



# Aztec Fluids & Machinery Limited

IPO Note  
Recco -APPLY



IPO Details	
<b>Opening Date</b>	May10, 2024
<b>Closing Date</b>	May 14, 2024
<b>Stock Exchange</b>	BSE SME
<b>Lot Size</b>	2,000 Shares
<b>Issue Price</b>	₹63 to ₹67 per share
<b>Issue Size</b>	Aggregating up to 24.12 Cr.
<b>Fresh Issue</b>	Aggregating up to 24.12 Cr.
<b>Offer for Sale</b>	-
<b>Application Amount</b>	₹1,34,000

IPO Objective	
1.	Funding of the proposed acquisition of equity shares of Jet Inks Private Limited.
2.	Repayment of a portion of certain borrowing availed by the Company.
3.	General corporate purposes.

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	1,00,00,000	100.00%
Public	-	-

Promoter of the Company	
1.	Pulin Kumudchandra Vaidhya
2.	Amisha Pulin Vaidhya
3.	Kumudchandra Bhagwandas Vaidya

Competitive Strengths	
1.	Well diversified customer base spread across various industries and geography.
2.	Varied product range appealing to a diverse customer base.
3.	Long standing relationship with the customers.
4.	Experienced Promoters with strong management team having domain knowledge

Company Background	
○	Founded in April 2010, Aztec Fluids & Machinery Limited has its registered office in Ahmedabad, Gujrat, India.
○	They supply printers, consumables, and spares to various industries like personal care, food, pharmaceuticals, construction, automotive, electronics, agrochemicals, chemicals, and petrochemicals, ensuring quality products.
○	The company offers diverse printers: CIJ, TTO, DOD, NIJ (piezoelectric), and laser printers. They also provide printer inks, makeup, and cleaning solvents as consumable items for their product range.
○	The company exports its products to countries such as Sri Lanka, Nepal, Bhutan, Bangladesh, Kenya and Nigeria.
○	As of December 31, 2023, the company had 28 employees dedicated to sales and marketing, and 51 employees dedicated to after-sales service and support at client locations. Total number of employees are 79.

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹ 67	₹ 91

Financial Summary (In Lacs.)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Dec-23
<b>Total Assets</b>	2,112.81	2,707.75	3,090.06	4,287.00
<b>Net Assets</b>	958.92	1,238.56	1,535.60	1,986.34
<b>Total Borrowing</b>	514.34	552.40	562.31	565.94
<b>Total Revenue</b>	3,467.75	4,642.56	5,452.97	5,182.38
<b>Profit After Tax</b>	246.29	311.26	327.39	450.75

Tentative Timeline	
<b>Opening Date</b>	May 10, 2024
<b>Closing Date</b>	May 14, 2024
<b>Basis of Allotment</b>	May 15, 2024
<b>Initiation of Refunds</b>	May 16, 2024
<b>Credit of Shares to Demat</b>	May 16, 2024
<b>Listing Date</b>	May 17, 2024



## Company Background and Analysis

Originally incorporated in 2010, Aztec Fluids & Machinery Limited provides coding and marking solutions for industries like personal care, food & beverages, pharmaceuticals, and more. Their products include various printers, inks, and consumables, allowing customers to print essential information on a wide range of materials. The company has expertise in distributing CIJ and TTO printers, and as of the date of this RHP, holds two registered patents on cartridge design.

### 1. Printers

Continuous Inkjet (CIJ): Versatile printers for coding on products across industries like food & beverage, pharmaceuticals, and more.

Thermal Transfer Over (TTO): Used for printing on flexible packaging, labels, and films in industries like food and pharmaceuticals.

Drop on Demand (DOD): Ideal for large characters and multi-line messages on corrugated boxes.

NIJ (Piezoelectric): High-resolution printers with UV curing, suitable for diverse substrates and applications like product traceability.

Laser (CO2 & Fiber): Permanent, high-speed marking for large areas and challenging environments, used in beverage, automotive, and electronics.

### 2. Printer Inks

Specialized Inks: Offer retort, invisible, colored, UV, high-temperature resistant, alcohol-resistant, and pigment ink options for various applications and needs.

### 3. Printer Consumables

Makeup: Solvents/thinners for maintaining optimal ink viscosity and ensuring consistent printing quality.

