

IPO Details

Opening Date	May 30, 2024
Closing Date	June 03, 2024
Stock Exchange	NSE SME
Lot Size	800 Shares
Issue Price	₹153 to ₹161 per share
Issue Size	Aggregating up to ₹87.02 Cr.
Fresh Issue	Aggregating up to ₹87.02 Cr.
Offer for Sale	-
Application Amount	₹1,28,000

IPO Objective

- Repayment in whole or in part, of certain of the outstanding borrowings
- Funding Capital Expenditure towards the installation of additional plant & machinery
- To meet working capital requirements
- General Corporate Purpose

Pre-Issue Shareholding

Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	1,45,52,020	96.96%
Public	4,57,005	3.04%

Promoter of the Company

1. Mukesh Jeram Vasani
2. Nirmal M. Vasani
3. Sharmilaben Lakhanbhai Bambhaniya

Competitive Strengths

1. One Stop Shop for electronics system design and manufacturing services
2. Myriad of product portfolio having applications across industry verticals
3. Engineering expertise with complex product manufacturing capabilities.
4. Long term and well-established relationships with customers
5. Strong supply chain and sourcing network
6. Quality Assurance
7. Experienced and Qualified Management and Employee base

Company Background

- Founded in April 2011, Aimtron Electronics Limited has its registered office in Gujarat and provides products and solutions for electronics system design and manufacturing services, with a focus on high-value precision engineering products.
- The company's solutions primarily consist of, (a) Printed circuit board assembly, (b) Any box builds assemblies in addition to finding their application in battery management systems used in electrical vehicles, (c) Design solutions offering end-to-end services right from conceptualizing the design, engineering, product prototype development, and manufacturing of turnkey requirements for customers.
- The company has two manufacturing facilities. One is in Vadodara, Gujarat, and the other is in Bengaluru, Karnataka.
- As of December 2023, the company had a workforce of 132 people on its payroll.

Market Capitalization (In Cr.)

Pre-Issue	Post-Issue
₹242	₹329

Financial Summary (In Lacs.)

For the Period Ended	Mar-21	Mar-22	Mar-23	Dec-23
Total Assets	3,630.38	5,904.02	8,740.02	8,322.76
Net Assets	2,144.26	2,038.96	3,123.26	4,099.92
Total Borrowing	262.54	848.97	2,023.61	1,821.65
Total Revenue	5,406.18	2,689.40	7,239.98	6,764.17
Profit After Tax	1,571.72	-180.16	863.19	976.65

Tentative Timeline

Opening Date	May 30, 2024
Closing Date	June 03, 2024
Basis of Allotment	June 04, 2024
Initiation of Refunds	June 05, 2024
Credit of Shares to Demat	June 05, 2024
Listing Date	June 06, 2024

Company Background and Analysis

Aimtron Electronics Limited was incorporated in the year 2011 and has its registered office in Gujarat. The company is engaged in the business of providing products and solutions towards electronics system design and manufacturing (“ESDM”) services with a focus on high-value precision engineering products. The company provides products and solutions right from printed circuit board (“PCB”) design and assembly to the manufacturing of complete electronic systems (“Box Build”), to certain domestic and global manufacturers located in India, the United States of America, Hongkong, United Kingdom, Spain, Mexico.

The company’s solutions primarily comprise of-

1. Printed circuit board assembly (“PCBA”)
2. Any box builds assemblies in addition to finding its application in battery management systems used in electrical vehicles.
3. Design solutions offering end-to-end services right from conceptualizing the design, engineering, product prototype development, and manufacturing of turnkey requirements for the customers.

The company serves these products to end-use industry verticals such as Automobiles, Gaming, Industrial Sector, Drones and UAVs, Medical and Healthcare, Power, and Others. The company generates revenue mainly from the industrial sector. A few of the product images are provided below –



Revenue Bifurcation as per products and services wise for the FY 21, 22, 23, and Dec-23 (Amt in Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Dec-23	
	Amt	%	Amt	%	Amt	%	Amt	%
PCBA	998.63	18.92	2,093.06	79.53	6,299.77	88.01	5,295.20	78.95
Box-Build	4,276.23	81.02	434.18	16.50	661.41	9.24	1,128.37	16.82
End to End Solutions	3.08	0.06	104.67	3.98	197.19	2.75	283.69	4.23
Total	5,277.94	100	2,631.91	100	7,158.37	100	6,707.26	100

