

IPO Details	
Opening Date	Dec 21, 2023
Closing Date	Dec 27, 2023
Stock Exchange	NSE SME
Lot Size	800 Shares
Issue Price	₹ 180 per share
Issue Size	Aggregating up to 62.64 Cr.
Fresh Issue	Aggregating up to 62.64 Cr.
Offer For Sale	-
Application Amount	₹ 1,44,000

IPO Objective	
1.	Construction of Ongoing Project.
2.	Construction of new Multiplex.
3.	To meet the existing Working Capital requirement for Agro business.
4.	General Corporate Expenses.

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	82,17,800	97.49%
Public	2,12,000	2.51%

Promoter of the Company	
1.	Satya Murthy Sivalenka
2.	Kameswari Satya Murthy Sivalenka

Competitive Strengths	
1.	Established Brand.
2.	Experienced Promoters and Management Expertise.
3.	Differentiated and diversified product offerings.
4.	Cordial relations with customers and contractors.
5.	Customer oriented approach.
6.	Growing demand for Agri products .

Company Background	
○	Sameera Agro and Infra Limited was originally incorporated in the year 2002 and has its registered office Secunderabad, Telangana.
○	The Company is a multi-faceted infrastructure development and construction of Residential, Commercial spaces, Apartments, Townships, Multi storied complexes, Gated communities, Landscapes, Bridges, Flyovers, Subways, Alleys, Industrial parks, Laying of Water pipelines, Gas pipelines and other related works.
○	From the year 2021, the Company has expanded its wings to processing, drying, sale, purchase, marketing, and distribution of agricultural commodities.
○	As of 30 th September 2023, the Company had 48 employees on its payroll.

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹152	₹214

Financial Summary (In Lacs.)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
Total Assets	3,630.77	4,022.60	5,808.93	6,053.48
Net Assets	599.57	873.74	1,877.47	2,569.66
Total Borrowings	1.61	249.28	250.26	250.26
Total Revenue	8,009.53	10,533.5	13,881.83	9,436.52
Profit After Tax	122.15	274.17	1,003.7	692.18
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Tentative Timeline	
Opening Date	Dec 21, 2023
Closing Date	Dec 27, 2023
Basis of Allotment	Dec 28, 2023
Initiation of Refunds	Dec 29, 2023
Credit of Shares to Demat	Dec 29, 2023
Listing Date	Jan 01, 2023

Company Background and Analysis

Sameera Agro and Infra Limited was originally incorporated on March 08, 2002. Company is a multi-faceted infrastructure development and construction of Residential, Commercial spaces, Apartments, Townships, Multi storied complexes, Gated communities, Landscapes, Bridges, Flyovers, Subways, Alleys, Industrial parks, Laying of Water pipelines, Gas pipelines and other related works.

Further, as a part of the other business activity from the year 2021, the Company has expanded its wings to processing, drying, sale, purchase, marketing, and distribution of agricultural commodities of pulses, cereals, grains, such as urad dal, moong dal, toor dal etc., – peeled and unpeeled, mung dal, black grams, green gram, mung beans, red lentils, yellow dal, split yellow peas etc. The company has established over a period of 2 years a strong customer network, suppliers' network and warehouses for storage of goods.

The Company has got manufacturing and processing units on lease basis near Hyderabad which is accessible for all the three states viz., Telangana, Karnataka, and Maharashtra. The Company is also in the process of acquiring processing mills on lease basis at Guntur and Rajahmundry in Andhra Pradesh.

The chart below shows the services provided by the company –

(Amount in Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	(%)	Amt	(%)	Amt	(%)	Amt	(%)
Infra	2,978.80	37.19	-	-	-	-	-	-
Agri	5,030.13	62.81	10,533.55	100.00	13,881.83	100.00	9,436.52	100.00
Total Sale	8,008.93	100.00	10,533.55	100.00	13,881.83	100.00	9,436.52	100.00

Over a period of time, Agro Commodity Business, of the Company has developed a wide network of approximate 40 to 50 dealers and approximate 80 distributors for Agri products in the states of Andhra Pradesh and Telangana with presence in Tier I and Tier II cities in both the states with deep pockets of supply chain management in the area of Agri products. Company do not have firm commitment supply agreements with most of its customers and other terms of services and solutions.

