



IPO Note

Super Iron Foundry Limited

Recommendation: **AVOID!**

Company Background -

- **Incorporation:** Incorporated in July 1988, the company's registered office is located in Kolkata, West Bengal.
- **Business Activity:** Super Iron Foundry Limited manufactures municipal castings, ductile iron pipe fittings, automotive castings, agricultural castings (rollers and crosskills), railway castings, and cast-iron counterweights.
- **Revenue Stream:** In FY24, exports contributed to **₹14,310.39lakhs (93.73%)** of total revenue and **₹957.44 lakhs (6.27%)** from domestic sales with West Bengal contributing the most at **94.37%**.
- **Human Resource:** The company has 189 permanent employees as on December 31, 2024.

Objects of the Issue -

- Funding of working capital requirements
- Repayment/pre-payment, in full or in part, of certain borrowings availed by the Company
- General Corporate Purposes

Promoters Name -

Abhishek Saklecha, Akhilesh Saklecha, Neha Saklecha, Priyanka Saklecha and ABI Trading Private Limited

Rationale for recommendation -

- ✓ Overvalued P/E.
- ✓ Profit margins have gone up suddenly in FY 24 and Dec 24.
- ✓ Volatile global politics and economy. US is one of the major export destinations.
- ✓ The issue size of IPO is very low.
- ✓ There is high concentration for top 10 customers contributing nearly 90% of total revenue in FY 24.
- ✓ High risk - low return opportunity. Wait to see post-listing performance.

IPO Details

Opening Date	Mar 11, 2025
Closing Date	Mar 13, 2025
Allotment Date	Mar 17, 2025
Listing Date	Mar 19, 2025
Stock Exchange	BSE SME
Lot Size	1,200 Shares
Issue Price Per Share	₹108
Issue Size	68.05 Cr.
Fresh Issue	68.05 Cr.
Offer for Sale	-
Application Amt	₹ 1,29,600 (1,200 shares)

INDUSTRY - Iron foundry and casting industry

Avg. P/E ratio as per RHP - 49.75

KPI's	KPIs (In Lakhs)			
	FY 22	FY 23	FY 24	Dec-24
Revenue	13,215.70	12,480.28	15,482.98	8,719.57
EBITDA	1,058.11	1,201.60	1,630.37	1,603.36
Net Profit	87.88	128.34	394.08	952.52
RoCE	6.74%	9.54%	12.77%	12.73%*
ROE	1.71%	2.44%	6.97%	13.49%*
P/E	203.77	138.46	45.19	19.93*

*Annualised

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
96.53%	70.50%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	2.39	5.42
BVPS	34.28	60.61
P/E	45.19	19.93
P/BV	3.15	1.78
Mkt Cap (In Cr)	184.60	252.65

Lead Managers -

Horizon Management Private Limited

Registrar -

Link Intime Private Limited

Business Overview -

Super Iron Foundry Limited, originally incorporated as Super Iron Foundry Private Limited in Kolkata, West Bengal, on July 15, 1988, transitioned to a public limited company in September 2024. While the company remained inactive until 2008, it acquired land in 2009 and commenced commercial production in 2013.

Manufacturing & Product Portfolio

Strategically located in Durgapur, West Bengal, a mineral-rich region and a steel hub of India, Super Iron Foundry Limited specializes in iron and steel foundry operations.

Product Name	Usages	Key Applications
Municipal Castings (Manhole Covers, Ductile Iron Channel Gratings)	Covers access points to underground utilities, ensures drainage in roads & industrial sites	Roads, Sidewalks, Drainage Systems, Industrial Areas
Telecommunication Multi-Part Covers & Frames	Protects underground telecom utilities, prevents unauthorized access	Telecom Networks, Junction Boxes, Roadside Installations
Ductile Iron Pipe Fittings	Connects, controls, or directs fluid flow in pipelines	Water Supply, Sewerage, Fire Protection, Industrial Pipelines
Ductile Iron Automotive Castings	Enhances durability and performance in vehicle components	Engine Blocks, Crankshafts, Brake Components, Transmission Housings
Ductile Iron Agricultural Castings (Rollers & Cross kills)	Ensures durability in farming equipment	Tillage, Planting, Harvesting, Irrigation Machinery
Ductile Iron Railway Castings	Supports rail track stability & train braking systems	Rail Chairs, Fishplates, Wheel Hubs, Brake Shoes, Rail Clips
Cast Iron Counterweights	Provides stability & balance in heavy machinery	Cranes, Excavators, Forklifts, Elevators, Wind Turbines
Screw Piles (Galvanized Steel)	Transfers structural loads to stable soil layers	Buildings, Bridges, Retaining Walls, Telecom Towers

