



# Sharp Chucks and Machines Limited

IPO Note



IPO Details		Company Background																											
<b>Opening Date</b>	Sept 29, 2023	<ul style="list-style-type: none"> <li>Sharp Chucks and Machines Limited was originally incorporated in the year 1994 and has its registered office in Punjab.</li> <li>The Company is engaged in the business of manufacturing forging products, casting products and machined components, which finds its application in a diverse industry.</li> <li>The company has a variety of SKUs such as i) Casting, ii) Machine Tools, and iii) Forging / striking tools.</li> <li>As of 31<sup>st</sup> August 2023, the Company has 569 Employees on its payroll.</li> </ul>																											
<b>Closing Date</b>	Oct 05, 2023																												
<b>Stock Exchange</b>	NSE SME																												
<b>Lot Size</b>	2,000 Shares																												
<b>Issue Price</b>	₹ 58 per share																												
<b>Issue Size</b>	Aggregating up to 16.84 Cr.																												
<b>Fresh Issue</b>	Aggregating up to 5.66 Cr.																												
<b>Offer for Sale</b>	Aggregating up to 11.19 Cr.	<table border="1"> <thead> <tr> <th colspan="2">Market Capitalization (In Cr.)</th> </tr> <tr> <th>Pre-Issue</th> <th>Post-Issue</th> </tr> </thead> <tbody> <tr> <td>₹ 57</td> <td>₹ 62</td> </tr> </tbody> </table>				Market Capitalization (In Cr.)		Pre-Issue	Post-Issue	₹ 57	₹ 62																		
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₹ 57	₹ 62																												
<b>Application Amount</b>	₹ 1,16,000																												
IPO Objective		Financial Summary (In Lacs)																											
Working Capital Requirements.		<table border="1"> <thead> <tr> <th rowspan="2">For the Period Ended</th> <th>Mar-21</th> <th>Mar-22</th> <th>Mar-23</th> </tr> </thead> <tbody> <tr> <td><b>Total Assets</b></td> <td>13,397.98</td> <td>18,392.09</td> <td>18,003.58</td> </tr> <tr> <td><b>Net Assets</b></td> <td>4,275.67</td> <td>4,728.29</td> <td>5,234.79</td> </tr> <tr> <td><b>Total Borrowings</b></td> <td>5,605.35</td> <td>8,052.83</td> <td>8,122.80</td> </tr> <tr> <td><b>Total Revenue</b></td> <td>13,583.12</td> <td>15,252.23</td> <td>17,931.45</td> </tr> <tr> <td><b>Profit After Tax</b></td> <td>330.97</td> <td>452.62</td> <td>506.50</td> </tr> </tbody> </table>				For the Period Ended	Mar-21	Mar-22	Mar-23	<b>Total Assets</b>	13,397.98	18,392.09	18,003.58	<b>Net Assets</b>	4,275.67	4,728.29	5,234.79	<b>Total Borrowings</b>	5,605.35	8,052.83	8,122.80	<b>Total Revenue</b>	13,583.12	15,252.23	17,931.45	<b>Profit After Tax</b>	330.97	452.62	506.50
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General Corporate Purpose.																													
Pre-Issue Shareholding																													
Category	No. of Shares	% of Total Shares																											
Promoter & Promoter Group	78,55,542	80.29%																											
Public	19,28,766	19.71%																											
Promoter of the Company																													
1	Ajay Sikka																												
2	Gopika Sikka																												
Competitive Strengths			Tentative Timeline																										
1	In-house manufacturing facilities and machining centre.		<b>Opening Date</b>		Sept 29, 2023																								
2	Wide product range and customized product offering.		<b>Closing Date</b>		Oct 05, 2023																								
3	Vast experience of Promoters.		<b>Basis of Allotment</b>		Oct 10, 2023																								
4	Customer Diversification.		<b>Initiation of Refunds</b>		Oct 11, 2023																								
5	Effective quality control checks.		<b>Credit of Shares to Demat</b>		Oct 12, 2023																								
			<b>Listing Date</b>		Oct 13, 2023																								

**Company Background and Analysis**

The Company was originally incorporated in the year 1994. The company is engaged in the business of manufacturing forging products, casting products and machined components, which finds its application in a diverse industry. The company started its manufacturing operations in the year 1994 with the first manufacturing plant set up in Jalandhar. As of September 23, 2023, the company has 2 manufacturing units in Jalandhar consisting of three foundries having installed capacity of 30000 MTPA Machining facilities consisting of VMC, CNC and other machineries having an installed capacity of 14400 MTPA and one forging unit consisting of hammers, billiard heaters etc having installed capacity of 3600 MTPA.