For company's infra and construction Business, there is no formal marketing strategy, however, company generally follow word of mouth publicity/ marketing approach through the estate broker network located across Telangana and Andhra Pradesh states.

To conclude, Sameera Agro and Infra Limited was incorporated in 2002, has vast experience in the industry. Currently company derives most of its revenue from its Agro Commodity Business, deviating it from infra and construction Business.

Business Strategies

1. Expand the Business in new location –

It is important for the company to identify additional land and development rights in strategic locations at a competitive cost. Company currently intends to focus on developing future projects in a timely and efficient manner. It intends to continue to focus on performance and project execution in order to maximize client satisfaction.

2. Continue to Focus on a Diversified Business Model –

The company is currently focused on the development of residential, commercial, Hospitality, office use, retail, Plotted and mixed-use projects. Company is also undertaking infrastructure projects. Apart from that company also indulge in trading of real estate units. Company intends to maintain a spread of the different types of projects company are involved in as this provides it with a strategy for growth as well as mitigating the risk of focusing on only a certain type of projects and ensures stability of revenue stream.

3. Expansion of marketing and distribution network –

The company core network of loyal and committed dealers has been built over its long presence in this market on the basis of proven product performance and meeting customer expectations. Company recognizes building of marketing and distribution network as fundamental to proposed expansion strategy. Company shall focus on expansion of marketing and distribution network throughout India, through setting up of marketing 109 offices, godowns and creating awareness among farmers and dealers. Company believes that such expansion of marketing and distribution capabilities shall significantly increase business opportunities.

4. Focus on Performance and Project Execution –

Company believes that it is important to identify additional land and development rights in strategic locations at a competitive cost, company currently intends to focus on developing Forthcoming Projects in a timely and efficient manner. Company intends to continue to focus on performance and project execution in order to maximize client satisfaction.

5. Continue to Focus on a Diversified Business Model –

Company intends to maintain a spread of the different types of projects it is involved in as this provides it with a strategy for growth as well as mitigating the risk of focusing on only a certain type of projects and ensures stability of revenue stream.

Competitive Scenario and Peer Mapping

Competition

The company faces competition from different regional & national domestic real estate developers. Company's competitors include both large and small real estate developers in the regions and areas where it operates. Company also faces competition from various small unorganized operators in the residential segment. Company competes primarily on the basis of the quality of services, customer satisfaction and marketing. There are no entry barriers in the industry which puts company to the threat of competition from new entrants as there are numerous players operating in the industry.

Peer Analysis

The comparison of the key performance indicators of the listed peers as on Mar-21 is given below-

Particulars	Sameera Agro and Infra Limited	JK Agri Genetics Ltd
	31st Mar 2021	31st Mar 2021
Net Profit Margin	1.5%	3.1%
EBITDA Margin	2.2%	9.4%
Return on Capital Employed	24.9%	11.6%
Return on Equity	20.4%	5.1%
EPS (INR)	3.22	15.46

The comparison of the key performance indicators of the listed peers as on Mar-22 is given below -

Particulars	Sameera Agro and Infra Limited	JK Agri Genetics Ltd
	31st Mar 2022	31st Mar 2022
Net Profit Margin	3%	3%
EBITDA Margin	4%	6%
Return on Capital Employed	31%	8%
Return on Equity	31%	6%
EPS (INR)	2.60	16.67

The comparison of the key performance indicators of the listed peers as on Mar-23 is given below -

Particulars	Sameera Agro and Infra Limited	JK Agri Genetics Ltd
	31st Mar 2023	31st Mar 2023
Net Profit Margin	7%	-5%
EBITDA Margin	10%	-4%
Return on Capital Employed	62%	-7%
Return on Equity	53%	-8%
EPS (INR)	5.44	-23.29

Industry Overview

Exhibit 1: Growth in infrastructure related activities.

