

**SARVA FOAM INDUSTRIES LTD.**



**SARVA FOAM**  
COMMITMENT THROUGH QUALITY

<https://www.sarvafoam.com>

**INDIA'S LARGEST MANUFACTURER & EXPORTER  
OF REBONDED FOAM**

## Private Placement of CCPS

### Executive Summary

#### Business Description:

Sarva Foam Industries Ltd. (Sarva) is **India's largest manufacturer and exporter of Rebonded foam**, holding a **~40% market share** and supplying to leading mattress manufacturers across the country. The company is known for its high quality, recycled, value products and environmental friendly manufacturing practices along with innovation in foam products (Visco Elastic, Fire Retardant, and High Resilience Foam).

Established in 2018 by first generation entrepreneur Mr. Kunal Giani, Sarva has rapidly gained market share by innovating manufacturing processes, optimizing costs, and securing major customers such as Sheela Foam, Kurl On, Duroflex, and Wakefit in India; Kellers, Floorwise in the UK and major retailers and distributors in Australia.

The company operates six manufacturing units (4 owned, 2 licensed) across India and is expanding globally with the facilities in the UK and Australia.

The company is assigned a BBB-/Stable credit rating by CRISIL in August 2025.

Particulars	Details
<b>Issue Size</b>	INR 2,500 Lacs
<b>Mode</b>	CCPS (Compulsorily Convertible Preference Shares)
<b>Conversion Terms</b>	Conversion at 50% discount on IPO valuation
<b>Investment Size</b>	Multiples of INR 25 Lacs
<b>Fixed Dividend</b>	3%
<b>IPO Timeline</b>	FY 2027

#### Purpose of Funds:

Funds will be utilized for Sarva's international expansion and incremental working capital needs towards exports.

### About Australia Acquisition:

Sarva Foam through its subsidiary (Sarva Australia Pty Ltd) is acquiring assets of Australia's second-largest Rebonded Foam manufacturer. , This includes Plant & machinery, inventory and customer base. **The Australian rebonded foam underlay market is valued at USD 111 million in 2025 and expected to grow at 7.2% CAGR.**

Sarva will combine low-cost exports from India with local production to ensure both competitive pricing and quick turnaround. Leveraging the acquired company's strong brand, sales network, and customer relationships, Sarva targets exports of AUD 2.3 million in FY26 and AUD 5 million in FY27. This hybrid model positions Sarva as a strong contender for market leadership in Australia.

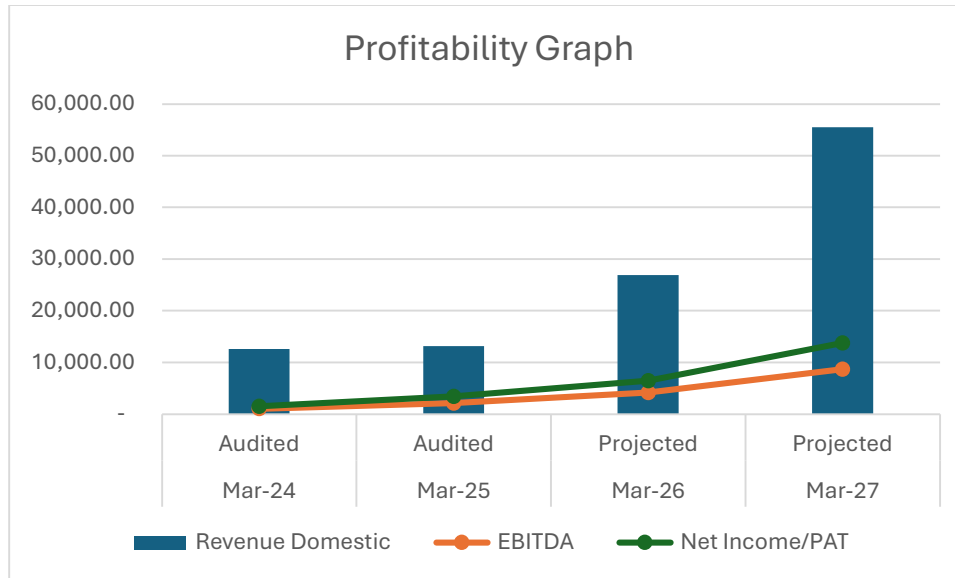
Total Turnover till 31st August 2025 (INR in Crs)	
India Domestic	44.71
India Exports	12.18
UK Domestic	3.50
<b>Total</b>	<b>60.39</b>

