

IPO Details	
Opening Date	Jan 23, 2024
Closing Date	Jan 24, 2024
Stock Exchange	BSE SME
Lot Size	800 Shares
Issue Price	₹ 156 per share
Issue Size	Aggregating up to 12.48 Cr.
Fresh Issue Offer for Sale	-
	Aggregating up to 12.48 Cr.
Application Amount	₹ 1,24,800

IPO Objective	
The company will not receive any proceeds from the Offer.	

Pre-Issue Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	19,99,800	99.99 %
Public	200	0.01 %

Promoter of the Company	
1	Sankaranarayanan Ramasubramanian
2	Ganapati Chittaranjan Kenkare

Competitive Strengths	
1	Experienced promoters and management team
2	Industry-proven, trusted, and robust solutions.
3	A diverse range of hardware and software products.
4	A cash-rich company with making a profit every year for more than a decade.
5	Cost advantage
6	Well-trained employee base.

Company Background	
<ul style="list-style-type: none"> Brisk Technovision Limited was originally incorporated in the year 2007 and had its registered office in Mumbai, Maharashtra, India. The company is engaged in the business of providing information technology solutions to corporate customers. The company's primary business is to provide a) various third-party hardware products and b) third-party software to Indian corporate customers. The company also offer other service offerings, which include services relating to the design, supply and installation of data centres, enterprise networking management, email management, etc. As of 30th November 2023, the Company had 119 employees on its payroll. 	

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹ 31	₹ 31

Financial Summary (In Lacs)				
For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
Total Assets	562.54	661.82	679.73	1,423.40
Net Assets	198.07	307.64	478.54	631.02
Total Borrowings	12.15	-	12.96	-
Total Revenue	1,691.02	2,207.63	1,840.30	1,577.28
Profit After Tax	14.51	109.55	198.88	152.48

Tentative Timeline	
Opening Date	Jan 23, 2024
Closing Date	Jan 25, 2024
Basis of Allotment	Jan 29, 2024
Initiation of Refunds	Jan 30, 2024
Credit of Shares to Demat	Jan 30, 2024
Listing Date	Jan 31, 2024

Company Background and Analysis

Brisk Technovision Limited was originally incorporated on March 30, 2007. The Company is engaged in the business of providing information technology solutions to corporate customers. The primary business of the Company is (a) to provide various third-party hardware products such as servers, desktops, personal computers and laptops as well as (b) third-party software to Indian corporate customers. The company also offers other service offerings, which include services relating to the design, supply and installation of data centres, enterprise networking management, email management, system integration and annual maintenance contract (AMC) for hardware and system maintenance, monitoring and managed services. Presently, the predominately company's business (both Sales of Goods and Sales of Services) is in the state of Maharashtra.

The details of revenue from goods and revenue from services for the six-month period that ended on September 30, 2023, and the Financial Years 2021, 2022 and 2023 are as follows:

(Amount in Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	%	Amt	%	Amt	%	Amt	%
Sales of Goods	1,234.49	73.24	1,629.12	73.90	990.07	54.07	1,119.32	71.44
Sales of Services								
AMC	196.69	11.67	207.21	9.40	408.05	22.29	182.21	11.63
FMS	210.40	12.48	278.57	12.64	192.76	10.53	113.04	7.21
LINUX	29.03	1.72	24.40	1.11	156.14	8.53	11.00	0.70
Repair and Maintenance Charges	14.97	0.89	3.19	0.14	0.24	0.01	-	-
CSV	-	-	62.05	2.81	83.78	4.58	141.31	9.02
Total	451.09	26.76	575.42	26.10	840.97	45.93	447.56	28.56
Total (A+B)	1,685.58	100.00	2,204.54	100.00	1,831.04	100.00	1,566.88	100.00

The company has business relations with several Original Equipment Manufacturers (OEMs) through which the company provides end-to-end services in setting up and managing IT infrastructure for organizations of all sizes across all industries. The company procures servers, laptops, desktops and other allied products from the OEMs as per the requirements of the client. The company's capabilities include sourcing appropriate IT products, integrating the systems to work together as a unified solution, integrating the network that connects this infrastructure across different locations and managing the system to ensure high availability of IT storage, network and computing infrastructure.

