



IPO Note

Rosmerta Digital Services Limited

Recommendation: **AVOID!**

- Incorporated in 2021, the company has their registered office in Delhi, India.
- **Business Activity:** Rosmerta Digital Services Limited is a technology-driven company focused on providing digitally enabled services and channel sales of automotive components and accessories.
- **Revenue Mix:** For the period ended September 30, 2024, 41.80% of the revenue came from digitally enabled services and 58.20% from channel sales. The company's revenue is heavily concentrated in Karnataka and Maharashtra, contributing 30.22% and 42.09%, respectively, to its total revenue in the most recent period.
- As of October 2024, the company had a total of 505 employees on its payroll.

Objects of the Issue -

- Funding the capital expenditure for the purchase of office space in Mumbai;
- Funding the capital expenditure for setting up warehouses, model workshops, and experience centres in various parts of India;
- Funding the capital expenditure for setting up IT infrastructure; Funding the Working Capital Requirement of the Company;
- Funding expenditure for inorganic growth through acquisitions and other strategic initiatives; and
- General Corporate Purposes.

Promoters Name -

Rajesh Gupta, Anoop Garg, Geeta Goswami, Nupur Gupta, and BR Hands Investments Private Limited.

Rationale for recommendation -

- ✓ Overvalued P/E
- ✓ SEBI, Finance Ministry called to investigate alleged fraud in Rosmerta Digital Services' IPO.
- ✓ New entrant in the industry.
- ✓ High revenue Concentration in Karnataka & Maharashtra

IPO Details

Opening Date	November 18, 2024
Closing Date	November 21, 2024
Allotment Date	November 22, 2024
Listing Date	November 26, 2024
Stock Exchange	BSE SME
Lot Size	1,000 Shares
Issue Price Per Share	₹140 to ₹147 per share
Issue Size	₹206.33 Cr
Fresh Issue	₹206.33 Cr
Offer for Sale	-
Application Amt	₹1,47,000 (1,000 shares)

INDUSTRY – Digitally enabled automotive services

P/E of Peer – 77.69

KPI's	KPIs (In Lakhs)			
	FY 22	FY 23	FY 24	Jun 24
Revenue	202.70	2,978.91	8,419.00	9,224.23
EBITDA	2.73	304.66	1,536.27	3,247.07
Net Profit	-3.01	161.87	1,056.52	1,483.45
RoCE	70.56%	153.00%	118.51%	45.10%
ROE	149.75%	101.70%	86.51%	20.90%
P/E	-	319.57	48.84	19.35

Promoter Share Holding Pattern

89.76% 66.02%

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	3.01	1.99
BVPS	12,213.20	43.13
P/E	48.84	73.86
P/BV	0.01	3.41
Mkt Cap (In Cr)	574.04	780.36

Lead Managers -

1. Narnolia Financial Services Ltd
2. Beeline Capital Advisors Pvt Ltd

Registrar -

Link Intime India Private Limited

Business Overview -

Rosmerta Digital Services Limited (RDSL), a subsidiary of **Rosmerta Technologies Limited (RTL)**, provides **digitally enabled services** and **channel sales** for **automotive components and accessories**. Initially focused on **vehicle registration services** for **OEMs**, RDSL now offers **garage services, last-mile delivery, and automotive parts sales** across **B2B and B2C** segments. It serves **OEMs, online marketplaces, garages, and vehicle owners** through its **Vehicle Ownership Experience vertical** and the **MyRaasta app** for direct consumer access.