### Financial Snapshot: -

#### Sarva – P& L – Consolidated

(INR in Lacs)

Particulars	FY22	FY23	FY24	FY25	FY26	FY27
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Projected</i>	<i>Projected</i>
<b>Revenue from Operations</b>						
Revenue#	7,228.27	7,882.49	12,534.80	13,129.60	26,892.21	55,595.88
Other Income	33.06	8.41	57.79	141.13	123.89	138.16
<b>Total Revenue</b>	<b>7,261.33</b>	<b>7,890.90</b>	<b>12,592.58</b>	<b>13,270.73</b>	<b>27,016.10</b>	<b>55,734.04</b>
<i>Sales Growth</i>		9%	59%	5%	105%	107%
<b>EBITDA</b>	<b>117.78</b>	<b>171.60</b>	<b>1,055.35</b>	<b>2,118.86</b>	<b>4,183.23</b>	<b>8,830.73</b>
<i>EBITDA Margin</i>	2%	2%	8%	16%	15%	16%
<b>EBIT (Operating Income)</b>	<b>75.70</b>	<b>126.97</b>	<b>975.49</b>	<b>1,902.26</b>	<b>3,571.28</b>	<b>7,782.51</b>
<b>Net Income/PAT</b>	<b>55.02</b>	<b>69.10</b>	<b>457.39</b>	<b>1,286.36</b>	<b>2,267.95</b>	<b>5,148.59</b>



**Sarva – P & L - Manufacturing**

(INR in Lacs)

Particulars	FY22	FY23	FY24	FY25	FY26	FY27
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Projected</i>	<i>Projected</i>
<b>Revenue from Operations</b>						
Revenue#	7,228.27	7,882.49	12,534.80	13,129.60	22,184.01	45,093.88
Other Income	33.06	8.41	57.79	141.13	123.89	138.16
<b>Total Revenue</b>	<b>7,261.33</b>	<b>7,890.90</b>	<b>12,592.58</b>	<b>13,270.73</b>	<b>22,307.90</b>	<b>45,232.04</b>
<i>Sales Growth</i>		9.05%	59.02%	4.75%	68.96%	103.27%
<b>EBITDA</b>	<b>117.78</b>	<b>171.60</b>	<b>1,055.35</b>	<b>2,118.86</b>	<b>3,959.06</b>	<b>8,262.03</b>
<i>EBITDA Margin</i>	1.62%	2.17%	8.38%	15.97%	17.75%	18.27%
Depreciation & Amortization	42.08	44.62	79.86	216.60	611.95	1,048.22
<b>EBIT (Operating Income)</b>	<b>75.70</b>	<b>126.97</b>	<b>975.49</b>	<b>1,902.26</b>	<b>3,347.11</b>	<b>7,213.81</b>
<i>Operating Profit Margin</i>	1.62%	2.17%	8.38%	14.33%	15.00%	15.95%
Finance Costs	0.11	33.24	120.18	248.97	524.43	713.51
Extra-ordinary (Expenses)/Income	-	-	(222.58)	160.03*	-	-
<b>PBT</b>	<b>75.59</b>	<b>93.74</b>	<b>632.72</b>	<b>1,813.33</b>	<b>2,822.68</b>	<b>6,500.30</b>
Tax Expenses	20.57	24.64	175.33	526.97	823.71	1,910.80
Tax free profit from Investment	-	-	-	-	101.12	132.84
<b>Net Income/PAT</b>	<b>55.02</b>	<b>69.10</b>	<b>457.39</b>	<b>1,286.36</b>	<b>2,100.08</b>	<b>4,722.33</b>
<i>PAT Margin</i>	0.76%	0.88%	3.63%	9.69%	9.41%	10.44%

#Revenue includes domestic and export.

