FRACTAL INDUSTRIES LIMITED

Retail Research	**: IPO Note**
Sector	**: Consumer Goods**
Price Band (INR)	**: ₹205 to ₹216**
Issue Type	**: Bookbuilding IPO**

About The Company

Fractal Industries Limited (pehle Fractal Industries Private Limited) ko 9 January 2020 ko incorporate kiya gaya tha aur 24 February 2025 ko ise private se public limited company me convert kiya gaya. Company ka CIN U14101MH2020PLC335773 hai. Iske promoters Mr. Pankaj Bishwanath Agrawal aur Mrs. Priti Pankaj Agrawal hain, jinke paas apparel manufacturing aur supply chain management me 22 saal se zyada ka experience hai. Company ka core focus garment manufacturing aur e-commerce driven supply chain management par hai, jahan ye design se lekar delivery tak ka complete end-to-end solution provide karti hai. Ye fast fashion aur high-quality apparel ko major online marketplaces jaise Myntra, Ajio aur Flipkart ke liye manufacture karti hai.

Company ki monthly production capacity 3,00,000 se adhik garments ki hai aur iska manufacturing unit Mumbai me located hai. Warehousing network Gujarat, Maharashtra, Haryana, West Bengal aur Karnataka tak spread hai, jisse pan-India operational presence milti hai. Fractal sirf manufacturing company nahi hai, balki ek technology-integrated supply chain player hai jo Warehouse Management System (WMS), inventory management, order processing, returns handling aur data analytics ka use karta hai. Har garment factory se customer tak digitally track hota hai, jisse transparency aur efficiency badhti hai.

Business model teen parts me divided hai. Pehla Outright Sale Model jahan company fixed price par products marketplace ko bech deti hai low risk aur stable margins. Dusra PPMP (Pure Play Marketplace) Model jo company ka core strength hai isme inventory, warehousing, forecasting aur returns company manage karti hai, jisse margins better milte hain lekin complexity zyada hoti hai. Teesra Own Brand Model jisme company apna brand "7ate9" launch kar rahi hai; isme margins highest hote hain lekin marketing aur inventory risk bhi company ka hota hai.

Manufacturing process structured aur quality-driven hai design se lekar fabric sourcing, pattern making, cutting, stitching, washing, finishing aur AQL-based quality check tak har stage monitored hoti hai. Warehouse operations me inbound aur outbound dono processes barcode-based tracking aur real-time WMS updates ke through manage hote hain, jisse stock mismatch aur delay ka risk kam hota hai.

Company ki competitive strengths me experienced promoters, advanced WMS system, efficient returns management (30–40% e-commerce return rate handle karna), multi-level quality control aur technology-manufacturing integration shamil hain. Strategy ke taur par company apne own brand ko develop karke margins improve karna, multiple marketplaces par presence badhana aur geographic expansion karna chahti hai. Raw materials multiple certified suppliers se source kiye jaate hain jisse dependency risk kam hota hai. Sales purely online marketplaces ke through hoti hai aur marketplace analytics ka use demand forecasting, pricing aur design optimization ke liye kiya jata hai.

Halanki competition kaafi intense hai bade brands, private labels aur unorganized players se price pressure bana rehta hai, aur platforms apne private labels ko promote karte hain jo ek strategic risk hai. Information security ke liye company firewalls, antivirus systems, Microsoft Office 365, Tally aur dedicated WMS software ka use karti hai, jisse data protection aur disaster recovery framework strong bana rehta hai.

Overall, Fractal Industries ek asset-light, tech-enabled apparel supply chain company hai jo e-commerce growth trend ka direct beneficiary ban sakti hai, lekin margins aur platform dependency uske key monitorable factors rahenge.

