

IPO Details			Company Background				
<b>Opening Date</b>	March 28, 2024		<ul style="list-style-type: none"> <li>○ Incorporated in 2003, Aluwind Architectural Private Limited has its registered office in Mumbai, Maharashtra, India.</li> <li>○ The company operates in the segment of manufacturing and installing a diverse range of aluminium products. This includes windows, doors, curtain walls, cladding, and glazing systems, all meticulously crafted to meet the needs of architects, consultants, builders, institutions, and corporations.</li> <li>○ The company expanded its market presence, with products sold in cities across India, including Mumbai, Pune, Bangalore, and Hyderabad, among others.</li> <li>○ As of September 30, 2023, the company had a total of 178 employees on its payroll.</li> </ul>				
<b>Closing Date</b>	April 04, 2024						
<b>Stock Exchange</b>	NSE SME						
<b>Lot Size</b>	3,000 Shares						
<b>Issue Price</b>	₹45 per share						
<b>Issue Size</b>	Aggregating up to 29.70 Cr.						
<b>Fresh Issue</b>	Aggregating up to 29.70 Cr.						
<b>Offer for Sale</b>	-						
<b>Application Amount</b>	₹1,35,000						
IPO Objective			Market Capitalization (In Cr.)				
1. To meet working capital requirements.			Pre-Issue		Post-Issue		
2. General corporate purposes.			₹ 82		₹ 112		
Pre-Issue Shareholding			Financial Summary (In Lacs.)				
Category	No. of Shares	% of Total Shares	For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
Promoter & Promoter Group	1,79,23,420	98.22 %	<b>Total Assets</b>	2,177.72	3,232.75	4,086.53	4,907.13
Public	3,24,000	1.78 %	<b>Net Assets</b>	1,041.33	1,429.87	1,702.57	2,069.53
Promoter of the Company			<b>Total Borrowing</b>	436.06	638.93	707.52	993.98
1. Murli Manohar Ramshankar Kabra			<b>Total Revenue</b>	2,139.29	2,925.13	4,900.62	4,142.97
2. Rajesh Kabra			<b>Profit After Tax</b>	76.92	78.79	270.04	372.82
3. Jagmohan Ramshankar Kabra			Tentative Timeline				
4. Jagmohan Kabra HUF			<b>Opening Date</b>	Mar 28, 2024			
Competitive Strengths			<b>Closing Date</b>	Apr 04, 2024			
1. Experienced Leadership Backed by a Skilled Professional Team.			<b>Basis of Allotment</b>	Apr 05, 2024			
2. Robust Financial Performance: Maintaining Profitability through COVID-19 Challenges.			<b>Initiation of Refunds</b>	Apr 08, 2024			
3. Fostering Longstanding Client Relationships and Builder's Fraternity Connectivity.			<b>Credit of Shares to Demat</b>	Apr 08, 2024			
4. Widening Horizons: Unmatched Excellence in Aluminium Solutions.			<b>Listing Date</b>	Apr 09, 2024			
5. Crafting Spaces with Precision and Excellence in Aluminium.							

### Company Background and Analysis

Aluwind Architectural Limited was originally incorporated on April 22, 2003. The company operates in the segment of manufacturing and installing a diverse range of aluminium products. This includes windows, doors, curtain walls, cladding, and glazing systems, all meticulously crafted to meet the unique needs of architects, consultants, builders, institutions, and corporations.

Operating from a 45,000-square-foot facility in Pune, Maharashtra, this tech-driven company specializes in a niche product segment. With infrastructure and advanced machinery, including a powder coating facility and CNC machines, it ensures precision in manufacturing aluminium products like windows, doors, and curtain walls. The facility is strategically organized with distinct sub-divisions for manufacturing, testing, and storage, ensuring an efficient production process. Specialized machines, such as a two-part pump for glazing, contribute to the company's unique offerings. Additionally, it maintains a display centre and goods storage premise in Pune. Rigorous quality checks at multiple stages underscore the company's commitment to meeting the highest standards.

The expanded its market presence, with products sold in cities across India, including Mumbai, Pune, Bangalore, Hyderabad, among others, the company demonstrates a widespread reach and a commitment to serving customers across the nation.