Digitally Enabled Services – 41.80 % of Total Revenue as of September 24

Sub-segment	Service Category	Details
Vehicle Ownership Experience	Vehicle Registration	Streamlined registration process reducing TAT by 1-2 days , provided for OEMs, fleet owners, B2B2C, and individual vehicle owners through MyRaasta app
	Other Allied Services	<ul style="list-style-type: none"> - FAME and State Subsidy Processing: Documentation and claim filing for EV subsidies on behalf of OEMs. - State Transport Approval: Assistance for OEMs in obtaining approvals for new vehicle models across states. - Trade Certificate/License: Help OEMs with obtaining necessary trade certifications for operations.
Last Mile Delivery Service	HSRP Last Mile Enablement	Delivery of HSRP plates across 20+ states with a team of 524 , supporting order routing, tracking, and inventory management from 105 embossing centres to dealerships and customer homes.
Garage Services	MyRaasta B2C Platform	Access to vehicle maintenance and repair services through MyRaasta app, which drives footfall to partner garages and facilitates transactions. Payment is made on the app, with Rosmerta Digital deducting a commission.
	Regular Maintenance	Periodic services including engine oil, air filter, clutch, and brake pad replacements
	AI-based Vehicle Inspection	AI-powered inspections provide instant repair cost estimates based on car photos for transparency and convenience.
	Doorstep Services	At-home/office vehicle services through MyRaasta's branded service vans, with real-time updates provided via the app.
	BodyShop	Denting and painting services for minor to extensive body repairs with advanced techniques and materials.
	Detailing Services	Comprehensive detailing to give vehicles a polished, showroom-quality finish.
	Tyre Replacement	Tyre replacement and optimization services including wheel balancing, alignment, and rotation.

Digitally Enabled Channel Sales - 58.20 % of Total Revenue as of September 24

Automotive Components	B2B Distribution	Distribution of OEM-branded spare parts across 25+ categories and 5,000+ SKUs using a “Make to Order” model, without inventory holding or warehousing. - Categories Include: Filters, Lubrication, Air Conditioning, Brake System, Safety, Engine Parts, etc. - Customers include retailers, garages, wholesalers, and exporters, with 65% sales from North and West India.
Accessories	B2C Sales via MyRaasta App	Direct-to-consumer sales of automotive accessories through the MyRaasta app, which allows individual vehicle owners to purchase accessories conveniently.

Recommendation: **AVOID!**

	Additional Products	<ul style="list-style-type: none"> - FASTags: Distributed to network customers. - Vehicle Registration Plate Frames: Protects registration plates. - Utility Items: Products like tyre inflators, USB car chargers, mobile vacuums, floor mats, microfiber cloth, and glass cleaners.
OEM-owned Garage Management	Operational Management	Comprehensive management services for OEM-owned vehicle service centres including technical services, component management, and upkeep of facilities like security and housekeeping.

Growth Strategies & Strategic Analysis

Expansion of Vehicle Ownership Experience (VOE)

- **Target Segments:** Rosmerta is expanding its fleet customer and B2B2C segments in VOE.
- **Fleet Customer Initiatives:** Providing vehicle registration services for corporates and fleet-owned vehicles, thus lowering institutional sales costs for OEMs.
- **Growth in Target Markets:** With growing road freight and gig economy sectors, Rosmerta’s streamlined registration model enhances customer experience while retaining dealer involvement.
- **Strategic Partnerships:** Currently working with Royal Enfield to manage registrations through its dealership network.

Expansion of M2M KYC

- **eSIM Platform:** Developing a KYC platform for eSIMs in Machine-to-Machine (M2M) communications per TRAI recommendations, enhancing network security and fraud protection.
- **Market Growth:** The eSIM market in India for M2M is projected to grow significantly, reaching an estimated USD 978 million by 2032. This positions Rosmerta favorably as an early entrant with strong KYC capabilities and a nationwide reach.

Expansion of Auto Aftermarket Retail Network

- **Network Growth:** To enhance reach and spare parts sales, Rosmerta is expanding its retail network with a goal of growing from 150 to 1,800 active points by FY2027, supported by an expanded sales team for broader customer service.

Entry into OES Parts Distribution

- **OES Market Penetration:** Rosmerta aims to become an authorized distributor of OEM parts, focusing on the high-margin OES parts distribution market.
- **Infrastructure Investment:** The company plans to build warehouses and model workshops across northern, western, and southern India to enhance timely delivery and customer satisfaction, essential for capturing market loyalty.

Growth in Accessories Distribution

- **Partnership Expansion:** Expanding partnerships with large manufacturers, Rosmerta is focusing on high-demand accessories, targeting OE-approval to enhance its product offerings.
- **Experience Centres:** By establishing Experience Centres nationwide, customers can directly engage with and purchase automotive accessories, which will elevate MyRaasta’s brand presence.

