

# EMA Partners India Limited

Recommendation: **APPLY!**



## IPO Details

Opening Date	Jan 17, 2025
Closing Date	Jan 21, 2025
Allotment Date	Jan 22, 2025
Listing Date	Jan 24, 2025
Stock Exchange	NSE SME
Lot Size	1,000 Shares
Issue Price Per Share	₹117 to ₹124
Issue Size	76.01 Cr.
Fresh Issue	66.14 Cr.
Offer for Sale	9.87 Cr.
Application Amt	₹ 1,24,000 (1,000 shares)

## Company Background -

- **Incorporation:** EMA Partners India Limited was originally incorporated as “Executive Management Associates India Private Limited” on September 9, 2003. The registered office is located at Mumbai, Maharashtra, India.
- **Business Activity:** EMA Partners India is one of the leading executive search firms delivering customized leadership hiring solutions to a wide range of clients across diverse sectors.
- **Revenue Stream:** The company derives majority of its Revenue from Board and C suite hirings.
- **Human Resource:** The company has 117 employees as on Nov 30, 2024.

## Objects of the Issue -

- Augmenting Leadership Team for (a) the Company and (b) its subsidiaries.
- Capital expenditure towards upgrading the existing IT infrastructure for (a) the Company and (b) its subsidiaries.
- Repayment and/or pre-payment, in full of the borrowing availed by the Company with respect to purchase of office premises.
- General Corporate Purpose and unidentified inorganic acquisitions.

## Promoters Name -

Krishnan Sudarshan and Subramanian Krishnaprakash

## Rationale for recommendation -

- ✓ The company appears fully priced with a post-IPO annualized P/E of around 21.98 times, indicating a balanced valuation.
- ✓ The management team, supported by a well-qualified promoter group, ensures strong governance and strategic direction.
- ✓ A robust recovery in FY 2024 has led to over 30% growth in revenue, profit, and efficiency, but sustaining this growth remains a challenge.
- ✓ Cash flow and return ratios have improved, signalling better capital management amidst a competitive market.
- ✓ In the highly competitive executive search industry, EMA Partners' use of technology and a global network positions it for sustained growth and expansion.

## INDUSTRY - Staffing & Recruitment Average Industry PE as per RHP - 39.5

KPI's	KPIs (In Lakhs)			
	FY 22	FY 23	FY 24	Jul-24
Revenue	5,695.68	5,014.28	6,729.62	2,588.32
EBITDA	1,412.2	407.81	1,648.5	635.10
Net Profit	1,127	307.07	1,427.3	437.22
RoCE	30.11%	7.68%	24.66%	8.81%
ROE	28.58%	7.68%	26.42%	7.52%
P/E	18.73	68.51	14.76	21.98*

\*Annualized

## Promoter Share Holding Pattern

Pre-Issue	Post-Issue
86.14%	66.38%

## Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	8.40	5.64
BVPS	1,299.45	57.21
P/E	14.76	21.98
P/BV	0.10	2.17
Mkt Cap (In Cr)	222.11	288.26

\*Annualized

## Lead Managers -

**Indorient Financial Services Ltd**

## Registrar -

**Bigshare Services Pvt Ltd**

## Business Overview -

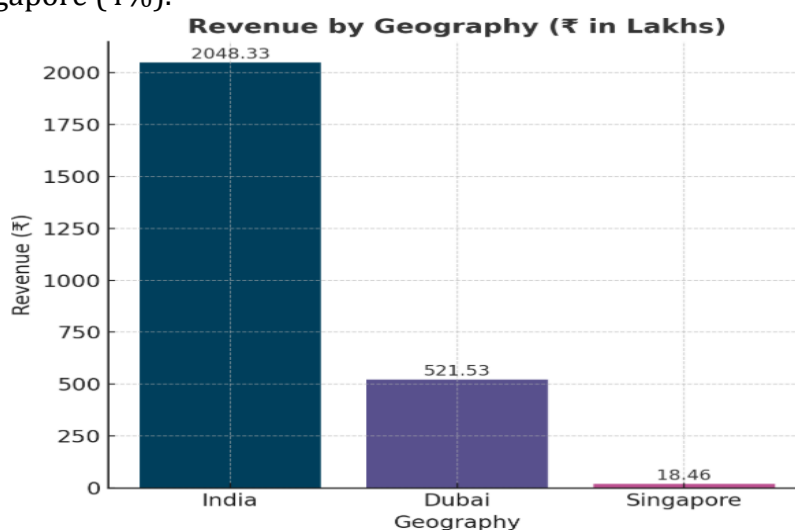
EMA Partners India Limited is a prominent executive search firm delivering customized leadership hiring solutions across diverse sectors. Headquartered in Mumbai, the company operates domestically and internationally through subsidiaries in Singapore and Dubai. It caters to the full spectrum of white-collar hiring needs, ranging from entry-level to C-suite roles, via three distinct practice areas: EMA Partners, James Douglas, and MyRCloud.

