purpose.		<b>Net Assets</b>	-19,581.90	-34,634.90	5,017.80						
Pre-Issue Shareholding			<b>Total Borrowings</b>	1,17,638.40	1,15,753.10						
<b>Category</b>	<b>No. of Shares</b>	<b>% of Total Shares</b>	<b>Total Revenue</b>	15,471.90	93,960.00						
Promoter & Promoter Group	9,78,33,700	78.36%	<b>Profit After Tax</b>	-8,627.80	-11,550.00						
Public	2,70,14,654	21.64%	<b>Tentative Timeline</b>								
Promoter of the Company			<b>Opening Date</b>	Sept 20, 2023							
1	Pradeep Kumar Aggarwal		<b>Closing Date</b>	Sept 22, 2023							
2	Lalit Kumar Aggarwal		<b>Basis of Allotment</b>	Sept 27, 2023							
3	Ravi Aggarwal		<b>Initiation of Refunds</b>	Sept 29, 2023							
4	Devender Aggarwal		<b>Credit of Shares to Demat</b>	Oct 03, 2023							
5	Pradeep Kumar Aggarwal HUF		<b>Listing Date</b>	Oct 04, 2023							
6	Lalit Kumar Aggarwal HUF										
7	Ravi Aggarwal HUF										
8	Devender Aggarwal HUF										
9	Sarvpriya Securities Private Limited										
Competitive Strengths											
1	Largest affordable and lower-mid and mid-segment real estate developer in Delhi NCR										
2	Well-established brand, strong distribution network and digital marketing capabilities.										
3	Fast growing with the ability to scale up.										
4	Standardized product offerings, end-to-end in-house project execution expertise.										
5	Strong focus on sustainable development.										
6	Experienced promoters and management.										

## Company Background and Analysis

The Company was originally incorporated in the year 2000. The company is a real estate development company in the National Capital Region of Delhi (NCR) in affordable and lower mid-segment housing. The company has strategically focused on the Affordable Housing (“AH”) segment (below ₹ 4 million price category) and the Middle-Income Housing (“MH”) segment (between ₹ 4 million to ₹ 2.5 million private category) through the Government of India and state government policies.

The company has been extensively involved in developing projects specifically the Affordable Housing Policy, 2013 notified by the Town and Country Planning Department, Government of Haryana (“AHP”) and the Affordable Plotted Housing Policy or the Deen Dayal Jan Awas Yojana (“DDJAY - APHP”). Each of the policies is focused on affordable and mid-segment housing. The AHP aims to encourage the planning and completion of group housing projects under which apartments of a pre-defined size are to be made available at pre-defined rates and completed within a targeted timeframe to ensure an increased supply of affordable housing, while the DDJAY - APHP is intended to encourage the development of high density plotted colonies in the state of Haryana. Most of the Completed Projects, Ongoing Projects and Forthcoming Projects are in Gurugram and Sohna in Haryana, with 88.49% of the Saleable Area located in this region as of March 31, 2023, and almost all of the projects have been, or are being, undertaken under the AHP or the DDJAY - APHP.

The company will develop some of the Forthcoming Projects under the Haryana Group Housing Policy (“HGHP”) and New Integrated Licensing Policy (“NILP”) combining them with the provisions of the Transit Oriented Development Policy (“TODP”) and Transfer of Development Rights Policy (“TDRP”).

As of March 31, 2023, the company had completed an aggregate Developable Area of 7.64 million square feet in the Completed Projects and an additional 1.37 million square feet in the Ongoing Projects, comprising 11,427 residential units and 932 commercial units, for which they have received occupation certificates. The company has sold 25,089 residential units, amounting to 88.81% of the total number of residential units launched in the Completed and Ongoing Projects as of March 31, 2023.