Issue Details	
IPO Open Date	16-Feb-26
IPO Close Date	18-Feb-26
Price Band (Rs)	₹205 to ₹216
Lot Size	600 Shares
Issue Size (Rs Cr)	22,68,600 shares
Face Value	₹10 per share
Sales Type	Fresh Capital
Issue Type	Bookbuilding IPO
Listing At	BSE SME
Share Holding Pre Issue	55,80,267 shares
Share Holding Post Issue	78,48,867 shares
QIB	47.42%
Retail Share	33.27%
NII Share	14.28%
Promoter Holding Pre Issue	97.15%
Promoter Holding Post Issue	

Shareholding Pattern (%)	
Priti Pankaj Agrawal	3.52
Pankaj Bishwanath Agrawal	93.63

Objects of the Issue	**Estimated Amount (INR Cr.)**
Funding working capital requirements	36.5

Issued On : 07/02/2026
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RISK

🔴 Business & Operational Risks

• Revenue kuch hi bade customers par dependent hai (customer concentration risk)
• Fabric aur raw material limited suppliers se source hota hai (supplier concentration risk)
• Company, promoters ya group entities par legal proceedings pending hain
• Past me operating, investing aur financing activities me negative cash flow raha hai
• Business online marketplaces policies aur commission structure par dependent hai
• WMS aur IT systems cyber attack ya system failure ke risk me hain
• Fast-changing fashion trends se inventory obsolete ho sakti hai
• Warehouse me theft, damage ya mismanagement ka risk hai
• High return ratio (30–40%) se margin pressure aa sakta hai
• Revenue kuch specific states par concentrated hai
• Intellectual property infringement ya IP theft ka risk hai
• Registered office, factory aur warehouses leased properties par hain
• Supply chain disruption (transport strike, delay, bottleneck) ka risk hai
• Machinery breakdown se production halt ho sakta hai
• Raw material prices volatile hain
• Working capital intensive business hai
• Capacity utilization full nahi hua to fixed cost pressure rahega
• Product quality ya tech upgradation me lapse penalty trigger kar sakta hai
• Power supply interruption se production impact ho sakta hai

🔴 Financial & Debt Related Risks

• Unsecured loans demand par repay karne pad sakte hain
• Debt servicing failure se loan recall ya penalty lag sakti hai
• Company ke assets banks ke paas charged hain
• Promoters ne personal guarantees di hui hain
• Interest rate increase se finance cost badhegi
• Contingent liabilities future me actual obligation ban sakti hain
• Insurance coverage har risk ko fully cover nahi karta
• Dividend payment future profits aur cash flow par depend karta hai

🔴 Compliance & Governance Risks

• ROC filings me past delays rahe hain
• GST aur TDS filings me delays hue hain
• PF dues me past delay hua hai
• Listed company compliance cost aur burden badhega
• Board members ka listed company experience limited hai
• Internal control weakness financial misreporting ka risk bana sakti hai
• Related party transactions arm's length na hone ka risk
• Promoters majority control maintain karenge
• Promoter-centric decisions minority shareholders ko impact kar sakte hain
• Promoter group ki ek entity similar business me involved hai (conflict of interest risk)

🔴 IPO & Listing Related Risks

• Ek lender se IPO ke liye NOC pending hai
• IPO proceeds ka utilization management estimates par based hai
• IPO objectives kisi independent agency ne appraise nahi kiye
• IPO delay hone se project execution delay ho sakti hai
• Alternate funding source available nahi hai
• Issue price market price ki guarantee nahi hai
• Shares listing ke baad volatile ho sakte hain
• Price band movement par daily circuit restriction hota hai
• BSE listing approval guaranteed nahi hai
• Trading permission delay ho sakti hai
• Promoters ya large shareholders listing ke baad selling kar sakte hain
• Company ka pehle koi public trading history nahi hai
• Liquidity develop hogi ya nahi uncertain hai

🔴 Regulatory & Approval Risks

• Business multiple licenses aur approvals par dependent hai
• Pending NOCs aur regulatory approvals delay ho sakte hain
• Safety, health, environment aur labour laws strict ho sakte hain
• Tax structure ya government policies change ho sakti hain
• Foreign ownership norms strict hone se demand impact ho sakti hai