### Key Business Segments

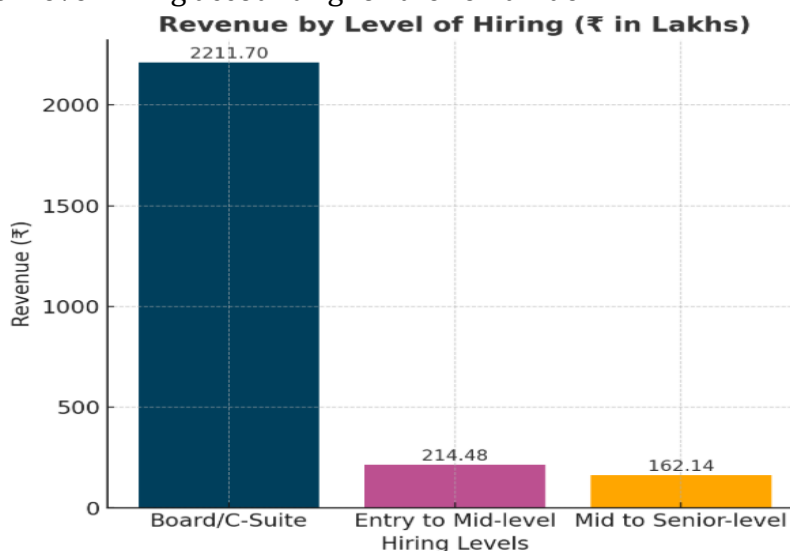
- EMA Partners:** Focused on hiring C-suite and board-level executives, leveraging global expertise and local knowledge.  
 Revenue Model: Fees based on milestones, typically as a percentage of the candidate’s annual compensation.
- James Douglas:** Specializes in mid-to-senior level recruitment, offering agile solutions across diverse industries.  
 Revenue Model: Retainer and performance-based fees, charged as a percentage of the candidate’s first-year salary or as a fixed fee.
- MyRCloud:** A technology-driven recruitment marketplace focusing on entry-to-mid-level positions, utilizing AI and ML for efficient hiring.  
 Revenue Model: Platform usage fees and commissions for successful placements.

### Geographic and Segment-Wise Revenue Analysis

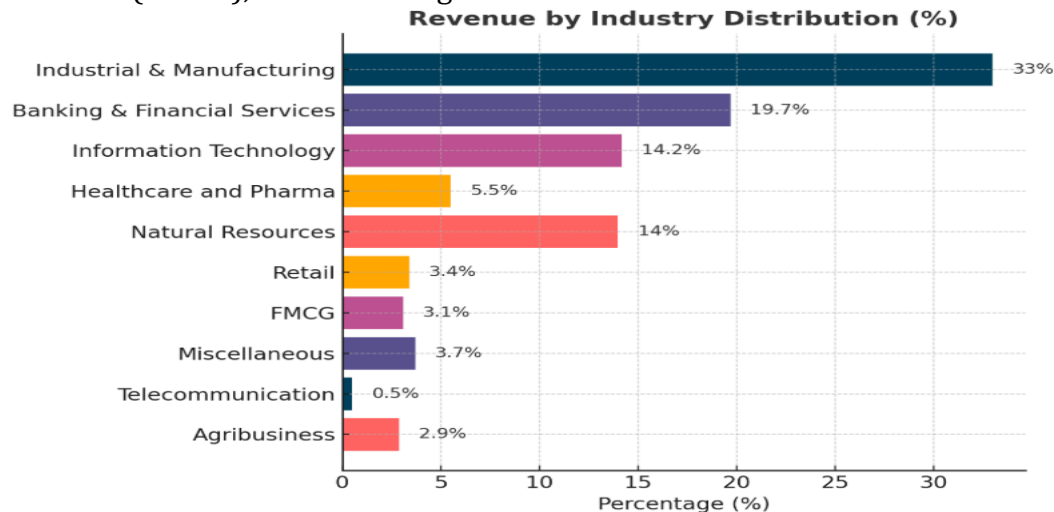
- Geographical Distribution:** India contributes the majority of revenue (approximately 76%), followed by Dubai (20%) and Singapore (4%).



