Aritas Vinyl Limited

Retail Research	**: IPO Note**
Sector	**: Leather & Leather Products**
Price Band (INR)	**: 40 to 47**
Issue Type	**: Bookbuilding IPO**

About The Company

Aritas Vinyl Limited ka core kaam synthetic (artificial) leather banana hai. Yeh company real animal leather ka replacement banati hai, jise market me PVC coated leather ya PU synthetic leather bola jata hai. Company khud shoes, bags ya car seats nahi banati, balki un industries ko raw material supply karti hai jo aage jaakar final products banati hain.

Aritas Vinyl ka synthetic leather fabric ke upar PVC / PU chemicals ki coating karke banaya jata hai, jisse material leather jaisa dikhta aur feel deta hai, lekin zyada sasta, durable aur waterproof hota hai.
Company yeh material rolls form me banati hai, jisme colour, design, thickness aur texture customer ke order ke hisaab se customise hota hai.

Yeh synthetic leather mainly automobile (car seat covers, door panels), footwear (shoe uppers, lining), furniture (sofa, upholstery), fashion accessories (bags, wallets) aur healthcare & hospitality (hospital beds, chairs) jaise sectors me use hota hai.
Company apna maal distributors, wholesalers aur manufacturers ko bechti hai aur saath hi exports bhi karti hai jaise UAE, USA, Greece, Oman, Sri Lanka aur SEZ units.

Manufacturing & Capacity ka business se link

- Company transfer coating technology use karti hai jisme fabric par PVC/PU coating, heating, embossing aur finishing ke baad final rolls ready hoti hain.
- FY22–FY23 tak company ki installed capacity 42 lakh meters per year thi, jo FY24 me badhakar 78 lakh meters per year kar di gayi.
- FY22 me utilisation ~50% tha (first year operations), FY23 me yeh badhkar ~85% ho gaya, jo strong demand aur repeat customers ka signal deta hai. Isi demand ko dekhte hue management ne capacity expansion ki.

Overall, Aritas Vinyl ek B2B synthetic leather manufacturer hai jo multiple end-use industries ko supply karti hai. Business ka growth largely capacity utilisation, demand consistency, working capital management aur margin stability par depend karega. Agar nayi expanded capacity efficiently utilise hoti rahi aur margins stable rahe, to company ka scale-up sustainable ho sakta hai.

Issue Details	
IPO Open Date	16-Jan-26
IPO Close Date	20-Jan-26
Price Band (Rs)	40 to 47
Lot Size	3000 Shares
Issue Size (Rs Cr)	79,83,000 shares
Face Value	RS 10 per share
Sales Type	Fresh Capital & OFS
Issue Type	Bookbuilding IPO
Listing At	BSE SME
Share Holding Pre Issue	1,26,90,080 shares
Share Holding Post Issue	1,96,88,680 shares
QIB	0.98%
Retail Share	56.52%
NII Share	37.47%
Promoter Holding Pre Issue	47.22%
Promoter Holding Post Issue	27.99%

Shareholding Pattern (%)	
Anilkumar Prakashchandra Agrawal	6.17
Ankit Anilbhai Agrawal	6.03
Mohit Ashokkumar Agrawal	10.24
Sanjaykumar Kantilal Patel	5.22

Objects of the Issue	Estimated Amount (INR Cr.)
Capital Expenditure for Solar Power Project	4.26
Working Capital	20.45

Issued On : 15/01/20226
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RISK