Cleaning Solvent

(MEK): Used for printer maintenance, preventing clogging, and ensuring smooth operation.

The Product wise revenue breakup is given below :

(Amount in Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Dec-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Printers	1,088.38	32.11	1,450.11	31.74	1,694.60	31.28	1,707.48	33.54
Ink	905.85	26.73	1,377.09	30.15	1,509.53	27.86	1,320.89	25.95
Makeup & Cleaner	940.41	27.75	1,201.74	26.31	1,600.66	29.54	1,468.24	28.84
Others (AMC, Service, etc.)	81.57	2.41	108.86	2.38	102.96	1.90	93.84	1.84
Spares	372.86	11.00	430.31	9.42	510.14	9.42	500.64	9.83
<b>Total</b>	<b>3,389.07</b>	<b>100.00</b>	<b>4,568.11</b>	<b>100.00</b>	<b>5,417.89</b>	<b>100.00</b>	<b>5,091.09</b>	<b>100.00</b>

To conclude, Aztec Fluids & Machinery Limited has a good amount of experience in the coding and marking solutions industry, having been established in 2010. The company derives a significant portion of its revenue from operations within Gujarat, Rajasthan and Tamilnadu (contributing to 35.48%, 10.13% and 8.16% of their total revenue as of period ended December 2023). Majority of their business operation is focused in the Indian Market (forming 94.43% of revenue against 5.57% from International Market). Their focus on expansion is evident in the recent acquisition of a substantial land parcel and the planned acquisition of Jet Inks Private Limited, which will become a wholly-owned subsidiary. These strategic moves, combined with a diversified product range and experienced leadership, position Aztec Fluids & Machinery Limited for continued growth and success.



## **Business Strategies**

### **1. Expansion through Setup of Printer Assembly Unit:**

Recently acquiring a significant land parcel in Kanera, Gujarat, encompassing three plots, they are constructing a facility dedicated to printer assembly, testing, and related activities. This move aims to enhance operational efficiency and reduce logistical complexities, ultimately improving service delivery.

### **2. Derive synergy from the Acquisition of Jet Inks Private Limited:**

They are poised to acquire Jet Inks Private Limited, leveraging its manufacturing capacity and presence in Southern India. This strategic move is aimed at diversifying their customer base, strengthening their position in South and East India, and enhancing long-term value for stakeholders.

### **3. Expand the Geographical Presence:**

With a focus on key markets like Maharashtra, Uttar Pradesh, and West Bengal, They aim to deepen penetration and strengthen their position. By leveraging their brand awareness and sales network, they intend to tap into new markets and increase their geographical presence.

### **4. Continue to Strengthen the Relationships with Customers:**

Over the years, they've built enduring relationships with customers based on quality products and excellent service. The commitment is to further nurture these relationships, understand customer needs, and provide tailored solutions to meet their requirements.

### **5. Continue to Reduce Operating Costs and Improve Operational Efficiencies:**

To maintain competitiveness, they're dedicated to reducing operating costs and enhancing efficiency. Through measures like optimizing inventory levels and leveraging economies of scale, they aim to improve operational efficiency and strengthen their competitive position in the market.

## Competitive Scenario and Peer Mapping

### Competition

Competition within the coding and marking solutions industry is intense. Companies face both domestic and international rivals, some with significant resthese and brand recognition advantages. The industry has moderate barriers to entry, stemming from capital investment and technical expertise requirements. Supplier bargaining power can be high depending on the sthacing of specialized components. A fragmented market empowers customers with multiple options, increasing their bargaining power. The potential for alternative marking technologies poses a moderate threat of substitution, and the presence of established players intensifies industry rivalry. As the industry appears to be in its mature phase, focus on cost efficiency and technological innovation will be key competitive factors. Lastly, responsiveness to shifting technological trends and the impact of macroeconomic conditions on industrial demand will be crucial for companies to thrive in this dynamic market.

