



IPO Details	
Opening Date	November 01, 2023
Closing Date	November 03, 2023
Stock Exchange	NSE SME
Lot Size	2000 Shares
Issue Price	₹52 to ₹55 per share
Issue Size	Aggregating up to 24.75 Cr.
Fresh Issue	Aggregating up to 24.75 Cr.
Application Amount (@ upper band for retail Investors)	₹ 1,10,000

IPO Objective	
1.	Installation of 5G/4G towers.
2.	Full or part repayment and /or prepayment of certain outstanding secured borrowings (including foreclosure charges, if any) availed by the Company.
3.	Funding the working capital requirements of the Company.
4.	General Corporate Purpose.

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	92,18,525	87.80%
Public	12,81,475	12.20%

Promoter of the Company	
1.	M.G Metalloy Private Limited

Competitive Strengths	
1.	Growing presence in telecommunications Circles with high growth potential.
2.	Experienced and dedicated senior team across key functions.
3.	Efficient Business Model.
4.	Established relationship with client.

Company Background	
○	SAR Televenture Limited was incorporated in the year 2019 and has its registered office in Gurugram, Haryana.
○	The company was set up with an object to provide telecommunication solutions to Telecom Network Operators.
○	The company is engaged in installation and commissioning of 4G and 5G Towers, Optical Fibre Cable (“OFC”) Systems and dealing in network equipments.
○	Company also provides support services such as includes project management for laying of the duct and optic fibre cables, construction of basic transmission and telecom utilities, dark fiber leasing, optical fiber network construction, maintenance of duct and optic fibre and optical fibre project turnkey services to various, Telecom Network Operators & Broad Band Service Operators and ISPs across Maharashtra.
○	As on September 30, 2023, the company had 38 employees on its payroll.

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹58	₹83

Financial Summary (In Lacs.)				
For the Period Ended	Mar-21	Mar-22	Mar-23	June-23
Total Assets	144.82	410.83	2,420.77	4,324.77
Net Assets	-11.57	-7.73	1,178.71	3,324.40
Total Borrowings	136.87	337.08	839.01	752.18
Total Revenue	90.71	475.35	3,251.63	1,735.35
Profit After Tax	-2.71	3.71	388.36	192.37

Tentative Timeline	
Opening Date	November 01, 2023
Closing Date	November 03, 2023
Basis of Allotment	November 06, 2023
Initiation of Refunds	November 07, 2023
Credit of Shares to Demat	November 07, 2023
Listing Date	November 08, 2023



Company Background and Analysis

Incorporated in 2019, SAR Televenture Limited has decent track record of existence in the industry. The Company is registered as Infrastructure Provider Category-I (IP-I) with Department of Telecommunication (DOT) which permits it to lease out own build sites i.e., GBT/RTT/Pole sites and Out Door Small Cell (ODSC) and establish and maintain assets such as Dark Fibres, Right of Way, Duct Space and Tower for the purpose to grant on lease or rent or sale basis to the licensees of Telecom Services. Company also provides support services such as includes project management for laying of the duct and optic fibre cables, construction of basic transmission and telecom utilities, dark fiber leasing, optical fiber network construction, maintenance of duct and optic fibre and optical fibre project turnkey services to various, Telecom Network Operators & Broad Band Service Operators and ISPs across Maharashtra. The Company has already installed and commissioned 125, 108 and 140 number of towers for the year 2020-21, 2021-22 and 2022- 23 respectively.

SAR Televenture Limited is a passive telecommunication infrastructure provider in India, engaged primarily in the business of installing and commissioning telecom towers in India. “Passive infrastructure” refers to the telecommunication towers for wireless telecommunication services and Optical Fibre Cable (OFC) is used for the purpose of hosting and assisting in the operation of the active infrastructure used for transmitting telecommunications signals or transporting voice and data traffic. The company provided an aggregate 373 number of towers on lease over various areas in West Bengal, Bihar, Uttar Pradesh and Punjab.

