

## IPO Note

### Ganga Bath Fittings Limited

Recommendation: **AVOID!**

#### Company Background –

- **Incorporation:** Originally incorporated as “Ganga Plast Industries LLP” on Apr 06, 2020 as a partnership firm. The registered office is located at Rajkot, Gujarat.
- **Business Activity:** The company is engaged in the manufacturing and marketing of a wide range of pharmaceutical and cosmetic products both within India and internationally.
- **Revenue Stream:** The company generates majority of the revenue from manufacturing of all kinds of bathroom accessories.
- **Human Resource:** The company has 123 full-time employees as on May 29, 2025.

#### Objects of the Issue –

- Capital expenditure towards purchase of equipment
- Repayment of borrowings availed by the company
- Funding of working capital requirements
- General corporate purposes

#### Promoters Name –

Tusharkumar Tilva, Jimmy Tilva, & Sajan Tilva

**Rationale for recommendation –** Despite growth in revenues and profitability, Ganga Bath Solutions Limited’s financial performance raises concerns due to its sudden spike in profits, negative operating cash flows in FY24 and Dec 24, and a high increase in inventories and receivables. The company’s historically negligible equity distorts return ratios. Additionally, it is highly dependence on a single state for raw materials (87%) and revenue concentration among top 10 customers is over 60%. There are also concerns about the high debt to equity ratio of the company which could point towards poor capita structure. Therefore, we recommend investors avoid participating in this IPO.

#### IPO Details

Opening Date	June 04, 2025
Closing Date	June 06, 2025
Allotment Date	June 09, 2025
Listing Date	June 11, 2025
Stock Exchange	NSE SME
Lot Size	3,000 Shares
Issue Price Per Share	₹46 to ₹49
Issue Size	32.65 Cr.
Fresh Issue	32.65 Cr.
Offer for Sale	-
Application Amt	₹ 1,47,000 (3,000 shares)

#### INDUSTRY – Bathroom Accessories

Avg. P/E ratio as per RHP is Nil

KPI's	KPIs (In Lakhs)			
	FY 22	FY 23	FY 24	Dec-24
Revenue	1,069.59	1,218.04	1,367.85	2,483.9
EBITDA	76.1	139.97	163.45	610.52
Net Profit	0.75	9.23	59.45	384.2
RoCE	22.7%	141.2%	358.92%	31.09%*
ROE	75%	923%	5945%	21.8%*
P/E	816.67	71.01	32.45	18.08*

\*Annualized

#### Promoter Share Holding Pattern

Pre-Issue	Post-Issue
98.81%	69.16%

#### Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	1.51	2.46
BVPS	Nil	25.27
P/E	32.45	19.93
P/BV	Nil	1.94
Mkt Cap (In Cr)	76.17	108.82

\*Annualized

#### Lead Managers –

**Jawa Capital Services Private Limited**

#### Registrar –

**Kfin Technologies Limited**

## Business Overview -

Presently the Company is engaged in the business of manufacturing and supplying Bathroom Accessories including but not limited to bath fittings items such as CP taps and their parts, showers, bath accessories, Sanitary wear, ABS Shower, ABS Health faucet, ABS Taps, ABS Accessories, PTMT Taps, Door Handles, Bathroom Vanities, Bathroom Sinks, SS Showers, Shower Drains, SS Channel Drainer etc.

The company derives its revenue from 3 verticals, namely:

(in Lakhs)

Type of Sale	FY 2022	%	FY 2023	%	FY 2024	%	Dec 2024	%
Own Brand	819.79	76.84%	1159.96	95.24%	1023.11	75.53%	1537.79	61.97%
OEM Sale	247.06	23.16%	57.95	4.76%	334.76	24.65%	821.24	33.08%
Sanitary - Trading	-	-	-	-	-	-	123.35	4.97%
<b>TOTAL</b>	<b>1066.85</b>	<b>100.00%</b>	<b>1217.91</b>	<b>100.00%</b>	<b>1357.87</b>	<b>100.00%</b>	<b>2482.38</b>	<b>100.00%</b>

## Manufacturing Facility:

The company has 3 manufacturing units; Ganga Industries (GI), Ganga Bathing Solutions (GBS), and Ganga Plast Industries (GPI), all in Rajkot, Gujarat.