### Peer Analysis

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

Particulars	Aztec Fluids & Machinery Limited	Control Print Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	6.03%	17.14%
EBITDA Margin	8.71%	25.97%
Return on Capital Employed	25.03%	20.59%
Return on Equity	21.32%	17.98%
EPS (INR)	2.46	127.67

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

Particulars	Aztec Fluids & Machinery Limited	Control Print Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	6.81%	15.33%
EBITDA Margin	9.00%	24.74%
Return on Capital Employed	24.96%	18.05%
Return on Equity	25.13%	15.61%
EPS (INR)	3.11	137.42

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

Particulars	Aztec Fluids & Machinery Limited	Control Print Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	7.27%	14.08%
EBITDA Margin	10.62%	23.47%
Return on Capital Employed	24.29%	14.40%
Return on Equity	25.68%	12.48%
EPS (INR)	2.46	127.67

**Industry Overview**

Exhibit 1: India's engineering goods exports (US\$ billion)

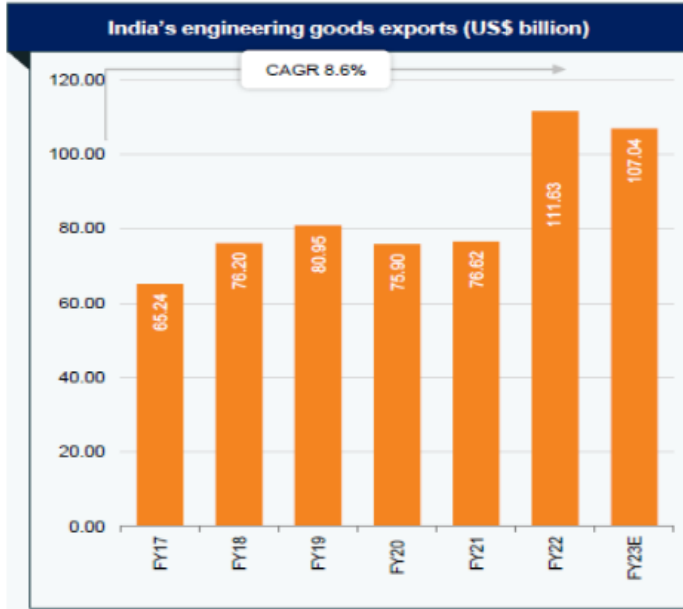


Exhibit 2: Chemical industry market size (US\$ billion)

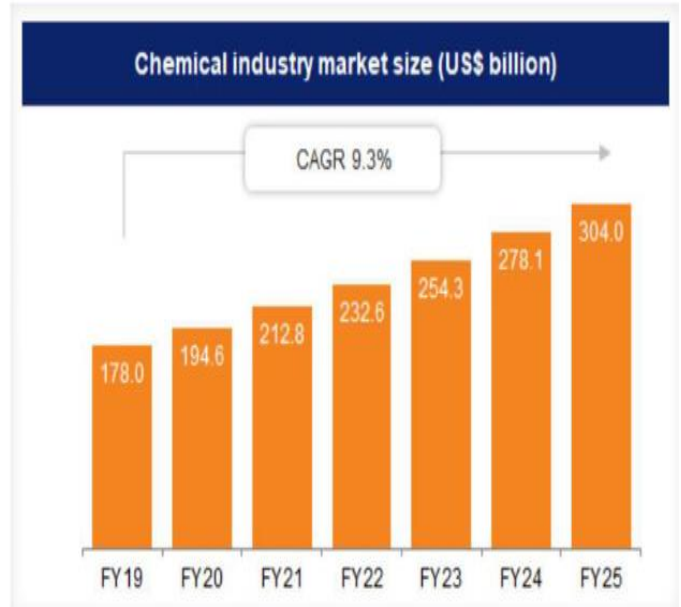


Exhibit 3: Imports of electrical machinery and equipment (US\$ billion)