Strategic Analysis

- Rosmerta's diversified growth strategy positions it competitively in the **Indian automotive ecosystem**. Its VOE initiatives streamline OEM operations and customer experience, leveraging collaborations with key industry players like **Royal Enfield**.
- The expansion in **eSIM M2M KYC** aligns with India’s connected vehicle market, expected to grow with increased adoption of **IoT and 5G** technologies, reinforcing Rosmerta's early presence in this segment
- Through targeted **aftermarket network expansion** and **OES parts distribution**, Rosmerta capitalizes on India’s robust automotive service sector, supported by **model workshops** and **regional warehouses** for customer-centric services.
- Its accessory distribution and **Experience Centres** further drive direct customer engagement, solidifying MyRaasta’s footprint in India’s evolving automotive industry.

Rosemerta Digital’s Technology

1. URJA Software:

“Urja” is Rosmerta Digital’s proprietary platform designed to enhance efficiency in Vehicle Ownership Experience (VOE) and channel sales management. As a workflow tool, it facilitates rapid order processing (TAT of 1 day for registrations) by automating and structuring each stage according to regional requirements.

Urja for VOE integrates with OEM systems to streamline order flow, incorporating checks for smooth progress and real-time status updates via AI-enabled Optical Character Recognition (OCR).

In **Channel Sales**, Urja serves as an order management tool, promoting team transparency, real-time notifications, and reduced TAT for order delivery.

2. My Raasta Software and Mobile Application:

The MyRaasta app provides D2C automobile services.

Garage Services enable users to book services with partner garages, creating a distribution channel for spare parts. **Accessories Sales** supports direct-to-customer delivery.

D2C RTO Services offer vehicle documentation assistance, including DL and RC services, enhancing accessibility for users across regions.

Strengths

- More than 500 Feet on ground and network of 150 active channel partners across India
- Technology-driven in non-tech fragmented Automotive Industry
- Strong industry relationships of our Corporate Promoter for more than a decade
- Operational Excellence – Reducing turnaround time of digitally enabled service

Weakness

- Dependency on few customers in Digital Enabled Services business
- Thin margins in OEM parts business model
- High Dependence on partner garages for garage services

Opportunity

- Adding more products and services in D2C brand on MyRaasta app
- Expanding into other customer segments for vehicle registrations
- Enter Original Equipment Suppliers (OES) automotive parts distribution
- Sell company-branded parts and accessories (Buy and repackage to our own brand)
- Export opportunity for automotive components
- Diversify into other digital services like M2M activation and KYC services & citizen e-services

Threat

- Slowdown in the Automotive Market
- Vehicle Registrations as a service is a new business model
- OEMs moving away from outsourcing non-core activities like Registration Services and doing it themselves
- Could have to pass on cost benefit of economies of scale to OEMs in the Digital Services business
- Price wars among automotive parts distributors in the market

Risk Factors –

The company has experienced significant revenue growth, increasing from 20,270 thousand rupees in FY22 to 841,900 thousand rupees in FY24, a 182.62% increase. However, sustainability of this growth remains uncertain.

The company's revenue is heavily concentrated in Karnataka and Maharashtra, contributing 30.22% and 42.09%, respectively, to its total revenue as of period ended September 2024. While there's a slight downtrend in concentration, significant reliance on these two states exposes the company to regional risks.

The company's revenue is heavily reliant on a single customer, contributing up to 45,91% of total revenue in FY24. Any loss or reduction in demand from this customer could significantly impact the company's financial performance.

The company relies on third-party suppliers for automotive components and accessories, particularly in the channel sales segment. This dependency could lead to supply shortages, price increases, or delays, potentially impacting the company's profitability and operational efficiency. While the company plans to invest in warehouses to mitigate inventory risks, there's no guarantee of consistent supply from suppliers.

Company had negative cashflows in FY 22, 23 and period ended September 24.

The company is involved in various legal proceedings, including civil matters. Adverse outcomes in these cases could result in penalties, potentially exceeding Rs 1.37 crore, potentially negatively impacting the company's financial performance.