As of the filing of the Prospectus, company has entered into a strategic agreement with Eternia (a brand of Hindalco, a company forming part of the Aditya Birla Group) as Committed Anchor Partner. This collaboration further solidifies its dedication to providing value-added products, allowing it to access high-quality window materials, ensure sourcing, and expand its product distribution network. Partnering with Eternia, aligns with the goal of delivering quality and excellence to customers, thereby reinforcing its position in the market as committed anchor partners.

The revenue that the Company generates from projects where Eternia products are used, as a % of total revenue generated from operations, for past three years and stub period is as follows: -

(Amt in Lacs)

Particulars	Mar-21	Mar-22	Mar-23	Oct-23
	Amt	Amt	Amt	Amt
Revenue from projects involving Eternia Brand products	56.82	491.05	2,528.06	2,159.60
Total Revenue from operations	2,128.25	2,899.09	4,886.49	4,135.81
Percentage of revenue from Projects involving Eternia Brand Products to Total revenue from operations	2.67%	16.94%	51.74%	52.22%

To Conclude, Aluwind Architectural Limited incorporated in 2003 has vast experience in the industry. The business segment in which the company operates is competitive, whereas with strategic agreement with Eternia, company is expected to continue generating good revenue in future.

## Business Strategies

### 1. Organic Growth –

The company aims to organically expand its product offerings, customer base, and market reach. This approach enables them to adapt to changing market dynamics and sustain a steady, controlled growth trajectory.

### 2. Brownfield Expansion –

The company believes Opting for brownfield expansion aligns with the strategic goal to maximize operational efficiency and optimize resources. By strategically utilizing existing infrastructure and enhancing production capacities, minimize costs and accelerate the growth trajectory.

### 3. Tie-up with World-renowned Vendors –

The company believes Collaborating with world-renowned vendors is a cornerstone of the strategy to ensure the highest quality materials and components for the products. These partnerships enable them to integrate cutting-edge technologies and superior materials into the offerings, enhancing the value proposition for the customers.

### 4. Expansion of Eternia Brand –

The company seeks to diversify its product line and capture a larger share of the market. The expansion strategy includes introducing new product variants, improving brand visibility, and ensuring consistent quality to resonate with a broader customer base.

### 5. Geographical Expansion –

The company plans to create a superior value proposition, a strong go-to-market strategy, competitive profit structures, and a high market share before expanding. The company is exploring the export of the manufactured panels to leverage the manufacturing excellence and experience.

### 6. Product Expansion –

The company aims to expand the current facade business. The facade systems market includes a range of products such as cladding materials and curtain walls, offering benefits like improved thermal and sound insulation, as well as increased natural lighting.

### 7. Marketing Strategy –

The company engages with personalized post-purchase messaging, leaving a positive, lasting impression and keeping the brand top-of-mind for re-purchases.

## Competitive Scenario and Peer Mapping

### Competition

The industry in which the company serves is highly competitive. The industry is fragmented, and the company faces competition from other players, which may affect the business operations and financial conditions. The market for the products and services is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products and services, design and execution, pricing and timely delivery. The company has very low entry barriers in this industry which would further intensify competition. The bargaining power with the suppliers is high in this industry and the bargaining power with the consumers is also slightly higher in the industry in which the company operates in.

### Peer Analysis

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

Particulars	Aluwind Architectural Limited	Innovators Façade Systems Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	6%	5%
EBITDA Margin	10%	10%
Return on Capital Employed	22%	11%
Return on Equity	16%	12%
EPS (INR)	10.66	4.46

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

Particulars	Aluwind Architectural Limited	Innovators Façade Systems Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	2.72%	1.76%
EBITDA Margin	6%	13%
Return on Capital Employed	8%	4%
Return on Equity	6%	3%
EPS (INR)	3.11	0.85

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

Particulars	Aluwind Architectural Limited	Innovators Façade Systems Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	3.61%	1.4%
EBITDA Margin	9.1%	13.5%
Return on Capital Employed	13.3%	3.6%
Return on Equity	7.4%	1.6%
EPS (INR)	3.03	0.49

