Retail Research	**: IPO Note**
Sector	**: Industrial Manufacturing**
Price Band (INR)	**:141 to 149**
Issue Type	**: Bookbuilding IPO**

About The Company

Sheet Moulding Compound (SMC) manufacturing process ek well-defined aur quality-driven workflow hota hai, jisme raw material se leke final dispatch tak har stage par strict checks follow kiye jaate hain. Process ki shuruaat raw material receiving se hoti hai, jahan SMC inputs, resins, fillers aur reinforcements approved suppliers se plant par aate hain. Sabse pehle receiving inspection hota hai taaki kisi bhi defect, mismatch ya quality issue ko early stage par hi identify kiya ja sake. Approved raw material ko temperature-controlled aur controlled environment storage me rakha jaata hai, jisse material ki properties stable rahein. Iske baad laboratory testing hoti hai, jahan chemical aur physical tests ke through material ki strength, consistency aur compliance ensure ki jaati hai.

Testing ke baad raw materials ko predefined formulation ke according mix kiya jaata hai aur SMC compounding machine me heat aur pressure ke through SMC compound prepare hota hai. Is stage par in-process testing hoti rehti hai taaki quality parameters continuously monitor kiye jaa saken. Prepared SMC compound ko maturation ya aging process ke liye controlled temperature environment me rest diya jaata hai, jisse material ki moulding performance improve ho jaaye. Uske baad compression moulding process hoti hai, jahan high pressure aur temperature ke saath moulds me SMC ko desired shape aur strength di jaati hai.

Moulding ke baad moulded parts ka detailed inspection hota hai, jisme dimensions, finish aur design specifications check ki jaati hain. Iske baad post-moulding operations jaise trimming, drilling aur finishing ki jaati hai. Agar product me accessories ya fittings lagni hoti hain, to unka bhi alag se inspection hota hai. Sab components assemble hone ke baad final inspection ki jaati hai taaki product fully functional, safe aur standards-compliant ho. Approved products ko proper packing ke saath dispatch se pehle last pre-dispatch inspection se guzara jaata hai, aur phir customer ya project site par timely delivery ke liye dispatch kar diya jaata hai.

Issue Details	
IPO Open Date	13-Jan-26
IPO Close Date	15-Jan-26
Price Band (Rs)	141 to 149
Lot Size	1000 Shares
Issue Size (Rs Cr)	61,71,000 shares
Face Value	RS 10 per share
Sales Type	Fresh Capital
Issue Type	Bookbuilding IPO
Listing At	BSE, SME
Share Holding Pre Issue	1,66,84,350 shares
Share Holding Post Issue	2,28,55,350 shares
QIB	47.45%
Retail Share	33.25%
NII Share	14.29%
Promoter Holding Pre Issue	82.30%
Promoter Holding Post Issue	60.07%

Shareholding Pattern (%)	
Nitin Jasvantbhai Patel	16.36%
Riktabahen Pranay Sonawala	16.36%
Neel Niteshbhai Shah	16.36%
Chaitanya Patel	16.36%
Rachit Jain	16.36%

Objects of the Issue	**Estimated Amount (INR Cr.)**
Funding capital expenditure of the company to purchase Plant and Machinery	25.71
Funding the working capital requirements of the company	52

Issued On : 11/01/20226
Prepared By : Aarti Tiwari
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INDO SMC

RISK

- Company ka business raw material price volatility ke risk se exposed hai kyunki iska major raw material jaise SMC, FRP, copper aur steel commodity-based hai. Agar raw material ke prices achanak badh jaate hain aur company ye cost customers ko timely pass-on nahi kar paati, toh margins, profitability aur cash flows par direct negative impact aa sakta hai.

- Company ke zyadaatar orders competitive bidding aur tender-based process ke through aate hain, jahan lowest price ka pressure hota hai aur pricing power limited rehti hai. Is wajah se high competition ke environment me margins compress hone ka risk bana rehta hai.

- Company kuch limited suppliers par raw material ke liye dependent hai. Agar kisi supplier ne supply disrupt kar di, ya kisi region me strike, logistics issue ya regulatory restriction aa gaya, toh production delay, delivery disruption aur revenue loss ho sakta hai.

- Company ke operations multiple regulatory approvals, licenses aur statutory compliances par depend karte hain. Agar kisi bhi license ka renewal time par na ho, ya compliance me failure ho, toh operations disrupt ho sakte hain ya penalties lag sakti hain.

