

Malpani Pipes And Fittings Limited - IPO Note

A) Company Overview

Malpani Pipes And Fittings Limited, formerly known as "Malpani Pipes And Fittings Private Limited," was incorporated on February 3, 2017. The company converted into a public limited entity on July 29, 2024.

Malpani Pipes is engaged in the manufacturing of **high-grade plastic pipes**, including High-Density Polyethylene (HDPE), Medium-Density Polyethylene (MDPE), and Linear Low-Density Polyethylene (LLDPE) pipes. Additionally, it offers HDPE Sprinkler Systems and drip irrigation solutions.

The company's manufacturing facility is located in Ratlam, Madhya Pradesh, and it distributes products via warehouses in Bhiwandi and Amravati in Maharashtra.

B) Business Model & Revenue Model

Malpani Pipes And Fittings Limited operates as a manufacturer and distributor of plastic pipes used in various applications, including irrigation, agriculture, and industrial purposes. The company focuses on quality and adheres to ISO 9001:2015 standards.

Revenue streams include:

- Manufacturing turnover from the sale of plastic pipes.
- Trading turnover from the sale of imported raw materials (granules) and PVC pipes.
- Sale of services related to product distribution and related solutions.
- Other operating revenue from additional business activities.

C) IPO Objectives

The company is raising funds through its IPO for:

1. Capital Expenditure: ₹350.00 lakhs for purchasing new machinery.
2. Debt Repayment: ₹1700.00 lakhs to prepay borrowings.
3. General Corporate Purposes: Funds will not exceed 25% of gross issue proceeds.

D) Management Team

Key executives:

1. Rohit Malpani (Promoter & MD) – Oversees manufacturing, procurement, and strategy.
2. Mohit Malpani (Whole-Time Director) – Leads distribution, marketing, and sales.
3. Harsh Malpani (Whole-Time Director & CFO) – Manages finance and accounts.

E) Financial Performance

Revenue from Operations (₹ in lakhs):

- FY22: ₹3,490.58
- FY23: ₹8,245.09
- FY24: ₹14,096.18

Profit After Tax (₹ in lakhs):

- FY22: ₹89.06
- FY23: ₹208.04
- FY24: ₹739.72

The company saw 70.96% revenue growth in FY24.

F) Export vs. Domestic Sales

Currently, the company focuses on domestic markets, including:

- Madhya Pradesh
- Maharashtra
- Uttar Pradesh
- Gujarat
- Andhra Pradesh
- Rajasthan

G) Valuation

The IPO is coming at valuation of INR 96 Cr and with FY24 PAT at 7.39 Cr, the asking valuation is 13x. The IPO looks decently priced.

Conclusion

Malpani Pipes And Fittings Limited has shown strong financial growth and expansion plans. The IPO proceeds will help scale operations, reduce debt, and enhance corporate initiatives. Investors should assess associated risks while considering the company's potential.