PEER ANALYSIS –

Particulars	Rosmerta Digital Services Limited			BLS-E Services Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	-1.48%	5.43%	12.55%	5.47%	7.67%	10.14%
EBITDA Margin	1.35%	10.23%	18.25%	8.80%	13.70%	16.15%
RoCE	-1.48%	5.43%	12.55%	27.90%	26.80%	10.51%
ROE	149.75%	101.70%	86.51%	35.72%	16.94%	7.17%
EPS (INR)	-0.01	0.46	3.01	1.79	3.90	3.99
P/E	-14700.00	319.57	48.84	-	-	77.69

Industry Overview – Indian Automotive Component

Indian Automotive Industry

- **Overview:** India has emerged as a fast-growing economy with significant demand for **automobiles**, especially in the **two-wheeler segment** dominated by the middle class. The industry's growth has spurred the rise of **OEMs (Original Equipment Manufacturers)** and an expansive network of **auto component suppliers**.
- **Government Policies:** Key initiatives include the **Automotive Mission Plan (AMP) 2016-26**, which aims to expand the auto industry's **GDP contribution** to 12% by 2026, add **65 million jobs**, and implement **end-of-life policies** for older vehicles.
- **Investments:** Significant **FDI inflows** total **US\$ 35.65 billion** (April 2000 - December 2023). Recent investments include **Tata Motors' \$2 billion** commitment to new product platforms and **Apollo Tires' rural expansion** initiatives.
- **Growth Drivers:** **Rising incomes, infrastructure spending**, and a **shift to sustainable mobility** are propelling the industry's growth, with **international demand for Indian vehicles** on the rise.
- **Future Outlook:** By **2026**, the sector is expected to reach **US\$ 300 billion** in revenue, supported by **15% CAGR** and a continued **focus on EV integration** and sustainability.

Indian Automotive Components Industry

- **Overview:** This industry has become a critical economic driver, accounting for **2.3% of India's GDP** and employing over **1.5 million** people. India's component exports rose to **US\$ 10.4 billion** in 2023-24, with **North America** and **Europe** as key markets.
- **Government Policies:** The **PLI (Production-Linked Incentive) Scheme** for auto components, approved in 2020, allocates **Rs. 25,938 crore (US\$ 3.49 billion)** over five years, driving innovation and production.
- **Investments:** Several major investments include **Bosch's \$58 million R&D** commitment, **Bharat Forge's \$119 million capacity expansion**, and **GreenCell Mobility's \$181.59 million** investment in electric buses.
- **Growth Drivers:** Demand from **OEMs and aftermarket sales**, expansion of **EV infrastructure**, and a shift toward **advanced manufacturing technologies**.
- **Future Outlook:** Projected to reach **US\$ 200 billion** by 2026, driven by **export growth** and a strong focus on **precision and high-value manufacturing**.

Indian EV Industry

- **Overview:** Supported by the **FAME II scheme**, India aims for **30% EVs in private cars** and **80% in two- and three-wheelers** by 2030, targeting **80 million EVs on Indian roads** by then. **EV sales** grew by **49.25%** in 2023, reflecting the increasing shift to electric mobility.
- **Government Policies:** Key initiatives include **FAME II**, with **US\$ 1.43 billion** support and incentives for **7,090 e-buses** and **10 lakh e-2Ws**. **Customs duty exemptions** on capital goods used in EV battery production further boost growth.
- **Investments:** Recent investments include **Tata Motors' \$2.16 billion** plan for an EV ecosystem, **Ather Energy's \$71 million** funding, and **YULU's \$19.25 million** for expansion. **Hyundai, SAIC, and Macquarie** have also entered strategic partnerships to expand EV infrastructure.
- **Growth Drivers:** Rising **environmental awareness**, **government incentives**, and a shift in **global supply chains** toward **India-based EV production**.
- **Future Outlook:** The market is expected to grow to **US\$ 113.99 billion by 2029**, driven by infrastructure improvements and growing **domestic EV production capabilities**.