With a state-of-the-art facility spanning 20 acres and a production capacity of 72,000 MT per annum, the company employs modern robotic automation for painting, grinding, and production processes. The facility holds ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications, ensuring high-quality standards in manufacturing.

Global Reach & Market Presence

Super Iron Foundry Limited exports mainly to European and Middle Eastern markets. In Europe, sales are conducted through distributors via subcontract manufacturing under third-party brands, with stable demand except for pre-winter slowdowns (July-September). In the Middle East, the company operates through agents supplying mega construction projects, with steady demand except during Ramadan.

The company has contributed to several prestigious projects, including:

- **New Hamad Port Project (Qatar)**
- **New Turkish Air Base (Qatar)**
- **Oman Airport Expansion Project**
- **Dubai South Development Project**
- **Lusail FIFA Stadium Project (Qatar)**
- **Al Barwah Project (Doha)**

Additionally, the company is bidding for large-scale projects in Saudi Arabia, such as the **SIDRA and WAFRA packages of the ROSHN Project** and the **Murcia Housing Project**.

Technology & Quality Assurance

Super Iron Foundry Limited integrates advanced manufacturing technology, including robotic automation and high-pressure molding lines, ensuring efficiency and quality. The company’s **in-house R&D and quality**

Recommendation: **AVOID**

assurance teams conduct rigorous testing throughout production. This commitment to quality has led to compliance with international standards such as EN124, reinforcing its reputation in global markets.

Customer Base & Business Model

Operating on a **B2B model**, the company caters to municipalities, infrastructure firms, automotive, and agricultural industries. Products are supplied on a **made-to-order basis** and through long-term contracts, including a key partnership with **Mario Cirino Pomicino SPA**, a leading Italian importer.

Revenue Bifurcation Segment-wise:

(Amt in Lakhs)

Products	Dec-24	(%)	Mar-24	(%)	Mar-23	(%)	Mar-22	(%)
Ductile Iron Agricultural Castings – rollers and crosskills	-	-	3.12	0.02	56.69	0.46	221.55	1.7
Cast Iron Counterweights	20.83	0.24	219.9	1.44	45.58	0.37	-	-
Ductile Iron Pipe Fittings	32.6	0.38	60.96	0.4	45.39	0.37	3.27	0.03
Railway Castings	184.83	2.15	184.98	1.21	-	-	-	-
Municipal Castings	8,339.76	97.22	14,798.88	96.93	12,155.95	98.79	12,769.7	98.27
Ductile Iron Automotive Castings	-	-	-	-	1.5	0.01	-	-
Total	8,578.01	100.00	15,267.84	100.00	12,305.11	100.00	12,994.5	100.00

Business Strategies –

Market Expansion & Penetration

The company aims to strengthen its position in municipal castings, ductile iron pipe fittings, automotive and agricultural castings, railway castings, and counterweights. It is expanding in existing markets, particularly in the Middle East, by bidding for major projects in Saudi Arabia, such as SIDRA, WAFRA (ROSHN project), and Murcia Housing Project. Additionally, it seeks to tap into India's growing infrastructure and railway sectors.

Technology & Innovation

The company is adopting digitalization, advanced simulation software, digital twin technology, and data analytics to improve efficiency. Automation, including robotic arms for painting and grinding, has led to higher productivity, lower power consumption, and increased profit margins. The company plans to introduce new casting variants to serve diverse infrastructure needs.

Operational Efficiency

With a focus on cost reduction, the company optimizes economies of scale, cost rationalization, and machinery utilization. Investments in automation and modern equipment enhance product quality and efficiency.

Quality Control

Since 95% of products are exported to quality-conscious European and Middle Eastern markets, stringent quality control measures—from supplier selection to final inspection—are crucial to maintaining customer trust.