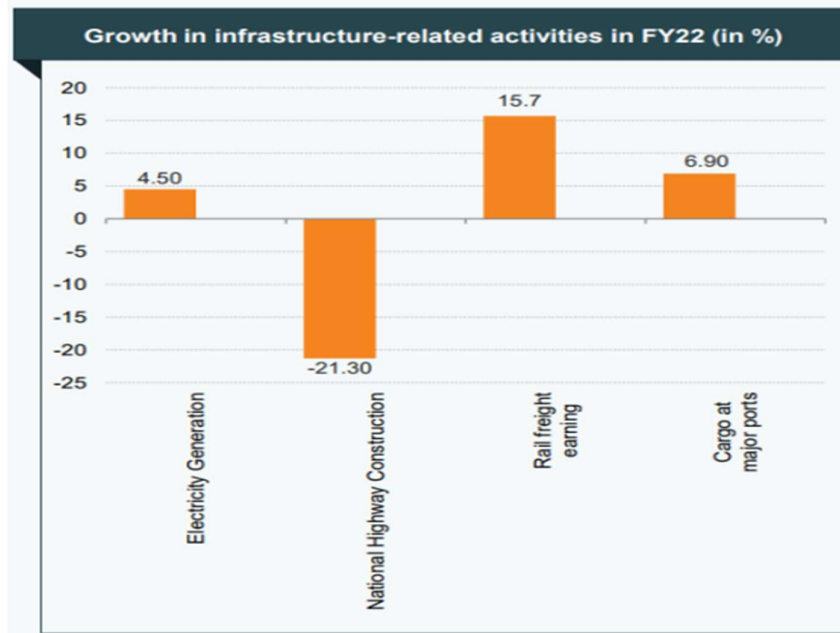
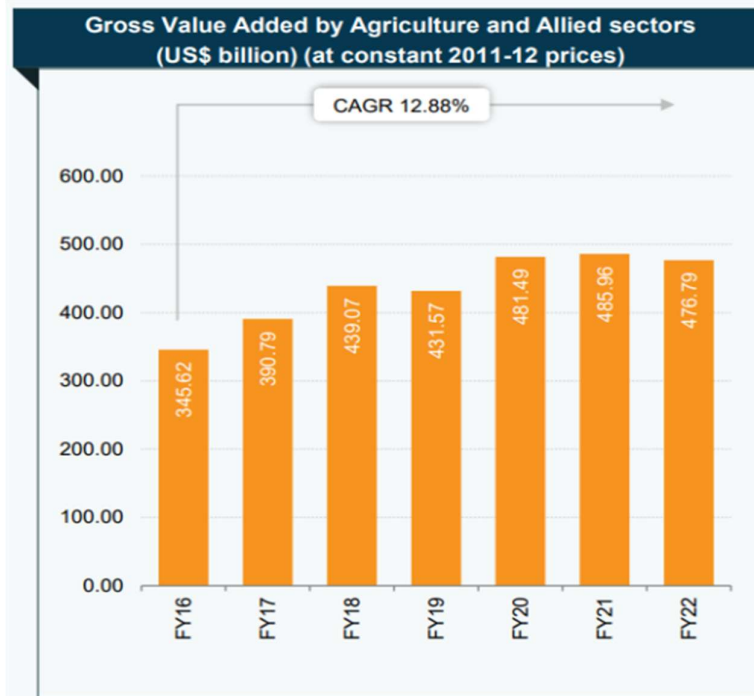


Exhibit 2: Growth in Agriculture.



(Source: Prospectus)

Infrastructure Industry

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress. Infrastructure is a key enabler in helping India become a US\$ 26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors. The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US\$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway. Infrastructure support to nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical.