Indian EV Battery Market

- **Overview:** The **EV battery market** in India is expected to rise from **US\$ 16.77 billion (2023)** to **US\$ 27.70 billion by 2028**. Strong demand is expected as EV adoption grows.
- **Government Policies:** **PLI Scheme** provides incentives for local manufacturing of **lithium-ion cells** and other components.
- **Investments:** Recent moves include **JBM Auto's partnership** with **Macquarie's Vertelo** platform for **EV financing** and **charging infrastructure**, along with **Ola Electric's patents** in EV technology.
- **Growth Drivers:** **Increasing EV production**, **demand for green mobility**, and **government-supported policies** for local manufacturing.
- **Future Outlook:** With a goal of **1.32 million charging stations by 2030**, the **battery market** is poised for major growth, supported by domestic manufacturing and reduced dependency on imports.

Key Management



Key Management Persons Name	Akhil Gupta
Age	47
Designation and No. of years of experience	CEO and Whole Time Director, 22+ years of experience in finance, banking, and manufacturing
Qualification	Chartered Accountant, MBA in Finance
Roles and Responsibilities	Oversees Finance, Investor Relations, Risk Management, and Business Planning.
Previous Associations	Dhani Group, ICICI Bank, and Moser Baer
Other Directorships	Indian Public Companies 1. Rosmerta Technologies Limited ; 2. Rosmerta Autotech Limited

Sanjay Sharma, 54, Whole-Time Director and Business Head

Holding a Bachelor of Engineering in Electronics from the University of Pune, Sanjay has amassed **30 years of experience** in diverse industries. He joined as Additional Director on **April 26, 2024**, and became **Whole-Time Director on April 30, 2024**. His expertise spans **Business Development, Sales, Strategic Alliances, and Cost Optimization**. He has held senior roles in companies like Microsoft India and Siemens Information Systems Limited.

Mukesh Malhotra, 48, Non-executive Director

With a Bachelor’s in Commerce from Chaudhary Charan Singh University, Mukesh has **26 years of experience** in pharmaceuticals, telecom, and the automotive industry. Appointed Director since **September 14, 2021**, his skills include **Strategic Planning, Financial Management, and Team Leadership**. He plays a key role in the company’s **strategy and operations**.

Brijesh Singh, 52, Non-executive Director

Brijesh holds a Bachelor of Engineering from Mangalore University and a Postgraduate Diploma in Business Management. Since **September 14, 2021**, he has contributed **30 years of experience** in OEMs, IT, and automotive with firms like Hero Honda Motors and TT Electronics PLC. His responsibilities include **overseeing operational and strategic initiatives**.

Ashok Kacker, 73, Independent Director

With a master’s degree in physics from the University of Allahabad, Ashok brings **30 years of government experience** as an IRS officer. He was appointed **Independent Director on June 29, 2024**, and approved by shareholders on July 1, 2024. He also serves on the boards of Max India Ltd and Mahindra Satyam, offering his expertise in **regulatory affairs and corporate governance**.

Dilip Harel Mitra Chenoy, 66, Independent Director

Dilip, currently Chairman of Bharat Web3 Association, has **extensive experience** in skill development and industry. Appointed **June 29, 2024**, he has served as Secretary General of FICCI and MD/CEO of NSDC. He contributes **knowledge in strategic leadership and industry relations**.

Suneeta Trivedi, 69, Independent Director

Holding a master’s in public administration and finance, Suneeta has **35 years of experience** with the Indian government, including leadership at the Postal Services Board. She joined as **Independent Director on June 29, 2024**. She brings insights from her service on the boards of MTNL and BSNL.

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Aug 24
Revenue from Operations	202.7	2,978.91	8,419	9,224.23
Other Income	-	-	0.07	29.34
Total Income	202.70	2,978.91	8,419.07	9253.57
Expenses				
Purchase of traded goods and services	4.64	535.72	4,079.92	5,148.42
Change in inventory in traded goods	-2.41	-57.74	24.97	-89.03
Employee Benefit Expenses	149.12	1,205.07	1,365.22	877.47
Finance Cost	3.34	65.49	106.95	30.23
Depreciation and Amortization Expense	0.19	15.79	17.65	10.07
Other expenses	48.62	991.2	1,412.62	1,292.33
Total Expenses	203.50	2,755.53	7,007.33	7,269.49
EBITDA	2.73	304.66	1,536.27	3,247.07
EBITDA Margin	1.35%	10.23%	18.25%	35.20%
Profit/(Loss) before tax	-0.80	223.38	1,411.74	1,984.08
Tax Expense				
Current tax	0.38	71.93	378.15	507.39
Deferred Tax	1.83	-10.42	-22.93	-6.76
Tax expenses pertaining to earlier year	0	0	0	-0.27
Total Tax	2.21	61.51	355.22	500.63
Profit/(Loss) for the year	-3.01	161.87	1,056.52	1,483.45
Net Profit Margin	-1.48%	5.43%	12.55%	16.03%

Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Sep 24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	1.00	1.00	1.00	781.00
Reserves and surplus	-3.01	158.16	1,220.32	6,318.34
Total Equity	-2.01	159.16	1,221.32	7,099.34
2. Non-current liabilities				
Lease Liabilities	-	-	3.98	2.79
Provisions	3.78	29.64	56.14	75.78
Deferred Tax Liabilities (net)	1.83	-	-	-
Total Non-current liabilities	5.61	29.64	60.12	78.57
3. Current liabilities				
Financial Liabilities	439.21	1,318.28	1,499.01	-
Short-term Borrowings	-	-	-	-
Lease Liabilities	-	-	3.00	3.00
Trade Payables	-	-	-	-
(i) Total outstanding dues of MSME	2.25	2.00	4.36	16.47
(ii) Total outstanding dues of creditors other than MSME	18.67	180.36	559.77	2574.77
Other financial liabilities	69.80	138.86	139.83	164.90
Other Current Liabilities	23.61	76.31	54.02	54.60
Short-term provisions	-	0.04	0.09	0.15
Current Tax Liabilities (Net)	-	27.78	203.01	21.27
Total Current liabilities	553.54	1,743.63	2,463.09	2,835.16
Total Liabilities	559.15	1,773.27	2,523.21	2,913.73
Total Equity and Liabilities	557.14	1,932.43	3,744.53	10,013.07
ASSETS				
1. Non-current assets				

Particulars	FY 22	FY 23	FY 24	Sep 24
Property, Plant & Equipment	44.81	39.64	26.88	19.38
Right-of-use assets	-	-	7.17	5.83
Financial assets	-	-	-	-
Other financial assets	-	-	0.58	0.60
Other non-current assets	-	-	-	10-
Deferred Tax Assets (net)	-	8.82	29.85	36.26
Income tax assets (net)	1.87	-	-	-
Total Non-Current assets	46.68	48.46	64.48	162.07
Inventories	2.41	60.15	35.18	124.21
Financial Assets	-	-	-	-
Investment	-	-	-	2,079.16
Trade Receivables	194.90	805.78	1,657.65	4,820.41
Cash & Cash equivalents	3.83	161.85	439.22	136.67
Bank balances other than cash	-	1.00	1.06	1.08
Other financials assets	278.33	805.92	1,194.04	1,909.59
Other Current Assets	30.99	49.27	352.90	779.88
Total Current assets	510.46	1,883.97	3,680.05	9,851.00
Total Assets	557.14	1,932.43	3,744.53	10,013.07

Cash Flow Statement	Amt in Lakhs.			
Particulars	FY 22	FY 23	FY 24	Sep 24
Net Cash Flow from Operating Activities	-388.04	-643.93	208.7	-985.84
Net Cash Flow from Investing Activities	-45	-11.62	-3.99	-2,151.23
Net Cash Flow from Financing Activities	436.87	813.58	72.65	2834.52

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	Sep 24*	Valuation Ratios	FY 22	FY 23	FY 24	Sep 24*
					(x)				
Diluted EPS	-0.01	0.46	3.01	7.60	EV/EBITDA	158.74	-0.01	0.51	5.70
BV per share	-20.10	1,591.60	12,213.20	58.64	Market Cap / Sales	384.98	26.20	9.27	4.23
Operating Ratios					P/E	-	319.57	48.84	19.35
EBITDA Margins	1.35%	10.23%	18.25%	21.63%	Price to Book Value	-7.31	0.09	0.01	2.51
PAT Margins	-1.48%	5.43%	12.55%	16.03%	Solvency Ratios				
Inventory Days	4.34	98.73	1.53	4.91	Debt / Equity	-218.51	0.00	0.00	0.00
Debtor Days	350.95	98.73	71.87	190.74	Current Ratio	0.92	1.08	1.49	3.47
Creditor days	1,645.65	124.25	50.47	40.85	Quick Ratio	0.92	0.62	1.48	1.77
Return Ratios					Asset Turnover	0.36	1.54	2.25	0.92
RoCE	70.56%	153.00%	118.51%	17.43%	Interest Coverage Ratio	0.76	4.41	14.20	214.16
RoE	149.75%	101.70%	86.51%	12.96%					

