

IPO Details		Company Background				
Opening Date	Jan 23, 2024	<ul style="list-style-type: none"> Nova Agritech Limited was originally incorporated in the year 2007 and has its registered office in Medak, Telangana, India. The company is an agri-input manufacturer offering soil health management, crop nutrition and crop protection products focused on a tech-based farmer-driven solution approach, wherein they mainly offer ecologically sustainable and nutritionally balanced products based on the Research and Development. The Company manufacturers, distributes and markets a wide range of product categories consisting of (a) soil health management products; (b) crop nutrition products; (c) bio stimulant products; (d) bio pesticide products (e) Integrated Pest Management products; (f) new technologies; and (g) crop protection products. As of 30th November 2023, the Company had 283 employees on its payroll. 				
Closing Date	Jan 25, 2024					
Stock Exchange	NSE, BSE					
Lot Size	365 Shares					
Issue Price	₹ 39 to ₹ 41 per share					
Issue Size	Aggregating up to 143.81 Cr.					
Fresh Issue	Aggregating up to 112.0 Cr.					
Offer for Sale	Aggregating up to 31.81 Cr.					
Application Amount (Price at Upper Band)	Min. Inv. - ₹ 14,965 (365 shares) Max. Inv. - ₹ 1,94,545 (4,745 shares)					
IPO Objective						
1. Investment in the subsidiary – setting up a new formulation plant, and funding working capital requirements.						
2. Funding capital expenditure in the company towards expansion of the existing formulation plant.						
3. Funding the working capital requirements.						
4. General corporate purposes.						
Pre-Issue Shareholding		Market Capitalization (In Cr.)				
Category	No. of Shares	% of Total Shares	Pre-Issue	Post-Issue		
Promoter & Promoter Group	5,49,44,045	84.27 %	₹ 267	₹ 379		
Public	77,58,695	11.90 %				
Employee Trust	25,00,000	3.83 %				
Promoter of the Company		Financial Summary (In Cr.)				
1. Suraksha Agri Retails (India) Private Limited		For the Period Ended	Mar-21	Mar-22	Mar-23	Sept-23
2. Yeluri Family Trust		Total Assets	147.44	160.30	180.78	196.37
3. Malathi S		Net Assets	29.43	43.19	63.88	74.23
4. Kiran Kumar Atukuri		Total Borrowings	51.10	64.27	70.96	68.50
Competitive Strengths		Total Revenue	160.93	185.61	210.93	103.24
1. One-stop solution for soil health, crop nutrition, bio-pesticides and stimulants, etc.		Profit After Tax	6.30	13.69	20.49	10.38
2. Established a distribution network across various geographies.		Tentative Timeline				
3. Strengthening farmer outreach through Nova Kisan Seva Kendra.		Opening Date				Jan 23, 2024
4. Technology-driven product development and marketing.		Closing Date				Jan 25, 2024
5. Experienced Management and Promoters.		Basis of Allotment				Jan 29, 2024
6. Well-equipped Research and Development Facility.		Initiation of Refunds				Jan 30, 2024
		Credit of Shares to Demat				Jan 30, 2024
		Listing Date				Jan 31, 2024

Company Background and Analysis

NOVA Agritech Limited was incorporated in the year 2007. The company is an agri-input manufacturer offering soil health management, crop nutrition and crop protection products focused on a tech-based farmer-driven solution approach, wherein they mainly offer ecologically sustainable and nutritionally balanced products based on Research and Development.

The company manufactures, distributes and markets a wide range of product categories consisting of (a) soil health management products; (b) crop nutrition products; (c) biostimulant products; (d) biopesticide products (e) Integrated Pest Management products; (f) new technologies; and (g) crop protection products. Currently, the crop protection products are manufactured by its subsidiary Nova Agri Sciences Private Limited.

