BONANZA RESEARCH – SME IPO

Bonanza

16 July 2026

Sotefin Bharat Limited - SUBSCRIBE

Company Overview

Sotefin Bharat Limited, incorporated on Mar 16, 2012 in Kolkata, West Bengal, is a specialised provider of Mechanised & Automated Car Parking Systems (APS) and Automated Storage and Retrieval Systems (ASRS). The company was originally incorporated as "Pisa-Sotefin Parking Private Limited" and was converted into a public limited company on Nov 28, 2025. Through a partnership with Sotefin SA, Switzerland, providing access to the patented SILOMAT Dolly technology, a pallet-less, contactless vehicle handling system.

Investment Rationale

- **Strong Structural Tailwinds:** Indian APS market projected to grow from USD 679.8 Mn (2025) to USD 888.1 Mn by 2031, with Tower Systems growing at 11.4% CAGR. Urbanisation, Smart Cities Mission, and Bharatmala/Gati Shakti provide multi-decade demand runway.
- **Superior Technology Moat:** Exclusive India access to Swiss SILOMAT Dolly patented technology, a differentiator versus competitors offering conventional puzzle/tower parking with 0% redundancy.
- **Explosive Revenue Growth:** Revenue doubled from Rs. 5,628 Lakh (FY24) to Rs. 11,674 Lakh (FY26), a 2 year cumulative growth of 107%. PAT grew 178% over the same period.
- **Margin Expansion Story:** EBITDA margin expanded meaningfully from 18.73% (FY24) to 25.55% (FY26) due to operational leverage and reduced civil & installation costs from 37.83% to 24.40% of revenue.
- **Robust Order Book Visibility:** Unexecuted order book of Rs. 53,439.85 Lakh as of March 31, 2026, providing 4.6x FY26 revenue visibility.
- **Localisation & Vertical Integration Play:** IPO proceeds funding a new facility with 60 robots/annum capacity, reducing dependency on Swiss imports and improving margins further.
- **Marquee Client Roster:** Government/PSU clients are MCGM/BMC, CPWD, NHIDCL, NBCC, Delhi Metro, MMRDA; 57% repeat business from existing customers.

Valuation

At the upper band of Rs. 187, Sotefin Bharat is valued at roughly 19.55x post-issue FY26 EPS, fair for a company whose profit jumped 178% in two years, with margins widening to 25.5% and a strong 27% return on equity. A Rs. 534 Cr order book, low debt, and exclusive Swiss robotic-parking technology make it India's first pure-play listed parking company at an attractive price. Hence, we recommend **SUBSCRIBE** to this SME IPO.

IPO Details	
Industry	Industrial Products
Issue Open Date	16-Jul-26
Issue Close Date	20-Jul-26
Price Band	Rs. 178-187
Issue Size*	Rs. 8,976 Lakh
Issue Size (Shares)	48,00,000
Bid Lot	600 Shares
Listing Exchanges	BSE SME
Face Value	Rs. 10/-

*At highest price band

Issue Details	
Fresh Issue*	Rs. 8,976 Lakh
Issue Type	Fresh Capital only
Lead Manager	Choice Capital Advisors
Registrar	Bigshare Services
Issue structure	Market Maker: 5.00% QIB: 47.50% NII: 14.25% Retail: 33.25%
Allotment	21-Jul-26
Credit of Shares	22-Jul-26
Listing Date	23-Jul-26

Objective of Issue

Particular	Estimated Amt (in Lakh)
Capex	2,830
Working Capital	4,000
General Corporate Purposes	-

Shareholding Pattern

Shareholding (%)	Pre (%)	Post (%)
Promoter	62.11	45.82
Public & Others	37.89	54.17

Business Highlights

Product Portfolio:

- Robotic Parking Systems
- Tower Parking
- Puzzle & Silo Systems
- Stack Parking
- ASRS for Defense, Ports, Buses, Containers
- AMC & Maintenance Services

Geographical Presence: Domestic operations concentrated in Mumbai (82.55%) and Delhi (14.19%), together 96.74% of revenue. Recent international footprint in USA and UAE.