*Annualised

Interpretation -

Revenue

The company has experienced substantial revenue growth increasing at a CAGR of 544% , driven by increased sales and market expansion.

Profitability

The company has turned profitable, with a net profit of 500.63 Lakhs in FY24, compared to a net loss of 3.01 Lakhs in FY22.

Expense Management

While expenses have increased, the company has managed to keep them under control, leading to improved profitability. The increase in expenses can be attributed to factors such as higher input costs, increased investments in growth initiatives, and the full budget of employee costs being cashed in.

LEAD MANAGER TRACK RECORD -

The lead manager to the issue is Narnolia Financial Services Limited and Unistone Capital Privat Limited.

A table has been set below highlighting the details of the IPO of the last 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.	Usha Financial Services Limited	98.45	168.00	Oct 31, 2024	138.00
2.	Pranik Logistics Limited	22.47	77.00	Oct 17, 2024	71.30
3.	Divyadhan Recycling Industries Limited	24.17	64.00	Oct 04, 2023	81.65
4.	Share Samadhan Limited	24.06	74.00	Sep 16, 2019	73.73
5.	Aesthik Engineers Limited	26.47	58.00	Aug 16, 2024	85.15

The company has handled 15 mandates in the past three years (including the current year).

From the above-mentioned mandates Ztech India Limited and Usha Financial Services Limited has opened at a discount and remaining all have opened at a premium on the listing day.

Beeline Capital Advisors Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	SD Retail Limited	64.98	131.00	Sep 27, 2024	166.80
2.	Mach Conferences and Events Limited	125.28	225.00	Sep 11, 2024	237.85
3.	Indian Phosphate Limited	67.36	99.00	Sep 03, 2024	100.35
4.	Positron Energy Limited	51.21	250.00	Aug 20, 2024	344.65
5.	Ashapura Logistics Limited	52.66	144.00	Aug 06, 2024	96.50

The company has handled 49 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 11th November 2024.

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

Recommendation -

Founded in 2021, company is new to the industry. The Promoters have relevant qualifications and experience with diversity in field expertise.

The company has shown a remarkable improvement in its financial performance and position with the revenue growing at a CAGR of 544% which seems unsustainable.

SEBI, Finance Ministry, CBI, and ED are being called upon by investors to investigate the company.

The Post-Issue P/E stands at 73.86 which is overvalued looking at the industry and performance of the company.

The Indian automotive industry is currently experiencing a slowdown due to various economic and regulatory challenges with an expected CAGR of around 8.1% from 2024 to 2030.

The complaints focus on allegations that Rosmerta’s promoters, Mr. Kartick Vivek Nagpal and Mr. Karan Vivek Nagpal, along with unnamed associates, deliberately withheld key information in their Draft Red Herring Prospectus (DRHP). These omissions reportedly conceal connections to their father, Mr. Vivek Nagpal, who has a documented history of capital market manipulation, insider trading, and money laundering. Previously penalized and banned from the securities market for his involvement in the 2001 stock market scandal, Mr. Vivek Nagpal allegedly retains indirect control and influence over Rosmerta’s operations.

Further according to page 75 of the RHP, Reena Rai was issued 30,000 equity shares of RDSL between March 3, 2021, and March 30, 2024. Reena is also a former director of 'Reba Security Solutions'. Reena is currently a designated partner in Reba & Sons LLP and Reba Industries LLP. All of these have the same registered address, which is in Sector 18, Gurugram. Reba Security is part of the promoter group of RDSL.

For the above stated reasons, investors should **AVOID** this IPO for the time being.

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