



IPO NOTE

CONCORD ENVIRO SYSTEMS LIMITED

Rating:
NUETRAL



ISSUE OFFER

Issue Opens on	DEC 19, 2024
Issue Close on	DEC 23, 2024
Total IPO size (cr)	₹500.33
Fresh issue (cr)	175.00
Offer For Sale (cr)	₹325.33
Price Band (INR)	665-701
Market Lot	21
Face Value (INR)	5
Listing At	NSE, BSE
Market Capitalization (cr)	1450.81

ISSUE BREAK-UP (%)

QIB Portion	<div><div></div></div>	50%
NII Portion	<div><div></div></div>	15%
Retail Portion	<div><div></div></div>	35%

INDICATIVE TIMETABLE

Basis of Allotment	24-12-2024
Refunds/Unblocking ASBA Fund	26-12-2024
Credit of Share to Demat A/c	26-12-2024
Listing Date	27-12-2024

Concord Enviro Systems Limited is a global water and wastewater treatment and reuse solutions provider, including zero-liquid discharge (ZLD) technology.

OBJECTS OF THE ISSUE

- Investment in the wholly owned Subsidiary.
- Funding capital expenditure requirements.
- Investment in the joint venture.

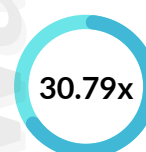
FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	322.5	280.9	268.5
Net Worth	627.6	592.2	536.8
RoCE%	14.07%	6.96%	10.23%
Revenue	289.2	158.2	143.8
Operating Profit Margin %	16.33%	14.45%	18.65%
Net Profit/Loss of the year	41.4	5.48	16.4

FINANCIAL RATIOS OF FY24



D/E



P/E



Asset Turnover

OUTLOOK & VALUATION

- Integrated solutions provider supported by backward integrated manufacturing facilities.
- Focus on innovation supported by R&D and design capabilities.
- Consistent financial performance but a sharp rise in profit raise some concerns, as it may appear questionable.
- The IPO's valuation is fully priced.
- Recommendation: We have a neutral stance on this IPO.



COMPANY PROFILE

- The company offers in-house solutions across the entire value chain, including design, manufacturing, installation, operation and maintenance (O&M), and digitalization, such as IoT.
- company provides integrated wastewater treatment and zero liquid discharge (ZLD) solutions, focusing on energy optimization and recovery to aid industries in achieving water conservation and sustainability goals.



COMPETITIVE STRATEGIES

- Add new capacity for the manufacture of membrane modules, WHE modules and containerised plants.
- Expand the presence in existing geographies and enter new markets.
- Expand into new sectors for wastewater reuse and zero liquid discharge.
- Focus on growing the new business initiatives such as design and installation of CBG Plants.
- Cross sell new products to existing customers.



KEY CONCERNS

- Business is dependent and will continue to depend on the manufacturing facilities.
- Company has subsidiaries that have incurred losses in Fiscals 2024 and 2022
- Water reuse and zero liquid discharge technology is subject to rapid change.
- Company operate in a competitive environment.

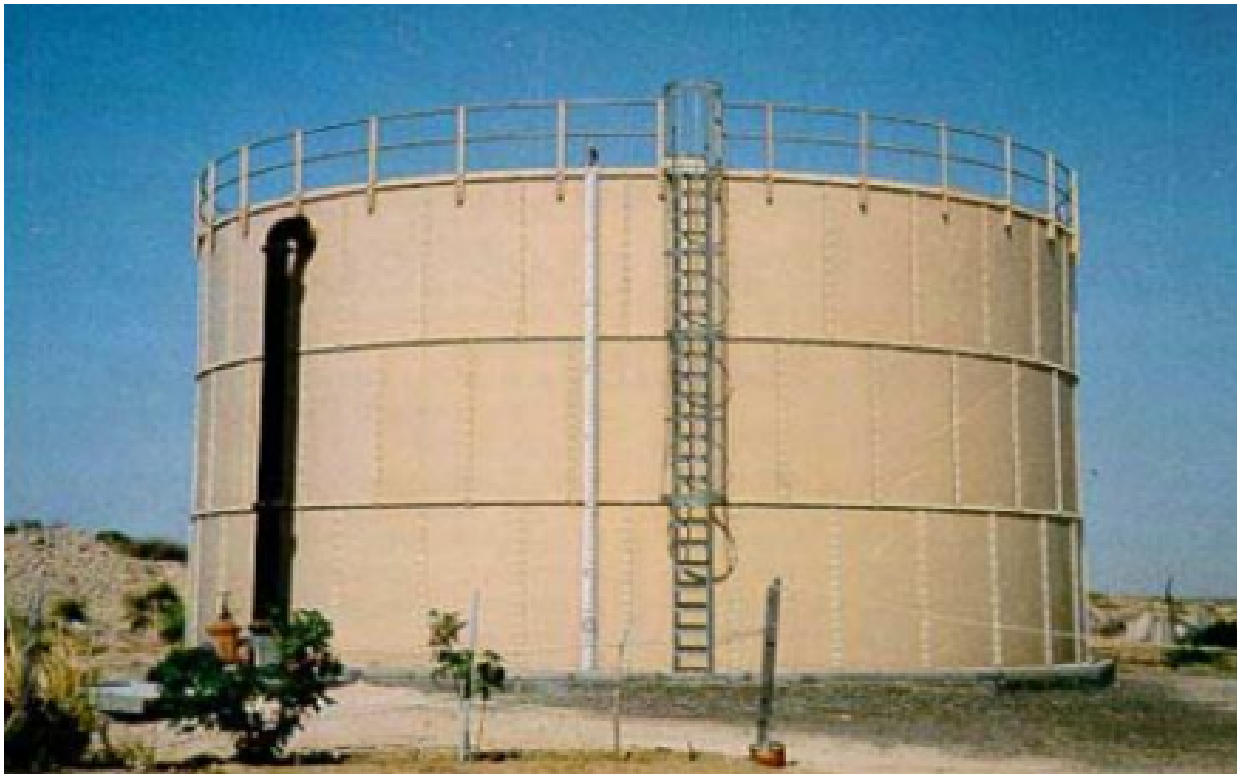


KEY STRENGTHS

- Expertise in ZLD technology in India.
- Integrated solutions provider supported by backward integrated manufacturing facilities.
- Diversified customer base across multiple industries and geographies.
- Focus on innovation supported by R&D and design capabilities.
- Promoters and management team delivering financial performance.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	ROCE%
Concord Enviro Systems Limited	22.77	177.23	30.79	496.8	14.07 %
Peer Group					
Praj Industries Limited	15.42	69.35	51.39	3509.7	13.56%
Ion Exchange (India) Limited	16.53	86.15	43.28	2391.7	19.51%
Triveni Engineering and Industries Limited	18.05	132.51	24.86	5220	24.89%
VA Tech Wabag Limited	39.49	235.96	48.28	2856.4	33.44%
Thermax Limited	57.28	314.96	81.30	9323.4	13.49%



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