

IPO Report

Choice

“Subscribe for Long-Term” to HD Fire Protect Ltd.

A debt-free leader in a high-barrier, high-growth market



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Salient features of the IPO:

- **HD Fire Protect Ltd. (HDFPL)** is a **Thane-based maker of fire protection equipment and systems**. It covers **water, foam and gas-based suppression** across **8 product categories**. It makes them at **2 plants in Maharashtra: Jalgaon (vertically integrated) and Thane**. As per CRISIL, it is **India's 2nd-largest player and largest exporter** in this segment. It holds **21 UL and 87 FM certifications**, and **~35% of sales come from exports to 90+ countries**.
- The business started as a **partnership firm in 1990**, set up by **Harish Dharamshi**. The company was **incorporated in 1997** and took over the firm in **2005**. It is **debt-free** and is **expanding its Jalgaon and Thane plants from internal accruals**.
- The offer is a **pure OFS of 2.63cr shares by 2 promoters**. There is **no fresh issue**, so the **company receives no proceeds**. **Promoter holding falls from 100% to 85%**.

Key competitive strengths:

- **Global presence** in a high-barrier industry backed by key certifications and vendor approvals
- **Strongest certification profile** among Indian fire-protection peers, with 21 UL Listed and 87 FM Approved products.
- **Comprehensive portfolio** across water, foam and gas suppression across eight product categories.
- **Diversified, long-standing customer base** with low concentration and strong repeat business.
- **Exports to 90+ countries** through 22 distributors, white labelling and Saudi Aramco approvals.

Business strategy:

- **Target high-growth sectors** including data centres, warehousing, renewables and electric mobility.
- **Expand manufacturing capacity** at Jalgaon and Thane to reduce lead times and support growth.
- **Enhance capabilities** through advanced machining, fabrication capacity and NABL-accredited calibration.
- **Accelerate global expansion** through partnerships, with focus on Saudi Arabia, Southeast Asia and infrastructure projects.

Risk and concerns:

- Product failure can be costly
- Heavy dependence on imports and a few suppliers
- Certifications are vital to the business
- Competition

Valuation Overview and IPO Rating

HDFPL is India's second-largest and most certified maker of fire protection equipment. It holds 21 UL and 87 FM approvals and supplies to 90+ countries, in an industry where certifications and vendor empanelment take years to build. The opportunity ahead is large. India's fire protection market is expected to grow at 10–12% CAGR to Rs. 175–195bn by FY31, and fire suppression is set to grow faster at 11–13%. Stricter safety codes, data centres, warehouses, refineries and airports are driving this demand. Demand visibility is improving too, as the order book nearly doubled to Rs. 134.4cr in FY26 and reached Rs. 158.6cr by June 2026.

Growth capacity is already in place. A 2.5-acre second unit at Jalgaon, with a fire test lab and R&D centre, has been completed, and a new Thane facility is due by November 2026. Both are funded from internal accruals, with no debt. As volumes rise, the business is showing operating leverage. EBITDA grew at an 18.7% CAGR over FY23–FY26 against 14.7% for revenue, and EBITDA margin rose from 27.8% to 30.8%. Margins have more room to expand as new capacity fills up and the mix shifts towards certified high-value products such as fluorine-free foam and pre-action systems.

The issue is a pure Offer for Sale (OFS), and promoters have taken sizeable payouts before the IPO. At the upper band, the issue is priced at 40.66x based on FY26 EPS of Rs. 6.66, which is the same before and after the issue. HDFPL offers about 30% RoE, a debt-free balance sheet and a stronger entry barrier. Given the long growth runway, funded expansion and margin upside, **we recommend a "SUBSCRIBE FOR LONG-TERM" rating on the issue.**

Issue details

Price band	Rs. 258 – 271 per share
Face value	Rs. 5
OFS issue size	Rs. 678.14 - 712.31cr
Shares for OFS	Rs. 2.628cr shares
Total issue size	2.628cr shares (Rs. 678.140 – 712.310cr)
Employee Reservation	0.006 – 0.007cr shares (Rs. 1.750 cr)
Net issue size	2.622cr shares (Rs. 676.390 – 710.560 cr)
Bidding date	13 th Oct. – 15 th Oct. 2026
Implied MCAP at higher price band	Rs. 4,748.73 cr
Implied enterprise value at higher price band	Rs. 4,742.47 cr
Book running lead manager	Ambit Pvt. Ltd.; Anand Rath Advisors Ltd.; IIFL Capital Services Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Sector	Fire Protection & Safety
Promoters	Harish Narshi Dharamshi, Kusum Harish Dharamshi, Miheer Sadanand Ghotikar, Parika Miheer Ghotikar And Anik Narendra Dharamshi

