



IPO Note

C2C Advanced Systems Limited

Recommendation: **APPLY!**

Company Background -

- **Incorporation:** C2C Advanced Systems Limited was incorporated in 2018 and has its registered office in Bangalore, Karnataka.
- **Business Activity:** The company specializes in designing and delivering bespoke software, hardware, and firmware solutions for mission-critical defence applications. As a vertically integrated defence electronics provider, it caters to air, sea, and land platforms. The company excels in C4I systems, AI/ML-based analytics, embedded/FPGA designs, and Industry 4.0 solutions.
- **Revenue Stream:** The company derives most of its revenues under contracts from Government arms and associated entities such as defence public sector undertakings and government organisations involved in space research.
- **Order Book:** ₹6,527.45 lakhs as of March 15, 2024.
- **Human Resource:** The company has 190 full-time employees as on Oct 30, 2024.

Objects of the Issue -

- Funding of capital expenditure towards the purchase of fixed assets (both hardware and software) for its existing operations (the upgradation of the existing Experience Centre and set up of Training Centre at Bengaluru) and the proposed set up of Experience Centre at Dubai.
- Towards fit-outs at the new premises at both Bengaluru and Dubai.
- To fund working capital requirements
- General Corporate Purposes

Promoters Name -

C2C Innovations Private Limited, PVR Multimedia Private Limited, Lakshmi Chandra, Maya Chandra, Subrahmanya Srinivasa Narendra Lanka, Kuriyedath Ramesh and Murtaza Ali Soomar are the company's promoters.

Rationale for recommendation -

- ✓ Growing Revenue.
- ✓ Huge Industry Opportunity and company is well-placed to take advantage of the same.
- ✓ RoCE & ROE margins are more than Peer.

IPO Details

Opening Date	Nov 22, 2024
Closing Date	Nov 26, 2024
Allotment Date	Nov 27, 2024
Listing Date	Nov 29, 2024
Stock Exchange	NSE SME
Lot Size	600 Shares
Issue Price Per Share	₹226 per share
Issue Size	₹99.07 Cr.
Fresh Issue	₹99.07 Cr.
Offer for Sale	-
Application Amt	₹ 1,35,600 (600 shares)

INDUSTRY - Defense

Avg. P/E ratio of peer -

KPI's	KPIs (In Lakhs)			
	FY 22	FY 23	FY 24	Sep-24
Revenue	34.69	804.87	4,105.89	4,322.37
EBITDA	-208.39	384.34	1,832.53	1,566.38
Net Profit	-238.20	287.52	1,239.56	972.98
RoCE	204.7%	109.80%	22.35%	17.45%
ROE	174.4%	114.03%	16.21%	11.29%
P/E	-	15.82	14.26	14.24*

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
55.30%	40.73%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	15.85	7.45
BVPS	62.38	72.75
P/E	14.26	30.34
P/BV	3.62	3.11
Mkt Cap (In Cr)	277.02	376.09

*Annualized

Lead Managers -

Mark Corporate Advisors Private Limited
Beeline Capital Advisors Pvt Ltd

Registrar -

Link Intime India Private Ltd

Business Overview -

The company is a vertically integrated defence electronics solution provider catering to the indigenously developed defence products industry. The company specialises in delivering bespoke software, hardware and firmware solutions which are driven by its own Intellectual Property and third-party partners. With extensive in-house capabilities and a seasoned leadership team, it ensures modular, scalable, and cutting-edge solutions for global and domestic defence sectors. Turnover growth is driven by a strong order book and innovation-led strategies.

Business Model -

Customer-Centric Flexibility

Customizes products and services to meet specific client needs and provides both specialized technology creation and comprehensive managed solutions.

Technology and Innovation

Builds solutions using current-generation technologies while adopting future trends and focusing on advanced capabilities like C4I systems, AI/ML-based analytics, and Industry 4.0 solutions.

End-to-End Capabilities

Offers in-house design, development, and manufacturing for complete system integration.

Global Competitiveness

Competitive pricing achieved through reduced development time and cost advantages. Internationally viable offerings owing to expertise across key defence and aerospace domains.

Revenue Stream -

The company derives most of its revenues under contracts from Government arms and associated entities such as defence public sector undertakings and government organisations involved in space research.