Marketing & Client Growth

The company strengthens customer relationships by ensuring quality and timely delivery. It plans to expand its marketing team to enhance domestic and international sales. Strong client retention and referrals drive new business growth.

Risk Factors –

Conflicts of interest may arise between the Company and its Promoters, Akhilesh and Abhishek Saklecha, due to their partnership in Super Iron Foundry. The Company has not entered into a non-compete agreement with the firm, and while it produces different products, future overlap may occur, potentially impacting the Company's operations and financial health.

The company is highly dependent on top 10 customers for their revenue generation which constituted 95.78%, 96.70%, 89.63% and 96.43% in FY22, FY23, FY24 and Dec-24 respectively.

The company has experienced negative cashflows in FY 22 and Dec-24.

The Company, its Promoters, and Directors are involved in various legal proceedings, including 2 material civil cases (₹158.05 lakh), 10 tax cases (₹940.28 lakh), and regulatory actions among others. Directors and Promoters face tax, civil, and criminal cases. Adverse rulings may impact financial stability, business operations, and reputation.

Approximately 95% of the Company's revenue comes from exports. Any changes in India's bilateral trade treaties with importing countries could impact long-term business prospects, potentially affecting the Company's financial performance and results of operations. For the same reasons company is subject to foreign exchange and interest rate risks.

INDUSTRY OVERVIEW – Indian Foundry and Casting Industry

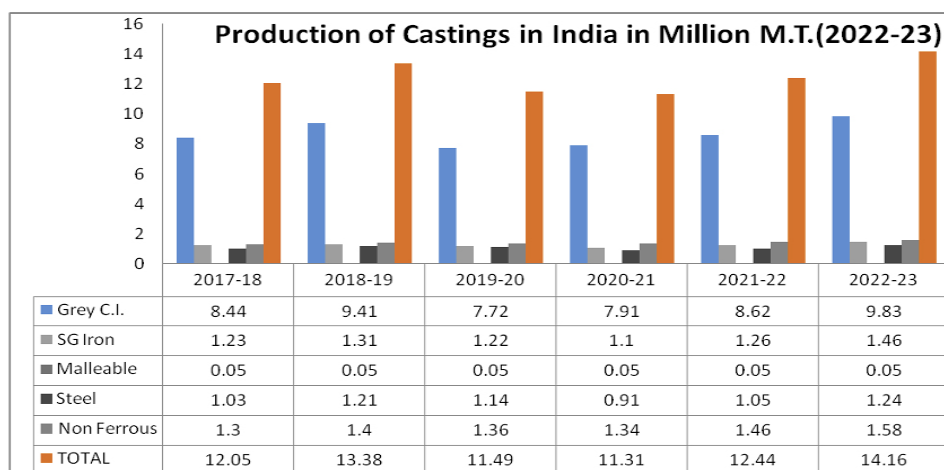
The foundry and casting industry serves as the backbone of manufacturing, supporting key sectors such as automobiles, industrial machinery, power, construction, railways, and general engineering. India has a rich history in casting, dating back to the Indus Valley Civilization. However, industrial-scale casting began about 150 years ago, with major growth in the late 19th century, especially in Eastern India, to meet the demands of Indian Railways and various industries.

Industry Evolution and Growth

- Post-independence, rapid industrialization through five-year plans fuelled expansion.
- The industry diversified into complex castings for power, steel, fertilizer, and chemical industries.
- A blend of traditional skills and modern technology defines the sector today.

Current Market Overview

- **Total Units:** ~4,500 foundries
 - **Small-scale:** 85%
 - **Medium-scale:** 10%
 - **Large-scale:** 5%
- **Accredited Units:** ~1,500 with international quality certifications
- **Production Volume:** ~12 million MT per year
- **Market Value:** \$20 billion (2023)
 - **Exports:** \$3.54 billion
 - **Projected Growth:** \$25 billion by 2025

