



# Ztech India Limited

IPO Note

Recco – **APPLY**



IPO Details	
<b>Opening Date</b>	May 29, 2024
<b>Closing Date</b>	May 31, 2024
<b>Stock Exchange</b>	NSE SME
<b>Lot Size</b>	1,200 Shares
<b>Issue Price</b>	₹104 to ₹110 per share
<b>Issue Size</b>	Aggregating up to 37.30 Cr.
<b>Fresh Issue</b>	Aggregating up to 37.30 Cr.
<b>Offer for Sale</b>	-
<b>Application Amount</b>	₹1,32,000

IPO Objective
1. To meet the Working Capital requirements of the Company
2. To meet the General Corporate Purposes
3. To meet the Issue Expenses

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	77,73,824	82.65%
Public	16,32,224	17.35%

Promoters of the Company
1. Sanghamitra Borgohain
2. Terramaya Enterprises Private Limited

Competitive Strengths
1. Experienced and Qualified Management Limited
2. Well-Organized Organization Structure
3. Efficient Business Model
4. Strong Execution Capabilities with Industry Experience
5. Quality Assurance and Standards

Company Background
○ Incorporated in November 1994, Z-Tech (India) Limited designs civil engineering products and provides state-of-the-art speciality Geo-Technical Solutions for infrastructure and civil construction projects in India.
○ The company is actively involved in the waste management sector, focusing on creating theme parks using recycled scrap materials.
○ It serves clients like IRCON International, NCC Limited, GMR Infra, Hindustan Construction Company, and many more.
○ As of May 10, 2024, the company had a total of 72 employees on its payroll.

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹ 103	₹ 141

Financial Summary (In Lacs.)				
For the Period Ended	FY 21	FY 22	FY 23	FY 24
<b>Total Assets</b>	1,973.12	1,925.11	2,339.62	4,192.24
<b>Net Assets</b>	793.82	802.25	998.95	2,190.9
<b>Total Borrowing</b>	93.75	71.74	71.03	130.84
<b>Total Revenue</b>	2,395.67	3,083.89	2,588.40	6,737.1
<b>Profit After Tax</b>	69.53	7.43	195.50	779.14

Tentative Timeline	
<b>Opening Date</b>	May 29, 2024
<b>Closing Date</b>	May 31, 2024
<b>Basis of Allotment</b>	June 3, 2024
<b>Initiation of Refunds</b>	June 4, 2024
<b>Credit of Shares to Demat</b>	June 4, 2024
<b>Listing Date</b>	June 4, 2024

## Company Background and Analysis

Founded in 1994, Z-Tech (India) Limited is a Delhi-based public limited company specializing in innovative and eco-friendly engineering solutions.

### Their expertise spans three key areas:

1. **Sustainable Theme Park Development:** Z-Tech breathes new life into waste by designing and constructing theme parks using recycled scrap materials. Their services encompass landscaping, artwork, infrastructure creation, and responsible resource management throughout the project. This approach goes beyond traditional development, prioritizing environmental and economic considerations.



Their completed works include Shaheedi Park, Heritage Park at Ajmal Khan Park, Karol Bagh in Delhi and Happiness Park in Lucknow to name some. Their ongoing projects include Noida Artificial Zoo and Jungle Safari in Noida, Fantasy Kingdom in Delhi, and Development & Establishment of Harmony Park, CG City Gomti Nagar in Lucknow to name some. The unexecuted contract amount for the ongoing projects is Rs. 88.77 Crores under this line of business.

2. **Industrial Waste Water Management:** Committed to minimizing environmental impact, Z-Tech acquired GEIST, a water treatment technology also known as WOOW (Wealth Out of Waste). This technology offers turnkey solutions for achieving zero liquid discharge (ZLD) through efficient wastewater treatment. WOOW not only mitigates environmental harm but also promotes water conservation and even recovers valuable resources from industrial wastewater streams.