Revenue Bifurcation as per geography is as follows for the FY 21, 22, 23, and Dec-23 (Amt in Lakhs)

Particulars	Mar-21		Mar-22		Mar-23		Dec-23	
	Amt	%	Amt	%	Amt	%	Amt	%
USA	4,647.29	88.05	1,692.66	64.31	4,003.49	55.93	3,951.56	58.91
India	546.42	10.35	873.00	33.17	1,460.75	20.41	1,262.26	18.82
North America	-	-	0.49	0.02	1,312.43	18.33	-	-
Spain	-	-	65.76	2.50	380.05	5.31	959.12	14.30
UK	-	-	-	-	1.64	0.02	289.81	4.32
Hong Kong	-	-	-	-	-	-	244.51	3.65
China	84.23	1.60	-	-	-	-	-	-
Total	5,277.94	100	2,631.91	100	7,158.36	100	6,707.26	100

The company operates through two manufacturing facilities, one situated in Vadodara, Gujarat and the other situated in Bengaluru, Karnataka. The manufacturing facilities include an engineered layout with process controls and necessary automation for quality and productivity.

Images of the manufacturing facilities in Vadodara and Bangalore –

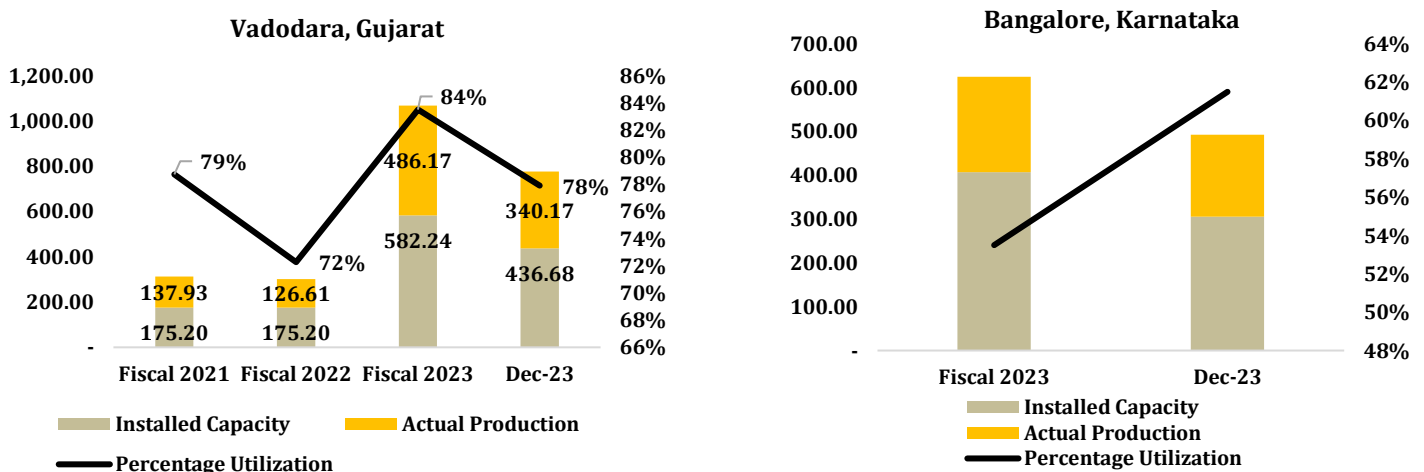


Vadodara, Gujarat



Bangalore, Karnataka

The company's capacity utilization as per two different manufacturing facilities is as follows –



To conclude, the company was incorporated in 2011, it has good experience. The company is raising total proceeds of Rs. 87.02 Cr out of which Rs. Rs. 15 Cr Rs. 18.63 Cr., and Rs. 25.20 Cr are being raised for Repayment of loans, funding Capital Expenditure towards installation of additional plant and machinery, and funding to meet working capital requirements, respectively which can drive good growth for the company in the future.

Business Strategies

1. Cater to more end-use industries-

The Indian medical device market share in the global market is estimated to be 1.65%. Between 2020-30 the diagnostic imaging market is likely to expand at a CAGR of 16.4%. The Electronics Manufacturing Industry has committed and assured the Company of \$300 Billion⁷ production by 2025-26. The electric vehicle (EV) market is estimated to reach Rs. 50,000 crore (US\$ 7.09 billion) in India by 2025. The projection for EV battery market is expected to expand at a CAGR of 30% in the same period. The Company intends to evolve product and service offerings and grow business by leveraging on the growth and technological requirements of any industry, that the Company believes can effectively utilise their manufacturing capabilities.