- **Limited Operating History Risk:** Company ne FY22 se manufacturing start ki hai, isliye long-term business cycles me performance ka clear track record available nahi hai.
- **Execution Risk (Solar Power Project):** Solar project me delay ya cost overrun hua to expected power cost savings aur ROI impact ho sakta hai.
- **Regulatory & Pollution Compliance Risk:** GPCB aur environmental norms ka violation penalties, temporary shutdown ya license suspension ka risk create karta hai.
- **Fire & Safety Risk:** PVC, PU aur chemicals inflammable hote hain; koi accident ya fire incident hua to production halt aur financial loss ho sakta hai.
- **Quality Compliance Risk:** Customer specifications meet na hone par product rejection, returns aur reputation damage ka risk hai.
- **Environmental Regulation Risk:** Artificial leather par future me stricter regulations ya ban aaya to costs badh sakti hain aur demand impact ho sakti hai.
- **Competition Risk:** Real leather aur unorganised synthetic leather players se competition margins aur market share par pressure daal sakta hai.
- **Highly Regulated Industry Risk:** Multiple labour, safety aur environmental laws ke under operate karne se compliance lapse ka risk bana rehta hai.
- **Utilities Availability Risk:** Electricity, fuel ya water supply disruption se production loss aur delivery delays ho sakte hain.
- **Single Manufacturing Facility Risk:** Ek hi plant hone ki wajah se fire, disaster ya regulatory shutdown me puri production ruk sakti hai.
- **Manpower & Skill Risk:** Skilled labour ki shortage ya high attrition se quality aur productivity impact ho sakti hai.
- **Supplier Concentration Risk:** Limited suppliers par dependency hone se raw material price hike ya supply disruption ka risk hai.
- **Logistics & Transportation Risk:** Third-party transport par dependency delivery delays aur cost escalation ka reason ban sakti hai.
- **Customer Concentration Risk:** Few large customers par dependency hone se unke loss par revenue aur utilisation directly impact hogi.
- **Raw Material Price Volatility Risk:** PVC, PU aur chemicals ki price volatility margins par pressure daal sakti hai agar cost pass-on na ho.
- **Conflict of Interest Risk:** Group company same business me engaged hone se order diversion aur pricing conflict ka risk hai.
- **Export Obligation & Forex Risk:** Export obligations delay hone par penalties aur currency fluctuation se margins volatile ho sakte hain.
- **No Long-term Contracts Risk:** Purchase order–based business hone se revenue visibility limited rehti hai.
- **Insurance Coverage Risk:** Sab risks fully insured na hone se major loss company ko khud bear karna pad sakta hai.
- **Working Capital & Cash Flow Risk:** High inventory aur receivables ki wajah se liquidity pressure aur debt dependency badh sakti hai.
- **Debt & Financing Risk:** High borrowings se interest burden aur financial flexibility kam hoti hai.
- **Governance & Compliance Risk:** Past ROC, GST delays aur preferential allotment issues future regulatory scrutiny ka risk badhate hain.
- **Promoter Control & Related Party Risk:** Promoters ki majority control aur related-party transactions minority shareholders ke liye concern ho sakte hain.
- **IPO & Listing Risk (SME Platform):** SME listing par liquidity kam, price volatility zyada aur exit difficult ho sakta hai.
- **Global Macro Risk:** Global slowdown, inflation, interest rate hike, trade tension aur political instability demand aur margins par pressure daal sakti hai.

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NAME OF THE SELLING SHAREHOLDERS	Number of Equity shares Offered	TYPE	WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS (In ₹)
Anilkumar Prakashchandra Agrawal	126,214	Promoter Selling Shareholder	3.85
Sanjaykumar Kantilal Patel	96,373	Promoter Selling Shareholder	3.85
Mohit Ashokkumar Agrawal	1,00,803	Promoter Selling Shareholder	7.88
Ankit Anilbhai Agrawal	59,353	Promoter Selling Shareholder	11.26
Shubham Sunilbhai Agrawal	59,352	Promoter Selling Shareholder	9.53
Sahil Sureshkumar Agarwal	78,752	Selling Shareholder	10.13
Pradipkumar Churiwala	58,375	Selling Shareholder	10.83
Chandraprakash Churiwala	58,375	Selling Shareholder	12.59
Anilkumar Gopaldas Agrawal	25,791	Selling Shareholder	9.17
Agrawal Sunilkumar Gopaldas	25,791	Selling Shareholder	11.29
Manoj Vimal Agarwal	15,947	Selling Shareholder	10.29
Divyesh Sureshbhai Patel	50,893	Selling Shareholder	8.59
Agrawal Ashaben Rajendra	38,687	Selling Shareholder	5.41
Agrawal Keshav Bhagwandas	25,791	Selling Shareholder	10.23
Heena Akhil Agrawal	18,310	Selling Shareholder	13.18
Agrawal Ramavatar	25,791	Selling Shareholder	8.29
Khanjil Chetan Vora	39,376	Selling Shareholder	10.13
Manishkumar Vimalbhai Agrawal	48,531	Selling Shareholder	8.87
Lalitadevi Sudhir Arya	31,895	Selling Shareholder	10.29

CAPACITY AND CAPACITY UTILISATION

Particulars	Installed Capacity (Meters)	Actual capacity utilization (Meters)	Capacity Utilisation (in %)
2024-25 (Till December 2024)**	58.5 Lakhs	42.59 Lakhs (till Dec-24)	72.80
2023-24*	48 Lakhs	40.02 Lakhs	83.37
2022-23	42 Lakhs	35.70 Lakhs	84.99
2021-22	42 Lakhs	25.186 Lakhs	60.00

SUPPLIER

(₹ in lakhs except for percentages)

Period	Total Purchase	Purchase from Top Ten (10) suppliers	% of Total Purchase
Period ended December 31, 2024	6510.82	3922.68	60.25
Fiscal 2024	6033.81	4403.70	72.99
Fiscal 2023	5266.30	3931.11	74.61
Fiscal 2022	3535.06	2764.74	78.17

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RAW MATERIAL

Sr. No	Particulars	For the period ended on December 31, 2024	Fiscal 2023-24	Fiscal 2022-23	Fiscal 2021-22
1.	Domestically Purchased Raw Material	5994.07	5765.53	5167.74	3320.86
	As % of total Purchase	92.06%	95.55%	98.13%	93.94%
2.	Imported Raw Material	516.75	268.28	98.56	214.20
	As % of total Purchase	7.94%	4.45%	1.87%	6.06%
	Total	**6510.82**	**6033.81**	**5266.30**	**3535.06**