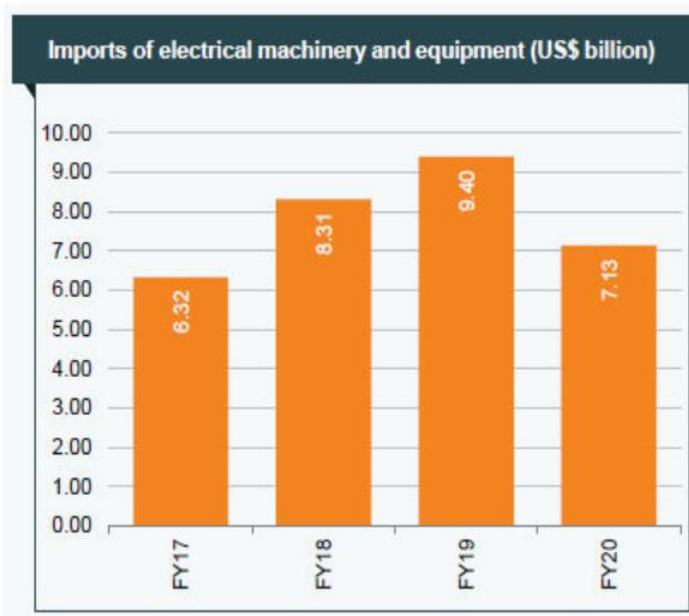
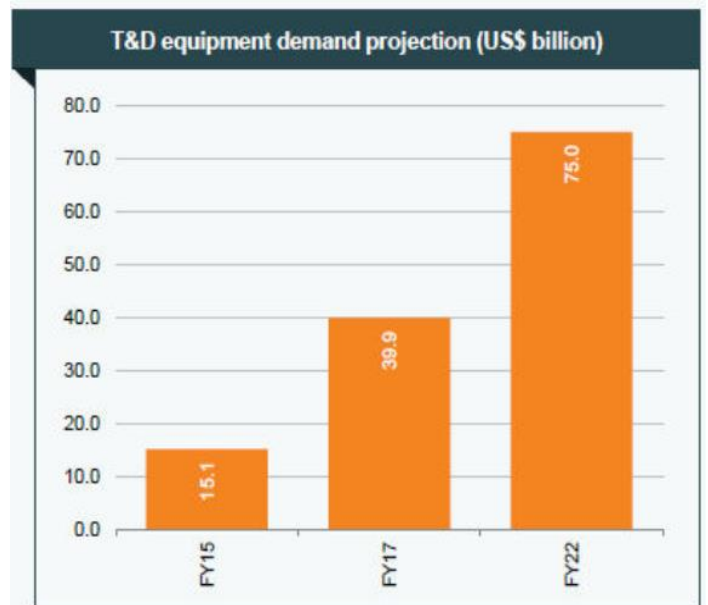


Exhibit 4: T&D equipment demand projection (US\$ billion)



(Sthece: ibef.org)



## Capital Goods & Engineering in India

The Capital Goods & Engineering sector serves as a backbone for India's economic growth, contributing significantly to manufacturing output (12%) and GDP (1.8%). Valued at US\$ 43.2 billion in FY22, the industry plays a crucial role in driving infrastructure development, construction projects, and the expansion of consumer goods manufacturing.

## Key Segments and Growth Drivers

Electrical Equipment: This is the largest sub-sector, encompassing vital components for power generation, transmission, and distribution networks. The government's emphasis on increasing power generation capacity, along with a projected 9% CAGR for the domestic electrical equipment market, signals a promising future for this segment.

Plant Equipment and Earthmoving/Mining Machinery: These segments are also significant contributors to the industry.

**Growth Drivers** - The sector's expansion is propelled by several key factors:

Make in India: This flagship government initiative fosters domestic manufacturing by providing incentives and creating a favorable business climate.

Special Economic Zones (SEZs): Designated SEZs offer tax benefits, streamlined infrastructure, and export-friendly policies, attracting investment and fostering growth.

Infrastructure Development: Substantial government investment in large-scale projects like the Delhi Mumbai Industrial Corridor (DMIC) generates significant demand for capital goods.

## Challenges and Opportunities

Import Dependence: India's reliance on imports for certain types of capital goods presents a challenge. However, this creates opportunities for domestic manufacturers to explore import substitution, potentially reducing import reliance and boosting local production.

## Opportunities in Diverse Industries:

Construction: The construction equipment market boasts a projected CAGR of 8.9% (2022-2028), highlighting increasing demand.

Electronics: India's electronics manufacturing sector is projected to reach US\$ 520 billion by 2025, creating a significant market for capital goods used in electronics production.

Chemicals: India's robust chemical industry, valued at US\$ 220 billion in 2022, is another key end-user market with a need for specialized capital goods.

