



IPO Note

Unified Data-Tech Solutions Limited

Recommendation: **AVOID!**

Company Background -

- **Incorporation:** Unified Data - Tech Solutions Limited was originally incorporated on May 08, 2010. The registered office is located at Mumbai, Maharashtra.
- **Business Activity:** The company provides IT solutions, including data centre infrastructure, virtualization, data protection, networking, cybersecurity, secure application delivery etc.
- **Revenue Stream:** The company generates majority of the revenue from the sale of products.
- **Human Resource:** The company has 38 full-time employees as on Mar 31, 2025.

Objects of the Issue -

Since the company has no fresh issue the entire proceeds from the offer will be received by the promoter.

Promoters Name -

Hiren Rajendra Mehta, Rajendra Kantilal Mehta and Harshaben Mehta

Rationale for recommendation -

The company has over a decade of experience and is fairly valued at a post-IPO P/E of 15.80x. However, the sharp surge in FY24 revenue and profits—driven by increased product sales—raises sustainability concerns. Margins have shown a declining trend over the years, and the financial performance appears inconsistent. The business also relies heavily on a concentrated set of customers and suppliers, heightening operational risk. With no fresh issue component and the IPO being a complete offer for sale, coupled with intense industry competition, we recommend to **avoid** this IPO.

IPO Details

Opening Date	May 22, 2025
Closing Date	May 26, 2025
Allotment Date	May 27, 2025
Listing Date	May 29, 2025
Stock Exchange	BSE SME
Lot Size	400 Shares
Issue Price Per Share	₹260 to ₹273
Issue Size	144.47 Cr.
Fresh Issue	-
Offer for Sale	144.47 Cr.
Application Amt	₹ 1,09,200 (400 shares)

INDUSTRY - IT

Avg. P/E ratio as per RHP - 35.53

	KPIs (In Lakhs)			
KPI's	FY 22	FY 23	FY 24	Dec-24
Revenue	9,330.45	11,048.66	26,037.87	19,458.77
EBITDA	1,114.96	1,246.89	2,786.62	3,316.93
Net Profit	970.87	1,040.08	2,512.59	3,168.32
RoCE	38.38%	29.83%	42.50%	36.31%*
ROE	34.04%	26.72%	39.23%	35.15%*
P/E	56.52	52.70	21.82	15.80*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
86.73%	60.39%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	12.51	17.28
BVPS	1,27,833.33	49.16
P/E	21.82	15.80
P/BV	0.002	5.55
Mkt Cap (In Cr)	548.46	548.46

