



IPO Note

NAPS Global India Limited

Recommendation: **AVOID!**

Company Background -

- **Incorporation:** NAPS Global India Limited was originally incorporated on March 28, 2014. The registered office is located at Mumbai, Maharashtra.
- **Business Activity:** The company is engaged in the trading of fabrics and readymade garments.
- **Revenue Stream:** The company generates majority of the revenue from sale of fabrics.
- **Human Resource:** The company has 9 permanent employees as on Dec 31, 2024.

Objects of the Issue -

- Funding working capital requirements
- General Corporate Purposes

Promoters Name -

Pankaj Jain and Ronak Mistry

Rationale for recommendation -

- ✓ The PE ratio of 19.52 times post annualized basis makes it slightly aggressively priced.
- ✓ The company's bottom line and EBITDA saw a sudden increase in FY24.
- ✓ The profitability margins have seen a slight dip in FY23.
- ✓ The company had negative CFO for FY24 and Dec-24.
- ✓ There is high concentration for suppliers and customers.
- ✓ The company's business operations are highly concentrated in Maharashtra.
- ✓ The industry is highly fragmented and competitive.
- ✓ The management overview is not satisfactory.

IPO Details

Opening Date	Mar 04, 2025
Closing Date	Mar 06, 2025
Allotment Date	Mar 07, 2025
Listing Date	Mar 11, 2025
Stock Exchange	BSE SME
Lot Size	1,600 Shares
Issue Price Per Share	₹90
Issue Size	11.88 Cr.
Fresh Issue	11.88 Cr.
Offer for Sale	-
Application Amt	₹ 1,44,000 (1,600 shares)

INDUSTRY - Textile

Avg. P/E ratio as per RHP - 14.47

	KPIs			(In Lakhs)
KPI's	FY 22	FY 23	FY 24	Dec-24
Revenue	1,334.40	2,589.26	4,731.29	5,244.29
EBITDA	26.17	42.70	131.55	171.52
Net Profit	18.25	27.15	145.23	153.43
RoCE	10.51%	17.11%	29.38%	12.47%*
ROE	21.93%	24.59%	38.16%	11.52%*
P/E	98.90	66.67	12.93	19.52*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
100.00%	70.20%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	6.96	4.61
BVPS	12.24	40.02
P/E	12.93	19.52
P/BV	7.35	2.25
Mkt Cap (In Cr)	27.99	39.87

