Academic Research Project –Not a Recommendation

NARMADESH BRASS INDUSTRIES LTD

Retail Research	**: IPO Note**
Sector	**: Manufacturing**
Price Band (INR)	**: 515 per share**
Issue Type	**: Fixed Price**

About The Company

Narmadesh Brass Industries Limited ek fully integrated brass manufacturing company hai jo domestic aur export dono markets ko cater karti hai. Company ka manufacturing setup Jamnagar, Gujarat mein hai – jo India ka brass hub maana jaata hai. ~6,300 sq. mtr ka manufacturing area, ISO 9001:2015 certification, aur raw material se leke final dispatch tak sab kuch in-house karne ki capability company ko strong operational control, better quality aur cost efficiency deti hai. Installed capacity ke level par company ke paas 4,320 MT brass billets, 4,320 MT brass rods aur 1,600 MT brass components ki annual production power hai, jisse company market demand ke hisaab se rods bechne, billets supply karne ya high-value components manufacture karne ka flexibility maintain karti hai. Product portfolio ka major hissa brass rods, billets aur components se aata hai (90%+), jisme brass valves (own brand), plumbing & sanitary fittings, agricultural sprayer parts, garden fittings, ball valves, NRVs, electrical aur precision turning components shaamil hain.

Management side par company Hitesh Dudhagara (Chartered Mechanical Engineer, 20+ years experience) aur Ronak Dudhagara (10+ years industry experience) ke leadership mein operate hoti hai – ek family-led par professionally managed setup, jahan execution aur industry understanding strong hai. Manufacturing strength fully integrated plant ke through aati hai jahan casting se leke forging, machining, quality control aur dispatch sab in-house hota hai. Advanced CNC, VMC, SPMs aur lathe machines, along with in-house chemical, hardness, torque aur pressure testing facilities, company ko better quality control, cost optimisation aur margin improvement ka edge deti hain. Jamnagar location ka advantage – raw material availability, skilled labour pool, lower logistics cost aur export-friendly ecosystem – operating margins ko aur support karta hai.

Company ki export presence rapidly grow hui hai, jahan FY23 mein ₹258 Cr, FY24 mein ₹451 Cr aur FY25 mein ₹2,363 Cr ki export sales report hui hain, jo strong global demand aur forex advantage ko highlight karta hai. Growth strategy ke under company high-precision aur high-margin components par focus, capacity expansion via new machinery, working capital strengthening (IPO funds ka major use), domestic aur international market expansion, aur ₹2,473 lakh ke debt ko reduce karne par kaam kar rahi hai, jisse balance sheet aur stronger hogi. Manufacturing process ek end-to-end controlled flow follow karta hai – scrap selection se leke melting, alloying, forging, machining, final inspection aur dispatch tak – jo consistency aur reliability ensure karta hai. Overall, Narmadesh Brass Industries ek quality-driven, export-oriented aur scalable brass manufacturing player hai jo competitive landscape mein trust, timely delivery aur wide product range ke through apna edge maintain karti hai.

Issued On : 10/01/20226
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Issue Details	
IPO Open Date	12-Jan-26
IPO Close Date	15-Jan-26
Price Band (Rs)	515 per share
Lot Size	240 Shares
Issue Size (Rs Cr)	8,71,200 shares
Face Value	RS 10 per share
Sales Type	Fresh Capital & OFS
Issue Type	Fixed Price IPO
Listing At	BSE, SME
Share Holding Pre Issue	24,00,000 shares
Share Holding Post Issue	31,00,800 shares
Market Maker Shares	5.23%
Retail Share	47.38%
NII Share	47.38%
Promoter Holding Pre Issue	99.92%
Promoter Holding Post Issue	71.84%

Shareholding Pattern (%)	
M/s. Sprayking Limited	66.67%
Mr. Hitesh Dudhagara	16.46%
Mrs. Ronak Dudhagara	16.46%

Objects of the Issue	**Estimated Amount (INR Cr.)**
Lead manager(s) fees	0.5
Underwriting commission	2.24
Fees Payable to Market Maker	0.15
Fees Payable to Registrar to the Offer	0.01
Fees Payable to Auditor, Legal Advisors & Other Advisors	0.11
Fees Payable for Advertising and marketing expenses	1.16
Fees Payable to Regulators including stock exchanges	0.1
Fees Payable for Printing and distribution of issue stationary	0.03
Brokerage, selling commission and upload fees	0.01

NARMADESH BRASS INDUSTRIES

RISK

Company ka major revenue brass rods aur billets par depend karta hai, isliye in products ki demand me slowdown, substitution ya production issue aane par revenue, profitability aur cash flow directly impact ho sakte hain.