CUSTOMER

(₹ in lakhs except for percentages)

Period	Revenue from Operation	Revenue contribution of our top 10 customers	% Revenue contribution of our top 10 customers
Period ended December 31, 2024	7354.18	3972.89	54.02
Fiscal 2024	6878.00	3674.06	53.41
Fiscal 2023	5118.17	2953.24	57.69
Fiscal 2022	3047.31	2482.16	81.40

REVENUE FROM TRADING AND MANUFACTURING

(₹ in lakhs except for percentages)

Particulars	Period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Manufacturing Operations	6735.93	6305.08	4864.18	2673.94
Manufacturing Operations as a % of revenue from operations	91.59%	91.67%	95.04%	87.75%
Revenue from Trading Operations	618.25	572.92	253.99	373.38
Trading Operations as a % of revenue from operations	8.41%	8.33%	4.96%	12.25%
Total Revenue from Operations	**7,354.18**	**6,878.00**	**5,118.17**	**3047.31**

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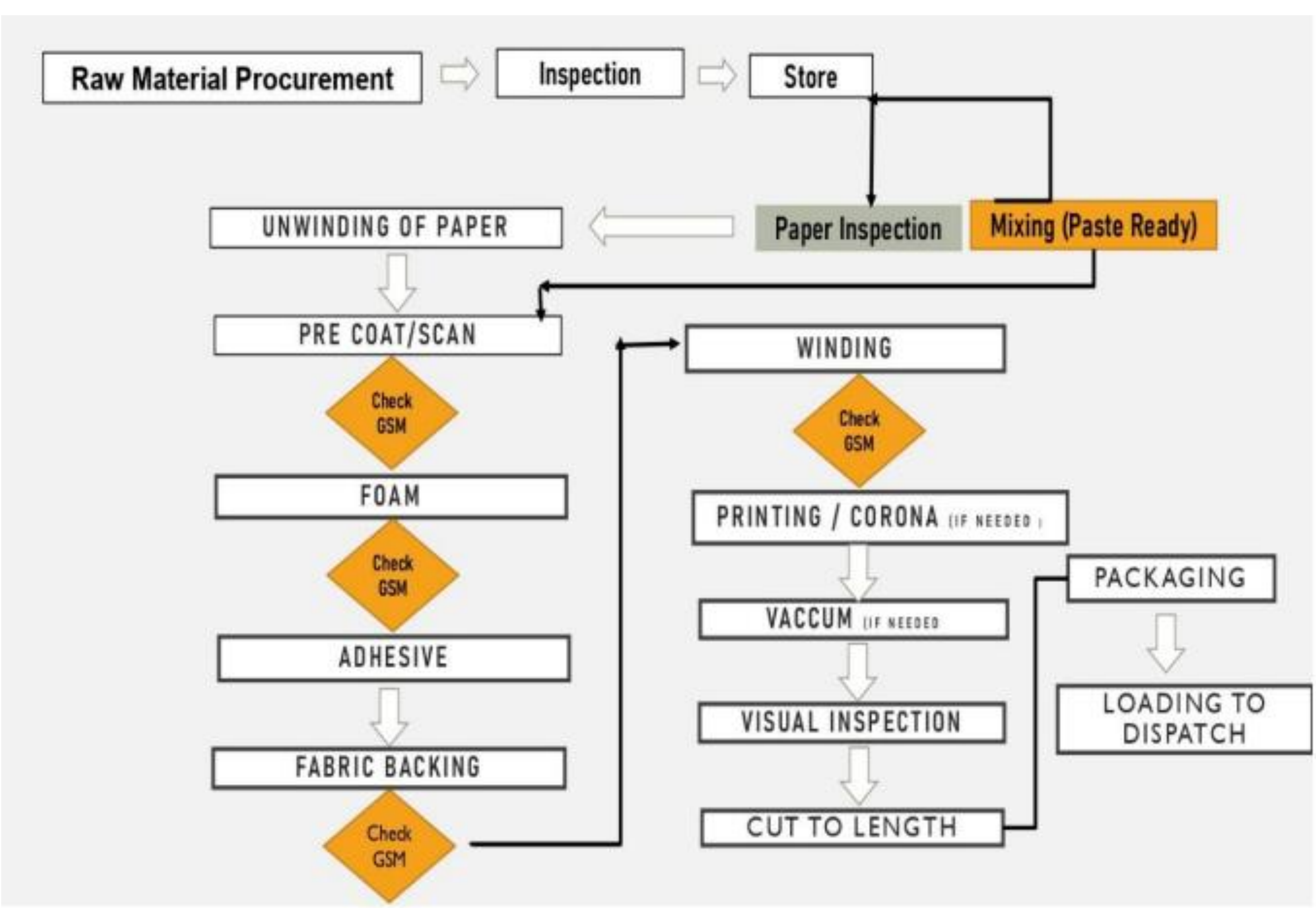
REVENUE BIFURCATION

