

## About Company

- ✦ Parmeshwar Metal Limited's primary business is the manufacturing of copper products, including copper wire, copper rods, and copper billets. They manufacture various copper products such as Submersible Winding Wires, Bunched Copper Wires, and Super Enamelled Copper Wires, catering to industries including power, automotive, and electronics.

## Industry Analysis

- ✦ **Growth Drivers:** The copper industry is driven by demand from various sectors such as power, construction, automotive, and electronics. Increasing infrastructure development and urbanization are expected to further boost demand for copper products.
- ✦ **Challenges:** Fluctuations in copper prices, competition from domestic and international players, and increasing input costs are key challenges faced by the copper industry in India.

## Negative Points

### Negative

- ✦ Company financials show a decrease in profitability margins, including EBITDA and PAT margins.
- ✦ The company relies heavily on short-term borrowings for working capital requirements.
- ✦ Fluctuations in copper prices can significantly impact the company's profitability.
- ✦ Competition from both domestic and international players in the copper industry can affect market share.
- ✦ Taxation matters against the company involving amounts Rs. 42.21 Cr.
- ✦ Operations are concentrated in the state of Gujarat as 63% revenue in FY 24.
- ✦ Contingent liability includes disputed GST matters amounting Rs. 8.46 Cr.

## Objects of the Issue

The fresh issue proceeds will be utilized for:

- ✦ Setting up a new manufacturing facility for producing Bunched Copper Wire and 1.6 MM Copper Wire. **Rs. 2.18 Cr.**
- ✦ Funding capital expenditure for furnace renovation.. **Rs. 1.86 Cr.**
- ✦ Meeting working capital requirements. **Rs. 13.92 Cr.**
- ✦ General corporate purposes.

## IPO Details

- ✦ Issue Size :  
**40,56,000 Equity Shares of face value ₹10 each.**
- ✦ Offer for Sale (OFS) :  
**Not Applicable (Entire issue constitutes a fresh issue).**
- ✦ Listing :  
**Proposed listing on the SME Platform of BSE Limited.**
- ✦ Issue Price :  
**Rs. 57 -61.**
- ✦ Pre IPO Promoter Holding :  
**96.33%**
- ✦ Post IPO Promoter Holding :  
**70.80%**

## Financials of the company

(Fig. in Cr)

Particulars	Oct 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	755.76	1100.22	971.94	902.04
Growth in Revenue		13.20%	7.75%	
EBITDA	7.79	11.12	13.65	11.52
EBITDA Margins	1.03%	1.01%	1.41%	1.28%
PAT	5.70	7.21	8.89	6.85
PAT Margins	0.75	0.66	0.92	0.76
ROCE	11.72%	17.51%	22.39%	21.92%
CFOA	6.29	1.28	-2.24	4.64

## Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Parmeshwar Metal (FY 2024)	1100.22 Cr.	1.01%	0.66%	0.34	93.36 Cr.	12.94
Rajnandini Metal (TTM)	1,206 Cr.	1%	0.16%	1.59	249 Cr.	148



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