## Capacity Utilisation:

Unit	FY 22	FY 23	FY 24	Dec-24
<b>GPI Unit</b>	59%	67%	75%	77%
<b>GI Unit</b>	33%	55%	57%	79%
<b>GBS Unit</b>	28%	46%	53%	65%
<b>Average Utilization</b>	<b>41%</b>	<b>56%</b>	<b>62%</b>	<b>73%</b>

## Segment Bifurcation:

(In Lakhs)

Segment	FY 2022	%	FY 2023	%	FY 2024	%	Dec 2024	%
Chrome Plated Casted Bath Fittings (GI Unit)	-	-	-	-	-	-	846.9	34.12%
Sanitaryware Items (GI Unit)	-	-	-	-	-	-	121.12	4.88%
Plastic Molded Bath Fittings (GPI Unit)	1066.85	100%	1217.91	100%	1357.87	100%	1107.41	44.62%
Stainless Steel Bath Fittings & Showers (GBS)	-	-	-	-	-	-	406.92	16.39%
<b>Total Revenue from Operations</b>	<b>1066.85</b>	<b>100%</b>	<b>1217.91</b>	<b>100%</b>	<b>1357.87</b>	<b>100%</b>	<b>2482.38</b>	<b>100%</b>

## Competition -

- Market Competition:** The industry is highly competitive where the key factors of competition primarily comprise of consistent quality, design, and brand differentiation.
- Geographic Competition:** The company faces competition from established domestic players that hold a dominant position in the industry.
- Barriers to entry:** Moderate barriers to entry because of capital requirements for manufacturing.
- Threat of Substitutes:** High threat of substitutes.
- Bargaining Power of Customers:** The bargaining power is moderate with the customers.
- Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

**Business Strategies –**

1. The company aims increase its geographical presence.
2. The company intends to diversify its product portfolio.
3. The company will leverage its marketing skills and ensure better management of working capital

**Risk Factors –**

1. The company is dependent on top 10 customers for their revenue generation constituting to 47.38%, 49.74%, 47.48% and 59.10% for FY22, FY23, FY24 and Dec-24 respectively.
2. The company procures around 87% of its raw materials from the state government of Gujarat.
3. The top 10 suppliers make up for nearly 60% of the company's total purchases.
4. The company has negative cash flow from operations for FY24 and Dec 24.
5. The company has limited operation history as it was a partnership firm before.

**PEER ANALYSIS –**

Particulars	Ganga Bath Solutions Limited			Hindware Home Innovations Limited		
	FY 22	FY 23	FY 24	FY 22	FY23	FY24
EBITDA Margin	7.13%	11.49%	12.04%	9.69%	10.18%	-2.77%
NP Margin	0.07%	0.76%	4.35%	2.43%	1.76%	-7.36%
RoCE	22.70%	141.20%	358.92%	16.16%	17.34%	-17.63%
ROE	75.00%	923.00%	5945.00%	11.00%	8.34%	-41.17%
P/E	816.67	71.01	32.45	-406.38	76.16	52.85
EPS	0.06	0.69	1.51	-0.86	4.44	6.77

Particulars	Ganga Bath Solutions Limited			Cera Sanitaryware Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
EBITDA Margin	7.13%	11.49%	12.04%	16.93%	17.96%	17.44%
NP Margin	0.07%	0.76%	4.35%	10.20%	11.43%	12.38%
RoCE	22.70%	141.20%	358.92%	19.64%	23.13%	20.21%
ROE	75.00%	923.00%	5945.00%	14.85%	17.93%	17.81%
P/E	816.67	71.01	32.45	2998.46	1452.04	747.79
EPS	0.06	0.69	1.51	1.62	4.41	9.07

**INDUSTRY OVERVIEW -****Bathroom Fittings Industry in India**

The **bathroom fittings industry in India** has witnessed substantial growth in recent years, driven by rapid urbanization, rising disposable incomes, and changing consumer preferences. In 2023, the Indian bathroom fittings market was estimated to be worth over **USD 2.5 billion**, with projections suggesting a compound annual growth rate (**CAGR**) of **around 8–10% through 2029**. This growth is being propelled by several converging factors including robust real estate development, infrastructure expansion, government-backed sanitation initiatives, and evolving lifestyles that emphasize aesthetics, functionality, and hygiene.

