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Issue Offer

Fresh Issue of 61,98,000 Equity shares aggregating up to INR 278.91 Mn

Issue Summary

Price Band INR	42-45
Face Value INR	10
Implied Market Cap INR Mn.	1,048.3
Market Lot	3,000
Issue Opens on	May 28, 2025
Issue Close on	May 30, 2025
No. of share pre-issue	1,70,96,809
No. of share post issue	2,32,94,809
Listing	NSE SME

Issue Break-up %

QIB Portion	≥ 50%
Retail Portion	≤ 35%
NII Portion	≤ 15%

Registrar

Cameo Corporate Services Ltd.

Book Running Lead Managers

Marwadi Chandarana Intermediaries Brokers pvt. Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100.00%	73.39%
Public & Others	0.00%	26.61%

Objects of the issue

- Funding working capital requirements of the Company
- Prepayment/ Repayment of loan
- General corporate purposes

N R Vandana Tex Industries Limited, headquartered in Kolkata, West Bengal, is a well-established player in the Indian textile and apparel industry, operating under its flagship brand “Vandana Fashion.” Originally incorporated in 1992 as N.R. Design Centre Private Limited, the company has evolved over three decades from a small-scale fabric trading house to a fully integrated textile company engaged in manufacturing, sourcing, designing, and marketing fashion fabrics and ready-to-stitch garments. With a strong presence in Eastern India, especially in the Barabazar wholesale textile hub, the company caters to wholesalers, semi-wholesalers, and multi-brand retail outlets across states like West Bengal, Bihar, Jharkhand, and Odisha. The company’s business model is built on product innovation, cost-efficient sourcing, and a deep understanding of regional fashion preferences.

Investment Rationale

Strategic Market Position with Deep Distribution Reach: N R Vandana Tex has established a dominant footprint in the Barabazar textile market, which serves as a regional wholesale hub for Eastern India. The company has built a loyal network of more than 600+ channel partners, retailers, and agents. This wide-reaching distribution network ensures market penetration, repeat demand, and healthy receivable cycles, even in semi-urban and rural

Diverse Product Portfolio with Scope for Value Addition: With offerings ranging from dress materials to ethnic wear and designer fabrics, the company caters to affordable fashion trends for Tier-II and Tier-III markets. Its vertically coordinated operations from sourcing to semi-processed products and finished goods allow for better cost control, flexible inventory management, and faster response to changing consumer preferences. Upcoming plans to introduce semi-stitched and branded collections under the “Vandana Fashion” label

Brand Building Focus and Scalable Retail Strategy: Transitioning from a low-margin wholesale model to a brand-led retail and semi-wholesale strategy, the company is investing in brand development, packaging, catalogues, and retailer engagement. The IPO proceeds are planned to be utilized for working capital enhancement, retail outlet expansion, warehouse upgrades, and digital marketing, setting the stage for stronger unit economics and higher margins. The brand “Vandana Fashion” aims to establish a deeper emotional connect with end-consumers and position itself as a preferred ethnic fashion choice in regional markets.

Proven Legacy with Experienced Promoters: The company benefits from over 30 years of consistent operational history, under the leadership of a seasoned promoter group with in-depth industry expertise. Their long-standing relationships with fabric mills, traders, and retailers provide a strong backbone for sourcing, production, and distribution, thereby reducing dependency and enhancing agility in a dynamic market.

Valuation and View: N R Vandana Tex has established a dominant position in Eastern India's Barabazar textile hub, supported by a strong distribution network of 600+ partners, enabling deep market penetration and efficient receivable cycles, even in semi-urban and rural areas. With a strategic shift from a low-margin wholesale model to a brand-led retail and semi-wholesale approach under the “Vandana Fashion” label, the company is focused on enhancing brand equity, improving unit economics, and capturing higher-margin opportunities. IPO proceeds are earmarked for scaling retail presence, strengthening warehousing, digital marketing, and augmenting working capital, positioning the company for long-term growth and profitability expansion. At the upper band of INR 45, the issue is valued at a P/E ratio of 12.19x, based on PAT of FY25 EPS of INR 3.69. We are recommending a “Subscribe” for this issue currently.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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