



IPO Note

Sanathan Textiles Limited

Recommendation: **APPLY!**

Company Background -

- **Incorporation:** Sanathan Textiles Limited was originally incorporated on October 10, 2005. The company has its registered office in Dadra and Nagar Haveli, Silvassa, India.
- **Business Activity:** The company is engaged in the business of manufacturing textile yarn, which is divided into three separate business verticals, consisting of: (a) Polyester yarn products; (b) Cotton yarn products; and (c) Yarns for technical textiles and industrial uses.
- **Human Resource:** The company had 1,394 employees, and 2,964 persons on contract labour as of September 30, 2024.

Objects of the Issue -

- Repayment and/ or pre-payment, in full or part, of certain borrowings availed by the Company
- Investment in the subsidiary viz. Sanathan Polycot Private Limited, for repayment and/ or pre-payment, in full or part, of certain borrowings availed by the subsidiary viz. Sanathan Polycot Private Limited
- General Corporate Purposes.
- Offer For Sale

Promoters Name -

Paresh Vrajlal Dattani, Ajay Vallabhdas Dattani, Anilkumar Vrajdas Dattani, Dinesh Vrajdas Dattani, Nimbus Trust, D&G Family Trust, A&J Family Trust and P&B Family Trust

Rationale for recommendation -

- ✓ The PE ratio is 10.09 times post-issue makes it fairly priced.
- ✓ The company's financial outlook is satisfactory.
- ✓ The company has good management overview.
- ✓ The company has had positive cashflows.
- ✓ The company has good clientele.
- ✓ The company has good strategies planned out.

IPO Details

Opening Date	Dec 19, 2024
Closing Date	Dec 23, 2024
Allotment Date	Dec 24, 2024
Listing Date	Dec 27, 2024
Stock Exchange	BSE, NSE
Lot Size	46 Shares
Issue Price Per Share	₹305 to ₹321
Issue Size	550.00 Cr.
Fresh Issue	400.00 Cr.
Offer for Sale	150.00 Cr.
Application Amt	₹ 14,766 – ₹ 1,91,958 (46 to 598 shares)

INDUSTRY - Textile Yarn Industry

Avg. PE ratio as per RHP - 29.50 times

KPI's	KPIs (In Crores)			
	FY 22	FY 23	FY 24	Jun-24
Revenue	3,185.32	3,329.21	2,957.50	781.13
EBITDA	537.61	259.53	226.58	76.44
Net Profit	355.44	152.74	133.85	50.07
RoCE	37.06%	15.00%	10.73%	1.70%
ROE	36.03%	13.40%	10.50%	3.78%
P/E	6.50	15.11	17.26	10.09

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post Issue
97.54%	77.60%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	18.60	31.82
BVPS	177.22	230.25
P/E	17.26	10.09
P/BV	1.81	1.39
Mkt Cap (In Cr)	2,309.37	2,709.37

*Annualized

Lead Managers -

1. Dam Capital Advisors Limited
2. ICICI Securities Limited

Registrar -

Kfin Technologies Limited

Business Overview –

Sanathan Textiles Limited has been in the industry since 2005. presence across the polyester, cotton and technical textile (which find application in multiple end-use segments including automotive, healthcare, construction, sports and outdoor, and protective clothing) sectors.

Performance –

As of September 30, 2024, the company have more than 3,200 active varieties of yarn products (i.e. yarn products manufactured during the period April 1, 2021, to September 30, 2024) and more than 45,000 stock-keeping units (SKUs), and capability to manufacture a diversified product portfolio of more than 14,000 varieties of yarn products and more than 190,000 SKUs that are used in various forms and for varied end uses. During June 30, 2024, Fiscal 2024 and Fiscal 2023, the company has catered to 983, 1,571 and 1,684 customers, respectively.

The company's business is divided into three separate yarn business verticals, consisting of:

(a) Polyester yarn products - Offer a wide variety of polyester yarn products such as polyester partially oriented yarn / partially oriented yarn, draw textured yarn, air-textured yarn, fully drawn yarn, twisted yarn, recycled yarn and blended yarn which are available in various filaments, deniers, lustres (full dull / semi-dull/bright/cationic) and colours (dope-dyed technology).