The "Smart Cities Mission" and "Housing for All" programmes have benefited from these initiatives. Saudi Arabia seeks to spend up to US\$ 100 billion in India in energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining. Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure timebound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure and construction development projects.

Agriculture Industry

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for ~55% of India's population. India has the world's largest cattle herd (buffaloes), largest area planted to wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. Agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with means of sustenance.

Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

(Source: Prospectus)

Key Managerial Personnel

Satya Murthy Sivalenka, aged 58 years, is Promoter and Managing Director & CEO of the company. He has B. A Maths (Honors) from Osmania University, MBA from Institute of Public Enterprises. He has worked for about 11 years in Senior Positions in Large Corporates, such as Supreme Industries, Dynora Television, Nagarjuna Cements, Sujana Group of Industries etc., During the tenure of service he handled commercial operations, marketing, products penetration and promotions etc. He was Branch head in Supreme Industries Ltd - a 65-year-old Giant in plastics and Petro chemical industry and contributed to the top lines of the company to the tune of 25-30 Crores per Anum. For the past 24 years he is into Real Estate, Construction, Infrastructure, imports and exports, manufacturing of power saving equipment's and solar energy lights.

Kameswari Satya Murthy Sivalenka, aged 57 years, is a Promoter and Non-Executive Director of the Company. She has passed Secondary Education Hyderabad University. She has experience in the field of administration, business development and planning the growth of the organization. Before she joined Sameera Infra Projects Pvt. Ltd as Director, she worked in medium and small sized Corporates in various departments namely HR and administration, Relationship Management, Marketng etc. She also has experience in formulation of business strategies, growth plans, organizational structuring etc. She is assisting the Board of Directors in formulation of strategies and policies etc.

Devanand Subba Rao Challagulla, aged 60 years, is a Non-Executive Independent Director of the company. He is unschooled and hails from agriculture family and has got vast experience in forming and growing of commercial crops, in particular specialized in pulses, cereals and grains. For the past 25 years, he has been in the field and associated with various marketing yards in Telangana and Andhra Pradesh. He has been into farming, marketing and distribution of traditional and commercial crops.

Srinivasa Rao Gandla, aged 54 years, is the Non – Executive Independent Director of the company. He is a Graduate in B.Tech (Electronics and Communications) from RVR & JCOP College of Engineering, Guntur, Andhra Pradesh from Nagarjuna University. He had worked in small and medium corporates in senior positions at the helm of affairs in the field of networking and hardware solutions.

V.S.E.N.D. Seshasai. Ch, aged 42, is the Non-Executive Independent Director of the company. He completed his B.Com., in 2002, M.Com., in 2005, CS in 2010, CA in 2011 and CMA (Intermediate) in 2011. His experience includes fund raising, finalisation of books, MIS Reports, statutory audit, tax audit, concurrent audit and internal auditor in various listed, unlisted public companies and private companies. Also undertaken verifications for pre-disbursement of loans, pre-due diligence audit, operational audit, fixed assets verification etc.

To conclude, the company has 2 promoters, and both has good knowledge and experience in the field in which the company operates. The remaining directors of the company has decent knowledge and experience in the field directly linked to the operation and in the fields which help in the growth of the company.