*Annualized

Lead Managers -

Aryaman Financial Services Limited

Registrar -

Cameo Corporate Services Limited

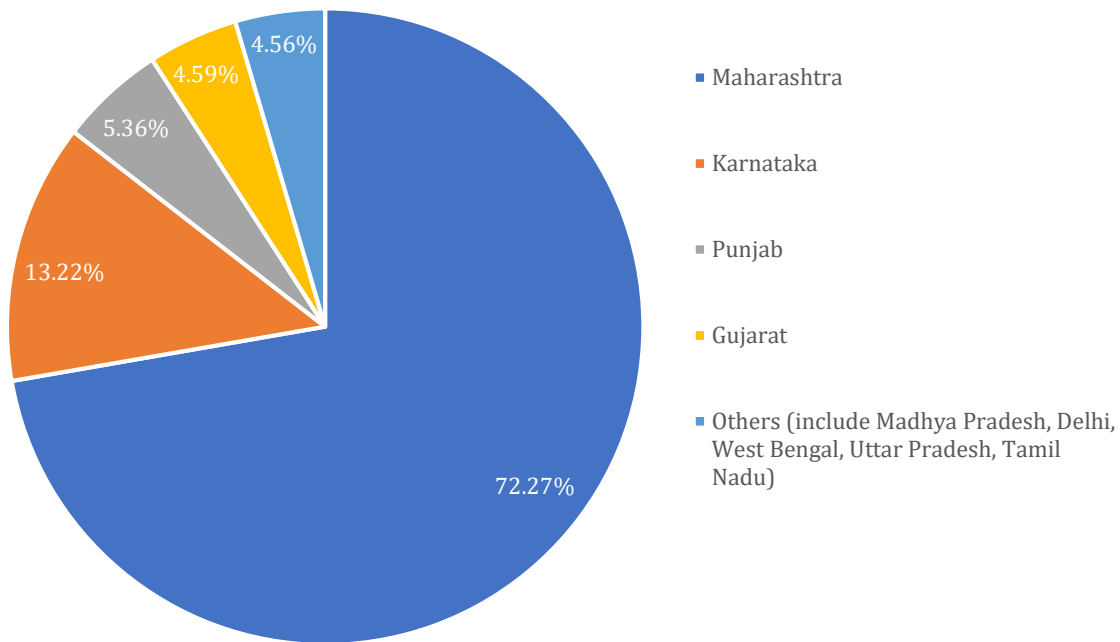
Business Overview -

NAPS Global India Limited is a wholesale importer of textile products. They primarily import cotton and man-made fabrics from manufacturers in China and Hongkong in bulk quantities and provide timely supply to vendors of garment manufacturing companies in Maharashtra.



Geographic Presence -

Revenue Bifurcation Geography-Wise (Dec-24)



Revenue Bifurcation product-wise:

(Amt in Lakhs)

Particulars	FY 2022		FY 2023		FY 2024		Dec-2024	
	Amt	%	Amt	%	Amt	%	Amt	%
Fabrics	1,334.40	100.00%	2,588.90	99.99%	4,407.91	93.17%	4,260.16	81.23%
Ready-made garments	-	-	0.36	0.01%	323.38	6.83%	984.13	18.77%
Total	1,334.40	100%	2,589.26	1.00	4,731.29	100%	5,244.29	100%

Competition -

- 1. Market Competition:** The industry is competitive where the key factors of competition primarily comprise of product range, product quality, and product price including factors, based on reputation, regional needs, and customer convenience.
- 2. Geographic Competition:** The company faces competition from small and large players in both organized and unorganized sector.
- 3. Barriers to entry:** Low barriers to entry.
- 4. Threat of Substitutes:** High threat of substitutes.
- 5. Bargaining Power of Buyers:** The bargaining power is high with the customers.
- 6. Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

Business Strategies -

- The company focuses on enhancing fund-based capacities to drive business growth, capitalizing on established relationships with Chinese suppliers and a strong Indian customer base.
- The company aims to scale up operations through forward integration, diversifying product portfolio by venturing into custom-made garments alongside existing fabrics business.
- The company intends increase their PAN India presence.
- The company intends to start manufacturing of garments with the out-sourcing business model from local manufacturers.

Risk Factors -

The company is highly dependent on top 10 customers for their revenue generation which constituted 93.27%, 83.16%, 78.81% and 72.72% in FY22, FY23, FY24 and Dec-24 respectively.

The company is highly dependent on top 10 suppliers for their raw materials which constituted 99.81%, 84.16%, 91.82% and 98.83% in FY22, FY23, FY24 and Dec-24 respectively.

The company is highly dependent on Maharashtra for their revenue generation which constituted 82.09%, 85.23%, 95.48% and 72.27% in FY22, FY23, FY24 and Dec-24 respectively.

The promoter/ directors has 1 case against them for tax matters amounting to Rs. 13.52 lakhs.

The company had negative cash flow from operations in FY24 and Dec-24.

PEER ANALYSIS -

Particulars	NAPS Global India Limited			Alstone Textiles (India) Limited			Soma Textiles & Industries Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	1.37%	1.05%	3.07%	-	81.24%	49.00%	-66.73%	88.94%	61.99%
EBITDA Margin	1.96%	1.65%	2.78%	-	81.27%	49.00%	17.41%	94.53%	73.30%
RoCE	10.51%	17.11%	29.38%	-0.07%	16.50%	2.72%	30.63%	206.66%	27.34%
ROE	21.93%	24.59%	38.16%	-0.07%	16.49%	2.72%	20.18%	207.04%	23.83%
EPS (INR)	0.91	1.35	6.96	-	-	0.03	-4.94	49.51	6.31
P/E	98.90	66.67	12.93	-	-	23.67	-	0.75	5.79

- The company is not comparable to its peers on an apple-to-apple basis as Alstone Textiles (India) is a loss making company and the product portfolio is different compared to Soma Textiles & Industries.
- The market cap of the company is less compared to its peers.
- The PE ratio of the company is worse than Soma Textiles and Industries.