(₹ in lakhs except for percentages)

Particulars	Period ended December 31, 2024	% of revenue from operations	Fiscal 2023-24	% of revenue from operations	Fiscal 2022-23	% of revenue from operations	Fiscal 2021-22	% of revenue from operations
Gujarat	2,479.57	33.72%	2145.34	31.19%	1577.80	30.83%	1763.78	57.88%
Delhi	367.17	4.99%	547.91	7.97%	496.14	9.69%	179.42	5.89%
Punjab	193.88	2.64%	213.35	3.10%	212.24	4.15%	87.67	2.88%
Uttar Pradesh	472.27	6.42%	415.97	6.05%	250.83	4.90%	52.27	1.72%
Maharashtra	1039.04	14.13%	846.78	12.31%	889.23	17.37%	315.29	10.35%
West Bengal	34.33	0.47%	19.33	0.28%	10.85	0.21%	0.58	0.02%
Rajasthan	21.82	0.30%	43.91	0.64%	61.54	1.20%	22.74	0.75%
Goa	5.12	0.07%	0.00	0.00%	0.00	0.00%	22.51	0.74%
Haryana	255.43	3.47%	317.32	4.61%	146.92	2.87%	37.09	1.22%
Himachal Pradesh	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.96	0.03%
Karnataka	149.20	2.03%	251.01	3.65%	331.70	6.48%	262.15	8.60%
Tamil Nadu	361.88	4.92%	341.25	4.96%	270.79	5.29%	136.75	4.49%
Telangana	225.69	3.07%	113.89	1.66%	168.37	3.29%	69.35	2.28%
Andhra Pradesh	0.00	0.00%	4.35	0.06%	10.59	0.21%	0.00	0.00%
Assam	0.00	0.00%	0.00	0.00%	3.69	0.07%	0.00	0.00%
Uttarakhand	40.43	0.55%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Kerala	549.41	7.47%	201.67	2.93%	105.38	2.06%	0.00	0.00%
Odisha	2.15	0.03%	1.61	0.02%	0.75	0.01%	0.00	0.00%
India (Total Domestic Sale) (A)	**6,197.39**	**84.27%**	**5463.70**	**79.44%**	**4536.81**	**88.64%**	**2950.55**	**96.82%**
Greece	103.15	1.40%	202.14	2.94%	0.00		48.47	1.59%
Oman	80.73	1.10%	126.83	1.84%	123.74	2.42%	48.30	1.58%
UAE	444.82	6.05%	458.19	6.66%	431.09	8.42%	-	
Sri Lanka	186.48	2.54%	262.59	3.82%	0.00		-	
USA	325.25	4.42%	348.76	5.07%	0.00		-	
SEZ	16.35	0.22%	15.79	0.23%	26.53	0.52%	-	
Total International Sale (B)	**1156.80**	**15.73%**	**1414.30**	**20.56%**	**581.36**	**11.36%**	**96.77**	**3.18%**
Revenue from Operations (A+B)	**7354.18**	**100.00%**	**6878.00**	**100.00%**	**5118.17**	**100%**	**3047.31**	**100.00%**