2. Continue to reduce operating costs and improve operational efficiencies-

The Company's idea of offering quality products at attractive prices is a key aspect of maintaining and expanding relationships with customers. The Company would focus on improving capacity utilization at production facilities, through increase in overall production volumes. The Company intends to leverage technology for effective utilization of machinery through digital solutions the study of various shop floor patterns thereby allowing to address bottlenecks.

3. Increase geographical reach and expand customer base-

The Company's customer base is stretched across domestic and international market like: United States, Hongkong, United Kingdom, Spain, Mexico. The Company seeks to enter new international markets, primarily in the Europe and Australia. The Company is well positioned to increase sales through product launches, electronics meets, exhibitions and through advertisements.

4. Expand Manufacturing facility towards backward integration-

The Company intends to expand manufacturing facility towards backward integration by manufacturing in-house components like Cable Assembly and get into deep competencies in PCBA assembly and end to end solutions. The Company intends to expand manufacturing capacity with implementation of an additional SMT line backed by inline 3D AOI for manufacturing of hi-tech multi-layer PCB Assembly.

Competitive Scenario and Peer Mapping

Competition

The Company operates in Electronic Systems Design and Manufacturing industry, which is very competitive with high growth. The competition varies by market, geographical areas and type of products manufactured. The Company competes primarily on the basis of product quality, technology, cost, delivery and service. Some of the ESDM Companies in India are Bharat FIH, Dixon Technologies India Limited, Amber Enterprises India Limited, SFO 135 Technologies Private Limited etc. The market also has several other small and mid-sized service providers. Additionally, new startups are emerging in the market, which are agile, innovative, and are rapidly growing. The industry has less barriers to entry in the market. The bargaining powers of suppliers and customers are dominant and very heavy.

Peer Analysis

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

Particulars	Aimtron Electronics Limited	Kaynes Technology India Limited	Vinyas Innovative Technologies Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	12.06%	8.37%	3.07%
EBITDA Margin	23.15%	15.93%	10.50%
Return on Capital Employed	27.92%	16.19%	34.76%
Return on Equity	27.64%	31.75%	24.81%
EPS (INR)	10.67	18.25	19.61

Particulars	Aimtron Electronics Limited	Syrma SGS Technology Limited	Avalon Technologies Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	12.06%	5.70%	5.47%
EBITDA Margin	23.15%	11.26%	13.26%
Return on Capital Employed	27.92%	12.14%	16.68%
Return on Equity	27.64%	25.13%	11.71%
EPS (INR)	10.67	7.59	9.22

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

Particulars	Aimtron Electronics Limited	Kaynes Technology India Limited	Vinyas Innovative Technologies Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	-6.85%	5.87%	0.48%
EBITDA Margin	-2.29%	13.98%	7.86%
Return on Capital Employed	-7.87%	33.09%	25.91%
Return on Equity	-8.84%	21.73%	4.50%
EPS (INR)	-3.38	9.59	2.73

Particulars	Aimtron Electronics Limited	Syrma SGS Technology Limited	Avalon Technologies Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	-6.85%	5.38%	7.25%
EBITDA Margin	-2.29%	10.55%	8.21%
Return on Capital Employed	-7.87%	14.13%	28.13%
Return on Equity	-8.84%	17.38%	85.53%
EPS (INR)	-3.38	1.84	11.31

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

Particulars	Aimtron Electronics Limited	Kaynes Technology India Limited	Vinyas Innovative Technologies Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	29.78%	2.29%	0.59%
EBITDA Margin	38.72%	10.86%	6.45%
Return on Capital Employed	91.53%	21.01%	23.87%
Return on Equity	73.30%	8.70%	5.62%
EPS (INR)	29.60	2.39	3.29

Particulars	Aimtron Electronics Limited	Syrma SGS Technology Limited	Avalon Technologies Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	29.78%	7.60%	3.09%
EBITDA Margin	38.72%	13.21%	10.89%
Return on Capital Employed	91.53%	14.86%	45.01%
Return on Equity	73.30%	20.51%	47.96%
EPS (INR)	29.60	1.48	3.93

Industry Overview

Electronics Manufacturing Services (EMS) Industry-

The global electronics manufacturing services (EMS) market is projected to reach \$ 1145 billion by 2026, registering a CAGR of 5.4% during the forecast period 2021-2026. From \$ 9.8 billion in 2021, India's domestic demand for consumer electronics is seeing significant growth and is expected to touch \$ 21.18 billion by 2025.

