

IPO Details			Company Background					
Opening Date	Dec 21, 2023		<ul style="list-style-type: none"> Indifra Limited was originally incorporated in the year 2009 and has its registered office in Anand, Gujarat, India. The company cater to various gas distribution companies for the management of their gas distribution pipelines. The company's revenue mix consists of Pipeline and Infrastructure Management Contracting Services, and Distribution of electrical appliances. As of 30th June 2023, the Company had 11 employees on its payroll. 					
Closing Date	Dec 26, 2023							
Stock Exchange	NSE SME							
Lot Size	2,000 Shares							
Issue Price	₹ 65 per share							
Issue Size	Aggregating up to 14.04 Cr.							
Fresh Issue	Aggregating up to 14.04 Cr.							
Offer for Sale Application	-							
Amount	₹ 1,30,000							
IPO Objective			Market Capitalization (In Cr.)					
To meet Working Capital Requirements.			Pre-Issue	Post-Issue				
To meet the Issue Expenses.			₹ 33	₹ 47				
General Corporate Purpose and Funding Investments for Acquisitions.			Financial Summary (In Lacs)					
			For the Period Ended	Mar-21	Mar-22	Mar-23	Jun-23	
			Total Assets	229.63	420.10	312.48	630.25	
			Net Assets	30.68	70.62	169.70	533.2	
			Total Borrowings	45.05	50.61	38.26	-	
			Total Revenue	306.54	1,092.40	1,001.69	64.28	
			Profit After Tax	10.50	39.92	99.08	3.55	
Pre-Issue Shareholding			Tentative Timeline					
Category	No. of Shares	% of Total Shares	Opening Date	Dec 21, 2023				
Promoter & Promoter Group	49,24,800	96.00%	Closing Date	Dec 26, 2023				
Public	2,05,200	4.00%	Basis of Allotment	Dec 27, 2023				
Promoter of the Company			Initiation of Refunds	Dec 28, 2023				
1	Abhishek Sandeepkumar Agrawal		Credit of Shares to Demat	Dec 28, 2023				
2	Sandeepkumar Vishwanath Agrawal HUF		Listing Date	Dec 29, 2023				
Competitive Strengths								
1	Experienced management team							
2	Well-defined organizational structure							
3	Existing supplier relationship							
4	Customer Relationship							
5	Asset Light Business Model							

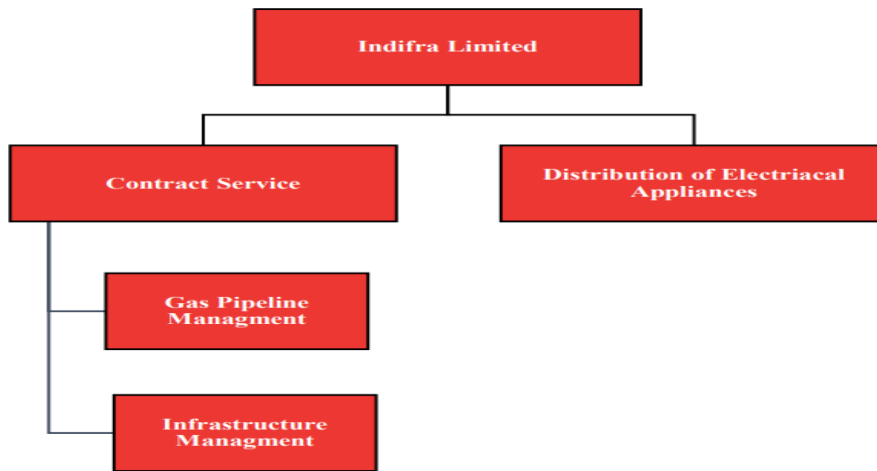
Company Background and Analysis

The Company was originally incorporated on 20, May 2009. The company caters to various gas distribution companies for management of their gas distribution pipelines. Under this vertical, in past, company has catered to Adani Gas Limited. As on date of Prospectus, company caters to Charotar Gas Sahakari Mandali Limited (CGSML), for gas pipeline management services. Company started its gas pipeline management services with CGSML the leading gas distribution company in the region and the world's first co-operative Natural Gas Provider, in year 2022 with a proposition to collaborate and provide comprehensive gas pipeline management services in the Charotar region of Gujarat.