**-Urbanization & Real Estate Growth** - The construction boom is another major contributor. India is expected to become the **third-largest construction market globally by 2030**, according to a report by GlobalData. With an annual demand for around 8 million new urban housing units, the need for quality bathroom fittings continues to rise. Moreover, the hospitality sector, including hotels and resorts, is expanding rapidly, with India targeting **over USD 1 trillion in infrastructure investment** under the National Infrastructure Pipeline (NIP). Projects involving airports, shopping malls, hospitals, and educational institutions also require large volumes of durable and aesthetically appealing bathroom fittings, creating steady demand.

**-Government Initiatives & Consumer Preferences** - On the policy front, initiatives like "Swachh Bharat Abhiyan" and "Housing for All" have brought sanitation to the forefront. **Over 110 million toilets** have been built under Swachh Bharat since 2014, creating widespread awareness about modern sanitary practices and products. These efforts have not only increased the penetration of bathroom fittings in rural and semi-urban areas but have also boosted domestic manufacturing and innovation in the segment.

**-Infrastructure Development** - Massive infrastructure projects—including **airports, hospitals, hotels, and schools**—are contributing to the demand for specialized sanitary ware. Developers increasingly prioritize high-end fittings to attract buyers and meet sector-specific needs.

**-Growing Middle Class** - A major driver of demand in this sector is India's growing middle class, which now numbers **over 350 million people**, according to World Bank estimates. These consumers increasingly aspire to better living standards and are willing to spend on modern, stylish, and premium bathroom fittings. Urban homebuyers and developers, particularly in tier-1 and tier-2 cities, now consider designer and branded bathroom fixtures essential for both functionality and home value.

**-Shift in Market Trend** - The market is also seeing a shift toward water-saving technologies, in response to India's growing water scarcity. Products such as **aerated faucets, dual flush systems, and sensor-based fixtures** are gaining popularity. However, awareness and affordability still act as bottlenecks, particularly in tier-3 towns and rural areas. The government's push for green buildings and sustainability is expected to drive further adoption of such eco-friendly fittings in the coming years.

**Key Management -**

<b>Key Management Persons Name -</b>	<b>Tusharkumar Vithaldas Tilva</b>
<b>Age</b>	66
<b>Designation and No. of years of experience</b>	Promoter, Non – Executive Director, 30+ years of experience
<b>Qualification</b>	9 <sup>th</sup> pass
<b>Responsibility</b>	Strategic planning, marketing, sales, and business development
<b>Previous Experience</b>	Nil

<b>Key Management Persons Name -</b>	<b>Jimmy Tusharkumar Tilva</b>
<b>Age</b>	39
<b>Designation and No. of years of experience</b>	Promoter, Managing Director, 20+ years of experience
<b>Qualification</b>	Higher secondary certificate
<b>Responsibility</b>	Operations management
<b>Previous Experience</b>	Nil

<b>Key Management Persons Name -</b>	<b>Sajan Tusharbhair Tilva</b>
<b>Age</b>	33
<b>Designation and No. of years of experience</b>	Promoter, Executive Director, 14+ years of experience
<b>Qualification</b>	Higher secondary certificate
<b>Responsibility</b>	Finance and administration of all 3 manufacturing units
<b>Previous Experience</b>	Nil

<b>Key Management Persons Name -</b>	<b>Prashant Bharatkumar Patel</b>
<b>Age</b>	44
<b>Designation and No. of years of experience</b>	Independent Director, 17+ years of experience
<b>Qualification</b>	M. Com, LL.B, FCS, Insolvency Professional
<b>Responsibility</b>	Nil
<b>Previous Experience</b>	Rajputana Stainless Ltd, and Parth Electricals & Engineering Ltd.