Issue Structure:

Category	Percent of issue (%)	Number of shares
QIB portion	50%	1.311cr shares
Non institutional portion (Big)	10%	0.262cr shares
Non institutional portion (Small)	5%	0.131cr shares
Retail portion	35%	0.918cr shares

Indicative IPO process time line

Finalization of basis of allotment	16 th Oct. 2026
Unblocking of ASBA account	19 th Oct. 2026
Credit to demat accounts	19 th Oct. 2026
Commencement of trading	21 st Oct. 2026

Pre and post - issue shareholding pattern

	Pre-issue	Post-issue
Promoter & promoter group	100%	85.00%
Public	0.00%	15.00%
Non-promoter & Non-public	0.00%	0.00%
Total	100.00%	100.00%

Max Retail application money at higher cut-off price per lot

Number of shares per lot	55
Application money	Rs. 14,905

Peer Comparison :-

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	6M Return (%)	12M Return (%)	FY26 Revenue (Rs. cr)	FY26 EBITDA (Rs. cr)	FY26 PAT (Rs. cr)	FY26 EBITDA margin (%)	FY26 PAT margin (%)	
HD Fire Protect Ltd.	5	271	4,748.73	4,742.47	-	-	489	150	117	30.8%	23.9%	
Company name	Total Debt	Cash	FY26 RoE (%)	FY26 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
HD Fire Protect Ltd.	9	15	31.0%	37.6%	40.7	12.6	9.7	31.5	9.7	6.7	22	0.0
Company name	4Y top-line growth (CAGR)	4Y EBITDA growth (CAGR)	4Y PAT growth (CAGR)	Average 4Y EBITDA margin	Average 4Y PAT margin	4Y average RoE	4Y average RoCE	Avg 4Y Receivable days	Avg 4Y Inventory Days	Avg 4Y Payable Days	Net Worth	
HD Fire Protect Ltd.	14.7%	18.7%	18.5%	29.7%	23.6%	27.4%	32.8%	52	63	20	377	

Note: The company operates in a niche fire protection and safety equipment, with no directly comparable listed peers in India

Key Highlights of the Industry:

- **Fast-growing, under-penetrated market:** India's fire protection equipment market grew at a **12% CAGR over FY20-FY26 to Rs. 109bn** and is expected to grow at **10-12% CAGR to Rs. 175-195bn by FY31**, faster than the global market (USD 62bn in 2025, seen at USD 85-90bn by 2030). India spends only about **USD 1 per person** on fire protection equipment, against USD 57 in North America and USD 52 in Europe.
- **Suppression is the larger and faster-growing part:** Fire suppression equipment was **75% of the Indian market (Rs. 82bn) in FY26** and is projected to grow at **11-13% CAGR to Rs. 135-155bn by FY31**. Within suppression, sprinkler-based systems (27%) and hydrant systems (26%) lead, followed by extinguishers (22%), foam systems (12%) and gas-based systems (7%).
- **Demand from construction, industry and infrastructure:** Commercial buildings form 42% of demand, industrial and infrastructure 37% and residential 21%. Industrial construction capex rose from about Rs. 617bn in FY22 to Rs. 886bn in FY26. Data centres, warehouses, airports, metros, refineries and power plants need certified, high-specification suppression systems.
- **Rules and insurers drive spending:** The National Building Code, BIS quality control orders, state fire services acts and sector rules (OISD, PESO) make fire protection mandatory, and insurers and EPC consultants often specify UL Listed or FM Approved products.
- **High entry barriers and an import-substitution opportunity:** A UL or FM certification takes **6-24 months** and can cost USD 20,000 to over USD 200,000, while vendor empanelment with large buyers takes 3-12 months. India still imported **USD 210mn** of fire protection equipment in FY26 (12% CAGR since FY20) against exports of USD 107mn. There is no listed pure-play peer in India.