Their completed projects for Industrial Waste Water Management are Sulphate Removal System Installation and Operation and Maintenance of Anhydrous Sodium Sulphate Plant for Gujarat Alkalies and Chemicals Limited, Design and supply of recovery system of DMSO-NF02 for Navin Fluorine Advanced Sciences Ltd to name a few. The ongoing projects for this business vertical include Anhydrous Sodium Sulphate for Grasim Industries Limited, Design & Supply of Anhydrous Sodium Sulphate Recovery System and Engineering of ANSS Plant for Shriram Alkali & Chemicals to name some. The unexecuted contract amount for the ongoing projects is Rs. 20.48 Crores under this line of business.

3. **Geo-Technical Specialized Solutions:** Z-Tech provides a comprehensive suite of geotechnical engineering services for infrastructure and civil construction projects. Their offerings include soil



reinforcement for slopes and walls, slope stabilization, retaining structures, ground improvement, and riverside/coastal protection. A team of in-house chartered engineers oversees design, supply, and construction, ensuring project quality and timely delivery with full indemnity supervision.

Supply and Installation of PVD at Kochi Shipyard-Kerala for Larsen & Toubro Limited, Supply and erection of RE-Wall for Pan India Infraprojects Pct. Ltd and Reinforment Soil wall System NH-161 under Bharat mala Project-Telangana for Dilip Buildcon Ltd are some of the projects that are completed under this line of business and RE Wall-Geogrid Loops-Block Wall, Crash Barrier-EPC-Meerut for Tata Projects Limited, RE Wall Geostrap for Rajkeshri Projects Limited – Bihar, and Earth Work for S P Singla Construction Private Limited – Majuli are some of projects that are currently under progress. The unexecuted contract amount for the ongoing projects is Rs. 59.71 Crores under this line of business.

Beyond Innovation - Z-Tech's focus extends beyond developing cutting-edge solutions. They are actively involved in shaping a more sustainable future by transforming waste into valuable resources and promoting responsible water management practices. This commitment positions Z-Tech as a leader in eco-conscious engineering solutions.

Revenue Bifurcation is given below -

(Amount in Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Mar-24	
	Amt	%	Amt	%	Amt	%	Amt	%
Civil Engineering	2,348.11	100.00	2,585.81	84.40	1,741.56	67.70	1,890.79	28.09
Waste Water	-	-	478.12	15.60	482.35	18.75	915.64	13.60
Specialized Park Development	-	-	-	-	348.59	13.55	3,925.39	58.31
<b>Total</b>	<b>2,348.11</b>	<b>100.00</b>	<b>3,063.93</b>	<b>100.00</b>	<b>2,572.50</b>	<b>100.00</b>	<b>6,731.82</b>	<b>100.00</b>

Particulars	Mar-21		Mar-22		Mar-23		Mar-24	
	Amt	%	Amt	%	Amt	%	Amt	%
Government Tenders	532.86	22.69	91.88	3.00	79.15	3.08	999.39	14.85
Other than Government Tenders	1,815.25	77.31	2,972.04	97.00	2,493.35	96.92	5,732.43	85.15
<b>Total</b>	<b>2,348.11</b>	<b>100.00</b>	<b>3,063.93</b>	<b>100.00</b>	<b>2,572.50</b>	<b>100.00</b>	<b>6,731.82</b>	<b>100.00</b>

To conclude, Z-Tech (India) offers innovative and eco-friendly engineering solutions. They specialize in building theme parks from recycled materials, managing industrial wastewater, and providing geotechnical services for infrastructure projects. Their focus on sustainability positions them as a leader in eco-conscious engineering. The company generates a significant amount of its revenue from only 2 states, i.e., Delhi and Uttar Pradesh.



## Business Strategies

### 1. Expansion of their geographical footprint –

The company is implementing a business strategy focused on expanding its geographical presence. This strategy aims to increase the company's reach and footprint in new geographic areas throughout the country. Their goal is to tap into new customer bases and access untapped markets, essentially capitalizing on growth opportunities beyond their current locations.