<b>Key Management Persons Name -</b>	<b>Shreyaben Milankumar Shah</b>
<b>Age</b>	31
<b>Designation and No. of years of experience</b>	Independent Director, 7+ years of experience
<b>Qualification</b>	M. Com, LL.B, CS
<b>Responsibility</b>	Nil
<b>Previous Experience</b>	Bhandari Infracon Ltd, Accent Microcell Ltd, and Rushil Décor Ltd

## FINANCIAL SNAPSHOT

## Statement of Profit and Loss

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Dec-24
Revenue from Operations	1,066.85	1,217.91	1,357.87	2,482.37
Other Income	2.74	0.13	9.98	1.53
<b>Total Income</b>	<b>1,069.59</b>	<b>1,218.04</b>	<b>1,367.85</b>	<b>2,483.90</b>
<b>Expenses</b>				
Cost of Material Consumed	873.95	1,037.99	1,261.42	3,352.10
Changes in Inventories of Stock- in- Trade	7.28	-68.86	-208.89	-1661.17
Employee Benefit Expenses	81.91	81.81	103.98	84.09
Finance Cost	35.28	84.72	37.13	77.05
Depreciation and Amortization	42.27	38.66	39.91	38.31
Other Expenses	30.35	27.13	47.89	98.36
<b>Total Expenses</b>	<b>1,071.04</b>	<b>1,201.45</b>	<b>1,281.44</b>	<b>1,988.74</b>
<b>EBITDA</b>	<b>76.10</b>	<b>139.97</b>	<b>163.45</b>	<b>610.52</b>
<b>EBITDA Margin</b>	<b>0.07</b>	<b>0.11</b>	<b>0.12</b>	<b>0.25</b>
<b>Profit/(Loss) Before Tax</b>	<b>-1.45</b>	<b>16.59</b>	<b>86.41</b>	<b>495.16</b>
<b>Tax Expense</b>				
Current Tax	-2.24	-7.95	-30.37	-135.1
Deferred Tax	4.44	0.59	3.41	24.14
<b>Total Tax Expense</b>	<b>2.20</b>	<b>-7.36</b>	<b>-26.96</b>	<b>-110.96</b>
<b>Profit/(Loss) for the Year</b>	<b>0.75</b>	<b>9.23</b>	<b>59.45</b>	<b>384.20</b>
<b>Net Profit Margin</b>	<b>0.07%</b>	<b>0.76%</b>	<b>4.35%</b>	<b>15.47%</b>

## Statement of Assets and Liabilities

Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24	Dec-24
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
Share Capital	1.00	1.00	1.00	1,554.48
Reserves and Surplus	-	-	-	657.57
<b>Total Equity</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2,212.05</b>
<b>2. Non-Current Liabilities</b>				
(a) Financial Liabilities				
Long-Term Borrowings	141.47	58.26	20.18	187.26
Long-Term Provisions	6.54	12.5	13.24	41.51
<b>Total Non-Current Liabilities</b>	<b>148.01</b>	<b>70.76</b>	<b>33.42</b>	<b>228.77</b>
<b>3. Current Liabilities</b>				
(a) Financial Liabilities				
Short-Term Borrowings	285.93	457.25	716.96	885.63
Trade Payables				
(i) MSME	216.02	267.59	237.86	735.40
(ii) Other than MSME	16.31	31.10	5.32	84.28
Other Current Liabilities	34.26	25.78	42.01	93.9
Short-Term Provisions	0.19	7.92	4.59	126.57
<b>Total Current liabilities</b>	<b>552.71</b>	<b>789.64</b>	<b>1,006.74</b>	<b>1,925.78</b>
<b>Total Liabilities</b>	<b>700.72</b>	<b>860.40</b>	<b>1,040.16</b>	<b>2,154.55</b>
<b>Total Equity and Liabilities</b>	<b>701.72</b>	<b>861.40</b>	<b>1,041.16</b>	<b>4,366.60</b>
<b>ASSETS</b>				
<b>1. Non-Current Assets</b>				
Property, Plant and Equipment	182.2	155.54	182.88	248.18
Intangible Asset	1.32	0.48	0.19	0.4
Deferred Tax Assets (Net)	4.43	5.03	8.43	23.76



Particulars	FY 22	FY 23	FY 24	Dec-24
Long Term Loan and Advances	2.00	40.9	15.28	35.28
<b>Total Non-Current assets</b>	<b>189.95</b>	<b>201.95</b>	<b>206.78</b>	<b>307.62</b>
<b>2. Current Assets</b>				
Inventories	242.98	413.29	611.15	2,541.53
Trade Receivables	164.53	172.97	142.24	1,427.76
Cash and Cash Equivalent	64.25	24.61	9.41	25.57
Short-Term Loans and Advances	37.4	38.94	65.61	51.36
Other Current Assets	2.61	9.63	5.97	12.76
<b>Total Current Assets</b>	<b>511.77</b>	<b>659.44</b>	<b>834.38</b>	<b>4,058.98</b>
<b>Total Assets</b>	<b>701.72</b>	<b>861.39</b>	<b>1,041.16</b>	<b>4,366.60</b>

