

**IPO Details**

Stock Exchange: NSE SME
 Face Value: ₹2.00 per share
 Lot Size: 2000 shares
 Issue Price: ₹52 to ₹55 per share
 Issue Size: 4,500,000 shares
 Fresh Issue: 4,500,000 shares
 Share Holding Pre-Issue: 10,500,000
 Share Holding Post-Issue: 15,000,000
 Issue Type: Book Built Issue IPO
 Book Built Issue: ₹24.75 Crore

IPO Objective

Working Capital Requirements
 General Corporate Purposes.
 Capital Expenditure
 Repayment of Existing Loans

Pre-Issue Shareholding

Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	92,18,525	87.80%
Public	-	-

Promoter of the Company

1 M/s M. G Metalloy Private Limited

Competitive Strengths

- Growing presence in telecommunications Circles with high growth potential
- Experienced and dedicated senior team across key functions
- Efficient Business Model
- Established relationships with our client

Registered & Corporate Office Address:

Registered Office: Plot. No. 346-A, 2nd Floor, Udyog Vihar Phase-4, Gurugram, Haryana - 122016, India

Corporate Office: B-16, First floor, Noida Sector-2, Uttar Pradesh-201301, India

Source: Company s RHP

Company Background

- SAR Televenture Limited is a provider of telecommunication solutions to Telecom Network Operators.
- The company also provides project management for laying of the duct and optic fiber cables, construction of basic transmission and telecom utilities, dark fiber leasing, optical fiber network construction, maintenance of duct and optic fiber, and optical fiber project turnkey services to various, Telecom Network Operators & Broad Band Service Operators and ISPs across Maharashtra.
- SAR Televenture has provided over 373 towers on lease over various areas in West Bengal, Bihar, Uttar Pradesh, and Punjab.
- As on September 30, 2023, they have 38 employees including the Directors, Key Managerial Personnel

Market Capitalization

(In Cr.)

Pre-Issue

Post-Issue

- -

Financial Summary

(In Lacs)

For the Period Ended	Mar-21	Mar-22	Mar-23
Total Assets	144.82	410.83	2420.77
Net Assets	89.82	281.88	847.86
Total Borrowings	136.87	337.09	839.01
Total Revenue	90.71	475.35	3251.63
Profit After Tax	(2.71)	3.71	388.36

Tentative Timeline

Opening Date	Nov 01,2023
Closing Date	Nov 03,2023
Basis of Allotment	Nov 06,2023
Initiation of Refunds	Nov 07,2023
Credit of Shares to Demat	Nov 07,2023
Listing Date	Nov 08,2023



Company Background and Analysis

SAR Televenture is ISO - 9001:2015 Certified Company and is registered as Infrastructure Provider Category-I (IP-I) with Department of Telecommunication (DOT) which permits to lease out own build sites i.e. GBT/RTT/Pole sites and Out Door Small Cell (ODSC) and establish and maintain assets such as Dark Fibres, Right of Way, Duct Space and Tower for the purpose to grant on lease or rent or sale basis to the licensees of Telecom Services.

SAR also provided support services such as includes project management for laying of the duct and optic fibre cables, construction of basic transmission and telecom utilities, dark fiber leasing, optical fiber network construction, maintenance of duct and optic fibre and optical fibre project turnkey services to various, Telecom Network Operators & Broad Band Service Operators and ISPs across Maharashtra.

The Company has already installed and commissioned 125, 108 and 140 number of towers for the year 2020-21, 2021-22 and 2022- 23 respectively. SAR is a passive telecommunication infrastructure provider in India, engaged primarily in the business of installing and commissioning telecom towers in India and have provided an aggregate 373 number of towers on lease over various areas in West Bengal, Bihar, Uttar Pradesh and Punjab.

The number of towers installed for the fiscal year ended 2021, 2022, and 2023 are given below -

Financial Year	Numbers of Towers Installed	Cumulative Number of Towers Installed
2022-23	140	373
2021-22	108	233
2020-21	125	125

On January 03, 2023, the Company has entered into Share Purchase agreement to acquire 100% of the issued and paid-up equity share capital of SAR Televenture FZE, United Arab Emirates (Formerly known as Shoora International -FZE) from Shoora Capital Limited. Currently their subsidiary is engaged in the activities of (i) Wholesale of Fresh Foodstuff Trading -Import & Export (ii) Ferrous and Non Ferrous Metal Trading Import & Export; (iii) Wireless Communication Devices and Equipment Trading; and (iv) Electronic Chips & Semiconductors trading Import/Export.