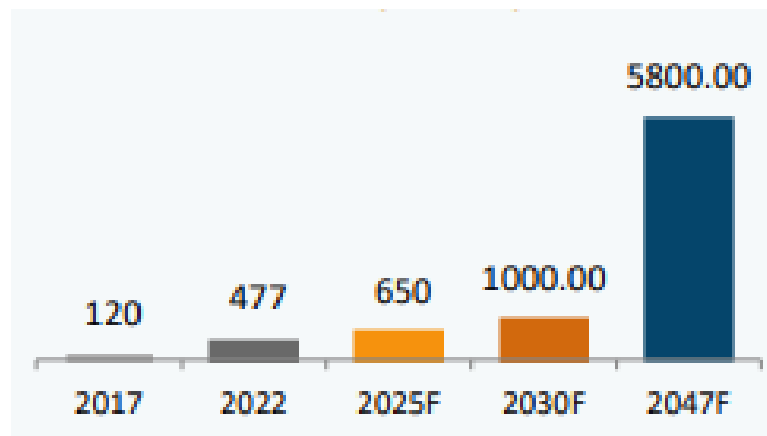
**Industry Overview**

Exhibit 1: Façade Market Size, 2022 to 2032 (USD Billion)



(Source: Precedence Research)

Exhibit 2: Market size Of Real Estate in India (US\$ bn)



(Source: ibef.org)

## **Indian Real Estate -**

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, real estate market will grow to ₹ 65,000 crore (US\$ 9.30 billion) from ₹ 12,000 crore (US\$ 1.72 billion) in 2019. 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 ₹ 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. Indian real estate developers operating in the country's major urban centres are poised to achieve a significant feat in 2023, with the completion of approximately 558,000 homes. India's real estate sector saw over 1,700 acres of land deals in top eight cities in the first nine months of FY22. Foreign investments in the commercial real estate sector were at US\$ 10.3 billion from 2017-2021. As of February 2022, Developers expect demand for office spaces in SEZs to shoot up after the replacement of the existing SEZs act.

## **Overview of Facade and Fenestration Industry in India -**

The India facade market size reached US\$ 2,855.4 Million in 2023. Looking forward, IMARC Group expects the market to reach US\$ 5,431.9 Million by 2032, exhibiting a growth rate (CAGR) of 7.18% during 2024-2032. The increasing construction activities, rising number of commercial spaces, and the growing number of remodeling and upgradation projects represent some of the key factors driving the market. In recent years, the global facade market has experienced a notable surge in profitability, propelled by the increasing demand for alternative electricity sources in both commercial and residential constructions. This growth can be attributed to advancements in technology, particularly the emergence of energy-efficient facade materials. Consequently, promising opportunities lie ahead for the market, buoyed by the robust pace of construction activities worldwide.

Facades seamlessly blend aesthetic appeal with superior performance in a unique manner unmatched by other construction systems. This characteristic is expected to significantly drive product demand in the forthcoming years. A key factor anticipated to propel the facade industry is the imperative to curtail heating and air conditioning expenses, striving for energy efficiency. This cost-cutting trend is projected to foster sustainable product development over the forecast period. The surge in popularity of green buildings necessitates high-transparency glass, facilitating light penetration while maintaining heat resistance. The forecast period is expected to witness an uptick in the application of high-performance facades focused on energy conservation and solar control, delivering substantial economic and ecological benefits.

(Source: prospectus)

## Key Managerial Personnel

**Murli Manohar Ramshankar Kabra**, aged 60 years, is one of the Promoters and Managing Director of the Company. He is currently serving as the Managing Director of the Company with effect from January 4, 2024. He has completed his Diploma in Mechanical Engineering. He has an experience of more than 2 decades in window & façade industry. He has been a part of numerous Indian projects and worked with both Indian & International Brands.

**Rajesh Kabra**, aged 58 years, is one of the Promoters and Executive Director of the Company. He has completed his LLB. He manages the complete Logistics from the manufacturing facility to construction site. He has an extensive experience of more than 2 decades in window & façade industry.

**Jagmohan Ramshankar Kabra**, aged 63 years, is one of the Promoters and Executive Director of the Company. He has obtained his Degree in Master of Commerce. He has a rich experience of more than a decade in window & façade industry. He overlooks the entire manufacturing facility.

