

IPO Details			Company Background				
Opening Date	June 19, 2024		<ul style="list-style-type: none"> ○ Founded in 1988, DEE Development Engineers Limited is an engineering company that provides specialized process piping solutions for oil and gas, power (including nuclear), chemicals, and other process industries through engineering, procurement, and manufacturing that has its registered office in Faridabad, Haryana. ○ The company has seven manufacturing facilities in Haryana, Gujarat, Rajasthan, Assam, and Thailand. ○ It caters to clients such as Reliance Industries, and Mitsubishi Heavy Industries to name a few. It has clients in the USA, Germany, Japan, Italy, Switzerland, and a few more countries as well. ○ The Company employs 1,061 people at various levels on its payroll as of Mar 31, 2024, and hires contract labourers as and when required. 				
Closing Date	June 21, 2024						
Stock Exchange	BSE, NSE						
Lot Size	73 Shares						
Issue Price	₹193 to ₹203 per share						
Issue Size	Aggregating up to ₹418.01 Cr.						
Fresh Issue	Aggregating up to ₹325.00 Cr.						
Offer for Sale	Aggregating up to ₹93.01 Cr.						
Application	Min. Inv. - ₹14,819 (73 shares)						
Amount (Price at Upper Band)	Max. Inv. - ₹1,92,647 (949 shares)						
IPO Objective							
1.	Funding Working Capital requirements of the Company						
2.	Prepayment or Repayment of all or a portion of certain Outstanding Borrowings availed by the Company						
3.	General Corporate Purposes						
Pre-Issue Shareholding			Market Capitalization		(In Cr.)		
Category	No. of Shares	% of Total Shares	Pre-Issue	Post-Issue			
Promoter & Promoter Group	5,30,39,040	100%	₹ 1,077	₹ 1,402			
Public	100	N/A					
Promoter of the Company			Financial Summary (In Cr.)				
1.	Krishna Lalit Bansal		For the Period Ended	Mar-21	Mar-22	Mar-23	Dec-23
2.	Ashima Bansal		Total Assets	835.88	845.40	966.26	1,171.01
3.	DDE Piping Components Private Limited		Net Assets	454.32	411.98	423.64	438.05
Competitive Strengths			Total Borrowings	257.17	285.36	352.62	407.14
1.	Leading player in an industry with significant barriers to entry		Total Revenue	513.03	470.84	614.32	557.86
2.	Largest player in process piping solutions in India, in terms of installed capacity, providing specialized process piping solutions with strategically located state-of-the-art Manufacturing Facilities		Profit After Tax	14.21	8.20	12.97	14.34
3.	Long standing customer relationships with a strong order book		Tentative Timeline				
4.	Experienced and dedicated promoter and professional management team with extensive domain knowledge		Opening Date	June 19, 2024			
5.	Strong focus on automation and process excellence with an experienced engineering team to drive operational efficiencies		Closing Date	June 21, 2024			
6.	Wide range of specialized product offerings and services		Basis of Allotment	June 24, 2024			
			Initiation of Refunds	June 25, 2024			
			Credit of Shares to Demat	June 25, 2024			
			Listing Date	June 26, 2024			