- Hiring Levels:** Board and C-suite hiring dominate, contributing 85.5% of total revenue, with entry-to-mid-level and mid-to-senior-level hiring accounting for the remainder.



3. Industry Revenue Share: Top industries include Industrial & Manufacturing (33%) and Banking & Financial Services (19.7%), with notable growth in IT and Healthcare sectors.



EMA Partners India Limited demonstrates a strong foothold in leadership hiring, backed by its global network and specialized subsidiaries. The firm's adaptability through technology platforms like MyRCloud and its focus on high-value placements position it well for sustained growth. Expanding international operations and tapping into emerging sectors such as IT and healthcare further diversify its revenue base and mitigate market risks.

#### Competition -

- Market Competition:** The industry is highly competitive, with EMA Partners competing against global and local firms based on service quality, reputation, and pricing.
- Geographic Competition:** Competition arises from firms across the country and digital platforms offering hybrid and online recruitment services.
- Barriers to entry:** Entry barriers are moderate; while it's easy to enter, building a strong reputation and network takes time and resources.
- Threat of Substitutes:** High, as clients can switch to in-house teams, digital platforms, or other firms offering similar services.
- Bargaining Power of Buyers:** High, as clients have multiple choices, making pricing and service quality key for retention.
- Bargaining Power of Supplier:** Low, as internal systems and technology providers are easily negotiable or replaceable.

#### Business Strategies -

- Company intends to expand footprint through organic and inorganic strategies, enabling it to leverage existing relationships with clients and the EMA Partners International Network. In addition to the expanding growth opportunities in India, company has identified key markets segments in US, UK and Saudi Arabia as the key markets for growth and expansion.
- EMA Partners aims to drive growth by leveraging advanced AI, automation, and data analytics through platforms like MyRCloud to streamline recruitment processes and enhance client and candidate experiences.
- Company intends to recruit seasoned professionals at Senior levels to deepen expertise across industries and business functions. These partners will bring their extensive networks, industry insights, and a proven track record of placing top-tier talent in leadership positions.

#### Risk Factors -

- There are outstanding litigations (mostly relating to Taxation Matters and one civil Litigation) involving Company, its Promoters and Directors amounting to ₹133.29 Lakhs.
- Company had negative cash flows for the four months period ended July 31, 2024, from operating activities.

**PEER ANALYSIS –**

Particulars	EMA Partners India Limited			Quess Corp Limited			Teamlease services limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	19.79%	6.12%	21.21%	1.75%	1.30%	1.45%	0.59%	1.41%	1.20%
EBITDA Margin	24.80%	8.13%	24.50%	4.72%	3.88%	3.65%	1.39%	2.07%	1.93%
RoCE	30.11%	7.68%	24.66%	14.39%	11.74%	11.49%	5.86%	11.98%	12.78%
ROE	28.58%	7.68%	26.42%	9.39%	8.22%	9.37%	5.44%	13.57%	13.82%
EPS (INR)	6.62	1.81	8.40	16.30	15.14	18.71	22.47	65.12	66.23
P/E	18.73	68.51	14.76	40.66	24.42	31.33	189.03	34.39	46.00

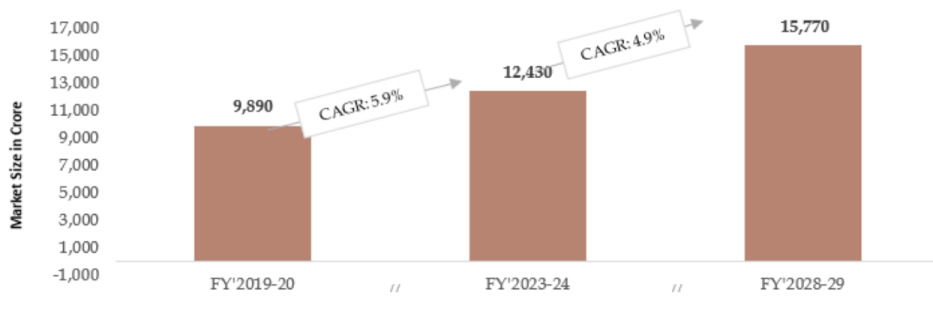
- The post-issue market cap of EMA Partners India Limited is lower than its peers, which makes the comparison slightly unreasonable.
- The PE ratio of the company is low compared to its peers.
- The RoCE and RoE of EMA Partners are higher than Quess Corp and TeamLease.
- The NP margin and EBITDA margin of EMA Partners are higher, although their trends do not align with those of its peers.