The company is engaged in the manufacturing of forging and graded casting machined components of tractors and other automobiles and is also engaged in power chucks, lathe chucks, drill chucks, and other machine tools accessories. The company supplies these above-mentioned products to various industries including automobile industries in India and OEMs industries. The company's manufactured products have diverse applications for tractors, automobiles, material handling & earth-moving equipment, railways, defence, machine tools, DIY industry, etc. The company also manufactures customized components as per customer-specific requirements and use, with a high degree of precision both in quality and time with personalized services to the customer base in India and overseas.

The company has a variety of SKUs, and the list of the products is given below –

1. Casting – brake housing, piston, trumpet housing, wheel hub kit, rear cover, bell housing, front axle bracket, gearbox, b.p shaft carrier, brake drum, front axle housing, lift arm, ram cylinder, rear trunion, planetary carrier, tp carrier, cage, steering arm lift housing, pto housing, flywheel, gear casing cylinder block, planet carrier m star, support front axle, plate input retainer, temper head.
2. Machine Tools – lathe chucks, independent chucks, power chucks, mtj chucks, forward jaw, reverse jaw, soft jaws, base hard jaws, top hard jaws, top soft jaws, wedge, t-nut, handle, back plates, drill chucks, spare keys
3. Forging/striking tools - gear, dog clutch, scaffolding, c clamp, spanner, wrench, axe, ball pein hammer, cross pein hammer, machinist hammer, sledgehammer, splitting maul, stoning hammer, hatchet, combination spanner, splitting axe, splitting wedge, fireman axe, Michigan axe, hunter axe, drilling hammer, claw hammer, camp axe, single bit axe.

Geography wise-revenue for Fiscal year ended 2021, 2022, and 2023 is given below-

(Amount in Lakhs)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount	%	Amount	%	Amount	%
Domestic	13,002.70	95.99	14,098.04	92.81	16,904.99	95.81
Export	543.38	4.01	1,092.74	7.19	739.98	4.19
Total	13,546.08	100.00	15,190.78	100.00	17,644.97	100.00



Product wise-revenue for Fiscal year ended 2021, 2022, and 2023 is given below-

(Amount in Lakhs)

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount	%	Amount	%	Amount	%
Machine Tools	522.89	3.86	2,317.35	15.25	440.12	2.49
Forging	2,332.21	17.22	2,322.01	15.29	2,017.67	11.43
Casting	10,690.98	78.92	10,551.41	69.46	15,187.18	86.07
Total	13,546.08	100.00	15,190.77	100.00	17,644.97	100.00

To conclude, the company was originally incorporated in the year 1994. The company is engaged in the business of manufacturing forging products, casting products and machined components. The company generates the majority of its revenue from casting products. The company is raising total gross proceeds of Rs. 16.84 Cr.



## **Business Strategies**

### **1. Continue to add the product portfolio by introducing new designs.**

The company's strategy is focused towards introducing new product designs to cater to the requirements of the customers as well as garnering the attention of more customers. The company believes that there is an immense demand in the global markets for unique designs, good quality and competitively priced products.

### **2. Expand the customer base.**

The company intends to continue to leverage the products and the long-term relationships and credentials with the existing customers and referrals from such customers to further develop and strengthen the customer base.

### **3. Utilization of existing installed capacity.**

The company has an installed capacity of 30,000 MT for casting units, 14,400 MT for machining units and 3,600 MT for manufacturing automotive components. The company intends to utilize the existing installed capacity to the maximum level.

### **4. Continuing focus on improving operational efficiency.**

The company aims to continue to improve profitability by constant cost optimization, improving product mix by enhancing the contribution of higher-value-added machined products and increasing capacity utilization.

### **5. Continue to enhance the core strengths by attracting, retaining, and training qualified personnel.**

The company believes that the ability to effectively execute and manage projects is crucial to continued success. The company seeks to improve competitiveness by increasing the focus on training the staff.