Company limited raw material suppliers par dependent hai, aur agar supply disruption, delay ya price shock aata hai to production ruk sakta hai aur margins pressure me aa sakte hain.

Kuch financial years me few customers se hi major sales aayi hain, jiske kaaran kisi ek bade customer ke loss se sales aur profitability par significant impact pad sakta hai.

Business working-capital intensive hai, aur agar receivables delay hue ya inventory slow moving ho gayi to liquidity aur cash flow tight ho sakta hai.

Company ka 73%–95% revenue sirf Gujarat, Maharashtra aur Delhi se aata hai, isliye in regions me slowdown ya policy issues se overall revenue heavily impact ho sakta hai.

Manufacturing unit aur warehouse leasehold property par hain, aur agar lease renew na hui ya dispute hua to operations aur business continuity risk me aa sakti hai.

Company ne past me negative net cash flow report kiya hai, jo yeh indicate karta hai ki accounting profit ke bawajood actual cash generation weak rahi hai.

Holding company Sprayking Limited same business line me operate karti hai, jisse conflict of interest aur related party dependency risk paida hota hai.

Company, promoters aur group entities par ongoing legal cases hain, aur agar koi decision adverse aaya to financials aur reputation dono impact ho sakte hain.

Planned capex ke liye final machinery agreements sign nahi hue hain, jisse cost overrun, delay aur lower ROI ka risk bana rehta hai.

Company recently incorporated (Oct 2023) hui hai, isliye limited operating history ke kaaran future performance assess karna difficult ho jata hai.

Copper aur zinc prices global commodity cycles se linked hain, aur agar sharp volatility aayi aur cost pass-through na ho paaya to margins compress ho sakte hain.

Company ne promoters se unsecured loans liye hain jo repayable on demand hain, jisse sudden repayment demand par cash flow pressure aa sakta hai.

IPO funds ka utilisation management estimates par based hai aur koi independent monitoring agency nahi hai, jisse execution aur misallocation risk rehta hai.

Insurance coverage har possible risk ko fully cover nahi karti, isliye fire, accident ya natural calamity me financial loss ho sakta hai.

Agar expected demand na aayi aur new capacity idle rahi to fixed cost burden badhega aur ROCE gir sakta hai.

Company ke kuch licenses aur approvals partnership se company conversion ke baad transfer pending hain, jisse delay hone par operations temporarily disturb ho sakte hain.

Sirf ek manufacturing location (Jamnagar) hone ke kaaran natural disaster, labour issue ya local disruption se entire production halt ho sakta hai.

Promoters aur KMPs ke salary, dividends aur shareholding interests decision-making me conflict of interest create kar sakte hain.

Company ne group entity se second-hand machinery kharidi hai, jisme higher maintenance aur lower efficiency risk rehta hai.

Business promoters aur key personnel par highly dependent hai, aur kisi key person ke exit se strategy aur growth impact ho sakti hai.

NARMADESH BRASS INDUSTRIES

RISK

Balance sheet ka bada hissa plant aur machinery me invested hai, isliye breakdown, fire ya accident se cash flow aur profitability directly hit ho sakti hai.

Agar customers payment delay ya default karte hain to working capital aur liquidity pressure badh sakta hai.

Business labour dependent hai, aur strike, wage hike ya labour shortage se production aur cost structure disturb ho sakta hai.

Company ka trademark abhi registered nahi hai, jisse legal dispute aur branding risk paida hota hai.

Past me EPF compliance delays hui hain, aur future me aisa hua to penalty aur reputation damage ho sakta hai.

Brass industry me competition rapidly increase ho rahi hai, jisse pricing pressure aur margin compression ka risk hai.

High-temperature brass melting process me industrial accident risk hai, jo human injury, legal cost aur production halt ka kaaran ban sakta hai.

Company ke paas kuch confidential technical know-how hai, aur agar yeh leak hua to competitive advantage loss ho sakta hai.

High debt ke kaaran interest burden aur cash flow pressure bana rehta hai, jo future funding ko difficult bana sakta hai.

Company ka growth plan IPO-based working capital funding par dependent hai, aur agar issue delay ya undersubscribed hua to operations impact ho sakte hain.

Working capital needs management assumptions par based hain, aur agar assumptions galat nikli to liquidity stress aa sakta hai.

Industry data internet sources par based hai aur fully verified nahi hai, jisse investor decisions misleading ho sakte hain.

Promoters ne loans par personal guarantees di hain, aur default ki situation me management distraction aur personal financial pressure aa sakta hai.

Installed capacity aur utilisation numbers assumptions based hain, jo actual demand ke hisaab se fluctuate kar sakte hain.

Promoters ke shares ka acquisition cost IPO price se kaafi kam ho sakta hai, jisse listing ke baad retail downside risk badhta hai.