**INDUSTRY OVERVIEW -**

**INDIA’S Staffing and Recruitment Market –**

The recruitment and staffing industry posted revenues of INR 9,890 Cr in FY 2018-19, which has reached INR 12,430 Cr in FY 2023-24, at a CAGR of 5.9%. This represents the addressable market opportunity for all the recruitment and HR outsourcing players inclusive of Leadership hiring/ executive search, Professional hiring and general recruitment.

**India’s Staffing and Recruitment Market Size, FY’2019-20 to FY’2028-29 -**



Rising demand for skilled labour across various industries, technological advancements in recruitment processes such as AI and automation, and the expansion of sectors like IT and healthcare are driving significant hiring needs.

88% of professionals aged 18-24 are contemplating a career change, compared to 64% of those aged 45-54 in next 1 year. Young Professionals are considering switching jobs this year for higher wage and work-life balance and flexibility. (source: LinkedIn Economic Data Survey – 2070 workers aged 18+)

The Indian Staffing & Recruitment Industry in India is expected to grow at a CAGR of 4.9% from FY'2023-24 to FY'2028-29. The market is expected to reach INR 15,770 Cr by FY'2028-29.

**Market Segmentation Basis Type of Hiring, FY’2019-29 –**

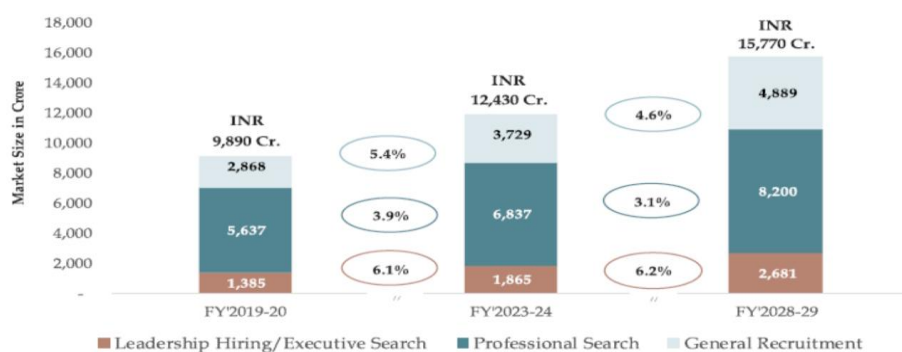
The India Staffing & Recruitment Market is divided into 3 types of hiring:

**Leadership Hiring/ Executive Search:** This category includes leaders at the Board, C-Suite, and Senior Executive levels, accounting for ~15.0% of the overall market. Despite representing a smaller market share, there is a higher demand for senior level or executive positions. These roles are critical for strategic leadership and decision-making, underscoring their importance despite their limited numbers. Total leadership hiring pool is of around 1.6 million professionals in India as of March 2024.

**Professional Search:** This includes mid-senior level hiring, contributing ~55% to the overall market. The majority of recruitment efforts focus on professional roles, suggesting a high demand for specialized skills and expertise. This aligns with the need for highly qualified individuals in technical, managerial, or specialist positions.

**General Recruitment:** This includes B2B platforms; candidate shortlisting & job discovery platforms. This significant portion highlights the demand for general positions, which may include entry-level or non-specialized roles, contributing ~30.0% to the overall market. These roles are essential for the day-to-day operations and broader workforce needs.