In FY 2017, company seized upon an opportunity to expand its business horizon by venturing into the sales of electrical appliances. Recognizing the increasing demand for high-quality products that enhance the comfort and convenience of customers, the company became a key distributor for V Guard, a renowned brand in the electrical appliances industry, catering to the needs of customers in the Gujarat region.

By leveraging its existing network and expertise in the gas pipeline management sector, company strategically capitalized on the synergies between the two businesses. The company's electrical appliances portfolio includes voltage stabilizers, induction cooktops, inverters, batteries, ceiling fans, domestic switch gears and distribution boards (DBs), air coolers, water heaters, modular switches, solar water heaters, air source heat pump water heaters, energy-saving fans, and room heaters.

The company's revenue mix consists of the following major business verticals:



The revenue bifurcation of the company for the last three years as per the restated financial statement are as follows:

(Amount in Lakhs.)

Particulars	Mar-21		Mar-22		Mar-23		Jun-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Pipeline and Infrastructure Management Service	226.81	75.20	920.16	84.32	822.44	82.16	6.27	9.98
Distribution of electrical appliances	74.80	24.80	171.14	15.68	178.61	17.84	56.54	90.02
Total	301.61	100.00	1,091.30	100.00	1,001.05	100.00	62.81	100.00

To conclude, the company was incorporated in the year 2009 and has good experience in the industry it operates. The company generates the majority of its revenue from Pipeline and Infrastructure Management Services.

Business Strategies

1. Focus on Increase in Volume of Sales -

The company believe that the growth in the local market can fetch them new business expansion and opportunities. The company is currently providing the services to several clients Domestically. The company's emphasis is on the scaling of its operations in other markets, which shall provide them with attractive opportunities to grow the client base and revenues.

2. Reduction of operational costs and achieving efficiency -

The company's focus has been to reduce operational costs to gain a competitive edge.

3. To increase brand visibility -

The company would continue to associate itself with quality customers. The company is highly conscious of its brand image and intends to continue the brand-building exercise by providing excellent services to the satisfaction of the customers.

4. Maintaining edge over competitors -

The company intends to continue to enhance scale in existing services across the high-end and mid-segment to capitalize on the opportunity to cater to rising acceptance and demand.

5. Customer Satisfaction -

The company provides quality services and effective follow-ups with customers to ensure that the customers are satisfied with the services and do not have any complaints.

Competitive Scenario and Peer Mapping

Competition

The company operates in a competitive market. The company faces competition from both organized and unorganized players. Players in this industry generally compete on key attributes such as timely delivery, pricing, quality etc. There are no entry barriers in the industry which puts them at the threat of competition from new entrants as there are numerous players operating in the industry. The bargaining power with the customers is medium in the sector in which the company operates. The bargaining power with the suppliers is low in this sector.

Peer Analysis

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

Particulars	Indifra Limited	RBM Infracon Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	10%	3%
EBITDA Margin	15%	6%
Return on Capital Employed	86%	19%
Return on Equity	58%	13%
EPS (INR)	5.79	2.62

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

Particulars	Indifra Limited	RBM Infracon Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	4%	4%
EBITDA Margin	5%	7%
Return on Capital Employed	82%	40%
Return on Equity	57%	30%
EPS (INR)	2.34	36.51

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

Particulars	Indifra Limited	RBM Infracon Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	3.5%	-3.4%
EBITDA Margin	4.6%	-1.1%
Return on Capital Employed	42.8%	-19.1%
Return on Equity	34.2%	-28.7%
EPS (INR)	0.61	-23.92