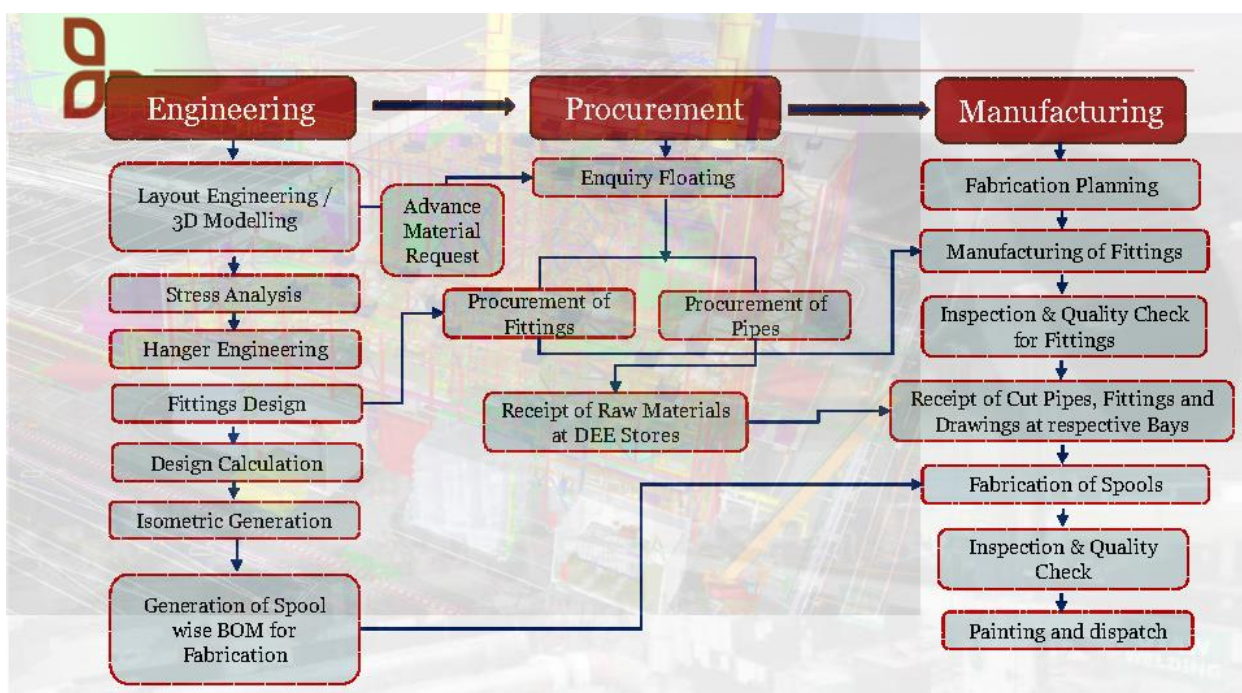
Company Background and Analysis

Business Overview –

DEE Development Engineers Limited is a global leader in providing specialized process piping solutions for various industries, including oil and gas, power (nuclear included), chemicals, and others. They have over 3.5 decades of experience, as they were established in 1988, and leverage their brand recognition, strategically located manufacturing facilities, and engineering expertise to deliver success.

The company offers a comprehensive suite of services, encompassing engineering (from pre-bid to post-weld heat treatment and support engineering) and pre-fabrication (cutting, bevelling, welding, radiography, hydro testing, etc.). They specialize in handling complex metals and have a proven track record of tackling intricate process piping requirements across multiple industrial segments.

Currently, they hold the distinction of being the largest process piping solutions provider in India based on installed capacity. Their offerings include high-pressure piping systems, piping spools, high-frequency induction pipe bends, longitudinally submerged arc welding pipes, industrial pipe fittings, pressure vessels, industrial stacks, modular skids, and various boiler components.



Manufacturing Prowess and Global Footprint –

The company boasts seven strategically located manufacturing facilities spread across India and Thailand, with a total area exceeding 437,453 square meters. Their annual production capacity has been steadily increasing, reaching 94,500 MT in the fiscal year ending December 31, 2023. However, capacity utilization remains moderate, hovering around 51.53% in the same period.

They are actively expanding their manufacturing capabilities by setting up new facilities and automating processes. Notably, they have begun operations at the New Anjar Facility I and are in the process of establishing the New Anjar Facility II, which will significantly enhance their production capacity.

Table for Revenue bifurcation across Segments –

(Amount in Rs. Crore)

Particulars	Mar-21		Mar-22		Mar-23		Dec-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Oil and Gas	161.11	32.53	195.38	42.39	305.78	51.35	287.86	52.76
Power (including Nuclear)	221.78	44.78	183.51	39.81	203.38	34.15	134.50	24.65
Power Generation through Biomass	66.03	13.33	78.45	17.02	73.91	12.41	61.08	11.20
Process Industries	22.86	4.62	3.58	0.78	11.99	2.01	62.12	11.39
Chemicals	23.48	4.74	0.00	0.00	0.44	0.07	0.00	0.00
Total	495.26	100.00	460.92	100.00	595.50	100.00	545.56	100.00

Certifications, Quality, and Sustainability –

The company prioritizes quality and adheres to stringent procedures and standards. This commitment has been instrumental in their rise to leadership within the industry, both domestically and internationally. They hold multiple ISO certifications and comply with various international quality norms, allowing them to supply products to customers worldwide.

Furthermore, the company demonstrates a dedication to sustainability by operating biomass power plants that generate clean energy and reduce CO2 emissions. They are also involved in manufacturing wind turbine towers, further contributing to environmentally friendly solutions.