Revenue break-up for the fiscal year ended 2021, 2022, and 2023 are given below-

(Amount in Lakhs)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount	%	Amount	%	Amount	%
Operating Revenue -						
Revenue from the sale of real estate properties	3,129.80	38.14	85099.80	94.42	1,51,900.20	97.77
Revenue from construction contracts	3,562.90	43.42	2502.10	2.78	2,351.90	1.51
Sale of Traded goods	45.10	0.55	23.40	0.03	107.70	0.07
Interest income from non-banking financial business	662.70	8.08	676.80	0.75	185.90	0.12
Other Operating Revenue	805.20	9.81	1,827.70	2.03	811.30	0.52
Total	8,205.70	100.00	90,129.80	100.00	1,55,357.00	100.00

The company has seen a significant shift in its revenue generation service from construction contracts to the sale of real estate properties over the years which has majorly impacted the rise in the revenue generation for the company during the Fiscal year 2022 and 2023.

Operational Information related to the projects for the Financial Year ended March 31, 2023, is given below –

Details	Completed Projects	Ongoing Projects	Forthcoming Projects	Total
Gurugram	8	21	13	42
Sohna	1	8	3	12
Karnal	3	-	-	3
Manesar	-	-	2	2
Ghaziabad	-	-	1	1
Total	12	29	19	60

To conclude, the company was originally incorporated in the year 2000. The company is engaged in the business of is real estate development. The company has most of its ongoing projects and forthcoming projects from Gurugram. The company is raising total gross proceeds of Rs. 730 Cr.

## Business Strategies

### 1. Continue to focus on the affordable and lower mid segments of housing.

The company intends to utilise affordable housing policies in Delhi NCR and focus on projects having residential units with ticket sizes ranging from ₹ 4 million to ₹ 25 million, based on changing customer preferences. The company intends to continue to focus on this model to expand its portfolio of affordable housing projects.

### 2. Further consolidate the leadership position in Gurugram, Haryana and expand selectively in micro-markets within Delhi NCR.

The Company intends to leverage the brand, experience in construction, extensive regulatory experience and market insights to consolidate the leadership position in Gurugram, Haryana. In addition, the company intends to selectively expand in micro-markets within Delhi NCR. Affordable rentals and capital values, improving connectivity, and good social and physical infrastructure facilities are factors attracting buyers to this region. The company may also consider acquiring land parcels in and around Delhi NCR, in areas such as Manesar, which have good connectivity and display significant growth potential owing to factors such as government investment in infrastructure and employment. The company believes that the continued focus on these markets will enable them to derive efficiencies of scale.

### 3. Focus on growth with cost and price optimization.

The company intends to increase cost efficiency in the operations and optimise the expenses. The company intends to focus on improving the project designs to optimize the use of land that they are allotted. The company intends to focus on optimising the pricing of the AHP projects to maximize the Gross Margins. The company will continue to focus on digitization, to reduce overhead costs and streamline the sales process.

### 4. Selectively acquire land to ensure efficient utilization of capital and enter into collaboration agreements to further grow the operations.

The company intends to continue to evaluate and acquire strategically located parcels of land at competitive prices while ensuring a disciplined capital structure with the goal of maximizing returns and developing a robust pipeline of projects in the target market of Delhi NCR.

## Competitive Scenario and Peer Mapping

### Competition

The company faces competition from various national and regional real estate developers. The competitors include corporate and small real estate developers. The barrier to entry in such an industry is moderate. The bargaining power with the suppliers is moderate and the bargaining power with the customers is relatively low in such sectors.