The subsidiary contributed to an amount of ₹1577.31 lakhs and ₹ 2,603.18 lakhs which constitute 91.08% and 80.19% respectively, of the consolidated revenue from operations as on June 30, 2023 and March 31, 2023. SAR derive a significant portion of their consolidated revenue as on June 30, 2023 and as on March 31, 2023 from the business of our Subsidiary Company.



Peer Analysis

The comparison of the key performance indicators of the listed peers as of Mar-23 is given-

Particulars	SAR Televenture Limited	Suyog Telematics Limited	Kore Digital Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	11.94%	30.41%	15.14%
EBITDA Margin	17.57%	64.64%	22.31%
Return on Equity (RoE)	32.95%	19.77%	56.10%
Basic & Diluted EPS (INR)	91.08	44.17	12.78

Key Risk factors

1. The company depends on a limited number of customers for a significant portion of the revenue from operations. The loss of any of its major customer due to any adverse development or significant reduction in business from its major customer may adversely affect the business, financial condition, results of operations and future prospects.
2. The company has incurred significant losses since inception except for the last two fiscal. They expect the operating expenses to increase significantly in the foreseeable future and may not achieve profitability.
3. The company is heavily dependent on factors affecting the wireless telecommunications industry in India, in particular the growth of their key customers.
4. The Promoter and directors are party to certain tax proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.
5. The company derives a significant portion of their revenue from operations from subsidiary. Loss of any of these customers could adversely affect the business, results of operations and financial condition.



Industry Overview

Telecom industry at Global level

The Telecom industry in India is the second largest in the world with a subscriber base of 1.17 bn as of September 2022 (wireless + wireline subscribers). India has an overall tele-density of 84.86 %, of which, the tele-density of the rural market, which is largely untapped, stands at 58.01 % while the tele-density of the urban market is 134.62%. By the end of January 2023, the total number of internet subscribers increased to 839.18 Million (narrowband + broadband subscribers), out of which 44.25% of the internet subscribers belonged to the rural areas. The average monthly data consumption per wireless data subscriber has also increased by 22,605% to 16.40 GB in June 2022 from 61.66 MB in March 2014. The industry's exponential growth over the last few years is primarily driven by affordable tariffs, wider availability, roll-out of Mobile Number Portability (MILLIONP), expanding 3G and 4G coverage, evolving consumption patterns of subscribers, Government's initiatives towards bolstering India's domestic telecom manufacturing capacity, and a conducive regulatory environment. To further expedite digital connectivity, the Government has approved the auction of IMT/5G spectrum for deployment of 5G services within the country. This auction was successfully held by the end of July 2022 and grossed \$18.77 bn. The Telecom sector is the 3rd largest sector in terms of FDI inflows, contributing 6.43% of total FDI inflow, and contributes directly to 2.2 Million employments and indirectly to 1.8 Million jobs. Between 2014 and 2021, the FDI inflows in the Telecom sector rose by 150% to \$20.72 bn from \$8.32 bn during 2002-2014. 100% Foreign Direct Investment (FDI) has now been allowed in Teleco.

Telecom industry Scenario in India

The telecommunications industry is divided into following subsectors: Infrastructure, Equipment, Mobile Virtual Network Operators (MILLIONVO), White Space Spectrum, 5G, Telephone service providers and Broadband. As per GSMA, India is on its way to becoming the second-largest smartphone market globally by 2025 with around 1 Billion installed devices and is expected to have 920 Million unique mobile subscribers by 2025 which will include 88 Million 5G connections. It is also estimated that 5G technology will contribute approximately \$450 Billion to the Indian Economy in the period of 2023-2040. India added over 500 Million new smartphone users over the last decade. We are expected to have 850 Million smartphone users by 2026, representing 55% of the total population.

