

IPO Details		Company Background						
Opening Date	March 20, 2024	<ul style="list-style-type: none"> Incorporated in 1997, Omfurn India Limited has its registered office in Mumbai, Maharashtra, India. The company is a manufacturer and supplier of Pre-Finished Wooden Doors and Modular Furniture in India. The company also design, manufacture and install custom furniture as well as design and execute turnkey interior projects of hotels, residential, offices, shopping malls, hospitals, IT parks, international schools, pre-finished doors, and fire-rated doors. As of November 30, 2023, the company had a total of 221 employees on its payroll. 						
Closing Date	March 22, 2024							
Stock Exchange	NSE SME							
Lot Size	2,400 Shares							
Issue Price	₹71 to ₹75 per share							
Issue Size	Aggregating up to 27 Cr.							
Fresh Issue	Aggregating up to 27 Cr.							
Offer for Sale	-							
Application Amount	₹1,80,000							
IPO Objective		Market Capitalization (In Cr.)		Financial Summary (In Lacs.)				
<ol style="list-style-type: none"> Funding capital expenditure towards installation of plant & machinery in the existing premises along with required civil, electric and fabrication work. Repayment/prepayment, in full or part, of certain borrowings availed of by the Company. Funding to meet working capital requirements. General corporate purposes. 		Pre-Issue	Post-Issue	For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
		₹ 61	₹ 88	Total Assets	4,665.35	4,766.30	5,716.59	6,825.97
				Net Assets	2,099.11	2,158.92	2,573.79	2,862.95
				Total Borrowing	1,585.99	1,595.16	1,138.10	1,890.41
Pre-Issue Shareholding				Total Revenue	2,184.54	3,229.79	7,108.10	4,474.78
Category	No. of Shares	% of Total Shares		Profit After Tax	-99.42	59.81	414.87	289.17
Promoter & Promoter Group	60,00,000	73.40%	Promoter of the Company					
Public	21,74,400	26.60%	<ol style="list-style-type: none"> Rajendra Chitbahal Vishwakarma Mahendra Chitbahal Vishwakarma Narendra Chitbahal Vishwakarma Prashant Rajendra Vishwakarma Parmanand Mahendra Vishwakarma 					
Competitive Strengths		Tentative Timeline						
<ol style="list-style-type: none"> Experienced Management and Motivated Team. Wide Range of Product Offerings. Strong & Long-term relationships with Clients. Skilled and dedicated manpower Compliance with Quality Standards Existing customer relationship 		Opening Date		Mar 20, 2024				
		Closing Date		Mar 22, 2024				
		Basis of Allotment		Mar 26, 2024				
		Initiation of Refunds		Mar 27, 2024				
		Credit of Shares to Demat		Mar 27, 2024				
		Listing Date		Mar 28, 2024				

Company Background and Analysis

Omfurn India Limited was originally incorporated on November 13, 1997, under the name “OM Vishwakarma Furniture Private Limited”. The company is a manufacturer and supplier of Pre-Finished Wooden Doors and Modular Furniture in India. The company creates a wide range of wooden doors and furniture for Modular Kitchens, Wardrobes, Vanities and Modern Office furniture through customized, system-based, or turnkey projects.

The company’s manufacturing factory in Umbergaon has a total area of 1,61,460 sq. ft. to increase manufacturing capacity and began manufacturing furniture for premium hotels. The factory is equipped with the latest CNC woodworking machines from Germany and Italy. The company also have an in-house design facility that provides complete furniture solutions, keeping in mind constant evolutions in international designs. The company have obtained certifications like ISO 9001, 14001, and 45001 under the strict certification rules.

The company’s product portfolio is as follows –

1. Doors – The company manufacture solid wooden door frames from Red Meranti, Ghana Teak, Steam Beach, and BWP Engineered wood such as LVL & Ply. Different types of doors produced by the company are as follows –
 - i) Fire Resistant Door
 - ii) Laminated Door
 - iii) Venner Door
 - iv) Door Frames
2. Office Solutions – The company’s solutions include ergonomic chairs, adjustable desks, storage solutions, and acoustic panels to reduce noise and increase privacy.
3. Modular Kitchens – The company offer a range of modular kitchens that are tailored to individual needs and preferences.
4. Modular Wardrobe / Vanity – The company’s modular sets are customizable to fit needs and space.
5. Hotel Furniture –The company manufactures and supplies the complete furniture required in a hotel room to many luxury hotel chains and operators in the Country.
6. School Furniture – The company manufactures and supplies the complete furniture required in a school room for government and private schools in the Country.