(b) Cotton yarn products - The types of cotton yarns include cotton carded yarn, cotton combed compact yarn, and others. Cotton yarn is used for industrial as well as other purposes such as weaving, knitting, flat knits, protective apparel, denim, etc

(c) Yarns for technical textiles and industrial uses - Technical textiles are a niche segment with applications across agriculture, roads, railway tracks, sportswear, health on one hand and bulletproof jackets, fireproof jackets, high altitude combat gear and space applications on the other.

The company also have a high share of value-added products such as dope dyed, superfine/micro, functional, industrial and technical yarn, cationic dyeable and speciality yarn which are produced after extensive in-house research. These value-added products are tailor-made to customer requirements

Revenue Bifurcation –

(Amt in Crore)

Business Vertical	2022		2023		2024		Jun-24	
	Amt	%	Amt	%	Amt	%	Amt	%
Polyester Yarn Products	2,448.88	76.88	2,600.41	78.11	2,284.49	77.24	600.46	76.87
Cotton Yarn Products	642.64	20.17	624.25	18.75	548.92	18.56	146.23	18.72
Industrial and Technical Textiles Yarns	93.80	2.94	104.55	3.14	124.10	4.20	34.44	4.41
Total	3,185.32	100.00	3,329.21	100.00	2,957.50	100.00	781.13	100.00

Clientele –

Welspun India Limited, Valson Industries Limited, G.M. Fabrics Private Limited, Premco Global Limited, Creative Garments Textile Mills Private Limited, Banswara Syntex Limited, AYM Syntex Limited, Techno Sportswear Private Limited, Haren Textiles Private Limited, Khosla Profil Private Limited, Tulip Elastics Private Limited, and etc.

Geography –

During June 30, 2024, Fiscal 2024, and Fiscal 2023, the Company exported its products to 14, 27 and 29 countries, respectively. As of June 30, 2024, the company had more than 925 distributors in 7 countries comprising India, Argentina, Singapore, Germany, Greece, Canada and Israel

Revenue Bifurcation as per Geographic Segment –

(Amt in Crore)

Particulars	2022		2023		2024		Jun-24	
	Amt	%	Amt	%	Amt	%	Amt	%
Exports	415.58	13.05	340.19	10.22	129.73	4.39	26.759	3.43
Domestic	2,769.74	86.95	2,989.03	89.78	2,827.77	95.61	754.36	96.57
Total	3,185.32	100.00	3,329.21	100.00	2,957.50	100.00	781.12	100.00

Manufacturing Facilities –

The company manufactures its products at their facility at Silvassa (Silvassa Facility). The company's Silvassa Facility is divided into 2 units.

Unit 1 comprises plants for manufacturing Cotton Yarn, Partially Oriented Yarn, Fully Drawn Yarn and Industrial Yarn and for continuous polymerization.



Unit 2 comprises plants for manufacturing Cotton Yarn, Drawn Texture Yarn, Air Textured Yarn and Twisted Yarn.



Plans – The company have recently commenced cotton yarn operations at unit 3 of the Silvassa Facility through its Subsidiary viz. Sanathan Polycot Private Limited and the company will commence cotton yarn operations at Unit 4 of its subsidiary i.e. Sanathan Polycot Private Limited in Fiscal 2026.

Capacity Utilization –

Particulars	FY 22	FY 23	FY 24	Jun-24
Module	103.77%	105.41%	101.84%	101.73%
Systems	106.48%	99.71%	111.17%	111.21%
Module	102.44%	87.40%	94.00%	93.89%

Competition -

1. **Market Competition, High:** The highly fragmented textile industry with a large number of small players leads to intense price competition and margin pressures.
2. **Threat of New Entrants, Moderate:** Government incentives (e.g., TUFS, PLI) encourage new entrants, though capital and technical expertise requirements may act as partial barriers.
3. **Threat of Substitutes, Low:** Limited alternatives for yarn and textiles reduce substitution risks, but innovation in synthetic or alternative materials poses a moderate threat.
4. **Bargaining Power of Buyers, High:** Buyers can backward integrate, increasing competition, and demand competitive pricing, product quality, and faster turnaround times.
5. **Bargaining Power of Suppliers, Moderate:** Dependency on raw material costs affects margins, but fragmentation in the supplier base reduces their pricing power.

Business Strategies -

1. The company is in the advanced stage of commissioning a greenfield facility i.e. the Punjab Manufacturing Facility, Phase 1 of which is expected to be operational in Fiscal 2025. Phase 2 of the Punjab Manufacturing Facility is expected to be completed in Fiscal 2027 which will add further to its capacity.
2. The company will continue to introduce new products depending on customer needs across its diversified product segments and also introduce process improvements.
3. The company intends to harness digitization and technology in production processes with a focus on energy efficiency and sustainable practices.