*Annualized

Lead Managers -

Hem Securities Limited

Registrar -

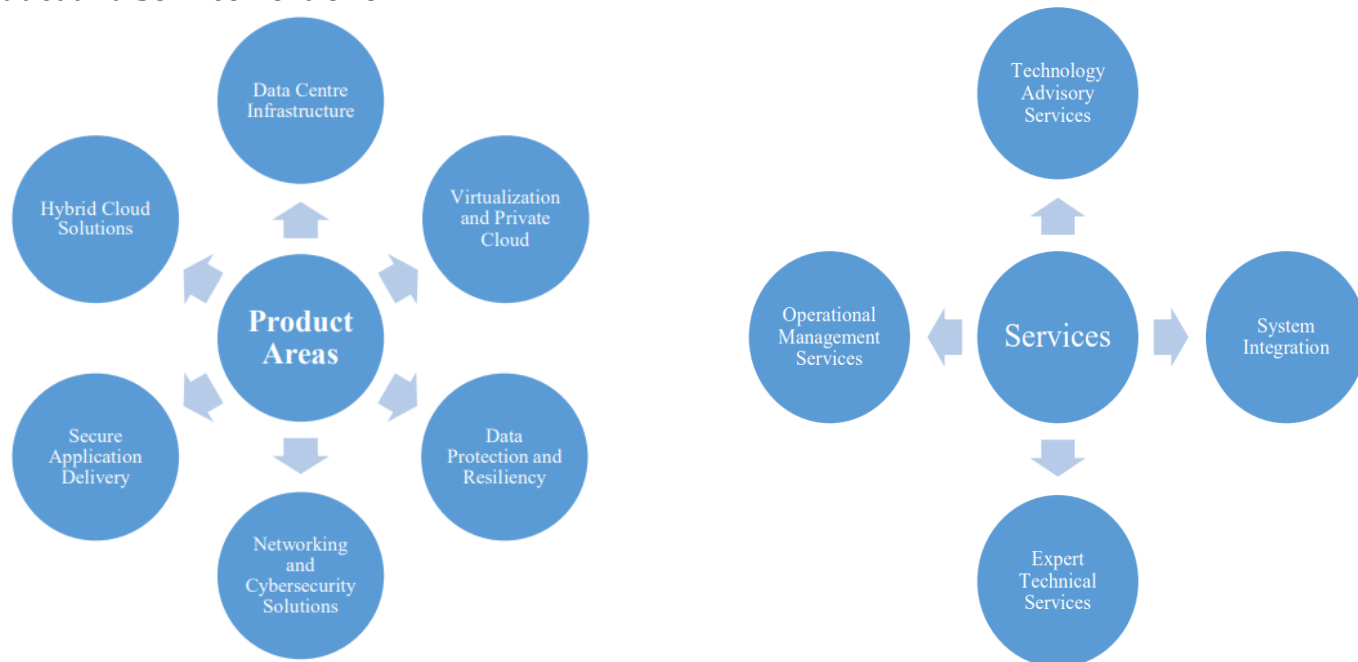
Kfin Technologies Limited

Business Overview -

The Company provides IT solutions, including data centre infrastructure, virtualization, data protection, networking, cybersecurity, secure application delivery etc. The company serves to a wide range of industries, such as Banking, Finance, Insurance, Manufacturing, Pharmaceuticals, IT and IT-enabled services etc.

The company procures products and services relative to Data Center Infrastructure, Virtualization and Private Cloud, Data Protection and Resiliency, Networking and Cybersecurity Solutions and Secure Application Delivery etc.

Product and Service Portfolio-

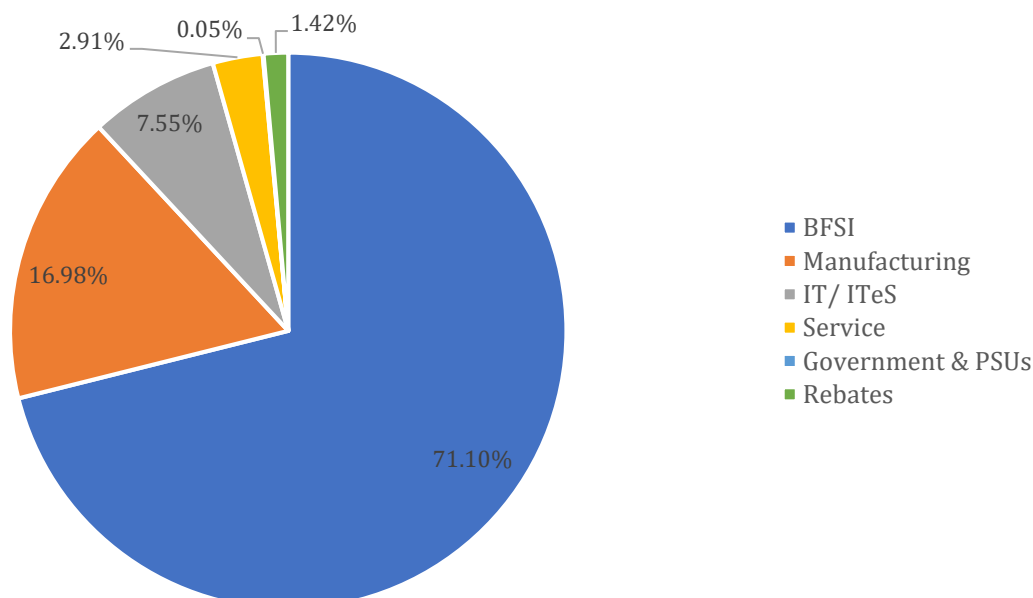


Product-wise Revenue Bifurcation:

