

Msafe Equipments IPO

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- The company is engaged in the business of manufacturing, marketing and renting height safety equipments.
- The company posted growth in its top and bottom lines for the reported periods.
- Its profit margins raise eyebrows and concern over its sustainability going forward, as it is operating in a highly competitive and fragmented segment.
- Based on its recent financial data, the issue appears greedily priced.
- Well-informed investors may park moderate funds for medium term.

About the Company

Msafe Equipments Ltd. (MEL) is engaged in the business of manufacturing, sales and rental of access and height-safety equipments, primarily used to facilitate safe working at heights. Its product portfolio includes aluminium scaffoldings, mild steel (MS) scaffoldings, aluminium ladders and fibre reinforced plastic (FRP) ladders, which are designed to meet varied operational and safety requirements across construction, maintenance, installation, repair and infrastructure development activities. These products provide safe and stable access for vertical and elevated operations, enabling workers to undertake a wide range of activities such as building exterior works (including façade and cladding installation), painting and plastering, HVAC and MEP work, electrical cabling and fittings, ceiling and interior finishing, fire-fighting works and warehouse stacking and retrieval, among others, while significantly reducing the risk of workplace accidents.

The India Scaffolding Market was valued at Rs. 7208.97 crores in 2024 and is expected to reach Rs. 12811.78 crores in 2030, registering a CAGR of 10.06% for the forecast period (2024-2030). The scaffolding industry is moving away from traditional bamboo and basic mild steel pipes to advanced, safety-certified systems like cup lock, ring lock, and Aluminium stairway towers. Aluminium scaffolding is becoming increasingly popular due to its lightweight nature, ease of transportation, rapid assembly, corrosion resistance and extended lifespan. (Source: Mordor Report).

The India Ladders Market was valued at Rs. 1,358.27 crores in 2024 and is expected to reach Rs. 2,233.90 crores in 2030, registering a CAGR of 8.65% for the forecast period (2024-2030). Growth in this sector is driven by infrastructure development, urbanization, industrial expansion, stringent safety regulations, and innovations in ladder design and materials. (Source: Mordor Report). The company offers various types of aluminium scaffoldings such as stairway, narrow-width, extra reach, podium, cantilever, and bridge sections.

Aluminium scaffoldings are lightweight, modular systems known for rapid assembly and scalability. MS scaffoldings are steel structures used in long-duration construction and infrastructure projects that require higher structural strength and load-bearing capacity. Aluminium and FRP ladders include A-type, straight, platform and cage variants. Aluminium ladders are commonly used where mobility is required, while FRP ladders are non-conductive and suitable for electrical applications. Its customer base extends across a wide spectrum of industries, including civil construction, infrastructure development, facility management, HVAC solutions, MEP contracting, interior contracting, electrical contracting, warehousing and logistics, firefighting and safety systems, among others. However, the company is operating in a highly competitive and fragmented segment.

Until FY 2022-23, the Company relied on third parties for the supply of aluminium scaffoldings, which were procured either through job-work or direct purchases. In FY 2023-24, it commenced in-house manufacturing covering aluminium scaffoldings, ladders (FRP and Aluminium) and MS scaffoldings, while earlier its product portfolio primarily comprised aluminium scaffoldings and aerial work platform (AWP) scissor lifts. In FY 2023-24, MEL not only expanded its product offering to include ladders (FRP and Aluminium) and MS scaffoldings but also transitioned from reliance on third-party sourcing to in-house manufacturing, thereby integrating production within operations. It carries out manufacturing operations through three facilities located within the Industrial Estate of Greater Noida, Uttar Pradesh. These units are dedicated to specific product lines, with production covering aluminium scaffoldings, ladders (aluminium and FRP) and MS scaffoldings. While each facility is primarily allocated to a defined product category, certain components are also produced across units depending on order requirements.

