



IPO Details		Company Background				
<b>Opening Date</b>	Jan 09, 2024	<ul style="list-style-type: none"> <li>Jyoti CNC Automation Limited was originally incorporated in the year 1991 and has its registered office in Rajkot, Gujarat, India.</li> <li>The company is one of the leading manufacturers of metal-cutting computer numerical control (CNC) machines.</li> <li>The company offers solutions suited for transitioning towards 'Industry 4.0', including its flagship multifunctional solutions package viz. '7th Sense'.</li> <li>The company operates out of 3 manufacturing facilities, 2 in Rajkot, Gujarat, (Indian Manufacturing Facilities) and 1 in Strasbourg, France, which are equipped with capabilities to design, develop and manufacture the product portfolio.</li> <li>As of 30<sup>th</sup> September 2023, the Company had 2,339 employees on its payroll.</li> </ul>				
<b>Closing Date</b>	Jan 11, 2024					
<b>Stock Exchange</b>	NSE, BSE					
<b>Lot Size</b>	45 Shares					
<b>Issue Price</b>	₹ 315 to ₹ 331 per share					
<b>Issue Size</b>	Aggregating up to 1,000 Cr.					
<b>Fresh Issue Offer for Sale</b>	-					
<b>Application Amount (Price at Upper Band)</b>	Min. Inv. - ₹ 14,895 (45 shares) Max. Inv. - ₹ 1,93,635 (585 shares)					
IPO Objective						
1. Repayment and/or prepayment in part or in full of certain outstanding loans of the Company.						
2. Funding long-term working capital requirements.						
3. General corporate purposes.						
Pre-Issue Shareholding		Market Capitalization (In Cr.)				
<b>Category</b>	<b>No. of Shares</b>	<b>% of Total Shares</b>	<b>Pre-Issue</b>	<b>Post-Issue</b>		
Promoter & Promoter Group	14,22,46,495	72.13 %	₹ 6,527	₹ 7,527		
Public	5,49,57,952	27.87 %				
Promoter of the Company		Financial Summary (In Cr.)				
1. Parakramsinh Ghanshyamsinh Jadeja		<b>For the Period Ended</b>	<b>Mar-21</b>	<b>Mar-22</b>	<b>Mar-23</b>	<b>Sept-23</b>
2. Sahdevsinh Lalubha Jadeja		<b>Total Assets</b>	1,388.19	1,286.24	1,515.38	1,707.07
3. Vikramsinh Raghuvirsinh Rana		<b>Net Assets</b>	112.59	41.14	82.06	252.87
4. Jyoti International LLP		<b>Total Borrowings</b>	725.12	792.16	834.97	821.40
Competitive Strengths		<b>Total Revenue</b>	590.09	750.06	952.60	510.53
1. One of the leading CNC machine manufacturing companies globally as well as India.		<b>Profit After Tax</b>	-70.03	-48.30	15.06	3.35
2. Well diversified global customer base spread across end-user industries.		Tentative Timeline				
3. Focus on technology and ability to deliver innovative solutions bolstered by dedicated R&D facilities.		<b>Opening Date</b>	Jan 09, 2024			
4. Vertically integrated operations which enables customisation and production efficiencies.		<b>Closing Date</b>	Jan 11, 2024			
5. Experienced Promoters supported by a strong management and execution team.		<b>Basis of Allotment</b>	Jan 12, 2024			
		<b>Initiation of Refunds</b>	Jan 15, 2024			
		<b>Credit of Shares to Demat</b>	Jan 15, 2024			
		<b>Listing Date</b>	Jan 16, 2024			

### Company Background and Analysis

Jyoti CNC Automation Limited was incorporated in the year 1991. The company is one of the world's leading manufacturers of metal-cutting computer numerical control (CNC) machines. The company offers solutions suited for transitioning towards 'Industry 4.0', including the flagship multifunctional solutions package viz. '7th Sense' – which is geared towards automating sophisticated diagnostic and analytical functions enabling seamless management of productivity, health and tool life of the CNC machine.

As of September 30, 2023, the company had an order book of ₹ 3,315.32 Cr including an order of ₹ 304.91 Cr from an entity in the electronics manufacturing services (EMS) industry (as per the end-user industries as specified at the time of supply of machines).