Risk Factors -

- The company's top 10 suppliers contributed to 54.99%, 48.80%, 49.94%, and 62.25% of the revenue for the FY ended 2022, 2023, 2024 and the period ended June 2024 respectively.
- The company from the states of Gujarat, Maharashtra, and Punjab contributed 55.63%, 60.88%, 65.10%, and 62.51% for the FY ended 2022, 2023, 2024, and the period ended June 2024 respectively.
- There are tax proceedings against the company amounting to Rs. 170.10 Crore.
- The company had certain contingent liabilities amounting to Rs. 64.47 Crore as of June 30, 2024

INDUSTRY OVERVIEW

Global Textiles Industry-

Textile is a term widely used for referring to woven fabrics, yarns and fibres made from jute, polyester, cotton, wool, etc. The textile market consists of sales of textiles by entities that produce fibre, yarn, threads, carpets, rugs, linens, fabrics, fibres, apparels and other textile items. The textile industry is based on three main principles: developing, manufacturing, and distributing various materials like yarn, fabric and clothing. Knitting, crocheting, weaving, and other methods are commonly employed to produce many types of completed and semi-finished goods in the bedding, clothing, garment, medical, and other accessory industries.

The global textile industry had grown consistently between CY2018 to CY2023, barring CY2020, which saw a decline due to Covid-19. Global trade restrictions due to disrupted supply chain and decline in textile products consumption amid imposed lockdown had negatively impacted the market resulting in a decline of ~0.5% in CY2020 compared to CY2019. However, the market recovered in CY2021, registering a Y-o-Y growth of 3.8% due to the easing of Covid-19 restrictions and release of pent-up demand. The growth continued, with global textile industry registering a Y-o-Y increase of 3.9% in CY2022 and 0.3% in CY2023.

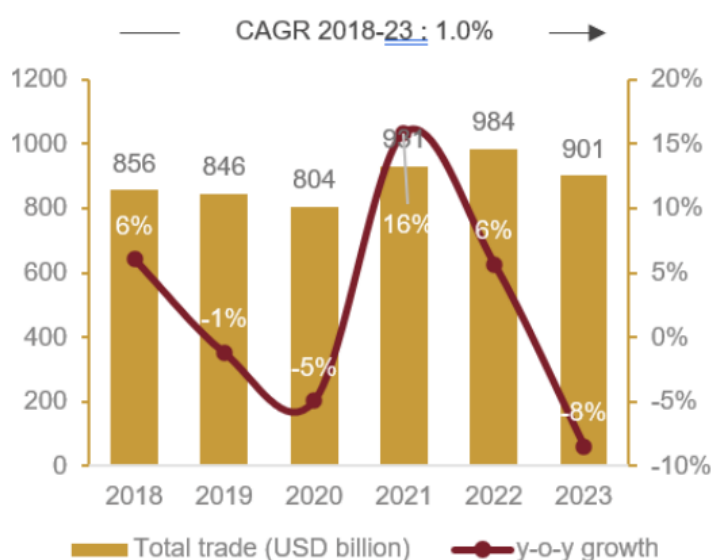
Indian Textiles Industry -

Indian textile and apparel industry plays an important role in development of economic activity in India. As of fiscal 2023, in terms of manufacturing gross value added (GVA) at current prices, Indian textile, apparel and leather products occupy a share of 11.2% which had seen an increase from 9.0% in fiscal 2012. As per Ministry of Textile data, Indian textile and apparel including handicrafts had contributed to 8.2% of overall exports during fiscal 2024. Based on ITU export trade data, Indian textile and apparel segment occupies a share of ~3% in global textile and apparel trade as of CY2023.

India had the highest acreage for cotton compared with the other major cotton-producing nations with 12.5 million hectares in cotton season (CS; international cotton season is from August to July) 2023-24. In CS18, India was the largest producer with a production of 6.3 Million Metric Tonne (MMT) and was also the leading producer in CS20 and CS21.

