



IPO Note

N R Vandana Tex Industries Limited

Recommendation: **APPLY!**

Company Background –

- **Incorporation:** The company was originally incorporated as “N.R. Design Centre Private Limited” on May 04, 1992. The registered office is located at Kolkata, West Bengal.
- **Business Activity:** The company is engaged into designing, manufacturing and wholesale business of cotton textile products including a variety of high-quality cotton sarees, salwar suits and bed sheets.
- **Revenue Stream:** The company generates majority of the revenue from the sale of sarees.
- **Human Resource:** The company had 86 full-time employees and 34 contract labour as on Apr 30, 2025.

Objects of the Issue –

- Funding working capital requirements of the Company
- Prepayment / Repayment of Loan
- General corporate purposes

Promoters Name –

Narain Prasad Lohia, Prabhu Lohia & Gyanesh Lohia

Rationale for recommendation –

N R Vandana Tex Industries Limited, with over three decades of operational history since 1992, brings deep industry experience to the table. The IPO appears fairly valued with a post-issue P/E of 12.20x. The company has shown consistent growth in revenue, EBITDA, and profitability, with improving margins and a declining debt-to-equity ratio, indicating sustainable financial performance. The company operates in a highly fragmented and competitive textile industry, primarily generating revenue from sarees under a high-volume, low-margin model. So, investors may consider **applying** to this IPO, with a suggestion to monitor performance post-listing.

IPO Details

Opening Date	May 28, 2025
Closing Date	May 30, 2025
Allotment Date	Jun 02, 2025
Listing Date	Jun 04, 2025
Stock Exchange	NSE SME
Lot Size	3,000 Shares
Issue Price Per Share	₹45
Issue Size	27.89 Cr.
Fresh Issue	27.89 Cr.
Offer for Sale	-
Application Amt	₹ 2,70,000 (6,000 shares – 2 lots)

INDUSTRY – Textile

Avg. P/E ratio as per RHP – N/A

KPI's	KPIs (In Lakhs)		
	FY 23	FY 24	FY 25
Revenue	19,524.14	22,010.80	27,080.25
EBITDA	976.79	1,385.50	1,927.97
Net Profit	179.94	429.40	859.51
RoCE	18.86%	23.68%	35.88%
ROE	8.76%	15.10%	23.21%
P/E	38.14	17.58	8.95

Promoter Share Holding Pattern

Pre-Issue	Post-Issue
100.00%	73.39%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	5.03	3.69
BVPS	21.66	15.90
P/E	8.95	12.20
P/BV	2.08	2.83
Mkt Cap (In Cr)	76.94	104.83

*Annualized

Lead Managers –

Marwadi Chandarana Intermediaries Brokers Private Limited

Registrar –

Cameo Corporate Services Limited

Business Overview -

The Company is engaged into designing, manufacturing and wholesale business of cotton textile products including a variety of high-quality cotton sarees, salwar suits and bed sheets. They sell their products under the brand name “Vandana” and “Tanaya”. The Company operates into B2B business model, focusing on selling the products through a network of 1,397 wholesalers as of Mar 31, 2025 spread across 31 states and union territories in India and through a channel of B2B e-commerce platform. The products are distributed through several key digital platforms, including SOLV, Udaan, Bijnis, Jozzby and Ajio.

Manufacturing Unit:

The company has 3 manufacturing units located at Kolkata. The capacity utilization details are given below:



Capacity Utilization:

Particulars	FY 2023	FY 2024	FY 2025
Saree	75%	85%	85%
Bedsheet	-	85%	85%

Product and Service Portfolio –

The company offers diverse range of products that include printed sarees and embroidery sarees, unstitched salwar suits (“salwar suits”) and bedsheets across different price points.



Revenue Bifurcation:

(In Lakhs)

Particulars	FY 2022		FY 2023		FY 2024	
	Amt	%	Amt	%	Amt	%
Cotton Sarees	19,482.46	99.79%	21,854.60	99.29%	26,625.67	98.32%
Salwar Suits	40.68	0.21%	59.64	0.27%	109.64	0.40%
Bedsheets	1.00	0.01%	96.56	0.44%	344.94	1.27%
Total	19,524.14	100%	22,010.80	1.00	27,080.25	100%

Competition -

1. **Market Competition:** The industry is competitive where the key factors of competition primarily comprise of quality, price and availability of products and timely delivery.
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 geographical reach and wants to have a pan-India presence.
2. The Company aims to expand its product portfolio keeping in mind the local needs and preference.
3. The Company intends to enhance their brand reputation in the apparel industry.

