IPO REVIEW

Sotefin Bharat IPO

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- The company is engaged in the business of providing mechanized and automated parking solutions on a turnkey basis.
- The company expressed growing top and bottom lines with an order book worth Rs. 534.40 cr. as of March 31, 2026.
- Based on its recent financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for medium term.

About the Company

Sotefin Bharat Ltd. (SBL) is engaged in the business of providing mechanized and automated parking solutions, delivering comprehensive turnkey services. Its offerings integrate advanced automated parking technologies with the requisite supporting infrastructure to ensure seamless, end-to-end. execution for customers. As of March 31, 2026, it has successfully completed more than 55 projects and are in the process of executing more than 30 projects across multiple locations in India as well as in international markets including the United States and Dubai, reflecting its growing global presence and execution capability.

SBL’s order book reflects a diversified customer base, comprising private real estate developers as well as government bodies across various Indian cities. Its private sector customers include, inter alia, AUM G M Heights, Hubtown Limited and Mesacon Spaces LLP. Its government and public sector customers include the Municipal Corporation of Delhi (“MCD”), Municipal Corporation of Greater Mumbai (“MCGM/BMC”), Central Public Works Department (“CPWD”), Mumbai Metropolitan Region Development Authority (“MMRDA”), National Highways and Infrastructure Development Corporation Limited (“NHIDCL”), and South Delhi Municipal Corporation (“SDMC”). The company has executed projects across major Indian metropolitan cities including Delhi, Kolkata, Mumbai, Pune, Varanasi and Trivandrum, as well as in international markets including the United States and Dubai, underscoring its strong execution track records and Pan India as well as international reach.

It operates in India with technology support from Sotefin SA, Switzerland, a global innovator in automated parking systems since 1956. Sotefin SA pioneered the trolley-based vehicle transfer system and, since 1959, has held various patents through its subsidiaries and associates in the field of robotic parking systems. They bring over six decades of engineering expertise to complement SBL’s business operations in the Indian market. Leveraging this legacy, the company provides end-to-end automated parking solutions, including system design, manufacturing, installation, and O&M services. Incorporated in 2012, the company addresses India’s growing urban mobility and

infrastructure needs through advanced, space-optimized, and reliable parking technologies that adhere to global standards. Backed by Sotefin SA's global footprint of 30+ countries, 500+ projects, and over 40,000 installed parking spaces, it delivers scalable and customized solutions for diverse urban environments. (Source: D & B Report).

SBL manufactures key structural components in-house at its manufacturing facility at Bagnan, Howrah enabling greater control over quality, timelines and costs. Its electro-mechanical components are sourced from reputed European vendors including Leuze Electronic Private Limited and Nord Drivesystems Private Limited while paints are sourced from Jotun Indian Private Limited. Its patented robotic solution, the SILOMAT® Dolly ("Robotic Dolly") is currently sourced from Sotefin SA. The Company intends to progressively localize the production of Robotic Dolly in India with the view to achieving cost optimization, enhancing supply chain resilience and improving overall operational efficiency. As of March 31, 2026, it had pending order book worth Rs. 534.40 cr. on hand. As of the said date, it had 147 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 4800000 equity shares of Rs. 10 each to mobilize Rs. 89.76 cr. at the upper cap. The company has announced the price band of Rs. 178 – Rs. 187 per share. The minimum application to be made is for 1200 shares and in multiples of 600 shares thereon, thereafter. The issue opens for subscription on July 16, 2026 and will close on July 20, 2026. The shares will be listed on BSE SME. The IPO constitute 26.43% of the post-IPO paid-up capital of the company. From the net proceeds of the equity issue, the company will utilize Rs. 40.00 cr. for working capital, Rs. 20.13 cr. for capex on setting up of new manufacturing facility, Rs. 8.17 cr. for capex on proposed new office premises, and the rest for general corporate purposes.

The IPO is solely lead managed by Choice Capital Advisors Pvt. Ltd., and Bigshare Services Pvt. Ltd. Is the registrar to the issue. CHOICE group's Choice Equity Broking Pvt. Ltd., is the market maker and also a syndicate member.

After issuing initial equity capital at par value, the company issued further equity shares in the price range of Rs. 60.06 – Rs. 1100.00 per share between November 2017, and November 2025. It has also issued bonus shares in the ratio of 10 for 1 in June 2025. Surprisingly there are no proper info on the average cost of acquisition of shares by the promoters in the offer document.

Post-IPO, company's current paid-up equity capital of Rs. 13.36 cr. will stand enhanced to Rs. 18.16 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 339.60 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 56.87 cr. / Rs. 6.25 cr. (FY24), Rs. 94.15 cr. / Rs. 11.31 cr. (FY25), Rs. 118.23 cr. / Rs.

17.37 cr. (FY26). While it posted growth in its top lines for the reported periods, the boosted bottom lines from FY25 onward raises eyebrows and concern over its sustainability going forward. Its contingent liability of Rs. 20.35 cr. as of Marach 31, 2026, raise alarm.

For the last three fiscals, the company has reported an average EPS of Rs. 10..73 and an average RoNW of 29.42%. The issue is priced at a P/BV of 3.12 based on its NAV of Rs. 60.00 per share as of March 31, 2026, but its post IPO NAV data is missing from its offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 19.56, and based on FY25 earnings, the P/E stands at 30.02. The issue appears aggressively priced based on its recent super earnings.

The company has posted PAT Margins of 11.10% (FY24), 12.06% (FY25), 14.88% (FY26), and RoCE margins of 26.78%, 34.39%, 33.31%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has adopted a dividend policy in December 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

Merchant Banker's Track Record

This is the 10th mandate from Choice Capital Advisors in the last three fiscals (including ongoing fiscal), and out of the last 9 listings, 1 listed at discount, and the rest with premium ranging from 0.045% to 90.0% on the date of listing.

Conclusion / Investment Strategy

SBL is engaged in the business of providing mechanized and automated parking solutions on a turnkey basis. The company expressed growing top and bottom lines with an order book worth Rs. 534.40 cr. as of March 31, 2026. Big order book is the main attraction. Based on its recent financial data, the issue appears aggressively priced. Only well-informed/cash surplus/risk seekers 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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