- Company apne designs, manufacturing processes aur proprietary know-how ko fully protect karne me fail ho sakti hai, jisse competitors ke liye products aur processes copy karna aasaan ho jaata hai aur long-term competitive advantage kam ho sakta hai.

- Company kuch ongoing legal proceedings ka hissa hai, aur agar inme se kisi case ka decision company ke against aata hai, toh financial loss, reputation damage aur operations par adverse impact aa sakta hai.

- Company ne apni proposed expansion ke liye abhi tak machinery ka final order place nahi kiya hai. Agar machinery procurement ya delivery delay hoti hai, toh expansion timeline delay ho sakti hai aur cost overrun ka risk badh jaata hai.

- Manufacturing expansion project me time overrun aur cost overrun ka risk hai. Agar actual project cost expected cost se zyada ho jaati hai, toh company ka ROCE aur overall profitability pressure me aa sakti hai.

- Company ka business working capital intensive hai, jahan receivables ka timely realization aur bank funding critical hoti hai. Agar receivables delay ho jaate hain ya funding timely available nahi hoti, toh daily operations aur raw material procurement impact ho sakta hai.

- Company ne promoters, directors aur group companies ke saath related party transactions kiye hain. Agar ye transactions arm’s length basis par nahi hue, toh corporate governance concerns aur shareholder interest risk me aa sakta hai.

- Company ka growth phase kaafi fast hai, aur agar systems, manpower aur internal processes ko timely upgrade nahi kiya gaya, toh execution capability, service quality aur customer satisfaction adversely impact ho sakti hai.

- Agar company apni existing ya expanded manufacturing capacity ko fully utilize nahi kar paati, toh fixed cost absorption weak ho jaata hai, jisse margins aur ROCE dono par pressure aa sakta hai.

- Past me company se related kuch statutory non-compliances jaise ROC filing delays aur Companies Act related inadvertent lapses hue hain, jo governance image ko negatively impact kar sakte hain aur future penalties ka risk create karte hain.

- Company ke kuch directors ko listed company environment ka prior experience nahi hai, jisse listing ke baad compliances, disclosures aur investor handling me initial learning curve aa sakta hai.

- Company ka revenue kuch limited customers par dependent hai aur long-term contracts ka absence hai. Agar koi major customer orders band kar deta hai, toh revenue volatility ka risk kaafi badh jaata hai.

- Promoters ne company ke loans ke liye personal guarantees di hui hain. Agar future me ye guarantees withdraw ho jaati hain, toh loan terms tight ho sakte hain aur refinancing me issues aa sakte hain.

- Company ka borrowing exposure limited banks jaise HDFC Bank aur Standard Chartered Bank par concentrated hai. Excessive dependence ki wajah se bargaining power kam ho sakti hai aur credit risk badh sakta hai.