Indian textile and apparel industry is projected to grow at a CAGR of 6.0-7.0% between fiscal 2024 and fiscal 2028, reaching a value of Rs. 12,400-12,500 billion in fiscal 2028. During this period, exports are expected to grow at a CAGR of 4.5-5.5% while domestic industry is expected to grow at slightly higher pace of 7.0-8.0%. Between fiscals 2019 to fiscal 2024, the total Indian textile and apparel industry had grown at a CAGR of 4.5%. Within the total industry, the domestic Indian textile and apparel industry had grown at a higher pace of 5.8%, while exports have grown at a CAGR of 2.1%. The slower growth in exports is majorly due to decline in fiscal 2020 as a result of global slowdown which was further compounded by the Covid-19 pandemic leading to disruptions in supply chain and demand causing order cancellations. Also, high export tariffs levied on Indian exporters in countries like European Union (EU) when compared to zero import duty for other exporting countries such as Bangladesh have further dampened the export performance.

Global textile trade (CY2018-2023)



(Source: RHP)

(Source: RHP)

Key Management -

Key Management Persons Name -	Paresh Vrajlal Dattani
Age	64
Designation and No. of experience	Promoter, Chairman and Managing Director, 46 years of experience in the textile industry.
Qualification	Degree in Science
Responsibility	Supervision of overall performance of the Company.
Other Directorships	Sanathan Polycot Private Limited, Vajubhai Investments Private Limited
Key Management Persons Name -	Ajay Vallabhdas Dattani
Age	57
Designation and No. of experience	Promoter and Joint Managing Director, 18 years of experience in the textile industry.
Qualification	bachelor's degree in commerce (honors)
Responsibility	managing the operations and expansion of the cotton division
Previous Association	Universal Texturisers Private Limited, Sanathan Polycot Private Limited
Key Management Persons Name -	Anilkumar Vrajdas Dattani
Age	66
Designation and No. of experience	Promoter and Executive Director, 46 years of experience in the textile industry.
Qualification	Bachelor's degree in commerce
Responsibility	overseeing various functions of the company inter alia corporate social responsibility and administration in the Company
Other Directorships	Vajubhai Investments Private Limited, Sanathan Polycot Private Limited
Key Management Persons Name -	Dinesh Vrajdas Dattani
Age	76
Designation and No. of experience	Promoter and Executive Director, 19 years of work experience in the textile industry
Qualification	degree of bachelor's in commerce
Other Directorships	Vajubhai Investment Private Limited, Universal Texturisers Private Limited
Key Management Persons Name -	Debabrata Sarkar
Age	71
Designation and No. of experience	Independent Director, 30 years of work experience in the Banking and finance sector.
Qualification	master's degree in commerce, CA, certified associate of the Indian Institute of Banker
Other Directorships	IDL Explosives Limited, Emami Limited, Hinduja Leyland Finance Limited
Key Management Persons Name -	Khurshed Thanawalla
Age	81
Designation	Independent Director, 39 years of experience across the spectrum of the textiles industry.
Qualification	Fellow of the Chartered Management Institute
Other Ventures	Ahura Holdings Private Limited, Standard Salt Works Limited
Key Management Persons Name -	Rupal Vora
Age	61
Designation	Independent Director, 25 years of experience in Direct Taxes and Accounts/Finance.
Qualification	bachelor's degree in commerce, bachelor's degree in law
Other Ventures	Aarthi Pharmed Labs Limited, Winro Commercial (India) Limited
Key Management Persons Name -	Vinay Aggarwal
Age	72
Designation	Independent Director, 35 years of experience in finance sector.
Qualification	bachelor's degree in commerce, master's degree in business administration
Other Ventures	Datamatics Global Services Limited, Lumina Datamatics Inc., USA

- Sanjay Anirudh Shah, Chief Financial Officer (CFO) holds a bachelor's degree in commerce and a master's degree in commerce. He is an associate member of The Institute of Chartered Accountants of India. He oversees the financial management and formulates the financial strategies of the Company.