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RISK

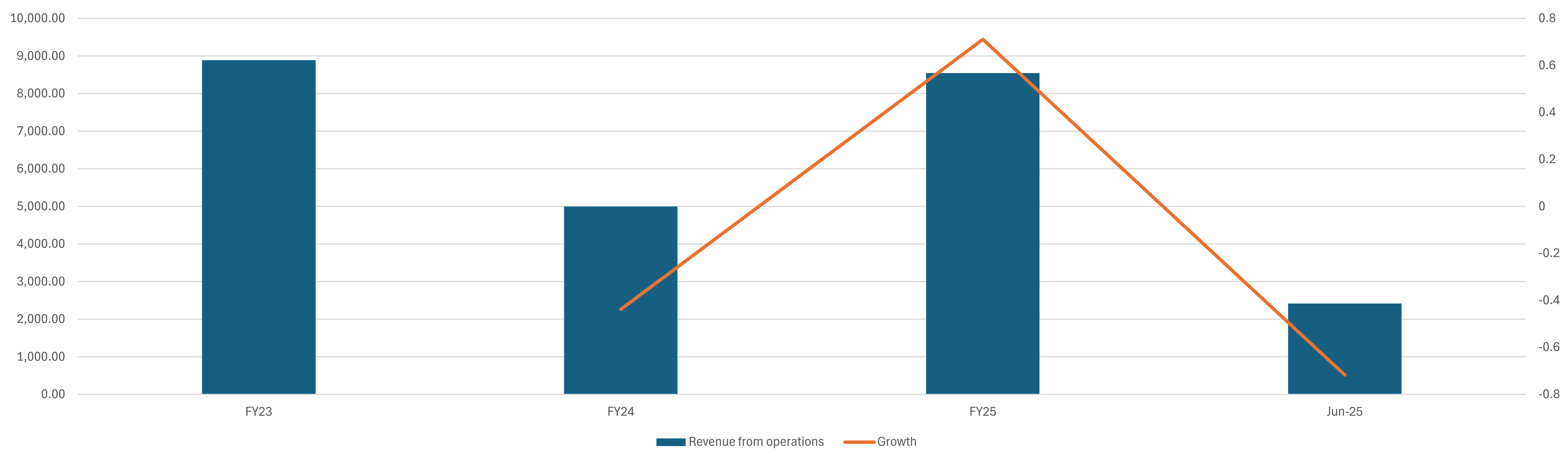
🔴 Strategy & Management Risks

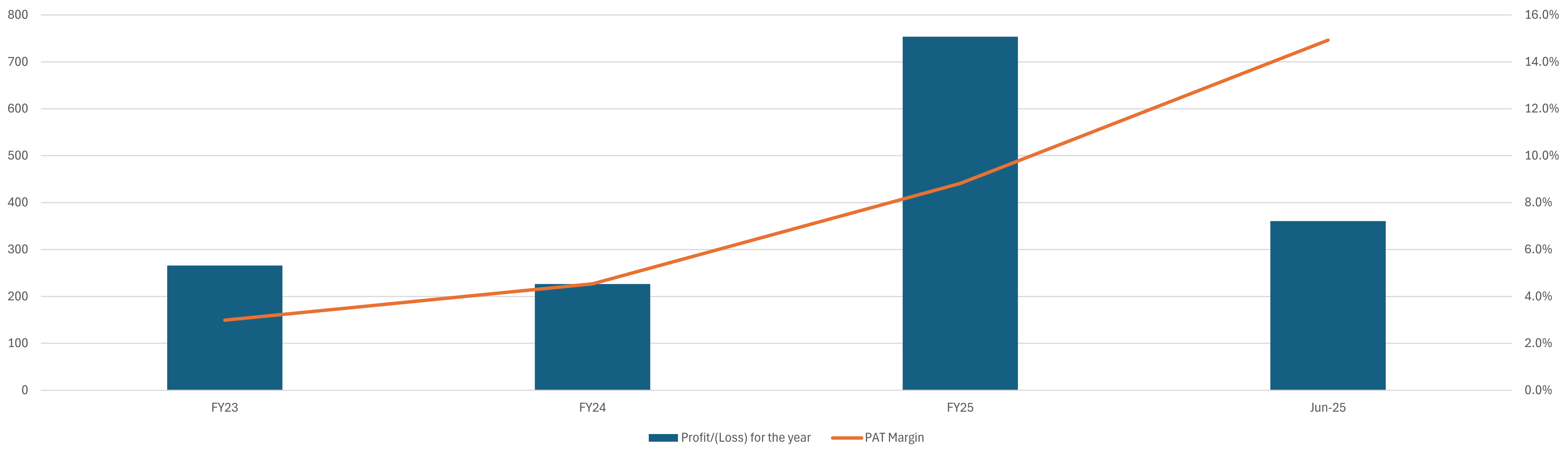
- Business promoters aur key management par heavily dependent hai
- Key managerial personnel exit hone ka risk hai
- Growth strategy execution failure ka risk hai
- Technology obsolete hone ka risk hai
- Employee misconduct ya fraud detect karna mushkil ho sakta hai
- Labour strike ya wage dispute ka risk hai