The company operate out of 3 manufacturing facilities, 2 in Rajkot, Gujarat, (Indian Manufacturing Facilities) and 1 in Strasbourg, France, which are equipped with capabilities to design, develop and manufacture the product portfolio. The Indian manufacturing facilities have obtained ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certification and the manufacturing facility in Strasbweg, France has obtained ISO 9001:2015 certification.

The company offer over 200 variants across 44 series and during the last 6 months period ended September 30, 2023, and during the last 3 Fiscals, the Company has supplied over 8,400 CNC machines to more than 3,500 customers in India and across Asia (excluding India), Europe, North America and rest of the world. Since April 1, 2004, the company have supplied over 30,000 CNC machines globally during the last 6 months period ended September 30, 2023, and during the last 3 Fiscals the company have sold its products in India and 16 other countries across the globe through the principal offices in India, France, Germany, Turkey and Canada.

Revenue bifurcation from the sale of machinery split across the various end-user industries 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	(%)
Aerospace and Defence	97.84	19.03	51.23	7.52	173.07	20.32	179.10	37.22
Auto and Auto components	183.66	35.72	268.99	39.47	397.58	46.68	166.88	34.68
General Engineering	125.42	24.39	190.03	27.88	166.78	19.58	88.88	18.47
Dies and Moulds	32.20	6.26	66.04	9.69	76.57	8.99	20.72	4.31
EMS	0.00	0.00	0.00	0.00	0.15	0.02	0.00	0.00
Others	75.09	14.60	105.27	15.45	37.55	4.41	25.66	5.33
Total	514.21	100.00	681.57	100.00	851.71	100.00	481.24	100.00

To conclude, the company has good experience in the industry in which the company operates. The company generates the majority of its revenue from 2 sectors namely Auto and auto components, and Aerospace and Defence. Aerospace and Defence sector revenue contribution has been on an increasing trend. The company also generates the majority of its revenue from India. The company is raising total gross proceeds of Rs. 1,000 Cr.



## **Business Strategies**

- 1. Focus on improving the market share and taking advantage of the growing industry demand -**  
The company intends to capitalise on its extensive experience and technical capabilities in manufacturing CNC machines, which have grown from a limited portfolio of CNC machines to sophisticated machines including high-speed simultaneous 5- Axis, multi-purpose, multi-tasking machines, to improve the market share in CNC machines, both in India and globally. The company also intends to capitalise on the trends towards growing demand for domestic production of CNC machine centres.
- 2. Expand the presence across other end-user industries and diversify the customer base and geographical reach -**  
The Company intends to increase its market share in the end-use industries to which it currently offers CNC machines and also intends to diversify the customer base. The company also intends to augment its focus on the EMS industry.
- 3. Continuously augmenting the capacity in line with the expected business growth -**  
The Company intends to continuously augment the capacity in line with its anticipated business growth and expects to utilise such augmented capacity including by executing its order book set out above.
- 4. Improving the financial risk profile -**  
The company proposes to utilise an estimated amount of ₹ 475.00 Cr from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by the Company. The company expect that such repayment/ pre-payment will help reduce the outstanding indebtedness and debt servicing costs and enable the utilisation of the internal accruals for further investment in the business growth and expansion.

## Competitive Scenario and Peer Mapping

### Competition

The company faces high competition. The company operates in a highly competitive environment in both the Indian and overseas markets. The company competes with CNC manufacturing entities which have operations in India and the global markets. The industry in which the company operates in is highly fragmented in nature. The industry has fewer barriers to entry. The bargaining power with the customers is moderate in the sector in which the company operates. The bargaining power with the suppliers is high 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	Jyoti CNC Automation Limited	Elgi Equipments Limited	Lakshmi Machine Works Limited	Triveni Turbine Limited	TD Power Systems Limited	Macpower CNC Machines Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	1.62%	12.20%	8.14%	15.46%	11.12%	6%
EBITDA Margin	13.76%	14.37%	9.54%	18.83%	15.37%	10%
Return on Capital Employed	15.72%	24.62%	13.67%	27.04%	18.40%	18%
Return on Equity	11.48%	27.06%	16.42%	25.36%	16.06%	13%
EPS (INR)	1.02	11.70	359.47	6.06	6.20	12.88