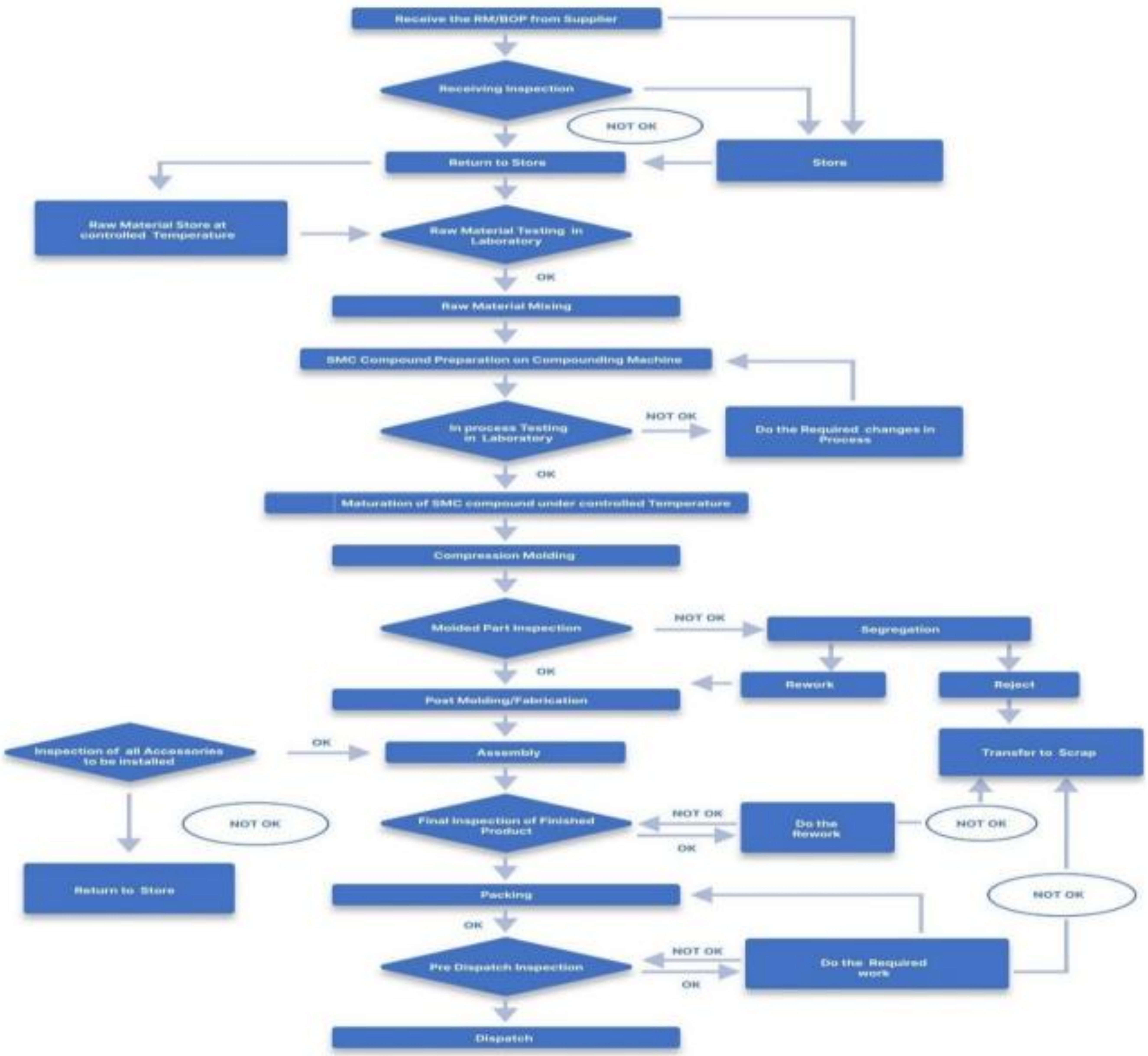
RISK

- Company ka business completely manufacturing facilities par dependent hai. Agar machine breakdown, power failure ya temporary shutdown hota hai, toh production, revenue aur cash flow teeno directly affect honge.
- Past me company ke kuch years me operating, investing ya financing activities me negative cash flows rahe hain. Agar future me bhi ye trend continue hota hai, toh debt servicing aur growth funding par pressure aa sakta hai.
- Agar company customer demand ka accurate forecasting nahi kar paati aur inventory zyada ya kam ho jaati hai, toh working capital block hone, obsolescence risk aur lost sales ka risk ho sakta hai.
- Company ki manufacturing aur storage facilities leasehold basis par hain. Agar lease renew nahi hoti ya lease rights lose ho jaate hain, toh production disruption, relocation cost aur revenue impact ho sakta hai.
- Company ka success promoters aur key managerial personnel ke experience aur guidance par kaafi depend karta hai. Agar koi key person company chhod deta hai, toh strategy, execution aur growth plans disrupt ho sakte hain.
- Manufacturing operations labour intensive hone ki wajah se labour unions, strikes, wage hikes aur work stoppages ka risk bana rehta hai, jo production delay aur cost escalation ka reason ban sakta hai.
- Company internal fraud, theft, human error aur employee negligence jaise risks se bhi exposed hai, jo financial loss, operational disruption aur reputation damage ka cause ban sakte hain.
- Agar future me tax authorities, labour department ya environmental bodies kisi bhi tarah ki penalty ya demand raise karti hain, toh company ki financial position directly impact ho sakti hai.
- Company ke operations environmental, health aur safety laws ke under aate hain. Agar EHS norms aur strict ho jaate hain, toh capital expenditure aur compliance-related liabilities badh sakti hain.
- Promoters aur KMPs ke paas salary ke alawa shareholding bhi hai, jisse conflict of interest ka perception create ho sakta hai aur governance concerns uth sakte hain.
- Company ne past me equity shares IPO price se kam valuation par issue kiye hain, jisse listing ke baad short-term selling pressure aur investor sentiment risk ho sakta hai.
- DRHP me disclose kiya gaya kuch data independently verify nahi kiya gaya hai. Agar koi data inaccurate prove hota hai, toh investor confidence aur company credibility par impact aa sakta hai.
- Listed company banne ke baad disclosure, compliance aur governance requirements kaafi badh jaate hain, jisse management bandwidth aur compliance cost par pressure aa sakta hai.
- Is baat ki koi guarantee nahi hai ki company ke equity shares timely list honge ya list hi honge. Agar listing delay hoti hai, toh investor liquidity adversely impact ho sakti hai.
- Manufacturing facilities me heavy machinery aur hazardous activities involve hoti hain. Agar koi accident, fire ya injury hoti hai, toh legal liability aur operational disruption ka risk hota hai.
- IPO issue price par valuation multiples future market price ko necessarily reflect nahi karte. Listing ke baad valuation revise ho sakti hai aur share price me volatility aa sakti hai.
- Company Indian aur global economic slowdown se sensitive hai. Agar infrastructure aur power sector spending kam hoti hai, toh order inflow aur revenue growth pressure me aa sakti hai.
- High inflation environment me raw material, labour aur logistics costs badh jaate hain. Agar company ye cost customers ko pass-on nahi kar paati, toh margins aur profitability decline ho sakti hai.
- Indian financial markets me volatility, liquidity crunch ya geopolitical events ki wajah se company ke fund raising plans, share price aur investor confidence adversely affect ho sakte hain.