The company have a total dealer network comprising approximately 11,722 dealers out of which approximately 6,769 dealers are active to whom they have distributed and sold the products during the current financial year. The company's dealer network is currently spread across 16 states of India namely Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand and Jammu & Kashmir and 02 in Nepal. The company have also entered into marketing, distribution and supply agreements with certain third parties in Bangladesh, Sri Lanka and Vietnam and is currently awaiting the necessary permission to start a business in these jurisdictions. The revenue for the same from the different states is mentioned below

Revenue bifurcation from the major state's contribution as per the offer document is given below for the FY Ended 2021, 2022, 2023, and the Period ended September 2023 -

(Amount in Cr.)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	(%)	Amt	(%)	Amt	(%)	Amt	(%)
Andhra Pradesh	36.67	29.34	15.25	13.15	17.19	14.72	8.43	11.75
Karnataka	7.48	5.98	6.46	5.57	7.81	6.69	1.83	2.56
Telangana	62.87	50.31	70.88	61.09	63.75	54.60	54.59	76.09
Other States	17.95	14.37	23.42	20.19	28.01	23.99	6.88	9.60
Total	124.97	100.00	116.01	100.00	116.75	100.00	71.74	100.00

The company have a dedicated in-house Research and Development ("R&D") and a Quality Control / Quality Assurance facility at the manufacturing facilities to support technology transfer for new products and an on-site process improvement incubation centre. The company also have tie-ups with various universities to get access to process know-how, innovation, R&D, knowledge transfer, technology transfer, product transfer, credit support, manpower, development, etc.

To conclude, the company operates in a competitive industry with major operations being manufacturing and distribution. The company is generating the majority of its revenue from the state of Telangana.

Business Strategies

- 1. Enhance the product portfolio by expanding the manufacturing capacities and increasing the competencies -**

The company intends to expand the product portfolio by offering new generation products created and formulated based on patented formulations, thus creating a wider catalogue of enhanced modern products ready to be offered to the farmers to cater to their farming needs at various levels.
- 2. Continued focus on product registrations for domestic and international market expansion -**

The Company intends to continue the investments for domestic and international markets in obtaining registrations and licenses across various geographies to mark the footprints and scale up the business. The company intends to apply to the Department of Scientific and Industrial Research (DSIR) certification for the in-house R&D projects, which leverages them to benefit from Government of India Research project collaborations with various universities.
- 3. Expand the newer geographies including expanding the export business to a newer and wider spectrum-**

The Company intends to explore and penetrate into certain African countries. The company is focusing on expanding its product portfolio and sales through third-party online platforms, thus ensuring that the products are accessible to a wider geographical reach.
- 4. The strategy to deepen the farmer interface by providing holistic solutions and improving the operational parameters -**

The company intends to deepen the interface with farmers to reach the grassroots level, understand the problem and provide a one-stop holistic solution. The company intends to improve the scalability and operational parameters by providing such a holistic one-stop solution to farmers.
- 5. Enabling “REACH” towards tie-ups with academic, domestic, and international business partners**

The company intends to leverage the business relationships through long-term supply agreements, and tie-ups with reliable and reputed organisations, and universities to get access to process know-how, innovation, R&D, knowledge transfer, technology transfer, product transfer, credit support, manpower, development etc.
- 6. Focus towards modern technologies and solutions -**

The company intends to focus on implementing the IAE Concept (Identify, Assess and Execute) to align with technology-based products for value addition. The company intends to establish the fully automated state-of-the-art formulation technology to cater for the needs and demands of the changing market.
- 7. The company intends to set up training institutions to impart training to various aspects of innovation and operations of the devices -**

The company intends to set up training centres to impart training to farmers on how to operate and handle ‘Bhuparikshak’ and ‘Agribot’, thus making them competent and self-sufficient.
- 8. Augment the business through the distributorship of technical -**

The company intends to import and distribute Technicals in India, which will be a prominent factor in the growth of the agriculture sector in India.
- 9. Enhancing value to the business through the “Use it Right” campaign.**

The company intends to collaborate with various universities for research programmes and to give early signals on the expected outburst of pests and diseases. Through the ‘Use it Right’ campaign, company is

utilising digital media platforms like YouTube channel, Facebook, Instagram etc to create awareness regarding the correct knowledge and methodology.