### Peer Analysis

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

Particulars	Signatureglobal (India) Limited	DLF Limited	Godrej Properties Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	-4.10%	59.56%	63.06%
EBITDA Margin	0.39%	50.03%	13.24%
Return on Capital Employed	-4.86%	6.04%	1.19%
Return on Equity	-74.75%	8.02%	6.60%
EPS (INR)	-5.44	9.34	23.58

Particulars	Macrotech Developers Limited	Prestige Estates Projects Limited	Sobha Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	3.53%	3.16%	3%
EBITDA Margin	21.28%	22.63%	10%
Return on Capital Employed	11.71%	7.53%	9%
Return on Equity	2.43%	1.99%	4%
EPS (INR)	6.34	8.50	10.05

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

Particulars	Signatureglobal (India) Limited	DLF Limited	Godrej Properties Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	-12.81%	35.18%	35.70%
EBITDA Margin	-9.42%	47.94%	6.45%
Return on Capital Employed	-27.63%	5.77%	0.74%
Return on Equity	16.27%	4.90%	5.67%
EPS (INR)	-10.23	5.39	18.92

Particulars	Macrotech Developers Limited	Prestige Estates Projects Limited	Sobha Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	13.58%	21.18%	4%
EBITDA Margin	22.80%	18.51%	32%
Return on Capital Employed	12.57%	6.91%	27%
Return on Equity	9.29%	14.87%	5%
EPS (INR)	24.77	23.63	11.90

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

Particulars	Signatureglobal (India) Limited	DLF Limited	Godrej Properties Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	-105.14%	27.64%	1.11%
EBITDA Margin	-46.84%	39.78%	10.50%
Return on Capital Employed	-14.36%	4.75%	8.00%
Return on Equity	21.13%	3.89%	21.26%
EPS (INR)	-7.56	4.35	-8.85

Particulars	Macrotech Developers Limited	Prestige Estates Projects Limited	Sobha Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	2.08%	8.61%	3%
EBITDA Margin	24.44%	23.77%	32%
Return on Capital Employed	22.36%	9.63%	23%
Return on Equity	2.68%	6.22%	3%
EPS (INR)	3.09	5.31	6.91

Based on the above analysis, the company's RoCE, ROE and the margins including EPS are in negatives for three consecutive years.

**Industry Overview**

Exhibit 1: Market size of Real Estate in India (US\$ billion)

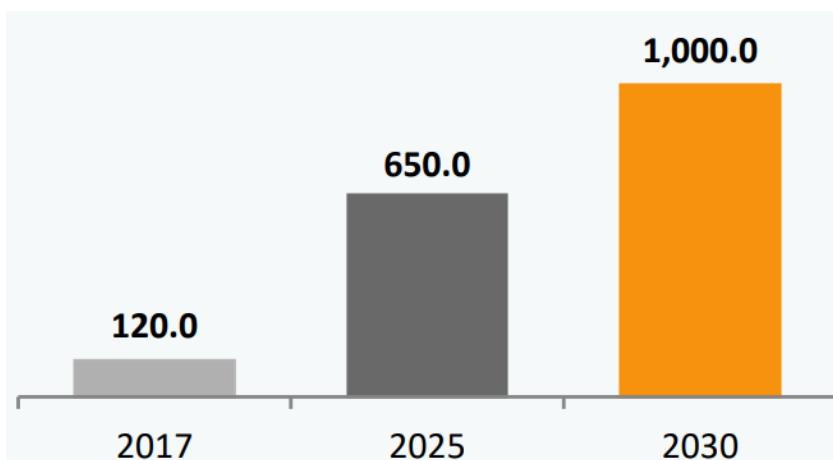
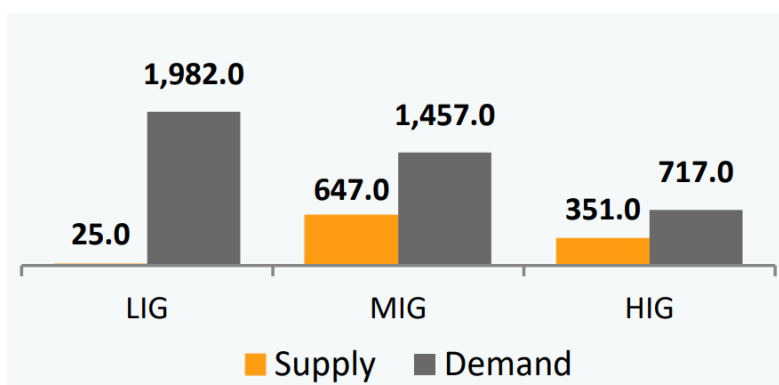
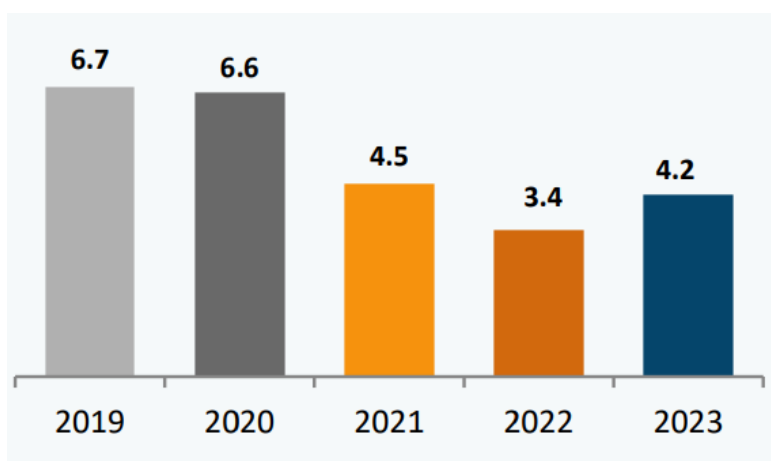