INDO SMC

MANUFACTURING PROCESS SHEET MOULDING COMPOUND

Sheet Moulding Compound (SMC)



Geographic-wise Revenue Bi-furcation

Location	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Sales *(in lakhs)*	As a % of revenue from operations	Sales *(in lakhs)*	As a % of revenue from operations	Sales *(in lakhs)*	As a % of revenue from operations
Delhi	11.14	0.08	6.37	0.23	0.04	0.01
Gujarat	8,918.22	64.30	856.37	30.55	565.14	77.46
Haryana	16.86	0.12	17.69	0.63	17.00	2.33
Himachal Pradesh	0.00	0.00	0.45	0.02	0.62	0.09
Karnataka	336.04	2.42	17.73	0.63	17.38	2.38
Kerala	9.06	0.07	0.00	0.00	0.01	0.00
Madhya Pradesh	898.16	6.48	301.22	10.75	74.96	10.28
Maharashtra	2,455.52	17.71	311.94	11.13	43.66	5.99
Punjab	0.00	0.00	20.19	0.72	0.03	0.00
Puducherry	0.32	0.00	0.00	0.00	0.00	0.00
Rajasthan	192.18	1.39	113.96	4.07	0.16	0.02
Tamil Nadu	18.11	0.13	6.69	0.24	5.84	0.80
Telangana	9.82	0.07	13.51	0.48	0.68	0.09
Uttar Pradesh	506.41	3.65	1,096.89	39.13	1.47	0.20
Uttarakhand	423.05	3.05	0.00	0.00	0.00	0.00
Andhra Pradesh	0.00	0.00	33.03	1.18	0.00	0.00
Jharkhand	0.00	0.00	6.54	0.23	0.00	0.00
Assam	0.00	0.00	0.12	0.00	0.00	0.00
Chhattisgarh	1.29	0.01	0.62	0.02	0.00	0.00
West Bengal	12	0.09	0.06	0.00	2.55	0.35
Export	61.07	0.44	0.00	0.00	0.00	0.00
Total	**13,869.25**	**100.00**	**2,803.38**	**100.00**	**729.55**	**100.00**

Sales-wise Revenue Bifurcation

Sales Type	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Sales *(in lakhs)*	As a % of revenue from operations	Sales *(in lakhs)*	As a % of revenue from operations	Sales *(in lakhs)*	As a % of revenue from operations
Manufacturing Sales	13,659.25	98.49	2,803.38	100.00	729.55	100
Technical Consultancy	210.00	1.51	0.00	0.00	0.00	0.00
Total	**13,869.25**	**100.00**	**2,803.38**	**100.00**	**729.55**	**100.00**