Key Highlights of the Company:

- **Company overview and legacy**
 - HDFPL designs, makes and sells **fire protection equipment and systems** that put out fires using water, foam or gas. It serves high-hazard industrial sites as well as commercial and residential buildings. Most products are developed in-house with proprietary designs to meet Indian and international standards.
 - The business began in 1990 as the partnership firm M/s HD Fire Protect Co., set up by Harish Dharamshi. The company was incorporated in 1997 and took over the firm in 2005. It became a public limited company in June 2025 and is based in Thane, Maharashtra.
 - As per CRISIL, HDFPL was the **second-largest manufacturer** of fire protection equipment and systems in India by revenue and the **largest exporter of such equipment by value** in FY25. CRISIL also says it is the only Indian player present in every fire suppression category apart from extinguishers.
- **A pioneer of import substitution, backed by global certifications**
 - In the early 1990s, critical items such as deluge valves, alarm valves and water spray nozzles were mostly imported. HDFPL set out to make certified Indian alternatives.
 - It was the **first Indian maker to get a UL Listing for deluge valves (1996)**, the first to get **FM Approval** for a range of low-expansion foam products (foam concentrates, bladder tanks, proportioners, top-side discharge devices and foam-water sprinklers), and the first Indian fire-protection-focused company with an **ASME U stamp** for pressure vessels.
 - It holds **21 UL Listed and 87 FM Approved product certifications**, the highest among Indian fire-protection-focused companies (Sep-26). It is also the only such Indian company with UL, FM, CE, VdS, ASME-U and Lloyd's Register approvals across its product categories. It holds a certificate from China's national testing centre for fire fighting products and a BIS licence for monitors.
 - It is the **first and only Indian company with a UL Listed pre-action system**. A new deluge valve design is under patent application.
- **Wide product portfolio across eight categories**
 - **Sprinklers, alarm valves & accessories** (largest category, about a third of sales): sprinkler heads, alarm valves, test and drain valves, zone control assemblies and flexible sprinkler drops for buildings and plants.
 - **Deluge valves, deluge skids & pre-action systems** (brands HD, D-Pack, Pre-Pack): valves that release water through open nozzles over a whole area, used at refineries, power plants, hangars and data centres. Pre-action systems keep pipes dry and release water only after fire detection, which suits water-sensitive areas.

Key Highlights of the Company (Contd...):

