

Neelam Linens and Garments (India) Ltd IPO

About Company

✦ The company, Neelam Linens and Garments (India) Limited, operates primarily in the soft home furnishing industry.

Company's business are divided into two parts as under :-

✦ **Processing and trading of products:** products like bedsheets, pillow covers, duvet covers, towels, rugs, dohers, and various garments, predominantly catering to discounted retail outlets. Since 2023, Neelam has diversified into in-house production of men's and women's fashion apparel.

✦ **Sale of licenses:** The company generates additional revenue through the sale of import licenses. These licenses, granted by the government as incentives for exporters, restrict specific imports, aligning with customs regulations.

Product Wise Sales

Particulars	FY'2024
Bed Sheets	67.91%
Pillow Pairs	3.47%
Towel	0.74%
Hand Towel/Napkin	0.37%
Sale of Import Licenses	27.51%
	100%

Particulars	FY'2024
Domestic Sales	60.75%
Export Sales	39.25%
	100%

Risks and Threats

- ✦ High Debts in the Company having D/E ratio of 2.97 in FY 2024.
- ✦ No Growth in sales and PAT.
- ✦ **Reliance on Government Incentives:** A significant portion of revenue comes from the sale of import licenses and government incentives. Changes or discontinuation of these programs can affect profitability.

Financials

(Fig in Cr)

Particulars	For 3 months ended June 30, 2024	FY'24	FY'23	FY'22
Revenue	21.79	102.33	103.56	101.52
EBITDA	2.83	7.81	6.52	5.93
EBITDA Margin	12.99%	7.63%	6.29%	5.84%
PAT	0.80	2.46	2.37	2.98
PAT Margin	3.67%	2.40%	2.28%	2.93%
CFOA	3.73	0.42	(11.12)	5.82

Peer Analysis

Companies	Revenue	EBITDA	PAT	Mcap	P/E
Neelam Linens and Garments (FY 2024)	102.33 Cr.	7.81 Cr. (7.63%)	2.46 Cr. (2.40%)	48.52 Cr.	19.72
Loyal Textile Mills Limited (FY 2024)	939 Cr.	(36 Cr.)	(40) Cr.	256 Cr.	Loss Making
Bannari Amman Spinning Mills Limited (TTM)	1,041 Cr.	30 Cr.	(17) Cr.	389 Cr.	Loss Making

Conclusion

Neelam Linens and Garments (India) Limited faces high debt and stagnant revenue, impacting financial stability and growth potential. The low PE ratio signals cautious investor sentiment on profitability and returns amid these challenges.



Follow us for
SME & Mainboard
IPO Updates
or visit our website
www.investorzone.in

Disclaimer: *The information provided regarding this IPO is intended solely for educational purposes. It should not be construed as financial advice, an endorsement, or a recommendation to invest. Potential investors are encouraged to conduct their own research and consult with a financial advisor before making any investment decisions. Investing in securities involves risks, and it is important to carefully consider all aspects before committing any capital.*