The DoT is targeting a combination of 100% broadband connectivity in the villages, 55% fiberisation of mobile towers, average broadband speeds of 25 mbps and 30 lakh kms of optic fibre rollouts by December 2022. Broadband connections rise to 816 Million in September 2022 from 61 Million in March 2014, growing by 1238%. By December 2024, DoT is looking at 70% fiberisation of towers, average broadband speeds of 50 Mbps and 50 lakh kms of optic fibre rollouts at a pan-India level.



Financial Snapshot

Profit and Loss Statement			
	(In Lacs)		
Particulars	FY 21	FY 22	FY 23
Revenue from Operations	90.71	472.89	3246.17
Other Income	-	2.46	5.46
Total Income	90.71	475.35	3251.63
Expenses			
Cost of Material Consumed	-	-	2115.35
Change in Inventories	-	-	-
Employee benefits expense	34.88	125.52	136.85
Finance costs	3.69	21.68	45.39
Depreciation and Amortization expense	9.74	40.91	103.15
Other expenses	45.03	284.51	423.57
Total Expenses	93.34	472.62	2824.31
Earnings Before Interest, Taxes, Depreciation & Amortization	10.80	62.87	570.39
EBITDA Margin	11.91%	13.29%	17.57%
Profit before exceptional and extraordinary items and tax	(2.63)	2.73	427.32
Exceptional items	0	0	0
Profit/(Loss) before tax	(2.63)	2.73	427.32
Tax Expense			
Current Tax	-	-	35.53
Deferred tax	0.08	(0.98)	3.43
Total Tax Expense	0.08	(0.98)	38.96
Profit/(Loss) for the year	(2.71)	3.71	388.36
Net Profit Margin	(2.99) %	0.79%	11.94%

Balance Sheet			
	(In Lacs)		
Particulars	FY 21	FY 22	FY 23
EQUITY AND LIABILITIES			
Equity			
Share Capital (Partner's Capital)	4.05	4.18	65.29
Reserves and Surplus	(15.62)	(11.91)	1,113.42
Total Equity	(11.57)	(7.73)	1,178.71
Liabilities			
Non-current liabilities			
Borrowings	136.87	267.60	839.01
Other Non-Current Liabilities	-	-	-
Deferred Tax Liabilities (Net)	0.08	-	2.52
Long term provisions	-	-	-
Total Non-current liabilities	136.95	267.60	841.53
Current liabilities			
(i) Short Term Borrowings	-	69.48	-
(ii) Trade Payables			
Total Outstanding dues of micro-enterprises and small enterprises			
Total Outstanding dues of creditors other than micro-enterprises and small enterprises	9.10	53.57	249.14
Other Current Liabilities	1.52	5.44	89.91
Short-Term Provisions	8.82	22.47	61.48



Balance Sheet			(In Lacs)
Total Current liabilities	19.44	150.96	400.53
Total Liabilities	156.39	418.56	1242.06
Total Equity and Liabilities	144.82	410.83	2,420.77
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	89.82	281.88	847.86
Intangible assets	-	-	-
Non-current Investments	-	-	-
Deferred tax assets (Net)	-	0.90	-
Long-term loans and advances	-	-	-
Other Non-Current Assets	0.26	2.36	3.32
Total Non-Current assets	90.08	285.14	851.18
Current Assets			
Current Investments	-	-	-
Inventories	-	-	-
Trade Receivables	39.40	84.20	649.41
Cash and Cash Equivalents	3.13	0.44	71.69
Short-Term Loans and Advances	12.21	41.05	848.49
Other current assets	-	-	-
Total Current assets	54.74	125.69	1,569.59
Total Assets	144.82	410.83	2,420.77

Cash Flow Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23
Net Cash Flow from Operating Activities	(17.79)	51.61	(523.51)
Net Cash Flow from Investing Activities	(93.99)	(232.97)	(686.77)
Net Cash Flow from Financing Activities	112.25	178.67	1,281.53