Diversification and Future Outlook –

The company has recently ventured into the design, engineering, fabrication, and manufacturing of pilot plants. This new business segment aims to provide a one-stop solution for clients, encompassing the entire pilot plant lifecycle from conceptualization to commissioning. They believe their technical capabilities and established infrastructure position them competitively within this growing market.

Business Strategies

- 1. Leverage their market-leading position in the industry to capitalize on the revival of the capital expenditure cycle in the sectors which they serve which will drive their next phase of growth:**

The company, a leader in process piping solutions, aims to leverage its market position to capitalize on an expected industry revival. Their strategy focuses on organic growth, expanding capacity, and product offerings. They target new sectors like pharmaceuticals and hydrogen energy while strengthening their presence in chemicals. New facilities in Numaligarh and Anjar will boost production, with a focus on efficiency through lean manufacturing practices.
- 2. Drive automation across their facilities and processes to bring in operational efficiencies:**

This strategy emphasizes automation and digitization to improve efficiency and reduce costs. The company plans to increase automation across all facilities, especially in their new and upcoming ones. This will free up resources for re-engineering existing facilities and focusing on advanced technology products. Overall, they aim to achieve better production efficiency, cost reduction, and maintain profitability through constant process improvement.
- 3. Forging technology tie-ups with select global OEMs to derive consistent order flow and make the firm a preferred partner:**

The company plans to grow through strategic partnerships with global OEMs in the process industries. They aim to form alliances for technology exchange and automation trials, like their current collaboration with a multinational oil and gas company. These partnerships are expected to bring in consistent order flow, enhance engineering capabilities, and open doors to new markets. Their leadership team will carefully evaluate each potential collaboration to ensure a good fit with their existing offerings and achieve mutual benefit.
- 4. Increasing focus on high margin products with additional contributions from modular skids and usage of high-grade materials which offers a better margin contribution to profitability:**

The company is shifting its focus towards higher-margin products to improve profitability. This includes prioritizing products with higher gross margins, using high-grade materials like Inconel and Hastelloy, and increasing the contribution of modular skids – pre-fabricated units offering efficiency and cost savings for clients. They plan to achieve this through product evaluation, strategic relocation of manufacturing, and increased use of high-margin materials and modular skids.
- 5. Launching pilot plant offerings in the near future:**

The company is launching pilot plant services soon. These small-scale facilities help evaluate production processes before a full-scale launch. They aim to be a one-stop shop for pilot plant needs, offering everything from design to installation. With their existing expertise in modular skids and process piping, they believe they are well-positioned to capitalize on this new market opportunity.
- 6. Focus on deleveraging and maintaining financial flexibility:**

Since, the company has a significant amount of debt (₹771.04 Crores as of April 15, 2024). They plan to use part of their new funding (₹175 Crores) to repay or prepay some of this debt. Their overall strategy is to reduce debt (deleverage) to improve profitability and return on equity for shareholders. They also aim to maintain a flexible capital structure in the future.

Competitive Scenario and Peer Mapping

Competition

The industry, in which the company is operating is very competitive where competition is based on Price as well as the ability of the firms to complete Complex Projects as it is like the industry. However, the Threat of New Entrants and the Threat of Substitutes is low because of the Steep Entry Barriers such as High Capital Investment, Quality and Capability checks, and high technical complexity. The industry looks at a moderate bargaining power with the buyers due to high contract value as the projects are highly customized and on a large scale. The Bargaining power of the suppliers on the other hand is low as there are numerous companies in the pipe & fitting manufacturing industry.

Peer Analysis

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

Particulars	DEE Development Engineers Limited	ISGEC Heavy Engineering Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	2.18%	3.06%
EBITDA Margin	11.62%	7.57%
Return on Capital Employed	7.61%	12.11%
Return on Equity	1.55%	8.53%
P/E	82.86	16.29
EPS (INR)	2.45	26.72

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

Particulars	DEE Development Engineers Limited	ISGEC Heavy Engineering Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	1.78%	1.97%
EBITDA Margin	14.02%	6.30%
Return on Capital Employed	8.11%	8.20%
Return on Equity	1.01%	5.13%
P/E	132.68	36.20
EPS (INR)	1.53	14.80

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

Particulars	DEE Development Engineers Limited	ISGEC Heavy Engineering Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	2.87%	4.52%
EBITDA Margin	10.86%	9.51%
Return on Capital Employed	5.01%	14.42%
Return on Equity	1.59%	12.26%
P/E	83.20	14.58
EPS (INR)	2.44	33.71