FINANCIAL SNAPSHOT**Statement of Profit and Loss**

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
Revenue from Operations	3,185.32	3,329.21	2,957.50	781.13
Other Income	16.14	15.81	22.30	6.63
Total Income	3,201.46	3,345.02	2,979.80	787.76
Expenses				
Cost of Material Consumed	2,063.27	2,334.91	2,131.72	547.62
Purchase of Stock-in-Trade	32.47	5.23	0.64	0.63
Changes in Inventories of WIP, Finished Goods & Stock in Trade	-72.00	65.15	-0.07	8.99
Employee benefits expense	94.74	88.54	90.60	23.92
Finance Cost	32.46	22.42	23.08	5.10
Depreciation and Amortization expense	42.17	43.49	44.39	11.20
Other Expenses	529.23	575.86	508.04	123.53
Total Expenses	2,722.34	3,135.59	2,798.40	720.99
EBITDA	537.61	259.53	226.58	76.44
EBITDA Margin	16.88%	7.80%	7.66%	9.79%
Share of Profit of associates				
Profit/(Loss) before tax	479.12	209.43	181.41	66.77
Tax Expense				
Current tax				
i) for the period / year	112.71	47.90	42.14	16.15
ii) Pertaining to earlier years	2.60	0.43	-0.81	0.00
Deferred Tax Charges	8.37	8.36	6.23	0.55
Total Tax Expense	123.68	56.69	47.56	16.70
Profit/(Loss) for the year	355.44	152.74	133.85	50.07
Net Profit Margin	11.10%	4.57%	4.49%	6.36%

Statement of Assets and Liabilities

Amt in Crores

Particulars	FY 22	FY 23	FY 24	Jun-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	71.94	71.94	71.94	71.94
Other Equity	914.70	1,068.17	1,203.03	1,252.94
Total Equity	986.64	1,140.11	1,274.97	1,324.89
2. Non-current liabilities				
Financial Liabilities				
(i) Borrowings	280.02	221.64	337.20	607.27
Provisions	6.52	7.00	7.62	8.32
Deferred tax liabilities	62.94	71.21	77.53	78.00
Other non-current liabilities	0.93	0.54	1.01	2.81
Total Non-current liabilities	350.41	300.40	423.36	696.40
3. Current liabilities				
Financial Liabilities				
(i) Borrowings	98.17	59.36	42.68	37.66
(ii) Trade Payables	-	-	-	-
(a) Outstanding Dues to MSME	6.01	14.78	12.72	10.49
(b) Outstanding Dues to other than MSME	331.61	362.54	424.22	421.65
(iii) Other Financial Liabilities	7.32	6.82	7.34	9.09
Other current liabilities	7.42	20.16	14.98	16.13

Particulars	FY 22	FY 23	FY 24	Jun-24
Provisions	2.84	2.51	2.76	2.85
Current Tax Liabilities (net)	6.06	-	0.65	10.38
Total Current liabilities	459.43	466.16	505.35	508.25
Total Liabilities	809.83	766.56	928.71	1,204.64
Total Equity and Liabilities	1,796.47	1,906.67	2,203.68	2,529.53
ASSETS				
1. Non-current assets				
Property, Plant and Equipment	894.87	948.37	926.47	923.80
Capital work-in-progress	2.39	18.80	140.51	372.31
Intangible Assets	-	-	2.48	2.23
Intangible assets under development	-	2.13	-	-
Goodwill	1.91	1.91	1.91	1.91
Financial Assets	-	-	-	-
(i) Other financial assets	8.32	5.95	15.53	15.01
Income Tax Assets (Net)	3.53	4.41	-	-
Other Non-current Assets	25.13	123.60	207.46	271.44
Total Non-Current assets	936.15	1,105.16	1,294.35	1,586.69
2. Current assets				
Inventories	443.92	401.60	405.50	404.13
Financial Assets				
(i) Investments	54.84	47.50	106.95	130.00
(i) Trade receivables	136.19	141.74	125.68	157.13
(ii) Cash and cash equivalents	7.93	9.02	29.93	18.19
(iii) Bank balances other than (ii)	70.83	97.32	71.47	53.45
(iv) Other financial assets	2.85	0.44	1.60	2.31
Other Current Assets	143.76	103.89	168.20	177.63
Total Current assets	860.32	801.51	909.33	942.84
Total Assets	1796.47	1906.67	2203.68	2529.53

Cash Flow Statement	Amt in Crores			
Particulars	FY 22	FY 23	FY 24	Jun-24
Net Cash Flow from Operating Activities	294.56	362.31	191.74	30.05
Net Cash Flow from Investing Activities	-114.19	-235.06	-245.29	-298.47
Net Cash Flow from Financing Activities	-198.99	-126.17	74.47	256.68