### 2. Focus on building environment-friendly and sustainable operations along with growth –

The company prioritizes building and operating its assets in an environmentally friendly and sustainable manner, demonstrating its commitment to responsible growth. This focus on sustainability extends beyond just profitability, encompassing measures to minimize their environmental impact. These measures include the use of cover sheds, water sprinklers, and windshields for dust suppression, along with pollutant monitoring systems and the incorporation of green vegetation surrounding their facilities.

### 3. R&D –

The company has an internal R&D team with experienced staff and advanced tools to design innovative service solutions that meet customer needs. Led by Mr. Dhumal, the R&D department prioritizes customer requirements and leverages expertise from various company departments. They have a dedicated workspace for innovation and conduct regular research to improve the company's services, recognizing that innovation is key to business success and customer satisfaction.

## Competitive Scenario and Peer Mapping

### Competition

The company operates in the waste management and infrastructure business which faces moderate hurdles in the form of regulations but local competition could be a challenge. Bargaining power depends on the client; large industries can negotiate prices more easily. Suppliers usually have some leverage but substitutes are limited. The real competition comes from established players in the fragmented waste management industry, requiring a focus on innovation and efficiency to stand out.

### Peer Analysis

**The comparison of the key performance indicators of the listed peers as of Mar-24 is given below –**

Particulars	Ztech India Limited	Ion Exchange (India) Limited*	Felix Industries Limited*	Wonderla Holidays Limited	H.G. Infra Engineering Limited	Nicco Parks & Resorts Limited	NCC Limited
	31st Mar 2024	31st Mar 2024	31st Mar 2024	31st Mar 2024	31st Mar 2024	31st Mar 2024	31st Mar 2024
Net Profit Margin	11.57%	-	-	32.70%	10.65%	25.01%	3.42%
EBITDA Margin	16.62%	-	-	51.79%	18.38%	37.57%	9.30%
Return on Capital Employed	46.16%	-	-	17.93%	31.22%	37.79%	21.65%
Return on Equity	35.56%	-	-	14.43%	23.53%	28.58%	9.27%
P/E	17.91	-	-	35.69	10.86	33.13	23.10
EPS (INR)	6.14	-	-	27.84	83.70	4.46	10.06

\* Data not Available for the PEERS for the Year 2024

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

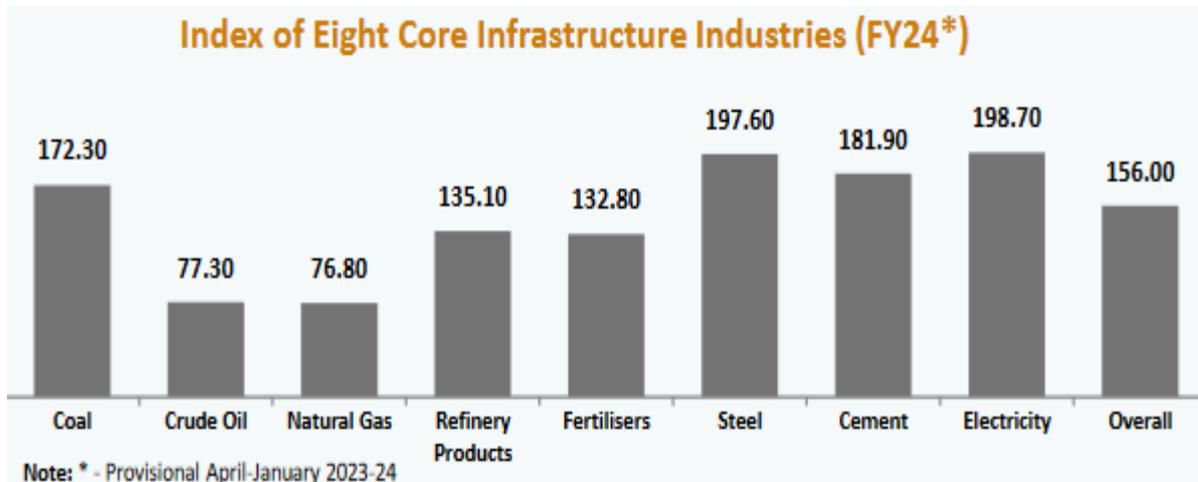
Particulars	Ztech India Limited	Ion Exchange (India) Limited	Felix Industries Limited	Wonderla Holidays Limited	H.G. Infra Engineering Limited	Nicco Parks & Resorts Limited	NCC Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	7.60%	9.68%	6.07%	34.69%	9.54%	28.07%	4.22%
EBITDA Margin	11.73%	14.76%	11.32%	54.68%	16.46%	40.35%	11.07%
Return on Capital Employed	25.92%	30.49%	10.79%	19.22%	30.78%	46.50%	19.97%
Return on Equity	19.57%	22.83%	13.58%	15.68%	23.69%	36.70%	9.00%
P/E	2.26	13.57	53.86	16.26	12.10	24.63	11.62
EPS (INR)	48.77	25.14	2.32	26.33	64.66	4.74	9.13