Exhibit 2: Cumulative Housing Demand-Supply in Top 8 Cities ('000 units) 2016-20



**Note:** LIG – Low Income Group, MIG – Medium Income Group, HIG – High Income Group

Exhibit 3: PE/VC Investments in Indian Real Estate (US\$ billion)



(Source: ibef.com)

### **Real Estate Industry in India -**

The real estate sector is one of the most globally recognized sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodation. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

By 2040, the real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. The real estate sector in India is expected to reach US\$ 1 trillion in market size by 2030, up from US\$ 200 billion in 2021 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

In FY23, India's residential property market witnessed with the value of home sales reaching an all-time high of Rs. 3.47 lakh crore (US\$ 42 billion), marking a robust 48% year-on-year increase. The volume of sales also exhibited a strong growth trajectory, with a 36% rise to 379,095 units sold.

(Source: ibef.com)

### **Urbanization in India -**

Demographic shift impacts the demand for residential real estate, and the process of urbanization has contributed to demand for housing in urban areas. As of 2023, India's estimated urban population is 36%. As per United Nations Development Programme ("UNDP") projections, by the year 2046 India will have more urban population than a rural one. Rapid urbanization is likely to have a positive effect on the economy and is expected to drive the demand for housing, offices, and other real estate asset classes in urban areas.

### **Indian Affordable Housing Trends -**

Affordable housing today is an integral part of the national agenda with significant significance in urban areas. There have been introductions and revisions in policies and measures at both the national and state levels, oriented to encourage and regularize development in this sector. Attracting private players for quality construction and timely delivery has gained prominence in the recent past. Budget housing units that provide basic amenities with access to affordable transportation, education, and quality healthcare are the need of the hour. The government has laid down several policies to encourage private participation through numerous incentives and benefits.

(Source: prospectus)



## Key Managerial Personnel

**Pradeep Kumar Aggarwal**, aged 67, is one of the Promoters, Chairman, and Whole-Time Director of the company. He has completed his senior secondary education. He was previously associated with Paywell Securities Private Limited for five years. He has over eight years of experience in the real estate industry.

**Lalit Kumar Aggarwal**, aged 55, is one of the Promoters, Vice-Chairman, and Whole-Time Director of the company. He has completed his senior secondary education. He was first appointed as a director on the Board of the Company on March 15, 2022. He has an experience of over seven years in the real estate sector.