**Market Segmentation Basis Type of Hiring (in Crore), FY’2019-29 –**



**Key Management -**

<b>Key Management Persons Name - Age</b>	<b>Krishnan Sudarshan</b> 54
<b>Designation and No. of years of experience</b>	Promoter, Chairman and Managing Director, he has 20+ years of experience in executive search and recruitment.
<b>Qualification</b>	Bachelor's degree in civil engineering, Owner/President Management Program at the Harvard Business School
<b>Responsibility</b>	Day-to-day operations and currently overseeing & controlling the overall operations and management.
<b>Other Directorships</b>	EMA Partners Singapore Pte Limited, Reliance Consumer Products Limited, Just Dial Limited

<b>Key Management Persons Name - Age</b>	<b>Subramanian Krishnaprakash</b> 59
<b>Designation and No. of years of experience</b>	Promoter and Whole Time Director, 20+ years of experience in executive search and recruitment.
<b>Qualification</b>	Bachelor's degree in technology, Post Graduate Diploma in Business Administration
<b>Responsibility</b>	works closely with private equity investors to build leadership teams for their portfolio companies
<b>Other Directorships</b>	EMA Partners Executive Search Private Limited, Emagine People Technologies Private Limited

<b>Key Management Persons Name - Age</b>	<b>Shekhar Ganapathy</b> 58
<b>Designation and No. of years of experience</b>	Non-Executive Director, 20+ years of experience in sales and information technology industry.
<b>Qualification</b>	Bachelor's degree of Engineering (Electrical and Electronics Engineering), Post Graduate Diploma in Management, IIM Calcutta.
<b>Other Directorships</b>	Helius Technologies Pte Ltd, Traana Technologies Private Limited

<b>Key Management Persons Name - Age</b>	<b>Archana Niranjana Hingorani</b> 59
<b>Designation and No. of years of experience</b>	Independent Director, 21+ years of experience in fundraising, investing, nurturing investments through four different economic cycles, carving exit paths, asset management and spearheading ESG programs
<b>Qualification</b>	Bachelor's degree in arts, master's degree in business administration, Doctorate degree in philosophy
<b>Other Directorships</b>	Global Impact Initiative UCITS ICAV, Ireland, Alembic Pharmaceuticals Inc. 5 Paisa Capital Limited

<b>Key Management Persons Name - Age</b>	<b>Arun Dasmahapatra</b> 67
<b>Designation and No. of years of experience</b>	Independent Director, 23+ years of experience in providing leadership advisory and executive search services
<b>Qualification</b>	Master's degree in arts (Psychology)
<b>Other Directorships</b>	-

<b>Key Management Persons Name - Age</b>	<b>Rajat Kumar Jain</b> 61
<b>Designation and No. of years of experience</b>	Independent Director, 19+ years of experience
<b>Qualification</b>	Bachelor's degree in technology IIT Delhi, Post-Graduate Diploma in Management IIM Ahmedabad
<b>Other Directorships</b>	Aditya Birla Finance Limited, Mahindra Holidays & Resorts India Limited, Vodafone Idea Limited

- The overall management of the company is satisfactory.



- The promoter and management have vast experience in the industry.
- Manishkumar Anjanikumar Dhanuka (Group CFO), aged 44 years, holds a bachelor's degree in commerce, is a member of the Institute of Chartered Accountants of India., and has cleared all academic levels of examinations conducted by the CFA Institute. He has over 17 years of experience in the field of accounts, finance and operational management. He is responsible for the accounts and finance functions of the Company and Subsidiaries.

### FINANCIAL SNAPSHOT

Statement of Profit and Loss				Amt in Lakhs.
Particulars	FY 2022	FY 2023	FY 2024	Jul-24
Revenue from Operations	5,695.68	5,014.28	6,729.62	2,588.32
Other Income	90.84	91.88	153.83	44.58
<b>Total Income</b>	<b>5,786.52</b>	<b>5,106.16</b>	<b>6,883.45</b>	<b>2,632.90</b>
<b>Expenses</b>				
Employee Benefit Expenses	3,458.44	3,507.93	3,839.08	1,421.34
Finance Cost	43.68	18.86	18.62	21.37
Depreciation and Amortization Expense	78.41	87.83	115.70	62.98
Other expenses	824.98	1,098.54	1,241.95	531.88
<b>Total Expenses</b>	<b>4,405.51</b>	<b>4,713.16</b>	<b>5,215.35</b>	<b>2,037.57</b>
<b>EBITDA</b>	<b>1,412.26</b>	<b>407.81</b>	<b>1,648.59</b>	<b>635.10</b>
<b>EBITDA Margin</b>	<b>24.80%</b>	<b>8.13%</b>	<b>24.50%</b>	<b>24.54%</b>
<b>Profit/(Loss) before tax</b>	<b>1,381.01</b>	<b>393.00</b>	<b>1,668.10</b>	<b>595.33</b>
<b>Tax Expense</b>				
Current tax	233.33	123.74	217.78	156.35
Earlier years (written back)	-	-23.69	-2.49	-
Deferred Tax	-0.45	-0.69	-8.92	6.40
<b>Total Tax</b>	<b>232.88</b>	<b>99.36</b>	<b>206.37</b>	<b>162.75</b>
<b>Profit/ Loss from continuing operations</b>	<b>1,148.13</b>	<b>293.64</b>	<b>1,461.73</b>	<b>432.58</b>
Less: Share of minority interest	21.07	-13.43	34.43	-4.64
<b>Profit/(Loss) for the year</b>	<b>1,127.06</b>	<b>307.07</b>	<b>1,427.30</b>	<b>437.22</b>
<b>Net Profit Margin</b>	<b>19.79%</b>	<b>6.12%</b>	<b>21.21%</b>	<b>16.89%</b>