Industry Overview

Exhibit 1: Index of Eight Core Infrastructure Industries

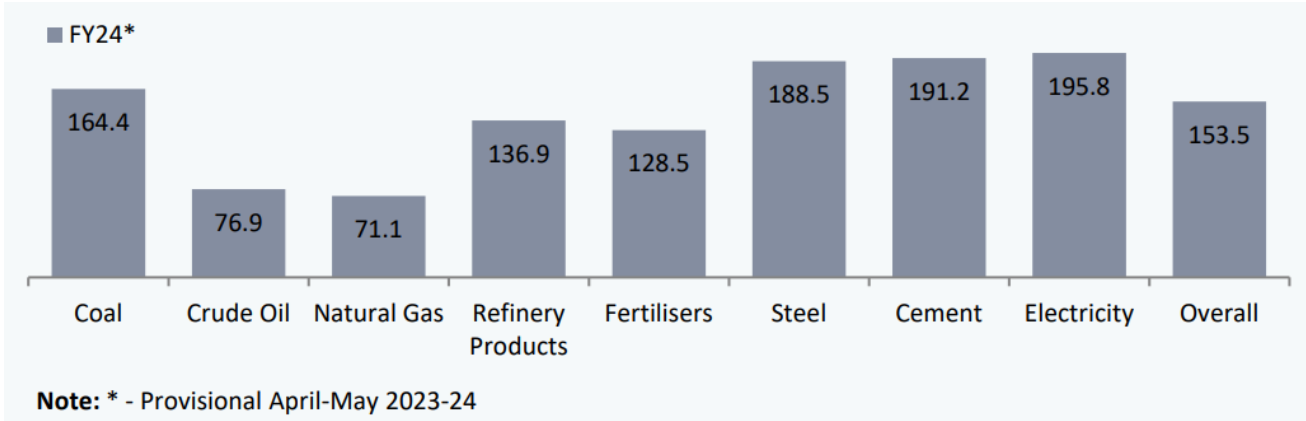


Exhibit 2: Growth in Infrastructure Related Activities in FY22 (%)



(Source: ibef.org)

Infrastructure -

HIGH BUDGETARY ALLOCATION FOR INFRASTRUCTURE

- In Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs. 10 lakh crore (US\$ 130.57 billion) to enhance the infrastructure sector.
- The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. 217 projects worth Rs. 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020.

INCREASING PRIVATE SECTOR INVOLVEMENT

- Private sector is emerging as a key player across various infrastructure segments, ranging from roads and communications to power and airports.
- Private investment into physical and social infrastructure is key to putting India in a high growth trajectory, which will make it a US\$ 5 trillion economy by 2024-25.
- Yearly private equity (PE) and venture capital (VC) investment in India is expected to surpass US\$ 65 billion in 2025.

IMPROVEMENT IN LOGISTICS

- In 2020, India's logistics sector was one of the largest worldwide worth US\$ 215 billion and increased at a CAGR of 10%.
- Indian logistics market is estimated to touch US\$ 320 billion by 2025.

CONSTRUCTION -

As of July 09, 2021, cities under Smart Cities Mission (SCM) have released tenders for 6,017 projects worth Rs. 1,80,873 crore (US\$ 24.36 billion); of this, work orders have been issued in 5,375 projects worth Rs. 1,49,251 crore (US\$ 20.10 billion); and of these, 2,781 projects worth Rs. 48,150 crore (US\$ 374.60 million) have been completed.

REAL ESTATE SECTOR -

- In India, the real estate sector is the second-highest employment generator, after the agriculture sector.
- Real estate sector in India is expected to reach US\$ 1 trillion by 2030. By 2025, it will contribute 13% to the country's GDP.
- Rapid urbanisation bodes well for the sector. The number of Indians living in urban areas is expected to reach 542.7 million by 2025 and 675.5 million by 2035.
- Construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development & activities) stood at US\$ 55.50 billion from April 2000-December 2022.
- Home sales across top eight cities in India surged 68% YoY to reach ~308,940 units in 2022, signifying a healthy recovery in the sector.

(Source: prospectus)

Key Managerial Personnel

Abhishek Sandeepkumar Agrawal, aged 26 years, is Promoter cum Chairman and Managing Director of the Company. He holds degree of Master of Science in the field of Accounting and Finance and Bachelor of Science in Business Management from Queen Mary University of London. He is having an experience of more than 3 years in the field of information technology & information enabled services. He provides strategic direction and vision to Company, ensuring alignment with the company's goals and objectives. He is responsible for identifying and pursuing new business opportunities, forging partnerships, and expanding the company's market presence. He oversees the day-to-day operations of the company, ensuring efficient management and coordination across all departments.