Client Base -

Government organizations, and notable Indian public and private sector companies which include several defence public sector companies, Research organizations belonging to the Government, several large platform suppliers in India and globally and a few overseas Naval establishments.



Details for FY 2025 as follows:

Type of Orders:

- **IP-led Orders:** ₹15.62 crore (23.93% of total orders).
- **Defense Project-led Orders:** ₹22.28 crore (34.14%), split between ₹15.34 crore domestic and ₹6.95 crore global.

Geographical -

The countries to which they have exported the products in the last 3 years and for the period ending September 30, 2024, are Malaysia, the United States of America, and Singapore. The company sells its products in the states of Tamil Nadu, Karnataka, West Bengal and Uttarakhand.

Regulations -

The company has several general regulations and specific regulations such as -

Defence Acquisition Procedure (“DAP”), 2020, Draft Defence Production & Export Promotion Policy, 2020, Aircraft Act, 1934 as amended (“Aircraft Act”), the Aircraft Rules, 1937 Drone Rules, 2021 and Drone (Amendment) Rules, 2023 Indian Naval Armament Act, 1923,

Foreign Trade -

Foreign Trade Policy, Foreign Exchange Management Act, 1999

- **Defense Service-led Orders:** ₹17.67 crore (27.07%).
- **Digital Transformation Orders:** ₹9.69 crore (14.85%).
- **Domestic vs. Global Split:** Domestic orders constitute 23.51%, while global orders make up 76.49%.

The company has 4 types of products and services which are – i. IP-led revenue ii. Defence project iii. Defence service iv. Digital Transformation.

i. IP Led –

1. **Combat Management System** – It delivers “real-time knowledge superiority” over potential adversaries, shortens decision-making cycles and executes rapid and accurate weapon engagement in any task. CMS systems can be used from small patrol boats to frigates to aircraft carriers and for commanding Naval airborne systems- both manned and autonomous.



The CMS in Marine Environment (Navy) has to perform the following key functions –

- a) **Situational Awareness** - Real-time awareness of the battle environment at sea. The company provides situational awareness through Sensors like radars, electro-optical systems and sonar, communication, and Satellite data.
- b) **Intelligence** - Convert the above disparate data into actionable intelligence
- c) **Weapon systems command and control** - An effective CMS will also direct the weapon systems through their sensors to engage and destroy any incoming threat or deliver munitions to destroy the enemy targets.

2. **C4I Systems** - C4I systems are command-and-control functions, which facilitate military commanders and organizational leaders to make decisions, allocate resources, and direct forces effectively.

C4i solutions include – Computers, Communications, Command and Controls and Intelligence.

3. **Anti-Drone Command and Control System** – The company’s system caters for a complete response range using a Smart Radio Frequency Jammer (Inhibitor) to protect vulnerable assets, namely: defence and strategic assets across the country, national monuments, airports, border posts, large outdoor conventions, crowded marketplaces, hospitals, schools, etc.

4. Air Defence Sub-systems

5. **Integrated Platform Management Systems** - Fully automated platform control and monitoring system



encompassing all propulsion, power generation & distribution and damage control machinery and systems. Comprehensive platform automation capabilities directed towards ensuring unprecedented levels of operational effectiveness.

6. **Integrated Vessel Management System** - Integrated Vessel Management System (IVMS) comprises key functionalities of IBS, IPMS and CMS systems.

ii. Defence projects -

a) **Radar Beam Steering Unit** - Designed towards PA Radars. It is a critical component in radar systems that enables the direction of the radar beam to be dynamically changed without physically moving the radar antenna.

b) **VPX ATR** – Customized Computing, control and Network Backbone ATRs. It is a high-performance computing standard for ruggedized electronic systems, primarily used in military, aerospace, and industrial applications.



c) **COTS Rugged:** Routers, Ethernet Switches, and HP Workstation – It refers to Commercial Off-The-Shelf (COTS) hardware components that have been ruggedized for use in demanding environments and to endure extreme conditions.

d) **Naval Chart Display** – This refers to an electronic or physical system used for displaying nautical charts to assist in navigation, route planning, and operational management aboard naval or civilian vessels.



e) **Upgraded DMFC** - Function Keyboard, Switches and Indicators - Rugged ASCII Keyboard and trackball.