Statement of Assets and Liabilities				Amt in Lakhs.
Particulars	FY 2022	FY 2023	FY 2024	Jul-24
<b>EQUITY AND LIABILITIES</b>				
Share Capital	5.00	4.23	4.23	4.23
Reserves and surplus	3,939.14	3,992.52	5,397.32	5,806.16
<b>Total Shareholder's Fund</b>	<b>3,944.14</b>	<b>3,996.75</b>	<b>5,401.55</b>	<b>5,810.39</b>
Minority Interest	115.94	58.97	93.17	12.84
<b>Total Equity</b>	<b>4,060.08</b>	<b>4,055.72</b>	<b>5,494.72</b>	<b>5,823.23</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings	305.19	45.55	676.66	620.47
Deferred tax Liability (net)	48.16	47.47	38.55	44.95
Long-Term Provisions	16.02	15.96	6.44	6.46
<b>Total Non-current liabilities</b>	<b>369.37</b>	<b>108.98</b>	<b>721.65</b>	<b>671.88</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Short-term Borrowings	84.36	10.42	81.36	103.03
Trade Payables				
(i) Total outstanding dues of MSME	0.17	0.62	0.82	0.75
(ii) Total outstanding dues of creditors other than MSME	22.64	7.75	66.08	60.52
Other Current Liabilities	579.03	539.56	553.06	317.90

Particulars	FY 2022	FY 2023	FY 2024	Jul-24
Short-term provisions	734.62	603.24	741.36	527.40
<b>Total Current liabilities</b>	<b>1,420.82</b>	<b>1,161.59</b>	<b>1,442.68</b>	<b>1,009.60</b>
<b>Total Liabilities</b>	<b>1,790.19</b>	<b>1,270.57</b>	<b>2,164.33</b>	<b>1,681.48</b>
<b>Total Equity and Liabilities</b>	<b>5,850.27</b>	<b>5,326.29</b>	<b>7,659.05</b>	<b>7,504.71</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	995.68	944.46	1,182.93	2,015.87
Intangible Assets	0.10	0.04	73.12	105.71
Capital Work in Progress	-	-	749.68	-
Long-Term Loans and Advances	536.67	479.54	407.60	406.15
Other non-current assets	150.15	146.98	82.87	75.56
<b>Total Non-Current assets</b>	<b>1,682.60</b>	<b>1,571.02</b>	<b>2,496.20</b>	<b>2,603.29</b>
<b>CURRENT ASSETS</b>				
Current Investments	730.43	839.24	928.75	1,165.36
Inventories	-	-	-	-
Trade Receivables	1,383.82	1,265.25	1,877.51	1,991.67
Cash & Cash equivalents	1,904.74	1,461.83	2,158.58	1,509.27
Short term loans and advances	42.59	56.35	65.79	57.03
Other Current Assets	106.09	132.60	132.22	178.09
<b>Total Current assets</b>	<b>4,167.67</b>	<b>3,755.27</b>	<b>5,162.85</b>	<b>4,901.42</b>
<b>Total Assets</b>	<b>5,850.27</b>	<b>5,326.29</b>	<b>7,659.05</b>	<b>7,504.71</b>

**Cash Flow Statement**

Amt in Lakhs.