Industry Overview

Exhibit 1: Indian Process Piping Industry Trend

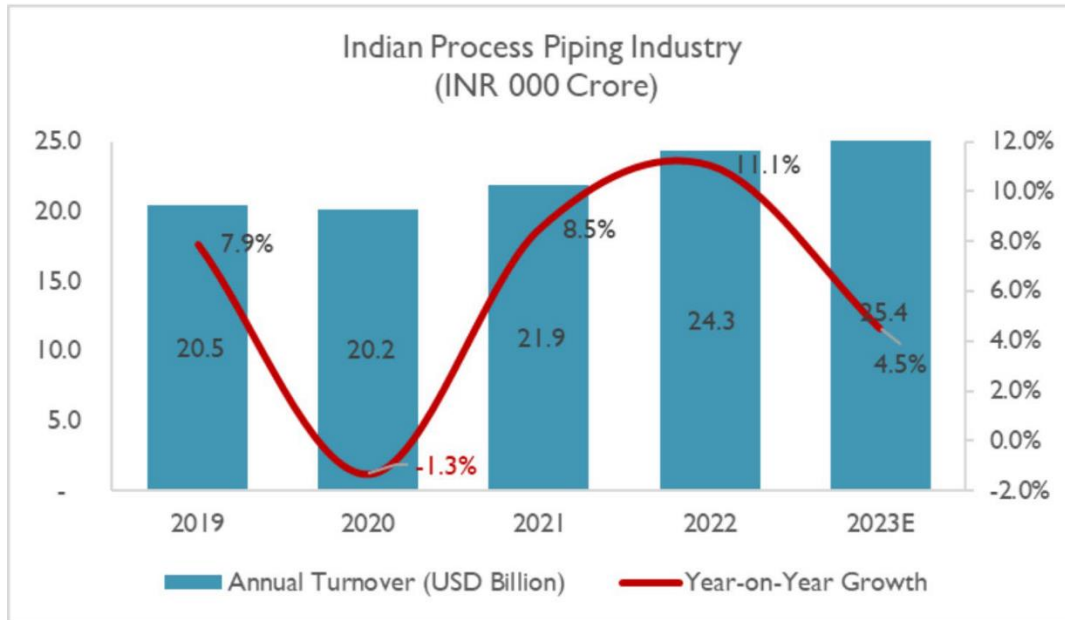
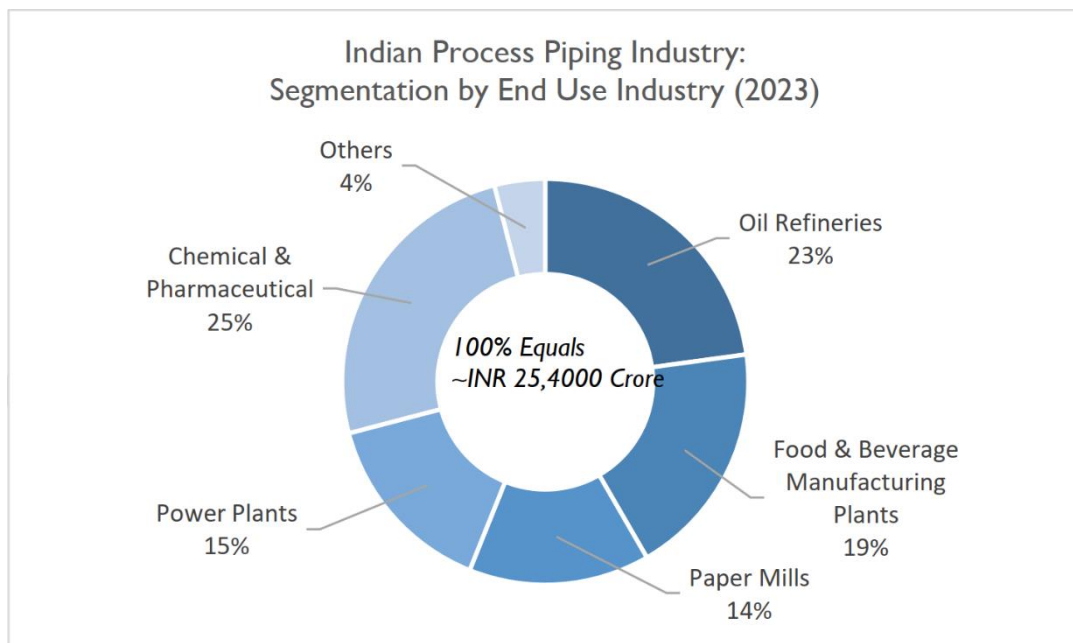


Exhibit 2: Segmentation of Industries Involved in Process Piping Industry Usage



(Source: Prospectus)

Process Piping Systems Industry: Growing Demand Driven by Manufacturing Boom

The process piping systems industry manufactures and designs specialized piping networks for industrial facilities. These systems transport fluids and gases crucial for various production processes. They are distinct from plumbing systems and are used in a wide range of industries including chemicals, pharmaceuticals, oil & gas, and more.