To conclude, the company has been in the industry since 2007 and thus has good experience. The company is raising a majority of its revenue from the Sale of Goods. The company is not receiving any fresh proceeds from this offer.

Business Strategies

1. Build up a professional organization and attract bright talents –

The company intends to strengthen the top management through employing independent professionals and have the right blend of experienced and dynamic team and staff which takes care of the day-to-day operations and grows the business and Company to a level higher than they are currently.

2. To expand in additional geographic areas –

The company intends to adopt an industry-wise focus which is also planned and aligned with geographical presence to further develop the business.

3. Continue to develop client relationships and expand the client base –

The company plans to grow its business primarily by increasing the number of clients and retaining the existing client base.

4. To strengthen Human Capital –

The company is committed to its personnel with opportunities to expand its business within their areas of expertise. The company also provides the personnel with personal and professional growth opportunities, including training and performance-based incentives.

5. Continue to focus on providing Customer Centric Services and Offerings –

The company plans to increase the range of its services by offering additional services through maintenance and staffing facilities for the new product range.

6. Strategic Acquisition and Alliances –

The company intends to explore and evaluate strategic acquisition and technology alliance opportunities to gain access to new clients and sectors and add new technology capabilities to the offerings that can drive synergies with the existing business. The company intends to tie up with a few software development services companies since such business complements the business and intends to offer software development services to the clients along with the existing products and services, leading to an increase in the profit margins.

7. Concentrating on the future growth products –

The company plans to market certain high-end products such as Oracle Data Base, Accops Citrix and VM Ware. The company plans to grow this division with more emphasis on configuration & and implementation services.

Competitive Scenario and Peer Mapping

Competition

The company operates in a competitive atmosphere. The company faces fair competition from both organized and unorganized players in the market. The company believes that the principal factors affecting competition in the business include client relationships, reputation, and the relative quality and price of the services. The company has fewer barriers to entry. The bargaining power with the customers is high in the sector in which the company operates. The bargaining power with the suppliers is also high in the sector in which the company operates.

Peer Analysis

The company believes they do not have any listed peers for comparison as per the offer document.

Industry Overview

Exhibit 1: Indian IT & Business Service Industry (US\$ billion)

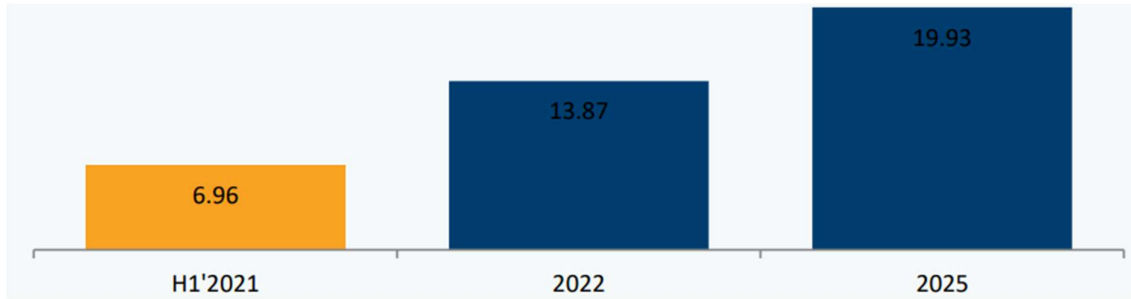
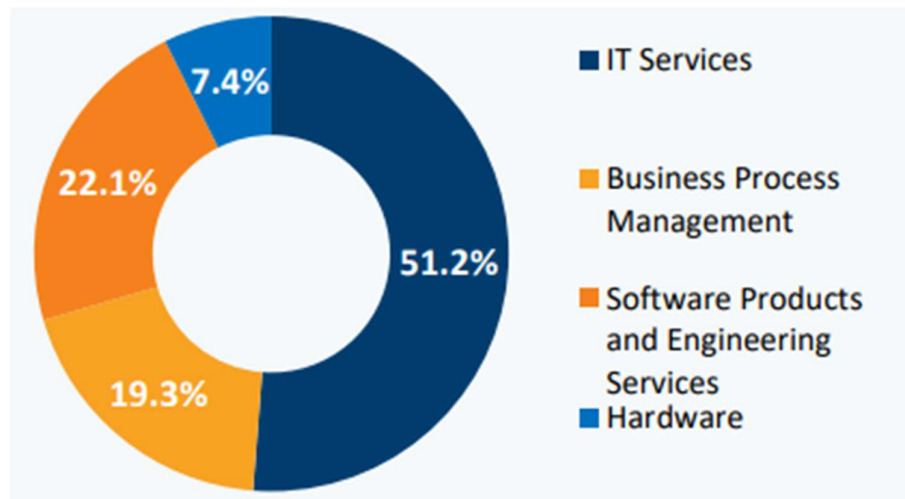