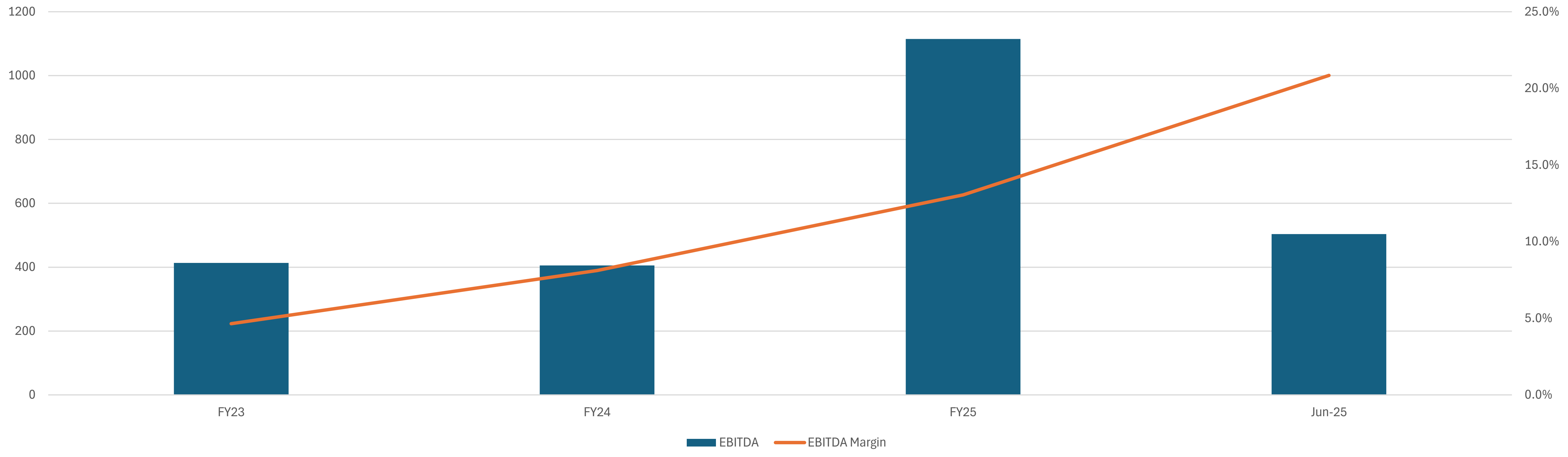
🔴 Macro & External Risks

- Indian economy slowdown se direct revenue impact hoga
- Global recession, war, inflation se cost aur demand dono impact ho sakte hain
- Pandemic ya disease outbreak supply chain disturb kar sakta hai
- Civil unrest, riots ya political instability operations affect kar sakte hain
- Natural calamities (flood, earthquake, cyclone) production impact kar sakte hain
- Infrastructure limitation (roads, logistics, power) inefficiency create kar sakti hai
- Share price high volatility ka risk