## Outlook

The Capital Goods & Engineering industry in India holds a favorable outlook. Government initiatives and investments in infrastructure development create lucrative opportunities for manufacturers in this sector. By addressing challenges like import dependence and strategically targeting growing industries, the Capital Goods & Engineering sector is poised for significant expansion.

(Sthece: prospectus)



## Key Managerial Personnel

**Pulin Kumudchandra Vaidhya**, aged 45, is one of the Promoter, Chairman & Managing Director of the company. With a Diploma in Business Management from Welingkar Institute of Management Development and Research, Mumbai, and a Diploma in Electrical Engineering from Technical Examination Board, Gujarat, he holds over 25 years of work experience, primarily in the printer & ink industry. Pulin oversees the overall management, driving continuous growth and expansion.

**Amisha Pulin Vaidhya**, aged 45, is one of the Promoters serves as the Whole-time Director of the company. Holding a Master of Commerce from Gujarat University, she brings 14 years of experience in the printer & ink industry. Amisha manages HR, Admin, and sales and marketing functions, leveraging her expertise to enhance operational efficiency and drive business growth.

**Kumudchandra Bhagwandas Vaidya**, aged 69, is one of the Promoters, and acts as the Non-Executive Director of the company. Graduated from Gujarat University with a Bachelor of Commerce in 1977, he boasts around 40 years of diverse industry experience, contributing valuable insights and guidance to the board.

**Ashish Anantray Shah**, aged 51, serves as the Independent Director of the company. With 27 years of experience in Corporate Laws and Financial Management, he is a qualified member of the Institute of Company Secretaries of India. Ashish brings extensive expertise to the board, ensuring regulatory compliance and effective financial management.

**Milan Desai**, aged 50, holds the position of Independent Director in the company. With 28 years of experience in sales and marketing, he currently serves as the Vice President at Phoenix Contact India Pvt. Ltd. Milan's strategic insights and industry knowledge contribute to the board's decision-making process.

**Harsh Tejeenath Rawal**, aged 34, is the Chief Financial Officer of the company. Holding a Master of Commerce from Gujarat University, he possesses over 14 years of experience in Accounts, Finance, taxation matters, and audits. Harsh oversees the financial aspects, ensuring sound financial management and compliance.

**Rekha Vishal Jhanwar**, aged 32, acts as the Company Secretary and Compliance Officer of the company. A member of the Institute of Company Secretaries of India since 2015, she brings over 7 years of experience in secretarial matters. Rekha ensures corporate governance and compliance, contributing to the company's overall success.

To conclude, the company's leadership team consists of a mix of promoters, directors, and key executives. With experienced professionals in prominent roles, alongside those offering fresh perspectives, the company is poised for success. This blend of expertise and innovation reflects a robust foundation for driving continuous growth and expansion in the dynamic marketplace.