Exhibit 2: Sector-wise Break-up of the Indian IT market (US\$ billion) 2023E.



(Source: ibef.org)

Indian IT Industry -

The IT & BPM sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country's GDP and public welfare. The IT industry accounted for 7.4% of India's GDP in FY22, and it is expected to contribute 10% to India's GDP by 2025.

As innovative digital applications permeate sector after sector, India is now prepared for the next phase of growth in its IT revolution. India is viewed by the rest of the world as having one of the largest Internet user bases and the cheapest Internet rates, with 76 crore citizens now having access to the internet. The current emphasis is on the production of significant economic value and citizen empowerment, thanks to a solid foundation of digital infrastructure and enhanced digital access provided by the Digital India Programme.

India is one of the countries with the quickest pace of digital adoption. This was accomplished through a mix of government action, commercial innovation and investment, and new digital applications that are already improving and permeating a variety of activities and different forms of work, thus having a positive impact on the daily lives of citizens. India's rankings improved six places to the 40th position in the 2022 edition of the Global Innovation Index (GII).

According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth. Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres. The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI. Exports from the Indian IT industry stood at US\$ 149 billion in FY21. Export of IT services has been the major contributor, accounting for more than 51% of total IT export (including hardware). BPM and engineering and R&D (ER&D) and software products export accounted for 20.78% each to total IT exports during FY21. The ER&D market is expected to grow to US\$ 42 billion by 2022. The IT industry added 4.45 lakhs new employees in FY22, bringing the total employment in the sector to 50 lakhs employees.

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. The Indian IT & business services industry is expected to grow to US\$ 19.93 billion by 2025. By 2026, widespread cloud utilisation can provide employment opportunities to 14 million people and add US\$ 380 billion to India's GDP.

As per a survey by Amazon Web Services (2021), India is expected to have nine times more digitally skilled workers by 2025. In November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, lauded the Indian IT sector for excelling its competitive strength with zero government interference. He further added that service exports from India has the potential to reach US\$ 1 trillion by 2030.

(Source: prospectus)

Key Managerial Personnel

Sankaranarayanan Ramasubramanian, aged 74 years, is one of the Promoters and the Executive Chairman of the Company. He completed his bachelor's degree of engineering (B.E.) in electrical, a diploma in business management, and a Master of Marketing Management. He has more than 40 years of work experience. He has been associated with the Company since incorporation. He is engaged in the marketing, accounts and finance department of the Company.

Ganapati Chittaranjan Kenkare, aged 63 years, is one of the Promoters, and Managing Director of the Company. He completed his bachelor's degree of engineering (B.E.) in electronics and telecommunication. He has more than 35 years of work experience. He has been associated with the Company since incorporation. He is engaged in the marketing, commercial and technical functions of the Company.