Vipulchandra Girishchandra Goswami, aged 43 years, is an Executive Director of the Company. He holds Higher Secondary Certificate from Gujarat Secondary Education Board, Gandhinagar. He is having an experience of more than 20 years in field operations and back-office activities. He has worked with Airan Limited as a General Manager. He oversees the operational aspects of Company, ensuring smooth execution of projects and efficient utilization of resources. Further, he leads and manages projects, ensuring adherence to timelines, quality standards, and client requirements.

Bhoomika Aditya Gupta, aged 43 years, is a Non-Executive Director of the Company. She holds degree of Bachelor of Commerce from Gujarat University. She is having expertise in the field of accountancy and has an experience of more than 5 years, being an Independent Director in professional capacity.

Siddharth Sampatji Dugar, aged 39 years, is an Independent Director of the Company. He holds degree of Chartered Accountant from Institute of Chartered Accountants of India. He is having an experience of more than 8 years in Banking. He has almost a decade of working experience in ICICI Bank working across the verticals like Treasury, Global Markets, Strategic and Corporate Risk Management.

Ajit Gyanchand Jain, aged 46 years, is an Independent Director of the Company. He holds degree of Bachelor of Commerce from University of Mumbai, Degree of Chartered Accountant from the Institute of Chartered Accountants of India and Degree of Company Secretary from Institute of Company Secretaries of India. He has also completed a Certificate Course on Forensic Accounting & Fraud Detection from the Institute of Chartered Accountants of India. He is having an experience of more than 14 years in Finance, Operations in Banking, Insolvency cases, Forensic Audit and drafting of Resolution Plans.

To conclude, the company has 2 promoters, out of which one is individual promoter and he have very less experience in the industry in which the company operates. The Directors of the company have good experience in different industries which help in the growth of the company.

Financial Snapshot

Profit and Loss Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jun-23
Revenue from Operations	301.61	1,091.29	1,001.05	62.81
Other Income	4.93	1.11	0.64	1.47
Total Income	306.54	1,092.40	1,001.69	64.28
Expenses				
Purchase and Direct Expenses	307.16	978.12	826.08	57.57
Change in inventories of finished goods, work in progress and stock in trade.	-42.29	22.88	-3.02	-8.02
Employee benefits expense	15.36	21.92	21.11	5.71
Finance costs	3.99	5.68	11.68	0.90
Depreciation and Amortization expense	0.67	0.63	0.51	0.10
Other expenses	7.56	9.76	10.71	3.26
Total Expenses	292.45	1,038.99	867.07	59.52
Earnings Before Interest, Taxes, Depreciation & Amortization	13.82	58.61	146.17	4.29
EBITDA Margin	5%	5%	15%	7%
Profit/(Loss) before exceptional items and tax	14.09	53.41	134.62	4.76
Exceptional Items	-	-	-	-
Profit/(Loss) before tax	14.09	53.41	134.62	4.76
Tax Expense				
Current Tax Expenses	3.56	13.45	35.52	1.20
Deferred Tax	0.03	0.02	0.02	0.01
Period Tax	-	0.02	-	-
Total Tax Expense	3.59	13.49	35.54	1.21
Profit/(Loss) for the year	10.50	39.92	99.08	3.55
Net Profit Margin	3%	4%	10%	6%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jun-23
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	1.00	1.00	1.00	513.00
Reserve and Surplus	29.68	69.62	168.70	20.25
Total Equity	30.68	70.62	169.70	533.25
Minority Interest				
Total Equity and Liabilities	30.68	70.62	169.70	533.25
Total non-current liabilities	-	-	-	-
3. Current liabilities				
Financial Liabilities				
Short-term borrowings	45.05	50.61	38.26	-
Trade payables				
Due to MSME				
Due to Others	98.74	208.71	66.30	73.58
Other Current Liabilities	55.15	90.16	19.19	3.21
Short-term Provisions	-	-	19.01	20.21
Total Current liabilities	198.94	349.48	142.76	97.00
Total Liabilities	198.94	349.48	142.76	97.00
Total Equity and Liabilities	229.62	420.10	312.46	630.25
ASSETS				
1. non-current assets				
Property, Plant and Equipment				
Tangible Assets	3.08	2.75	2.28	2.18