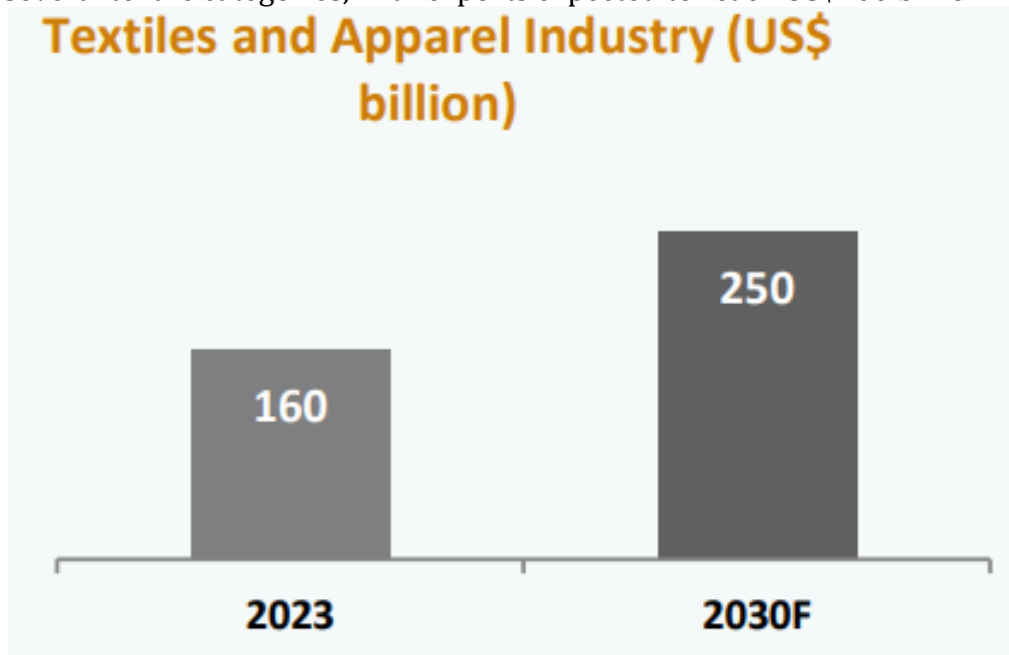
INDUSTRY OVERVIEW -

Indian Textile and Apparel Industry –

India’s textile and apparel industry, one of the oldest and most diverse sectors, ranges from traditional handwoven textiles to advanced mills. The organized retail apparel segment is expected to grow 8-10% this year, driven by rising demand, festive spending, and fashion trends. With strong government support through initiatives like SITP, TUFS, and MITRA, the sector is attracting investments, enhancing infrastructure, and generating employment. Its vast fiber base and deep cultural roots make it a key player in global markets.

Market Size:

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world’s 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$100 billion.



(Source:RHP)

Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030. India’s home textile industry is expected to expand at a CAGR of 8.9% during 2023-32 and reached US\$ 23.32 billion in 2022 from US\$ 10.78 billion in 2023. The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India’s sportech industry is estimated around US\$ 1.17 billion in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 billion in 2022 and is expected to grow at 15% to reach US\$ 22.45 billion by 2027. The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

Road Ahead:

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring. Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

Key Management -

Key Management Persons Name - Age	Pankaj Jain 50
Designation and No. of years of experience	Promoter, Chairman and Managing Director, 10+ years of experience in textiles and garments industry
Qualification	Bachelor's degree
Other Directorships	Eternal Offshore Services Private Limited and Ratan Trading Private Limited

Key Management Persons Name - Age	Ronak Mistry 35
Designation and No. of years of experience	Promoter, Whole-Time Director and CFO
Qualification	Bachelor's in Commerce
Responsibility	Responsible for driving customer acquisition, growth and expansion of the company
Other Directorships	-

- The overall management of the company is not satisfactory.
- There is an evidence of dual chairmanship, which is not favourable.
- The promoter and management have good experience in the industry.
- Satyanarayan Punglia, Khushboo Rawat and Nikhil Malpani are Non-Executive Independent Directors of the Company. They have a decent experience in their respective fields.
- Priyanka Marvania (CS), aged 27 years, has 1+ years of experience.