**Aruna Bangur**, aged 51 years, is the Woman Non-Executive Independent Director of the Company. She has completed a bachelor's degree in science. She is currently employed with Kotak Mahindra Life Insurance Company Limited as Insurance Agent.

**Santosh Kumar Rathi**, aged 71 years, is the Non-Executive Independent Director of the Company. He holds a bachelor's degree in commerce, and a master's degree in commerce. He is currently associated with Prima Urbanscapes Pvt Ltd and ENR Infraprojects Pvt Ltd, which work in the Infrastructure Industry.

**Yogita Dharmendra Poriya**, aged 23 years, is the Non-Executive Independent Director of the Company. She has Higher Secondary Certificate, Certificate course in Social Media Marketing and Certificate Course in Search Engine optimization. She is the Director of Karnavati Stitching Enterprise Pvt Ltd.

To conclude, the company has 4 promoters, out of which 3 are individual promoters and they have vast experience in the field directly linked to the operations. The Directors of the company have good experience in fields which help in the growth of the company.

**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>	<b>Sep-23</b>
Revenue from Operations	2,128.35	2,898.65	4,886.72	4,136.15
Other Income	10.94	26.48	13.9	6.82
<b>Total Income</b>	<b>2,139.29</b>	<b>2,925.13</b>	<b>4,900.62</b>	<b>4,142.97</b>
<b>Expenses</b>				
Cost of raw materials consumed	1,556.18	2,229.6	3,761.72	2,925.72
Change in inventories of finished goods and work-in-progress	6.84	-17.03	-52.23	89.24
Employee benefits expense	256.96	367.44	496.95	372.63
Finance costs	50.26	45.11	51.1	40.55
Depreciation and Amortization expense	40.12	61	78.81	42.61
Other expenses	114.89	133.14	204.55	174.42
<b>Total Expenses</b>	<b>2,025.25</b>	<b>2,819.26</b>	<b>4,540.90</b>	<b>3,645.17</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>193.48</b>	<b>185.50</b>	<b>475.73</b>	<b>574.14</b>
<b>EBITDA Margin</b>	<b>9%</b>	<b>6%</b>	<b>10%</b>	<b>14%</b>
<b>Profit/(Loss) before tax</b>	<b>114.04</b>	<b>105.87</b>	<b>359.72</b>	<b>497.80</b>
Tax Expenses :				
Current Tax	32.53	31.05	91.14	128.54
Deferred Tax	4.59	-3.97	-1.46	-3.56
<b>Total Tax Expense</b>	<b>37.12</b>	<b>27.08</b>	<b>89.68</b>	<b>124.98</b>
<b>Profit/(Loss) for the year</b>	<b>76.92</b>	<b>78.79</b>	<b>270.04</b>	<b>372.82</b>
<b>Net Profit Margin</b>	<b>3.60%</b>	<b>2.69%</b>	<b>5.51%</b>	<b>9.00%</b>
<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	10.77	12.07	253.44	253.44
Reserve and Surplus	1,030.56	1,417.8	1,449.13	1,816.09
<b>Total Equity</b>	<b>1,041.33</b>	<b>1,429.87</b>	<b>1,702.57</b>	<b>2,069.53</b>
<b>2. Non-current liabilities</b>				
Long Term Borrowings	105.98	114.67	105.13	104.57
Deferred Tax Liabilities (Net)				
Long-term Provisions	7.46	5.6	8.69	18.53
<b>Total Non-current liabilities</b>	<b>113.44</b>	<b>120.27</b>	<b>113.82</b>	<b>123.10</b>
<b>3. Current liabilities</b>				
Short-term borrowings	330.08	524.26	602.39	889.41
Trade payables				
Due to MSME	282.06	253.53	353.57	480.75
Due to Others	200.99	400.13	736.03	506.87
Other Current Liabilities	176.17	472.85	486.36	706.13
Short-term Provisions	33.65	31.85	91.8	131.34
<b>Total Current liabilities</b>	<b>1,022.95</b>	<b>1,682.62</b>	<b>2,270.15</b>	<b>2,714.50</b>
<b>Total Liabilities</b>	<b>1,136.39</b>	<b>1,802.89</b>	<b>2,383.97</b>	<b>2,837.60</b>
<b>Total Equity and Liabilities</b>	<b>2,177.72</b>	<b>3,232.76</b>	<b>4,086.54</b>	<b>4,907.13</b>
<b>ASSETS</b>				
<b>1. Non-current assets</b>				
Property, Plant and Equipment	323.39	541.09	614.96	647.38