(In Lakhs)

Particulars	FY 2022		FY 2023		FY 2024		Feb-2025	
	Amt	%	Amt	%	Amt	%	Amt	%
Revenue from products	6,148.05	65.89%	6,475.07	58.61%	19,761.79	75.90%	9,687.92	49.79%
Revenue from services	3,010.01	32.26%	4,427.45	40.07%	6,188.77	23.77%	9,581.12	49.24%
Rebates	172.38	1.85%	146.14	1.32%	87.31	0.34%	189.73	0.98%
Total	9,330.44	100%	11,048.66	100%	26,037.87	100%	19,458.77	100%

Industry-Wise Revenue Bifurcation:



Competition -

- 1. Market Competition:** The industry is competitive where the key factors of competition primarily comprise of product/ service pricing, quality, availability, customer satisfaction, technology used and marketing.
- 2. Geographic Competition:** The company faces competition from various domestic players and international players.
- 3. Barriers to entry:** Low barriers to entry.
- 4. Threat of Substitutes:** High threat of substitutes.
- 5. Bargaining Power of Customers:** The bargaining power is high with the customers.
- 6. Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

Business Strategies –

1. The Company aims to expand their customer base with strengthen existing relationship with the clients.
2. The Company intends to extend their market and geographical reach.
3. The company intends to expand its service/ products offerings and focus on high value areas like IT operations and cybersecurity.

Risk Factors –

1. The company is dependent on top 5 customers for their revenue generation constituting to 62.48%, 79.40%, 72.79% and 62.48% for FY22, FY23, FY24 and Feb-25 respectively.
2. The company is dependent on top 5 suppliers for their procurement of products and services constituting to 88.77%, 89.25%, 95.94% and 95.14% for FY22, FY23, FY24 and Feb-25 respectively.
3. The company generates majority of its revenue from two states (i.e. Maharashtra and Telangana) which constitutes 84.10%, 92.58%, 88.72% and 92.17% for FY22, FY23, FY24 and Feb-25 respectively.
4. The company has contingent liabilities of Rs. 105.97 lakhs as of Feb-25.
5. The company has 2 cases against it for tax matters amounting to Rs. 5.54 lakhs.
6. The Director/Promoters have 1 case against them for tax matters amounting to Rs. 0.25 lakhs.