Competition -

1. **Market Competition, Moderate** - Fragmented markets with varying competitors across geographies, but no direct competitor for the full product portfolio reduces intensity.
2. **Barriers to entry, Low** - Flexible new entrants in defence manufacturing and consolidation of existing players may challenge market share and profitability.
3. **Threat of Substitutes, Low** - Limited substitutes for niche defense products but innovations or alternative solutions could emerge over time.
4. **Bargaining Power of Buyers:** The bargaining power is high with the customers.
5. **Bargaining Power of Supplier:** The bargaining power is low with the suppliers.

Business Strategies -

1. **Expand Market Share:** Increase product portfolio, indigenize advanced foreign technologies, and enhance marketing and after-sales services in Indian cities.
2. **Leverage Government Initiatives:** Capitalize on "Make in India," "Atmanirbhar Bharat," and defence acquisition reforms to drive indigenization and innovation.
3. **Enhance Relationships:** Build long-term ties with strategic partners, customers, and stakeholders
4. **Strengthen Branding:** Boost brand awareness through online marketing, customer feedback, and digital platforms.
5. **Focus on Innovation:** Advance AI/ML analytics, dual-use solutions, and situational awareness systems while expanding internationally.

Risk Factors -

The company's domestic revenue heavily depends on contracts with Government of India (GoI) entities and defense organizations. Challenges include tender delays, strict compliance, low-bid requirements, and potential reprioritization of government budgets, affecting profitability and project continuity.

The company relies heavily on a few key customers for a significant portion of its revenue. Loss of any major customer or a decrease in business from them could negatively impact its financial performance. In FY2024, the top 5 customers accounted for 89.59% of revenue, and the top 10 for 100%. While the company is adding new customers, concentration risk remains.

The company has a history of net losses, including a loss of Rs. 238.21 lakhs in FY21-22. While it has recently turned profitable, future profitability is uncertain due to increasing operating expenses from growth initiatives.

The company had negative cash flow from operations in FY 22, 23, 24 and Sep 24.

The company relies heavily on exports for revenue. Restrictions on exports, regulatory changes, or geopolitical factors could negatively impact its business and financial performance. In FY2024, 75.25% of revenue came from exports. Looking at the government inclination in Canada and USA it seems very likely that high number of tariffs might be applied on exports affecting profitability and operations.

The company faces foreign exchange risks due to trade receivables and payables denominated in USD and EUR. Rupee depreciation increases costs for raw materials and machinery, impacting profitability. Currency fluctuations may cause operational losses despite mitigation efforts.