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

Particulars	Jyoti CNC Automation Limited	Elgi Equipments Limited	Lakshmi Machine Works Limited	Triveni Turbine Limited	TD Power Systems Limited	Macpower CNC Machines Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	-6.47%	7.05%	5.71%	31.69%	8.78%	7%
EBITDA Margin	9.73%	11.80%	7.79%	18.90%	12.17%	11%
Return on Capital Employed	-4.45%	-36.66%	7.66%	15.90%	13.86%	19%
Return on Equity	-91.43%	17.23%	9.09%	31.54%	13.28%	15%
EPS (INR)	-3.28	5.63	169.47	8.36	4.53	12.83

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

Particulars	Jyoti CNC Automation Limited	Elgi Equipments Limited	Lakshmi Machine Works Limited	Triveni Turbine Limited	TD Power Systems Limited	Macpower CNC Machines Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	-12.07%	5.30%	1.11%	14.51%	7.58%	5%
EBITDA Margin	5.46%	11.28%	10.50%	21.19%	11.95%	8%
Return on Capital Employed	-15.88%	14.06%	8.00%	19.66%	10.17%	8%
Return on Equity	-35.79%	11.72%	21.26%	16.01%	9.55%	8%
EPS (INR)	-4.75	3.23	41.75	3.17	2.92	6.03

**Industry Overview**

Exhibit 1: India CNC Machines Consumption Market Size, Market Split by 2-3 Axis vs. 4-6 Axis vs. 7 Axis and above.

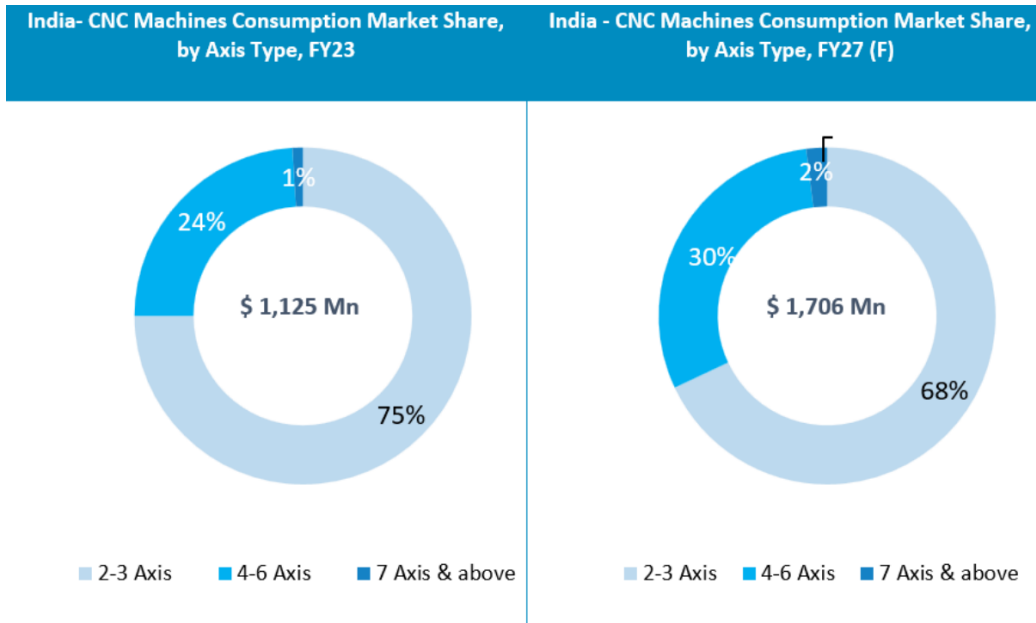
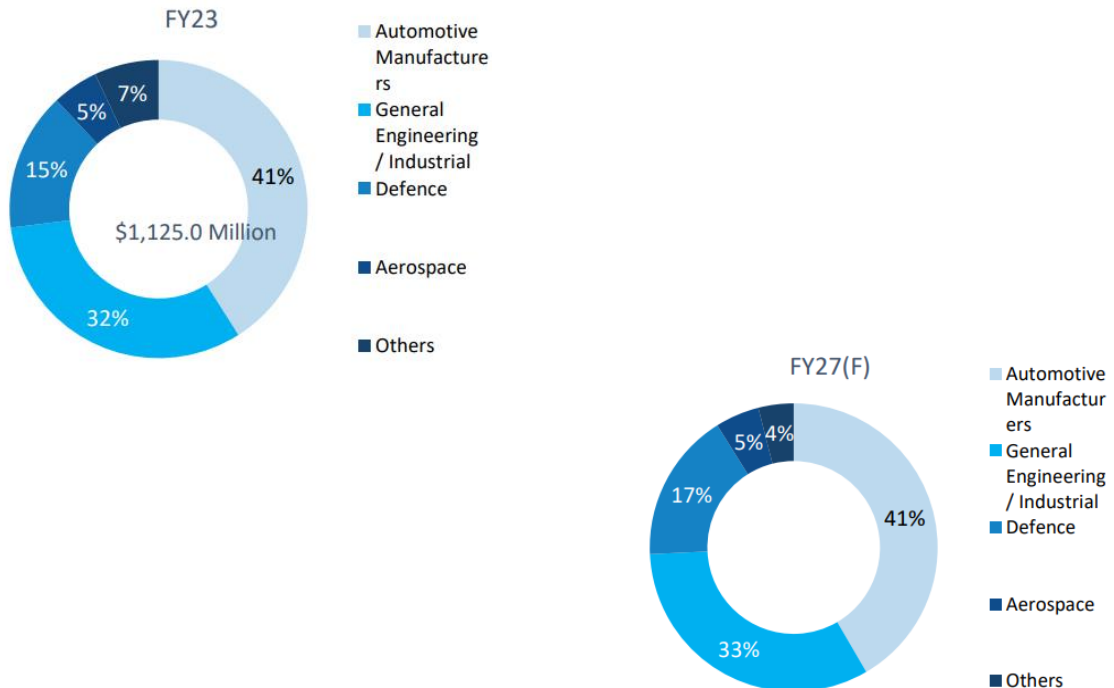