On January 03, 2023, Company has entered into Share Purchase agreement to acquire 100% of the issued and paid-up equity share capital of SAR Televenture FZE, United Arab Emirates (Formerly known as Shoora International –FZE) from Shoora Capital Limited. Currently company’s subsidiary is engaged in the activities of (i) Wholesale of Fresh Foodstuff Trading -Import & Export (ii) Ferrous and Non-Ferrous Metal Trading Import & Export; (iii) Wireless Communication Devices and Equipment Trading; and (iv) Electronic Chips & Semiconductors trading Import/Export.

The details of service wise revenue bifurcation for the three months ended on June 30, 2023 and for the years ended on March 31, 2023, 2022, 2021 as below:

(Rs. In Lacs)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		For period ended June 30, 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue earned by the Company								
Tower Installation	90.71	100.00	472.89	100.00	642.99	19.81	154.56	8.92
Revenue earned from the subsidiary of the Company								
Fiber cable laying and installation	-	-	-	-	2,085.01	64.23	1,167.35	67.40
Trading of network equipment	-	-	-	-	518.17	15.96	409.96	23.67
Total	90.71	100.00	472.89	100.00	3,246.17	100.00	1,731.87	100.00

To conclude, the company has growing presence in telecommunications circles with high growth potential, with efficient business model.



Business Strategies

1. Promote tower sharing.

Company believes that sharing space on towers owned and operated by third parties makes more it economic. Other factors that promote tower sharing include government incentive schemes and policies that promote such sharing, such as the Universal Service Obligation Fund initiated by the DoT, the expansion of wireless networks to India's less densely-populated and more remote areas and the increasing penetration of new technologies such as 5G services.

2. Focus on increasing revenue and capital productivity across existing tower portfolios.

SAR Televenture Limited intend to actively seek out opportunities to increase revenue productivity across existing tower portfolios. In addition to the growth of the number of towers, SAR Televenture Limited will seek to increase sharing across their respective tower portfolios, increase the loading of active telecommunications equipment by their sharing operators, and explore avenues for alternative revenue generation at these sites.

3. Actively seek opportunities to increase telecom operators in portfolio.

Company intends to actively seek out opportunities to add additional telecom operators as customers to the portfolio. As the costs of operating a tower location are largely fixed and are recovered under the terms of the rental arrangement with the initial customer for any site, each additional customer beyond the first would be likely to have a positive effect on margins.

4. Capitalise on the rollout of new technologies and data services.

Company expects wireless telecommunications service providers such as Bharti Airtel, Vodafone India to expand their networks in order to benefit from this growth. In addition to their existing leadership position in wireless voice services, Bharti Airtel, Vodafone India and Jio Cellular have collectively received 5G licences in all the telecommunications Circles in India. Further, company has extended 5G interest to various telecommunications Circles in India. Company believes that they are likely to expand their networks to increase 5G penetration. With such network expansion and the need for wireless telecommunications service providers to expand their customer base will lead to an increase in demand for new towers in areas with low coverage.



Competitive Scenario and Peer Mapping

Competition

The tower infrastructure sharing business in India is highly competitive in nature. Most of the large players operating in this industry have distinctive advantage in terms of location, specific availability of resources and past experience in project execution. Currently, company faces tough competition in the market from established Passive and Active Telecom Infrastructure Providers such as Suyog Telematics Limited and Kore Digital Limited etc. Also, company faces competition from players in sectors like real estate firms, which own several rooftops in the metros, located in high usage areas such as business parks and high-density residential colonies. There is barrier to entry in this industry, as companies requires statutory and regulatory permits and approvals to operate the business.