- Foam equipment & suppression systems:** foam bladder tanks (150 to 20,000 litres), proportioners, inductors, foam chambers, rim seal pourers, foam sprinklers, mobile foam units and foam concentrates (AFFF, AR-AFFF, FP, FFFP and fluorine-free AR-SFFF) for oil, fuel and chemical fires.
- Monitors & monitor nozzles** (HD-Vajra, HD-Chetak): manual, oscillating, remote-controlled and trailer-mounted water and foam cannons for tank farms, jetties, refineries and airports.
- System valves & accessories, water spray nozzles, custom-engineered systems and gas suppression systems** (HD-Inertsys inert gas and HD-Rakshak CO2 systems) complete the range. Custom skids are designed for each project, using special metals for offshore and seawater use.
- Vertically integrated manufacturing plus contract manufacturing**
 - There are two plants in Maharashtra on a combined **8.5 acres. Jalgaon** (since 1998; 27,531 sq. m. covered area) is vertically integrated, with a non-ferrous foundry, CNC and VMC machining including 5-axis centres, an ASME-certified fabrication shop, fusion bond epoxy coating, paint booths and a flow-testing set-up that can handle 18,000 litres of water a minute. **Thane** (since 2015) makes water spray nozzles.
 - Products are made in three streams: standard cast or forged products (valves, nozzles, monitors), fabricated products (bladder tanks, foam equipment) and custom-engineered skids. Every item is hydro-tested and performance-tested against quality assurance plans.
 - Commodity items such as closed-bulb sprinklers (China, Taiwan), flexible drops (South Korea), handline nozzles (Vietnam), some valves and strainers (China), and pressure gauges and foam concentrates (India) are **sourced from contract manufacturers** under strict quality checks. In the Middle East, HDFPL also **white-labels** UL/FM products that customers sell under their own regional brands.
 - Expansion is under way, funded from internal accruals: a **2.5-acre second unit at Jalgaon** (manufacturing plus a fire test laboratory, warehouse and R&D centre) was completed in March 2026 and awaits approvals, and a **production facility and warehouse at Wagle Estate, Thane** is due by November 2026. A NABL-accredited calibration lab is in progress, and a 745 kWp rooftop solar plant runs at Jalgaon.
- Diversified customers and a global footprint**
 - HDFPL supplied **2,066 customers in FY26** across oil & gas, refining and petrochemicals, power, pharma, data centres, warehousing, aerospace, heavy engineering, hospitality, healthcare, retail and real estate. Key customers include Sterling and Wilson, Metec Design & Construction Engineers, Matrix Engineers, Techno Electric & Engineering, Godrej Properties and HCPL-Mittal Energy.
 - No single customer dominates: the **top 10 customers bring in under a quarter of revenue**. Relationships are long, as more than half of revenue comes from customers of over five years and repeat customers contribute about 85%.
 - Products are installed at **India's space launch pad at Sriharikota** (master stream nozzles), **India's largest refinery at Jamnagar**, the **new Parliament building**, **Saudi Aramco's Ras Tanura Sea Island** (deluge valves) and **Oman's Integrated Power & Water Plant** project.
 - Exports make up about a third of revenue. Products reached **49 countries in Q1FY27 and more than 90 countries** since inception, with the UAE, Saudi Arabia, Brazil, Turkey, Malaysia and Indonesia as key markets. HDFPL holds Saudi Aramco **9COM vendor numbers** for valves and sprinkler systems, which let it bid for Aramco projects.
 - In India, it sells directly and through two stockists in New Delhi and one in Mumbai, with a regional office in New Delhi. Abroad, it works through **22 distributors** (recently added in Colombia, Argentina, South Africa, Kuwait, Saudi Arabia and Malaysia). A **70% Saudi subsidiary, HD Fire Protect Company**, was set up in July 2026 to localise supplies for Saudi projects.
- Quality, R&D and intellectual property**
 - There have been **no product recalls**, and the replacement rate was just **0.01%** over the last three fiscals and Q1FY27. Plants are certified to ISO 9001, ISO 14001 and ISO 45001.
 - HDFPL holds **patents in the US, India, Turkey and Saudi Arabia** for a "pressure operated fluid valve with configurable diaphragm arrangement", along with design registrations in India and the EU. Further patent and design applications are pending in India, the UAE, Saudi Arabia and the EU.
 - Current R&D covers advanced deluge valves with built-in pressure reduction, foam systems that work with **fluorine-free (PFAS-free) foam**, and foam pumps. Its AR-SFFF F3 fluorine-free foam received LASTFIRE test certificates in June 2026. Recent launches include upright foam sprinklers and the Varun 643 foam monitor.



Revenue Mix & Operational Metrics:

Revenue Bifurcation - Product Category Wise (Rs. cr)										
Particulars	FY23	% Rev	FY24	% Rev	FY25	% Rev	FY26	% Rev	Q1 FY27	% Rev
Sprinklers, alarm valves & accessories	104.4	32.6%	119.4	32.3%	143.9	33.6%	164.8	33.9%	33.6	31.0%
Deluge valves, deluge skids & pre-action systems	58.1	18.2%	83.8	22.6%	85.8	20.0%	106.1	21.9%	23.7	21.9%
Foam equipment & suppression systems	43.7	13.6%	55.2	14.9%	74.2	17.3%	90.8	18.7%	19.6	18.1%
Water spray nozzles	22.3	7.0%	26.0	7.0%	29.7	6.9%	33.1	6.8%	7.7	7.1%
System valves & accessories	16.9	5.3%	19.7	5.3%	25.9	6.1%	26.5	5.5%	6.3	5.9%
Monitors & monitor nozzles	18.0	5.6%	28.3	7.6%	23.0	5.4%	26.8	5.5%	5.1	4.7%
Custom engineered systems	7.4	2.3%	5.0	1.3%	8.6	2.0%	3.5	0.7%	1.9	1.8%
Gas suppression systems	14.4	4.5%	8.8	2.4%	4.9	1.1%	-	-	-	-
Others (trims, spares, services)	35.1	11.0%	23.9	6.5%	32.4	7.6%	33.8	7.0%	10.3	9.5%
Sale of products & services	320.3	100.0%	369.9	100.0%	428.4	100.0%	485.4	100.0%	108.3	100.0%