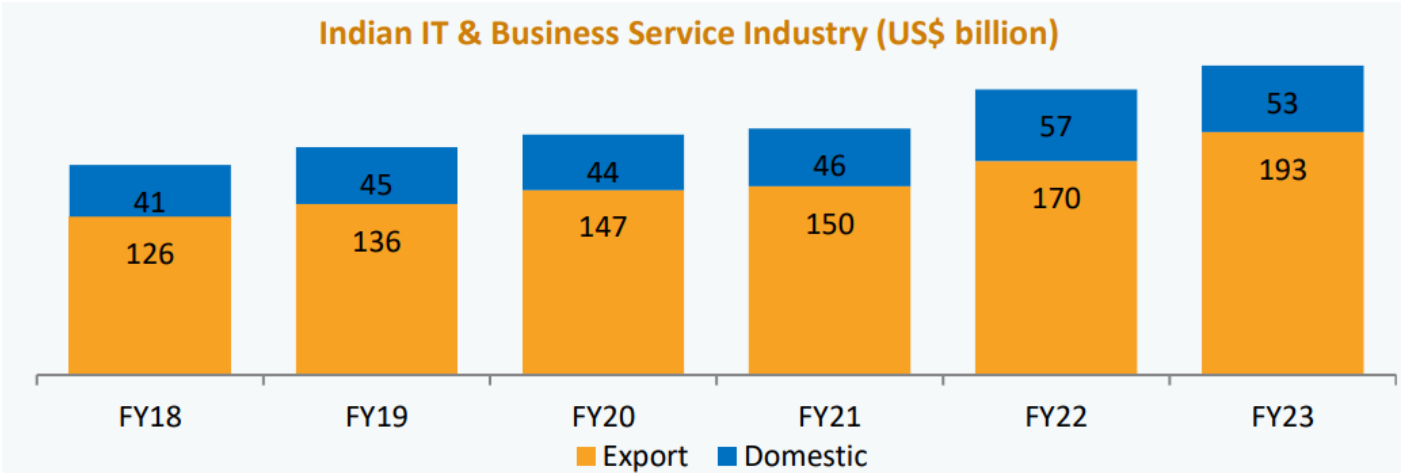
PEER ANALYSIS –

Particulars	Unified Data-Tech Solutions Limited			Dynacons Systems & Solutions Limited			Orient Technologies Limited			Silver Touch Technologies Limited		
	FY 22	FY23	FY24	FY 22	FY23	FY24	FY 22	FY23	FY24	FY 22	FY23	FY24
NP Margin	10.41%	9.41%	9.65%	2.50%	4.15%	5.23%	7.14%	7.07%	6.83%	4.6%	5.8%	7.1%
EBITDA Margin	11.95%	11.29%	10.70%	4.94%	7.06%	8.01%	10.13%	10.25%	9.98%	9.2%	11.7%	12.3%
RoCE	38.38%	29.83%	42.50%	36.98%	44.12%	46.88%	45.46%	37.70%	30.59%	10.3%	13.9%	17.5%
ROE	34.04%	26.72%	39.23%	24.16%	31.94%	34.14%	35.60%	29.73%	23.64%	#DIV/0!	49.8%	35.5%
EPS(INR)	4.83	5.18	12.51	15.34	27.92	42.37	9.57	10.94	46.59	5.06	7.65	12.66
P/E	56.52	52.70	21.82	14.33	11.21	24.26	-	-	-	-	47.77	51.05

INDUSTRY OVERVIEW -

IT Industry in India

India’s **IT & BPM sector** is a critical pillar of the economy, contributing **7.5% to the GDP in FY23** and projected to reach **10% by 2025**. With a workforce of **5.4 million**, the sector spans IT services, software, hardware, and business process management, and remains a global leader in digital transformation services. The industry’s revenue stood at **US\$ 245 billion in FY23**, with projections to reach **US\$ 350 billion by 2026** and **US\$ 500 billion by 2030**, growing at a global **CAGR of 11%**. India is also witnessing rapid growth in cloud computing and data centre investments, with the public cloud market expected to grow at **23.4% CAGR**, and the data centre market at **10.7% CAGR**.



On the employment front, the sector added **2.9 lakh jobs in FY23**, and India will require over **30 million digitally skilled professionals by 2026**. The country also ranks among the top three globally in AI talent, contributing **16% of the global AI talent pool**. Government initiatives are playing a key role in driving growth, including the **₹10,300 crore India AI Mission**, **₹2,000 crore allocation for AI infrastructure in Budget 2025-26**, and production-linked incentives for IT hardware. Additionally, India continues to strengthen cybersecurity frameworks, support cloud infrastructure, and incentivize exports through STPI and SEZ schemes, making it one of the fastest-growing digital economies globally.

Key Management -

Key Management Persons Name -	Hiren Rajendra Mehta
Age	47
Designation and No. of years of experience	Promoter, Chairman & Managing Director, 27+ years of experience
Qualification	Bachelor of Engineering (Electronics and Telecommunication)
Responsibility	Responsible for the Business Planning & Development, Marketing, Suppliers Management, IT Infrastructure, Account & Finance & Secretarial & Legal of the Company.
Other Directorships	Valuedata Technologies Private Limited

Key Management Persons Name -	Rajendra Kantilal Mehta
Age	77
Designation and No. of years of experience	Promoter and Whole-Time Director, 35+ years of experience
Qualification	Secondary Education (10th)
Responsibility	Responsible for Human Resource, Customer Relationship Management and CSR Activities in the Company.
Other Directorships	-

- The overall management of the company is satisfactory.
- The promoter and management have decent experience in the industry.
- There is an evidence of dual chairmanship, which is not favourable.
- Chetan Shyamsunder Mundhada, Annapurna Devendra Dubey and Mayank Modi are the Non-Executive Independent Directors of the Company. They have relevant experience in their respective fields.
- **Shrawan Shrikrishna Shukla (CFO)**, aged 33 years, holds Post Graduate Diploma in Business Management, Finance (PGDM) and has 8 years of experience.
- **Khadija Taher Raniwala (CS and Compliance Officer)**, aged 29 years, holds a degree in LLB, and has 3 years of experience.