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Dec-24
Revenue from Operations	1,334.40	2,589.26	4,731.29	5,244.29
Other Income	14.02	11.49	57.01	39.08
Total Income	1,348.42	2,600.75	4,788.30	5,283.37
Expenses				
Cost of Material Consumed	-	-	-	28.70
Purchases of stock-in-trade	1,203.56	2,485.31	4,504.96	5,053.82
Change in Inventories of Stock In Trade	19.01	-36.29	-2.94	-100.18
Employee Benefit Expenses	44.15	60.76	59.61	57.14
Finance Cost	2.78	1.77	0.65	6.91
Depreciation and Amortization Expense	11.95	8.36	7.86	5.40
Other expenses	41.51	36.78	38.11	33.29
Total Expenses	1,322.96	2,556.69	4,608.25	5,085.08
EBITDA	26.17	42.70	131.55	171.52
EBITDA Margin	1.96%	1.65%	2.78%	3.27%
Profit/(Loss) before tax	25.46	44.06	180.05	198.29
Tax Expense				
Current tax	7.11	12.07	35.50	45.30
Excess/Short Provision Income tax	1.78	5.75	-	-
Deferred Tax	-1.68	-0.91	-0.68	-0.44
Total Tax	7.21	16.91	34.82	44.86
Profit/(Loss) for the year	18.25	27.15	145.23	153.43
Net Profit Margin	1.37%	1.05%	3.07%	2.93%

Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Dec-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	1.00	1.00	311.00	311.00
Other Equity	82.23	109.40	69.62	223.05
Total Equity	83.23	110.40	380.62	534.05
NON-CURRENT LIABILITIES				
Long Term Borrowings	11.77	-	-	-
Other Long Term Liabilities	40.35	90.35	40.35	40.35
Total Non-current liabilities	52.12	90.35	40.35	40.35
CURRENT LIABILITIES				
Short Term Borrowings	10.66	11.77	-	167.80
Trade Payables				
(i) Total outstanding dues of MSME	-	-	-	-
(ii) Total outstanding dues of creditors other than MSME	265.85	400.20	638.29	495.60
Other Current Liabilities	50.30	35.18	105.79	343.05
Current Tax Liabilities (Net)	0.52	4.17	7.91	13.21
Total Current liabilities	327.33	451.32	751.99	1,019.66
Total Liabilities	379.45	541.67	792.34	1,060.01
Total Equity and Liabilities	462.68	652.07	1,172.96	1,594.06
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	24.98	19.25	19.96	16.31
Non-Current Investments	89.23	114.06	141.25	-

Particulars	FY 22	FY 23	FY 24	Dec-24
Long-Term Loans and Advances	25.00	25.00	25.00	25.68
Deferred tax assets (net)	1.94	2.85	3.53	3.97
Other Non- current Assets	-	-	85.04	3.03
Total Non-Current assets	141.15	161.16	274.78	48.99
CURRENT ASSETS				
Inventories	48.32	84.62	87.56	187.74
Trade Receivables	209.42	309.33	596.59	1,154.92
Cash & Cash equivalents	14.89	21.89	112.98	8.47
Short Term Loans and Advances	48.88	75.07	94.69	175.58
Other Current Assets	-	-	6.35	18.35
Total Current assets	321.51	490.91	898.17	1,545.06
Total Assets	462.66	652.07	1,172.95	1,594.05