Market Growth and Trends:

The global market for process piping solutions is expected to reach USD 54.5 billion by 2030, driven by a projected CAGR of 4.8%. This growth is fuelled by rising capital expenditure in the manufacturing sector, particularly in Asia Pacific. China and India are leading this charge, with the Indian government aiming to significantly increase its manufacturing sector's contribution to GDP.

Key Demand Drivers:

The demand for process piping systems is directly tied to capital expenditure in industrial sectors. Any construction or expansion of industrial facilities necessitates process piping for transporting materials. The post-pandemic revival in India, with a surge in government spending and private investments, is a prime example of this correlation.

Industry Leaders and Growth Forecast:

The Indian process piping market is estimated at INR 25.4 thousand crore in 2023 and is expected to reach INR 38.4 thousand crore by 2030, reflecting a CAGR of nearly 6.1%. Chemical & pharmaceutical and petroleum refining sectors are the main consumers, accounting for nearly half of the Indian market in 2023. The future growth is expected to be driven by continued strong capital inflows in these sectors, with specialty chemicals emerging as a potential key driver.

Future Outlook:

While the ongoing energy transition might moderate demand from power plants, opportunities in alternative energy generation like ethanol and green hydrogen are expected to compensate. The focus on capacity expansion plans in chemicals and petroleum refining, along with refineries' shift towards producing petrochemical feedstock, will likely be the key demand drivers in the coming years.

(Source: Prospectus)

Key Managerial Personnel

Krishan Lalit Bansal, aged 69, is one of the Promoters, Chairman, and Managing Director of the Company. He holds a bachelor's degree in mechanical engineering. He has experience in prefabricated piping systems and the bio-mass power sector.

Ashima Bansal, aged 69, is one of the Promoters and a Whole-time Director of the Company. She holds a bachelor's degree in education and a master's degree in arts. She has 17 years of experience with the company and in the industry.

Shikha Bansal, aged 42, is a Whole-time Director of the Company. She holds a bachelor's degree in commerce and a master's degree in commerce.

Bhisham Kumar Gupta, aged 72, is an Independent Director of the Company. He holds a bachelor's of science degree in engineering. He was previously associated with Engineers India Limited as the Executive Director.

Shilpi Barar, aged 40, is an Independent Director of the Company. She holds a bachelor's degree in commerce. She was previously associated with Sita Singh & Sons Private Limited as the Head of Operations.

Ashwani Kumar Prabhakar, aged 67, is the Independent Director of the Company. He holds a bachelor of science degree in engineering and is registered with the Institute of Cost Works Accountant of India. He was previously associated with the Ministry of Defence, Kolkata, Government of India as the Director General of Ordnance Factories and Chairman of the Ordnance Factory Board.

Sameer Agarwal, is the Chief Financial Officer of the Company. He holds a bachelor's degree in science and is registered with the Institute of Chartered Accounts of India.

Ranjan Kumar Sarangi, is the Company Secretary and Compliance Officer of the Company. He has been associated with the company as a Company Secretary since February 14, 2011, and was appointed as a Compliance Officer of the Company with effect from July 12, 2023. He holds a bachelor's degree in science (honours) and a bachelor's degree in law. He is also registered with the Institute of Company Secretaries of India.

To conclude, the company has 2 Individual Promoters who have vast experience with the company as well as with the industry. However, the offer document doesn't highlight the experience within the Industry of the rest of the Board. Thus, any conclusion can't be drawn about the rest of the Key Managerial Personnel.