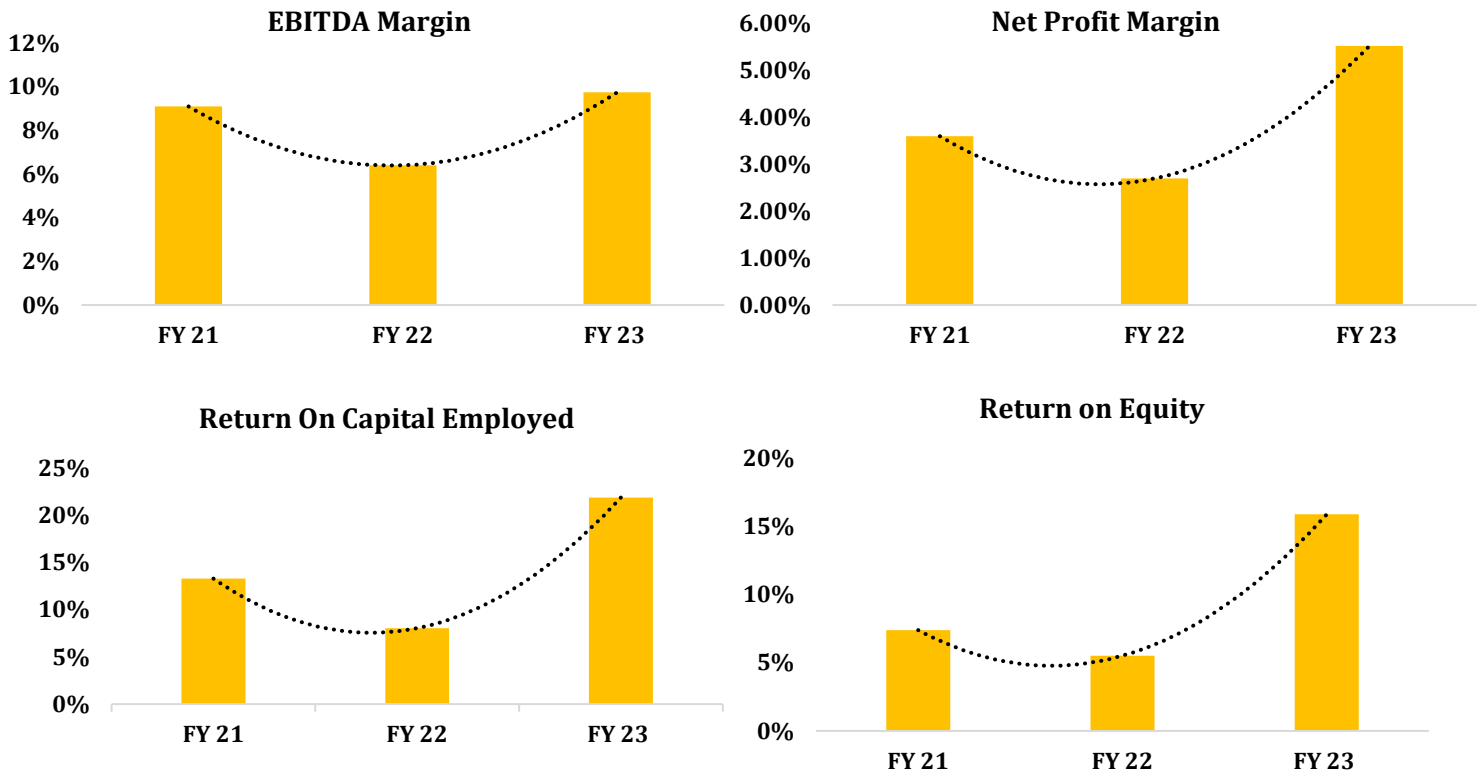
<b>Balance Sheet</b>				<b>(In Lacs)</b>
Intangible assets	0.19	0.09	0.09	0.09
Intangible Assets under development	-	-	3.82	7.18
Capital work in progress	4.40	-	-	-
Deferred Tax Assets (net)	(0.52)	3.45	4.92	8.48
Non-current Investments	135.35	171.80	171.80	52.61
Long term Loans and advances	99.15	96.61	96.61	96.61
other non-current assets	11.66	10.79	10.46	11.80
<b>Total Non-Current assets</b>	<b>573.62</b>	<b>823.83</b>	<b>902.66</b>	<b>824.15</b>
<b>2. Current assets</b>				
Inventories	562.07	787.08	938.88	716.72
Trade receivables	764.83	1,106.36	1,428.07	1,917.12
Cash and Bank Balances	112.09	71.24	88.41	129.4
Short-term loans and advances	25.06	109.17	95.1	152.22
Other Current Assets	140.05	335.07	633.41	1,167.52
<b>Total Current assets</b>	<b>1,604.10</b>	<b>2,408.92</b>	<b>3,183.87</b>	<b>4,082.98</b>
<b>Total Assets</b>	<b>2,177.72</b>	<b>3,232.75</b>	<b>4,086.53</b>	<b>4,907.13</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>	<b>Sep-23</b>
Net Cash Flow from Operating Activities	301.4	-181.88	152.7	-246.07
Net Cash Flow from Investing Activities	-38.64	-324.62	-155.6	40.66
Net Cash Flow from Financing Activities	-211.9	465.66	20.07	246.41