India, today, is a major player in the global electronics manufacturing industry. The country is rapidly becoming an electronics manufacturing hub, with the sector expected to rise to \$ 300 billion by 2025-26. This growth can be attributed to the government's push to promote domestic electronics manufacturing, which has led to increased investment and the creation of new jobs.

The success of India's electronics manufacturing industry can be seen in the country's growing exports. Electronics is India's fastest-growing export sector, with smartphones being the top export item. The recent announcement for the setting up of the Electronics Manufacturing Cluster (EMC) at Dharwad, Karnataka worth INR 180 crore (approximately \$21.98 million) is a step towards Atmanirbhar Bharat, and is expected to create over 18,000 jobs. Another important factor contributing to India's emergence as an electronics manufacturing hub is the country's highly skilled workforce. India is home to a large pool of technical and engineering talent, with many of the country's top universities offering courses in electronics and engineering.

India's Electronics Manufacturing and Export Market-

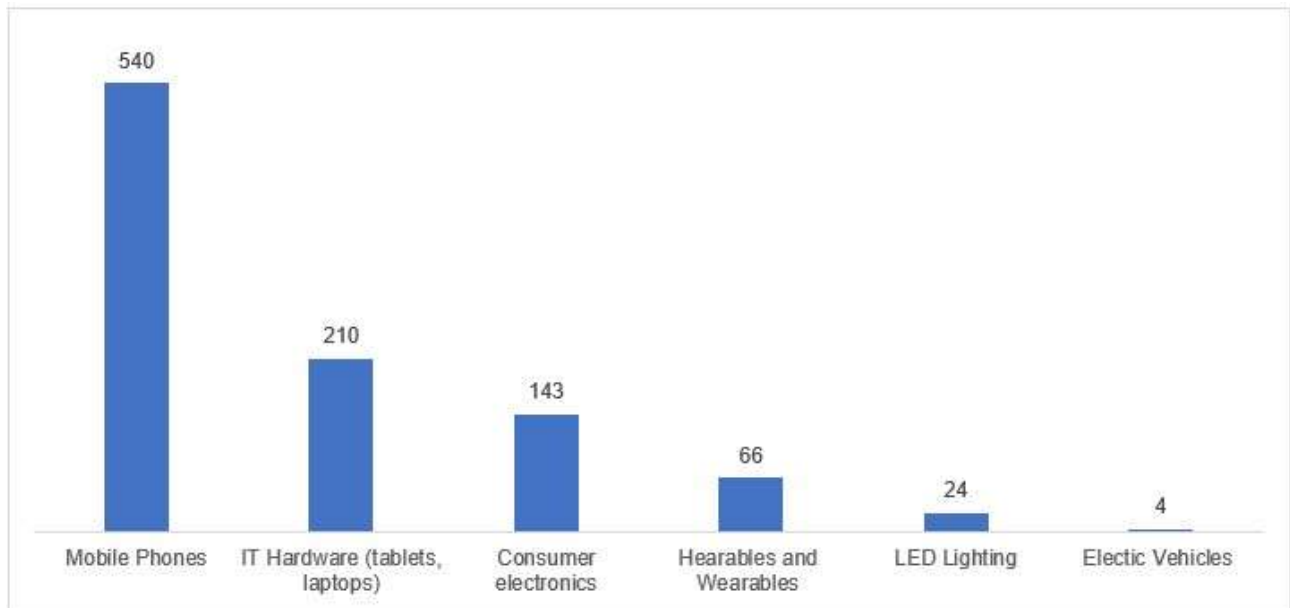
The global electronics industry was estimated at US\$ 2.9 trillion in 2020. The National Policy for Electronics (NPE), 2019 was unveiled with a vision to make the country a comprehensive hub for Electronics System Design and Manufacturing (ESDM) by developing a supportive environment for the industry to compete with global peers. Moreover, the ESDM industry is one of the top 25 priority sectors in the government's Make in India initiative. India has been one of the pioneers of the Local Goes Global movement. In FY23, the exports of electronic goods were recorded at US\$ 23.57 billion as compared to US\$ 15.66 billion during FY22, registering a growth of 50.52%. Exports of electronic goods stood at US\$ 2 billion in September 2022.