Risk Factors –

1. The company is highly dependent on sarees for their revenue generation constituting to 99.79%, 99.29%, and 98.32% for FY23, FY24 and FY25 respectively.
2. The company has tax proceedings against it of Rs. 437.87 lakhs.
3. The directors/ promoters have tax proceedings against them of Rs. 0.08 lakhs.
4. The group companies have tax proceedings against it of Rs. 0.38 lakhs.
5. The company has contingent liabilities of Rs. 405.19 lakhs as of FY-25.
6. The company had negative cash flow from operations for FY23 and FY24.

PEER ANALYSIS –

The company believes they do not have any listed company in India and abroad that engages in a similar business to the company and thus not possible to provide an industry comparison as per its offer document.

INDUSTRY OVERVIEW -**Textile Industry in India**

India's textile industry is one of the oldest and most diverse sectors, contributing significantly to the country's cultural heritage and economic development. It spans from traditional handlooms to modern, capital-intensive mills and benefits from a robust raw material base including both natural (cotton, jute, silk, wool) and synthetic fibres (polyester, viscose, etc.). The sector's strength lies in its decentralised structure—especially the power loom and hosiery segments—and its strong linkage with agriculture. Rising demand for affordable, trendy clothing and seasonal factors like weddings and festivals continue to drive consumption.

Market Size:

The Indian textile and apparel market is projected to grow at a CAGR of 10%, reaching US\$ 350 billion by 2030. India ranks as the world's third-largest exporter of textiles, with total exports of US\$ 35.9 billion in FY24. Key growth sub-segments include home textiles (CAGR 8.9% to US\$ 23.3 billion by 2032), technical textiles (CAGR 10%), medical textiles (CAGR 15%), and composites (CAGR 16.3%). India is the largest global cotton producer, with projected output of over 7.2 million tonnes by 2030, supporting a fibre production base of 2.15 million tonnes and 5,185 million kg of yarn in FY23.

Government Initiatives:

- 100% FDI allowed in the textile sector under the automatic route.
- PM MITRA Parks: 7 mega integrated textile parks approved with ₹4,445 crore (US\$ 541.82 million) allocation, aimed at creating world-class infrastructure by 2027–28.
- Production Linked Incentive (PLI) Scheme: ₹10,683 crore outlay; 61 companies selected with committed investments of ₹19,077 crore (US\$ 2.32 billion) to generate 2.4 lakh direct jobs.

Handloom Industry in India:

The Indian handloom sector is one of the largest unorganised economic activities and holds a centuries-old tradition of rich artisanship rooted in India's cultural heritage. Known for its distinctive hand-spinning, weaving, and printing techniques, the sector primarily operates in rural towns and villages, with skills passed down through generations. It is India's largest cottage industry, housing over **2.8 million looms**, and is the **second-largest rural employment provider**, engaging approximately **3.52 million people**, of which **72% are women**. The handloom industry produces a wide range of traditional and contemporary products—from sarees, shawls, and kurtas to fashion fabrics, home linen, and decorative items. The sector is eco-friendly, less capital-intensive, and energy-efficient, with a high adaptability to changing market trends.

Market Size:

The Indian handloom market was estimated at approximately ₹24,300 crore (US\$ 3 billion) in recent years and continues to grow steadily due to increasing demand for handmade, sustainable, and culturally rooted products both in domestic and global markets.

Government Initiatives;

- **National Handloom Development Programme (NHDP):** Includes Cluster Development, Handloom Marketing Assistance, Urban Haats, and handloom awards.
- **Market Access Initiative (MAI):** Active until March 2026 to promote exports through trade fairs, exhibitions, buyer-seller meets, and market research.
- **Raw Material Supply Scheme (RMSS):** In place from FY22–26 to supply quality yarn at subsidised rates to handloom weavers.