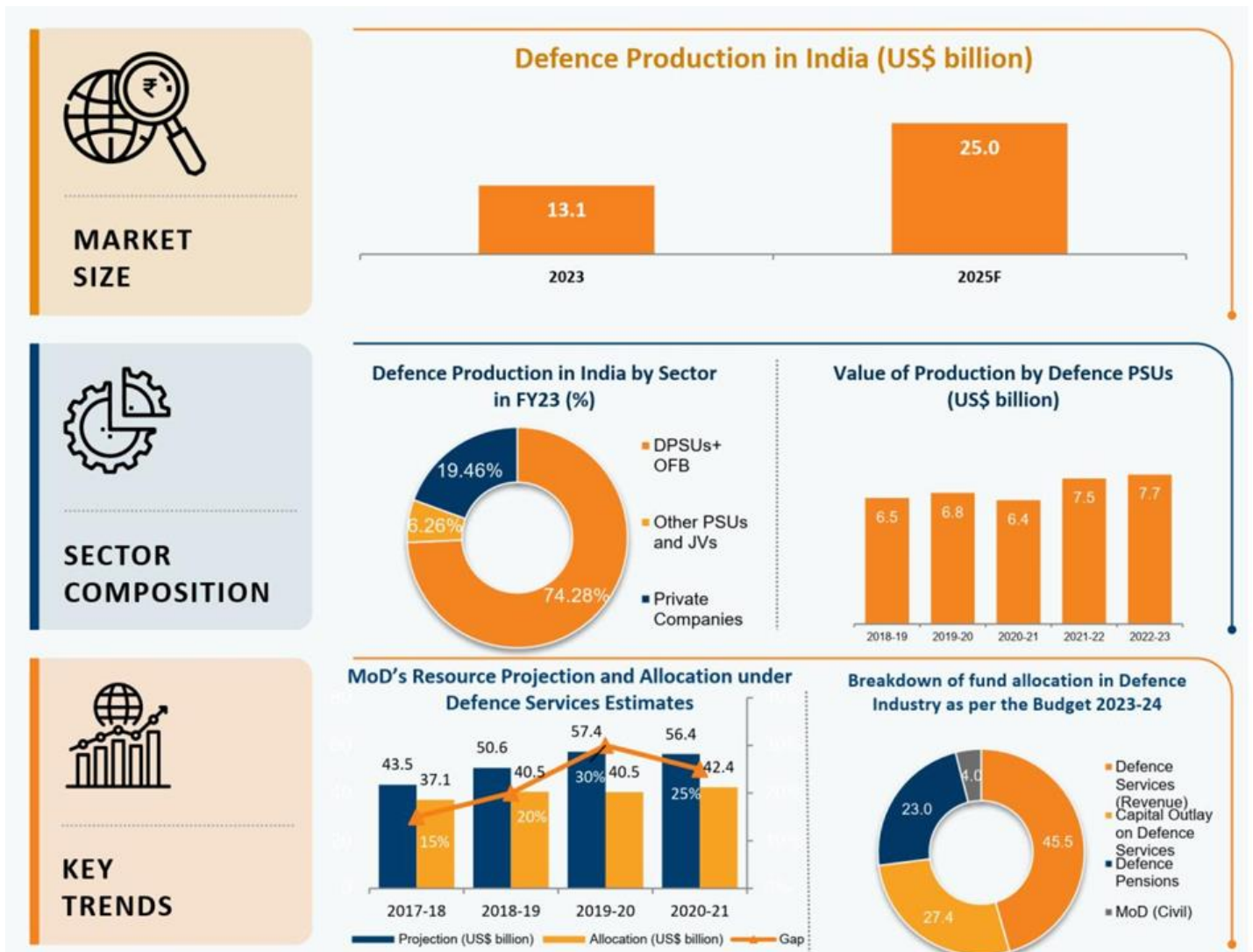
PEER ANALYSIS –

Particulars	C2C Advanced Systems Limited			Paras Défense and Space Technologies Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	-686.65%	35.72%	30.19%	14.59%	15.63%	12.25%
EBITDA Margin	-600.72%	47.75%	44.63%	29.87%	28.55%	23.58%
RoCE	204.72%	109.80%	22.35%	11.21%	12.48%	10.31%
ROE	174.42%	114.03%	16.21%	7.15%	8.72%	7.23%
EPS (INR)	-11.91	14.29	15.85	7.86	9.25	8.22
P/E	-18.98	15.82	14.26	81.92	50.85	74.43

Note – The company is not comparable on an apple-to-apple basis with the peers.

INDUSTRY OVERVIEW – Defence Manufacturing

India’s defence manufacturing industry is undergoing transformative growth, driven by the government’s "Make in India" initiative. The Defence Production and Export Promotion Policy (DPEPP 2020) aims to position India as a global leader in defence manufacturing, emphasizing self-reliance and export growth. By 2024, India is targeting a defence manufacturing turnover of \$25 billion, including exports worth \$5 billion.





GOVERNMENT INITIATIVES

Increased Cooperation with Vietnam on Surveillance and Shipbuilding Technology



रक्षा मंत्रालय
MINISTRY OF
DEFENCE

Defence Production and Export Promotion Policy 2020

Defence Park in Kerala to Promote MSMEs and Boost 'Make in India' Initiative



ADVANTAGE INDIA

- **Growing demand:** Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector. Defence exports grew by 334% in last five years; India now exporting to over 75 countries due to collaborative efforts.
- **Competitive advantage:** India has the world's third-largest defence expenditure, as of 2021, and expects to export equipment worth US\$ 15 billion by 2026. India's military spending of US\$ 76.6 billion ranked third highest in the world in 2021. This was up by 0.9% from 2020 and by 33% from 2012.
- **Government support:** Under the Atmanirbhar Bharat Initiative, four positive indigenization lists of 411 products have been promulgated by Department of Military Affairs and Ministry of Defence to be manufactured domestically for the defence sector, instead of being sourced via imports.
- **Opportunities:** Government has established 2 Defence Industrial Corridors in Uttar Pradesh and Tamil Nadu. India has around 194 defence tech startups building innovative tech solutions to empower and support the country's defence efforts.