Peer Analysis

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

Particulars	SAR Televenture Limited	Suyog Telematics Limited	Kore Digital Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	-2.99%	18.18%	6.53%
EBITDA Margin	11.91%	50.00%	10.30%
Return on Capital Employed	0.85%	22.12%	6.15%
Return on Equity	23.42%	16.78%	76.47%
EPS (INR)	(27.75)	24.03	260.00

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

Particulars	SAR Televenture Limited	Suyog Telematics Limited	Kore Digital Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	0.78%	32.54%	12.87%
EBITDA Margin	13.29%	69.05%	18.42%
Return on Capital Employed	8.45%	21.74%	21.08%
Return on Equity	-47.99%	21.81%	86.51%
EPS (INR)	(28.47)	39.48	2,180.00

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

Particulars	SAR Televenture Limited	Suyog Telematics Limited	Kore Digital Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	11.96%	31.94%	15.14%
EBITDA Margin	17.57%	64.58%	22.33%
Return on Capital Employed	23.13%	17.77%	50.11%
Return on Equity	32.95%	19.66%	56.10%
EPS (INR)	56.77	44.18	12.78



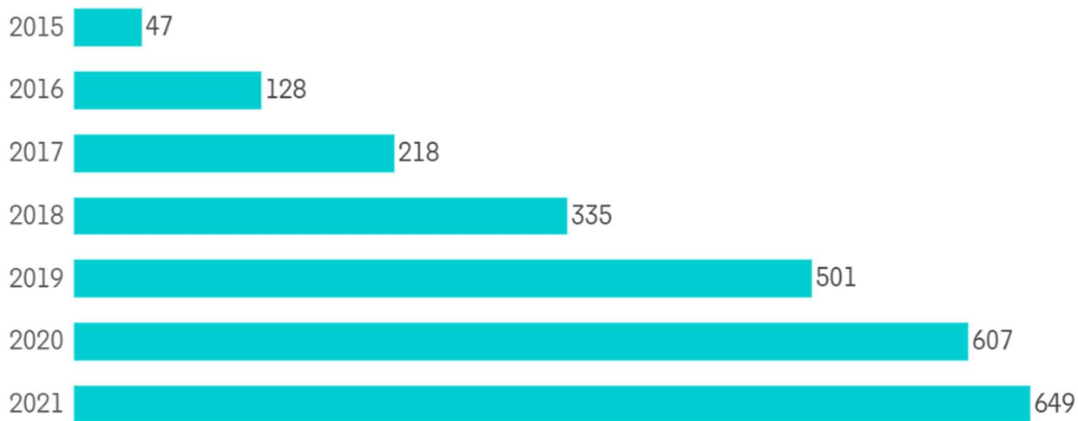
Industry Overview

Exhibit 1: India Telecom Market.



Exhibit 2: Number of 4G Supporting Devices in India.

Number of 4G Supporting Devices, In Millions, India, 2015-2021



(Source: mordorintelligence.com)



Telecom industry Scenario in India

The telecommunications industry is divided into following subsectors: Infrastructure, Equipment, Mobile Virtual Network Operators (MILLIONVO), White Space Spectrum, 5G, Telephone service providers and Broadband.

As per GSMA, India is on its way to becoming the second-largest smartphone market globally by 2025 with around 1 billion installed devices and is expected to have 920 million unique mobile subscribers by 2025 which will include 88 million 5G connections. It is also estimated that 5G technology will contribute approximately \$450 Billion to the Indian Economy in the period of 2023-2040.

India added over 500 million new smartphone users over the last decade. We are expected to have 850 million smartphone users by 2026, representing 55% of the total population.

Under the Union Budget 2023, The Government of India plans to set up one hundred labs for developing applications using 5G services in engineering institutions to realize a new range of opportunities, business models, and employment potential.

The DoT is targeting a combination of 100% broadband connectivity in the villages, 55% fabrication of mobile towers, average broadband speeds of 25 mbps and 30 lakh kms of optic fibre rollouts by December 2022. Broadband connections rise to 816 million in September 2022 from 61 million in March 2014, growing by 1238%. By December 2024, DoT is looking at 70% fabrication of towers, average broadband speeds of 50 Mbps and 50 lakh kms of optic fibre rollouts at a pan-India level.