**Ravi Aggarwal**, aged 54, is one of the Promoters, and Managing Director of the company. He is a fellow member of the Institute of Chartered Accountants of India. He served as a director on the board of SMC Insurance Brokers Private Limited for a period of over five years. He has over nine years of experience in the real estate industry.

**Devender Aggarwal**, aged 49, is one of the Promoters, Joint Managing Director and Whole-Time Director of the company. He has completed his secondary education. He has an experience of over 12 years in the real estate sector.

**Kundan Mal Aggarwal**, aged 53, is the Independent Director of the company. He holds a bachelor's degree in commerce (honours) and was awarded the certificate to practice as a chartered accountant by the Institute of Chartered Accountants of India. He was first appointed as a director on the Board of the Company on April 2, 2021.

**Chandra Wadhwa**, aged 54, is the Independent Director of the Company. He holds a master's degree in commerce and a bachelor's degree in law. He has been in practice as a cost accountant since June 25, 2001. He was first appointed as a director on the Board of the Company on February 15, 2022.

**Lata Pillai**, aged 43, is the Independent Director of the company. She holds a master's degree in management studies. She is also the "Head of Capital Markets, India" at Jones Lang LaSalle Property Consultants (India) Private Limited since July 15, 2021. and was first appointed as a director on the Board of the Company on March 15, 2022.

**Venkatesan Narayanan**, aged 53, is the Independent Director of the company. He holds a bachelor's degree in commerce and has also cleared the intermediate examination held by the Institute of Company Secretaries of India. He was first appointed as a director on the Board of the Company on March 15, 2022.

### Other Promoters –

**Pradeep Kumar Aggarwal HUF**

**Lalit Kumar Aggarwal HUF**

**Ravi Aggarwal HUF**

**Devender Aggarwal HUF**

**Sarvpriya Securities Private Limited**

To conclude, the company has 9 promoters, out of which 4 of them are individual promoters and they have decent experience in the fields in which the company operates. the remaining directors have good experience in the fields which help in the growth of the business.

**Financial Snapshot**

<b>Profit and Loss Statement</b>			
	<b>(In Lacs)</b>		
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
Revenue from Operations	8,205.70	90,129.80	1,55,357.00
Other Income	2,366.60	3,830.20	3,230.80
Gain on fair valuation of derivative instruments	4,899.60	-	-
<b>Total Income</b>	<b>15,471.90</b>	<b>93,960.00</b>	<b>1,58,587.80</b>
<b>Expenses</b>			
Cost of revenue	6,637.60	81,986.90	1,25,514.20
Purchases of stock-in-trade	43.50	23.00	86.60
Employee benefit expense	4,315.70	6,404.50	8,848.50
Finance costs	7,088.20	6,912.50	7,292.40
Depreciation and amortization expense	1,180.90	2,072.60	2,218.40
Loss on fair valuation/extinguishment of derivative Instruments	-	1,418.90	3,323.00
Impairment losses	117.80	125.40	3.90
Impairment of goodwill	-	-	2,638.50
Other expenses	5,281.80	8,657.90	14,337.30
<b>Total Expenses</b>	<b>24,665.50</b>	<b>1,07,601.70</b>	<b>1,64,262.80</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>-3,843.60</b>	<b>-8,486.80</b>	<b>605.00</b>
<b>EBITDA Margin</b>	<b>-46.84%</b>	<b>-9.42%</b>	<b>0.39%</b>
<b>Loss before tax and share of loss in associate</b>	<b>-9,193.60</b>	<b>-13,641.70</b>	<b>-5,675.00</b>
<b>Share of (loss)/profit in associate</b>	<b>-3.20</b>	<b>-</b>	<b>-</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>-9,196.80</b>	<b>-13,641.70</b>	<b>-5,675.00</b>
<b>Exceptional items</b>	<b>-549.30</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) before tax</b>	<b>-9,746.10</b>	<b>-13,641.70</b>	<b>-5,675.00</b>
Tax Expense			
Current Tax	796.60	16.50	1,484.20
Deferred tax (net)	-1,898.50	-1,945.10	-792.50
Short/ (Excess) provision of earlier years	-16.40	-163.10	4.80
Total Tax Expense	-1,118.30	-2,091.70	696.50
<b>Profit/(Loss) for the year</b>	<b>-8,627.80</b>	<b>-11,550.00</b>	<b>-6,371.50</b>
Net Profit Margin	-56%	-12%	-4%