Industry Overview of Defence Manufacturing in India

India's defence manufacturing industry is undergoing transformative growth, driven by the government's "Make in India" initiative. The Defence Production and Export Promotion Policy (DPEPP 2020) aims to position India as a global leader in defence manufacturing, emphasizing self-reliance and export growth. By 2024, India is targeting a defence manufacturing turnover of \$25 billion, including exports worth \$5 billion

Defence Manufacturing Segments

India is advancing in various segments, including aircraft, submarines, drones, and missile systems. Key policies like the Defence Acquisition Procedure (DAP 2020) prioritize indigenous design and development. Categories such as "Buy Indian-IDD" incentivize domestic production, fostering collaborations between Indian firms and global OEMs (original equipment manufacturers)

The Strategic Partnership Model enables Indian firms to co-develop high-tech equipment like fighter aircraft and submarines with foreign technology providers. Recent projects, such as the production of the Light Combat Aircraft (Tejas) and the induction of indigenously developed naval platforms, highlight this collaborative success.

Defence Industrial Corridors

Two Defence Industrial Corridors in Uttar Pradesh and Tamil Nadu are central to the sector's growth. These corridors have attracted over \$24 billion in investment across 108 signed MoUs. They aim to create a robust ecosystem, from manufacturing components to high value platforms.

Investment and Policy Landscape

India has liberalized FDI in defence, allowing up to 74% under the automatic route and 100% with government approval. Streamlined licensing, extended license validity, and reduced compliance hurdles further incentivize private participation. By 2023-24, India's share in the global defence export market has grown, making the country a significant exporter to nations in Asia and Africa

Emerging Technologies

Artificial Intelligence (AI), robotics, and cybersecurity are key focus areas, with government-supported R&D initiatives. The Defence Research and Development Organisation (DRDO) is spearheading several projects to enhance indigenous capabilities, such as the recent induction of AI-enabled combat systems and drone technologies.

India's defence sector is on a trajectory to become a global hub for advanced manufacturing, leveraging a combination of policy support, industry collaboration, and technological innovation. This makes it an attractive domain for investment and strategic partnerships.

Key Management -



Key Management Persons Name -	Lakshmi Chandra
Age	70
Designation	Promoter, Chairperson and Managing Director, 18 years of experience as a technology licensing specialist and has about 10 years' experience as a digital design specialist.
Qualification	Bachelors degree in Social Sciences from the Madras University and a Masters degree in Business Administration from the Rutgers University, New Jersey, USA.
Other Directorships	<i>Indian Companies</i> <ul style="list-style-type: none"> • PVR Multimedia Private Limited • Taamarai Designs Private Limited • C2C Innovations Private Limited • Bhujang Innovations Private Limited

Key Management Persons Name -	Commander Kuriyedath Ramesh (Retd)
Age	55
Designation and No. of years of experience	Promoter, Whole Time Director and Chief Technology Officer, 10+ years of experience in lamination field
Qualification	B Tech. from INS Shivaji, Executive Management Course for Armed Forces Officers from IIM Bangalore.
Roles & Responsibilities	Conceptualizing and architecting next-generation military systems. Leveraging naval expertise to design technology platforms integrated into C2C Advanced Systems. Leading efforts in advanced system design, focusing on military and defense technology innovations.
Previous Association & Experience	Served as Electrical Officer in the Indian Navy, Rtd. after 25 years. Maintenance and operational availability of power and weapon systems on naval ships; Experience with large-scale systems, system-of-system architecture, and design; Expertise in weapon systems, electronic systems, control systems, communication, cyber security architecture, and deep programming; Hands-on work with real-time and embedded system architecture, programming, data processing systems, and analytics.