Revenue Bifurcation - Domestic vs Exports (Rs. cr)										
Particulars	FY23	% Rev	FY24	% Rev	FY25	% Rev	FY26	% Rev	Q1 FY27	% Rev
Domestic	206.4	64.4%	246.6	66.7%	273.2	63.8%	317.0	65.3%	72.8	67.2%
Exports	113.9	35.6%	123.3	33.3%	155.3	36.2%	168.4	34.7%	35.5	32.8%
Sale of products & services	320.3	100.0%	369.9	100.0%	428.4	100.0%	485.4	100.0%	108.3	100.0%

Revenue Bifurcation - Geographical (Rs. cr)										
Region	FY23	% Rev	FY24	% Rev	FY25	% Rev	FY26	% Rev	Q1 FY27	% Rev
India	206.4	64.4%	246.6	66.7%	273.2	63.8%	317.0	65.3%	72.8	67.2%
Middle East	59.7	18.6%	56.5	15.3%	63.7	14.9%	72.7	15.0%	14.6	13.5%
Rest of Asia	28.7	9.0%	34.1	9.2%	53.3	12.4%	48.2	9.9%	11.4	10.5%
South America	12.3	3.8%	9.2	2.5%	13.0	3.0%	12.7	2.6%	3.4	3.2%
Europe	5.7	1.8%	8.9	2.4%	12.5	2.9%	11.2	2.3%	2.5	2.3%
North America	2.8	0.9%	7.0	1.9%	6.8	1.6%	10.6	2.2%	0.1	0.1%
Africa	4.3	1.3%	7.1	1.9%	5.4	1.3%	12.0	2.5%	3.3	3.0%
Oceania	0.6	0.2%	0.4	0.1%	0.6	0.1%	1.0	0.2%	0.2	0.2%
Total	320.3	100.0%	369.9	100.0%	428.4	100.0%	485.4	100.0%	108.3	100.0%

Revenue from Repeat vs New Customers (Rs. cr)										
Particulars	FY23	% Rev	FY24	% Rev	FY25	% Rev	FY26	% Rev	Q1 FY27	% Rev
Repeat customers	275.5	86.0%	325.7	88.0%	369.7	86.3%	413.5	85.2%	86.3	79.7%
New customers	44.9	14.0%	44.2	12.0%	58.7	13.7%	71.9	14.8%	21.9	20.3%
Total	320.3	100.0%	369.9	100.0%	428.4	100.0%	485.4	100.0%	108.3	100.0%

Installed Capacity & Utilisation (in EPU - Equivalent Production Units)										
Product category	FY23		FY24		FY25		FY26		Q1 FY26	
Jalgaon facility (vertically integrated)	Installed	% Util.	Installed	% Util.	Installed	% Util.	Installed	% Util.	Installed	% Util.
Sprinklers, alarm valves & accessories	50,600	64.5%	59,800	63.2%	59,800	76.9%	59,800	70.4%	59,800	49.6%
Foam equipment & suppression systems	43,070	35.3%	48,420	61.0%	48,420	84.9%	48,420	63.3%	48,420	46.8%
Deluge valves, deluge skids & pre-action	14,200	69.5%	16,800	66.5%	16,800	78.0%	16,800	80.9%	16,800	71.2%
Monitors & monitor nozzles	3,650	62.5%	4,128	82.0%	4,128	71.9%	4,128	78.9%	4,128	70.0%
Gas suppression systems	1,550	83.0%	1,550	72.0%	1,550	54.6%	1,550	0.0%	1,550	0.0%
Custom engineered systems	210	51.4%	240	31.7%	240	62.5%	240	71.3%	240	25.2%
Thane facility - Water spray nozzles	8,00,000	74.8%	8,00,000	81.6%	8,00,000	91.0%	8,00,000	94.1%	8,00,000	65.6%

Procurement & Contract Manufacturing (Rs. cr)										
Particulars	FY23	% TE	FY24	% TE	FY25	% TE	FY26	% TE	Q1 FY26	% TE
Cost of materials consumed	97.5	40.5%	111.9	40.6%	119.4	39.3%	123.1	35.3%	34.4	42.2%
Purchase of contract manufactured goods	76.7	31.9%	80.8	29.3%	100.3	33.0%	132.2	37.9%	40.2	49.3%
Imported contract manufactured goods	68.8	28.6%	71.3	25.8%	86.5	28.5%	109.1	31.2%	34.3	42.0%
Imported raw material	11.3	4.7%	11.7	4.2%	18.2	6.0%	21.3	6.1%	2.7	3.3%
Transport, freight & carting	6.2	2.6%	5.5	2.0%	7.5	2.5%	7.5	2.2%	2.5	3.1%
Total expenses (restated)	240.5		275.7		304.0		349.1		81.6	
Contract manufactured products - % of revenue from operations	-	31.8%	-	31.1%	-	33.0%	-	36.7%	-	36.2%
Revenue from Maharashtra-manufactured products - % of revenue	-	66.9%	-	67.9%	-	65.8%	-	63.5%	-	61.0%