Financial Snapshot

Profit and Loss Statement				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23
Revenue from Operations	8,008.94	10,533.56	13,881.83	9,436.52
Other Income	0.59	-	-	-
Total Income	8,009.53	10,533.56	13,881.83	9,436.52
Expenses				
Cost of Materials Consumed	7,442.19	10,174.64	12,333.63	8,408.96
Changes in Inventories of finished goods, work-in-progress, and Stock in-trade	-	-196.37	-12.36	-18.37
Employee benefits expense	36.73	63.40	92.46	46.88
Operation and other expenses	357.32	114.62	98.36	55.56
Finance costs	0.13	0.16	0.24	0.12
Depreciation and Amortization expense	4.35	4.35	4.50	1.93
Total Expenses	7,840.72	10,160.80	12,516.83	8,495.08
Earnings Before Interest, Taxes, Depreciation & Amortization	172.70	377.27	1,369.74	943.49
EBITDA Margin	2%	4%	10%	10%
Profit/(Loss) before exceptional items and tax	168.81	372.76	1,365.00	941.44
Exceptional Items	-	-	-	-
Profit/(Loss) before tax	168.81	372.76	1,365.00	941.44
Tax Expense				
Current tax	46.67	98.74	361.59	249.39
Deferred Tax	-0.01	-0.15	-0.33	-0.13
Total Tax Expense	46.66	98.59	361.26	249.26
Profit/(Loss) for the year	122.15	274.17	1,003.74	692.18
Net Profit Margin	1.53%	2.60%	7.23%	7.34%

Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	421.49	421.49	842.98	842.98
Reserve and Surplus	178.08	452.25	1,034.49	1,726.68
Total Equity	599.57	873.74	1,877.47	2,569.66
2. Non-current liabilities				
Long Term Borrowings	-	247.67	247.67	247.67
Other Long-Term Liabilities	75.45	75.45	75.45	75.45
Total Non-current liabilities	75.45	323.12	323.12	323.12
3. Current liabilities				
Short-term borrowings	1.61	1.61	2.59	2.59
Trade payables	2,536.88	2,409.21	2,865.34	2,530.37
Other Current Liabilities	226.87	224.76	248.04	248.44
Short-term Provisions	190.39	190.16	492.38	379.30
Total Current liabilities	2,955.75	2,825.74	3,608.35	3,160.70
Total Liabilities	3,031.20	3,148.86	3,931.47	3,483.82
Total Equity and Liabilities	3,630.77	4,022.60	5,808.94	6,053.48
ASSETS				
1. Non-current assets				
Property, Plant and Equipment				
-Tangible Assets	31.82	27.50	23.18	21.25
-Intangible Assets	0.32	0.29	0.11	0.11