The product-wise revenue breakdown for the periods is as set forth below:

(Amount in Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Doors	1,259.49	61.59	2,181.69	70.74	4,552.02	64.81	3,674.33	83.17
Others	785.41	38.41	902.40	29.26	2,471.37	35.19	743.66	16.83
Total	2,044.90	100.00	3,084.09	100.00	7,023.39	100.00	4,417.99	100.00

To conclude, Omfurn India Limited was incorporated in the year 1997 and thus has vast experience in the industry. The company operates in the business of manufacturing and supplying Pre-Finished Wooden Doors and Furniture. The company generates the majority of its revenue from the Door segment.

Business Strategies

1. Continue to develop customer relationships –

The company plans to grow the business primarily by increasing the number of customers. The company seeks to build on existing relationships and also focus on bringing into the portfolio more customers.

2. Improving functional efficiency and quality standards –

The company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over its peers.

3. Vision and Mission of the Business –

The company strives to enhance the interior and fit-out industry by providing all possible solutions and expertise to projects.

4. Continue to recruit, retain and train qualified personnel –

The company believes the successful implementation of the business and growth strategies depends on the ability to hire and cultivate experienced, motivated and well-trained members of the management and employee teams. The company intends to continue to recruit, retain and train qualified personnel.

5. Continue to expand product portfolio and improve current product portfolio –

The company intends to expand the manufacturing capacities for existing products by introducing a new category i.e. metal door. This will help them to better serve the existing customers, assist them in better addressing the business requirements of large customers and will also allow them to attract new customers.

Competitive Scenario and Peer Mapping

Competition

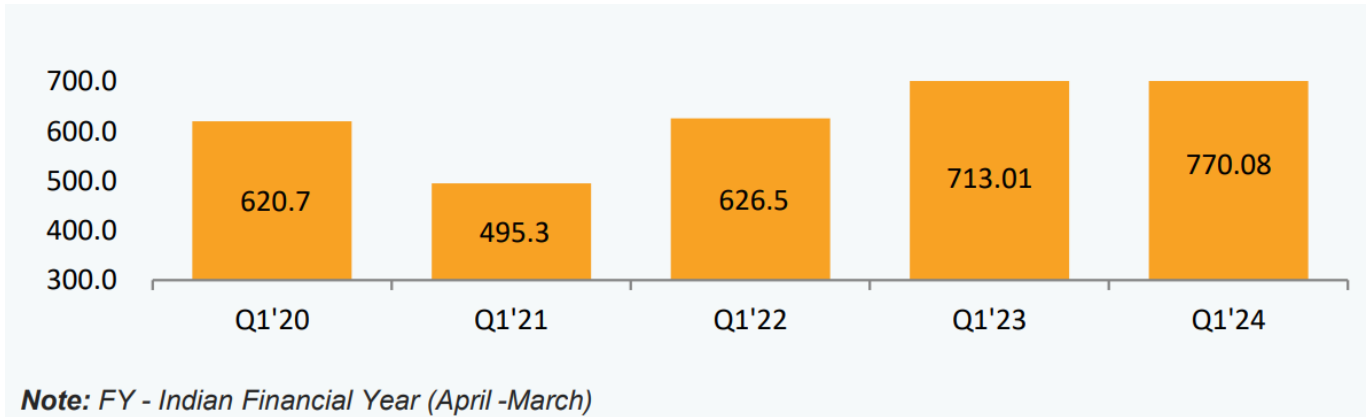
The company operates in a competitive industry. The company faces significant competition from both established brands in the domestic market and smaller players in the unorganized sector. The company's rivals are determined by factors such as product range, quality, and price, taking into account considerations such as reputation, regional preferences, and customer convenience. The industry in which the company operates has slightly lower barriers. The bargaining power with the suppliers is slightly high and the bargaining power with the consumers is higher in this industry.

Peer Analysis

As per the offer document, the company believes they do not have any listed peers for comparison.