MANUFACTURING PROCESS



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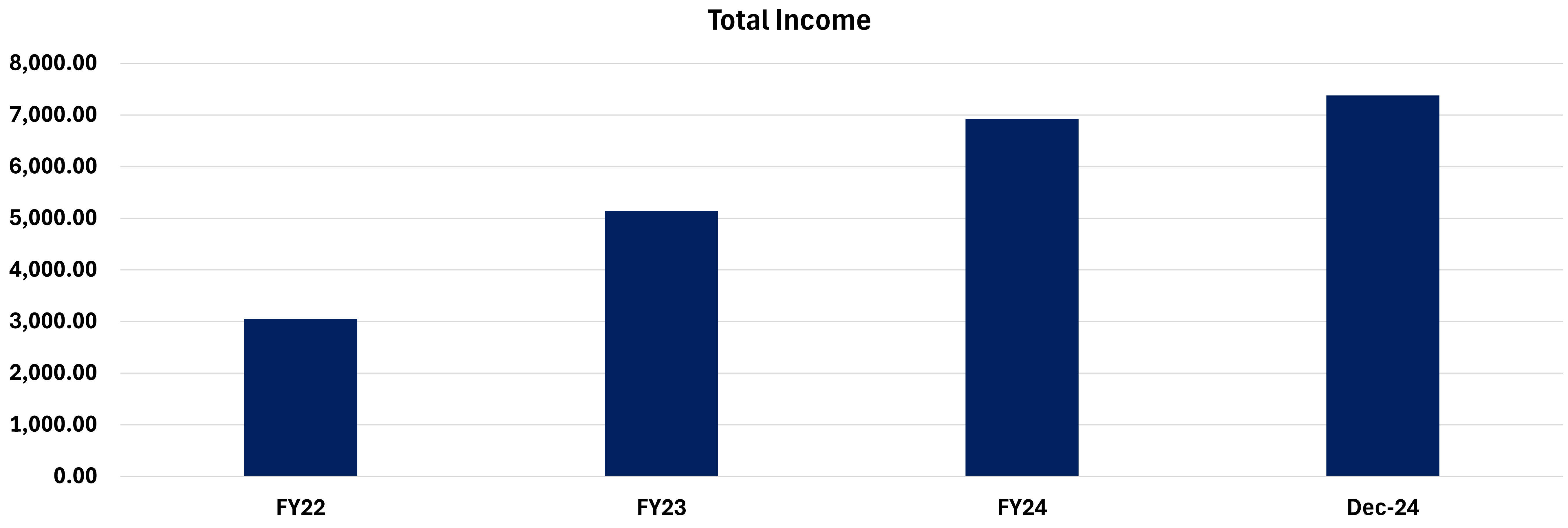
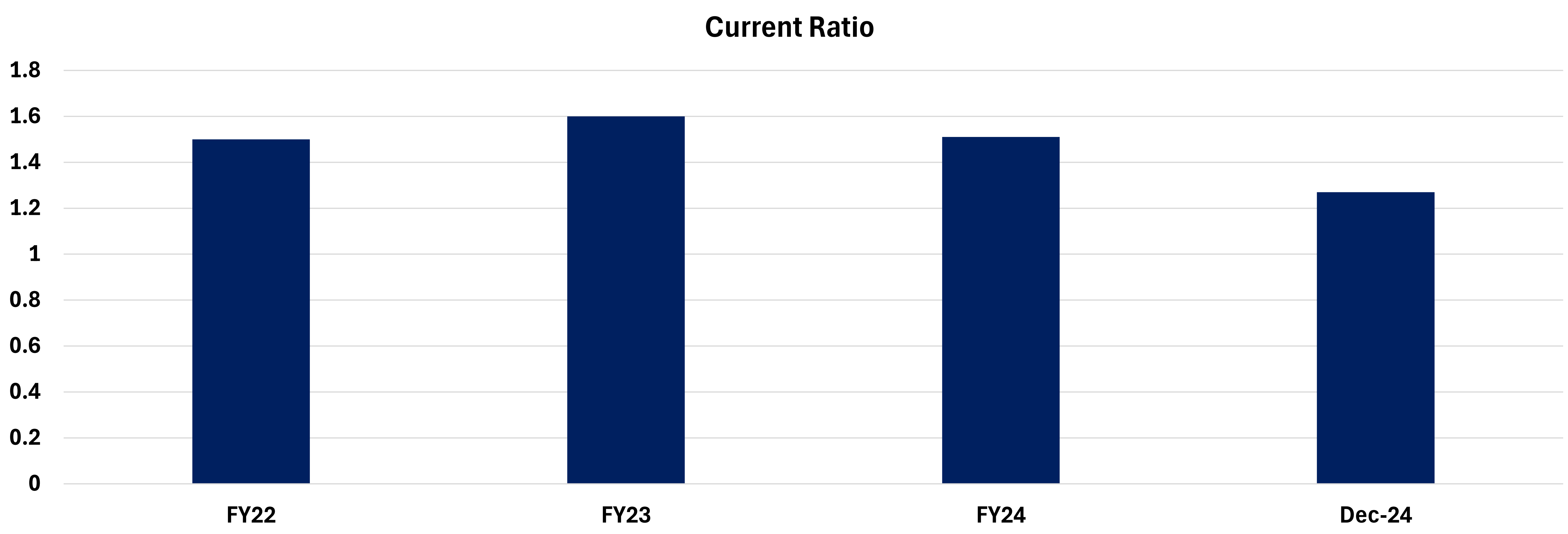