Sankara Subramaniam Ramnath, aged 68 years, is the Independent Director of the Company. He completed his bachelor's degree in commerce. He also cleared the examination of The Institute of Cost and Works Accountants of India, and the examination of The Institute of Chartered Accountants of India. He has over 34 years of experience in business strategy, project conceptualisation and execution, launching new products, operations, financial management and performance management systems.

Visalakshi Sridhar, aged 57 years, is the Independent Director of the Company. She completed her bachelor's degree in commerce. He is a Member of The Institute of Cost and Works Accountants of India, and a Member of the Institute of Company Secretaries of India. She has over 35 years of experience in the field of accounts, project finance, acquisition finance, corporate finance, etc.

Jay Narayan Naik, aged 37 years, is the Independent Director of the Company. He completed his bachelor's degree in commerce degree a bachelor's degree in law. He received his Certificate of Practice from the Institute of Company Secretaries of India. He is an experience of over 13 years in the area of Corporate Governance, income tax and intellectual property.

To conclude, the company has 2 promoters, and they have vast experience in the industry in which the company operates. The Directors of the company have good experience in 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	1,685.60	2,204.66	1,831.25	1,567.24
Other Income	5.42	2.97	9.05	10.04
Total Income	1,691.02	2,207.63	1,840.30	1,577.28
Expenses				
Purchase of Stock in Trade	1,153.24	1,620.75	992.59	1,161.03
Change in inventories of finished goods, work in progress and stock in trade.	24.53	-26.91	49.40	-81.05
Employee benefits expense	431.19	381.12	415.62	241.01
Finance costs	1.86	1.69	0.46	0.14
Depreciation and Amortization expense	5.00	3.19	2.23	0.74
Other expenses	46.09	82.51	118.68	51.57
Total Expenses	1,661.91	2,062.35	1,578.98	1,373.44
Earnings Before Interest, Taxes, Depreciation & Amortization	30.55	147.19	254.96	194.68
EBITDA Margin	2%	7%	14%	12%
Profit/(Loss) before tax	29.11	145.28	261.32	203.84
Tax Expense				
Current Tax	14.88	35.75	62.34	51.27
Deferred Tax	-0.28	-0.02	0.10	0.09
Total Tax Expense	14.60	35.73	62.44	51.36
Profit/(Loss) for the year	14.51	109.55	198.88	152.48
Net Profit Margin	1%	5%	11%	10%