FINANCIAL ANALYSIS







Academic Research Project –Not a Recommendation

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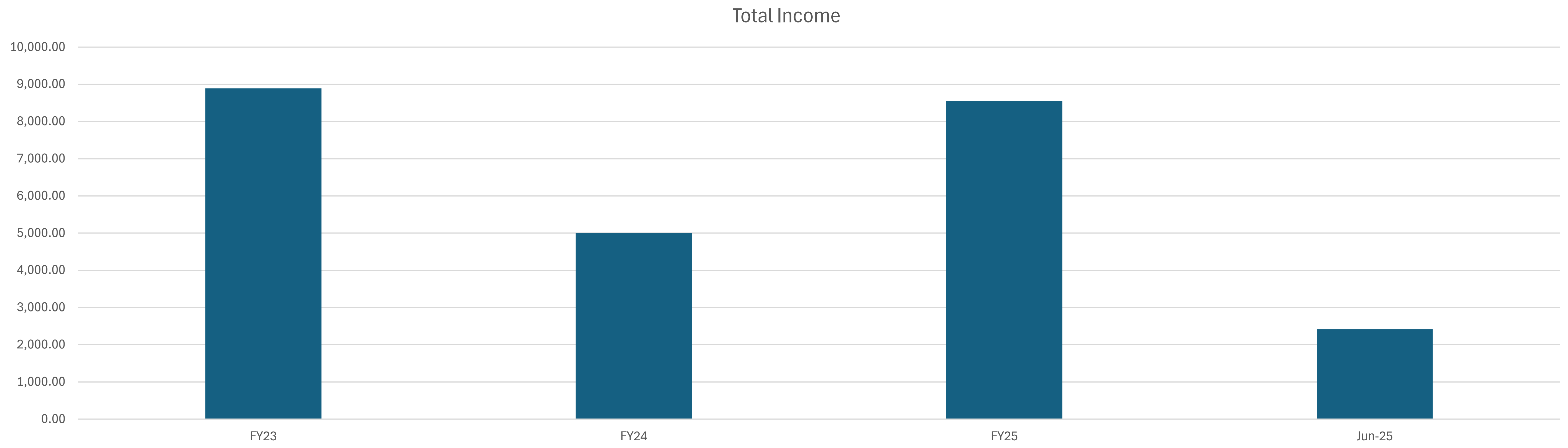