## 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>Dec-23</b>
Revenue from Operations	3,389.94	4,571.55	5,426.11	5092.86
Other Income	77.81	71.01	26.86	89.52
<b>Total Income</b>	<b>3,467.75</b>	<b>4,642.56</b>	<b>5,452.97</b>	<b>5,182.38</b>
<b>Expenses</b>				
Cost of Material Consumed	2,059.74	2,899.13	3,383.79	2,989.84
Purchases of Stock in Trade				
Changes in Inventories of WIP, Finished Goods & Stock in Trade	-	168.96	191.44	406.14
Employee benefits expense	440.76	483.21	605.68	548.63
Finance costs	56.55	36.53	38.78	41.16
Depreciation and Amortization expense	38.45	31.91	29.66	19.19
Other expenses	529.55	608.85	772.73	605.78
<b>Total Expenses</b>	<b>3,125.05</b>	<b>4,228.59</b>	<b>5,022.08</b>	<b>4,572.96</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>359.89</b>	<b>411.40</b>	<b>472.47</b>	<b>580.25</b>
<b>EBITDA Margin</b>	<b>10.62%</b>	<b>9.00%</b>	<b>8.71%</b>	<b>11.39%</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>342.70</b>	<b>413.97</b>	<b>430.89</b>	<b>609.42</b>
Exceptional items	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>342.70</b>	<b>413.97</b>	<b>430.89</b>	<b>609.42</b>
<b>Tax Expense</b>				
Tax Expense for Current Year	99.85	106.00	110.00	154.12
Short/(Excess) Provision of Earlier Year	-0.09	-	-0.10	-1.04
Deferred Tax	-3.35	-3.29	-6.40	5.59
<b>Total Tax Expense</b>	<b>96.41</b>	<b>102.71</b>	<b>103.50</b>	<b>158.67</b>
<b>Profit/(Loss) for the year</b>	<b>246.29</b>	<b>311.26</b>	<b>327.39</b>	<b>450.75</b>
<b>Net Profit Margin</b>	<b>7.10%</b>	<b>6.70%</b>	<b>6.00%</b>	<b>8.70%</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>Dec-23</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	1.00	1.00	200.00	1,000.00
Reserves and surplus	957.92	1,237.56	1,335.60	986.34
<b>Total Equity</b>	<b>958.92</b>	<b>1,238.56</b>	<b>1,535.60</b>	<b>1,986.34</b>
<b>2. Non-current liabilities</b>				
Long Term Borrowings	361.35	272.94	219.49	340.11
Deferred tax liability/ (Assets) (Net)	-	-	-	-
Long term Provisions	3.26	9.06	13.82	18.57
<b>Total Non-current liabilities</b>	<b>364.61</b>	<b>282.00</b>	<b>233.31</b>	<b>358.68</b>
<b>3. Current liabilities</b>				
Short-term borrowings	152.99	279.46	342.82	225.83
Trade payables				
(i) MSME	79.29	113.12	47.40	179.47
(ii) Other than MSME	332.10	582.04	685.04	1,140.05
Other current liabilities	125.05	106.57	135.89	242.51
Short-term provisions	99.85	106.00	110.00	154.12