\*Amount received on account of Insurance claim

**Sarva UK– P&L – Trading Business**

(INR in Lacs)

Particulars	FY26	FY27
	<i>Projected</i>	<i>Projected</i>
<b>Revenue from Operations:</b>		
Revenue	4,708.20	10,502.00
Other Income	-	-
<b>Total Revenue</b>	<b>4,708.20</b>	<b>10,502.00</b>
<i>Sales Growth</i>		123%
<b>EBITDA</b>	<b>224.20</b>	<b>568.76</b>
<i>EBITDA Margin</i>	4.76%	5.42%
Depreciation & Amortization	-	-
<b>EBIT (Operating Income)</b>	<b>224.20</b>	<b>568.76</b>
<i>Operating Profit Margin</i>	4.76%	5.42%
Finance Costs	-	-
Extra-ordinary (Expenses)/Income	-	-
<b>PBT</b>	<b>224.20</b>	<b>568.76</b>
Tax Expenses	56.05	142.19
Tax free profit from Investment	-	-
<b>Net Income/PAT</b>	<b>168.15</b>	<b>426.57</b>
PAT Margin	4%	4%

**Sales Mix for India:**

Particulars	Sales Mix	
	Domestic	Overseas
FY25	100%	-
FY26	60%	40%
FY27 to FY28	45%	55%

## Objectives & Deliverables

Objective	Description
Expand international presence	Expanding and growing UK market
	Acquiring the assets of Australia's second-largest carpet underlay maker.
Enhance innovation	Continue R&D for advanced foam products to broaden customer base
Strengthen supply chain	Optimize procurement and logistics processes to reduce costs and improve responsiveness

## Industry Overview:

- The Global Rebonded Foam market is valued at \$1,2 billion in 2025, with a projected compound annual growth rate (CAGR) of 7.2% till 2030. This robust growth is driven by increasing demand across multiple sectors including construction, furniture, and packaging, reflecting the market's strong potential for expansion and profitability in the coming years. (*Virtue Market Research Report\**)
- UK carpet underlay market: ~₹1,100 Cr, CAGR 5.8%.
- The Australian carpet underlay market, part of the rebonded foam segment, is valued at USD 101 million in 2025 and is projected to grow at a 6.9% CAGR to USD 141 million by 2030 (*Virtue Market Research Report\**)
- The Indian Rebonded Foam market, valued at around ~Rs.346 Cr in 2024, is projected to reach around ~Rs.630 Cr by 2030, growing at a CAGR of 10.5%.

*\*(Market research data from VMR Analysis and Expert Insights)*

## Target Market:

- Mattresses, flooring, furniture, automotive, shoe insoles, agriculture, and construction industries domestically and in export markets (UK, Europe, Australia, New Zealand).
- Customers: Mattress manufacturers, flooring companies, distributors/retailers, and industrial clients.

### **Competitive Analysis:**

- Sarva commands ~40% rebonded foam market share in India.
- Major peers: Tirupati Foam Ltd., Centuary Fibre Plates Pvt. Ltd., Jumax Foam Pvt. Ltd.- not direct competitors due to their PU foam focus.
- UK market limited to three main manufacturers and Australia market dominated by two large companies—Sarva’s acquisition strategy gives immediate market access.

### **Marketing and Sales Strategy**

- Dedicated sales teams and channel partnerships for rapid market penetration in India, UK, and Australia.
- Leverage acquisition brands and retain key management in Australia for continuity.
- Competitive pricing due to efficient manufacturing (cost advantage over incumbents).
- Higher pricing in export markets is justified by superior density and quality.
- Distribution through strategic manufacturing locations for just-in-time delivery; exports supported by free trade agreements (India-Australia FTA).
- Leader in rebonded foam with proven expertise, large-scale recycling, and innovative product lines focused on customer needs and sustainability.
- Rebonded foam blocks and sheets for mattresses, furniture, flooring, construction, automotive, and industrial use.
- Customized density and formulations for specific applications.