Competitive Scenario and Peer Mapping

Competition

The markets in which the company operates are very competitive. The company faces competition from various players in the Agritech sector. The competitors include both locally-based agri-input companies and also pan-Indian agri-input companies. The company faces competition across the business activities from varied peers. Some of the company's competitors are larger and have greater financial resources or a more experienced management team than them. The industry 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 moderate in the sector in which the company operates.

Peer Analysis

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

Particulars	Nova AgriTech Limited	Aries Agro Limited	Aimco Pesticidies Limited	Basant Agrotech Limited	Best Agrolife Limited	Bhagiradha Chemicals and Industries Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	9.73%	3.39%	-0.97%	3.19%	11.00%	9%
EBITDA Margin	18.39%	10.17%	0.97%	6.37%	17.98%	16%
Return on Capital Employed	36.84%	14.13%	-4.08%	14.78%	49.74%	20%
Return on Equity	17.78%	6.58%	-4.35%	10.53%	36.36%	15%
EPS (INR)	3.27	13.17	-2.10	2.03	81.27	44.60

Particulars	Nova AgriTech Limited	Heranba Industries Limited	India Pesticides Limited	Madras Fertilizers Limited	Dharmaj Crop Guard Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	9.73%	8%	16%	5%	6%
EBITDA Margin	18.39%	12%	22%	10%	9%
Return on Capital Employed	36.84%	17%	24%	-200%	12%
Return on Equity	17.78%	13%	19%	-64%	12%
EPS (INR)	3.27	27.52	12.55	11.50	10%

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

Particulars	Nova AgriTech Limited	Aries Agro Limited	Aimco Pesticidies Limited	Basant Agrotech Limited	Best Agrolife Limited	Bhagiradha Chemicals and Industries Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	7.38%	2.78%	3.53%	4.08%	8.67%	8%
EBITDA Margin	14.98%	10.88%	5.77%	6.44%	13.71%	16%
Return on Capital Employed	30.16%	15.89%	28.85%	14.20%	38.50%	28%
Return on Equity	18.54%	5.36%	22.00%	12.42%	31.82%	19%
EPS (INR)	2.18	10.22	11.00	2.10	44.31	34.85

Particulars	Nova AgriTech Limited	Heranba Industries Limited	India Pesticides Limited	Madras Fertilizers Limited	Dharmaj Crop Guard Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	7.38%	13%	22%	7%	7%
EBITDA Margin	14.98%	18%	30%	11%	11%
Return on Capital Employed	30.16%	31%	32%	-55%	18%
Return on Equity	18.54%	26%	25%	-32%	34%
EPS (INR)	2.18	47.25	13.75	10.08	11.62

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

Particulars	Nova AgriTech Limited	Aries Agro Limited	Aimco Pesticidies Limited	Basant Agrotech Limited	Best Agrolife Limited	Bhagiradha Chemicals and Industries Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	3.92%	4.20%	1.11%	2.74%	4.09%	7%
EBITDA Margin	11.12%	14.96%	10.50%	5.47%	5.64%	15%
Return on Capital Employed	20.06%	21.07%	8.00%	8.39%	34.04%	22%
Return on Equity	13.60%	7.58%	21.26%	6.67%	28.03%	15%
EPS (INR)	1.00	13.81	2.37	1.01	16.83	22.78

Particulars	Nova AgriTech Limited	Heranba Industries Limited	India Pesticides Limited	Madras Fertilizers Limited	Dharmaj Crop Guard Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	3.92%	13%	21%	0%	7%
EBITDA Margin	11.12%	18%	28%	9%	10%
Return on Capital Employed	20.06%	38%	44%	-16%	22%
Return on Equity	13.60%	29%	35%	0%	38%
EPS (INR)	1.00	38.54	12.04	0.18	12.74

Industry Overview

Exhibit 1: Trend in Agriculture GVA at constant prices (₹ Billions)