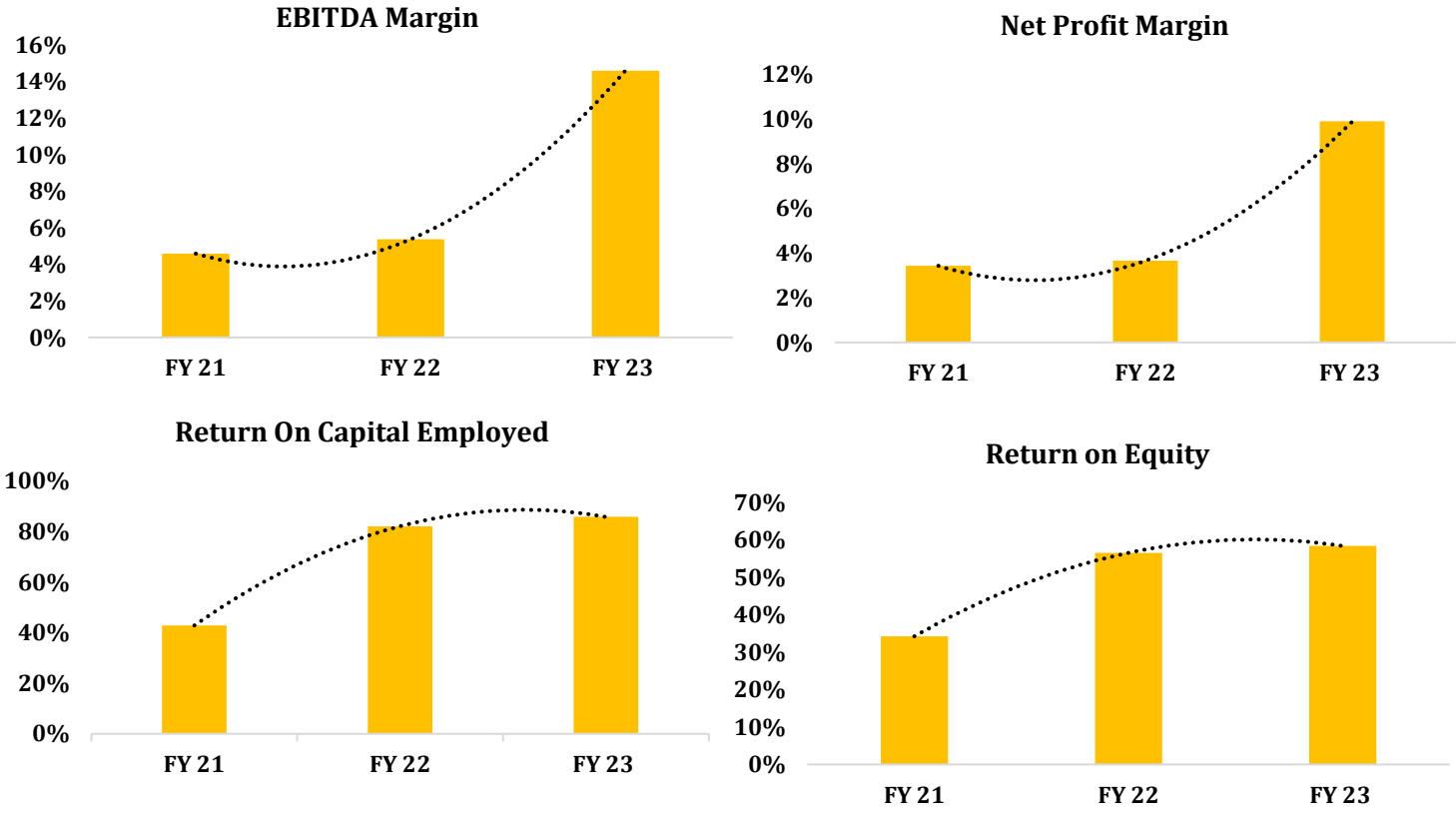
Balance Sheet					(In Lacs)
Deferred Tax Assets (Net)	0.33	0.31	0.29	0.28	
Long term Loans and Advances	9.28	9.28	9.28	9.28	
Total non-current assets	12.69	12.34	11.85	11.74	
2. Current assets					
Inventories	75.92	53.04	56.06	64.07	
Trade receivables	131.80	258.78	310.89	298.85	
Cash and Bank Balances	8.06	79.89	(132.32)	184.84	
Other Current Assets	1.16	16.05	66.00	70.75	
Total Current assets	216.94	407.76	300.63	618.51	
Total Assets	229.63	420.10	312.48	630.25	

Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Jun-23	
Net Cash Flow from Operating Activities	-68.51	72.25	-188.14	-3.69	
Net Cash Flow from Investing Activities	-1.33	-0.30	-0.04	-	
Net Cash Flow from Financing Activities	41.07	-0.12	-	320.85	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Jun-23*
Per Share Data				
Diluted EPS	0.61	2.34	5.79	0.19
BV per share	0.42	0.97	2.33	26.72
Operating Ratios				
EBITDA Margins	4.58%	5.37%	14.60%	6.83%
PAT Margins	3.43%	3.65%	9.89%	5.53%
Inventory days	91.88	17.74	20.44	93.85
Debtor days	159.50	86.55	113.36	437.74
Creditor days	167.95	107.88	32.84	123.03
Return Ratios				
RoCE	43%	82%	86%	1%
RoE	34%	57%	58%	1%
Valuation Ratios (x)				
EV/EBITDA	4.90	0.71	2.33	102.74
Market Cap / Sales	15.71	4.34	4.73	18.86
P/E	106.56	27.78	11.23	333.52
Price to Book Value	154.45	67.10	27.92	2.43
Solvency Ratios				
Debt / Equity	1.47	0.72	0.23	-
Current Ratio	1.09	1.17	2.11	6.38
Quick Ratio	0.71	1.01	1.71	5.72
Asset Turnover	1.31	2.60	3.20	0.10
Interest Coverage Ratio	3.30	10.21	12.47	4.66

*Ratio sheet for Jun-23 is annualized.

Financial Charts



Key Risk Factors

1. The top ten customers contribute to 64.71%, 91.67%, 92.99% and 81.59% of the total sales for the period/year ended June 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, respectively. Any decline in the quality standards, growing competition and any change in demand may adversely affect the ability to retain them.
2. The Company had negative cash flow from operating for the FY ended 2021, 2022, and the Period ended June 2023. Sustained negative cash flow could adversely impact the business, financial condition and results of operations.
3. The company have certain outstanding litigation amounting to Rs. 2,962.16 lakhs, an adverse outcome of which may adversely affect the business, reputation and results of operations.

Track Record of Lead Manager

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

Beeline Capital Advisors Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Benchmark Computer Solutions Limited	12.24	66.00	December 21, 2023	73.3
2.	Sheetal Universal Limited	23.80	70.00	December 11, 2023	75.2
3.	Rajgor Castor Derivatives Limited	47.81	50.00	October 31, 2023	48.0
4.	Arvind and Company Shipping Agencies Limited	14.74	45.00	October 25, 2023	61.0
5.	Karnika Industries Limited	25.07	76.00	October 12, 2023	122.0
6.	Hi-Green Carbon Limited	52.80	75.00	September 28, 2023	181.0
7.	Kody Technolab Limited	27.52	160.00	September 27, 2023	428.0
8.	Chavda Infra Limited	43.26	65.00	September 25, 2023	80.1
9.	Vinsys IT Services Limited	49.84	128.00	August 11, 2023	270.0
10.	Shri Tectex Limited	45.14	61.00	August 04, 2023	73.6

The company has had 24 mandates in the past three years including the current Year.

*CMP for the above-mentioned companies is taken as of 21st December 2023.

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

Recommendation

The company has been in the industry since 2009 and has good experience in the industry. The company's management overview is not satisfactory. The company also faces significant competition in the industry.

The P/E on a post-IPO basis is 47.82 times which seems to be overvalued by looking at the performance of the company. The sector P/E is 24.8 times.

The company has seen an exponential increase in the bottom line of its financials over the years. The company has had negative operating cash flow details are which provided in the risk factor of this report. The company does not have a proper trend in its profitability margins. The company's financial outlook of the company is not at all satisfactory. Thus, we believe there is no harm in missing this IPO. One can **AVOID** applying to this IPO.

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