FINANCIAL SNAPSHOT

Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Feb-25
Revenue from Operations	9,330.45	11,048.66	26,037.87	19,458.77
Other Income	219.15	232.64	642.43	907.50
Total Income	9,549.60	11,281.30	26,680.30	20,366.27
Expenses				
Cost of materials consumed	6,953.06	8,468.30	21,337.46	14,928.42
Change in Inventories of Finished Goods,WIP and Stock In Trade	-	-	-	-0.28
Employee Benefit Expenses	1,042.43	1,072.45	1,632.76	863.01
Finance Cost	-	-	-	-
Depreciation and Amortization Expense	20.34	85.30	63.46	44.79
Other expenses	220.00	261.02	281.03	350.69
Total Expenses	8,235.83	9,887.07	23,314.71	16,186.63
EBITDA	1,114.96	1,246.89	2,786.62	3,316.93
EBITDA Margin	11.95%	11.29%	10.70%	17.05%
Profit/(Loss) before tax	1,313.77	1,394.23	3,365.59	4,179.64
Tax Expense				
Current tax	339.44	365.08	858.53	1,014.14
Deferred Tax	3.46	-10.93	-5.53	-2.82
Total Tax	342.90	354.15	853.00	1,011.32
Profit/(Loss) for the year	970.87	1,040.08	2,512.59	3,168.32
Net Profit Margin	10.41%	9.41%	9.65%	16.28%

Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Feb-25
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	5.01	5.01	5.01	2,009.01
Reserves and Surplus	2,846.75	3,886.85	6,399.44	7,563.74
Total Equity	2,851.76	3,891.86	6,404.45	9,572.75
NON-CURRENT LIABILITIES				
Long Term Provisions	0.44	1.66	2.68	4.40
Total Non-current liabilities	0.44	1.66	2.68	4.40
CURRENT LIABILITIES				
Trade Payables				
(a) Total outstanding dues of MSME	5.77	0.24	-	14.21
(b) Total outstanding dues of creditors other than MSME	664.63	2,474.57	1,201.93	2,974.23
Other Current Liabilities	90.38	60.78	223.69	304.23
Short-term Provisions	1.24	1.00	8.83	1.27
Total Current liabilities	762.02	2,536.59	1,434.45	3,293.94
Total Liabilities	762.46	2,538.25	1,437.13	3,298.34
Total Equity and Liabilities	3,614.22	6,430.11	7,841.58	12,871.09
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	251.66	184.42	125.94	125.26
Non Current Investments	2,784.00	3,040.57	6,169.78	9,337.85
Long-Term Loans and Advances	10.00	10.00	10.00	13.00
Deferred tax assets (net)	4.63	15.55	21.09	23.91
Total Non-Current assets	3,050.29	3,250.54	6,326.81	9,500.02

Particulars	FY 22	FY 23	FY 24	Feb-25
CURRENT ASSETS				
Inventories	-	-	-	0.28
Trade Receivables	291.44	801.44	806.22	3,227.11
Cash & Cash equivalents	52.48	2,283.03	349.29	25.43
Short Term Loans and Advances	112.28	73.69	206.99	96.61
Other Current Assets	107.73	21.41	152.26	21.65
Total Current assets	563.93	3,179.57	1,514.76	3,371.08
Total Assets	3,614.22	6,430.11	7,841.57	12,871.10