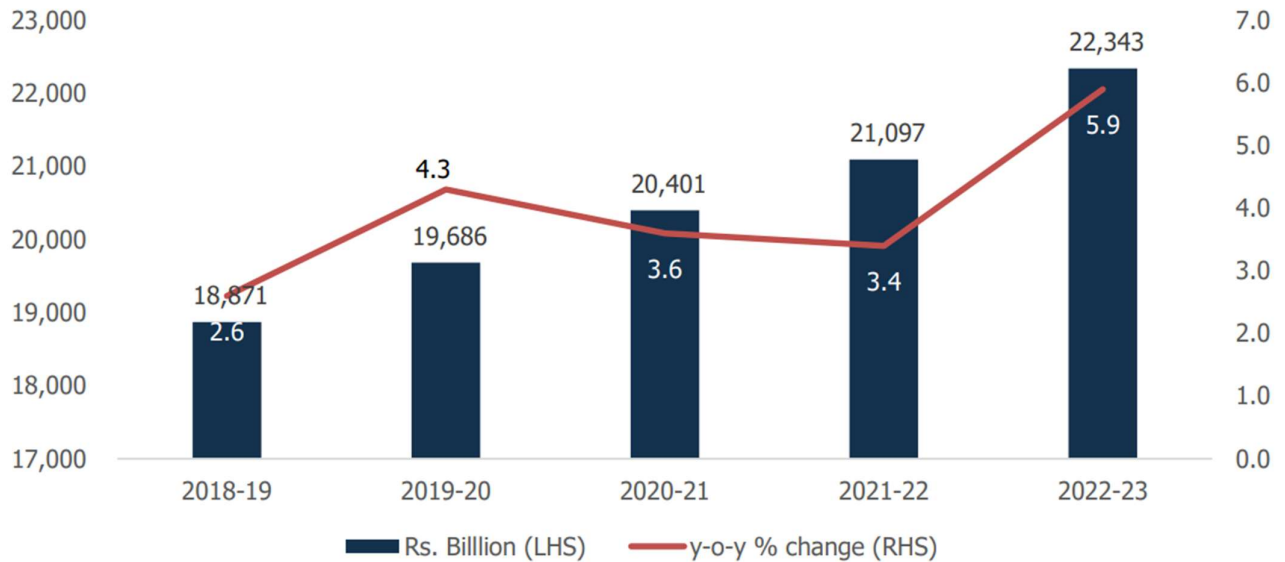
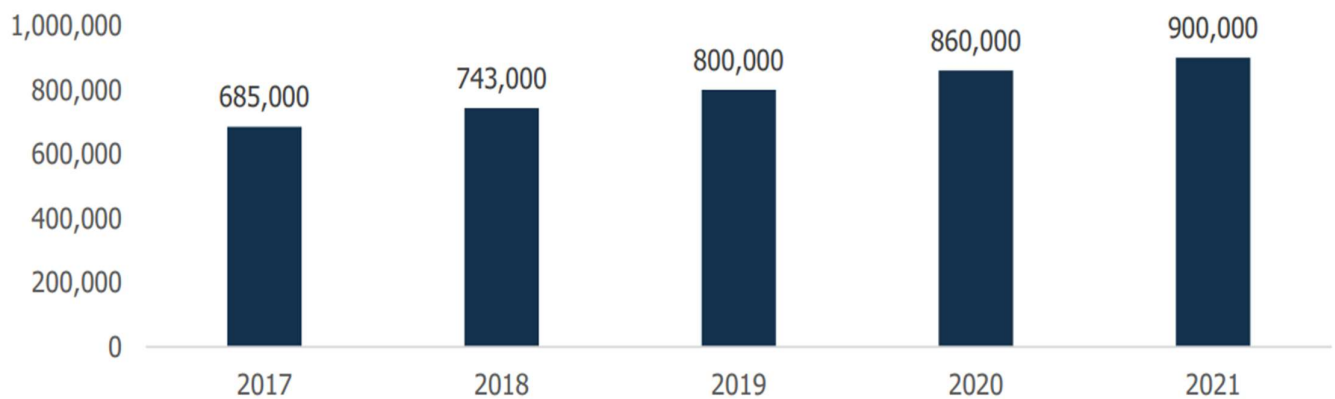