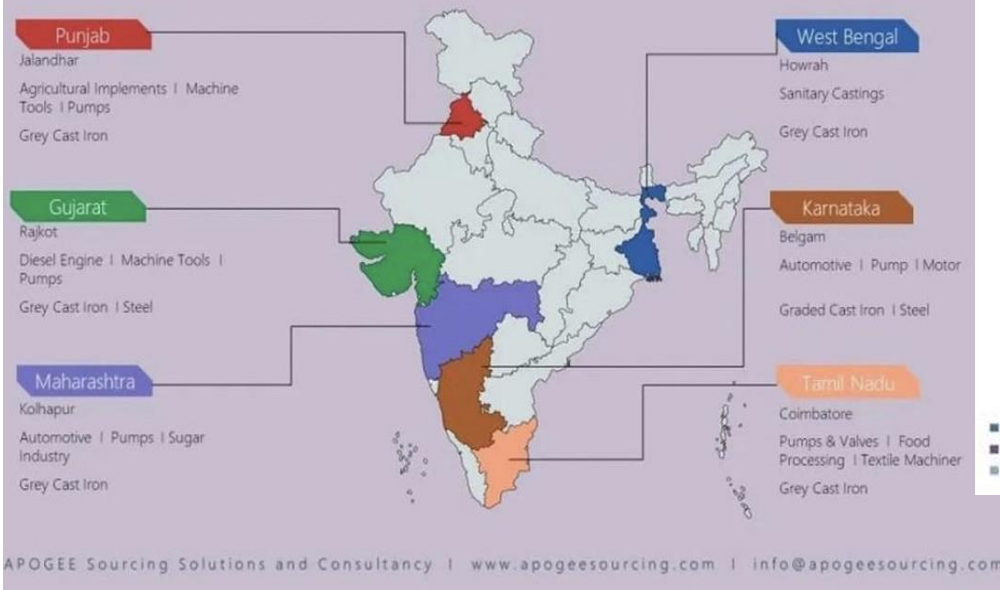


Key Growth Drivers

Auto & auto components, Tractors, Construction equipment, Machine tools, Capital goods, Defence & railways and Emerging industrial opportunities

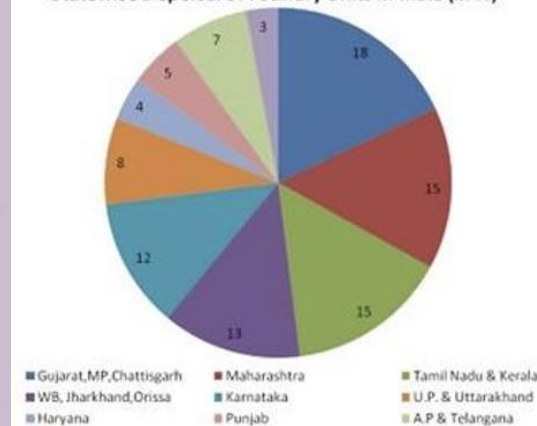
- Manufacturing share in GDP expected to rise from **15% to 25%**.
- Creation of **100 million new jobs** over the next decade.

Major Iron Foundry Clusters in India



State wise Dispersal of Foundry Units in India (%)

Statewise Dispersal of Foundry Units in India (in %)



Competition -

Porter's Five Forces Analysis

- Threat of New Entrants** – High capital investment, technological expertise, and established supplier-customer relationships create moderate entry barriers.
- Bargaining Power of Suppliers** – Moderate, as raw materials like iron ore have multiple suppliers, though price volatility affects margins.
- Bargaining Power of Buyers** – High, due to bulk purchasing power and availability of alternative suppliers, necessitating competitive pricing and quality assurance.
- Threat of Substitutes** – Moderate, as aluminium and composites offer lightweight alternatives, but ductile iron remains essential for strength-critical applications.
- Industry Rivalry** – Intense competition from both domestic and international players, with differentiation based on price, quality, and technological advancements.

Industry Life Cycle

The industry is in a mature phase, characterized by steady demand, established processes, and ongoing innovation in material properties and efficiency. Despite competition, strong client relationships and product quality remain key differentiators.