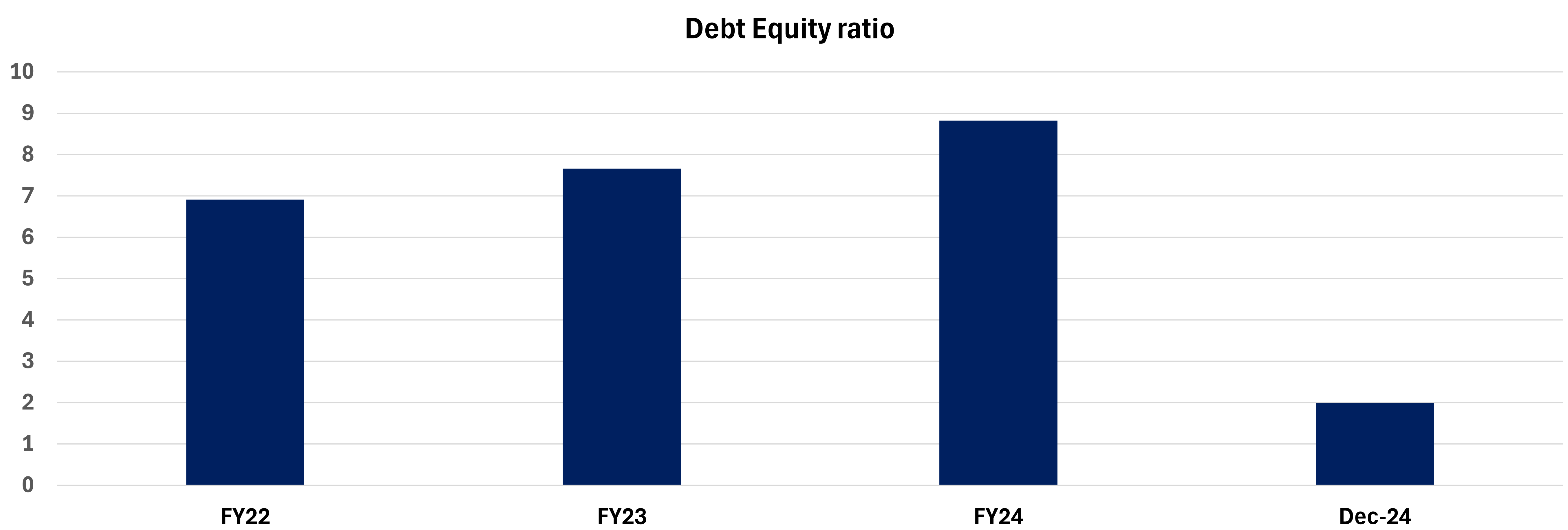
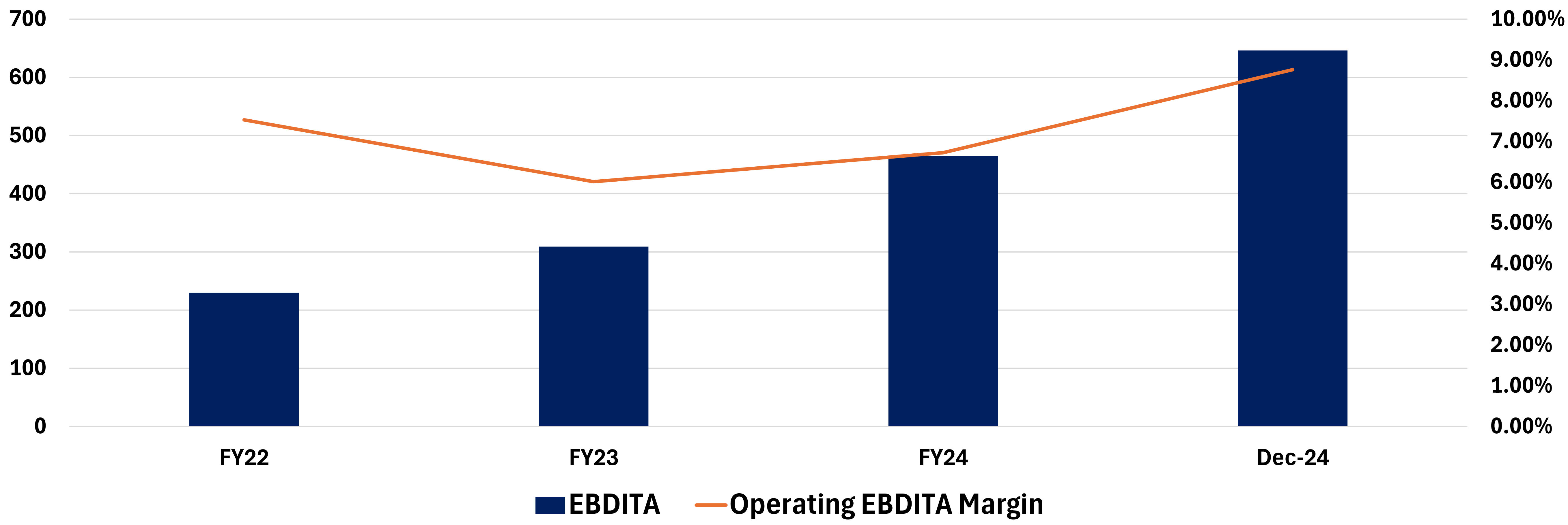
FINANCIAL ANALYSIS (INR In Lakhs)