High debt–equity ratio ke kaaran growth flexibility limited ho sakti hai.

IPO process me delay hone par capex aur growth plans postpone ho sakte hain.

Company third-party logistics par dependent hai, jisse delivery delay, damage aur cost escalation risk rehta hai.

Quality compliance costly hai, aur agar standards meet na hue to order cancellation aur reputation damage ho sakta hai.

Fast growth ko manage na kar paane par operational inefficiency aur margin pressure aa sakta hai.

Company ka business plan management execution capability par dependent hai, aur failure ki situation me expected growth achieve nahi hogi.

Employee fraud, misconduct ya process failure se financial loss aur legal issues ho sakte hain.

Technology fast evolve hoti hai, aur machinery outdated hone par heavy future capex ki zarurat pad sakti hai.

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RISK

Future me funding costly ya unavailable hui to growth plans delay ho sakte hain.

Global economic slowdown, trade barriers aur commodity volatility se export demand aur margins impact ho sakte hain.

Future equity dilution se existing shareholders ki holding aur share price pressure me aa sakti hai.

Dividend payout guaranteed nahi hai aur cash flow aur debt covenants par dependent rahega.

SME platform par listing ke baad liquidity aur trading uncertainty bani rehti hai.

ASM/GSM surveillance me aane par trading restrictions aur volatility badh sakti hai.

Safety, health aur environmental regulation changes se penalty, shutdown aur higher compliance cost aa sakti hai.

Import restrictions aur customs policy changes se raw material cost aur supply chain disturb ho sakti hai.

Tax aur legal framework changes se compliance cost aur litigation risk badh sakta hai.

War, recession ya geopolitical tension se export demand aur market sentiment negative ho sakta hai.

High inflation ke environment me price pass-through na ho paane par margins compress ho sakte hain.

IT system failure ya cyber attack se operations aur data security risk hota hai.

Single-location manufacturing ke kaaran natural disasters ka business continuity risk high hai.

New labour laws se cost structure aur compliance burden badh sakta hai.

Interest rate hikes aur tight banking policies se debt servicing costly ho sakti hai.

Acquisition ya JV execution fail hone par loss aur management distraction ho sakta hai.

Overall economic slowdown aur political instability se demand aur business sentiment weak ho sakta hai.

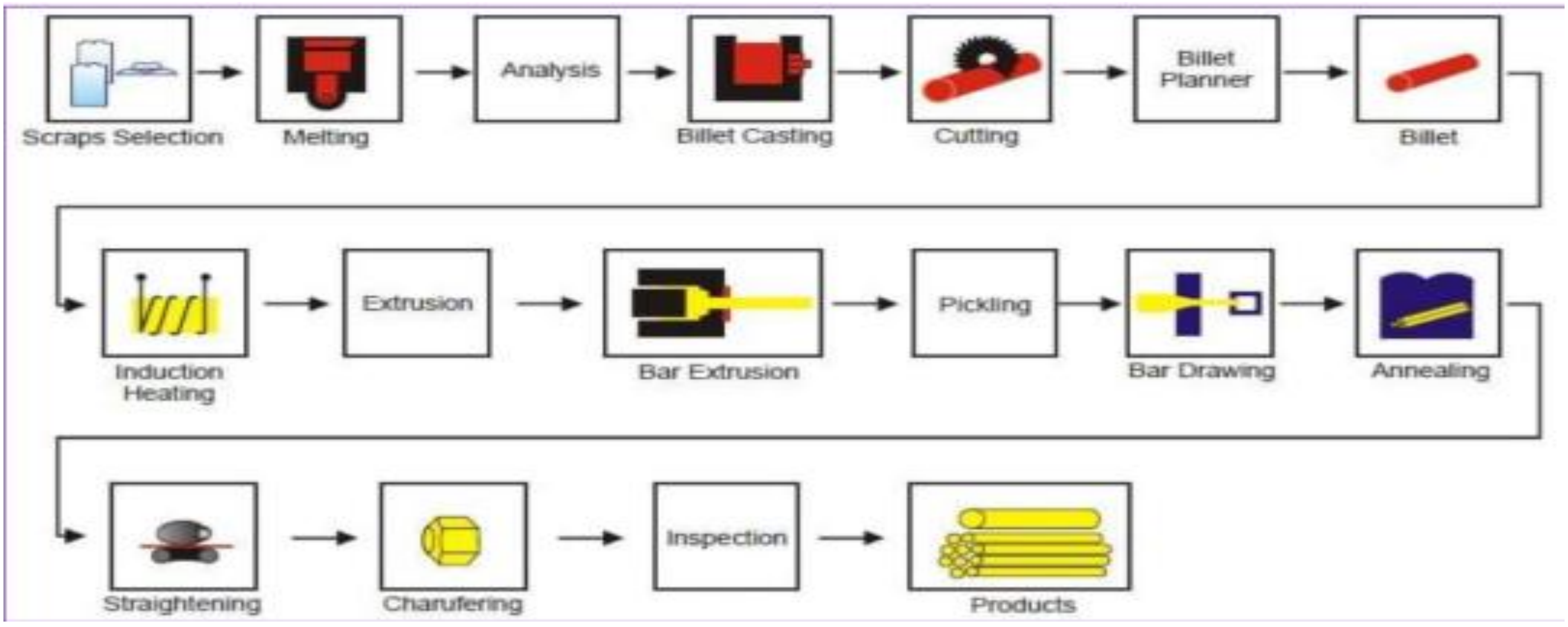
Statutory penalties, taxes ya regulatory demands future me financial burden create kar sakti hain.