Electronics System Design & Manufacturing (ESDM) industry-

The Electronics System Design & Manufacturing (ESDM) industry includes electronic hardware products and components relating to information technology (IT), office automation, telecom, consumer electronics, aviation, aerospace, defence, solar photovoltaic, nano electronics and medical electronics. The industry also includes design-related activities such as product designing, chip designing, Very Large-Scale Integration (VLSI), board designing and embedded systems. The Electronics System Design & Manufacturing (ESDM) market in India is anticipated to increase at a CAGR of 16.1% between 2019 and 2025, owing to strong demand, supportive government policies and increased digitalisation. The ESDM sector plays a key role in the government's goal of generating US\$ 1 trillion of economic value from the digital economy by 2025.⁴ Categories of Electronic Manufacturing includes Smartphone manufacturing, Information and Communication Technologies hardware, Consumer Electronics and Electronic Components.

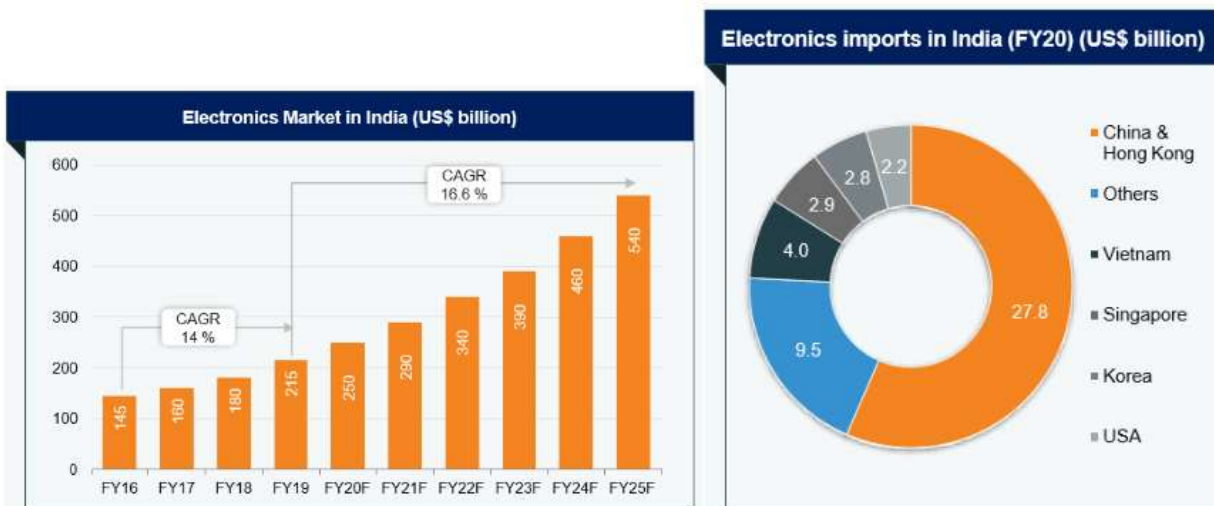
(Source: Prospectus)

Exhibit 1: Global market share of key product segments in 2020-21 (US\$ Billion)-



(Source: Ibef.org)

Exhibit 2: Electronics Market and Imports in India (US \$Billion)-



(Source: prospectus)

Key Managerial Personnel

Mukesh Jeram Vasani, aged 61 years, is one of the Promoters, Chairman and Non-Executive Director of the Company. He holds the degree in Bachelor of Engineering in Civil in the year 1987. He has an overall experience of around 30 years in the production, marketing and manufacturing of engineering and electronic goods and services. Under his leadership, the Company has been successful in expanding its diversified product portfolio and customer base.

Nirmal M. Vasani, aged 28 years, is one of the Promoters, and Non-Executive Director of the Company. He has an experience of around 7 years in the ESDM industry. He has completed his graduation from James R. Conant High School, Hoffman Estates, Illinois. His contribution to the marketing activities of the company helps to expand overseas business.

Sharmilaben Lakhanbhai Bambhaniya, aged 50 years, is one of the Promoters, and Whole-Time Director of the Company. She completed her Bachelor of Commerce in the year 1993, Master of Commerce in the year 1995 and Bachelor of Laws (Special) in the year 2010. She has an experience of around 20 years in the field of social activities, educational advisory and business operations. She is currently involved in the finance and administrative activities of the company.

