

**View: SUBSCRIBE****Date 16/02/2024**

Kalahridhaan Trendz Limited (KTL) founded in 2016, specializes in the textile industry, focusing on the manufacturing and trading of embroidered fabrics, and dealing in grey cloths. KTL operates primarily in the B2B segment, offering services such as dyeing and printing of suiting, shirting, and dress materials. It has positioned itself as a first-stage wholesaler, directly supplying materials to other wholesalers. KTL also undertakes embroidery work for its business and on behalf of clients

Kalahridhaan's success has been achieved due to its quick response to the changing needs of local and global fashion trends, and the company's innovative approach to continuously develop new products using new technologies and high technology

KTL is promoted by Mr Niranjan Agarwal designated as Promoter and Managing Director. He has been associated with the Company as a director since Inception i.e. May 27, 2016 & has been leading the Strategy and Business Development department of KTL

He possesses more than 40 year of experience in the textile industry. His major roles include administering business strategies to streamline company growth and ensuring smooth running of existing operations

Mr. Aditya Agarwal is a Whole-time director & has completed his Bachelor of Technology in Chemical Engineering from Nirma University, Gujarat in the year 2015. His responsibilities include acting as a mediator between other Directors and company team heads. He supervises all client interactions and manages the client relations

KTL is now looking at raising Rs 22.49 crs via a fresh issue primarily to fund working capital requirements & General corporate purposes KTL is making a fresh issue of 49.98 lac shares of Rs 10 each aggregating Rs 22.49 crs. The net offer to the public is 47.46 lacs shares offered at a fixed price of Rs 45 per share. 23.73 lac shares are reserved for retail investors, & the rest 23.73 lac shares to the Non-Institutional HNI category. The shares will be listed on the NSE EMERGE platform of (National Stock Exchange)

**Issue opens** on 15-02-2024**Issue closes** on 20-02-2024**Exp date of Listing** – 23<sup>rd</sup> Feb 2024**Listing** – NSE Emerge**Price** ₹ 45**Issue Size** ₹ 22.49 Crs**Face Value** ₹10 /-**Lot Size** - 3000**Fresh Shares Offered** – 49.98 lac shares at price of Rs 45**Retail Portion** 23.73 lac Equity Shares of ₹10.00 each at Rs 45**HNI/NII** 23.73 lac Equity Shares of ₹10.00 each at Rs 45**BRLMs:** Interactive Financial Services Limited

## **Key Business of KTL**

KTL is engaged in manufacturing and trading of fabrics with embroidery, trading of grey fabrics, buying of grey fabrics and printing and dyeing of suiting, shirting and dress fabrics for sale in the B2B market.

### **The company has two divisions:**

- Embroidery and knitting
- Dyeing and printing of cloths

The company's manufacturing facility is located in Ahmedabad, Gujrat, and has a production capacity of 1.00 lakh metres per day

Kalahridhaan Trendz Limited, founded in 2016, specializes in the textile industry, focusing on the manufacturing and trading of embroidered fabrics, and dealing in grey cloths.

The company operates primarily in the B2B segment, offering services such as dyeing and printing of suiting, shirting, and dress materials. It has positioned itself as a first-stage wholesaler, directly supplying materials to other wholesalers. The company also undertakes embroidery work for its business and on behalf of clients

### **Dyeing and Printing**

Kalahridhaan offers almost all types of finishing machines and magic fabrics from shredding and dyeing to dyeing and printing, finishing and folding using new automatic control machines and natural and synthetic fibers

Company offers a variety. of the fabrics produced. Various types of fabrics such as cotton, polyester, wool, viscose, silk and fabric, cotton, plush, tubular fabric, etc

### **Clothing material**

As pioneers in the development of various combinations and shades, the company has always responded to the different needs of its customers. KTL has emerged as a one-stop textile solutions provider for companies facing the most demanding markets in India and the world

### **Shirts & Suits**

Kalahridhaan's success has been achieved due to its quick response to the changing needs of local and global fashion trends, and the company's innovative approach to continuously develop new products using new technologies and high technology

## India's Textile Industry Potential going ahead looking strong –

India is the world's second-largest producer of textiles and garments. It is also the sixth-largest exporter of textiles spanning apparel, home and technical products. India has a 4% share of the global trade in textiles and apparel.

The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports

The Indian textiles market is expected to be worth >US\$ 209 billion by 2029. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. In December 2022, the Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Mr. Piyush Goyal, advocated that India should take its textile exports to US\$ 100 billion by 2030

In September 2021, the government approved a Rs. 10,683 crore (US\$ 1.44 billion) production-linked incentive (PLI) scheme for the textiles sector. This will benefit the textile manufacturers registered in India

Incentives under the scheme will be available for five years from 2025-26 to 2029-30 on incremental turnover achieved from 2024-25 to 2028-29. The scheme proposes to incentivise MMF (manmade fibre) apparel, MMF fabrics and 10 segments of technical textiles products

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The textile and apparel industry is expected to grow to US\$ 190 billion by FY26

## Financials –

31st March (₹) Cr.	FY21	FY22	FY23	Sep-23
<b>Total Revenue</b>	132.36	183.9	184.17	84.27
<b>EBIDTA</b>	4.1	6.62	13.76	10.37
<b>EBIDTA %</b>	3.10	3.60	7.47	12.31
<b>PBT</b>	1.53	3.3	8.9	6.35
<b>Profit After Tax</b>	1.1	2.46	6.66	4.78
<b>EPS Rs</b>	1.81	4.04	10.94	3.92
<b>Shareholders' Funds</b>	8.99	11.46	18.18	22.9

Source - Company

## Risks-

- Environmental risks like floods, heavy rainfalls & Cyclones can significantly affect business growth

## **Our View on This IPO**

Kalahridhaan Trends Limited (KTL) which is tapping the capital market enjoys a strong track record of ramping up its turnover in the last two years & building strong business relationships with its domestic customers across the textile sector, which has helped it significantly scale its operations significantly.

KTL is a domestically grown, fully integrated player in the Textile market segment and enjoys a strong presence in this market for the last 8 years

Also the KTL's promoters have significant industry experience and have been instrumental in the company's consistent growth. The management team's combined expertise and experience are also a significant asset going ahead.

We are positive on KTL for the long term as both India's Textile market offers a massive runway for growth over the next 3-5 years ahead.

**More importantly KTL is an established textile player with a track record of over 15 years and expects both volume and margins benefits from its existing customers which are witnessing healthy demand which will make it a formidable player with stronger growth prospects ahead**

**After the proposed IPO, the company's net worth will total Rs 39.41 crore; post-IPO, the equity capital will stand at Rs 17.18 crore.**

We are confident that Kalhridhaan Trendz Limited will deliver consistent performance and provide an excellent investment opportunity for investors with a long-term horizon.

Hence, we recommend **SUBSCRIBE** for long-term investment