Listing ke baad share price highly volatile reh sakta hai, jisse investor ko loss bhi ho sakta hai.

NARMADESH BRASS INDUSTRIES

MANUFACTURING PROCESS

MANUFACTURING OF BRASS BILLETS AND BRASS RODS



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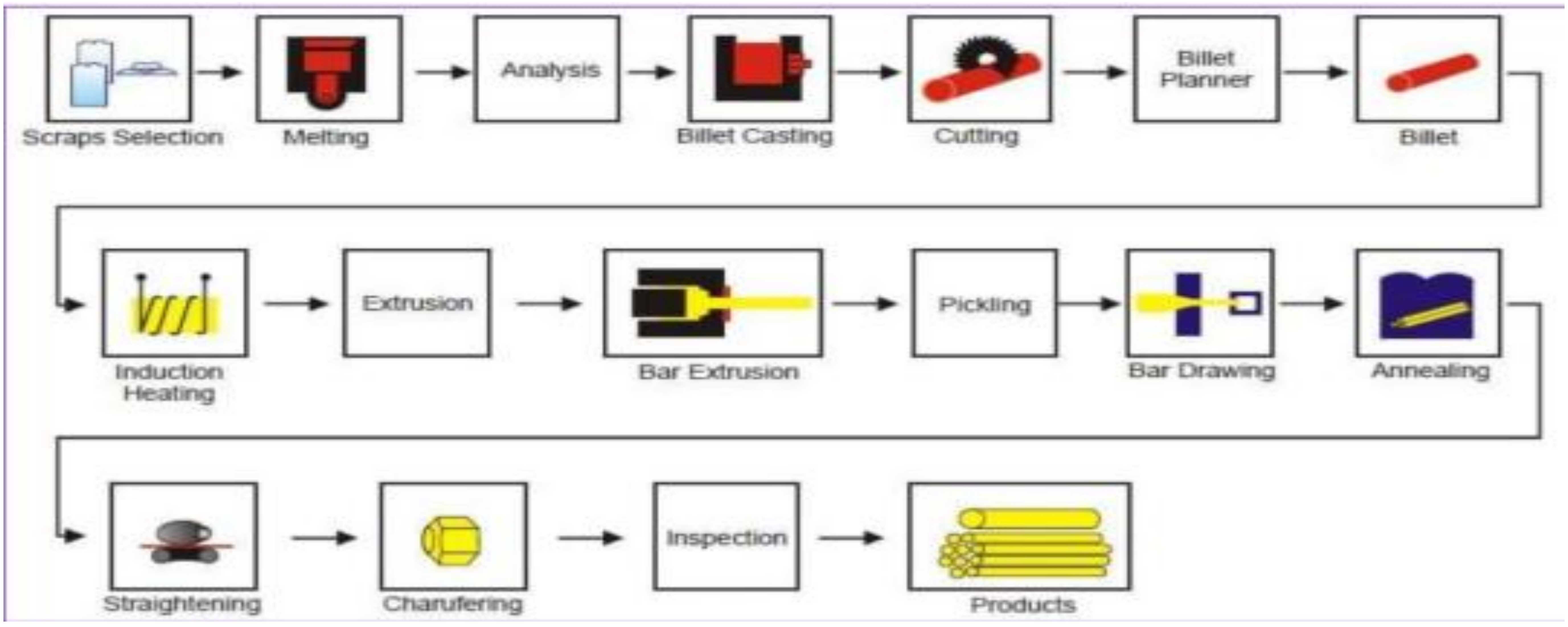