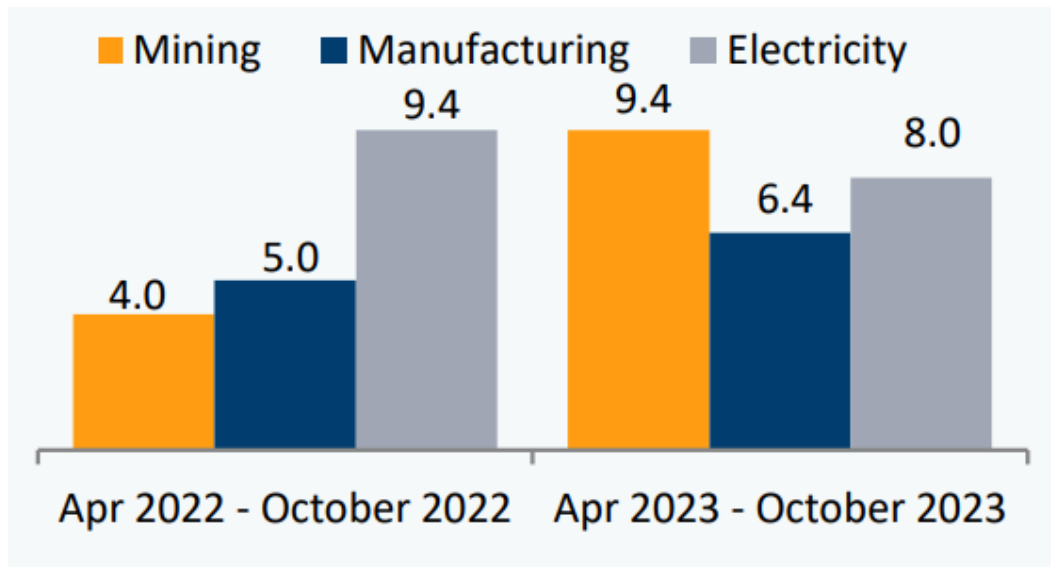
Industry Overview

Exhibit 1: Quarterly estimates of GVA at current prices (US\$ billion)



(Source: ibef.org)

Exhibit 2: Annual Growth Rates of IIP (%) at Sectoral level



(Source: ibef.org)

Indian Manufacturing Industry -

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors. The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub. With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025. India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains. A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets

Manufacturing exports have registered highest ever annual exports of US\$ 447.46 billion with 6.03% growth during FY23 surpassing the previous year (FY22) record exports of US\$ 422 billion. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%. India's gross value added (GVA) at current prices was estimated at US\$ 626.5 billion as per the quarterly estimates of the first quarter of FY22.

Indian Furniture Industry -

India Furnishing the World: 3X increase in India's furniture exports in April-January 2022-23 compared to the same period in 2013-14. The India furniture market is anticipated to achieve a CAGR of 10.9% during 2023-28 to reach \$32.7 98 Bn by 2026. The commercial sector is further sub-segmented into non contracting and contracting. The demand for furniture has been observed to majorly generate from northern and southern India.

The import duty on furniture was increased from 20% to 25% to boost domestic manufacturing. BIS Standards on modular furniture were published by BIS in 2022 to enhance standardization in furniture and ensure product safety. India's Furniture market is valued at \$23.12 Bn in 2022, making it as the 5th largest producer and 4th largest consumer of furniture globally. India has recently concluded India-Australia Economic Cooperation and Trade Agreement (ECTA) and India-UAE Comprehensive Economic Partnership Agreement (CEPA), providing zero-duty market access opportunities for Indiamade furniture to these global markets (No change in other content).

(Source: prospectus)

Key Managerial Personnel

Rajendra Chitbahal Vishwakarma, aged 63 years, is one of the Promoters, Chairman, and Managing Director of the Company. He started his business as a carpentry contractor. He established Om Vishwakarma Furniture Private Limited in the year 1997. He later established a partnership firm named R. M. Enterprises in the year 2000. He has been focusing on the strategic decisions and market orientation for the company. He also looks after the day-to-day affairs of the Company.

Mahendra Chitbahal Vishwakarma, aged 58 years, is one of the Promoters, Whole-Time Director, and CFO of the Company. He started his career with carpentry work in 1980. He looks after procurement, banking & finance as well as administration.