Evolution of Telecom Infrastructure Industry in India

In 2000, The Telecom Infrastructure Industry came into existence with DoT inviting applications for IP-I registrations. Prior to that, telecom service providers were installing towers and other passive infrastructures on their own and there was no sharing. Even up to 2005, the telecom towers were being operated under integrated model and no sharing was taking place. Only a few operators shared towers on barter system. However, post 2005, the tower industry evolved under independent tower companies which maintain and install assets like tower and related infrastructure for renting/ leasing to telecom service providers for providing cellular telecom services. Thus, the concept of sharing became popular as the towers were shared in a non-discriminatory, transparent, and cost- effective manner, by a neutral/ independent infrastructure service provider. India's telecom journey has moved paces away from the first telegraph.

Bharat 6G

The Government of India is catalysing the next-generation 6G research and innovation in the country to enable India to be a front-line contributor in 6G technology and manufacturing by 2030. In an all-of-nation approach involving industry, start-ups, academia, research laboratories, standardisation bodies and Government, the government is ensuring that India becomes not just atmanirbhar in this emerging and vital technology, but a significant contributor to the global good.

(Source: Prospectus)



Key Managerial Personnel

M.G Metalloy Private Limited, is the Corporate Promoter of the company. As on the date of this Red Herring Prospectus, company's corporate promoter is engaged in the trading of home Appliances.

Rahul Sahdev, aged 48, is the Chairman & Managing Director of the Company. He holds a degree in Advance Diploma in Business Management from National Business Management College, Australia. He holds a degree in Diploma in Marketing Department from Australian International College of Business, also he holds the degree of Master of Business Administration in Marketing from Sydney University. He is associate with the Company since February 02, 2023. He has 18 years of experience in the field of marketing. Currently he looks after marketing and business development in the Company.

Praveen Tandon, aged 50, is the Executive Director and Whole-time Director of the company. He holds a degree in Bachelor in Engineering from Nagpur University. He has over 25 years of experience in Procurement of Passive Infrastructure, Electronics, Project Management, Marketing, and Customer Services Sales in Telecom Sector. He is expert in supervising logistics operations & ensuring timely execution, while adhering to transit guidelines and also demonstrated excellence in handling contracts, closure of deals, Contract Management. He is having depth knowledge in Contract Negotiations, Closure and Vendor contract management. He has been involved in Customer Contract management and Account management during Tenure with wellknown Companies. He looks after the overall business execution in the Company.

Chandra Prakash Srivastava, aged 57, is the Non-Executive Director of the company. He holds BE (Production & Industrial Engineering), Allahabad in 1987. During his 36 years of experience, he acted as Telecom Sourcing & Business Development Veteran, having worked with most of the Telecom Companies in India at the Senior Management level. He has been associated with the Company since June 30, 2023.

Kavya Jha, aged 53, is the Non-Executive Director of the company. She degree holder of Bachelor of Science from University of Calcutta in the year 1989. During her 20 years of business experience, she engaged in the business of a branded apparel business that supplies branded clothing to schools & corporates and also another business of financial advisory, as she is a green planet crusader, she is member of Save Planet enthusiast community.

Suman Kumar, aged 62, is the Independent Director of the company. He has to his credit, of about 4 decades of experience in banking and finance. He last served as General Manager in IDBI Bank. He joined the erstwhile Industrial Development Bank of India (IDBI) in 1988. He has rich experience in Project Finance, HR and Trade Finance areas while working at IDBI in various capacities. He is an M. Com with an MBA (Finance) from Faculty of Management Studies, University of Delhi. He guides company on various matters of finance and banking.

Aishwarya Singhvi, aged 29, is the Independent Director of the Company. She holds a Master's & bachelor's in commerce from the Mohanlal Sukhadia University (MLSU) Udaipur. She is an associate member of the Institute of Company Secretaries of India. She has completed her management trainee from Practising company Secretary. She is having more than one year of post qualification experience in listed company.

To conclude, the company has 1 corporate promoter, 1 Managing Director and 1 Whole-time Director and both have vast experience and knowledge in the industry in which the company operates. The remaining directors of the company also have good knowledge in their respective fields which will help in the growth of the business.