Cash Flow Statement Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Dec-24
Net Cash Flow from Operating Activities	1.07	39.74	-39.35	-433.97
Net Cash Flow from Investing Activities	-14.34	-20.32	17.86	178.58
Net Cash Flow from Financing Activities	-12.42	-12.42	112.58	160.89

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	FY 25*	Valuation Ratios (x)	FY 22	FY 23	FY 24	FY 25*
Diluted EPS	0.91	1.35	6.96	4.61	EV/EBITDA	3.47	2.35	2.03	0.41
BV per share	832.30	1,104.00	12.24	40.02	Market Cap / Sales	0.007	0.003	0.59	0.57
Operating Ratios					P/E	98.90	66.67	12.93	19.52
EBITDA Margins	1.96%	1.65%	2.78%	3.27%	Price to Book Value	0.11	0.08	7.35	2.25
PAT Margins	1.37%	1.05%	3.07%	2.93%	Solvency Ratios				
Inventory days	13.25	11.96	6.77	10.46	Debt / Equity	0.27	0.11	-	0.09
Debtor days	57.44	43.72	46.15	51.97	Current Ratio	0.98	1.09	1.19	1.19
Creditor days	80.84	58.94	51.86	54.63	Quick Ratio	0.83	0.90	1.08	1.08
Return Ratios					Asset Turnover	2.88	3.97	4.03	5.95
RoCE	10.51%	17.11%	29.38%	12.47%	Interest Coverage Ratio	5.12	19.40	190.29	24.04
RoE	21.93%	24.59%	38.16%	11.52%	*Annualized				

INTERPRETATION –

- The top line has increased over the years. It increased by 94.04% in FY23 which was due to rise in demand of fabrics and market rising and moving upward after COVID. In FY24 it increased by 82.73% which was due to increase in the demand of products, better order management, better pricing and availability as compared to last year.
- The net profit also increased over the years. It saw an increase by 48.77% in FY23 and it saw a sudden increase by 434.92% in FY24.
- The EBITDA and PAT margin has seen a slight dip in FY23 which was due to increase in purchase of stock in relation to revenue compared to FY22.
- There is negative cash flow from operations for FY24 and Dec-24.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Aryaman Financial Services 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 –

Aryaman Financial Services Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	CLN Energy Limited	72.30	250.00	Jan 30, 2025	292.00
2.	Indo Farm Equipment Limited	260.15	215.00	Jan 07, 2025	192.35
3.	Khyati Global Ventures Limited	18.30	99.00	Oct 11, 2024	55.30
4.	Vraj Iron and Steel Limited	171.00	207.00	Oct 10, 2023	149.45
5.	Shivam Chemicals Limited	20.18	44.00	Apr 30, 2024	48.05
6.	Arrowhead Separation Engineering Limited	13.00	233.00	Nov 28, 2023	91.10
7.	Mish Designs Limited	9.76	122.00	Nov 07, 2023	99.70
8.	Sunita Tools Limited	22.04	145.00	Oct 11, 2023	678.15
9.	Master Components Limited	15.43	140.00	Sep 29, 2023	265.00
10.	HMA Agro Industries Limited	480.00	585.00	July 04, 2023	32.00

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

*CMP for the above-mentioned companies is taken as of 1st Mar 2025.

As per the offer document, the above-mentioned mandates have opened at a premium on the listing day.

Recommendation -

NAPS Global India Limited has been in the industry since 2014 and has good experience in the industry.

The P/E on a post-IPO annualized basis is around 19.52 times which makes it slightly aggressively priced.

The company's management overview is not satisfactory.

The company's top line has increased consistently over the years. The bottom line and EBITDA have seen a sudden jump in FY24 which raises concern. The profitability margins have seen a slight dip in FY23. The company had negative cash flow from operations for FY24 and Dec-24. Overall, the financials of the company looks unsustainable.

The company has high concentration for suppliers and customers and loss of any may have an adverse impact. Also, the company's operations are highly concentrated in Maharashtra.

The company operates in a very highly fragmented and competitive industry which has slow growth and has they have no unique business strategies for growth.

Thus, investors can **AVOID** this IPO.

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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