

All About



Sector - Miscellaneous



Issue Opens - **March 13 - March 15**

Price Band

₹133 - ₹140

Face Value
₹10

Lot Size
100 Shares

Issue Size
154.98 Cr.

Issue Type
Book Built

Research@ganeshstock.com

Important Events



Issue Size

₹147.23 - 154.98 Cr

Fresh Issue

8,520,000 shares

Offer for Sale

2,550,000 shares

Basis of Allotment

Mar 20, 2023

Initiation of Refunds

Mar 21, 2023

Credit of Shares to
Demat

Mar 22, 2023

Global Surfaces

Mar 23, 2023

IPO Listing Date

Promoters

- Mr. Mayank Shah (Chairmen & Managing Director)
- Mr. Rajesh Gattani (Chief financial officer)

Promoters collectively hold 99.35% of the Equity Share .

About Company



- Global Surfaces Ltd ("GSL") manufactures and processes natural stones in addition to manufactured quartz. Marble, granite, limestone, onyx, slate, quartzite, sandstone, travertine, and other items that are mined from the earth are examples of natural stones that are created by intricate geological processes. Since no two natural stones are exactly same, natural stones are renowned for their aesthetic appeal, individuality, colour, texture, and composition. On the other hand, engineered quartz, a composite material comprised of crushed stone bound by an adhesive, is an example of engineered stone utilised in the countertop business.
- Global Surfaces Ltd ("GSL") has two facilities for the manufacturing and processing of the products, one in RIICO Industrial Area, Bagru Extn, Bagru, Jaipur, Rajasthan, and the other at Mahindra World City SEZ, Jaipur, Rajasthan.



Product Portfolio

- The Natural Stone products segment may be further divided into:
 - Marble
 - Granite
 - Quartzite and others
- Engineered Stones: Engineered stone, is a composite material formed out of crushed stone that is held together by an adhesive. The various types of engineered stones are:
 - Engineered quartz,
 - Polymer concrete and
 - Engineered marble

Objects of the offer

- investment in Global Surfaces FZE, a fully owned subsidiary, to help with capital expenditures related to the establishment of an engineered quartz production facility at The Jebel Ali Free Zone in Dubai, United Arab Emirates (UAE);
- General corporate purposes.

Track Record Of Financial Performance



- revenue from operations for Fiscal 2020 , 2021 and 2022 was ₹ 163.29Cr, ₹175.37Cr and ₹190.31Cr, respectively. The growth in the revenue from operations Increased with CAGR of 8%.
- EBITDA was ₹42.81Cr, ₹50.95Cr and ₹ 49.85Cr for the Financial Years ended, 2020 , 2021, & 2022 respectively
- PAT was ₹ 20.96Cr, ₹33.93Cr and ₹35.63Cr for the Financial Years ended 2020 , 2021 & 2022 respectively
- Global Surfaces Ltd has posted Total Assets of Rs. 129cr. , Rs. 159 and Rs.236 for FY 20,21 & 22.
- Total Borrowings 54 in FY 20 38 in FY21 and 79 for FY22
- Global Surfaces Ltd has reported an EPS of Rs. 32.5 , Rs. 52.61 & Rs, 10.52 for the FY20, 21 & 22 and an average RoNW of 32.51 %.
- Net cash reported for the years -3cr in FY20 5Cr in FY21 & -3 Cr In fy 22



Strengths

- From a single category to a multi-category stone manufacturing enterprise, the business has expanded.
- In the fiscal year 2021–2022, the wide product range and numerous design exports company will account for 99.13% of operating revenue and have increased at a CAGR of 21.60% during the previous 11 years.
- Good quality controls minimise loss.

Risks

- The company does not enter into long-term contracts with its customers, and a significant portion of its income are based on a small number of clients.
- Lack of sufficient cash flow from operations or inability to borrow to cover working capital requirements could have an impact on the business because it is capital intensive. Were we unable to obtain the desired quality, quantity, and prices of our raw materials in a timely manner and at reasonable costs, or even at all
- use of its production potential is insufficient

Valuation and Outlook

The issue's price range, in terms of valuation, is INR 133 -140 per share. A P/E ratio of 13.38x is based on a price range above INR 140 and FY22 EPS of INR 10.52.

The Global Surfaces Limited, According to RHP of only one company is listed whose PE Multiple is shown in this table.

S.No.	Company	PE Ratio
1.	Pokarna Limited	73.5

The company produces manufactured quartz in addition to processing natural stones. Its RoE and RoCE have showed trends towards decline. The issue is aggressively priced based on annualised earnings for FY23. A long-term investment may be considered by knowledgeable/cash-surplus investors.