Financial Snapshot

Profit and Loss Statements				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jun-23
Revenue from Operations	90.71	472.89	3,246.17	1,731.87
Other Income	-	2.46	5.46	3.48
Total Income	90.71	475.35	3,251.63	1,735.35
Expenses				
cost of materials consumed	-	-	2,115.35	1,324.25
Employee benefits expense	34.88	125.52	136.85	31.98
Finance costs	3.69	21.68	45.39	11.34
Depreciation and Amortization expense	9.74	40.91	103.15	50.75
Other expenses	45.03	284.51	423.57	117.49
Total Expenses	93.34	472.62	2,824.31	1,535.81
Earnings Before Interest, Taxes, Depreciation & Amortization	10.80	62.86	570.40	258.15
EBITDA Margin	11.91%	13.29%	17.57%	14.91%
Profit before exceptional and extraordinary items and tax	(2.63)	2.73	427.32	199.54
Exceptional Items	0	0	0	0
Profit/(Loss) before tax	(2.63)	2.73	427.32	199.54
Tax Expense				
Provision for Taxation	-	-	35.53	8.11
Provision for Deferred Tax	0.08	(0.98)	3.43	(0.94)
Total Tax Expense	0.08	(0.98)	38.96	7.17
Profit/(Loss) for the period from continuing operations	(2.71)	3.71	388.36	192.37
Net Profit Margin	-2.99%	0.78%	11.94%	11.09%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jun-23
EQUITY AND LIABILITIES				
Equity				
Share Capital	4.05	4.18	65.29	210.00
Reserves and Surplus	(15.62)	(11.91)	1,113.42	3,114.40
Total Equity	(11.57)	(7.73)	1,178.71	3,324.40
Minority Interest	-	-	(1.08)	(1.08)
Liabilities				
Non-current liabilities				
Long Term Borrowings	136.87	267.60	839.01	685.53
Deferred Tax Liabilities (Net)	0.08	-	2.52	1.58
Total Non-current liabilities	136.95	267.60	841.53	687.11
Current liabilities				
Short Term Borrowings	-	69.48	-	66.65
Trade Payables				
i) Due to micro and small enterprises	-	-	-	-
ii) Due to other than micro and small enterprises	9.10	53.57	249.14	177.46
Other Current Liabilities	1.52	5.44	89.91	10.06
Short-term provisions	8.82	22.47	61.48	59.09
Total Current liabilities	19.44	150.96	400.53	313.26
Total Liabilities	156.39	418.56	1,242.06	1,000.37
Total Equity and Liabilities	144.82	410.83	2,420.77	4,324.77



Balance Sheet					(In Lacs)
ASSETS					
Non-Current Assets					
Tangible Assets	89.82	281.88	847.86	847.87	
Other Non-Current Assets	0.26	2.36	3.32	3.73	
Deferred Tax Assets	-	0.90	-	-	
Total Non-Current assets	90.08	285.14	851.18	851.60	
Current Assets					
Inventories	-	-	-	-	
Trade Receivables	39.40	84.20	649.41	754.49	
Cash and Cash Balances	3.13	0.44	71.69	14.19	
Short-term loans and advances	12.21	41.05	848.49	2,704.49	
Total Current assets	54.74	125.69	1,569.59	3,473.17	
Total Assets	144.82	410.83	2,420.77	4,324.77	