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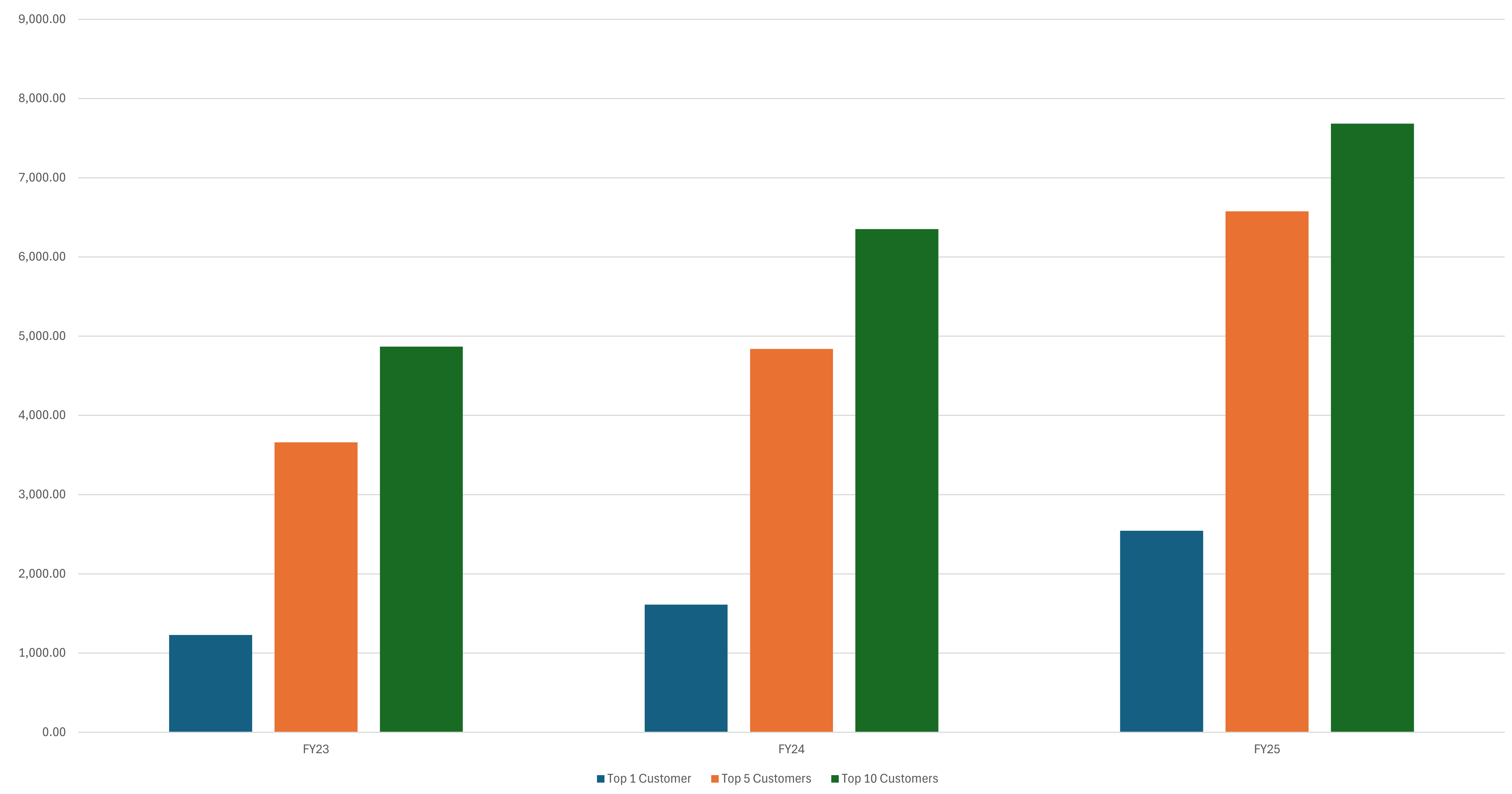