Peer Analysis

Particulars	Super Iron Foundry Limited			Bhagwati Autocast Limited			Universal Auto Foundry Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	0.66%	1.03%	2.55%	-0.85%	5.00%	5.15%	-1.67%	4.42%	2.41%
EBITDA Margin	8.01%	9.63%	10.53%	1.46%	9.59%	9.79%	3.80%	10.78%	7.80%
RoCE	6.74%	9.54%	12.77%	-1.88%	26.77%	20.92%	17.16%	9.03%	6.73%
ROE	1.71%	2.44%	6.97%	-3.52%	22.43%	16.93%	-12.49%	18.06%	6.70%
EPS (INR)	0.53	0.78	2.39	-3.32	26.80	24.06	-2.69	9.42	3.98
P/E	203.77	138.46	45.19	-51.78	11.01	16.28	-25.46	16.97	39.56

Key Management -

Key Management Persons Name -	Akhilesh Saklecha
Age	42
Designation and No. of years of experience	Promoter, Chairman and Managing Director, 19+ years of experience in manufacturing and export sectors.
Qualification	Bachelor's degree of science in business
Responsibility	Responsible for the overall management, operations and business development of the Company
Other Directorships	ABI Trading Private Limited, Vedanta Vihar Private Limited, Highgrowth Commodities Trade Private Limited etc.

Key Management Persons Name -	Abhishek Saklecha
Age	44
Designation and No. of years of experience	Promoter and Non-Executive Non-Independent Director, 24+ years of experience in manufacturing and export of foundry products.
Qualification	Bachelor's degree in commerce
Responsibility	Heads human resource and administration departments
Other Directorships	ABI Trading Private Limited, Vedanta Vihar Private Limited, Highgrowth Commodities Trade Private Limited etc.

- The overall management of the company is decent.
- There is evidence of dual chairmanship, which is not favourable.
- The promoter and management have good experience in the industry.
- Mohit Saluja, Aashika Agarwal and Anjul Kumar Singhania are Non-Executive Independent Directors of the Company. They have relevant experience in their respective fields.
- Lakshmi Nivas Pandey (CFO) is a qualified CA and holds B. Com degree.
- Sanchita Rameka (CS) holds a bachelor's degree in commerce (with specialization in accounting and finance).

FINANCIAL SNAPSHOT**Statement of Profit and Loss**

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Dec-24
Revenue from Operations	13,215.70	12,480.28	15,482.98	8,719.57
Other Income	14.92	142.78	204.03	771.42
Total Income	13,230.62	12,623.06	15,687.01	9,490.99
Expenses				
Cost of Material Consumed	8,864.16	5,047.53	10,500.39	6,935.63
Change in Inventories of Stock In Trade	-3,505.21	1,900.57	-1,822.21	-2,714.31
Employee Benefit Expenses	2,063.31	1,534.56	1,450.11	716.47
Finance Cost	475.28	761.80	846.49	712.21
Depreciation and Amortization Expense	448.61	403.75	515.92	389.55
Other expenses	4,735.33	2,796.02	3,724.32	2,178.42
Total Expenses	13,081.48	12,444.23	15,215.02	8,217.97
EBITDA	1,058.11	1,201.60	1,630.37	1,603.36
EBITDA Margin	8.01%	9.63%	10.53%	18.39%
Profit/(Loss) before tax	149.14	178.83	471.99	1,273.02
Tax Expense				
Current tax	29.65	26.88	95.79	165.44
Excess/Short Provision of tax earlier year	3.92	-3.15	2.58	-
Deferred Tax	27.69	26.76	-20.46	155.06
Total Tax	61.26	50.49	77.91	320.50
Profit/(Loss) for the year	87.88	128.34	394.08	952.52
Net Profit Margin	0.66%	1.03%	2.55%	10.92%

Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Dec-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	1,649.95	1,649.95	1,649.95	1,709.25
Reserves and Surplus	3,483.37	3,611.70	4,005.76	5,349.67
Total Equity	5,133.32	5,261.65	5,655.71	7,058.92
NON-CURRENT LIABILITIES				
Long Term Borrowings	3,836.36	3,001.44	2,985.24	2,238.11
Deferred Tax liability	48.06	74.82	54.36	209.43
Long Term Provisions	25.45	25.59	31.59	31.51
Total Non-current liabilities	3,909.87	3,101.85	3,071.19	2,479.05
CURRENT LIABILITIES				
Short Term Borrowings	8,736.12	9,042.34	8,877.62	8,858.19
Trade Payables				
(i) Total outstanding dues of MSME	18.30	31.44	20.93	233.15
(ii) Total outstanding dues of creditors other than MSME	1,541.98	2,927.29	5,033.94	3,542.82
Other Current Liabilities	417.31	543.49	486.02	292.21
Current Tax Liabilities (Net)	17.64	12.17	86.65	169.08
Total Current liabilities	10,731.35	12,556.73	14,505.16	13,095.45
Total Liabilities	14,641.22	15,658.58	17,576.35	15,574.50
Total Equity and Liabilities	19,774.54	20,920.23	23,232.06	22,633.42
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	3,676.56	4,674.49	4,519.71	4,010.82