Dr. Ashwani Kumar Srivastava, aged 64 years, is the Whole-Time Director of the Company. He has completed his Doctor of Philosophy in Chemical Engineering in the year 1987. He has experience of around 30 Years in the field of pharmaceuticals sector and electronic and engineering goods and services sector. He is responsible for managing the overall business operations of the Company.

Prerana S. Bokil, aged 37 years, is an Independent Director of the Company. She is a Qualified Company Secretary from the Institute of Company Secretaries of India in the year 2014. She has experience of around 8 Years in the secretarial and Corporate Governance field.

Nischal Arvindbhai Sanghavi, aged 50 years, is an Independent Director of the Company. He has completed his Bachelor of Engineering (Electronics) in the year 1995. Further, He has completed his Master of Business Administration in the year 1999. He has experience of around 25 Years in the IT industry.

To conclude, out of the three Promoters, two of the promoters have vast experience in the industry and the remaining one, namely, Nirmal M. Vasani, has decent experience. The Whole Time Directors and Independent Directors have vast experience and knowledge in their fields which can help the company derive good growth and sustainability in the market. They all bring their perspective and vast knowledge of different sectors to drive the growth of the company.

Financial Snapshot

Profit and Loss Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Dec-23
Revenue from Operations	5,277.93	2,631.92	7,158.36	6,707.26
Other Income	128.25	57.48	81.62	56.91
Total Income	5,406.18	2,689.40	7,239.98	6,764.17
Expenses				
Cost of Material Consumed	2,854.00	2,449.85	6,067.05	4,206.21
Change in Inventories	-33.88	-389.11	-1,395.68	-76.20
Employee benefits expense	282.15	395.44	477.41	417.08
Finance costs	3.23	12.46	138.15	121.07
Depreciation and Amortization expense	67.73	147.11	426.81	298.80
Other expenses	132.11	235.96	352.48	503.96
Total Expenses	3,305.34	2,851.71	6,066.22	5,470.92
Earnings Before Interest, Taxes, Depreciation & Amortization	2,043.55	-60.22	1,657.10	1,656.21
EBITDA Margin	38.72%	-2.29%	23.15%	24.69%
Profit/(Loss) before tax	2,100.84	-162.31	1,173.76	1,293.25
Tax Expense				
Current Tax	534.68	-	287.83	341.92
Deferred Tax	-5.56	17.85	22.74	-25.32
Total Tax Expense	529.12	17.85	310.57	316.60
Profit/(Loss) for the year	1,571.72	-180.16	863.19	976.65
Net Profit Margin	29.07%	-6.70%	11.92%	14.44%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Dec-23
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	68.43	69.79	290.90	1,454.50
Reserves and surplus	2,075.83	1,969.17	2,832.36	2,645.42
Total Equity	2,144.26	2,038.96	3,123.26	4,099.92
2. Non-current liabilities				
Long Term Borrowings	-	569.85	1,229.21	1,041.71
Deferred tax liability/ (Assets) (Net)	-	6.93	29.67	4.36
Long term Provisions	14.40	19.23	24.28	31.79
Total Non-current liabilities	14.40	596.01	1,283.16	1,077.86
3. Current liabilities				
Short-term borrowings	262.54	279.12	794.40	779.94
Trade payables	384.52	1,262.85	637.18	762.39
Other current liabilities	472.88	1,713.48	2,885.40	1,589.36
Short-term provisions	351.78	13.60	16.62	13.29
Total Current liabilities	1,471.72	3,269.05	4,333.60	3,144.98
Total Liabilities	1,486.12	3,865.06	5,616.76	4,222.84
Total Equity and Liabilities	3,630.38	5,904.02	8,740.02	8,322.76
ASSETS				
1. Non-current assets				
Fixed Assets				
a) Property, Plant and Equipment	468.07	2,519.64	2,274.34	2,336.38
Deferred Tax Assets (net)	10.92	-	-	-

Balance Sheet					(In Lacs)
Long-term loans and advances	9.72	10.36	13.10	13.75	
Other Non-Current Assets	25.00	25.00	44.64	9.64	
Total Non-Current assets	513.71	2,555.00	2,332.08	2,359.77	
2. Current assets					
Inventories	590.88	1,927.75	4,433.37	3,834.39	
Trade receivables	1,294.28	552.28	371.63	976.01	
Cash and cash equivalents	756.41	86.79	64.96	49.51	
Short-term loans and advances	135.51	51.86	297.39	223.36	
Other Current Assets	339.61	730.36	1,240.58	879.70	
Total Current assets	3,116.69	3,349.04	6,407.93	5,962.97	
Total Assets	3,630.40	5,904.04	8,740.01	8,322.74	