Source: Choice Equity Broking

Financial statements:

Restated Profit and Loss statement (Rs. cr)						
	FY23	FY24	FY25	FY26	Q1FY27	CAGR (FY23-26)
Revenue from Operations	324.1	373.0	432.8	489.3	109.1	14.7%
Cost of Materials Consumed	(97.5)	(111.9)	(119.4)	(123.1)	(34.4)	8.1%
Purchases of stock-in-trade	(76.7)	(80.8)	(100.3)	(132.2)	(40.2)	19.9%
Change in inventories of FG, WIP & Stock-in-Trade	2.1	(3.9)	8.5	5.4	19.0	37.6%
Gross profit	152.0	176.3	221.6	239.4	53.5	16.4%
Employee benefit expenses	(31.0)	(35.4)	(42.0)	(45.7)	(11.2)	13.8%
Other expenses	(31.1)	(34.2)	(41.6)	(43.3)	(12.5)	11.6%
EBITDA	89.9	106.6	138.0	150.5	29.7	18.7%
Depreciation & amortization expenses	(6.4)	(9.3)	(9.1)	(10.1)	(2.2)	16.8%
EBIT	83.6	97.3	128.9	140.3	27.5	18.9%
Finance costs	-	(0.0)	(0.0)	(0.2)	(0.0)	-
Other income	9.7	19.1	17.9	15.8	5.0	17.8%
PBT	93.3	116.4	146.7	156.0	32.5	18.7%
Tax expenses	(23.1)	(28.4)	(37.0)	(39.2)	(8.6)	19.4%
Reported PAT	70.2	87.9	109.7	116.8	23.9	18.5%

Restated Balance Sheet statement (Rs. cr)						
	FY23	FY24	FY25	FY26	Q1FY27	CAGR (FY23-26)
Equity share capital	1.0	2.7	87.6	87.6	87.6	351.8%
Other Equity	274.7	340.8	309.6	289.5	313.4	1.8%
Other non-current financial liabilities	-	0.0	-	-	-	-
Non-current provisions	0.3	1.2	1.0	1.9	2.3	80.1%
Net deferred tax liabilities	0.6	2.1	2.7	0.0	0.6	-64.3%
Trade payables	19.2	20.9	24.8	29.8	42.2	15.9%
Current borrowings	-	-	-	-	-	-
Other current financial liabilities	6.5	5.5	5.2	8.6	8.5	9.7%
Current provisions	1.7	1.1	1.1	1.4	1.6	-6.5%
Current tax liabilities (net)	2.1	0.3	-	-	2.7	-100.0%
Other current liabilities	13.9	18.1	18.1	13.1	18.7	-1.9%
Total liabilities	319.9	392.6	450.1	432.0	477.6	10.5%
PP&E	76.7	75.1	86.8	80.9	78.7	1.8%
Intangible assets	0.1	0.1	0.1	0.0	0.0	-37.0%
Capital WIP	0.7	1.0	4.1	17.6	22.7	190.4%
Non current investments	45.2	90.5	127.4	78.9	126.7	20.4%
Other non current financial assets	9.5	13.9	26.1	12.6	8.1	9.8%
Other non-current assets	1.8	0.6	0.8	2.3	4.5	9.3%
Inventories	69.1	55.1	69.9	87.4	105.4	8.1%
Current Trade receivables	50.8	48.0	57.8	93.7	55.3	22.6%
Cash & cash equivalents	13.0	20.9	17.5	14.9	13.8	4.5%
Bank balances other than cash	15.4	12.5	6.1	4.6	16.6	-33.3%
Other current financial assets	32.6	69.9	44.3	31.4	31.9	-1.3%
Current tax assets (net)	-	-	1.9	0.1	-	-
Other current assets	4.9	5.0	7.4	7.6	13.8	15.7%
Total assets	319.9	392.6	450.1	432.0	477.6	10.5%