<b>Balance Sheet</b>			
	<b>(In Lacs)</b>		
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6,514.60	6,934.80	6,121.80
Capital work-in-progress	-	-	38.00
Right-of-use assets	715.90	906.50	1,131.50
Investment property	-	5,892.60	5,847.30
Goodwill	3,077.70	3,077.70	439.20
Other intangible assets	75.80	52.90	25.30
Financial assets			
(i) Investments	4,598.40	505.00	7.20
(ii) Other financial assets	4,958.30	6,906.40	3,473.70
Deferred tax assets (Net)	9,569.00	11,421.60	12,202.90
Income tax assets (net)	1,314.10	1,724.30	2,531.20
Other non-current assets	4,328.90	2,198.80	1,552.40
<b>Total Non-Current assets</b>	<b>35,152.70</b>	<b>39,620.60</b>	<b>33,370.50</b>
<b>Current Assets</b>			

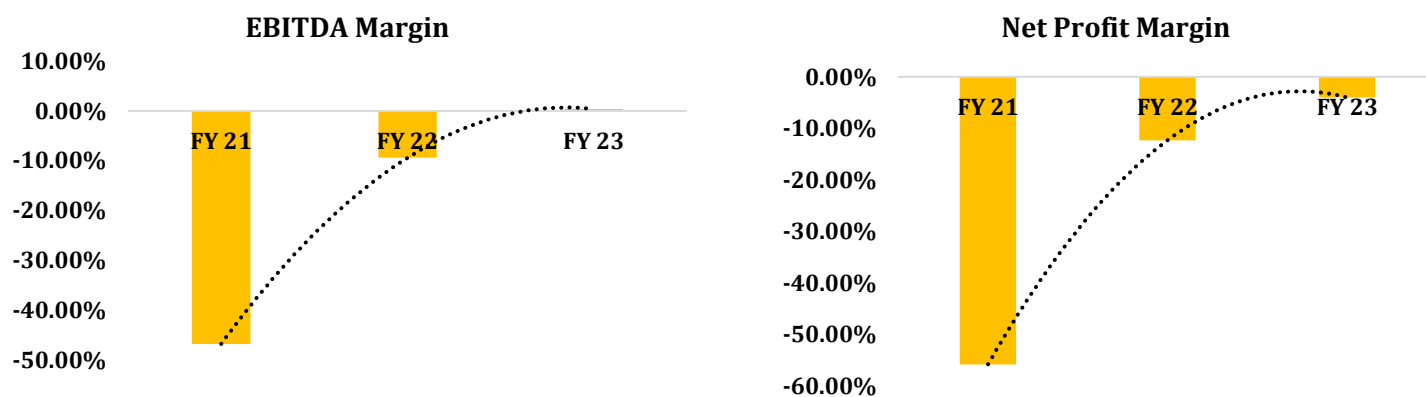
<b>Balance Sheet</b>		<b>(In Lacs)</b>	
Inventories	2,77,015.50	3,39,206.20	4,40,578.50
Financial Assets			
(i) Investments	1,090.80	11.40	4.40
(ii) Trade Receivables	1,480.30	417.60	2,830.30
(iii) Cash and Cash Equivalents	24,539.60	23,588.40	63,874.40
(iv) Other Bank Balances	4,645.40	5,521.50	3,323.40
(v) Loans	11,119.20	107.40	3,785.20
(vi) Others	4,423.90	3,496.30	6,626.70
Other current assets	16,769.20	31,115.70	45,519.40
<b>Total Current assets</b>	<b>3,41,083.90</b>	<b>4,03,464.50</b>	<b>5,66,542.30</b>
<b>Total Assets</b>	<b>3,76,236.60</b>	<b>4,43,085.10</b>	<b>5,99,912.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	568.80	1,137.60	1,248.50
Other Equity	-21,255.50	-36,359.30	3,505.40
<b>Equity attributable to owners of Holding Company</b>	<b>-20,686.70</b>	<b>-35,221.70</b>	<b>4,753.90</b>
Non-controlling interests	1,104.80	586.80	263.90
<b>Total Equity</b>	<b>-19,581.90</b>	<b>-34,634.90</b>	<b>5,017.80</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	84,084.90	77,931.60	1,29,879.30
(ii) Lease liabilities	867.40	1,010.20	1,185.60
(iii) Others	10,270.20	10,340.20	-
Long term provisions	502.80	1,088.40	1,566.90
<b>Total Non-current liabilities</b>	<b>95,725.30</b>	<b>90,370.40</b>	<b>1,32,631.80</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	33,553.50	37,821.50	41,095.60
(ii) Trade Payables			
total outstanding dues of micro-enterprises and small enterprises	1,167.60	2,214.50	3,437.70
total outstanding dues of creditors other than micro-enterprises and small enterprises	31,888.70	77,024.80	97,217.30
(iii) Lease Liabilities	133.70	193.60	265.30
(iv) Others	7,452.50	6,259.40	14,537.00
Short-Term Provisions	33.80	64.70	104.30
Other current liabilities	2,25,811.50	2,63,771.10	3,04,972.80
Liabilities for current tax (Net)	51.80	-	633.20
<b>Total Current liabilities</b>	<b>3,00,093.10</b>	<b>3,87,349.60</b>	<b>4,62,263.20</b>
<b>Total Liabilities</b>	<b>3,95,818.40</b>	<b>4,77,720.00</b>	<b>5,94,895.00</b>
<b>Total Equity and Liabilities</b>	<b>3,76,236.50</b>	<b>4,43,085.10</b>	<b>5,99,912.80</b>