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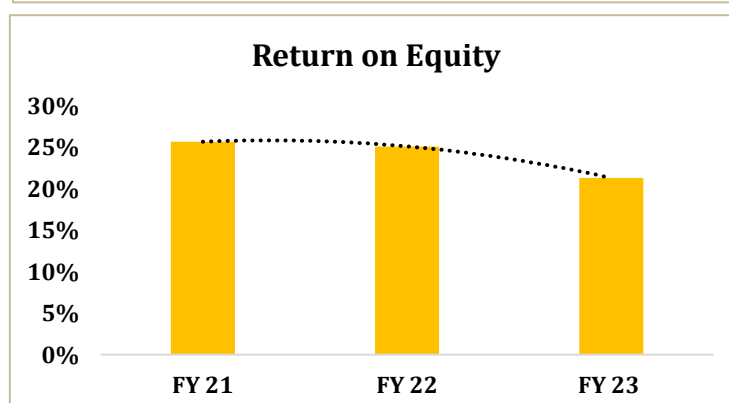
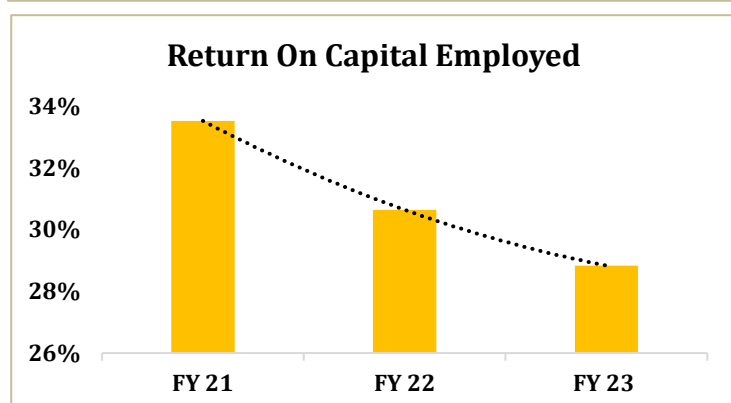
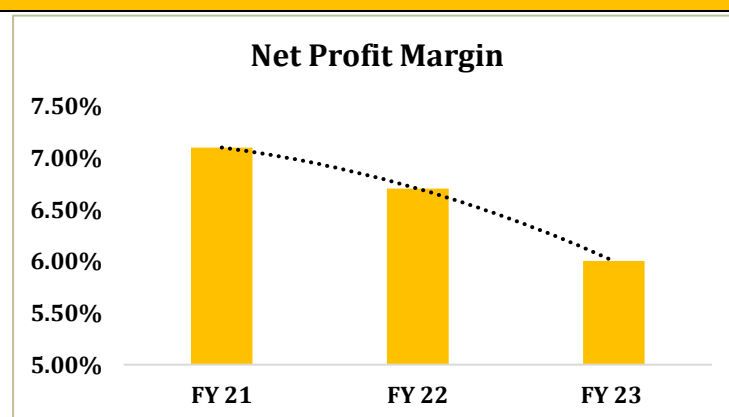
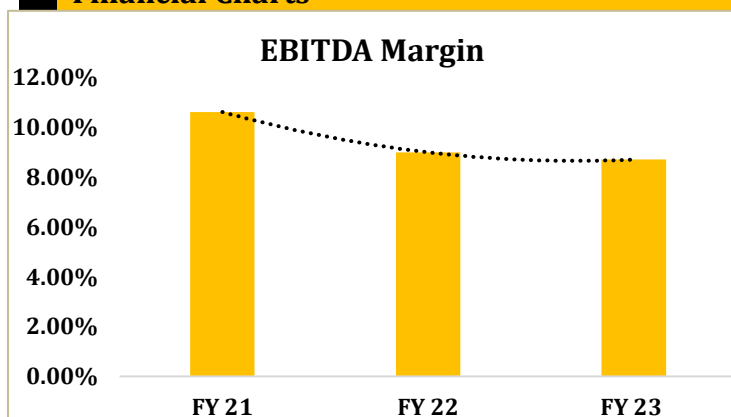
<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>Total Current liabilities</b>	<b>789.28</b>	<b>1,187.19</b>	<b>1,321.15</b>	<b>1,941.98</b>
<b>Total Liabilities</b>	<b>1,153.89</b>	<b>1,469.19</b>	<b>1,554.46</b>	<b>2,300.66</b>
<b>Total Equity and Liabilities</b>	<b>2,112.81</b>	<b>2,707.75</b>	<b>3,090.06</b>	<b>4,287.00</b>
<b>ASSETS</b>				
<b>1. Non-current assets</b>				
Property, Plant and Equipment	207.72	270.33	276.82	337.76
Intangible Assets	0.02	0.02	0.02	0.02
Capital Work-in-Progress	-	-	124.47	310.81
Intangible assets under development	-	-	-	-
Non-Current Investment	347.58	383.11	428.27	743.31
Deferred Tax Assets (Net)	17.90	19.57	25.97	20.38
Long Term Loans and Advances	-	-	-	-
Other Non-Current Assets	186.98	241.16	183.01	263.70
<b>Total Non-Current assets</b>	<b>760.20</b>	<b>914.19</b>	<b>1,038.56</b>	<b>1,675.98</b>
<b>2. Current assets</b>				
Inventories	62.25	160.75	125.52	395.96
Trade receivables	834.17	1,059.58	966.58	1,231.10
Cash and cash equivalents	43.57	58.39	304.52	83.95
Short-term loans and advances	81.15	55.52	63.12	173.31
Other Current Assets	331.48	459.31	591.74	726.70
<b>Total Current assets</b>	<b>1,352.62</b>	<b>1,793.55</b>	<b>2,051.48</b>	<b>2,611.02</b>
<b>Total Assets</b>	<b>2,112.82</b>	<b>2,707.74</b>	<b>3,090.04</b>	<b>4,287.00</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>Dec-23</b>
Net Cash Flow from Operating Activities	7.84	180.67	447.84	470.97
Net Cash Flow from Investing Activities	19.57	-137.37	-128.25	-644.28
Net Cash Flow from Financing Activities	-3.42	-28.47	-73.46	-47.28