Financial Snapshot

Profit and Loss Statement				(In Cr.)
Particulars	FY 21	FY 22	FY 23	Dec-23
Revenue from Operations	495.22	460.92	595.50	545.55
Other Income	17.81	9.92	18.83	12.31
Total Income	513.03	470.84	614.32	557.86
Expenses				
Cost of Materials Consumed	198.47	194.90	226.10	225.29
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	37.00	-24.21	-38.77	-49.25
Purchases of Traded Goods	0.96	1.14	2.89	0.02
Employee Benefit Expenses	73.96	79.30	110.95	103.24
Finance Costs	27.13	25.34	29.90	27.93
Depreciation and amortisation expenses	35.54	35.90	37.73	33.29
Other expenses	131.14	145.19	225.15	198.32
Total Expenses	504.20	457.55	593.95	538.83
Earnings Before Interest, Taxes, Depreciation & Amortization	53.81	64.61	69.18	67.94
EBITDA Margin	10.86%	14.02%	11.62%	12.45%
Profit before profit/ loss from joint venture, exceptional and extraordinary items and tax	8.83	13.29	20.37	19.03
Add : Share in profit/(loss) of jointly controlled Entity	0.12	-	-	-
Profit before exceptional and extraordinary items and tax	8.95	13.29	20.37	19.03
Profit/(Loss) before tax	8.95	13.29	20.37	19.03
Tax Expense				
Current Tax	7.31	6.78	8.53	4.30
Deferred Tax Expense / (credit)	-12.44	-1.38	-1.09	1.00
Income tax for earlier years	-0.13	-0.30	-0.03	-0.61
Total Tax Expense	-5.26	5.10	7.40	4.69
Restated Profit for the Period/Year	14.21	8.20	12.97	14.34
(A) Items that will not be reclassified to Statement of Profit and Loss	0.26	0.10	-0.65	-1.21
(B) Items that will be reclassified to Statement of Profit and Loss	1.96	-0.29	-0.67	-0.09
Profit/(Loss) for the year	16.43	8.00	11.66	13.03
Net Profit Margin	2.77%	1.74%	2.11%	2.57%

Balance Sheet				(In Cr.)
Particulars	FY 21	FY 22	FY 23	Dec-23
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	360.07	345.39	364.76	364.47
Capital Work-in-Progress	2.00	4.27	3.49	53.55
Right of Use Assets	4.59	4.34	10.41	22.22
Goodwill	2.71	2.71	2.71	2.71
Intangible assets	2.26	1.86	2.65	2.80
Financial Assets				
(i) Investments	0.01	0.01	0.01	0.01
(ii) Other Financial Assets	5.35	9.27	7.38	5.98
Deferred Tax Assets (Net)	2.07	2.48	3.20	3.44
Other non-current Assets	2.53	5.43	9.66	19.22
Total Non-Current assets	381.61	375.76	404.27	474.39
Current Assets				
Inventories	184.26	242.03	289.18	421.43
Financial Assets				
(ii) Trade Receivables	198.46	153.43	172.78	174.51

Balance Sheet				(In Cr.)
(iii) Cash and Cash Equivalents	5.05	0.34	1.82	1.41
(iv) Bank Balances other than (iii) above	27.44	24.93	30.98	34.67
(vi) Other Financial Assets	1.23	0.70	8.10	7.59
Other current assets	37.84	48.21	59.14	57.02
Total Current assets	454.27	469.64	561.99	696.62
Total Assets	835.88	845.40	966.26	1,171.01
EQUITY AND LIABILITIES				
Equity				
Share Capital	15.69	10.61	10.61	53.04
Other Equity	438.63	401.37	413.04	385.01
Total Equity	454.32	411.98	423.64	438.05
Liabilities				
Non-current liabilities				
Financial Liabilities				
(i) Long term borrowings	51.31	46.82	61.82	82.40
(ii) Lease Liabilities	4.06	4.04	8.82	17.47
Deferred Tax Liabilities (Net)	21.23	20.30	19.71	20.53
Provisions	1.05	0.14	0.15	0.14
Other Non-Current Liabilities	0.93	0.96	2.09	2.90
Total Non-current liabilities	78.59	72.26	92.58	123.44
Current liabilities				
Financial Liabilities				
(i) Short term borrowings	205.85	238.54	290.80	324.74
(ii) Lease Liabilities	0.94	0.99	2.32	5.59
(iii) Trade Payables				
-total outstanding dues of micro enterprises and small enterprises	2.38	4.50	4.34	11.61
-total outstanding dues of creditors other than micro enterprises and small enterprises	75.11	99.13	127.73	218.54
(iv) Other Financial Liabilities	2.91	4.13	8.16	8.98
Other current liabilities	14.24	11.53	11.23	35.17
Short term provisions	1.40	1.94	2.48	4.31
Current tax liabilities (Net)	0.14	0.41	2.96	0.58
Total Current liabilities	302.97	361.16	450.03	609.52
Total Liabilities	381.56	433.42	542.62	732.97
Total Equity and Liabilities	835.88	845.40	966.26	1,171.01

