

## IPO NOTE

### Issue Details

<b>Price Band:</b> ₹ 366 to ₹ 385
<b>Issue Opens on:</b> September 20, 2023
<b>Issue Closes on:</b> September 22, 2023
<b>Lot Size:</b> 38 Shares & in Multiples thereafter

### Issue Highlights

<b>Issue Size:</b>	₹ 730 Cr.
<b>No of Shares:</b>	18,961,038
<b>Face Value:</b>	₹ 1

### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	603.00
Offer for Sale	127.00
<b>Total</b>	<b>730.00</b>

### Issue Breakup

Reservation for	% of Issue	₹ in Cr. (At upper band)
QIB	75	547.50
HNI	15	109.50
Retail	10	73.00
<b>Total</b>	<b>100</b>	<b>730.00</b>

### Listing

BSE & NSE

### Lead Managers

- AXIS Capital Advisors Limited.
- ICICI Securities Limited
- Kotak Mahindra Capital Company Limited

### Registrar

Link Intime India Private Limited

### ANALYST

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### SALES

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## COMPANY OVERVIEW

Signatureglobal commenced operations in 2014 through the Subsidiary, Signature Builders Private Limited. The company has grown operations over the years and in less than a decade, and as of March 31, 2023, they sold 27,965 residential and commercial units, all within the Delhi NCR region, with an aggregate saleable area of 18.90 million square feet. It has strategically focused on the Affordable Housing ("AH") segment (below ₹ 4 million price category) and the Middle Income Housing ("MH") segment (between ₹ 4 million to ₹ 2.5 million private category) through Gol and state government policies. The state government of Haryana under its various policies allows development of AH and MH.

In terms of sales in Gurugram, the company had a market share of 31% in the affordable and lower mid segment, and a market share of 24% in all budget categories, in the period from 2020 to the three months ended March 31, 2023. At the same time, it is the largest real estate developer under the AHP in the Gurugram and Sohna region, with a market share of 18% in terms of total supply of units. Most of their Completed projects, Ongoing projects and Forthcoming projects are located in Gurugram and Sohna in Haryana, with 88.49% of saleable area located in this region as of March 31, 2023. It has an extensive distribution network with 593 channel partners and an in-house team of 41 employees engaged in direct sales and 100 employees for indirect sales, as of March 31, 2023.

The company provide "value homes" with attractive designs and amenities. It proactively seeks to enhance the value of projects by creating a better living environment through the provision of comprehensive community facilities and by engaging renowned architects. Their high asset turnover has enabled to generate positive cash flows in a relatively short period of time to support further developments.

## HIGHLIGHTS

1. Largest affordable and lower-mid and mid segment real estate developer in Delhi NCR
2. Fast growing with ability to scale up rapidly
3. Ability to provide aspirational lifestyle and amenities at affordable pricing and at strategic locations
4. Standardized product offerings, quick turnaround and end-to-end in-house project execution expertise
5. Positive operating cash flows with low levels of debt

## OBJECTS OF THE ISSUE

1. Re-payment or pre-payment, in full or in part, of certain borrowings availed by the company (₹ 264 Cr.)
  2. Infusion of funds in certain of the subsidiaries, namely Signatureglobal Homes, Signatureglobal Developers, Signatureglobal Business Park. and Sternal Buildcon for re-payment or pre-payment, in full or in part, of certain borrowings availed by the Subsidiaries (₹ 168 Cr.), and
  3. Inorganic growth through land acquisitions and general corporate purposes
- Offer for Sale of Equity Shares aggregating upto ₹ 127 Cr. The Company will not receive any proceeds from Offer for Sale.

## OUR VIEW

Incorporated in 2000, Signature global (India) Limited is a real estate development company. The company is focused on offering affordable and mid-segment housing in terms of units supplied. The projects under the DDJAY – APHP (The Affordable Plotted Housing Policy or the Deen Dayal Jan Awas Yojana ("DDJAY - APHP")), typically priced between ₹ 4.00 million and ₹ 12.00 million per unit, provide facilities including gymnasiums, recreational spaces, etc. There are 29 ongoing and 19 forth coming projects over 216.57 and 379.07 acres of land respectively.

The Sales grew at a CAGR of 42.46% from ₹ 16,902.74 million in FY21 to ₹ 34,305.84 million in FY23. The company could not create positive bottomline even though topline recorded positive growth of CAGR around 335% in the same time period. Net Det of the company increased by 40% from FY21-23.

The company's revenue is primarily concentrated in Delhi NCR, Gurugram and Haryana regions. Any supply demand fluctuations in the region may impact the company's operations.

The issue is priced at a P/BV of 101.05 based on its NAV of ₹ 3.81. The company has posted losses for the last three fiscals. Keeping in mind the Real Estate industry & fluctuating demand style is a concern. Looking at both opportunities and challenges faced by the company and keeping the further performance of the company, Cautious investing by cash surplus investors as and when the performance turns around.

### Brief Financials

PARTICULARS	₹ in Million		
	FY '23	FY '22	FY '21
Total Income	15,858.78	9,396.00	1,547.19
Total Expenditure	16,426.28	10,760.17	2,466.55
EBITDA	2,155.64	273.82	(582.85)
Profit/(Loss) before Tax	(567.50)	(1,364.17)	(974.61)
Profit/(Loss) for the year	(637.15)	(1,155.00)	(862.78)
E.P.S. (Diluted)	(5.44)	(10.23)	(7.56)
P/E (x) (Diluted)	-	-	-

### PRICE CHART (@ ₹ 385) (Retail Category)

LOT SIZE	Amount
38	14,630
76	29,260
114	43,890
152	58,520
190	73,150
228	87,780
266	102,410
304	117,040
342	131,670
380	146,300
418	160,930
456	175,560
494	190,190

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Between ₹ 2 to ₹ 10 Lakhs (Minimum Shares)	532	204,820
Between ₹ 2 to ₹ 10 Lakhs (Maximum Shares)	2,584	994,840
Above ₹ 10 Lakhs	2,622	1,009,470

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	27/09/2023
Initiation of refunds/unblocking ASBA Fund	28/09/2023
Credit of Equity Shares to demat accounts of Allottees	29/09/2023
Commencement of trading of the Equity Shares on the Stock Exchanges	03/10/2023

For more details, please refer RHP,  
([https://www.sebi.gov.in/filings/public-issues/sep-2023/signatureglobal-india-limited-rhp\\_76826.html](https://www.sebi.gov.in/filings/public-issues/sep-2023/signatureglobal-india-limited-rhp_76826.html))

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