Exhibit 2: Micro-nutrient markets in India (MT)



(Source: prospectus)

Agriculture Industry - Overview -

Agriculture is the primary source of livelihood for about 58% of India's population. As a result, the share of agriculture and allied sectors to the total economy's Gross Value Added (GVA) has been significant and has increased over the years as shown here in the table.

The agriculture sector has experienced steady growth in the past two years. As of 2022-23, the sector is the largest employer of the workforce and accounted for a sizeable 15.1% of the in Gross Value Added (GVA) of the country. Growth in allied sectors including livestock, dairying and fisheries has also been a major growth driver in the sector. The expansion in the share of agriculture and allied sector's GVA is backed by an upward trend in the GVA of agriculture activities. During the five-year period 2018-19 to 2022-23, the GVA for agriculture increased at a CAGR of 4.3% from ₹ 18,871 billion in 2018-19 to ₹ 22,343 billion in 2022-23.

Further, the growth in agriculture GVA has been supported by various measures on credit, market reforms and food processing. In addition to several measures aimed at increasing productivity and improving the marketing of agricultural produce, the government also carries out a large food management programme with a significant financial implication in terms of food subsidies. While agriculture continues to be a significant part of the Indian economy, the quantum of arable land in India has remained constant for almost a decade at around 154 million hectares.

This is a fall of about 3.8% compared to around 160 million hectares of arable land in the 2000 period as per the World Bank. On the other hand, population in India has almost increased in every passing year. From 2000, when the population was at 1.06 billion, it has grown significantly to 1.4 billion in 2023. With the upward trend in population, the demand for food grains will continue to rise in India. To meet the domestic demand, food grain production in India has increased over the years.

For instance, in the last five years 2018-19 to 2022- 23, total foodgrain production in India grew at a CAGR of 3.2% from 285 million tonnes in 2018-19 to 324 million tonnes in 2022-23. With the increase in population and the arable land remaining almost constant, the crop protection industry's role becomes very critical to ensure that food grain productivity is enhanced.

Crop Nutrition Industry -

Fertilizer is any material of natural or synthetic origin that is applied to plant tissues or soil to supply plant nutrients. For most modern agricultural practices, fertilization focuses on three main macro nutrients: Nitrogen (N), Phosphorous (P) and Potassium (K).

Fertilizers are mainly classified as: -

- a. Chemical fertilizers
- b. Organic fertilizers
- c. Bio fertilizers.

(Source: Prospectus)

Key Managerial Personnel

Adabala Seshagiri Rao, aged 63 years, is the Chairman and Independent Director of the Company. He holds Degree of Bachelor of Science and Degree of Bachelor of Laws, s diploma in Industrial Relations & Personnel Management and a Diploma in Marketing & Sales Management. He is a Certified Associate of the Indian Institute of Bankers (CAIIB) Retail Banking examination from the Institute of Banking & Finance. He has over 35 years of experience in the banking industry.

Malathi S, aged 44 years, is one of the Promoters and Executive Director of the Company. She has completed her Bachelor of Commerce. She has been associated with the Company since 2011 and oversees the operations of the Company.

Kiran Kumar Atukuri, aged 49 years, is one of the Promoters, and Managing Director of the Company. He has completed his Bachelor of Science in Agriculture, and Master of Business Administration. He has almost two decades of experience in the field of Sales & Marketing, Product Development, Channel Management, Key Account Management and Client Relationship Management in the Agricultural inputs Business. He is responsible for the entire business operations specifically the manufacturing and sales operations of the Company.