Key Management -

Key Management Persons Name -	Gyanesh Lohia
Age	42
Designation and No. of years of experience	Promoter, Whole-Time Director & CFO, 23+ years of experience in textile industry
Qualification	Bachelors of Commerce
Responsibility	Responsible for overall operations, strategic planning and financial management of the Company
Other Directorships	Hiphai Ecom Tech Private Limited, Kaberi Sales Private Limited, Vandana Finvest Private Limited etc.

Key Management Persons Name -	Prabhu Lohia
Age	43
Designation and No. of years of experience	Promoter and Managing Director, 24+ years of experience in textile industry
Qualification	Bachelors of Commerce
Responsibility	Responsible for developing and implementation of strategic plans for the growth of the Company
Previous Experience	Hiphai Ecom Tech Private Limited, Kaberi Sales Private Limited, Vandana Finvest Private Limited etc.

Key Management Persons Name -	Narain Prasad Lohia
Age	78
Designation and No. of years of experience	Promoter and Non-Executive Director, 50+ years of experience in textile industry
Qualification	Bachelors of Commerce
Responsibility	Responsible for the overall management of operations, ensuring that manufacturing runs effectively and meets performance targets
Previous Experience	Vandana Finvest Private Limited

- The overall management of the company is satisfactory.
- The promoter and management have decent experience in the industry.
- **Bhargav Samirbhai Vyas** and **Vandana Nahata** are the Independent Directors of the Company. They have relevant experience in their respective fields.
- **Sweta Agarwal (CS and Compliance Officer)**, aged 37 years, holds a certificate of membership from ICSI and has 13 years of experience.

FINANCIAL SNAPSHOT

Statement of Profit and Loss			Amt in Lakhs.
Particulars	FY 23	FY 24	FY 25
Revenue from Operations	19,524.14	22,010.80	27,080.25
Other Income	36.02	10.42	29.97
Total Income	19,560.16	22,021.22	27,110.22
Expenses			
Cost of materials consumed	14,403.37	13,523.01	15,499.45
Change in Inventories of Finished Goods, WIP and Stock-In-Trade	-2,557.64	-367.19	1,937.05
Manufacturing Expenses	5,373.16	5,854.51	6,011.20
Employee Benefit Expenses	315.68	319.81	378.08
Finance Cost	698.36	784.29	802.88
Depreciation and Amortization Expense	51.84	49.51	41.10
Other expenses	1,012.78	1,295.16	1,326.50
Total Expenses	19,297.55	21,459.10	25,996.26
EBITDA	976.79	1,385.50	1,927.97
EBITDA Margin	5.00%	6.29%	7.12%
Profit/(Loss) before tax	262.61	562.12	1,113.96
Tax Expense			
Current tax	62.40	141.18	287.43
Tax for prior years	18.74	1.47	-3.06
Deferred Tax	14.24	0.56	2.38
Total Tax	95.38	143.21	286.75
Profit/ Loss from continuing operations	167.23	418.91	827.21
Shares of Profit/Loss from Associates	12.71	10.49	32.30
Profit/(Loss) for the year	179.94	429.40	859.51
Net Profit Margin	0.92%	1.95%	3.17%

Statement of Assets and Liabilities			Amt in Lakhs.
Particulars	FY 23	FY 24	FY 25
EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share Capital	290.27	326.28	1,709.69
Reserves and Surplus	1,763.52	2,516.97	1,993.07
Total Equity	2,053.79	2,843.25	3,702.76
NON-CURRENT LIABILITIES			
Long-term Borrowings	2,826.56	2,769.03	1,523.51
Deferred Tax liability	12.54	13.10	15.47
Long Term Provisions	12.14	15.65	17.21
Total Non-Current liabilities	2,851.24	2,797.78	1,556.19
CURRENT LIABILITIES			
Short-term Borrowings	3,681.80	4,128.48	5,378.62
Trade Payables			
(a) Total outstanding dues of MSME	904.36	696.80	261.64
(b) Total outstanding dues of creditors other than MSME	6,746.75	7,231.15	8,885.91
Other Current Liabilities	494.76	514.99	218.88
Short-term Provisions	63.02	142.25	289.59
Total Current liabilities	11,890.69	12,713.67	15,034.64
Total Liabilities	14,741.93	15,511.45	16,590.83
Total Equity and Liabilities	16,795.72	18,354.70	20,293.59