Key Management Persons Name -	Murtaza Ali Soomar
Age	45
Designation and No. of years of experience	Promoter, Executive Director and CFO, with 2 decades of entrepreneurial experience
Qualification	Bachelor's degree in Commerce
Other Directorships	<i>Indian Companies</i> <ul style="list-style-type: none"> • Zasfa Packaging Private Limited

Key Management Persons Name -	Commander Subrahmanya Srinivasa Narendra Lanka (Retd.)
Designation and No. of years of experience	Promoter, 20+ years of experience in finance and banking sector
Qualification	B.Tech (Electrical) degree from Naval Engineering College, INS Shivaji, Lonavala and Advance Naval Weapons System Engineering course from Defence Institute of Advance Technology (DIAT); Master of Engineering (ME) degree in Electronics and Telecommunications.
Previous Association & Experience	Technical officer in the Indian Navy

Key Management Persons Name -	Maya Chandra
Age	41
Designation and No. of years of experience	Promoter
Qualification	Graduate from the London School of Management

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
Revenue from Operations	34.69	804.87	4,105.89	4,322.37
Other Income	0.10	1.86	23.93	2.60
Total Income	34.79	806.73	4,129.82	4324.97
Expenses				
Purchase of Goods and Services	9.46	176.09	1,488.96	2,411.77
Changes in Inventories	4.18	-126.37	-524.66	-311.43
Employee Benefit Expenses	210.27	308.73	931.16	591.97
Finance Cost	6.35	7.58	78.66	5.56
Depreciation and Amortization Expense	25.15	87.75	118.19	58.12
Other expenses	19.17	62.08	377.9	260.18
Total Expenses	274.58	515.86	2,470.21	3,016.17
EBITDA	-208.39	384.34	1,832.53	1,566.38
EBITDA Margin	-600.72%	47.75%	44.63%	36.24%
Profit/(Loss) before tax	-239.79	290.87	1,659.61	1,308.80
Tax Expense				
Current tax	-	-	417.90	329.13
Deferred Tax	-1.59	3.35	2.15	6.69
Total Tax	-1.59	3.35	420.05	335.82
Profit/(Loss) for the year	-238.20	287.52	1,239.56	972.98
Net Profit Margin	-686.65%	35.72%	30.19%	22.50%

Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	50.01	150.00	1,225.76	1,225.76
Reserves and surplus	-186.58	102.14	6,419.97	7,392.96
Total Equity	-136.57	252.14	7,645.73	8,618.72
2. Non-current liabilities				
Long-term borrowings	9.61	-	-	-
Provisions	12.88	17.99	26.4	26.4
Total Non-current liabilities	22.49	17.99	26.40	26.40
3. Current liabilities				
Short-term Borrowings	545.16	944.74	-	1,329.02
Lease Liabilities	43.52	51.07	111.70	77.12
Trade Payables				
(i) Total outstanding dues of MSME	-	-	-	40.48
(ii) Total outstanding dues of creditors other than MSME	291.88	377.37	217.79	161.18
Other financial liabilities	136.65	205.58	162.67	186.25
Short-term provisions	0.05	0.90	419.23	618.85
Total Current liabilities	1,017.26	1,579.66	911.39	2,412.90
Total Liabilities	1,039.75	1,597.65	937.79	2,439.30
Total Equity and Liabilities	903.18	1,849.79	8,583.52	11,058.02
ASSETS				
1. Non-current assets				
Property, Plant & Equipment	34.05	25.98	23.51	29.79
Intangible Assets	-	280.48	249.32	233.74
Intangible Assets under Development	311.65	-	-	-

Particulars	FY 22	FY 23	FY 24	Sep-24
Right to Use Assets	71.67	75.94	141.31	105.92
Deferred Tax Assets (net)	7.53	4.18	2.03	-4.66
Other Non-Current Assets	69.64	75.3	150.32	139.23
Total Non-Current assets	494.54	461.88	566.49	504.02
2. Current assets				
Inventories	4.00	130.37	655.03	966.46
Trade Receivables	181.58	899.03	4,269.51	7,455.12
Cash & Cash equivalents	3.71	0.16	1,540.53	191.55
Other financials assets	204.16	192.55	747.29	709.68
Other Current Assets	15.19	165.80	804.67	1,231.19
Total Current assets	408.64	1,387.91	8,017.03	10,554.00
Total Assets	903.18	1,849.79	8,583.52	11,058.02

Cash Flow Statement Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep-24
Net Cash Flow from Operating Activities	-415.81	-481	-3,527.20	-2,677.44
Net Cash Flow from Investing Activities	-4.53	-11.01	-82.05	-0.55
Net Cash Flow from Financing Activities	413.7	488.46	5,149.62	1,329.02