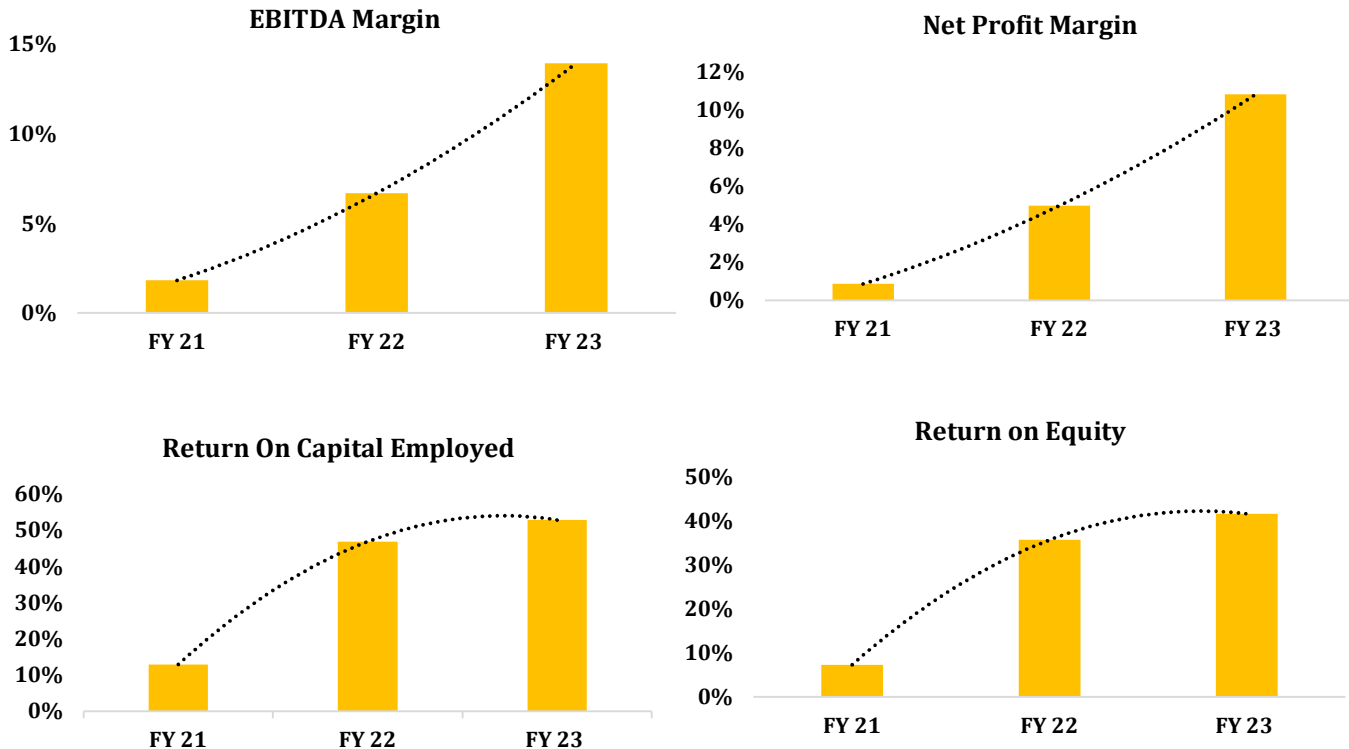
Balance Sheet				(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	1.00	200.00	200.00	200.00
Reserve and Surplus	197.07	107.64	278.54	431.02
Total Equity	198.07	307.64	478.54	631.02
Minority Interest				
Total Equity	198.07	307.64	478.54	631.02
2. non-current liabilities				
Long Term Borrowings	-	-	-	-
Total Non-current liabilities	-	-	-	-
3. Current liabilities				
Financial Liabilities				
Short-term borrowings	12.15	-	12.96	-
Trade payables	251.64	289.07	149.95	693.57
Due to MSME				
Due to Others				
Other Current Liabilities	74.28	44.44	21.57	80.22
Short-term Provisions	26.38	20.67	16.71	18.59
Total Current liabilities	364.45	354.18	201.19	792.38
Total Liabilities	364.45	354.18	201.19	792.38
Total Equity and Liabilities	562.52	661.82	679.73	1,423.40
ASSETS				
1. non-current assets				
Property, Plant and Equipment				
Tangible Assets	9.87	6.68	4.99	4.25
Intangible Assets	4.00	4.00	-	-
Non-current Investments	1.87	1.87	1.87	1.87

Balance Sheet					(In Lacs)
Deferred tax assets (Net)	2.44	2.45	2.35	2.26	
Other non-current assets	44.92	18.87	22.31	22.33	
Total non-current assets	63.10	33.87	31.52	30.71	
2. Current assets					
Current Investments	0.01	0.01	-	-	
Inventories	37.18	64.09	14.70	95.75	
Trade receivables	329.44	351.47	204.92	799.07	
Cash and Bank Balances	117.27	186.83	415.22	472.19	
Short-term loans and advances	0.88	18.27	3.84	8.33	
Other Current Assets	14.66	7.28	9.53	17.35	
Total Current assets	499.44	627.95	648.21	1,392.69	
Total Assets	562.54	661.82	679.73	1,423.40	