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23*</b>
<b>Per Share Data</b>				
Diluted EPS	3.03	3.11	10.66	3.41
BV per share	4.766	6.54	7.79	23.53
<b>Operating Ratios</b>				
EBITDA Margins	9.09%	6.40%	9.74%	13.88%
PAT Margins	3.60%	2.69%	5.51%	8.99%
Inventory days	96.39	99.11	70.13	31.71
Debtor days	131.16	139.31	106.67	84.82
Creditor days	162.87	116.30	121.23	157.71
<b>Return Ratios</b>				
RoCE	13%	8%	22%	20%
RoE	7%	6%	16%	14%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	7.06	10.77	4.88	4.72
Market Cap / Sales	7.70	5.65	3.35	1.98
P/E	14.85	14.47	4.22	13.20
Price to Book Value	9.44	6.88	5.77	1.91
<b>Solvency Ratios</b>				
Debt / Equity	0.42	0.45	0.42	0.48
Current Ratio	1.57	1.43	1.40	1.50
Quick Ratio	1.02	0.96	0.99	1.24
Asset Turnover	0.98	0.90	1.20	0.84
Interest Coverage Ratio	3.05	2.76	7.77	13.11

\*Ratio sheet for Sept-23 is annualized.

## Financial Charts



## Key Risk Factors

1. The company and Promoter of the Company are parties to certain litigation and claims amounting to Rs. 48.02 lakhs. Any adverse decision may make them liable to liabilities/penalties and may adversely affect the reputation, business, and financial status.
2. The company has certain contingent liabilities amounting to Rs. 933.90 lakhs which if materialised, could adversely affect the financial condition.
3. The company has negative operating cash flow for the FY ended 2022, and the period ended September 2023. Sustained negative cash flow could impact the growth and business.

## Track Record of Lead Manager

The lead manager to the issue is Corpwis Advisors Private Limited. The lead manager does not have any track record of the previous mandates as this is their first mandate.



## **Recommendation**

The company has been in the industry since 2003 and has vast experience in the industry. The company's management overview is satisfactory with very vast experience in the industry. The company has seen an increase in its top line and bottom line of its financials over the years.

The P/E on an annualised and post-IPO basis is 15.01 times which seems to be fairly priced by looking at the performance of the company and peers. The sector P/E is 31.1 times.

The industry in which the company operates is competitive. The company has seen a slight sudden increase in its top line for FY 2023 but not concerning. The company has good strategies mentioned in the "Business Strategies" of this report. We can expect decent growth in the future based on the industry in which the company is operating. Thus, at the current P/E we believe one can **APPLY** to this IPO keeping in mind it is for long-term investment.



## **Disclaimer**

We are not registered research analysts with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of our organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with your financial advisor before making any investment decisions.