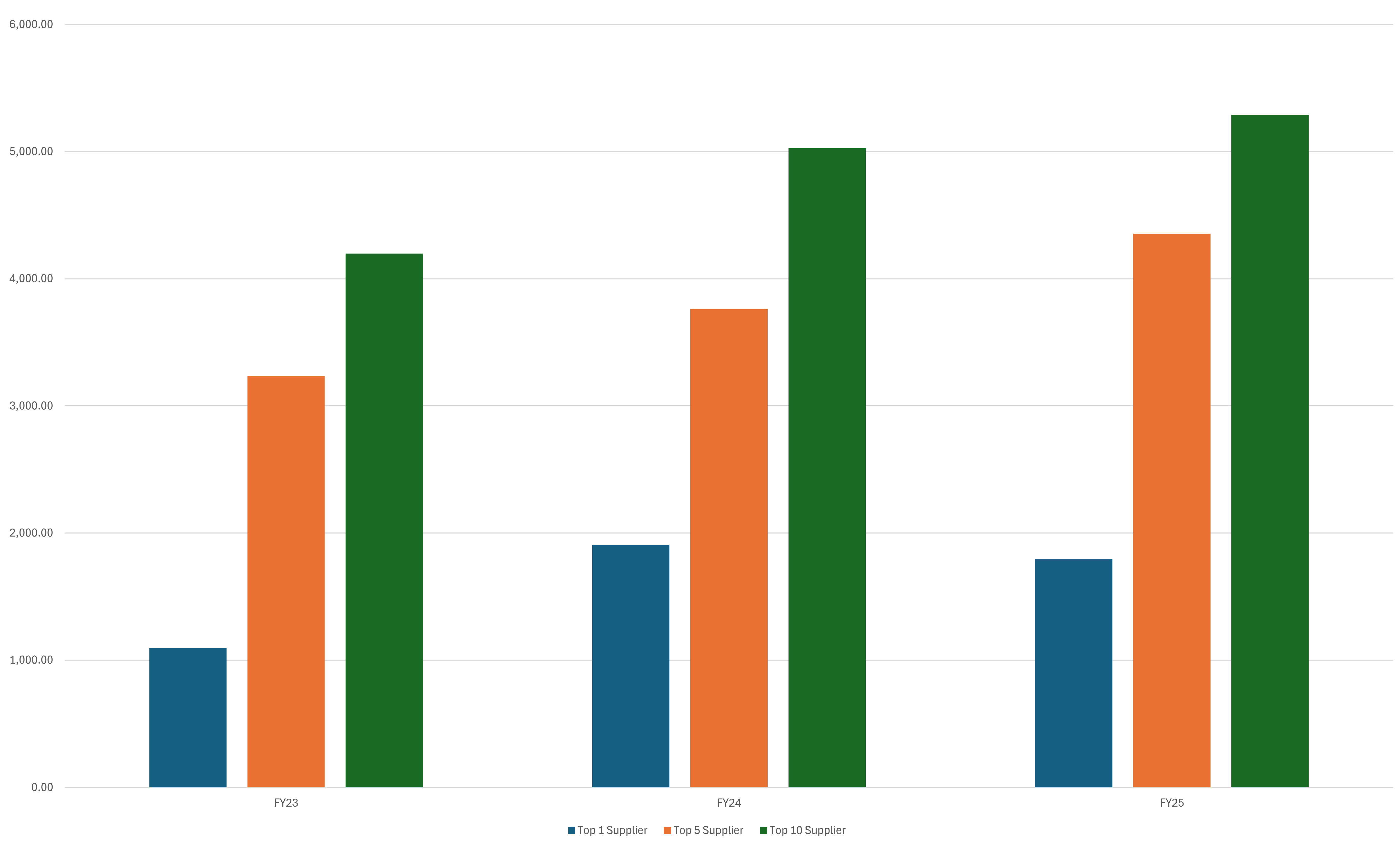
CUSTOMER BASE