**The comparison of the key performance indicators of the listed peers as of Mar-22 is given below –**

Particulars	Ztech India Limited	Ion Exchange (India) Limited	Felix Industries Limited	Wonderla Holidays Limited	H.G. Infra Engineering Limited	Nicco Parks & Resorts Limited	NCC Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	0.24%	10.06%	6.70%	-7.43%	9.37%	12.26%	4.88%
EBITDA Margin	1.03%	15.94%	14.45%	20.35%	16.35%	24.04%	12.45%
Return on Capital Employed	0.20%	32.96%	17.08%	-1.44%	33.00%	10.98%	17.92%
Return on Equity	0.93%	23.81%	10.96%	-1.18%	24.83%	9.17%	8.45%
P/E	7.87	82.49	9.51	-145.42	11.02	75.00	8.14
EPS (INR)	13.98	2.08	1.63	-1.68	51.98	0.88	7.98

**Industry Overview**

Exhibit 1: Index of Core Infrastructure Industries



(Source: Prospectus)

**Indian Waste Industry:**

- **Overview:**  
India faces a growing waste management crisis with overflowing landfills and environmental pollution. The country has over 3,100 landfills causing health hazards.

**Indian Metal Recycling Industry:**

- **Importance:**  
Metal scrap recycling offers significant environmental and economic benefits for India, the world's second-most populous nation with a rapidly developing economy.
- **Environmental Benefits:**
  1. **Resource Conservation:**  
Reduces dependence on virgin metals, minimizing environmental impact from extraction.
  2. **Reduced Energy Consumption:**  
Recycling requires less energy compared to virgin metal production, lowering greenhouse gas emissions.
  3. **Minimized Landfill Waste:**  
Diverts metal waste from landfills, preventing environmental contamination.
- **Economic Benefits:**
  1. **Job Creation:**  
The industry has the potential to generate a substantial number of jobs in the collection, sorting, processing, and trading of scrap metal.
  2. **Economic Growth & Industrial Development:**  
Provides a consistent and affordable source of raw materials, reduces reliance on imports, and fosters entrepreneurship in recycling.

3. **Export Opportunities:**  
Creates opportunities to export processed metal scrap, earning foreign exchange and diversifying exports.
  4. **Reduced Production Costs:**  
Using recycled metal scrap lowers production costs for various products, potentially benefiting consumers.
  5. **Enhanced Resource Security:**  
Reduces reliance on imported metals, improving resource security and reducing vulnerability to external factors.
  6. **Technological Advancements:**  
Growth in the industry can lead to advancements in recycling processes and waste management, benefiting other sectors.
- **Government Support:**  
Initiatives like the Metal Recycling Policy and Swachh Bharat Abhiyan support and encourage the industry.
  - **Public Awareness:**  
Public education and participation in recycling programs are crucial for the industry's success.

### **Indian Geotechnical Services Industry:**

- **Growth Driver:**  
Infrastructure development is a critical driver for India's economic growth, and geotechnical services are essential for such projects.
- **Government Focus:**  
The Indian government prioritizes infrastructure development with initiatives like Gati Shakti and increased budgetary allocations.
- **Market Size:**  
Significant investments are planned for infrastructure projects in sectors like railways, housing, water & irrigation, and transportation.
- **Future Outlook:**  
The industry is expected to grow due to rising infrastructure spending and focus on improving delivery across various sectors.