Cash Flow Statement				Amt in Lakhs.
Particulars	FY 22	FY 23	FY 24	Dec-24
Net Cash Flow from Operating Activities	68.22	16.28	-98.92	-130.19
Net Cash Flow from Investing Activities	-65.51	-50.07	-41.32	-22.45
Net Cash Flow from Financing Activities	-12.51	-5.85	125.06	159.94

Key Ratios									
Per Share Data	FY 22	FY 23	FY 24	FY 25*	Valuation Ratios (x)	FY 22	FY 23	FY 24	FY 25*
Diluted EPS	0.06	0.69	1.51	2.71	EV/EBITDA	4.79	3.51	4.46	4.14
BV per share	0.00	0.00	0.00	10.52	Market Cap / Sales	10.20	8.93	8.01	4.38
<b>Operating Ratios</b>					P/E	816.67	71.01	32.45	18.08
EBITDA Margins	7.13%	11.49%	12.04%	24.59%	Price to Book Value	10,881.85	10,881.85	10,881.85	4.66
PAT Margins	0.07%	0.76%	4.35%	15.47%	<b>Solvency Ratios</b>				
Inventory days	83.13	123.86	164.28	186.34	Debt / Equity	427.40	515.51	737.14	0.45
Debtor days	56.29	51.84	38.23	104.68	Current Ratio	0.93	0.84	0.83	2.11
Creditor days	5.58	9.32	1.43	6.18	Quick Ratio	0.49	0.31	0.22	1.24
<b>Return Ratios</b>					Asset Turnover	1.52	1.41	1.30	0.75
RoCE	22.70%	141.20%	358.92%	31.09%	Interest Coverage Ratio	0.96	1.20	3.33	7.55
RoE	75.00%	923.00%	5945.00%	21.80%					

\*Annualized

**INTERPRETATION –**

- The company has improved its net profit and EBITDA margins year on year; however, we can see that the company has a very sharp rise in this financial year only making it unsustainable.
- The company has a very high increase in inventory and accounts receivables this year. Historically, It has had significant inventory days and debtor days
- ROE is this high in FY 24 because the company has had total equity of Rs. 1 Lakh every year
- D/E ratio of the company is very high

**LEAD MANAGER TRACK RECORD –**

The lead manager to the issue is **Jawa Capital Services 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 –

**Jawa Capital Services Private Limited-**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Accretion Pharmaceuticals Limited	29.75	101	May 14, 2025	65.55
2.	Manoj Jewellers Limited	16.2	54	May 05, 2025	44.74
3.	Mangal Compusolution Limited	16.23	45	Nov 12, 2024	44.5
4.	Kalana Ispat Limited	32.59	66	Sep 26, 2024	42.4
5.	Mandeep Auto Industries Limited	25.25	67	May 21, 2024	27.65
6.	Slone Autosystems Limited	11.06	79	May 10, 2024	271.9

\*CMP for the above-mentioned companies is taken as of 3<sup>rd</sup> June 2025.  
As per the offer document, the above-mentioned mandates all have opened at a premium on the listing day.



### Recommendation -

The company was incorporated on Apr 06, 2020. It has a post issue P/E of 19.93. It means that the shares are slightly overpriced.

The company has limited operational history as it was a partnership firm before

The company has an unsuitable financial spike in net profit from ₹0.75 lakh in FY22 to ₹384.2 lakh in Dec FY24. Moreover, the CFO is negative while the profit spiked in Dec 24 and FY 24.

Moreover, there are other anomalies such as nearly 4 times increase in inventories reaching 2,541.33 Lakhs in Dec 24. Debtor days more than doubled during the same time period from 38 to 104 days.

There are leverage risks as well. The company's debt to equity ratio was very high, 737.14 in FY 24. This is also because the equity base was negligible, only 1 Lakh till FY 24. The negligible equity base also distorts other metrics such as return on equity.

The company is heavily reliant on the state government of Gujarat to source its raw materials. Nearly 87% of raw materials are from a single source. From the buyer side, the top 10 buyers make up over 60% of the company's revenue.

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

### Disclaimer

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