Particulars	FY 23	FY 24	FY 25
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	660.07	615.00	573.90
Non Current Investments	425.09	435.58	467.88
Long-Term Loans and Advances	1.79	11.79	10.00
Total Non-Current assets	1,086.95	1,062.37	1,051.78
CURRENT ASSETS			
Inventories	6,459.23	8,050.72	5,584.36
Trade Receivables	8,144.59	7,860.58	12,854.27
Cash & Cash equivalents	397.17	305.75	115.98
Short Term Loans and Advances	283.67	399.70	138.95
Other Current Assets	424.11	675.58	548.25
Total Current assets	15,708.77	17,292.33	19,241.81
Total Assets	16,795.72	18,354.70	20,293.59

Cash Flow Statement			Amt in Lakhs.
Particulars	FY 23	FY 24	FY 25
Net Cash Flow from Operating Activities	-1,281.97	-50.25	578.53
Net Cash Flow from Investing Activities	-150.39	-1.08	29.97
Net Cash Flow from Financing Activities	1,716.39	-40.09	-798.26

Key Ratios

<u>Per Share Data</u>	FY 23	FY 24	FY 25	<u>Valuation Ratios (x)</u>	FY 23	FY 24	FY 25
Diluted EPS	1.18	2.56	5.03	EV/EBITDA	8.36	6.81	5.44
BV per share	70.75	87.14	21.66	Market Cap / Sales	0.07	0.07	0.28
<u>Operating Ratios</u>				P/E	38.14	17.58	8.95
EBITDA Margins	5.00%	6.29%	7.12%	Price to Book Value	0.64	0.52	2.08
PAT Margins	0.92%	1.95%	3.17%	<u>Solvency Ratios</u>			
Inventory days	121.08	133.87	75.47	Debt / Equity	3.17	2.43	1.86
Debtor days	152.68	130.71	173.73	Current Ratio	1.32	1.36	1.28
Creditor days	190.78	196.76	223.65	Quick Ratio	0.78	0.73	0.91
<u>Return Ratios</u>				Asset Turnover	1.16	1.20	1.33
RoCE	18.86%	23.68%	35.88%	Interest Coverage Ratio	1.32	1.70	2.35
RoE	8.76%	15.10%	23.21%				

*Annualized

INTERPRETATION –

1. The top line has increased over the years. It increased by 12.74% in FY24 which is increased due to introduction of a bedsheet and increase in online sales and increase in customers. In FY25 it increased by 23.03% which was mainly due to increase in customer base and a ramp-up in orders from existing long-term client. Also, increase in sales of bedsheets and sarees contributed to the increase.
2. The net profit also increased over the years. It increased by 138.64% in FY24 and it increased by 100.17% in FY25. The increase was due to overall decrease in expenses (majorly cost of materials).
3. The EBITDA margin has increased consistently over the years and PAT margin saw a sudden increase in FY25.
4. The DE ratio has decreased over the years but remained high.

LEAD MANAGER TRACK RECORD –

The lead manager to the issue is **Marwadi Chandarana Intermediaries Brokers 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 –

Marwadi Chandarana Intermediaries Brokers Private Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Kabra Jewels Limited	40.00	128.00	Jan 15, 2025	143.15
2.	Hamps Bio Limited	6.22	51.00	Dec 20, 2024	43.04

The company has handled 2 mandates in the last three years (including current year).

*CMP for the above-mentioned companies is taken as of 02nd June 2025.
As per the offer document, the above-mentioned mandates all have opened at a premium on the listing day.

Recommendation -

N R Vandana Tex Industries Limited has been in the industry since 1992 and has vast experience in the industry.

The P/E on a post-IPO annualized basis is around 12.20 times which makes it fairly priced.

The company's management structure is decent; however, the current management team is condensed and few people have majority of the responsibilities.

The company's top line, EBITDA and bottom line have increased consistently over the years and looks sustainable. The EBITDA margin has increased sustainably over the years and the PAT margin saw a sudden increase in FY25, but it should not be a major concern. The DE ratio has remained quite high but is decreasing over the years. Overall, the financials look sustainable in the long run.

The company does not have concentration for customers and suppliers.

Note that the textile industry is highly fragmented and competitive and there are many established players. Also, the company is generating majority of its revenue from sarees and the company operates in a high volume and low margin model.

Thus, investors can **APPLY** to this IPO and monitor post listing performance.

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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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