(Source: Prospectus)



## Key Managerial Personnel

**Sanghamitra Borgohain**, age 40 years, is the promoter and managing director of the company. She is a first-generation entrepreneur with a rich experience of more than 13 years in the civil construction industry. She holds a degree of Bachelor of Arts in Political Science.

**Pradeep Sangwan**, age 38 years, serves as Non-Executive Non-Independent Director of the company. Mr. Sangwan has Post Graduation Diploma in Event Management. Mr. Sangwan has experience of 8 years in the field of the ecosystem of waste management in the Himalayas.

**Anuj Kumar Poddar**, age of 56 years old, is Whole Time Director of the company. Mr. Poddar completed his B.A. (FINE) Painting in the year 1993. He has rich experience of more than 25 years in the Glass Industry.

**Steve A Pereira**, age 46 years, serves as an Independent Director within the company. He brings a wealth of expertise, Post Graduate Diploma in HR and Industrial Relations, as well as a Bachelor's Degree in Hotel Management. With a professional journey spanning over 23 years across diverse sectors and holds certification as a Six Sigma Yellow Belt.

**Aditya Rungta**, age 36 years, is a Fellow member (FCS) of The Institute of Company Secretaries of India (ICSI), having post-qualification work experience of around 14 years in the Industry. He is the Elected Regional Council Member of the ICSI from the Northern Region.

**Anjani Goyal**, is the CFO of the Company. He is a CA by profession and has vast experience in the fields of Finance, Accounts, Audits and Budgeting of more than 10 years.

**Ashish Goel**, is the Company Secretary and Compliance Officer of the Company. He is a CS by profession and has vast experience in Company Law, SEBI Regulation, and Secretarial Standard of more than 11 years.

To conclude, the company has 1 individual promoter and has good experience in the industry. The remaining Directors and Key Managerial Personnel of the company however have good knowledge and experience in their respective fields which would help grow the company from all aspects.



## Financial Snapshot

<b>Profit and Loss Statement</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Revenue from Operations	2,348.11	3,063.92	2,572.50	6,731.82
Other Income	47.56	19.97	15.90	5.19
<b>Total Income</b>	<b>2,395.67</b>	<b>3,083.89</b>	<b>2,588.40</b>	<b>6,737.01</b>
<b>Expenses</b>				
Cost of Material Consumed	1,890.93	2,331.24	1,806.32	4,911.58
Employee benefits	266.72	313.15	295.88	373.76
Finance costs	5.97	5.43	6.45	9.35
Depreciation and Amortization expense	16.59	29.84	43.37	64.28
Other expenses	120.17	388.09	168.53	327.79
<b>Total Expenses</b>	<b>2,300.38</b>	<b>3,067.75</b>	<b>2,320.55</b>	<b>5,686.76</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>70.29</b>	<b>31.44</b>	<b>301.77</b>	<b>1,118.69</b>
<b>EBITDA Margin</b>	<b>2.99%</b>	<b>1.03%</b>	<b>11.73%</b>	<b>16.62%</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>95.29</b>	<b>16.14</b>	<b>267.85</b>	<b>1,050.25</b>
Exceptional items	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>95.29</b>	<b>16.14</b>	<b>267.85</b>	<b>1,050.25</b>
<b>Tax Expense</b>				
Current tax	23.03	2.78	68.79	273.32
Deferred tax	2.73	5.93	3.56	-2.21
<b>Total Tax Expense</b>	<b>25.76</b>	<b>8.71</b>	<b>72.35</b>	<b>271.11</b>
<b>Profit/(Loss) for the year</b>	<b>69.53</b>	<b>7.43</b>	<b>195.50</b>	<b>779.14</b>
<b>Net Profit Margin</b>	<b>2.90%</b>	<b>0.24%</b>	<b>7.55%</b>	<b>11.57%</b>