Nadella Basanth Kumar, aged 36 years, is the Whole-Time Director of the Company. He has done his Bachelor of Science and Master of Science in Biotechnology. He has almost 13 years of work experience in Research & Development (“R&D”) and Manufacturing Operations in the Company. His functional responsibility involves handling of R&D, Manufacturing, and Regulatory affairs activity of the Company.

Sreekanth Yenigalla, aged 41 years, is the Whole-Time Director of the Company. He holds a Bachelor of Science degree in Agriculture. He has more than a decade of work experience in the Agricultural Industry. His functional responsibility includes developing industry networks for further business development, setting up the key processes for scaling up, and building business partnerships and collaborations.

Adapa Kiran Kumar, aged 52 years, is the Independent Director of the Company. He has completed his Ph.D. He is an agriculturist having over 25 years of experience in the field of agriculture, research and training.

Kandula Swapna, aged 46 years, is the Independent Director of the Company. She has done her Bachelor of Technology in Chemical Engineering and master’s in chemical engineering. She is a qualified Chemical Process Engineer /Plant Engineer/ Project Engineer. She is a Managing Director of Arcadia Textiles Private Limited.

Ramesh Babu Nemani, aged 47 years, is the Independent Director of the Company. He holds a Degree of Bachelor of Commerce, Master of Commerce, Master of Philosophy in Commerce, and Master of Business Administration, and has completed a PG Diploma in Functional English. He has an experience of 15 years as a faculty of the Institute of Computers and Business Management.

To conclude, the company has four promoters, out of which there are two individual promoters, and they have good experience. The Remaining Directors of the company have decent knowledge and experience in their respective fields which helps in the overall growth of the company and in the fields directly linked to the operations of the company.

Financial Snapshot

Profit and Loss Statement				(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23
Revenue from Operations	160.58	185.57	210.56	103.22
Other Operating Income	0.06	0.03	-	-
Other Income	0.28	0.02	0.38	0.03
Total Income	160.93	185.61	210.93	103.24
Expenses				
Cost of material consumed	98.56	122.12	119.94	65.47
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	0.49	-8.63	1.40	-6.27
Employee benefits expense	22.10	26.47	27.31	12.27
Finance Costs	7.33	7.15	8.57	4.35
Depreciation and Amortization expense	2.15	2.23	2.36	1.00
Other expenses	21.64	17.84	23.19	12.39
Total Expenses	152.26	167.17	182.77	89.21
Earnings Before Interest, Taxes, Depreciation & Amortization	17.86	27.80	38.72	19.35
EBITDA Margin	11%	15%	18%	19%
Profit/(Loss) before tax	8.67	18.44	28.16	14.03
Tax Expense				
Current Tax	2.76	5.36	8.07	4.01
Deferred Tax Charge	-0.39	-0.61	-0.40	-0.36
Total Tax Expense	2.37	4.76	7.67	3.65
Profit/(Loss) for the year	6.30	13.69	20.49	10.38
Net Profit Margin	4%	7%	10%	10%

Balance Sheet				(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	16.01	16.82	15.58	14.77
Capital work-in-progress	-	0.05	0.63	0.73
Goodwill	1.16	1.16	1.16	1.16
Other Intangible Assets	0.04	0.03	0.12	0.10
Financial Assets	-	-	-	-
Other financial assets	0.91	0.73	0.31	0.31
Deferred Tax Assets (Net)	3.57	4.18	4.57	4.94
Total non-current assets	21.69	22.97	22.37	22.02
Current Assets				
Inventories	35.42	36.80	41.72	50.46
Financial Assets	-	-	-	-
(i) Investments	-	-	-	-
(ii) Trade Receivables	84.98	92.99	105.68	116.15
(iii) Cash and Cash Equivalents	0.32	1.64	3.35	1.32
(iv) Other Bank Balances	-	-	-	-
(v) Loans	0.02	0.03	0.04	0.04