Revenue Bifurcation

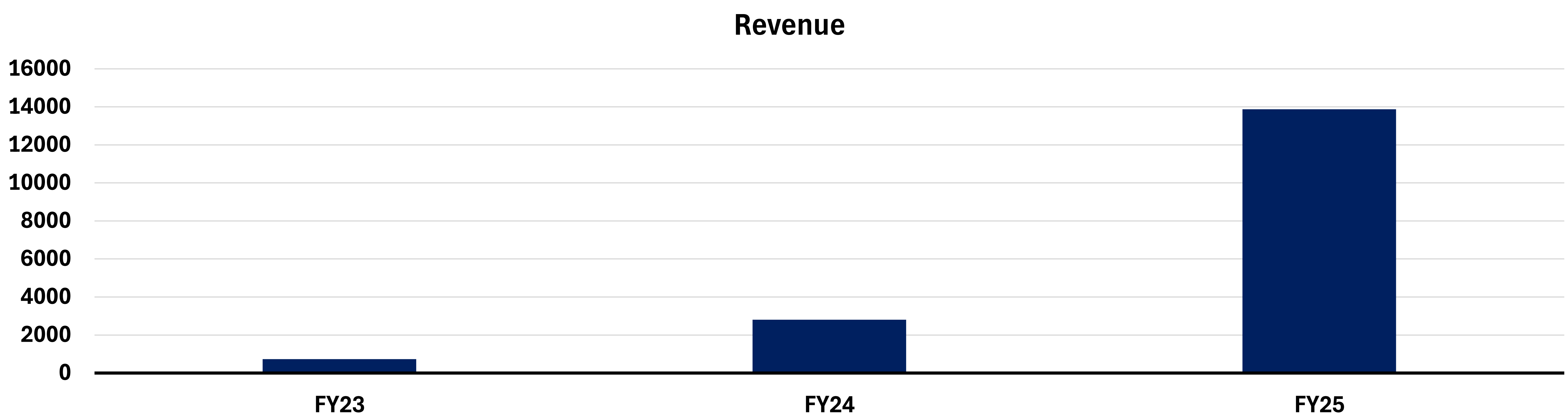
Product-wise revenue bifurcation

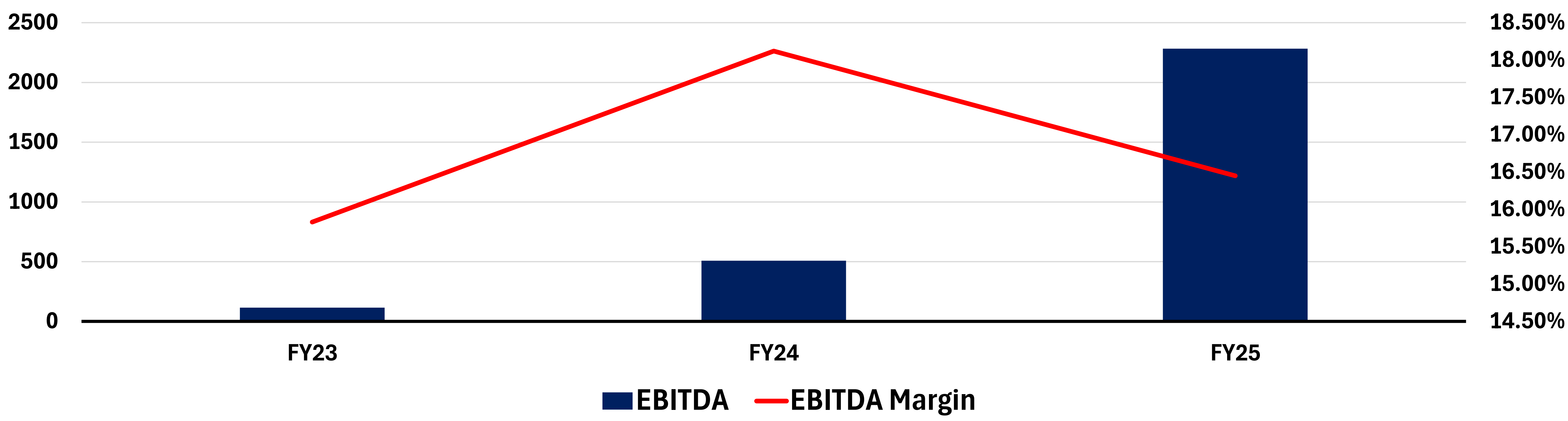
The table below sets forth the breakdown of our income from the sale of our key product and as a percentage of our revenue from operations for the periods indicated:

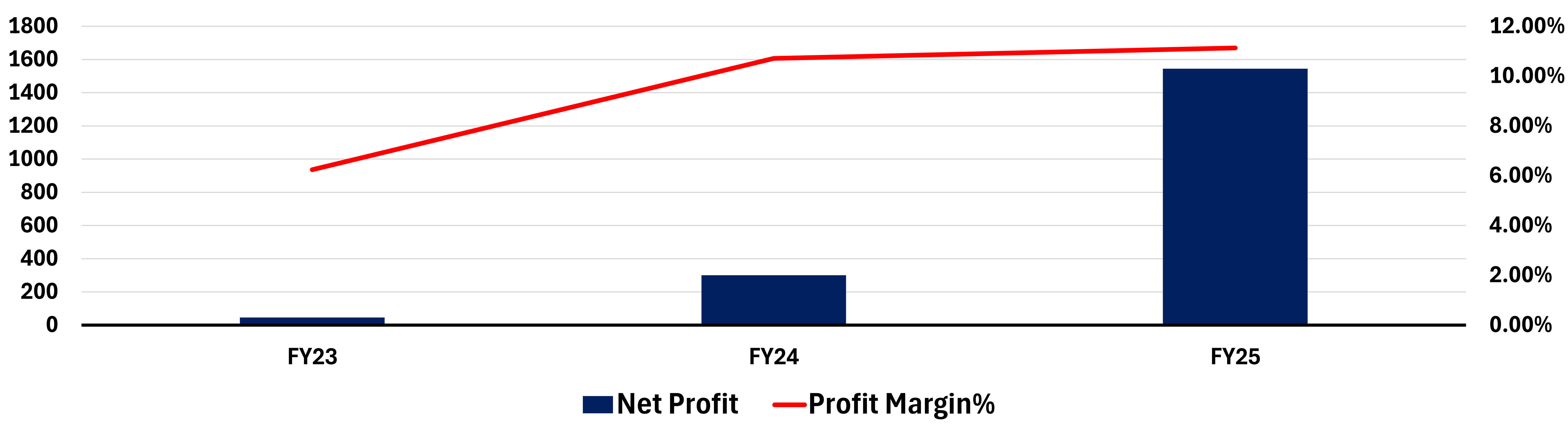
Product	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Sales *(in lakhs)*	As a % of revenue from operations	Sales *(in lakhs)*	As a % of revenue from operations	Sales *(in lakhs)*	As a % of revenue from operations
SMC Box	6,804.71	49.06	2,201.71	78.54	638.42	87.51
Fiber Glass	341.86	2.47	243.25	8.68	0.00	0.00
Compound	1,537.07	11.08	24.19	0.86	44.03	6.03
Waste	39.96	0.29	0.00	0.00	0.00	0.00
Manhole Cover	6.34	0.05	0.00	0.00	0.00	0.00
SMC Sheet & Chequered Plate	4.38	0.03	0.00	0.00	0.00	0.00
Technical Consultancy	210.00	1.51	0.00	0.00	0.00	0.00
Pe Tarpaulin	113.63	1.91	0.00	0.00	0.00	0.00
FRP Grating	2,946.06	21.24	334.22	11.92	47.10	6.46
Epoxy	3.28	0.02	0.00	0.00	0.00	0.00
Pultrusion	40.64	0.29	0.00	0.00	0.00	0.00
Channel	12.38	0.09	0.00	0.00	0.00	0.00
High Tension Current Transformer	404.44	2.92	0.00	0.00	0.00	0.00
Low Tension Current Transformer	314.96	1.18	0.00	0.00	0.00	0.00
Terminal Connectors	4.37	0.03	0.00	0.00	0.00	0.00
Bus Duct	1,062.00	7.66	0.00	0.00	0.00	0.00
Electrical Material	23.18	0.17	0.00	0.00	0.00	0.00
Total	**13,869.25**	**100.00**	**2,803.38**	**100.00**	**729.55**	**100.00**