<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	110.00	110.00	110.00	940.60
Reserves and surplus	683.82	692.25	888.95	1,250.39
<b>Total Equity</b>	<b>793.82</b>	<b>802.25</b>	<b>998.95</b>	<b>2,190.99</b>
<b>Minority Interest</b>	<b>-49.91</b>	<b>-50.91</b>	<b>-52.12</b>	<b>-</b>
<b>Total Equity</b>	<b>743.91</b>	<b>751.34</b>	<b>946.83</b>	<b>2,190.99</b>
<b>2. Non-current liabilities</b>				
(a) Financial liabilities				
Long Term Borrowings	37.29	20.19	36.51	77.87
Long Term Provisions	48.35	26.81	13.68	15.27
<b>Total Non-current liabilities</b>	<b>85.64</b>	<b>47.00</b>	<b>50.19</b>	<b>93.14</b>
<b>3. Current liabilities</b>				
Short-term borrowings	56.46	51.55	34.52	52.97
Trade payables				
(i) MSME	-	-	-	185.28
(ii) Other than MSME	881.33	917.84	1,060.34	1,295.93
Other current liabilities	179.65	143.23	233.28	143.53
Short-term provisions	26.13	14.15	14.46	230.40
<b>Total Current liabilities</b>	<b>1,143.57</b>	<b>1,126.77</b>	<b>1,342.60</b>	<b>1,908.11</b>