<b>Cash Flow Statement</b>		<b>(In Lacs)</b>	
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
Net Cash Flow from Operating Activities	364.38	2,052.44	-2,781.76
Net Cash Flow from Investing Activities	-262.40	537.76	76.27
Net Cash Flow from Financing Activities	965.30	-2,685.32	6,734.09

<b>Ratio Sheet</b>			
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>Per Share Data</b>			
Diluted EPS	-7.56	-10.23	-5.44
BV per share	-13.94	-24.65	3.57
<b>Operating Ratios</b>			
EBITDA Margins	-46.84%	-9.42%	0.39%
PAT Margins	-56%	-12%	-4%
Debtor days	65.85	1.69	6.65
Creditor days	-	-	-
<b>Return Ratios</b>			
RoCE*	-7%	-19%	-1%
RoE*	-	-	-134%
<b>Valuation Ratios (x)</b>			
EV/EBITDA	0.36	1.19	-29.79
Market Cap / Sales	65.93	6.00	3.48
P/E	-	-	-
Price to Book Value*	-	-	107.81
<b>Solvency Ratios</b>			
Debt / Equity*	-	-	8.19
Current Ratio	1.14	1.04	1.23
Quick Ratio	0.21	0.17	0.27
Asset Turnover	0.02	0.20	0.26
Interest Coverage Ratio	-0.71	-1.53	-0.22

\*ROE, P/BV, and D/E, P/E cannot be calculated due to EPS and shareholders fund being negative.