SUPPLIER BASE



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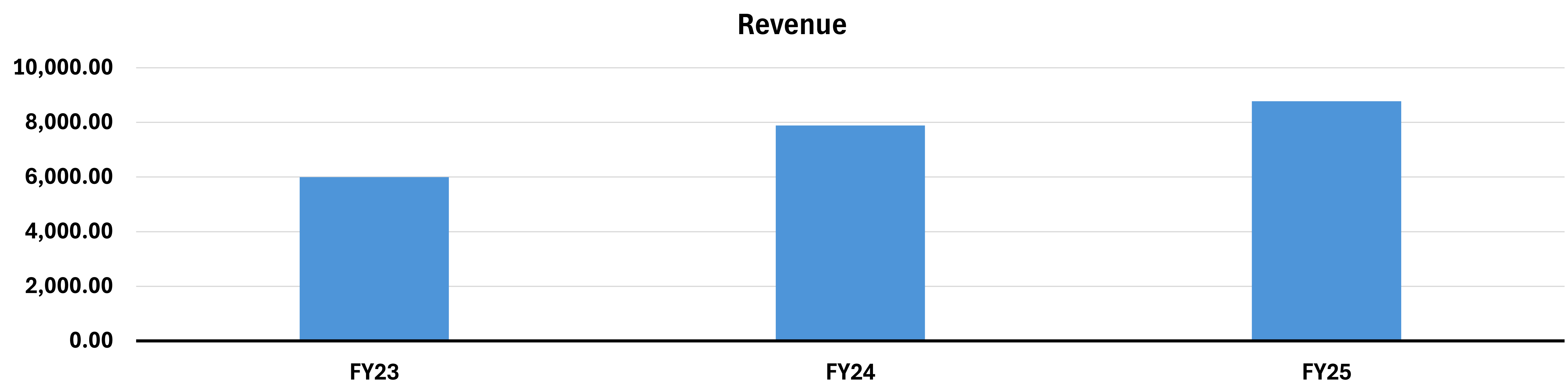
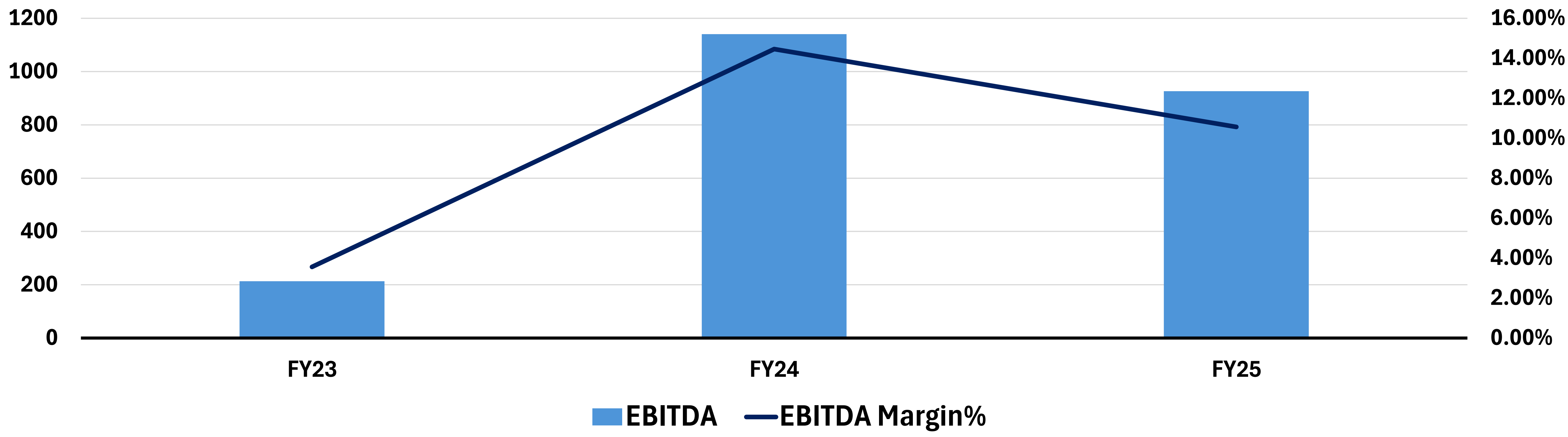
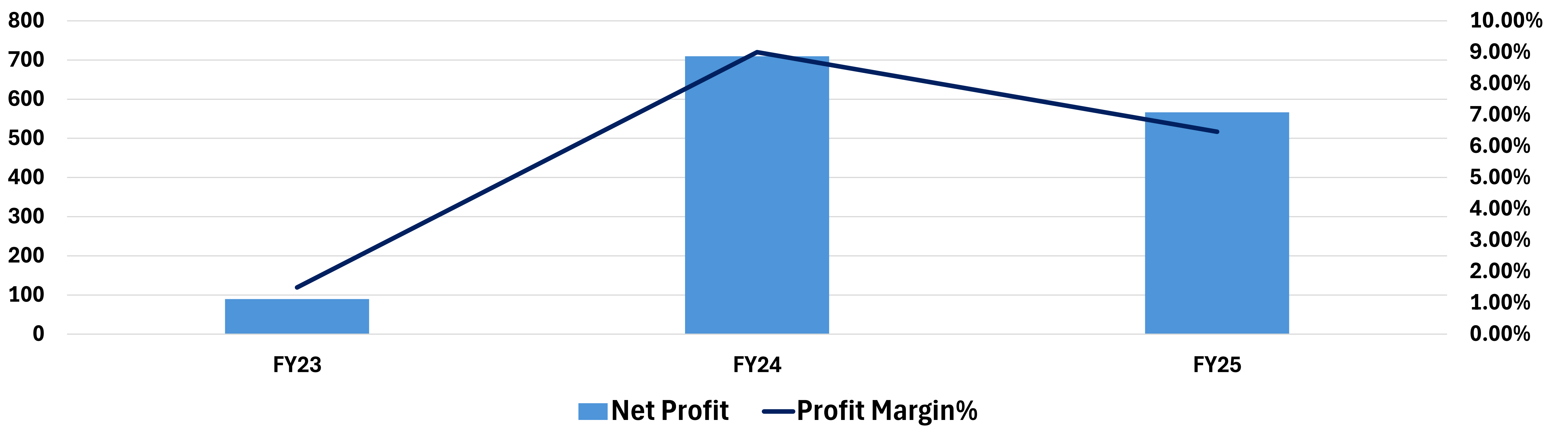