Exhibit 2: India's CNC Machines Consumption Market Value, by End User FY23 Vs. FY27F



(Source: prospectus)

### **India's Machine Tools Industry - Overview -**

The machine tool industry is a fundamental pillar of Indian engineering's industrial sector. Machine tools are widely utilized by businesses in a variety of applications, including die molding, component production, aircraft, shipbuilding, electricals and electronics, healthcare, and consumer durables. According to Gardner's World Machine Tools Output Survey, the Indian machine tool industry ranks 10th in terms of output and 8th in terms of consumption. Also, it is a component of the capital goods industry, which accounts for 12% of the manufacturing sector, and it represents a huge multi-disciplinary field with multiple end-use application sectors. In India, machine tools, accessories/attachments, subsystems, and components are manufactured by around 1,000 units in the machine tools sector of which, around 25 are large-scale units, which contribute to over 70% of the turnover, and the rest is contributed by the MSME sector.

CNC machines segment holds the major market share for the forecast period. Increasing demand from the manufacturing industries for innovations to increase the productivity of products is fostering the machine tools market. The growth of manufacturing sector is increasing the demand for CNC machines. Advancement in CNC technology is making the machines compact and equipped with automatic tool changers. Automation of CNC machines have increased the productivity drastically and eliminates the chances of human error.

CNC machines use a single machine to carry out multiple operations. Based on end user industry, market is categorized into automotive, electrical & electronics, railways, consumer durables, government & defense, among others. Automotive industry is expected to dominate the market share for the next five years. Continuous advancements in automotive industry to upgrade the engines and satisfy the fuel efficiency standards. Increasing demand for different kind of vehicles is fostering the demand for machine tools market.

### **India - CNC Machines Industry Size -**

Driven by demand from important customer categories such as automobiles and consumer durables, and aerospace, the industry is evolving toward increasingly advanced CNC machines. Machine tool makers must develop capabilities to meet this demand, and investments in this area may pay off eventually

In the past 4 years, the Indian industry experienced, more than 50% of CNC machines being imported for one of the highest contributing applications i.e., metal cutting (Over 80% of the total CNC machine market). This is majorly contributed by Japan and Germany with the share of 45% in total imports. The other major nations contributing to Indian imports are Taiwan, Italy, Korea, and China. Increased imports can be attributed to a gap in the demand-supply of CNC Machines.

According to a primary participant, over 60% of domestic CNC Machines are catering to the Indian automotive industry. This has created a demand-supply gap for other end-users, thereby pushing their reliability on imports. In addition, the high proportion of imports is also due to the scarcity of special/specific-purpose machine tools in India, as Indian manufacturers are majorly focused on low-medium range machine tools.