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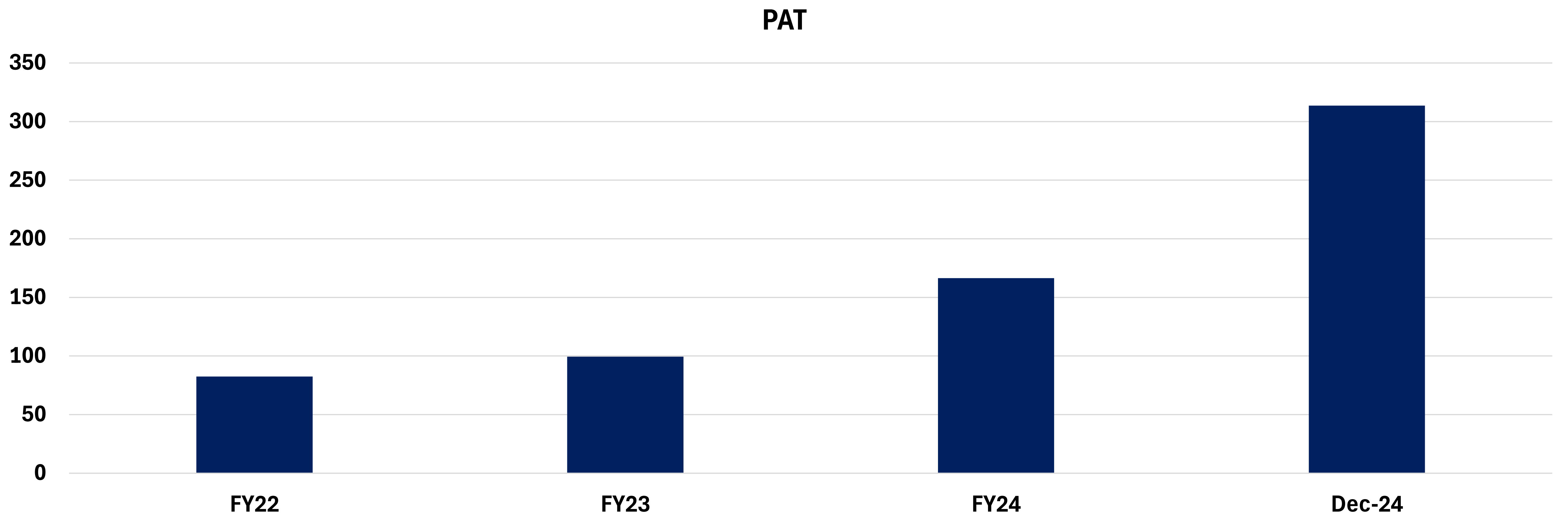
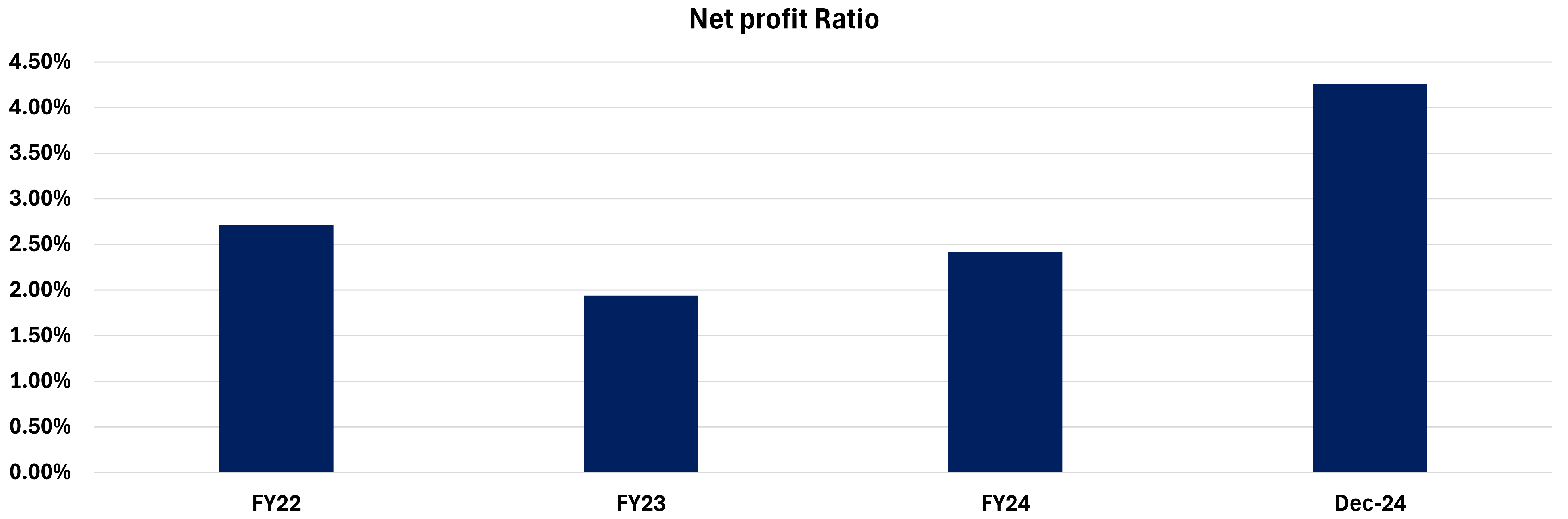
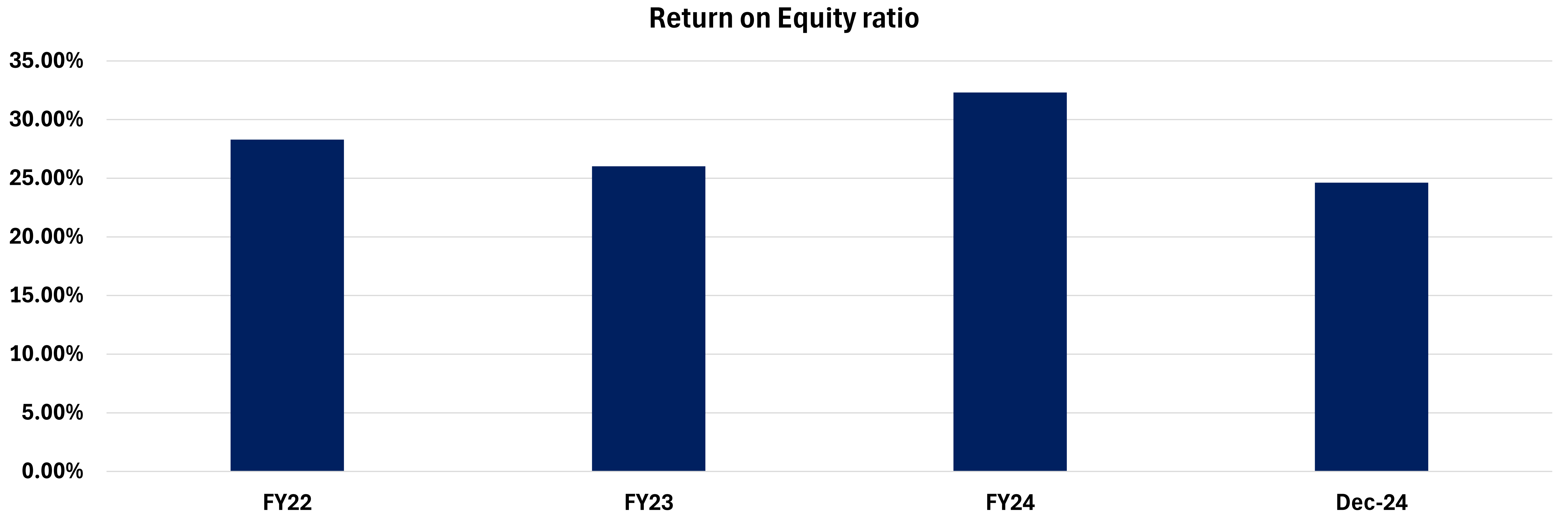