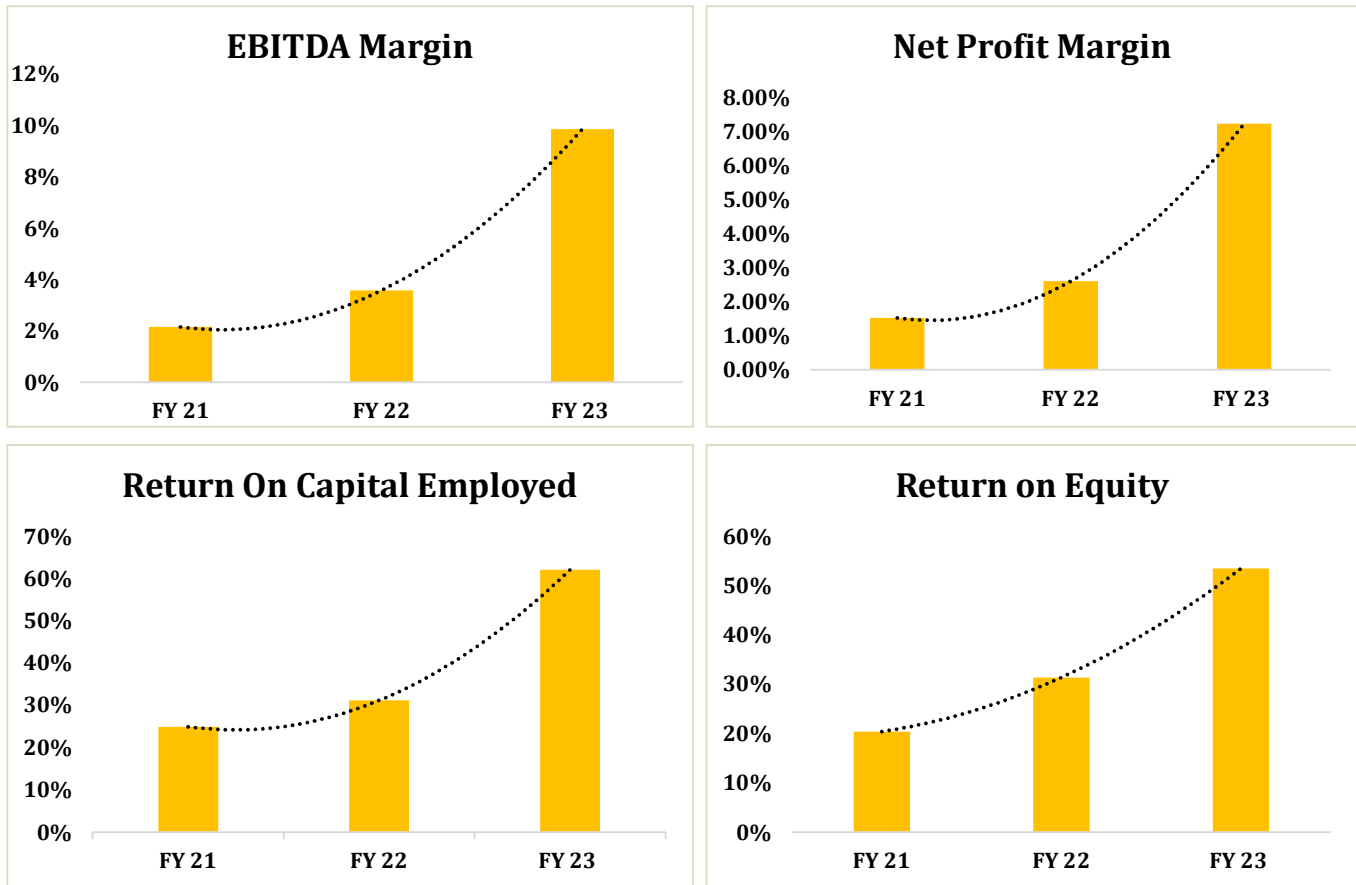
Balance Sheet					(In Lacs)
Non Current Investments	276.28	44.08	44.08	44.08	44.08
Deferred Tax Assets	1.27	1.43	1.76	1.89	1.89
Long Term Loans and Advances	2.22	2.22	2.22	2.22	2.22
Total Non-Current assets	311.91	75.52	71.35	69.55	69.55
2. Current assets					
Inventories	249.47	445.84	458.20	476.58	476.58
Trade receivables	2604.34	2,893.74	4,652.99	4,861.33	4,861.33
Cash and Bank Balances	16.31	0.75	2.16	12.36	12.36
Short-term loans and advances	217.24	187.24	187.24	187.24	187.24
Other Current Assets	231.50	419.51	436.99	446.42	446.42
Total Current assets	3,318.86	3,947.08	5,737.58	5,983.93	5,983.93
Total Assets	3,630.77	4,022.60	5,808.93	6,053.48	6,053.48

Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23	
Net Cash Flow from Operating Activities	526.45	-15.56	1.41	10.20	
Net Cash Flow from Investing Activities	-0.18	-	-	-	
Net Cash Flow from Financing Activities	-529.85	-	-	-	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Sep-23
Per Share Data				
Diluted EPS	3.22	2.6	5.44	12.30
BV per share	5.03	7.34	15.76	80.66
Operating Ratios				
EBITDA Margins	2.16%	3.58%	9.87%	10.39%
PAT Margins	1.53%	2.60%	7.23%	7.76%
Inventory days	11.37	15.45	12.05	9.24
Debtor days	118.69	100.27	122.34	94.27
Creditor days	115.62	83.48	75.34	49.07
Return Ratios				
RoCE	24.94%	31.16%	62.04%	19.86%
RoE	20.37%	31.38%	53.46%	15.25%
Valuation Ratios (x)				
EV/EBITDA	3.39	2.97	1.55	5.02
Market Cap / Sales	2.68	2.04	1.54	1.14
P/E	55.90	69.23	33.09	14.64
Price to Book Value	35.76	24.54	11.42	2.23
Solvency Ratios				
Debt / Equity	0.00	0.29	0.13	0.10
Current Ratio	1.12	1.40	1.59	1.89
Quick Ratio	1.04	1.24	1.46	1.74
Asset Turnover	2.21	2.62	2.39	1.56
Interest Coverage Ratio	1,295.00	2,330.75	5,688.50	7,846.33