## **Competitive Scenario and Peer Mapping**

### **Competition**

The industry in which the company operates is mainly competitive and highly fragmented with a range of organized and unorganized players at both national and regional levels. The barrier to entry in such a sector is moderate. The bargaining power with the suppliers is high and the bargaining power with the customers is relatively low 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	Sharp Chucks and Machines Limited	Pritika Engineering Components Limited (Consolidated)	Nelcast Limited (Consolidated)	Bhagwati Autocast Limited (Standalone)
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	2.87%	4.30%	2.37%	5.19%
EBITDA Margin	10.50%	12.52%	6.33%	9.74%
Return on Capital Employed	14.27%	11.78%	9.09%	8.89%
Return on Equity	9.68%	12.81%	6.41%	22.86%
EPS (INR)	5.18	3.25	3.42	26.80

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

Particulars	Sharp Chucks and Machines Limited	Pritika Engineering Components Limited (Consolidated)	Nelcast Limited (Consolidated)	Bhagwati Autocast Limited (Standalone)
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	2.98%	10.24%	1.51%	-0.89%
EBITDA Margin	11.26%	11.81%	6.36%	1.79%
Return on Capital Employed	15.46%	8.37%	5.78%	7.69%
Return on Equity	9.57%	33.23%	3.17%	-3.70%
EPS (INR)	4.63	7.19	1.63	(3.33)

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

Particulars	Sharp Chucks and Machines Limited	Pritika Engineering Components Limited (Consolidated)	Nelcast Limited (Consolidated)	Bhagwati Autocast Limited (Standalone)
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	2.44%	1.18%	1.46%	1.92%
EBITDA Margin	10.87%	9.85%	7.48%	4.81%
Return on Capital Employed	16.03%	3.79%	4.15%	10.00%
Return on Equity	7.74%	3.01%	2.09%	7.14%
EPS (INR)	3.38	0.50	1.04	5.97

Based on the above analysis, the company has performed almost at par with its peer companies. The company's profitability margins such as Net Profit margin were slightly lower, and EBITDA margin was slightly higher for FY 2023. The company's RoCE is higher, and ROE is lower, and the EPS is also lower when compared to its peer companies on an average basis for the FY 2023.

**Industry Overview**

Exhibit 1: Share in Turnover of the Auto Components Industry (FY 22)

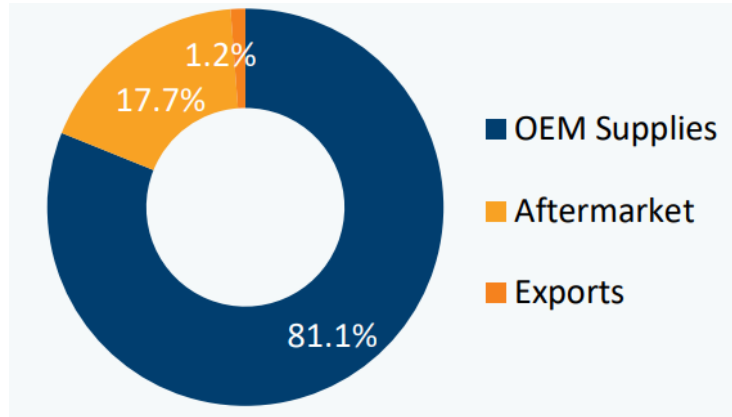


Exhibit 2: Share of Export by Geography (H1 FY23)

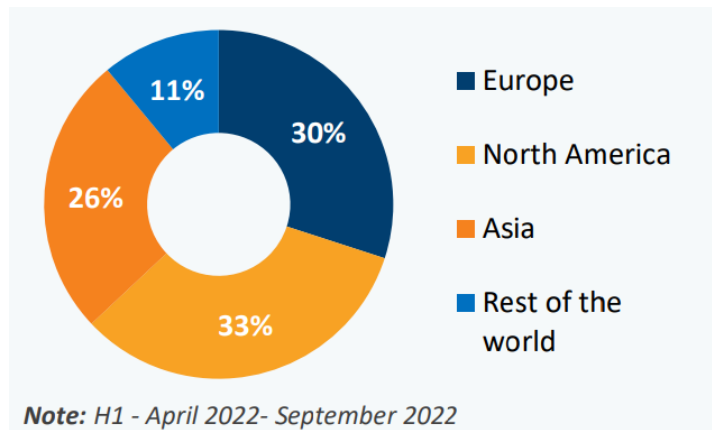
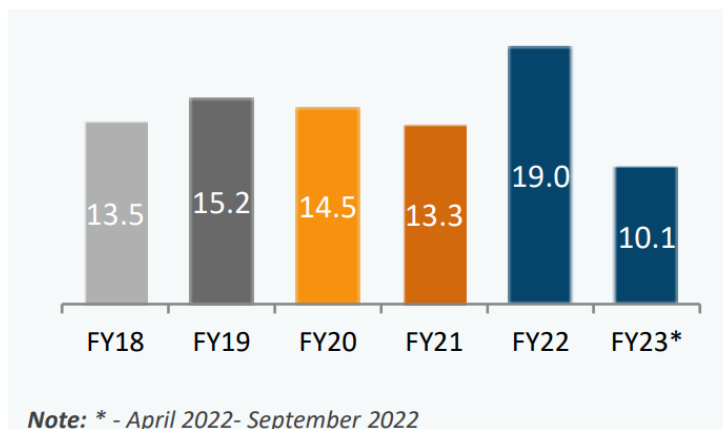