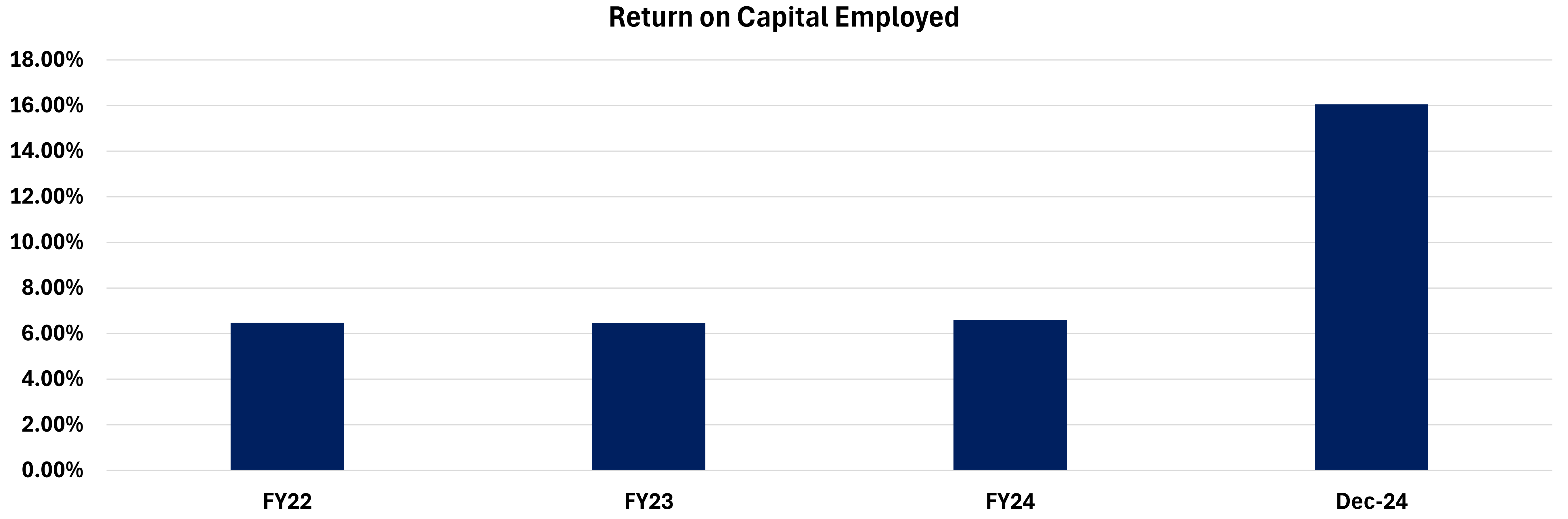
FINANCIAL ANALYSIS (INR In Lakhs)









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