Its operations are supported by a network of 21 warehouses located across Assam, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu, Telangana, Chennai, and West Bengal. These facilities are used for storage, dispatch and collection of products supplied or rented to customers. They are also utilized for inspection, refurbishment, and quality checks of equipment returned under the rental model. The warehouses facilitate servicing of customers in the respective regions and support both sales and rental operations.

As of September 30, 2025, it served 2022 customers (for FY26), against 2581 customers as of March 31, 2025 (for FY25). As of December 31, 2025, it had 350 employees on its payroll. Additionally, it had 66 contract workers in various departments as of the said date.

Issue Details / Capital History

The company is coming out with its maiden book-building route combo IPO of 5400000 equity shares of Rs. 10 each to mobilize Rs. 66.42 cr. at the upper cap. The company has announced a price band of Rs. 116 – Rs. 123 per share. The issue consists 4400000 fresh equity shares (worth Rs. 54.12 cr. at the upper cap), and an Offer for Sale (OFS) of 1000000 equity shares (worth Rs. 12.30 cr. at the upper cap). The IPO opens for subscription on January 28, 2026, and will close on January 30, 2026. The minimum application to be made is for 2000 shares and in multiple of 1000 shares thereon,

thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 26.47% of post-IPO paid-up equity capital of the company. From the net proceeds of the issue, the company will utilize Rs. 32.26 cr. for capex on setting up new manufacturing capacity, Rs. 6.00 cr. capex on manufacturing of equipments for rental purpose, Rs. 8.00 cr. for working capital, and the rest for general corporate purpose.

The IPO is solely lead managed by Seren Capital Pvt. Ltd., and Maashitla Securities Pvt. Ltd. is the registrar to the issue. Evermore Share Broker Pvt. Ltd. is the market maker as well as a syndicate member.

After issuing the entire initial equity shares at par value, the company issued bonus shares in the ratio of 99 for 1 in March 2023, and 15 for 1 in August 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.00 per share.

Post-IPO, company's current paid-up equity capital of Rs. 16.00 cr. will stand enhanced to Rs. 20.40 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 250.92 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 29.71 cr. / Rs. 3.65 cr. (FY23), Rs. 48.34 cr. / Rs. 6.55 cr. (FY24), Rs. 71.62 cr. / Rs. 13.01 cr. (FY25). For H1 - FY26 ended on September 30, 2025, it earned a net profit of Rs. 10.50 cr. on a total income of Rs. 49.07 cr. The company has posted growth in its top and bottom lines for the reported periods.

For the last three fiscals, the company has reported an average EPS of Rs. 5.81, and an average RoNW of 52.64%. The issue is priced at a P/BV of 5.44 based on its NAV of Rs. 22.59 as of September 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 annualized super earnings on post-IPO expanded equity base, then the asking price is at a P/E of 11.95, and based on its FY25 earnings, the P/E stands at 19.28. Thus, the issue appears greedily priced.

The company has posted PAT margins of 12.28% (FY23), 13.61% (FY24), 18.24% (FY25), 21.42% (H1-FY26), and RoCE Margins of 23.28%, 28.04%, 34.56%, 21.21%, respectively, for the referred periods.

Dividend Policy

The company has not declared any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performances and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Techno Craft India, as its listed peer. It is currently trading at a P/E of 17.6 (as of Jan. 22, 2026). However, they are not comparable on an

apple-to-apple basis. This comparison appears to be an eyewash.

MERCHANT BANKER'S TRACK RECORDS:

This is the 5th mandate from Seren Capital in the ongoing fiscal. Out of the last 4 listings, all listed with a premium ranging from 16.42% to 48.73% on the date of listing.

Conclusion / Investment Strategy

MEL is engaged in the business of manufacturing, marketing and renting height safety equipments. The company posted growth in its top and bottom lines for the reported periods. Its profit margins raise eyebrows and concern over its sustainability going forward, as it is operating in a highly competitive and fragmented segment. Based on its recent financial data, the issue appears greedily priced. Well-informed investors may park moderate funds for medium term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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