Source: Choice Equity Broking

Financial statements (Contd...):

Restated Cash Flow Statement (Rs. cr)						
	FY23	FY24	FY25	FY26	Q1FY27	CAGR (FY23-26)
Cash flow before working capital changes	92.8	109.8	142.1	155.1	32.3	18.7%
Working capital changes	(16.7)	(16.1)	(6.7)	(22.0)	20.1	9.6%
Cash flow from operating activities	53.4	63.8	98.3	92.5	47.2	20.1%
Purchase of fixed assets & CWIP	(33.4)	(8.2)	(24.0)	(17.9)	(5.1)	-18.7%
Cash flow from investing activities	19.6	(33.0)	(52.6)	41.0	(49.1)	27.9%
Cash flow from financing activities	(70.0)	(22.9)	(49.2)	(136.1)	0.9	24.8%
Net cash flow	2.9	7.9	(3.4)	(2.6)	(1.0)	-
Opening balance of cash	10.1	13.0	20.9	17.5	14.9	20.1%
Closing balance of cash from continuing operations	13.0	20.9	17.5	14.9	13.8	4.5%
Financial ratios						
Particulars	FY23	FY24	FY25	FY26	Q1FY27	
Profitability ratios						
Revenue growth rate	-	15.1%	16.0%	13.1%	-	
Gross profit growth rate	-	16.0%	25.7%	8.0%	-	
Gross profit margin	46.9%	47.3%	51.2%	48.9%	49.0%	
EBITDA growth rate	-	18.6%	29.4%	9.0%	-	
EBITDA margin	27.8%	28.6%	31.9%	30.8%	27.3%	
EBIT growth rate	-	16.4%	32.4%	8.9%	-	
EBIT margin	25.8%	26.1%	29.8%	28.7%	25.2%	
Restated PAT growth rate	-	25.2%	24.8%	6.4%	-	
Restated PAT margin	21.7%	23.6%	25.4%	23.9%	21.9%	
Cash Conversion						
Inventories days	77.9	60.8	52.7	58.6	87.0	
Trade receivables days	57.2	48.3	44.6	56.5	45.6	
Trade payables days	(21.6)	(19.6)	(19.3)	(20.4)	(34.8)	
Cash conversion cycle	113.5	89.5	78.0	94.8	97.8	
Turnover ratios						
Inventory turnover ratio	4.7	6.0	6.9	6.2	1.1	
Trade receivable turnover ratio	6.4	7.6	8.2	6.5	1.5	
Accounts payable turnover ratio	16.9	18.6	19.0	17.9	3.0	
Fixed asset turnover ratio	4.2	4.9	4.8	5.0	1.1	
Total asset turnover ratio	1.0	0.9	1.0	1.1	0.2	
Liquidity ratios						
Current ratio	4.3	4.6	4.2	4.5	3.2	
Quick ratio	2.7	3.4	2.7	2.9	1.8	
Total debt	6.5	5.5	5.2	8.6	8.5	
Net debt	(6.5)	(15.4)	(12.3)	(6.3)	(5.4)	
Debt to equity	0.0	0.0	0.0	0.0	0.0	
Net debt to EBITDA	(0.1)	(0.1)	(0.1)	(0.0)	(0.2)	
Cash flow ratios						
CFO to PAT	0.8	0.7	0.9	0.8	2.0	
CFO to Capex	1.6	7.8	4.1	5.2	9.3	
CFO to total debt	8.2	11.6	19.0	10.7	5.6	
CFO to current liabilities	1.2	1.4	2.0	1.7	0.6	
Return ratios						
RoIC (%)	28.6%	30.4%	39.1%	36.8%	-	
RoE (%)	25.5%	25.6%	27.6%	31.0%	-	
RoA (%)	22.0%	22.4%	24.4%	27.0%	-	
RoCE (%)	31.0%	29.4%	33.2%	37.6%	-	
Per share data						
Restated EPS (Rs.)	4.0	5.0	6.3	6.7	-	
BVPS (Rs.)	15.7	19.6	22.7	21.5	-	
Operating cash flow per share (Rs.)	3.0	3.6	5.6	5.3	-	
Free cash flow per share (Rs.)	-	2.9	5.2	5.3	-	

Source: Choice Equity Broking

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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