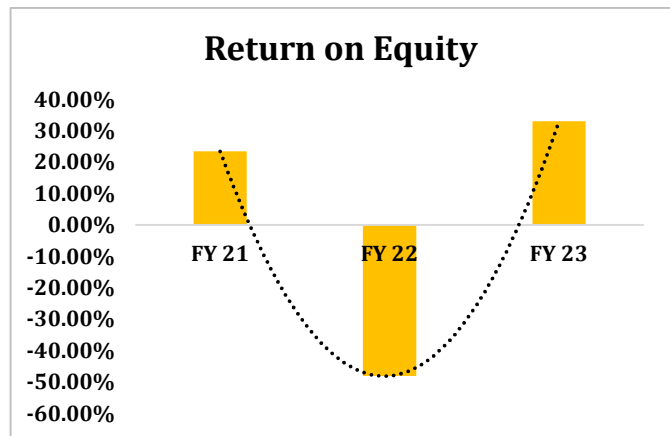
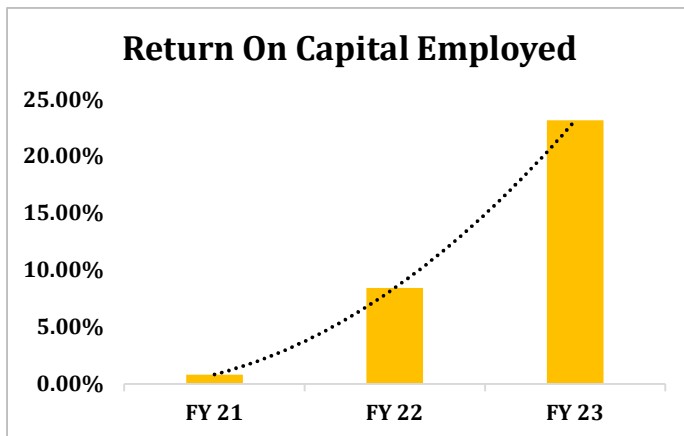
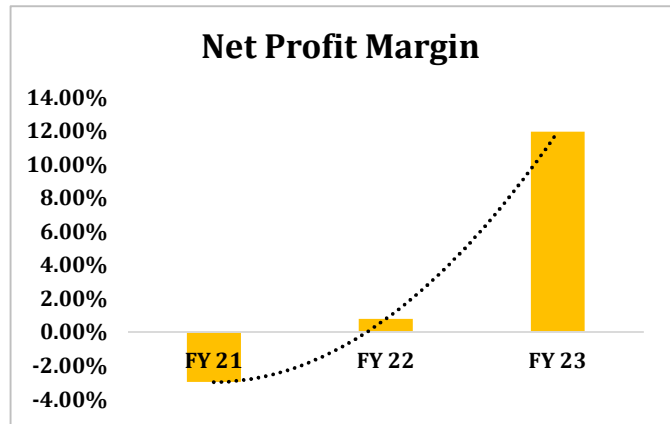
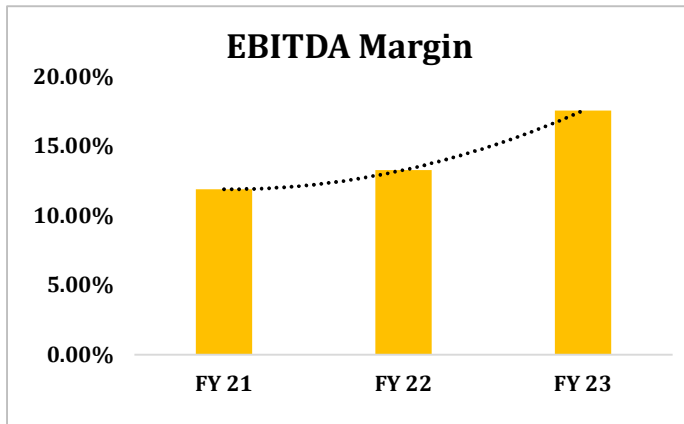
Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jun-23	
Net Cash Flow from Operating Activities	(17.79)	51.61	(523.51)	(1,862.21)	
Net Cash Flow from Investing Activities	(93.99)	(232.97)	(686.77)	(50.76)	
Net Cash Flow from Financing Activities	112.25	178.67	1,281.53	1,855.47	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Jun-23*
Per Share Data				
Diluted EPS	-27.75	-28.47	56.77	4.88
BV per share	-0.08	-0.05	7.86	30.20
Operating Ratios (%)				
EBITDA Margins	12%	13%	18%	15%
PAT Margins	-3%	1%	12%	11%
Debtor days	158.54	64.99	73.02	66.65
Creditor days	-	-	42.99	12.19
Return Ratios (%)				
RoCE	0.85%	8.45%	23.13%	14.04%
RoE	-	-47.99%	32.95%	16%
Valuation Ratios (x)				
EV/EBITDA	11.31	5.23	3.41	5.03
Market Cap / Sales	90.95	17.45	2.54	4.76
P/E	-	-	0.97	11.27
Price to Book Value	-	-	7.00	1.82
Solvency Ratios				
Debt / Equity	-11.83	-43.61	0.71	0.15
Current Ratio	2.82	0.83	3.92	11.09
Quick Ratio	2.82	0.83	3.92	11.09
Asset Turnover	0.63	1.15	1.34	0.40
Interest Coverage Ratio	0.29	1.01	10.29	18.29