Particulars	FY 2022	FY 2023	FY 2024	Jul-24
Net Cash Flow from Operating Activities	832.69	272.11	1,192.36	-108.42
Net Cash Flow from Investing Activities	-335.57	-112.58	-1,179.06	-336.80
Net Cash Flow from Financing Activities	-92.49	-602.44	683.45	-204.09

**Key Ratios**

<u>Per Share Data</u>	FY 22	FY 23	FY 24	<u>Valuation Ratios (x)</u>	FY 22	FY 23	FY 24
Diluted EPS	6.62	1.81	8.40	EV/EBITDA	1.80	6.50	2.48
BV per share	812.02	959.14	1,299.45	Market Cap / Sales	0.11	0.10	0.08
<b><u>Operating Ratios</u></b>				P/E	18.73	68.51	14.76
EBITDA Margins	24.80%	8.13%	24.50%	Price to Book Value	0.15	0.13	0.10
PAT Margins	49.65%	38.62%	40.94%	<b><u>Solvency Ratios</u></b>			
Inventory days	-	-	-	Debt / Equity	0.10	0.01	0.14
Debtor days	88.92	92.35	102.11	Current Ratio	2.93	3.23	3.58
Creditor days	-	-	-	Quick Ratio	2.93	3.23	3.58
<b><u>Return Ratios</u></b>				Asset Turnover	0.97	0.94	0.88
RoCE	30.11%	7.68%	24.66%	Interest coverage Ratio	30.54	16.97	82.32
RoE	28.58%	7.68%	26.42%				

**INTERPRETATION –**

1. Revenue saw a significant decline in FY 2023 (mostly due to loss of revenue from India search business) but rebounded strongly with over 30% growth in FY 2024, indicating recovery after the normalization of pent-up demand from the previous years.
2. Net profit margin dropped in FY 2023 but surged back with more than 30% growth in FY 2024. EBITDA margin showed similar volatility, improving substantially in FY 2024 after a dip in FY 2023.
3. Cash flow from operations improved significantly, reflecting better cash generation. However, large investments in growth may strain liquidity if returns are delayed.
4. RoCE and RoE both saw a decline in FY 2023 but recovered strongly in FY 2024, showing improved capital efficiency.
5. The company's valuation ratios improved in FY 2024, reflecting increased market confidence, as both P/E and Price-to-Book ratios decreased, signalling a more favourable outlook.



## LEAD MANAGER TRACK RECORD –

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

### Indorient Financial Servies Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Yash Highvoltage Limited	110.01	146.00	December 19, 2024	110.01
2.	Chatha Foods Limited	34.00	56.00	March 27, 2024	140
3.	Plada Infotech Services Limited	12.36	48.00	October 13, 2023	26.6
4.	Canarys Automations Limited	47.03	31.00	October 11, 2023	38.8
5.	Newjaisa Technologies Limited	39.93	47.00	October 05, 2023	84.1
6.	Techknowgreen Solutions Limited	16.72	86.00	September 27, 2023	250
7.	eMudra Limited	412.79	256.00	June 01, 2022	947
8.	SecMark Consultancy Limited	15.04	135.00	October 01, 2020	125

The company has handled 8 mandates in the past four years (including the current year)

\*CMP for the above-mentioned companies is taken as of 16<sup>th</sup> January 2024.

As per the offer document, from the above-mentioned mandates, SecMark Consultancy Limited opened at a discount and all the remaining mandates have opened at premiums on the listing day.

## Recommendation -

EMA Partners India Limited has been in the industry since 2003 and has vast experience.

The P/E on a post-IPO annualized basis is around 21.98 times which makes it look fully price.

The company is supported by a well-qualified and experienced promoter group and management team. Their extensive industry knowledge and expertise contribute to the company's overall governance and strategic direction, ensuring steady operational efficiency and informed decision-making.

The company showed a strong recovery in FY 2024, with over 30% growth in revenue, profit, and efficiency after a decline in FY 2023 (loss of revenue from India search business). Cash flow improved, and return ratios bounced back, signalling better capital management. To sustain growth, the company must focus on innovation, operational efficiency, and staying competitive.

EMA Partners operates in a highly competitive executive search market, facing both large multinational firms and emerging local players. Despite challenges like high buyer bargaining power and the threat of substitutes, the firm has established a strong market presence, leveraging technology and a global network. With plans for an IPO and a focus on expansion, EMA Partners is well-positioned for sustained growth in the evolving industry.

Thus, investors can may **APPLY** to this IPO for long-term basis.

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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