Key Ratios				*Annualized			
Per Share Data	FY 22	FY 23	FY 24	Valuation Ratios (x)	FY 22	FY 23	FY 24
Diluted EPS	49.40	21.24	18.6	EV/EBITDA	2.39	5.07	6.86
BV per share	137.14	158.47	177.22	Market Cap / Sales	0.85	0.81	0.92
Operating Ratios				P/E	6.50	15.11	17.26
EBITDA Margins	16.88%	7.80%	7.66%	Price to Book Value	2.34	2.03	1.81
PAT Margins	11.10%	4.57%	4.49%	Solvency Ratios			
Inventory days	50.87	44.03	50.04	Debt / Equity	0.38	0.25	0.30
Debtor days	15.61	15.54	15.51	Current Ratio	1.87	1.72	1.80
Creditor days	58.80	58.85	74.79	Quick Ratio	0.91	0.86	1.00
Return Ratios				Asset Turnover	1.77	1.75	1.34
RoCE	37.06%	15.00%	10.73%	Interest Coverage Ratio	15.26	9.32	8.17
RoE	36.03%	13.40%	10.50%				

Peer Analysis

Particulars	Sanathan Textiles Limited			K.P.R. Mill Limited			Vardhman Textiles Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	11.2%	4.6%	4.5%	17.1%	13.0%	13.1%	15.6%	7.7%	6.4%
EBITDA Margin	16.9%	7.8%	7.7%	26.5%	21.4%	21.3%	25.7%	15.0%	13.6%
RoCE	39.4%	14.9%	10.7%	30.0%	27.2%	23.3%	24.0%	11.8%	9.4%
ROE	36.0%	13.4%	10.5%	26.4%	22.0%	18.5%	20.1%	9.3%	6.9%
EPS (INR)	49.40	21.24	18.60	24.47	23.74	23.56	54.58	27.97	22.20
P/E	6.50	15.11	17.26	25.59	24.35	35.33	7.99	10.50	19.92

Particulars	Sanathan Textiles Limited			Indo Count Industries Limited			Garware Technical Fibres Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	11.2%	4.6%	4.5%	12.0%	9.1%	9.4%	13.6%	12.9%	15.2%
EBITDA Margin	16.9%	7.8%	7.7%	19.3%	16.0%	16.7%	20.4%	19.3%	23.0%
RoCE	39.4%	14.9%	10.7%	30.2%	20.0%	21.8%	22.3%	22.1%	22.4%
ROE	36.0%	13.4%	10.5%	22.5%	15.4%	16.2%	6.9%	6.0%	6.6%
EPS (INR)	49.40	21.24	18.60	18.17	14.00	17.06	79.92	84.00	102.16
P/E	6.50	15.11	17.26	9.30	8.00	20.76	36.00	34.64	32.55

LEAD MANAGER TRACK RECORD -

The lead managers to the issue are Dam Capital Advisors Limited and ICICI Securities Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Dam Capital Advisors Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Afcons Infrastructure Limited	5,430.00	279.00	Dec 18, 2024	258.05
2.	Bansal Wire Industries Limited	745.00	463.00	Nov 04, 2024	720.15
3.	Le Travenues Technology Limited	740.10	256.00	Jul 10, 2024	280.42
4.	Entero Healthcare Solutions Limited	1,600.00	93.00	Feb 16, 2024	1,010.05
5.	Capital Small Finance Bank Limited	523.07	468.00	Feb 14, 2024	276.90

The company has handled 16 mandates in the past three years (including the current year).

ICICI Securities Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Suraksha Diagnostic Limited	846.25	441.00	Dec 06, 2024	351.65
2.	Niva Bupa Health Insurance Company Limited	2,200.00	74.00	Nov 14, 2024	223.18
3.	Swiggy Limited	11,327.43	390.00	Nov 13, 2024	314.10
4.	ACME Solar Holdings Limited	2,900.00	289.00	Nov 13, 2024	340.05
5.	Sagility India Limited	2,106.60	30.00	Nov 12, 2024	276.90

The company has handled 55 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 17th Dec 2024.

As per the offer document, the above-mentioned mandates 3 have opened at a discount 2 has opened at par and the remaining all have opened at a premium on the listing day.

Recommendation -

Sanathan Textiles Limited has been in the industry since 2005 and has vast experience in the industry. The management overview of the company is satisfactory.

The P/E on a post-IPO basis is 10.09 times which makes it fairly priced compared to the performance of the company.

The company has been in the industry since 2005 and has highly experienced people in the management. The company has seen a dip in the margins for two fiscal years but is expected to grow as the industry had seen a setback in the two previous years.

The company has good strategies coming up which will help in the growth of the business details are mentioned in the “business strategies” section of this report. The entire financial outlook of the company looks good.

Thus, we have an **APPLY** opinion on this IPO.

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