

Lagnam Spintex Limited launching IPO to raise funds

Jaipur,

Lagnam Spintex, a Bhilwara based company, engaged in the business of manufacturing open end cotton yarn, is coming up with its initial public offer of 60,00,000 shares to raise Rs. 24.60 Cr from the capital Market. The shares of the company are proposed to be listed on Emerge Platform of National Stock Exchange of India Limited.

The Company was incorporated in the year 2010 and commenced its commercial operations in the year 2012. The company is a profit-making company since incorporation and the sales and PAT figures for the last three years are Rs. 56.56 Cr/ Rs. 2.08 Cr in FY 2016, Rs.75.38 Cr/ Rs. 3.67 Cr in FY 2017, Rs.84.54 Cr/Rs. 4.68 Cr in FY 2018. The Company is setting up an additional

manufacturing unit at Bhilwara to Manufacture Ring spun cotton yarn with 25,536 spindles under make in India initiative of Government of India for a total investment of Rs. 125.40 Cr. Out of the total Project cost of Rs. 125.40 Cr, Consortium of State Bank of India & Punjab National Bank has granted term loan of Rs.94 Cr for a period of 10 years, Rs.9.40 Cr is funded by the Company from its internal accruals and balance amount of Rs.22 Cr is being raised from net IPO Proceeds. The net rate of interest (after considering Interest subsidy from Government of Rajasthan under RIPS) for the Term Loan of Rs. 94 Cr is 3.50% to 4.15% which is one of the lowest in the industry. Shri. Dwarka Prasad Mangal, Chairman of the Company, said that the

Company is manufacturing open end yarn of 16.50 MT per day and operating at 99% of its installed capacity. The products of the company are best known for its quality and finish and company is exporting its yarn to Europe, South America and certain South Asian Countries as well as selling in domestic markets to big textile companies such as Arvind Ltd, Sangam India Ltd, RSWM Limited, Nandan Denim Limited, Welspun India Limited De-décor etc.

Company's Managing Director, Mr. Anand Mangal said that after commencement of production of their new plant, the Company will have capacity to manufacture all types of yarn and their production capacity shall more than double from present 16.50 MT yarn per day to 35.10 MT yarn per day.