Exhibit 2: Value of Auto Component Export (US\$ billion)



(Source: ibef.com)



### **Auto Components Industry Overview -**

India has become the fastest-growing economy in the world in recent years. This fast growth, coupled with rising incomes, a boost in infrastructure spending and increased manufacturing incentives, has accelerated the automobile industry. The two-wheeler segment dominated the automobile industry because of the Indian middle class, with automobile sales standing at 19.45 million units in FY23.

Significant demand for automobiles also led to the emergence of more original equipment and auto components manufacturers. As a result, India developed expertise in automobiles and auto components, which helped boost international demand for Indian automobiles and auto components. Hence, the Indian automobile industry has a considerable impact on the auto component industry.

India's auto component industry is an important sector driving macroeconomic growth and employment. The industry comprises players of all sizes, from large corporations to micro entities, spread across clusters throughout the country. The auto components industry accounted for 2.3% of India's GDP and provided direct employment to 1.5 million people. By 2026, the automobile component sector will contribute 5-7% of India's GDP. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026.

India's auto components industry's market share has significantly expanded, led by increasing demand for automobiles by the growing middle class and exports globally. Due to the remarkable growth in demand for Indian auto components, several Indian and international players have entered the industry. India's auto component industry is broadly classified into organised and unorganised sectors. While the unorganised sector consists of low-valued items and mostly serves the aftermarket category, the organised sector serves OEMs and includes high-value precision instruments.

The turnover of the automotive component industry grew 34.8% to Rs. 2.65 lakh crore (US\$ 33.8 billion) during April-September 2022 compared to the first half of the previous year. Moreover, the auto component exports increased by 8.6% in H123 to US\$ 10.1 billion (Rs. 79,033 crore) from US\$ 9.3 billion (Rs. 68,746 crore) in H1 2021-22.

### **Machine Tool Industry -**

The Machine Tool industry is considered as the mother industry as it supplies machinery for the entire manufacturing sector. The manufacturers of machine tools are mostly SMEs, few of them are mid-sized manufacturers which have an annual turnover varying between ` 300-500 crore. The types of machine tools currently manufactured are general/special purpose machines, standard Computer Numerical Control (CNC) machines, gear cutting, grinding, medium size machines, electrical discharge machining (EDM), presses, press brakes, pipe bending, rolling, bending machines, etc.

The Indian Earthmoving, Construction and Mining Machinery produces backhoe loaders, compactors, mobile cranes, pavers, batching plants, crawler crane, transit mixer, concrete pump, tower cranes, hydraulic excavators, dumpers, mining shovel, walking draglines, dozers, wheel loaders, graders, drilling equipment, tunneling machine, etc.

(Source: prospectus)



## Key Managerial Personnel

**Ajay Sikka**, aged 55, is one of the Promoters, Chairman, and Managing Director of the company. He holds a bachelor's degree in arts. He has over 20 years of experience in the automobile components industry.

**Gopika Sikka**, aged 51, is one of the Promoters, Chief Financial Officer, and Whole-Time Director of the company. She holds a bachelor's degree in commerce. She has over 7 years of experience in handling human resources, training and development and administration. She looks over the human resources and is responsible for implementing the welfare activities of the company.

**Avinash Joshi**, aged 64, is the Non-Executive Director of the company. He holds an advanced diploma in foundry technology and a diploma in business management. He has over 30 years of experience in foundry technology.

