

United Heat Transfer Limited

United Heat Transfer Limited (UHTL), incorporated in 1995, is engaged in the manufacturing of heat transfer equipment, primarily **shell and tube heat exchangers, air-cooled heat exchangers, pressure vessels, and process flow skids**. These products are crucial components used across several industries, including:

- **Petroleum and Diesel Engines** (for railways, maritime engines, and heavy trucks)
- **Marine Industry** (for cruise and cargo ships, fishing boats, etc.)
- **Power Generation** (in power gen sets and heavy engines)
- **Mining and Off-Highway Engines**

UHTL manufactures these products adhering to internationally recognized standards such as **TEMA** (Tubular Exchanger Manufacturers Association) and **ASME Section VIII Div. 1, Div. 2**, which assures their customers of high quality. The company has established relationships with **OEMs** (Original Equipment Manufacturers), both nationally and internationally. Their clientele includes sectors like **automotive, marine, power generation, and heavy machinery**.

Key Strengths:

- Expertise in **high-quality craftsmanship**.
- Capability for **technological innovation** and manufacturing standards for customized equipment.

The company operates in the **B2B space**, primarily selling its equipment to large industrial manufacturers and businesses.

2. Industry Overview

The heat transfer equipment industry is closely linked to **industries like petroleum, power generation, maritime, and automotive manufacturing**. The sector is driven by industrial growth and demand for energy-efficient equipment.

Challenges to the industry include **global supply chain issues, raw material price fluctuations**, and competition from international manufacturers.

3. Management Profile

The company is promoted by:

- **Yogesh Vishwanath Patil** (Promoter) is a founding Promoter of the company with over 29 years of experience in production, commercial, and finance within the Heat Exchanger industry. He holds a Higher Secondary degree and currently manages the company's Commercial and Finance functions
- **Vivek Vishwanath Patil** (Promoter) is a Founding Promoter of the company with over 29 years of experience in design, marketing, and administration. He holds a Post-Graduate Diploma in Boiler and Process Equipment Design and Engineering.

- **Durva Yogesh Patil** (Promoter) has 8 years of experience, notably as the proprietor of "BELLO" since July 2015. She joined the company 6 months ago as Executive Director and will be re-designated as a Non-Executive Director effective May 31, 2024.
- **Shatanik Vivek Patil** (Promoter) is pursuing a Chemical Engineering degree from KK Wagh College of Engineering, Pune. With 2.5 years of experience, he has been Director at Uniheat Research and Solutions Pvt. Ltd. since March 2022.

Key managerial personnel include:

- **Diksha Sadanand Shetty**, the Company Secretary and Compliance Officer.

The management is experienced, with a strong understanding of the heat transfer and manufacturing industry.

4. Top 5 Risk Factors

1. **Dependency on Key Industries:** UHTL relies heavily on the petroleum, marine, and automotive industries. Any downturn in these sectors could directly impact its revenues.
2. **Competition:** The company faces competition from both **domestic and international** manufacturers of heat transfer equipment, which could affect margins.
3. **Raw Material Prices:** Fluctuations in the cost of steel and other raw materials could adversely impact profitability as these are essential inputs in manufacturing.
4. **Technological Advancements:** Failure to adopt new manufacturing technologies or improve product efficiency could cause the company to lose out to competitors.
5. **Customer Concentration:** A large portion of revenue may come from a few significant customers, increasing dependency risks.

5. Objects of the Issue

The company aims to raise funds primarily for:

1. **Repayment of Loans:** ₹573.38 lakhs (₹5.73 crores)
2. **Working Capital Requirements:** ₹1,400 lakhs (₹14 crores)
3. **General Corporate Purposes**

6. Financial Analysis

Particulars (In Lakhs)	2022	2023	2024	4M-FY25
Revenue from Operations	4,765	6,995	6,019	2,119
Other Income	31	45	390	0.6
Total Revenue	4,796	7,040	6,410	2,120
Raw Material Consumption	3,193	3,911	3,314	915
Change in Inventories	-530	121	70	137
Employees Benefit Expenses	527	643	614	239
Other Expenses	960	1,543	1,022	301
EBITDA	647	822	1,389	528
OPM (%)	13.48%	11.68%	21.68%	24.91%
Depreciation & Amortisation	121	148	183	66
EBIT	526	674	1,206	463
Finance Cost	296	392	420	144
PBT	215	282	786	319
Tax	62	70	162	76
PAT	153	212	624	243
NPM (%)	3.18%	3.00%	9.73%	11.44%
No.of Shares	190.04	190.04	190.04	190.04
EPS	0.80	1.11	3.28	1.27

8. Conclusion

- **Business Prospects:** The company has a solid background in manufacturing essential industrial equipment. It is poised for growth due to its client base in expanding sectors such as energy and power.
- **Risks:** High dependency on specific industries and customer concentration may pose challenges.
- **Valuation:** At a P/E of 17.97, and Mcap is 112 Crores.