Key Ratios

<u>Per Share Data</u>	FY 22	FY 23	FY 24	Sep 24	<u>Valuation Ratios (x)</u>	FY 22	FY 23	FY 24	Sep 24
Diluted EPS	-11.91	14.29	15.85	15.88	EV/EBITDA	0.63	3.11	3.33	4.83
BV per share	-27.31	16.81	62.38	98.76	Market Cap / Sales	1,084.15	46.73	9.16	4.35
<u>Operating Ratios</u>					P/E	-	15.82	14.26	14.24
EBITDA Margins	-600.72%	47.75%	44.63%	31.69%	Price to Book Value	-8.28	13.44	3.62	2.29
Inventory days	42.09	59.12	58.23	40.81	<u>Solvency Ratios</u>				
Debtor days	1,910.54	407.70	379.55	314.77	Debt / Equity	-0.07	3.75	0.00	0.11
Creditor days	11,261.75	782.21	53.39	19.54	Current Ratio	0.40	0.88	8.80	4.37
<u>Return Ratios</u>					Quick Ratio	0.40	0.80	8.08	3.97
RoCE	204.72%	109.80%	22.35%	22.63%	Asset Turnover	0.04	0.44	0.48	0.39
RoE	174.42%	114.03%	16.21%	16.07%	Interest Coverage Ratio	-36.78	39.13	21.79	542.54

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is Mark Corporate Advisors Private Limited and Beeline Capital Advisors Pvt Ltd

A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Mark Corporate Advisors Private Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Sunrest Lifescience Limited	10.85	84.00	Nov 20, 2023	54.00
2.	Khazanchi Jewellers Limited	97.00	140.00	Aug 07, 2023	602.40
3.	Foce India Limited	29.03	225.00	Dec 28, 2021	1,545.00
4.	Jetmall Spices and Masala Limited	4.98	20.00	Apr 19, 2021	9.80

The company has handled 2 mandates in the last three years (including current year).

*CMP for the above-mentioned companies is taken as of 22nd Nov 2024.

As per the offer document, Sunrest Lifescience Limited has opened at a discount and Khazanchi Jewellers Limited opened at a premium on the listing day.

Beeline Capital Advisors Pvt Ltd -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	SD Retail Limited	64.98	131.00	Sep 27, 2024	144.00
2.	Mach Conferences and Events Limited	125.28	225.00	Sep 11, 2024	217.05
3.	Indian Phosphate Limited	67.36	99.00	Sep 03, 2024	84.90
4.	Positron Energy Limited	51.21	250.00	Aug 20, 2024	314.45
5.	Ashapura Logistics Limited	52.66	144.00	Aug 06, 2024	97.85

The company has handled 44 mandates in the last three years (including current year).

*CMP for the above-mentioned companies is taken as of 22nd Nov 2024.

As per the offer document, only one company has opened at a discount and rest all have opened at a premium on the listing day.

Recommendation -

C2C Advanced Systems Limited has been in the industry since 2018 and is fairly new to the industry. The management overview of the company is satisfactory with people possessing relevant experience. According to the RHP and as claimed by the company, the management team has over 100 Man years of deep domain knowledge of the Military systems- past present and the future. This includes over 35 years each for the two leadership team members and over 25 years' experience in 6 of the mid management team. However, Director and CFO Murtaza Ali Soomar has been associated with Companies which have been compulsorily struck off by the RoC at one point namely Zasfa Composite Containers Private Limited and Aagam Infra Developers Private Limited.

The P/E on a post-IPO basis is around 30.34 times which makes it fairly priced looking at the industry P/E.

The company's revenue has grown significantly @CAGR of 988% owing to them getting a naval contract from the Malaysian Navy in 2021-22. Sustainability is questionable though.

The company has high concentration for customers and loss of any may cause adverse effect in the business operations.

The company is operating in the Defence industry though, because of the MakeInIndia initiative and the Governments' efforts to turn defence production inwards, there is a huge opportunity in this Industry. We have come down from 65% import to around 35% import in certain equipment and embargos have been put to encourage production in India.

Thus, investors who are willing to take the risk can **APPLY** to this IPO.

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