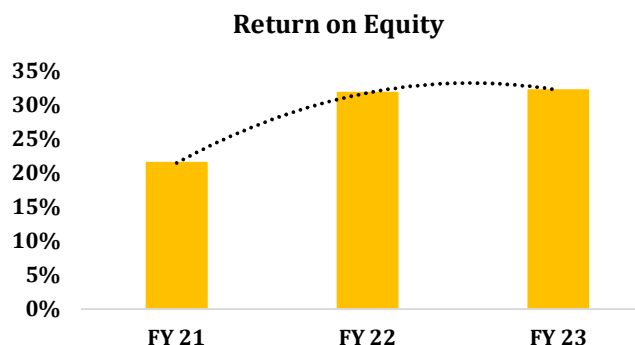
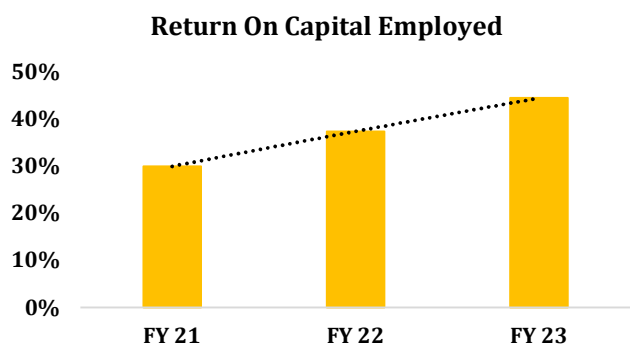
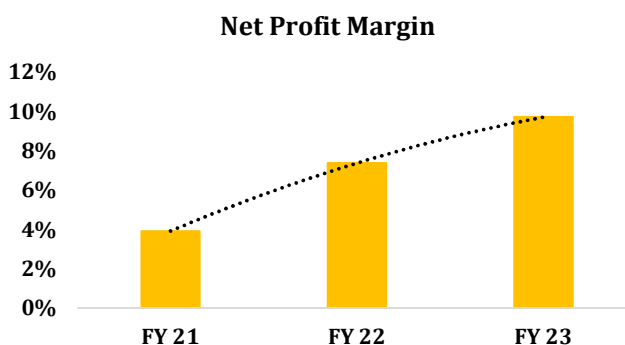
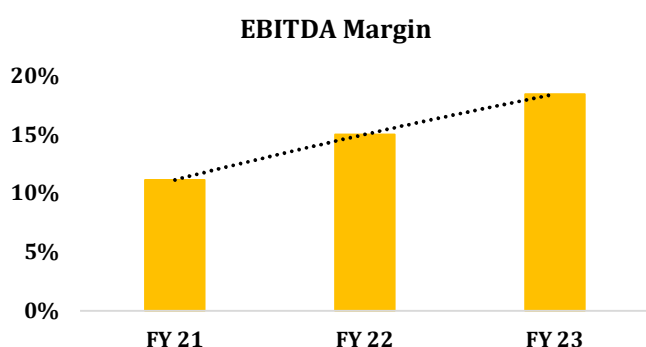
Balance Sheet				(In Cr.)
Other current assets	5.01	5.87	7.62	6.39
Total Current assets	125.75	137.33	158.41	174.35
Total Assets	147.44	160.30	180.78	196.37
EQUITY AND LIABILITIES				
Equity				
Share Capital	12.54	12.54	12.54	12.54
Other Equity	16.89	30.65	51.34	61.69
Total Equity	29.43	43.19	63.88	74.23
Liabilities				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	18.35	23.64	16.36	12.20
(ii) Lease liabilities	-	-	-	-
iii) Other financial liabilities	4.01	0.72	0.71	0.48
Provisions	0.72	0.93	0.89	0.99
Total non-current liabilities	23.08	25.29	17.96	13.68
Current liabilities				
Financial Liabilities				
(i) Borrowings	32.75	40.63	54.60	56.30
(ii) Trade Payables	-	-	-	-
total outstanding dues of micro-enterprises and small enterprises	25.56	18.16	6.82	15.24
total outstanding dues of creditors other than micro-enterprises and small enterprises	20.77	14.32	20.46	16.15
(iii) Other Financial Liabilities	6.56	7.06	5.95	6.31
Other Current Liabilities	1.78	2.48	1.71	0.99
Provisions	0.85	0.97	1.29	1.35
Current tax liabilities (Net)	6.67	8.20	8.12	12.12
Total Current liabilities	94.93	91.82	98.94	108.47
Total Liabilities	118.01	117.11	116.90	122.14
Total Equity and Liabilities	147.44	160.30	180.78	196.37