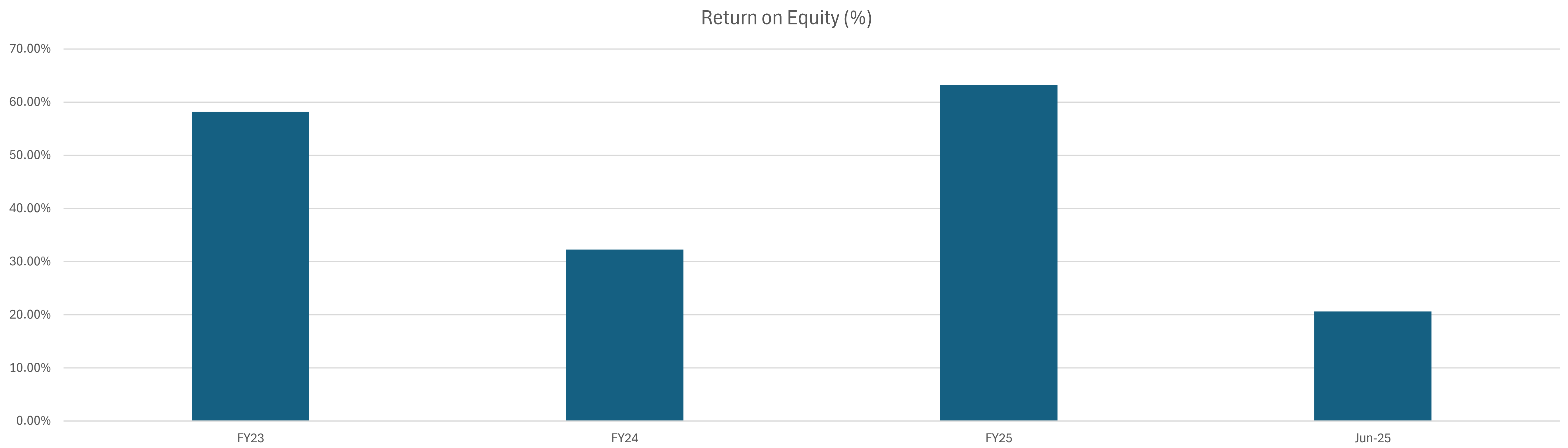
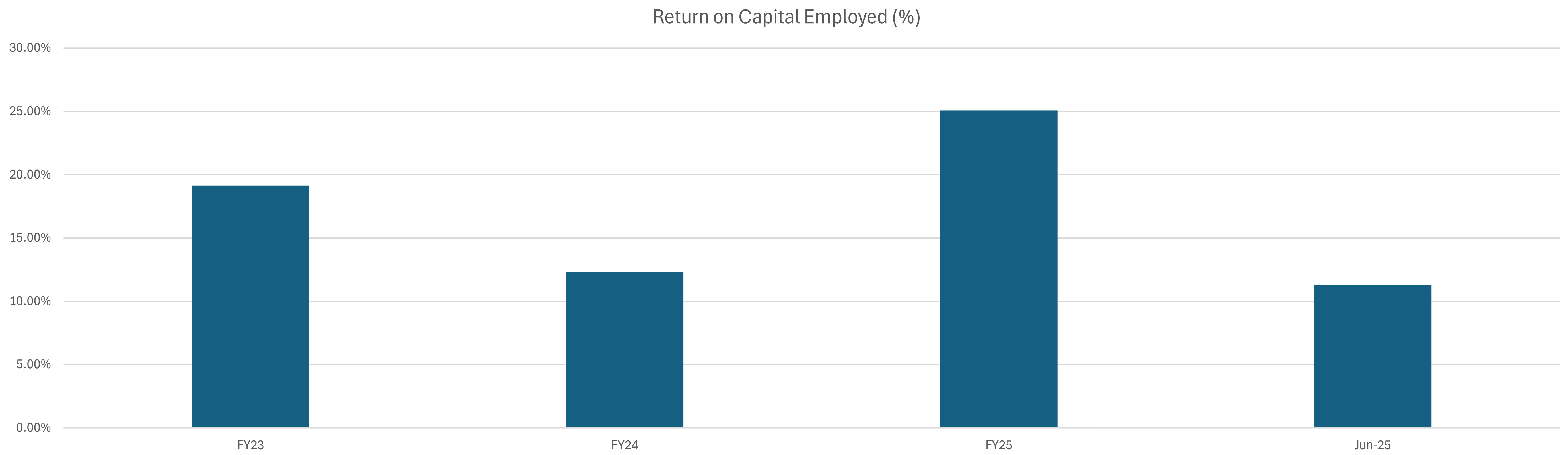
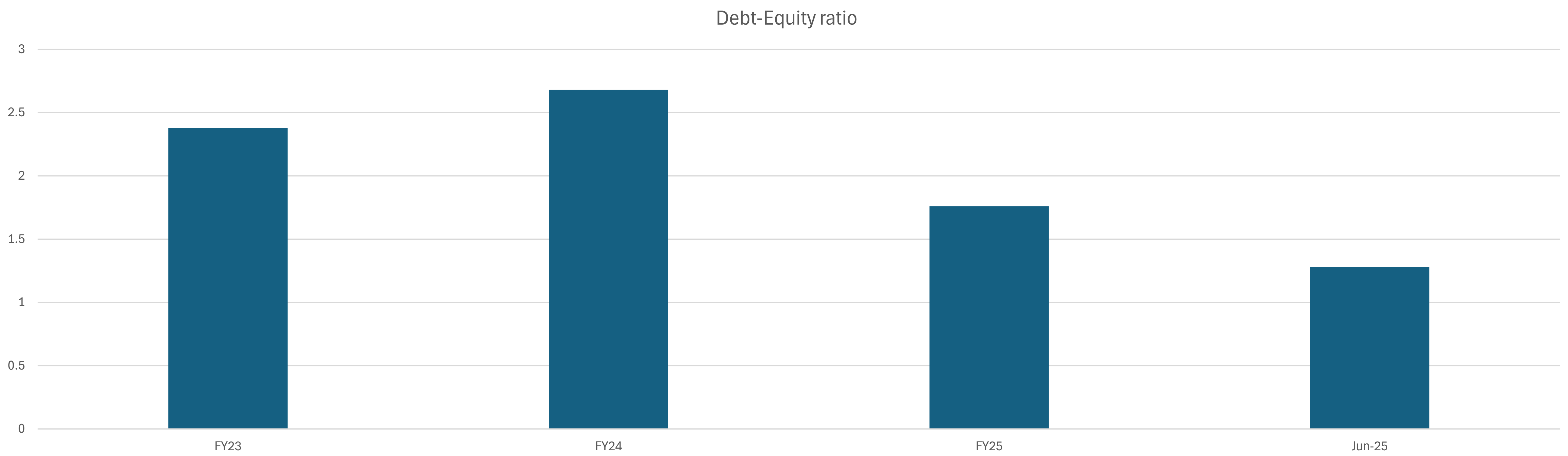
FINANCIAL ANALYSIS









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