Narendra Chitbahal Vishwakarma, aged 46 years, is one of the Promoters, Executive Director and CEO of the Company. He holds qualifications in B. A., LL.B. He started his career with practical experience in furniture work & interior Business in the year 2003. He looks after the operations and also interacts with the representatives of customers.

Prashant Rajendra Vishwakarma, aged 30 years, is one of the Promoters, and Whole-Time Director of the Company. He graduated in Mechanical Engineering and pursued an MS in Industrial Engineering at New York University in the year 2019. On completing the course, he returned and joined Omfurn India Limited as an Industrial Engineer at the Manufacturing unit in Umbergaon.

Parmanand Mahendra Vishwakarma, aged 31 years, is one of the Promoters, and Whole-Time Director of the Company. He is a graduate of LS Raheja School of Architecture. He joined as an architect, initially focusing on project execution and interior projects involving Mechanical, Electrical & Plumbing (MEP).

Sudhir Jayantilal Shah, aged 67 years, is the Non-Executive and Independent Director of the Company. He is a Commerce Graduate. He is the founder of the Company named Ameet Consultants & Engineers Private Limited. He has over 37 years of experience in plumbing engineering.

Geeta, aged 35 years, is the Non-Executive and Independent Director of the Company. She has a post-graduate diploma in Business Administration (Finance) and Bachelor's in Banking & Insurance. She has a working experience of 14 years.

Madhav Despande, aged 63 years, is the Non-Executive and Independent Director of the Company. After graduating as a Civil Engineer started his career with an infrastructure company overlooking infra projects for dams and spinning mills.

To conclude, the company has 5 promoters, and they have good experience in the fields which helps in the overall growth and the industry directly linked to the operations. The Directors of the company also have good experience in fields which help in the growth of the company.

Financial Snapshot

Profit and Loss Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23
Revenue from Operations	2,044.90	3,084.09	7,023.40	4,417.99
Other Income	139.64	145.69	84.7	56.79
Total Income	2,184.54	3,229.78	7,108.10	4,474.78
Expenses				
Cost of material consumed	1,615.34	2,173.18	4,805.93	3,425.43
Change in inventories	-227.74	-73.15	151.52	-206.18
Employee benefits expense	339.04	442.84	576.14	370.04
Finance costs	172.55	137.11	206.19	83.49
Depreciation and Amortization expense	137.16	114.22	111.52	63.93
Other expenses	254.86	370.38	744.53	332.83
Total Expenses	2,291.21	3,164.58	6,595.83	4,069.54
Earnings Before Interest, Taxes, Depreciation & Amortization	145.71	404.11	1,283.62	745.21
EBITDA Margin	7%	13%	18%	17%
Profit/(Loss) before tax	-106.67	65.20	512.27	405.24
Tax Expense				
Current Tax	-	3.37	124.34	109.71
Deferred Tax	-7.25	-9.24	-26.94	6.36
MAT credit entitlement	-	11.26	-	-
Total Tax Expense	-7.25	5.39	97.40	116.07
Profit/(Loss) for the year	-99.42	59.81	414.87	289.17
Net Profit Margin	-5%	2%	6%	6%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	681.2	681.2	681.2	681.2
Other equity	1,417.91	1,477.72	1,892.59	2,181.75
Total Equity	2,099.11	2,158.92	2,573.79	2,862.95
2. Non-current liabilities				
Long Term Borrowings	570.48	548.85	405.9	142.95
Other Long-term Liabilities	28.66	-	40.60	40.6
Long Term Provision	0.23	6.99	27.68	-
Deferred Tax liabilities	67.24	58.00	31.06	37.42
Total Non-current liabilities	666.61	613.84	505.24	220.97
3. Current liabilities				
Short-term borrowings	1,015.51	1,046.31	732.2	1,747.46
Trade payables				
Due to MSME	2.99	31.71	2.98	11.36
Due to Others	710.12	573.39	1,195.74	1,131.27
Other Current Liabilities	120.01	273.77	490.63	459.66
Short-term Provisions	50.79	68.36	216.01	392.3
Total Current liabilities	1,899.42	1,993.54	2,637.56	3,742.05
Total Liabilities	2,566.03	2,607.38	3,142.80	3,963.02