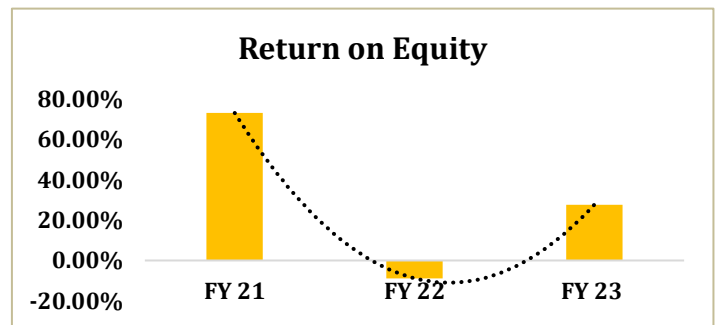
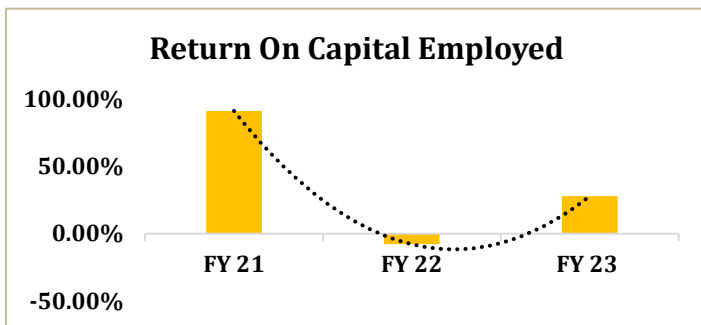
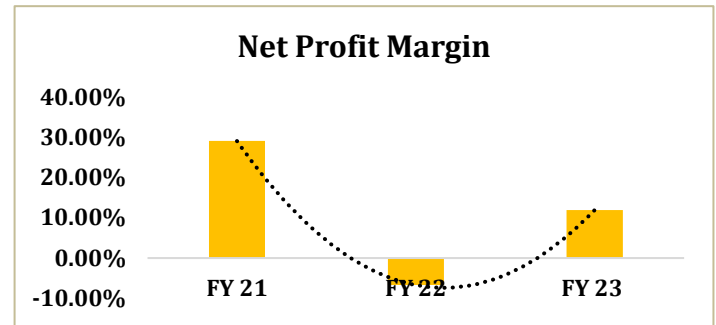
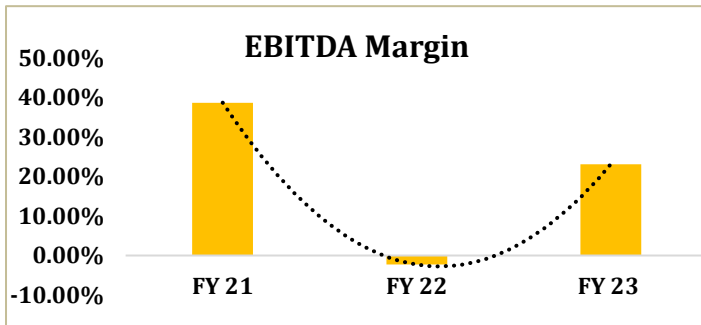
Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Dec-23	
Net Cash Flow from Operating Activities	622.19	862.05	-1,091.96	633.13	
Net Cash Flow from Investing Activities	-91.00	-2,190.97	-195.61	-327.67	
Net Cash Flow from Financing Activities	22.75	659.30	1,265.75	-320.91	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Dec-23*
<u>Per Share Data</u>				
Diluted EPS	29.6	-3.38	10.67	6.31
BV per share	10.50	9.99	15.30	64.24
<u>Operating Ratios</u>				
EBITDA Margins	38.72%	-2.29%	23.15%	24.69%
PAT Margins	29.07%	-6.70%	11.92%	14.31%
Inventory days	40.86	267.34	226.05	157.21
Debtor days	89.51	76.59	18.95	40.02
Creditor days	46.07	135.67	32.41	57.61
<u>Return Ratios</u>				
RoCE	91.53%	-7.87%	27.92%	13.78%
RoE	73.30%	-8.84%	27.64%	9.82%
<u>Valuation Ratios (x)**</u>				
EV/EBITDA	0.81	-	3.07	6.72
Market Cap / Sales	6.23	12.49	4.59	3.68
P/E	5.44	-	15.09	25.52
Price to Book Value	15.33	16.12	10.52	2.51
<u>Solvency Ratios</u>				
Debt / Equity	0.12	0.42	0.65	0.44
Current Ratio	2.12	1.02	1.48	1.90
Quick Ratio	1.72	0.43	0.46	0.68
Asset Turnover	1.45	0.45	0.82	0.81
Interest Coverage Ratio	611.71	-16.64	8.91	11.21