Key Managerial Personnel

1. **Mr. Rahul Sahdev** is the Chairman & Managing Director of our Company. He holds a degree in Advance Diploma in Business Management from National Business Management College, Australia. He holds a degree in Diploma in Marketing Department from Australian International College of Business also he holds the degree of Master of Business Administration in Marketing from Sydney University. He is associate with our Company since February 02, 2023. He has 18 years of experience in the field of marketing. Currently he looks after marketing and business development in our Company.
2. **Mr. Praveen Tandon** is the Executive Director and Whole-time Director of our Company. He holds a degree in Bachelor in Engineering from Nagpur University. He has over 25 years of experience in Procurement of Passive Infrastructure, Electronics, Project Management, Marketing, and Customer Services Sales in Telecom Sector. He is expert in supervising logistics operations & ensuring timely execution, while adhering to transit guidelines and also demonstrated excellence in handling contracts, closure of deals, Contract Management. He is having depth knowledge in Contract Negotiations, Closure and Vendor contract management. He has been involved in Customer Contract management and Account management during Tenure with well-known Companies. He is skilled in making effective use of cost analysis tools in support of strategic sourcing process, procurement costs, cost reduction metrics and bottom-line performance indicators. He displayed prowess in managing Network rollout for the Circle and ensuring delivery of all items on time. He looks after the overall business execution in our Company.
3. **Mr. Chandra Prakash Srivastava** is the Non-Executive Director of our Company. He holds BE (Production & Industrial Engineering), Allahabad in 1987. During his 36 years of experience, he acted as Telecom Sourcing & Business Development Veteran, having worked with most of the Telecom Companies in India at the Senior Management level. He has moved into an entrepreneurial role, and he has been providing consulting services to various companies associated with Telecom. He has been associated with our Company since June 30, 2023
4. **Ms. Kavya Jha** is the Non-Executive Director of our Company. She degree holder of Bachelor of Science from University of Calcutta in the year 1989. During her 20 years of business experience, she engaged in the business of a branded apparel business that supplies branded clothing to schools & corporates and also another business of financial advisory, as she is a green planet crusader, she is member of Save Planet enthusiast community also. She has been associated with our company since June 30, 2023.
5. **Mr. Suman Kumar** is the Independent Director of our Company. He has to his credit, of about 4 decades of experience in banking and finance. He last served as General Manager in IDBI Bank. He joined the erstwhile Industrial Development Bank of India (IDBI) in 1988. He has rich experience in Project Finance, HR and Trade Finance areas while working at IDBI in various capacities. He is an M. Com with an MBA (Finance) from Faculty of Management Studies, University of Delhi. He guides us on various matters of finance and banking
6. **Ms. Aishwarya Singhvi** is the Independent Director of our Company. She holds a Master's & bachelor's in commerce from the Mohanlal Sukhadia University (MLSU) Udaipur. She is an associate member of the Institute of Company Secretaries of India. She has completed her management trainee from Practising company Secretary. She is having more than one year of post qualification experience in listed company.



7. **Mr. Sarvgya Jain**, aged 25 years, is the Chief Financial Officer of our Company. He has passed Intermediate Examination of the Institute of Chartered Accountants of India. He has three plus years of experience in finance & related matters like maintaining ledgers, creating internal control procedures to increase reporting accuracy and reduce error rate, preparing financial statements. He oversees the financial operations and ensuring tax compliance 147 in all the accounting activities. He looks after the finance related matters of our Company. He has been appointed as the Chief Financial Officer of our Company with effect from July 07, 2023.
8. **Mr. Abhishek Jain** aged 30 years is the Company Secretary and Compliance Officer of our Company with effect from July 07, 2023. He holds a degree in Bachelor of Commerce from University of Delhi in the year 2014. He has also completed his law graduate from Chaudhary Charan Singh University, Meerut. He is a fellow member of the Institute of Company Secretaries of India. He has over six years of experience in corporate, legal, secretarial due diligence, corporate governance, audit, SEBI, RBI and other applicable laws in India. He is responsible for handling secretarial and compliance matters of our Company and was appointed as a Company Secretary with effect from July 07, 2023.
9. **Mr. Amit Chaudhary** is the Senior Manager Operation of our Company. Pursuing to the board resolution dated July 28, 2023, he has been appointed as Senior Manager Operation. He is an Electrical Engineer from Azad Institute of Engineering & Technology in the year 2006. He also completed his Bachelor of Information Technology (BIT) from Manipal Academy in the year 2003. He has over 11 years of experience in operation and network.

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