Cash Flow Statement				(In Cr.)
Particulars	FY 21	FY 22	FY 23	Dec-23
Net Cash Flow from Operating Activities	95.54	67.15	13.94	69.71
Net Cash Flow from Investing Activities	-6.77	-22.15	-51.97	-94.82
Net Cash Flow from Financing Activities	-87.59	-49.72	39.51	24.71

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Dec-23*
Per Share Data				
Diluted EPS	2.44	1.53	2.45	2.91
BV per share	112.86	106.73	108.42	164.54
Operating Ratios				
EBITDA Margins	10.86%	14.02%	11.62%	12.45%
PAT Margins	2.77%	1.74%	2.11%	2.70%
Inventory days	135.81	191.67	177.25	212.43
Debtor days	146.27	121.50	105.90	87.96
Creditor days	141.82	192.95	210.52	280.91
Return Ratios				

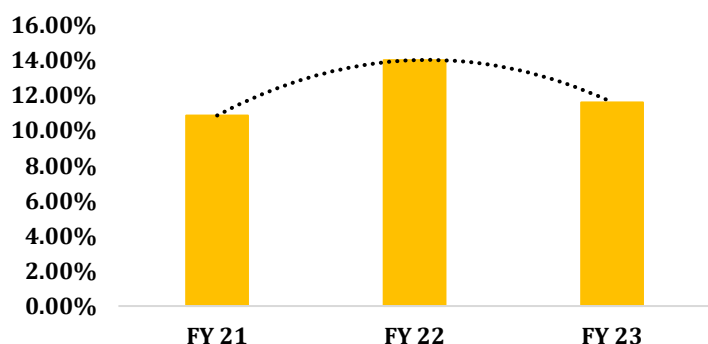
Particulars	FY 21	FY 22	FY 23	Dec-23*
RoCE	3.43%	5.93%	6.09%	5.17%
RoE	3.62%	1.94%	2.75%	2.47%
Valuation Ratios (x)**				
EV/EBITDA	13.13	10.79	11.20	13.43
Market Cap / Sales	2.83	3.04	2.35	1.93
P/E	83.20	132.68	82.86	69.83
Price to Book Value	1.80	1.90	1.87	1.23
Solvency Ratios				
Debt / Equity	0.57	0.69	0.83	0.50
Current Ratio	1.50	1.30	1.25	1.14
Quick Ratio	0.89	0.63	0.61	0.45
Asset Turnover	0.59	0.55	0.62	0.47
Interest Coverage Ratio	0.67	1.13	1.05	1.24