Financials

Profit & Loss Statement:

Particulars (in Lakh)	FY24	FY25	FY26	CAGR (FY24-26)
Revenue from Operations	5,628	9,378	11,675	44%
EBITDA	1,054	1,846	2,983	68%
EBITDA Margin	18.73%	19.69%	25.55%	
PAT	625	1131	1737	67%
PAT Margin	11.10%	12.06%	14.88%	

- Revenue doubled in 2 years from Rs. 5,628 Lakh to Rs. 11,674 Lakh.
- Massive EBITDA margin expansion of 586 bps in FY26 alone, reflects operating leverage and start of own manufacturing.
- PAT growth (+178% over 2 years) outpaces revenue growth, indicating strong profitability trajectory.

Balance Sheet:

Particulars	FY24	FY25	FY26	Particulars	FY24	FY25	FY26
Equity & Liabilities				**Assets**			
Net Worth	2,788	5,651	8,393	PPE	1,265	2,462	3,477
Long Term Debt	91	312	399	Inventories	515	855	912
Short Term Debt	1,787	904	2,002	Trade Rec.	3,680	5,613	7,513
Trade Payables	951	2,117	974	Cash	203	110	76

- Total assets doubled in 2 years, driven by capex and working capital build-up.
- Trade receivables ballooned to Rs. 7,513 Lakh (64% of FY26 revenue), reflecting long government payment cycles.
- Debt-Equity remains conservative at 0.31x, though debt increased in FY26 to fund working capital.
- Cash balance is thin at Rs. 75.69 Lakh, one reason for the Rs. 4,000 Lakh working capital raise via IPO.

Cash Flow:

Particulars	FY24	FY25	FY26
Operating Cash Flow	132.96	402.10	(685.84)
Investing Cash Flow	(195.31)	(1,279.90)	(1,254.46)
Financing Cash Flow	14.81	884.16	1,940.50
Net Cash Flow	(47.54)	6.35	0.20

- FY26 saw negative operating cash flow of Rs. 685.84 Lakh, driven by Rs. 2,104 Lakh jump in receivables and Rs. 1,115 Lakh drop in trade payables. **This is the biggest financial red flag**.
- Heavy investing outflows Rs. 1,254 Lakh in FY26, reflect capex on manufacturing facility.
- Financing side supported growth via Rs. 1,011 Lakh pre-IPO placement (Nov 2025, to 15 investors including Wealthwave Capital Fund) + net borrowings of Rs. 1,185 Lakh.
- Closing cash of just Rs. 10 Lakh is uncomfortably low, the IPO working capital tranche is critical.

Key Ratios:

Ratio	FY26
Return on Equity	26.98%
Return on Capital Employed	33.31%
Debt-Equity Ratio	0.31x
Current Ratio	2.27x
EPS (Rs.)	13.39
NAV (Rs.)	60.21

RoE declined from 33% to 27% (dilution from equity infusion), though absolute profits doubled.
RoCE remained robust at 33%, capital deployment is highly productive.

Peer Comparison

The Company does not have any listed industry peers.

Risk & Concerns

- **Supplier Concentration:** Sotefin SA, Switzerland accounts for 50.40% of total purchases.
- **Extreme Customer Concentration:** Top 10 customers are 91.77% of FY26 revenue, the single largest customer is 48.25% of revenue, and government/PSU exposure is 56.52%, with rigid contracts, liquidated damages, and prolonged payment cycles.
- **Geographic Concentration:** Mumbai (82.55%) and Delhi (14.19%), both 96.74% of revenue.
- **Cash Flow Stress:** Negative operating cash flow of Rs. 685.84 Lakh in FY26
- **Industry-Specific Risks:** High upfront cost may push developers toward conventional parking.
- **Competition:** Wohr, Klaus Multiparking, and unorganised players.

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