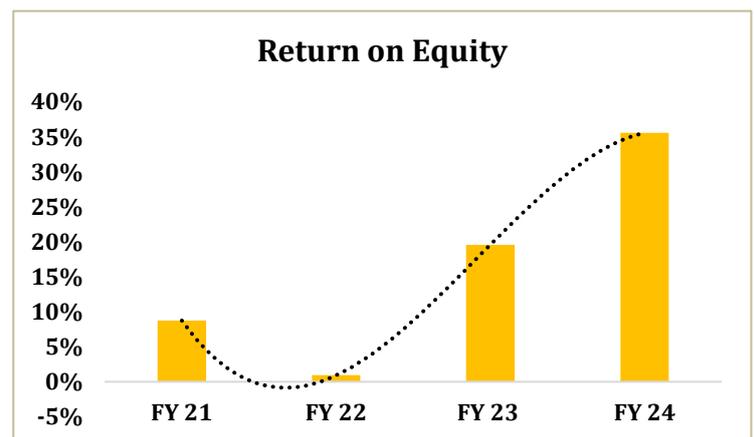
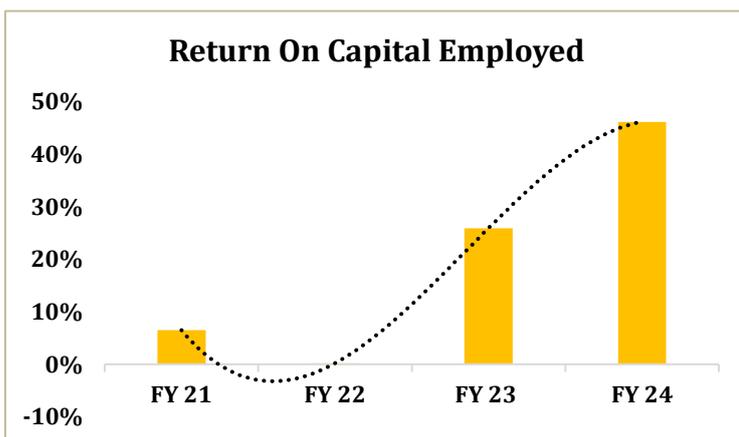
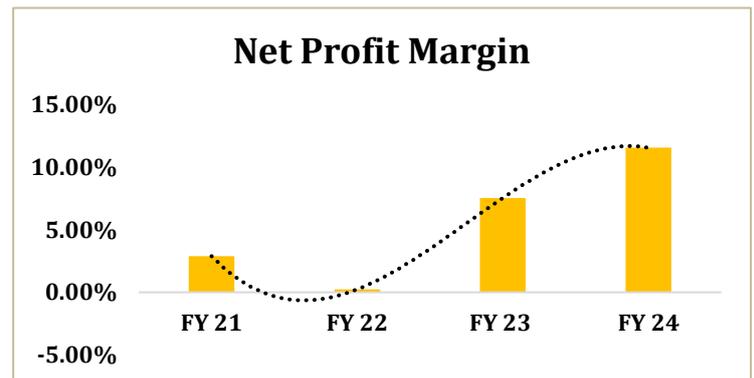
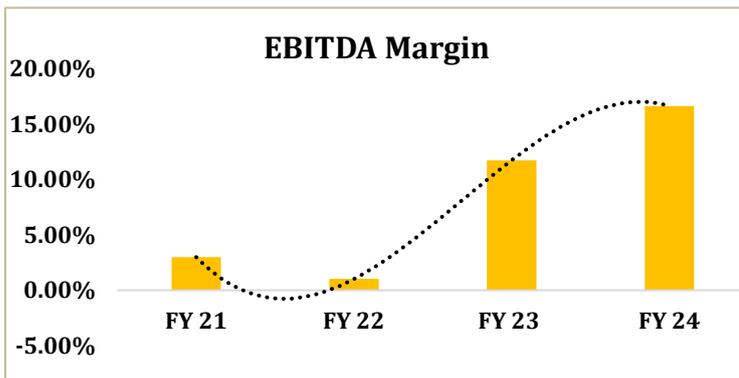
<b>Balance Sheet</b>				
				<b>(In Lacs)</b>
<b>Total Liabilities</b>	<b>1,229.21</b>	<b>1,173.77</b>	<b>1,392.79</b>	<b>2,001.25</b>
<b>Total Equity and Liabilities</b>	<b>1,973.12</b>	<b>1,925.11</b>	<b>2,339.62</b>	<b>4,192.24</b>
<b>ASSETS</b>				
<b>1. Non-current assets</b>				
i) Tangible Asset	67.69	102.26	149.68	111.51
ii) Intangible Asset	-	-	-	319.57
Non-Current Investment				-38.63
Deferred Tax Assets (Net)	36.20	30.27	26.71	31.30
Long term Loans and Advances				
Other Non-Current Assets	39.30	40.83	72.70	208.82
<b>Total Non-Current assets</b>	<b>143.19</b>	<b>173.36</b>	<b>249.09</b>	<b>632.57</b>
<b>2. Current assets</b>				
Current Investments	-	-	-	-
Inventories	110.49	48.80	102.21	108.40
Trade receivables	1,215.83	1,216.83	1,507.64	2,850.92
Cash and cash equivalents	40.58	118.88	23.75	82.71
Short-term loans and advances	301.69	261.02	429.59	444.28
Other Current Assets	161.35	106.21	27.35	73.35
<b>Total Current assets</b>	<b>1,829.94</b>	<b>1,751.74</b>	<b>2,090.54</b>	<b>3,559.66</b>
<b>Total Assets</b>	<b>1,973.13</b>	<b>1,925.10</b>	<b>2,339.63</b>	<b>4,192.23</b>

<b>Cash Flow Statement</b>				
				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Net Cash Flow from Operating Activities	-82.49	167.53	8.33	-149.99
Net Cash Flow from Investing Activities	-16.55	-61.79	-96.31	-212.14
Net Cash Flow from Financing Activities	-36.28	-27.45	-7.16	421.09