*Annualized Figures

**Valuation Ratios are calculated using the current Issue Price.

Financial Charts



Key Risk Factors

1. There are outstanding legal proceedings involving the Company amounting to Rs.150.51 Lacs. Any adverse decision in such proceedings may have a material adverse effect on business.
2. The Company is significantly dependent on revenue from the sale of PCBA, which represented 78.95%, 88.01%, 79.53% and 18.92 % of revenue from operations for the period ended Dec23, FY23, FY22, FY21. An inability to anticipate or adapt to the evolving gradation of the required products or a reduction in the demand for these products may adversely impact revenue from operations and growth prospects.
3. The Company has had net loss in the financial year 2022, it had Rs. 180.16 Lacs of net loss.
4. Contingent liabilities as on December 31, 2023, were Rs. 239.04 Lacs. If these contingent liabilities materialize, fully or partly, the financial condition of the Company could be affected.
5. The income from the top 10 customers contributed to 88.76 %, 96.70 %, 94.66 % and 98.58 % of revenue for the periods ended Dec 23, FY23, FY22 and FY21, respectively. The loss of any one or more of these customers may significantly impact business operations and profitability.
6. The Company's top ten suppliers constituted 55.56%, 63.27%, 65.01% and 53.58% for the period ended Dec 23, FY23, FY22, and FY21, respectively. Any delay, interruption or reduction in the supply of raw materials to manufacture products may adversely affect business, results of operations, cash flows and financial condition.
7. The company has seen negative operating cash flows in the past for FY23 showing Rs. (1091.96) lacs. Any operating losses or negative cash flows in the future could adversely affect the results of operations and financial conditions.

Track Record of Lead Manager

The lead manager to the issue is Hem Securities Pvt Ltd. 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 –

Hem Securities Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Premier Roadlines Limited	40.36	67	May 17, 2024	88.90
2.	Aztec Fluids & Machinery Limited	24.12	67	May 17, 2024	72.15
3.	Energy-Mission Machineries (India) Limited	41.15	138	May 16, 2024	352.05
4.	TGIF Agribusiness Limited	6.39	93	May 15, 2024	99.55
5.	Amkay Products Limited	12.61	55	May 08, 2024	68.15
6.	Blue Pebble Limited	18.14	168	Apr 03, 2024	225.35
7.	Aspire & Innovative Advertising Limited	21.97	54	Apr 03, 2024	103.75
8.	Enfuse Solutions Limited	22.44	96	Mar 22, 2024	116.50
9.	Sona Machinery Limited	51.82	143	Mar 13, 2024	146.80
10.	Megatherm Induction Limited	53.91	108	Feb 05, 2024	291.00

*CMP for the above-mentioned companies is taken as of 27th May 2024.

As per the offer document, from the above-mentioned mandates, only Sona Machinery Limited opened at a discount and the remaining mandates have opened at premiums on the listing date.

The Company has had 43 mandates in the past three years including the current Year.

Recommendation

The company has been in the industry since 2011 and has very good experience in the industry. The management overview of the company is also decent.

The P/E on a post-IPO and annualised basis is around 25.52 times and the Industry P/E is 29.90 times which makes it fully priced.

The company operates in a competitive environment. The Company has seen fluctuations in its profitability margins compared to the industry which does not seem sustainable. The Company has shown an exponential increase in its top line for FY 2023 which may or may not be sustainable. Also, the Company has not seen a proper trend in its bottom line. The Company is significantly dependent on the revenues from the sale of PCBA, which reflects slight risk, and the Company has shown negative operating cash flow in FY2023.

The Company's business model is good, and it is making strong footprints globally through an export network established with the USA (as one of the major importers), Spain, the UK, and Hong Kong.

Thus, we recommend **Risk Averse - Should Wait & Risk Seekers - Should Apply** to this IPO.



Aimtron Electronics Limited

IPO Note

Recco – **RISK**



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 the 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 the financial advisor before making any investment decisions.