*Annualized Figures

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

Financial Charts

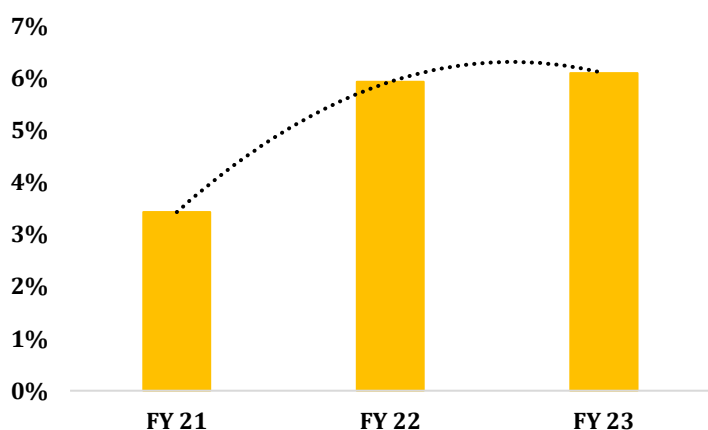
EBITDA Margin



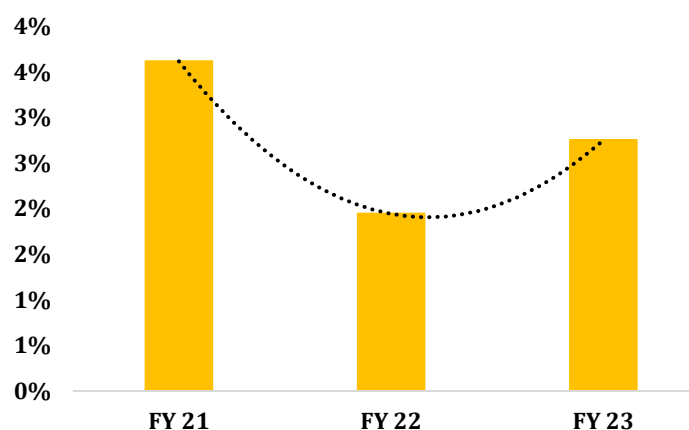
Net Profit Margin



Return On Capital Employed



Return on Equity



Key Risk Factors

1. The subsidiary companies of DEE Development Engineers Limited have incurred losses in the past 3 financial years and may continue to do so.
Adding to that, DEE Development has provided corporate guarantees to its subsidiaries for their debt funding that is outstanding to an amount of Rs. 71.89 Crores as of April 15, 2024.
2. The company, its promoters, directors, and its subsidiaries are involved in a total of 32 Financial Litigations under various matters, which have an aggregate amount involved of Rs. 44.43 Crores.
Out of which, the company alone has 10 Tax Proceedings, 6 Statutory or Regulatory Proceedings, and 1 Material Civil and Criminal Proceeding each filed against it and has a total amount involved of Rs. 19.79 Crores.
The company has been involved in cases like Payment of Customs Duties and Other Dues, for severe Water Pollution, and for an Accident of an Employee that took place within the premises of one of its Plant/Facility.
3. The company got a downgrade for its Long-Term Credit Rating from A- to BBB+ in FY22 and has been the same to date.
4. The Top 10 customers of the company contributed to around, 66.18%, 70.96%, 81.87%, and 76.77% of revenue from operations for the Period Ending on 31st Dec 2023, for FY23, FY22, and FY21 respectively.

Track Record of Lead Manager(s)

The lead managers to the issue are SBI Capital Markets Limited and Equirus Capital Private Limited. A table has been set below highlighting the details of the IPO of recent companies handled by the lead manager(s) in recent times –

SBI Capital Markets Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Aadhar Housing Finance Limited	3,000.00	315.00	May 15, 2024	390.85
2.	Vodafone Idea Limited	18,000.00	11.00	Apr 25, 2024	16.44
3.	Bharti Hexacom Limited	4,275.00	570.00	Apr 12, 2024	1,107.50
4.	R K SWAMY Limited	423.56	288.00	Mar 12, 2024	270.20
5.	Entero Healthcare Solutions Limited	1,600.00	1,258.00	Feb 16, 2024	1,019.45

SBI Capital Markets Limited has had -- mandates in the last three years including the current year.

Equirus Capital Private Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Capital Small Finance Bank Limited	523.07	468.00	Feb 14, 2024	338.15
2.	Jyoti CNC Automation Limited	1,000.00	331.00	Jan 16, 2024	1,179.25
3.	Happy Forgings Limited	1,008.59	850.00	Dec 27, 2023	1,162.65
4.	Fedbank Financial Services Limited	1,092.26	140.00	Nov 30, 2023	123.85
5.	Protean eGov Technologies Limited	490.33	792.00	Nov 13, 2023	1,159.70

Equirus Capital Private Limited has had -- mandates in the last three years including the current year.

*CMP for the above-mentioned dates is taken as of 13th June, 2024.

As per the offer documents of the above-mentioned mandates, R K SWAMY Limited, Entero Healthcare Solutions Limited, and Capital Small Finance Bank Limited have opened a discount, Fedbank Financial Services Limited opened at Par and the remaining have opened at a premium on the listing date.

Recommendation

The company has been in the industry since 1988 and thus has vast experience in the industry. The company's management can't be concluded due to the lack of additional information available for some of the board members.

The P/E on a post-IPO and annualized basis is around 69.83 times which makes it highly priced compared to its listed Peers, as the Industry P/E is 38.20 times.

The company has its operations in a competitive and capital intensive segment, but the industry has a promising future due to an increase in India's Capital Expenditure. The company has good growth in its top line financials, but EBITDA margins have not been consistent. The company has low PAT margins but lies well within Industry Standards when compared to its Peers.

The company has high inventory days and a low Asset Turnover ratio which means that the company is not utilizing its assets efficiently. The seriousness of the litigations filed against the company can hamper the company's growth potential and its operations.

Thus, we believe, at the current P/E, **RISK SEEKERS should APPLY, and RISK AVERSE should WAIT** to this IPO issue.

Disclaimer

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