**Rahul Sharma**, aged 35, is the Non-Executive Director of the company. He holds a bachelor's degree in commerce and is a fellow member of the Institute of Chartered Accountants of India. He has three years of experience in the fields of auditing and accounting.

**Suraj Singhal**, aged 34, is the Independent Director of the company. He holds a bachelor's degree in commerce and is an associate member of the Institute of Chartered Accountants of India. He is a designated partner in S S S R & Company LLP. He has over five years of experience in the fields of auditing and accounting.

**Manmohan Puri**, aged 52, is the Independent Director of the company. He holds a bachelor's degree in commerce and is an associate member of the Institute of Chartered Accountants of India. He has over twenty-five years of experience in the field of finance, accounting, and taxation

To conclude, the company has 2 promoters, and one has vast experience in the industry in which the company operates, and the other promoter has good experience in the fields which helps in the growth of the business. The remaining directors also have decent knowledge and experience in the fields which help in the growth of the business. The responsibilities of the management are not disclosed accurately.





### Financial Snapshot

<b>Profit and Loss Statements</b>		<b>(In Lacs)</b>		
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	
Revenue from Operations	13,545.95	15,190.78	17,644.97	
Other Income	37.17	61.45	286.48	
<b>Total Income</b>	<b>13,583.12</b>	<b>15,252.23</b>	<b>17,931.45</b>	
<b>Expenses</b>				
Direct Expenses	10,878.29	12,133.12	14,863.97	
Change in Inventory	(70.89)	(200.85)	(1,197.58)	
Employee benefits expense	660.35	932.89	1,306.17	
Finance costs	641.25	659.48	853.45	
Depreciation and Amortization expense	397.04	471.69	568.63	
Other expenses	606.17	615.20	820.08	
<b>Total Expenses</b>	<b>13,112.21</b>	<b>14,611.53</b>	<b>17,214.72</b>	
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>1,472.03</b>	<b>1,710.42</b>	<b>1,852.33</b>	
<b>EBITDA Margin</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>	
<b>Profit/(Loss) before tax</b>	<b>470.91</b>	<b>640.70</b>	<b>716.73</b>	
<b>Tax Expense</b>				
Current Tax	85.00	113.11	123.95	
Deferred tax (net)	40.87	80.26	122.09	
Short / (Excess) provision for tax earlier year	-	0.73	0.03	
MAT utilised / (credit) entitlement	14.07	(6.02)	(35.84)	
<b>Total Tax Expense</b>	<b>139.94</b>	<b>188.08</b>	<b>210.23</b>	
<b>Profit/(Loss) for the year</b>	<b>330.97</b>	<b>452.62</b>	<b>506.50</b>	
<b>Net Profit Margin</b>	<b>2.44%</b>	<b>2.97%</b>	<b>2.82%</b>	

<b>Balance Sheet</b>		<b>(In Lacs)</b>		
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	978.43	978.43	978.43	
Other Equity	3,297.24	3,749.86	4,256.36	
<b>Total Equity</b>	<b>4,275.67</b>	<b>4,728.29</b>	<b>5,234.79</b>	
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	1,974.31	2,739.60	3,080.04	
Deferred tax liabilities (Net)	391.79	472.05	594.14	
Other non-current liabilities	-	-	-	
Long-term provisions	65.58	73.81	87.84	
<b>Total Non-current liabilities</b>	<b>2,431.68</b>	<b>3,285.46</b>	<b>3,762.02</b>	
<b>Current liabilities</b>				
Short Term Borrowings	3,631.04	5,313.23	5,042.76	
Current Maturity of long-term borrowings	700.02	2,216.52	911.40	
Trade Payables	1,793.04	2,313.40	2,319.07	
i) Due to micro and small enterprises	-	-	-	
ii) Due to other than micro and small enterprises	-	-	-	
Other Current Liabilities	476.33	417.81	592.85	
Short-Term Provisions	90.20	117.38	140.69	
<b>Total Current liabilities</b>	<b>6,690.63</b>	<b>10,378.34</b>	<b>9,006.77</b>	
<b>Total Liabilities</b>	<b>9,122.31</b>	<b>13,663.80</b>	<b>12,768.79</b>	
<b>Total Equity and Liabilities</b>	<b>13,397.98</b>	<b>18,392.09</b>	<b>18,003.58</b>	
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	5,395.93	6,295.57	7,294.70	

