SB

Swara Baby Products Limited

Manufacturing | Mainboard

Rs. 105 - 111

2 Dec 2026 - 4 Dec 2026

Lot 135 shares | Allotment 7 Dec 2026 | Listing 9 Dec 2026

Issue size	Where the money goes	Earnings per share
Rs. 800 cr	**63% fresh**	**Rs. 4.24**
	Rs. 500 cr to the company, Rs. 300 cr to selling holders - p.1	issuer disclosed

WHAT STANDS OUT IN THE OFFER DOCUMENT

LOOK CLOSER Its auditor's reports carry adverse CARO remarks.
1 remark under CARO, the auditor's report on compliance matters. (p.44)

LOOK CLOSER Shares changed hands recently at a much lower price.
A recent deal was at Rs.23 a share. The top of the band is Rs.111. (p.118)

LOOK CLOSER A few customers bring in a large share of sales.
Rs.65 of every Rs.100 of sales comes from its 5 biggest customers.

WHAT THE DOCUMENT DOESN'T LEAD WITH

Much of its profit comes from outside the main business.
Other income was Rs.51 of every Rs.100 of profit in For the year ended 31 March 2026. (p.362)

Each line pairs what the document leads with and what it also prints, with both pages.

THE FIVE QUESTIONS

1. How it makes money

Rs.90 of every Rs.100 of sales comes from its "Baby Diapers" segment. Companies related to its promoters bought Rs.26 of every Rs.100 of its sales (p.29).

- Its 10 biggest customers bring in Rs.86 of every Rs.100 of sales.
- Its biggest supplier provides Rs.16 of every Rs.100 it buys.
- A 1% rise in material costs, not passed on, would cut operating profit by about 6%.

2. Is it growing, and is profit turning into cash?

Sales rose 55% from For the year ended 31 March 2024 to For the year ended 31 March 2026 (Rs.750 cr to Rs.1,164 cr). Over 3 years it made Rs.270 cr of profit and brought in Rs.192 cr of cash from operations. In the three months period ended 30 June 2026, sales were Rs.323 cr and it made Rs.16.6 cr of profit. Spending on fixed assets took Rs.588 cr over 3 years, Rs.395 cr more than its operations brought in.

- Sales rose Rs.414 cr; Rs.260 cr of that came from its "Baby Diapers" segment (Rs.65 of every Rs.100 of the change).
- Rs.8 of every Rs.100 of the rise in sales came from businesses it acquired.
- Profit rose Rs.1.6 cr from For the year ended 31 March 2024 to For the year ended 31 March 2026: core business Rs.7.3 cr, other income Rs.31.9 cr, depreciation -Rs.27.2 cr, interest -Rs.8.6 cr, tax -Rs.1.7 cr.
- Other income made up Rs.40 of every Rs.100 of last year's profit before tax.
- The biggest cost shift: other expenses went from Rs.11 to Rs.14 of every Rs.100 of sales.

3. How much cushion does it have?

It owes Rs.0.81 for every Rs.1 of its own money. We point it out when a manufacturer owes more than Rs.2 for every Rs.1.

- Operating profit covers interest 7.2 times.
- Cases against the company involve Rs.0.2 cr (0% of its net worth).

4. What you pay, and who gets the money

Of every Rs.100 raised, Rs.38 goes to existing shareholders selling. At Rs.111 the whole company is valued at Rs.3,212 cr, counting the new shares. You pay Rs.34 for every Rs.1 of last year's profit and Rs.3.05 for every Rs.1 of its own money after the issue.

- That is Rs.2.8 for every Rs.1 of last year's sales.
- Its own money grew Rs.57.6 cr more than the profit it made from For the year ended 31 March 2024 to For the year ended 31 March 2026: money from shares issued, or other changes in its equity.

5. Who controls it, and what is on record?

Promoters own 95% before the IPO. By our arithmetic, the new shares alone take them to 80% after it, and any shares they sell in the offer lower that further (p.51). Its litigation summary lists, against the company: 4 tax matters; against its promoters: 2 criminal cases, 3 regulatory actions and 16 tax matters; against its directors: 5 criminal cases; against its subsidiaries: 1 regulatory action and 2 tax matters (p.38).

- The promoters also run Swara Hygiene Private Limited and Solis Hygiene Private Limited, in the same line of business.

WHAT THE COMPANY DOES

Swara Baby Products Limited is an Indian manufacturer of disposable consumer hygiene products, including baby care, adult incontinence, and feminine hygiene products. The company manufactures baby diapers, adult diapers, sanitary napkins, and panty liners for corporate customers under contract manufacturing arrangements. Additionally, it manufactures, markets, and sells home brand products, such as 'Cuddles' baby diapers and 'Shields' adult diapers, directly to end consumers through online commerce and modern trade channels.

WHERE THE MONEY GOES

Fresh issue goes to the company. Offer for sale goes to shareholders selling out.



Fresh issue Rs. 500 cr 63% Offer for sale Rs. 300 cr 38%

How the fresh proceeds are to be spent, as stated in Objects of the Offer.



Part-financing the capital expend... 61% Repayment/pre-payment, in full or... 31% Investment in our wholly-owned Su... 8%

PROMOTER HOLDING

Promoters hold 95.2% before the issue (p.51). The document we read does not state their holding after it.

FINANCIALS, RS. CRORE

	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2026	For the three months period ended 30 June 2026	2Y CAGR
Revenue	750	943	1,164	323	+24.6%
EBITDA	137	146	144	31	—
Profit after tax	94	81	96	17	+0.9%
Net worth	319	400	553	570	—
Total debt	262	360	448	449	—

READING THESE NUMBERS AS MANUFACTURING

What actually diagnoses this business: Capacity utilisation - Order book - Working capital days - Customer concentration.

DOES THE PROFIT TURN INTO CASH

	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2026	For the three months period ended 30 June 2026
Operating cash flow	57	60	75	35
Capital expenditure	233	141	213	46
Financing	118	71	52	-5

Operating cash flow is 78% of profit after tax. The rest is sitting in receivables or inventory.

THE DOCUMENT'S OWN CASE, FOR AND AGAINST

STRENGTHS IT CLAIMS

1. Largest contract manufacturer in the large, fast-growing hygiene manufacturing industry in Fiscal 2025 in India per the TKC Report (p.173)
2. One-stop solution for the manufacturing of disposable consumer hygiene products across baby care, adult care, and feminine hygiene (p.173)
3. Strong and trusted customer relationships developed across years of value addition (p.174)
4. High-quality, large-scale manufacturing expertise and centralized R&D capabilities (p.174)
5. Centralized, strategically located production lines supported by an efficient supply chain and a diversified vendor ecosystem (p.174)

RISKS IT DISCLOSES

1. Manufacturing facilities are concentrated in Madhya Pradesh, exposing company to regional operational and infrastructure risks.
2. High customer concentration with top 10 customers contributing majority of revenue from operations, including Corporate Promoter Brainbees Solutions.
3. High supplier concentration with top 10 suppliers accounting for significant portion of raw material, traded goods, and packaging purchases.
4. Significant capital expenditure requirements and potential funding delays for the new project.
5. Dependence on sale of baby diapers as primary revenue driver.

Both columns are the offer document's own words, not this page's assessment.

Analysed from the RHP at https://www.swarababy.com/wp-content/uploads/2026/11/Project-Dream-Red-Herring-Prospectus-Filing-Version.pdf by IPO Agent's proprietary AI-assisted extraction on 2026-11-28. Every extracted figure was string-matched back to the source document.

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