*Annualized Figures



Financial Charts



Key Risk Factors

1. The company's Promoters and Directors are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various regulatory authorities. Any adverse decision may affect the company's reputation, business, and financial status. The total amount involved is Rs. 23,30,079.
2. The company has incurred significant losses since inception except last two fiscal.
3. The Company business is currently concentrated to a select number of customers like Bharti Airtel Limited & Vodafone Idea Ltd (VIL), any adverse development with such clients, including as a result of a dispute with or disqualification by such major clients, may result in experiencing significant reduction in cash flows and liquidity.
4. Third Party Passive Infrastructure sharing is a new concept in the Indian telecom industry and is to be successfully proven and thus achieving scalability could face problems.
5. The company has had negative cash flows from its operating activities in the past 3 years, specifically for the period ended June, FY ended 2023, and 2021. Sustained negative cash flow could impact the growth and business.



Track Record of Lead Manager

The lead manager to the issue is Pantomath Capital Advisors Private Limited. A table has been set below highlighting the details of the IPO of the last 10 companies handled by the Lead Managers in recent times –

Pantomath Capital Advisors Private Limited –

Sr. No	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing date	CMP* (INR)
1.	Plaza Wires Limited	71.28	54.00	October 12, 2023	80.23
2.	Vishnu Prakash R Punglia Limited	308.60	99.00	September 05, 2023	145.93
3.	Aeroflex Industries Limited	351.00	108.00	August 31, 2023	163.15
4.	Urban Enviro Waste Management limited	11.42	100.00	June 22, 2023	148.05
5.	Sah Polymers Limited	66.30	65.00	January 12, 2023	89.25
6.	AB Cotspin India Limited	10.09	35.00	January 11, 2022	40.40
7.	Exxaro Tiles Limited	161.09	120.00	August 16, 2021	132.25
8.	V-Marc India Limited	23.40	39.00	April 09, 2021	47.10
9.	Mangalam Global Enterprise Limited	21.57	51.00	November 27, 2019	51.50
10.	Gensol Engineering Limited	17.93	83.00	October 15, 2019	86.25

As per the offer document, Pantomath Capital Advisors Private Limited has had 8 mandates in the last three fiscal years. For Pantomath Capital Advisors Private Limited out of the 8, all have opened at premiums on the listing day.

*CMP for all the above-mentioned companies is taken as on November 01, 2023.



Recommendation

The company has experienced exponential growth with respect to the various financial indicators as well as good improvement in the balance sheet position in the last three Fiscals, i.e., company has seen an increase in its net worth.

The management outlook of the company is good, and the proper bifurcation of the roles and responsibilities of its top management is given.

The P/E on Post IPO basis is around 21.24 times which seems to be fully priced looking at the performance and size of the company. Whereas, the sector P/E is 17.

The Company has shown extraordinary growth in its revenue, profits and its margin which will be difficult to sustain going forward. Whereas, the business segment in which the company operates has good prospect, as India has seen exponential growth in requirement for internet connectivity and smartphone, and also the company has growing presence in telecommunications circles. Therefore, a well-informed investor may **Apply** for this IPO.



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