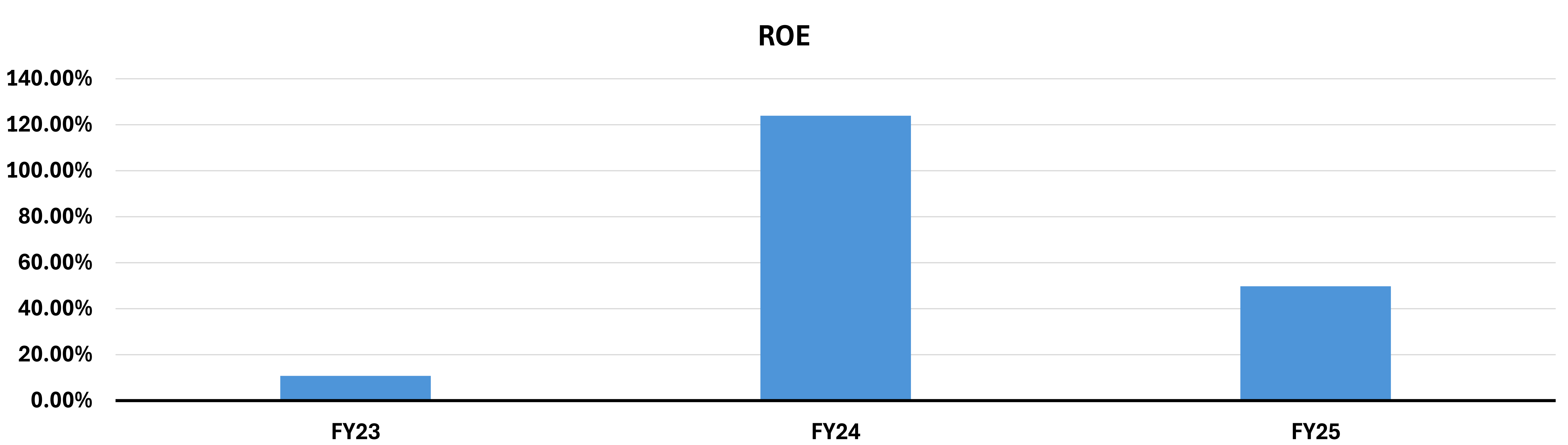
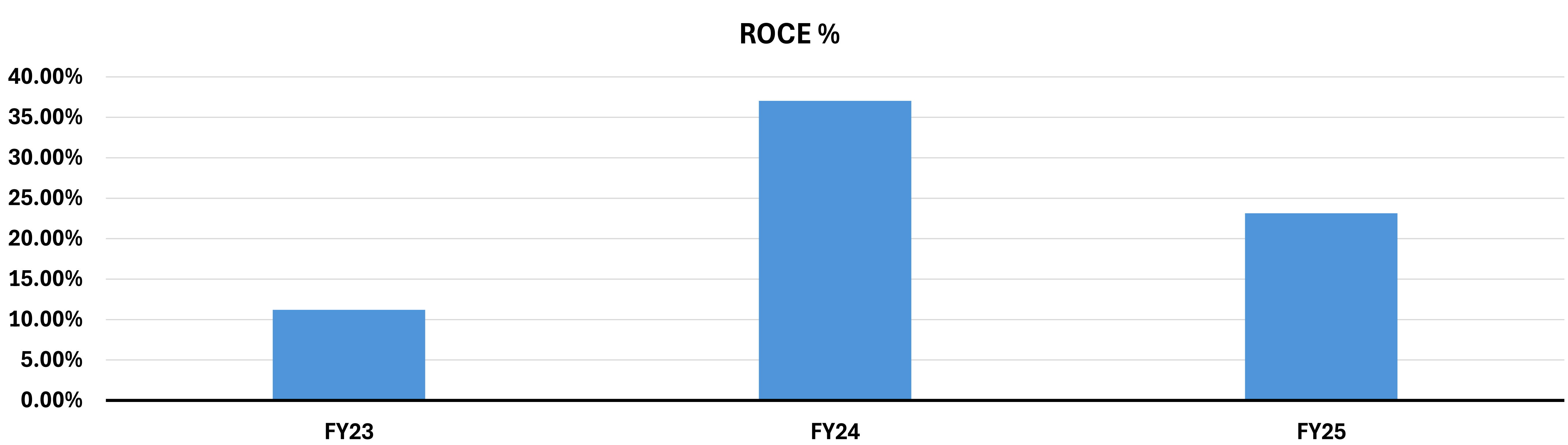
FINANCIAL ANALYSIS (Rs. In Lakhs)











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