Cash Flow Statement				(In Cr.)
Particulars	FY 21	FY 22	FY 23	Sep-23
Net Cash Flow from Operating Activities	5.18	2.48	5.45	5.04
Net Cash Flow from Investing Activities	-3.12	-3.88	-1.86	-0.28
Net Cash Flow from Financing Activities	-1.83	2.72	-1.88	-6.80

Ratio Sheet				
Particulars	FY 21	FY 22	FY 23	Sep-23*
Per Share Data				
Diluted EPS	1.00	2.18	3.27	2.27
BV per share	3.18	4.67	6.90	21.28
Operating Ratios				
EBITDA Margins	11%	15%	18%	19%
PAT Margins	4%	7%	10%	10%
Inventory days	80.52	72.38	72.32	89.46
Debtor days	193.15	182.90	183.19	205.93
Creditor days	174.08	103.22	78.85	84.55
Return Ratios				
RoCE	30%	37%	44%	18%
RoE	21%	32%	32%	11%
Valuation Ratios (x)				
EV/EBITDA	4.49	3.81	3.40	6.72
Market Cap / Sales	2.36	2.04	1.80	1.84
P/E	41.00	18.81	12.54	18.07
Price to Book Value	12.89	8.78	5.94	1.93
Solvency Ratios				
Debt / Equity	1.14	0.96	0.87	0.33
Current Ratio	1.32	1.50	1.60	1.61
Quick Ratio	0.95	1.09	1.18	1.14
Asset Turnover	1.09	1.16	1.16	0.53
Interest Coverage Ratio	2.14	3.58	4.24	4.22

*Annualized Figures

Financial Charts



Key Risk Factors

1. The company, Subsidiaries, Promoters and Directors are involved in certain legal proceeds amounting to Rs. 1,165.98 Lakhs. Any adverse decision in such proceedings may render them liable to liabilities/penalties and may adversely affect the business and the results of operations.
2. The company have contingent liabilities amounting to Rs. 1,070.89 lakhs which could materially and adversely affect the business, results of operations and financial condition.

Track Record of Lead Manager

The lead manager to the issue is Keynote Financial Services Limited and Bajaj Capital Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Keynote Financial Services Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Credo Brands Marketing Limited	549.78	280.00	December 27, 2023	263.70

The company has had 01 mandates in the past three years (including the current year)

Bajaj Capital Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Manoj Vaibhav Gems “N” Jewellers Limited	270.20	215.00	October 03, 2023	318.00

The company has had 01 mandates in the past three years (including the current year)

*CMP for the above-mentioned companies is taken as of 23rd January 2024.

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

Recommendation

The company has been in the industry since 2007 and thus has good experience in the industry. The company has seen an increase in the top line and bottom line of its financials. The company faces high competition. The management outlook of the company is not satisfactory.

The P/E on a post-IPO basis is around 18.07 times which makes it fully priced by looking at the performance of the company and its peers. The Sector P/E is 28.2 times.

The company faces high competition in the Agritech sector in which it operates. The company has seen an increase in the top line, and bottom line but the outlook is not satisfactory. The company's earnings have increased over the years but are not satisfactory when looking at the experience and the industry in which the company operates in. The market is already well established with various companies in play which may or may not increase the already existing intensive competition. The company is utilizing the majority of its gross proceeds for an increase in expansion and working capital requirements for its subsidiary company. Sustained earnings and expansion plans can provide the company with a rise in its growth. Thus, we suggest **Risk Averse investors should wait and Risk Seekers should apply** to this IPO.

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