Cash Flow Statement				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Feb-25
Net Cash Flow from Operating Activities	280.88	2,336.32	979.14	2,176.22
Net Cash Flow from Investing Activities	-554.55	-105.77	-2,912.88	-2,500.07
Net Cash Flow from Financing Activities	-273.67	2,230.55	-1,933.74	-323.85

Key Ratios

Per Share Data					Valuation Ratios (x)				
	FY 22	FY 23	FY 24	FY 25*		FY 22	FY 23	FY 24	FY 25*
Diluted EPS	4.83	5.18	12.51	17.28	EV/EBITDA	2.51	1.29	2.17	0.05
BV per share	56,921.36	77,681.84	1,27,833.33	49.16	Market Cap / Sales	0.001	0.001	0.001	2.57
Operating Ratios					P/E	56.52	52.70	21.82	15.80
EBITDA Margins	11.95%	11.29%	10.70%	17.05%	Price to Book Value	0.005	0.004	0.002	5.55
PAT Margins	10.41%	9.41%	9.65%	16.28%	Solvency Ratios				
Inventory days	-	-	-	-	Debt / Equity	-	-	-	-
Debtor days	11.43	26.55	11.33	26.18	Current Ratio	0.74	1.25	1.06	1.06
Creditor days	35.29	106.98	20.62	57.44	Quick Ratio	0.74	1.25	1.06	1.06
Return Ratios					Asset Turnover	2.58	1.72	3.32	2.72
RoCE	38.38%	29.83%	42.50%	36.31%	Interest Coverage Ratio	-	-	-	-
RoE	34.04%	26.72%	39.23%	35.15%					

*Annualized

INTERPRETATION –

- The top line has increased over the years. It increased by 18.42% in FY23 which was due to increase in sale of products/ services and in FY24 it increased by 135.67% which was mainly due to increase in sales of products which saw 205.2% increase.
- The net profit increased over the years. It increased by 7.13% in FY23 and it increased by 141.58% in FY24. The sudden increase is because of the sudden increase in top line.
- The EBITDA consistently decreased over the years and PAT margin saw a slight decrease in FY23 which slight increase in the overall expenses.
- The company is debt free.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Hem Securities 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 –

Hem Securities Limited-

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Tankup Engineers Limited	19.530	140.00	Apr 23, 2025	234.90
2.	Readymix Construction Machinery Limited	37.66	123.00	Feb 06, 2025	97.00
3.	Enviro Infra Engineers Limited	650.43	120.00	Nov 22, 2024	210.30
4.	Danish Power Limited	4,321.44	1,503.00	Oct 29, 2024	1,078.65
5.	Forge Auto International Limited	31.10	108.00	Oct 04, 2024	359.70
6.	Sahasra Electronics Solutions Limited	186.16	283.00	Oct 04, 2024	78.00
7.	Unilex Colours and Chemicals Limited	31.32	87.00	Oct 03, 2024	126.30
8.	WOL 3D India Limited	25.56	150.00	Sep 30, 2024	139.65
9.	Manba Finance Limited	150.84	120.00	Sep 30, 2024	369.90
10.	Shubhshree Biofuels Energy Limited	16.56	119.00	Sep 16, 2024	172.55

*CMP for the above-mentioned companies is taken as of 22nd May 2025.

As per the offer document, the above-mentioned mandates Readymix Construction Machinery has opened at a discount and a premium on the listing day.

Recommendation -

Unified Data-Tech Solutions Limited has been in the industry since 2010 and has vast experience in the industry.

The P/E on a post-IPO annualized basis is around 15.80 times which makes it fairly priced.

The company's management structure is decent.

The company's top line saw a sudden increase in FY24 which can be due to increase in sale of products. This increase might not be sustainable. The bottom line also saw a sudden increase because of the same. The EBITDA margin saw a consistent decrease over the years and the PAT margin also saw a slight dip in the margins. The company is debt free. Overall, the financials look slightly unsustainable.

The company has high concentration for customers and suppliers and loss of any may have adverse effects on the business operations.

The issue is complete offer for sale.

The IT industry is highly fragmented and competitive and there are many established players.

Thus, investors can **AVOID** this IPO for now.

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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