Particulars	FY 22	FY 23	FY 24	Dec-24
Intangible Assets	28.53	17.92	13.89	10.62
Capital Work in Progress	2,455.09	1,129.82	1,129.82	822.39
Other Non- current Assets	3.46	3.46	3.46	5.26
Total Non-Current assets	6,163.64	5,825.69	5,666.88	4,849.09
CURRENT ASSETS				
Inventories	7,010.42	6,621.97	8,563.54	11,481.58
Trade Receivables	4,777.21	6,922.53	7,491.33	4,894.71
Cash & Cash equivalents	379.46	412.04	371.31	456.21
Short Term Loans and Advances	644.20	560.60	559.75	503.16
Other Current Assets	799.60	577.41	579.26	448.67
Total Current assets	13,610.89	15,094.55	17,565.19	17,784.33
Total Assets	19,774.53	20,920.24	23,232.07	22,633.42

Cash Flow Statement Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Dec-24
Net Cash Flow from Operating Activities	-2,563.12	1,368.46	1,234.73	-20.74
Net Cash Flow from Investing Activities	-1,147.65	-45.38	-248.05	1,133.72
Net Cash Flow from Financing Activities	3,878.76	-1,290.50	-1,027.41	-1,028.09

Key Ratios

<u>Per Share Data</u>					<u>Valuation Ratios (x)</u>				
FY 22	FY 23	FY 24	FY 25*		FY 22	FY 23	FY 24	FY 25*	
Diluted EPS	0.53	0.78	2.39	5.42	EV/EBITDA	16.37	14.06	10.52	5.08
BV per share	31.11	31.89	34.28	60.61	Market Cap / Sales	1.35	1.43	1.15	2.18
<u>Operating Ratios</u>					P/E	203.77	138.46	45.19	19.93
EBITDA Margins	8.01%	9.63%	10.53%	18.39%	Price to Book Value	3.47	3.39	3.15	1.78
PAT Margins	0.66%	1.03%	2.55%	10.92%	<u>Solvency Ratios</u>				
Inventory days	194.15	194.20	202.43	238.22	Debt / Equity	2.45	2.29	2.10	0.77
Debtor days	132.30	203.01	177.09	166.69	Current Ratio	1.27	1.20	1.21	1.21
Creditor days	57.63	172.32	178.56	138.90	Quick Ratio	0.62	0.67	0.62	0.62
<u>Return Ratios</u>					Asset Turnover	0.67	0.60	0.67	0.50
RoCE	6.74%	9.54%	12.77%	9.92%	Interest Coverage Ratio	1.28	1.05	1.32	1.70
RoE	1.71%	2.44%	6.97%	8.94%					

*Annualized

INTERPRETATION –

1. Profitability & Growth

- **Improving Margins:** EBITDA margin has grown from **8.01% (FY22) to 18.39% (Dec-24)**, and PAT margins have jumped from **0.66% to 10.92%**, indicating strong bottom-line growth.
- **Sudden Surge in Profitability:** The sharp increase in **PAT margin (2.55% in FY24 to 10.92% in Dec-24)** suggests a **one-time boost**, potentially unsustainable.

2. Return Ratios

- **Improved Returns:** RoCE has **doubled from 6.74% (FY22) to 12.73% (Dec-24)**, and RoE has surged from **1.71% to 13.49%**, reflecting improved efficiency.
- **Still Relatively Low:** Despite growth, return ratios remain moderate compared to industry benchmarks.

3. Valuation Analysis

- **P/E Ratio Falling:** From **203.77x (FY22) to 19.12x (Dec-24)**, indicating better earnings but was significantly overvalued earlier.