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Dec-23*</b>
<b>Per Share Data</b>				
Diluted EPS	2.46	3.11	3.27	4.48
BV per share	7.05	9.11	11.29	33.51
<b>Operating Ratios</b>				
EBITDA Margins	10.62%	9.00%	8.71%	11.39%
PAT Margins	7.10%	6.70%	6.00%	8.80%
Inventory days	6.70	12.83	8.44	21.30
Debtor days	89.82	84.60	65.02	66.23
Creditor days	73.89	84.64	79.84	112.20
<b>Return Ratios</b>				
RoCE	33.52%	30.64%	28.84%	16.45%
RoE	25.68%	25.13%	21.32%	13.37%
<b>Valuation Ratios*</b>				
EV/EBITDA	3.97	4.21	3.80	6.55
Market Cap / Sales	2.69	1.99	1.68	1.34
P/E	27.24	21.54	20.49	14.96
Price to Book Value	9.50	7.36	5.93	2.00
<b>Solvency Ratios</b>				
Debt / Equity	0.54	0.45	0.37	0.28
Current Ratio	1.71	1.51	1.55	1.34
Quick Ratio	1.63	1.38	1.46	1.14
Asset Turnover	1.60	1.69	1.76	1.19
Interest Coverage Ratio	5.68	10.39	11.42	13.63

\*Annualized Figures

\*Valuation Ratios are calculated using issue price

**Financial Charts**




### Key Risk Factors

1. The income from the top 10 customers contributed to 65.36%, 57.11%, and 57.85% of revenue for the periods ended December 2023, FY March 2023, and FY March 2022 respectively. The loss of any one or more of these customers may significantly impact business operations and profitability.
2. Top 5 Suppliers constituted 84.61% of the procurement for the Period Ended December 2023. The potential loss of any of these suppliers may adversely affect the business operations.
3. The company is entirely dependend on third-party logistics for transporting raw materials and finished products which poses a significant operational risk.
4. There are significant risks associated with the Jet Inks acquisition by Aztec Fluids and Machinery Limited. Jet Inks may possess unknown liabilities that could negatively impact Aztec Fluids and Machinery Limited's finances. Integrating operations and IT systems could prove complex, delaying the realization of expected benefits. Additionally, failure to secure the full ₹ 1400.00 lakhs in funding could jeopardize the entire acquisition, leading to delays and reputational damage.

**Track Record of Lead Manager**

The lead manager to the issue is Hem Securities 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 -

**Hem Securities Limited -**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Amkay Products Limited	12.61	55.00	May 08, 2024	109.72
2.	Aspire & Innovative Advertising Limited	21.97	54.00	April 03, 2024	74.75
3.	Blue Pebble Limited	18.14	168.00	April 03, 2024	208.95
4.	Enfuse Solutions Limited	22.44	96.00	March 22, 2024	115.45
5.	Sona Machinery Limited	51.82	143.00	March 13, 2024	131.25
6.	Harshdeep Hortico Limited	19.09	45.00	February 05, 2024	66.50
7.	Megatherm Induction Limited	53.91	108.00	February 05, 2024	207.90
8.	New Swan Multitech Limited	33.11	66.00	January 18, 2024	131.67
9.	Shri Balaji Valve Components Limited	21.60	100.00	January 03, 2024	199.50
10.	Shanti Spintex Limited	31.25	70.00	December 27, 2023	79.80

The company has had 44 mandates in the past three years including the current Year.

\*CMP for the above-mentioned companies is taken as of 9<sup>th</sup> May 2024.

As per the offer document, from the above-mentioned mandates, 1 mandate has opened at a discount and the remaining mandates have opened at a premium on the listing date.



## Recommendation

The company has been in the industry since 2010 and has good experience in the industry. The management overview of the company looks promising with them possessing experience and diverse backgrounds.

The P/E on a post-IPO and annualised basis is around 14.96 times which makes it fairly priced by looking at the performance of the company and sector. The Sector P/E is 24.7 times

Aztec Fluids & Machinery Limited presents a promising picture with growth potential in a favorable industry. Their financial performance shows positive operating cash flows, steady revenue growth (from ₹3389.94 lacs to ₹5092.86 lacs), and a strong solvency position. However, despite a growing equity base, net profits seems to mostly remain stagnant, while the current ratio is acceptable, a decreasing trend in it and EBITDA with a low margin for error suggests potential liquidity concerns in the future. Additionally, concerns remain regarding the Jet Inks acquisition (unknown liabilities, integration challenges, funding gaps), customer and supplier concentration, and geographical dependence.

This IPO might be suitable for investors comfortable with moderate risk. Thus, we recommend to **APPLY** to this IPO.



# Aztec Fluids & Machinery Limited

IPO Note  
Recco -**APPLY**



## Disclaimer

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