Cash Flow Statement					(In Lacs)
Particulars	FY 21	FY 22	FY 23	Sep-23	
Net Cash Flow from Operating Activities	68.01	81.71	243.98	69.92	
Net Cash Flow from Investing Activities	-1.74	-	-0.56	-	
Net Cash Flow from Financing Activities	-18.02	-12.15	-15.04	-12.96	

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Sep-23*
Per Share Data				
Diluted EPS	0.73	5.48	9.94	15.25
BV per share	9.90	15.38	23.93	39.18
Operating Ratios				
EBITDA Margins	1.81%	6.68%	13.92%	12.42%
PAT Margins	0.86%	4.96%	10.81%	9.67%
Inventory days	8.05	10.61	2.93	11.18
Debtor days	71.34	58.19	40.84	93.30
Creditor days	79.64	65.10	55.14	109.32
Return Ratios				
RoCE	13%	47%	53%	49%
RoE	7%	36%	42%	39%
Valuation Ratios (x)				
EV/EBITDA	3.04	0.82	0.30	0.80
Market Cap / Sales	1.85	1.42	1.70	1.00
P/E	213.70	28.47	15.69	10.23
Price to Book Value	15.75	10.14	6.52	3.98
Solvency Ratios				
Debt / Equity	0.06	0.00	0.03	-
Current Ratio	1.37	1.77	3.22	1.76
Quick Ratio	1.27	1.59	3.15	1.64
Asset Turnover	3.00	3.33	2.69	1.10
Interest Coverage Ratio	13.74	85.21	549.41	1,385.29

*Ratio sheet for Sep-23 is annualized.

Financial Charts**Key Risk Factors**

1. The Selling Shareholders (who are the Promoters) will dilute 40% of their shareholding in the Company in this Offer.
2. Most of the business operations are in and from the state of Maharashtra. Due to this geographic concentration of the business operations, the results of operations and growth might be restricted to the economic and demographic conditions of Maharashtra.
3. The company is dependent on a few customers for the majority of the revenues and could adversely affect the business and results of operations. During the Fiscal 2023, Fiscal 2022 and Fiscal 2021, the top five customers accounted for 80.95%, 89.52%, and 87.70%, respectively.
4. During the Fiscal 2023, Fiscal 2022 and Fiscal 2021, about 58.45%, 72.22% and 64.45% of the purchases are from the top five suppliers. dependent on a few suppliers for the third-party products which they provide to its customers. The failure of the suppliers to deliver these products could adversely affect the business and the ability to deliver orders on time.
5. The Company, its Directors and its Promoters are parties to certain litigation and claims amounting to Rs. 31.36 Lakhs. Any adverse decision may make them liable to liabilities/penalties and may adversely affect their reputation, business and financial status.

Track Record of Lead Manager

The lead manager to the issue is Sun Capital Advisory Services (P) Limited. A table has been set below highlighting the details of the IPO of the previous company handled by the Lead Manager in recent times -

Sun Capital Advisory Services (P) Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Maks Energy Solutions India Limited	4.00	20.00	September 28, 2022	81.00

The company has had 1 mandate in the past three years including the current Year.

*CMP for the above-mentioned companies is taken as of 19th January 2024.

As per the offer document, from the above-mentioned mandates, the mandates have opened at a premium on the listing date.

Recommendation

The company has been in the industry since 2007 and has good experience in the industry. The company's management overview is satisfactory. The company also faces significant competition in the industry.

The P/E on an annualized and post-IPO basis is 10.23 times which seems to be fairly priced by looking at the performance of the company.

The company operates in a very competitive market. The company has seen a decrease in the top line of its financials for FY 2023. The bottom line has seen a sudden surge which may or may not sustain going forward. The company majorly operates in the trading business which is not unique to this sector. The company is also not using its debt opportunity well. The company is also not raising any fresh proceeds through this offer. Thus, keeping in mind the above-mentioned point we believe one can **AVOID** applying to this IPO.

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