- **Lower Price-to-Book (P/B) Value:** Declining from **3.47x (FY22)** to **2.62x (Dec-24)**, suggesting improved intrinsic valuation.

4. Solvency & Liquidity Concerns

- **High Debt but Improving:** Debt/Equity has declined from **2.45x (FY22)** to **1.57x (Dec-24)**, but leverage is still a risk.
- **Weak Interest Coverage Ratio:** At **1.70x (Dec-24)**, it remains low, indicating **potential debt servicing risks**.
- **Deteriorating Liquidity:** Quick ratio **dropped from 0.67 (FY23) to 0.48 (Dec-24)**, signaling weaker short-term liquidity.

5. Operational Efficiency

- **Increase in Inventory Days:** Sharp rise from **194 days (FY22)** to **362 days (Dec-24)** could indicate **inventory buildup and potential demand issues**.
- **Debtor & Creditor Days Fluctuating:** Suggests **unstable cash conversion cycles**.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Horizon Management Private 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 –

Horizon Management Private Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Swasth Foodtech India Limited	14.92	94.00	Feb 28, 2025	80.60
2.	Rexpro Enterprises Limited	53.65	145.00	Jan 29, 2025	101.25
3.	Citichem India Limited	12.60	70.00	Jan 03, 2025	30.00
4.	Abha Power and Steel Limited	38.54	75.00	Dec 04, 2024	30.60
5.	Onyx Biotech Limited	29.34	61.00	Nov 22, 2024	58.90
6.	Osel Devices Limited	70.66	160.00	Sep 24, 2024	215.35
7.	Forcas Studio Limited	37.44	80.00	Aug 26, 2024	77.00
8.	Tunwal E-Motors Limited	115.64	59.00	July 23, 2024	35.60
9.	Veritas Advertising Limited	8.48	114.00	May 21, 2024	89.00
10.	Shree Karni Fabcom Limited	42.49	227.00	Mar 14, 2024	705.00

The company has handled 12 mandates in the last three years (including current year).

*CMP for the above-mentioned companies is taken as of 11th Mar 2025.

As per the offer document, the above-mentioned mandates Swasth Foodtech India Limited, Rexpro Enterprises, Citichem India Limited and Onyx Biotech Limited have opened at a discount and remaining all have opened at premium on the listing day.

Recommendation -

Recommendation: Avoid for Now – Wait for Post-Listing Performance

Super Iron Limited, with industry experience dating back to 1988, has demonstrated expertise in its field. However, multiple **financial, operational, and legal concerns** warrant a cautious approach.

Valuation & Profitability Concerns

- **Post-IPO P/E ratio** stands at **19.93x**, which is reasonable, but the **pre-issue P/E of 45.19x** suggests overvaluation.
- **Sudden profit surge**: The bottom line jumped from **₹394.08 lakh in FY24 (2.55% profit margin)** to **₹952.52 lakh in Dec 2024 (10.92% margin)**. This appears **strategically timed**, raising concerns about sustainability.

Debt & Cash Flow Risks

- **High historical debt**: Debt has averaged **2.1x** over past years but has reduced to **1.57x in FY24**.
- **Weak interest coverage ratio**: **1.7x in FY24**, failing to instil confidence.
- **Negative cash flows in FY22 and Dec 2024**, signalling potential **liquidity concerns**.

Operational Risks

- **Revenue concentration**: The company relies heavily on its **top 10 customers**, contributing **95.78% of revenue in FY22, 96.70% in FY23, 89.63% in FY24, and 96.43% in Dec 2024**. This poses a significant business risk.
- **Conflict of interest**: The absence of a **non-compete agreement** with **Super Iron Foundry** (linked to the Promoters) raises concerns about **future market overlap**.

Foreign Exchange & Trade Risks

- **95% of revenue comes from exports**, making the company highly dependent on India's **bilateral trade treaties**.
- **Exposure to foreign exchange and interest rate fluctuations** further increases risk.

Final Verdict

Given these **valuation concerns, financial risks, revenue concentration, legal issues, and external dependencies**, it is **advisable to avoid investing for now** and **reassess post-listing performance**

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