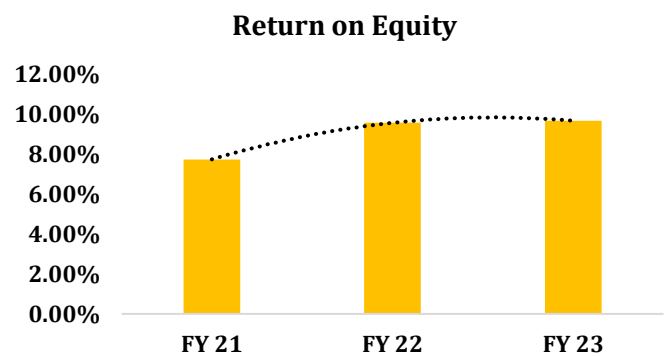
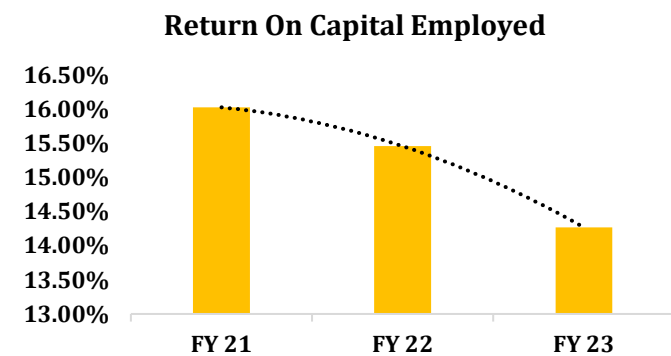
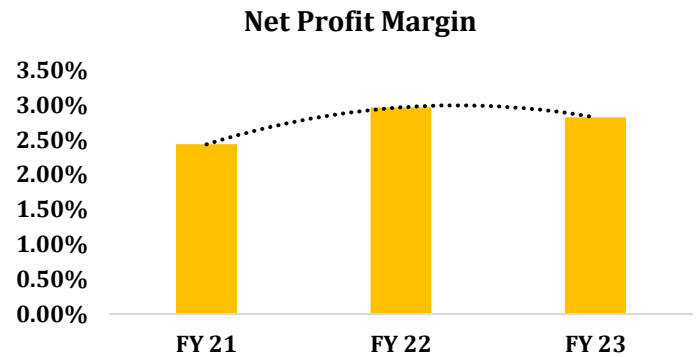
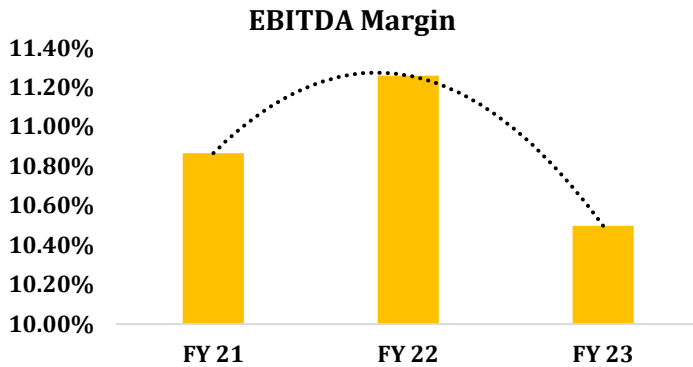


<b>Balance Sheet</b>	<b>(In Lacs)</b>		
Intangible assets	6.06	4.59	0.80
Capital Work in Progress	50.63	52.44	390.04
Investments	-	-	-
Loans	28.37	166.76	40.85
Other non-current assets	210.30	266.51	327.95
<b>Total Non-Current assets</b>	<b>5,691.29</b>	<b>6,785.87</b>	<b>8,054.34</b>
<b>Current Assets</b>			
Inventories	5,193.83	5,091.49	6,464.69
Investments	-	-	-
Trade Receivables	2,133.91	3,359.20	2,910.07
Cash and Cash Balances	88.58	2,605.70	135.90
Short-term loans and advances	286.75	497.28	438.58
Other Current Assets	3.62	52.55	-
<b>Total Current assets</b>	<b>7,706.69</b>	<b>11,606.22</b>	<b>9,949.24</b>
<b>Total Assets</b>	<b>13,397.98</b>	<b>18,392.09</b>	<b>18,003.58</b>