## Financial Charts



### Key Risk Factors

1. The Company has incurred net loss and negative Net Worth in the past, and the company may not be able to achieve or maintain profitability in the future. The company has had negative Profit After Tax for three consecutive years.
2. The Subsidiaries have incurred losses in the past, which may have an adverse effect on the reputation and business. Further, there are certain defaults/delays in payment of statutory dues by certain of the Subsidiaries. Any further default/ delay in payment of statutory dues may attract financial penalties from the respective government authorities and in turn, may have a material adverse impact on the financial condition and cash flows. 7 of the subsidiaries are in negative Profit Before Taxes out of which 4 Subsidiaries are having negative profit before taxes for three consecutive years. The named Signature Builders Private Limited has labour cases amounting to Rs. 17.5 lakhs, and Signatureglobal Developers Private Limited has labour cases amounting to Rs. 2.0 Lakhs.
3. There are certain outstanding litigation proceedings involving the Company, Subsidiaries, Directors, Promoters and Group Companies, an adverse outcome which, may have an adverse impact on the reputation, business, financial condition, results of operations and cash flows. Details of the same are given below –

Name of Entity	Criminal Matters	Civil Matters	Material Civil Matters	RERA Matters*	Consumer Matters	Statutory or regulatory proceedings	Tax Proceedings	Total Aggregate Amount involved. (In Lakhs)
Against the Company	-	9	1	39	12	36	6	1,999.20
Against the Directors	-	2	-	-	1	1	-	19.60
By the Subsidiaries	2	3	-	1	1	-	-	58.30
Against the Subsidiaries	-	14	-	96	20	195	30	1,140.70
Against the Promoter	-	5	-	1	4	13	4	35.1
Against the Group Companies	-	-	-	1	2	-	-	0.50

\*RERA Matters mentioned above exclude the 26 pending RERA matters wherein no notice or intimation has been issued by the regulatory authority.

4. The company has certain contingent liabilities amounting to Rs. 2,022.8 lakhs, which if they materialize, may adversely affect the business, financial condition, and results of operations.
5. Post-filing of the DRHP, the Company and the Book Running Lead Managers received a complaint in relation to the operations of the Company. (Delay in handover and possession of the unit located at “The Serenas”).

### Track Record of Lead Manager

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

#### ICICI Securities Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	SBFC Finance Limited	1,025.00	57.00	August 16, 2023	85.6
2.	Utkarsh Small Finance Bank Limited	500.00	25.00	July 21, 2023	51.6
3.	KFin Technologies Limited	1,500.00	366.00	December 29, 2022	453.0

ICICI Securities Limited has had 37 mandates in the last three fiscal years.

#### Axis Capital Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	TVS Supply Chain Solutions Limited	880.00	197.00	August 23, 2023	223.0
2.	SBFC Finance Limited	1,025.00	57.00	August 16, 2023	85.6
3.	Cyient DLM Limited	592.00	265.00	July 10, 2023	667.0

Axis Capital Limited has had 40 mandates in the last three fiscal years.

#### Kotak Mahindra Capital Company Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Concord Biotech Limited	1,551.00	741.00	August 18, 2023	1,003.0
2.	SBFC Finance Limited	1,025.00	57.00	August 16, 2023	85.6
3.	Utkarsh Small Finance Bank Limited	500.00	25.00	July 21, 2023	51.6

Kotak Mahindra Capital Company Limited has had 33 mandates in the last three fiscal years.

\*CMP for all the above-mentioned companies is taken as of 18<sup>th</sup> September 2023.

As per the offer document, all the mandates have opened at premiums on the listing date.

## **Recommendation**

The company has been in the industry since 2000 and has vast experience in the industry. The company's bottom line of its financials is negative. The margins for the company for three consecutive years are also negative.

The PE on an annualised and post-IPO basis is negative, as the company has not been profitable in the last 3 fiscals.

The company operates in a highly competitive segment. The management outlook of the company is decent. The company has various litigation details which are mentioned in the risk factor of this report. The financial outlook of the company is also not satisfactory with margins and certain ratios being negative. The company's D/E ratio is negative which raises high concerns about the sustainability of the company. From all the above-mentioned points and by the overall look of its financials the company cannot be sustained going forward. Thus, we recommend **AVOID** to this IPO.

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