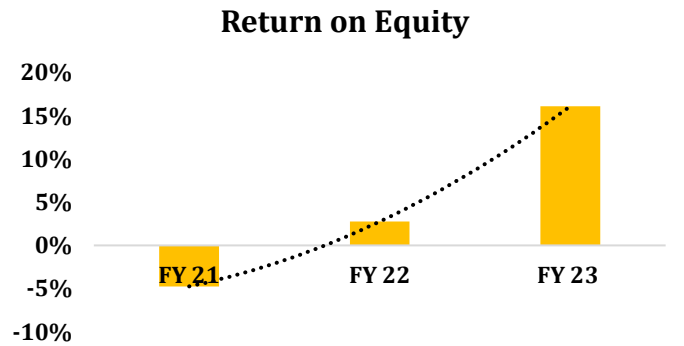
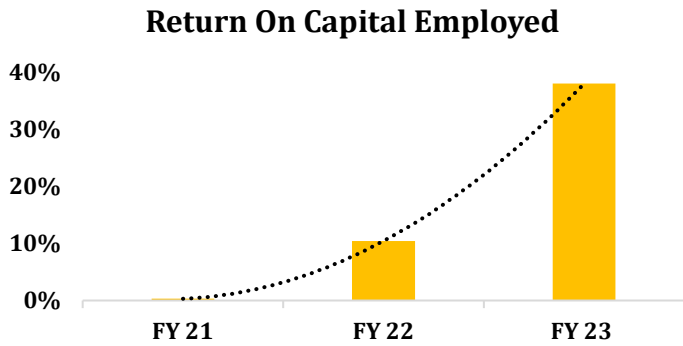
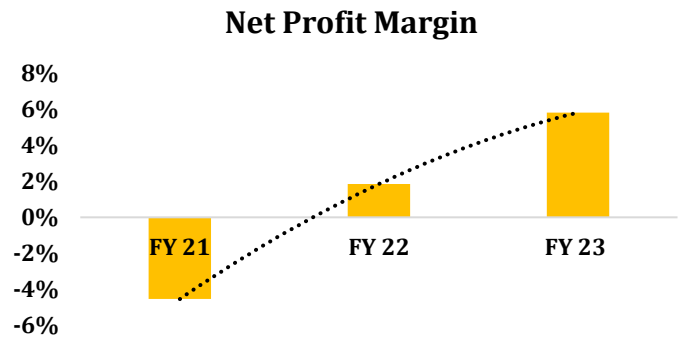
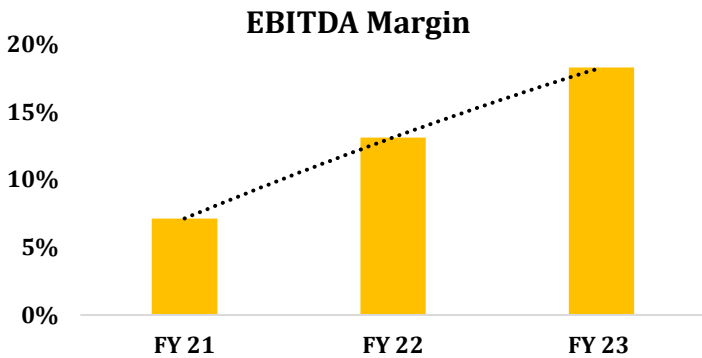
Balance Sheet				
				(In Lacs)
Total Equity and Liabilities	4,665.14	4,766.30	5,716.59	6,825.97
ASSETS				
1. Non-current assets				
Property, Plant & Equipment and intangible assets				
Property, Plant & Equipment	1,086.67	1,012.79	1,080.88	1,054.33
Intangible Assets	-	-	15.49	23.82
Non-current investment	55.08	20.03	110.43	141.56
Long-term loans and advances	81.02	65.18	101.66	168.08
Other non-current asset	38.18	39.26	124.38	136.36
Total Non-Current assets	1,260.95	1,137.26	1,432.84	1,524.15
2. Current assets				
Inventories	1,639.9	1,610.15	1,883.30	2,045.89
Trade receivables	926.71	1,313.18	1,915.16	2,505.27
Cash and Cash Equivalents	644.18	583.3	304.49	443.08
Short-term loans and advances	193.4	122.41	180.8	307.58
Total Current assets	3,404.19	3,629.04	4,283.75	5,301.82
Total Assets	4,665.14	4,766.30	5,716.59	6,825.97