<b>Cash Flow Statement</b>	<b>(In Lacs)</b>		
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
Net Cash Flow from Operating Activities	663.29	575.09	1,508.96
Net Cash Flow from Investing Activities	(1,037.69)	(1,362.47)	(1,890.16)
Net Cash Flow from Financing Activities	379.34	3,304.50	(2,088.60)

<b>Ratio Sheet</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>
<b>Particulars</b>			
<b>Per Share Data</b>			
Diluted EPS	3.38	4.63	5.18
BV per share	39.74	43.94	48.65
<b>Operating Ratios (%)</b>			
EBITDA Margins	11%	11%	10%
PAT Margins	2%	3%	3%
Inventory days	139.95	122.34	133.73
Debtor days	57.50	80.71	60.20
Creditor days	83.85	99.07	75.91
<b>Return Ratios (%)</b>			
RoCE	16%	15%	14%
RoE	8%	10%	10%
<b>Valuation Ratios (x)</b>			
EV/EBITDA	6.65	5.95	7.14
Market Cap / Sales	0.46	0.41	0.35
P/E	17.16	12.53	11.20
Price to Book Value	1.46	1.32	1.19
<b>Solvency Ratios</b>			
Debt / Equity	1.31	1.70	1.55
Current Ratio	1.15	1.12	1.10
Quick Ratio	0.38	0.63	0.39
Asset Turnover	1.01	0.83	0.98
Interest Coverage Ratio	1.68	1.88	1.50

### Financial Charts



### Key Risk Factors

1. The Company as well as the independent directors are party to certain tax proceedings. The company has tax proceeding cases amounting to Rs. 51.55 lakhs against the company, and Rs. 0.02 lakhs against the directors. Any adverse decision in such proceedings may have a material effect on the business, results of operations and financial condition.
2. The company's top 5 customers contributed 73.78%, 65.58% and 68.55% of a substantial portion to the revenues from operations Financial Year ended March 31, 2023, Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 respectively.
3. The company's top ten suppliers constitute 69.61%, 88.31% and 63.51% of the total purchases for the Financial Year ended March 31, 2023, 2022, and 2021, respectively.
4. The Company has negative cash flows from its investing, and financing activities. Any such recurrence in future could impact the growth and business.
5. The company has certain contingent liabilities amounting to Rs. 137.58 lakhs as of March 31, 2023.

**Track Record of Lead Manager**

The lead manager to the issue is Fedex Securities Private 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 –

**Fedex Securities Private Limited -**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Kundan Edifice Limited	25.22	91.00	September 26, 2023	81.07
2.	Pramara Promotions Limited	15.27	63.00	September 13, 2023	104.00
3.	Yasons Chemex Care Limited	20.57	40.00	August 03, 2023	28.6
4.	Pattech Fitwell Tube Components Limited	12.00	50.00	April 21, 2023	64.00
5.	Lead Reclaim and Rubber Products Limited	4.88	25.00	February 21, 2023	48.6
6.	Moxsh Overseas Educon Limited	10.42	153.00	December 30, 2022	133.00
7.	Tapi Fruit Processing Limited	5.21	48.00	September 22, 2022	167.00
8.	Virtuoso Optoelectronics Limited	30.24	56.00	September 15, 2022	241.00
9.	Kesar India Limited	15.82	170.00	July 12, 2022	340.00
10.	Le Merite Exports Limited	48.00	75.00	May 09, 2022	49.00

\*CMP for the above-mentioned companies is taken as of 27<sup>th</sup> September 2023.

As per the offer document, Fedex Securities Private Limited has had 17 mandates in the last four years. For Fedex Securities Private Limited, 3 opened at a discount and the remaining all opened at premiums on the listing date.



### Recommendation

The company has been in the industry since 1994 and has vast experience in the industry. The company has seen an increase in the top line and bottom line of its financials indicating consistency in the growth and sustainability.

The PE on an annualised and post-IPO basis is 12.32 times which seems to be fairly priced by looking at the performance of the company. The sector P/E is 30.02.

The company operates in a competitive segment and in a very fragmented market. The management outlook of the company is satisfactory. The company's financial outlook is decent. The company has performed almost at par with its competitors. The company do have certain risk factors involving the company details mentioned in the risk factor of this report. But looking at the overall performance and the demand in the market we recommend **APPLY** to this IPO keeping in mind that it is for long-term investment.



### **Disclaimer**

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