*Annualized Figures

Financial Charts



Key Risk Factors

1. The majority of company's state wise revenues from Agro operations for the last 3 financial years i.e., March 2023, 2022, and 2021 is dependent majorly on Telangana and Andhra Pradesh. Any loss of business may adversely affect company's revenues and profitability.
2. A substantial portion of company's revenues has been dependent upon limited number of customers i.e., company's top 10 customers in Agro business constituted 79.10%, 80.89% and 78.18% of revenue from operations for financial year ending March 31, 2023, March 31, 2022, and March 31, 2021, respectively. The loss of any significant client would have a material effect on company's financial results.
3. The company is dependent upon few suppliers for procurement of materials i.e., For the year ended March 31, 2023, 2022 and 2021, company's top 10 suppliers contributed around 73.37%, 65.47% and 66.83% respectively. In an eventuality where suppliers are unable to deliver the required materials in a time-bound manner it may have a material adverse effect on the business operations and profitability.
4. Company have had negative cash flow from certain activity in recent fiscals.

Track Record of Lead Manager

The lead manager to the issue is First Overseas Capital Limited. A table has been set below highlighting the details of the IPO of the last 10 companies handled by the Lead Manager in recent times –

First Overseas Capital Limited

Sr. No	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing date	CMP* (INR)
1.	Graphisads Limited	53.41	111.00	December 14, 2023	80.80
2.	Shanthala FMCG Products Limited	16.07	91.00	November 03, 2023	103.55
3.	On Door Concepts Limited	31.18	208.00	November 01, 2023	203.40
4.	Pyramid Technoplast Limited	153.05	166.00	August 29, 2023	175.75
5.	Synoptics Technologies Limited	54.03	237.00	July 13, 2023	226.10
6.	Cell Point (India) Limited	50.34	100.00	June 28, 2023	95.00
7.	Kore Digital Limited	18.00	180.00	June 14, 2023	190.95
8.	Nirman Agri Genetics Limited	20.30	99.00	March 28, 2023	101.30
9.	SVJ Enterprises Limited	6.12	36.00	March 09, 2023	36.10
10.	Amanaya Ventures Limited	2.76	23.00	March 09, 2023	19.10

*CMP for the above-mentioned companies is taken as of 25th December 2023.

As per the offer document, First Overseas Capital Limited has had 21 mandates in the last three years (including the current year). For First Overseas Capital Limited, 1 opened at par, 1 opened at discount, and all the remaining mandates have opened at premiums on the listing date.

Recommendation

The company has been in the industry since 2002 and has vast experience in the industry. The company has shown an exponential increase of its bottom line of its financials. The company's management overview is good. The company also faces significant competition in the industry.

The P/E on Post IPO basis is around 14.64 times which seems to be fairly priced looking at the performance and size of the company.

The Company have had good growth in its revenue, whereas has shown exponential growth in its profits and its margin which will be difficult to sustain going forward. The business segment in which the company operates is not unique and it is highly fragmented and faces competition from both organized and unorganised players. Even though the company has been in the industry since 2002, the company entered into Agro Commodity Business in 2021, from which the company derives most of its revenue i.e., company has only 3 years of experience in its current core business. Thus, one can **Avoid** applying for this IPO.



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