Cash Flow Statement				
				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23
Net Cash Flow from Operating Activities	287.75	106.14	277.21	579.44
Net Cash Flow from Investing Activities	160.81	8.39	-274.63	-66.72
Net Cash Flow from Financing Activities	-29.14	-180.84	-287.86	-374.11

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Sep-23*
Per Share Data				
Diluted EPS	-1.46	0.88	6.09	5.15
BV per share	17.83	18.34	21.86	49.94
Operating Ratios				
EBITDA Margins	7.13%	13.10%	18.28%	16.87%
PAT Margins	-4.55%	1.85%	5.84%	6.78%
Inventory days	292.71	190.56	97.87	84.74
Debtor days	165.41	155.41	99.53	103.77
Creditor days	123.78	86.35	77.92	49.89
Return Ratios				
RoCE	0.31%	10.45%	38.07%	21.05%
RoE	-4.74%	2.77%	16.12%	10.31%
Valuation Ratios (x)				
EV/EBITDA	20.87	7.85	2.65	4.05
Market Cap / Sales	4.32	2.86	1.26	1.00
P/E	-	85.23	12.32	14.56
Price to Book Value	4.21	4.09	3.43	1.50
Solvency Ratios				
Debt / Equity	0.76	0.74	0.44	0.66
Current Ratio	1.79	1.82	1.62	1.42
Quick Ratio	0.93	1.01	0.91	0.87
Asset Turnover	0.44	0.65	1.23	0.65
Interest Coverage Ratio	0.05	2.11	5.68	8.16

*Ratio sheet for Sept-23 is annualized.

Financial Charts



Key Risk Factors

1. The company derives a substantial portion of its revenue from the manufacturing of doors. The revenue from the sale of doors for the period ending September 30, 2023, and for Financial Years 2023, 2022 and 2021 contributed to 83.17%, 64.81%, 70.74%, and 61.59%, respectively, of the revenues from operations. Any change in government policies or quality norms by the customers for pre-finished doors, which may not be able to adhere to, may affect the business growth, operations, and financials.
2. The company's top 10 customers for the fiscals 2023, 2022, and 2021 contributed to 74.32%, 88.74% and 81.74%, respectively. Any reduction in orders from the top 10 customers would adversely affect the income.
3. The company has certain outstanding litigations amounting to Rs. 19.79 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 Gretex Corporate Services Limited. A table has been set below highlighting the details of the IPO of the last 10 companies handled by the Lead Manager in recent times –

Gretex Corporate Services Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Owais Metal and Mineral Processing Limited	42.69	87.00	March 04, 2024	267.00
2.	Zenith Drugs Limited	40.68	79.00	February 27, 2024	66.7
3.	Interiors and More Limited	42.00	227.00	February 23, 2024	265.00
4.	AMIC Forging Limited	34.80	126.00	December 06, 2023	628.00
5.	Kalyani Cast Tech Limited	30.11	139.00	November 17, 2023	455.00
6.	Transteel Seating Technologies Limited	49.98	70.00	November 06, 2023	64.8
7.	Shelter Pharma Limited	16.03	42.00	August 23, 2023	51.07
8.	Comrade Appliances Limited	12.30	54.00	June 13, 2023	89.1
9.	Innokaiz India Limited	21.17	78.00	May 11, 2023	51.4
10.	Retina Paints Limited	11.10	30.00	May 03, 2023	60.9

The company has had 22 mandates in the past three years including the current year.

*CMP for the above-mentioned companies is taken as of March 18th, 2024.

As per the offer document, from the above-mentioned mandates one has opened at a discount and the remaining all have opened at premiums on the listing date.

Recommendation

The company has been in the industry since 1997 and has vast experience in the industry. The company's management overview is satisfactory. The company also faces significant competition in the industry.

The P/E on an annualised and post-IPO basis is 14.56 times which seems to be fairly priced by looking at the performance of the company. The previous IPO opened at a discount.

The industry in which the company operates is highly competitive. The company has seen a sudden hike in the top line and bottom line of its financials for the FY ended 2023 which may or may not sustain going forward. The company does not provide any unique services. Thus, we believe one can **AVOID** applying to this IPO.



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