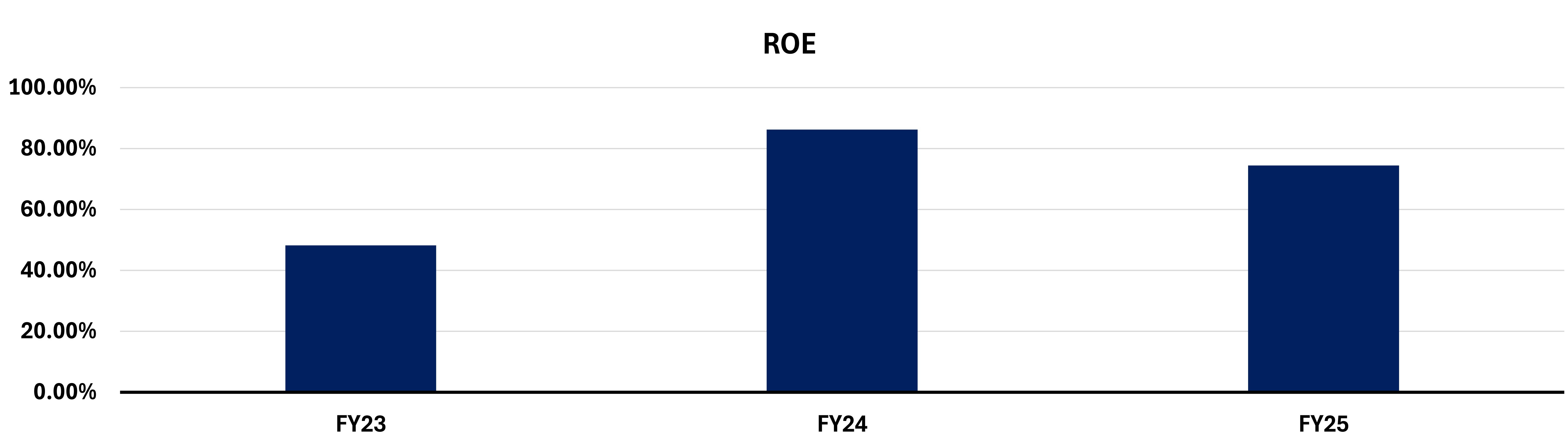
INDO SMC

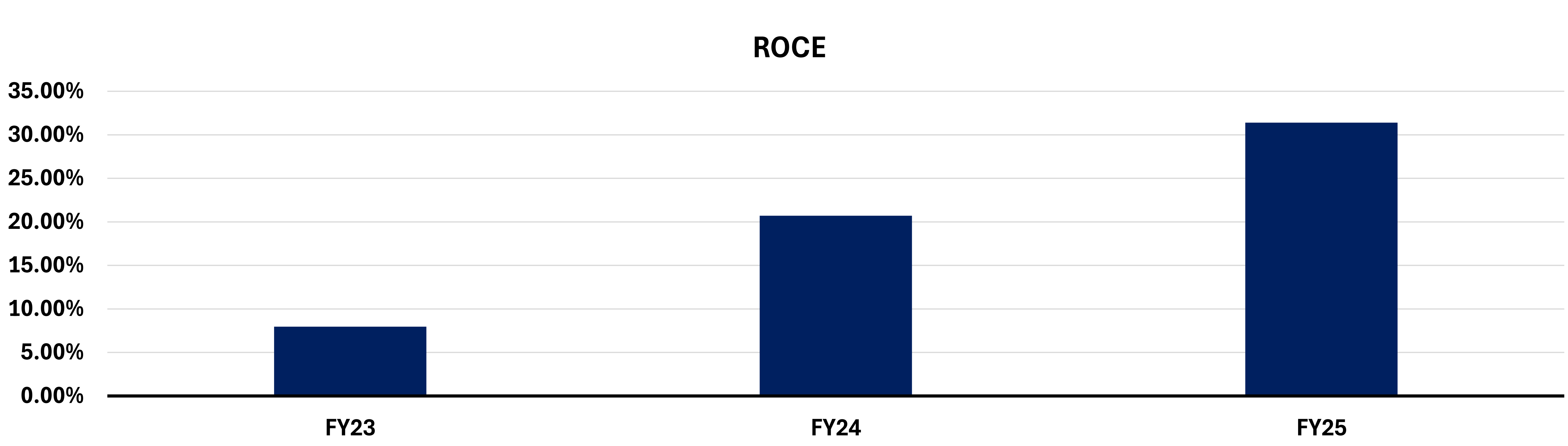
FINANCIAL ANALYSIS (INR in Lakhs)











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