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
<b>Per Share Data</b>				
Diluted EPS	0.73	0.10	2.24	6.14
BV per share	6.20	6.27	7.81	46.32
<b>Operating Ratios</b>				
EBITDA Margins	2.99%	1.03%	11.73%	16.62%
PAT Margins	2.90%	0.24%	7.55%	11.67%
Inventory days	17.18	5.81	14.50	5.89
Debtor days	188.99	144.96	213.91	155.00
Creditor days	185.42	161.54	225.35	276.57
<b>Return Ratios</b>				
RoCE	6.47%	0.20%	25.92%	17.79%
RoE	8.76%	0.93%	19.57%	13.26%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	12.05	24.02	3.47	5.35
Market Cap / Sales	6.00	4.59	5.47	2.09
P/E	150.68	1,100.00	49.11	17.91
Price to Book Value	17.73	17.55	14.09	2.37
<b>Solvency Ratios</b>				
Debt / Equity	0.12	0.09	0.07	0.06
Current Ratio	1.60	1.55	1.56	1.87
Quick Ratio	1.50	1.51	1.48	1.81
Asset Turnover	1.19	1.59	1.10	1.61
Interest Coverage Ratio	8.99	0.29	40.06	112.77

\* Valuation Figures are calculated using Issue Price

### Financial Charts





## Key Risk Factors

1. Top 10 Customers of the company contribute to 77.50%, 75.24%, 48.53% and 76.74% of revenue for the year ended March 31, 2024, March 31, 2023, March 31, 2022, and March 31, 2021. Failure to retain any one of them could have significant impact on the revenue of the business.
2. The company has 2 Civil Proceedings against them for the matter of “Slow Progress of Work” and “Unpaid Invoices” with the total amount involved of Rs. 69,26,307.
3. There are Litigations involving the group company for Tax Proceedings and a Civil Litigation for the matter of “Possession of Land, and Claim for Damages” amounting to Rs. 49,00,395.
4. The company has had a very low profit from operating activities even when it saw an increase in its revenue and introduced a new line of business.
5. The Group Company has been incurring Losses from its operating activities.

**Track Record of Lead Manager**

The lead manager to the issue is Narnolia Financial Services Limited. A table has been set below highlighting the details of the IPO of the recent companies handled by the Lead Manager in recent times –

**Narnolia Financial Services Limited -**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Radiowalla Network Limited	14.25	76.00	Apr 05, 2024	120.00
2.	Addictive Learning Technology Limited	60.16	140.00	Jan 30, 2024	297.00
3.	Akanksha Power and Infrastructure Limited	27.49	55.00	Jan 03, 2024	86.50
4.	Supreme Power Equipment Limited	46.67	65.00	Dec 29, 2023	193.00
5.	WomanCart Limited	9.56	86.00	Oct 27, 2023	144.00
6.	Inspire Films Limited	21.23	59.00	Oct 05, 2023	45.00
7.	Cellecor Gadgets Limited	50.77	92.00	Sep 28, 2023	244.00
8.	Yudiz Solutions Limited	44.84	165.00	Aug 17, 2023	73.80
9.	Drone Destination Limited	44.20	65.00	Jul 21, 2023	289.00

The company has had 6 mandates in the past year and 3 in the current Year.

\*CMP for the above-mentioned companies is taken as of 27<sup>th</sup> May 2024.

As per the offer document, from the above-mentioned mandates, all of the mandates have opened at a premium on the listing date.



## Recommendation

The company has been in the industry since 1994 and has vast experience in the industry. The management overview of the company is satisfactory.

The P/E on a post-IPO basis is around 17.91 times which makes it fairly priced by looking at the performance of the company and its peer(s). The P/E of the industry (Capital Goods – Engineering) is 43.8 times.

The company has shown good growth in its top-line financials, and with the introduction of a new business line in the year 2023 i.e., Sustainable Theme Parks, the firm has entered into an untapped market with potential, which is the reason for the sudden increase in its Revenue, EBITDA and PAT Margins. The company. The company is not utilizing its debt opportunity well.

The company has very low inventory days and a very good Asset Turnover ratio. These highlight the working efficiency of the company. The company has a good amount of revenue to be generated based on its ongoing projects apart from the new projects that the company will be getting into.

The industry in which the company operates is competitive, but with its vast experience and new business ideas, the business is sought to grow. Thus for knowledgeable investors, at the current P/E, we recommend **APPLY** to this IPO.



**Ztech India Limited**

IPO Note

Recco – **APPLY**



## **Disclaimer**

We are not registered research analysts with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of our organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with your financial advisor before making any investment decisions.