(Source: Prospectus)

## Key Managerial Personnel

**Parakramsinh Ghanshyamsinh Jadeja**, aged 55 years, is one of the Promoters, Chairman and Managing Director of the Company. He is an undergraduate and was appointed as director on March 26, 2003. He has been associated with Jyoti Enterprise as a partner since 1989. He is also a director on the board of the Indian Machine Tool Manufacturers Association and Neo Rajkot Foundation.

**Sahdevsinh Lalubha Jadeja**, aged 58 years, is one of the Promoters and Whole-Time Director of the Company. He is an undergraduate and was appointed as director on March 26, 2003. He has been continuing as a director of the Company since then.

**Vikramsinh Raghuvirsinh Rana**, aged 53 years, is one of the Promoters, and Whole-time Director of the Company. He is an undergraduate and was appointed as director of the Company on March 26, 2003.

**Yogesh Damodardas Kathrecha**, aged 61 years, is the Independent Director of the Company. He has completed his Bachelor of Technology in mechanical engineering. He is also a director on the board of GM APE Automation (India) Private Limited.

**Vijay Vaman Paranjape**, aged 75 years, is the Independent Director of the Company. He holds a Bachelor of Engineering degree (electrical branch).

**Jignasa Pravinchandra Mehta**, aged 50 years, is the Independent Director of the Company. She holds a degree of Bachelor of Engineering in mechanical, and a master's degree in engineering in mechanical. She has also received a degree of Doctor of Philosophy. She is currently working as Professor of Mechanical Engineering and Dean of Engineering and Technology.

**Rikesh Chand**, aged 49 years, is the Nominee Director on behalf of EXIM Bank. He holds a Bachelor of Engineering degree (mechanical).

**Pravinchandra Ratilal Dholakia**, aged 78 years, is the Independent Director of the Company. He is a Chartered Accountant and holds a membership from the Institute of Chartered Accountants of India. He is currently a senior partner at P.R Dholakia & Co., Chartered Accountants.

To conclude, the company has four promoters, out of which there are three individual promoters, and they have good experience based on the year of joining the company. The Remaining Directors of the company have decent knowledge and experience in their respective fields which helps in the overall growth of the company. The roles and responsibilities of the management are not disclosed correctly.

## Financial Snapshot

<b>Profit and Loss Statement</b>				
	<b>(In Cr.)</b>			
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
Revenue from Operations	580.06	746.49	929.26	509.82
Other Income	10.03	3.57	23.34	0.71
<b>Total Income</b>	<b>590.09</b>	<b>750.06</b>	<b>952.60</b>	<b>510.53</b>
<b>Expenses</b>				
Cost of material consumed	463.86	418.78	679.53	95.29
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	-144.90	0.91	-146.92	175.70
Employee benefits expense	131.39	141.84	166.24	90.33
Finance Costs	75.51	82.20	89.70	49.19
Depreciation and Amortization expense	37.78	35.79	33.62	15.60
Other expenses	98.03	112.30	133.03	74.11
<b>Total Expenses</b>	<b>661.67</b>	<b>791.81</b>	<b>955.20</b>	<b>500.21</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>31.69</b>	<b>72.66</b>	<b>127.83</b>	<b>74.40</b>
<b>EBITDA Margin</b>	<b>5%</b>	<b>10%</b>	<b>14%</b>	<b>15%</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>-71.57</b>	<b>-41.75</b>	<b>-2.60</b>	<b>10.32</b>
<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>30.45</b>	<b>-</b>
<b>Profit/(Loss) before tax</b>	<b>-71.57</b>	<b>-41.75</b>	<b>27.85</b>	<b>10.32</b>
Tax Expense				
Current Tax	-	6.50	13.58	7.00
Prior Year Tax	-	-	0.05	-
Deferred Tax Charge	-1.54	0.05	-0.84	-0.03
Total Tax Expense	-1.54	6.55	12.79	6.97
<b>Profit/(Loss) for the year</b>	<b>-70.03</b>	<b>-48.30</b>	<b>15.06</b>	<b>3.35</b>
Net Profit Margin	-12%	-6%	2%	1%

<b>Balance Sheet</b>				
	<b>(In Cr.)</b>			
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	299.16	274.56	268.90	282.94
Capital work-in-progress	51.09	0.90	8.28	15.03
Right of Use Assets	0.09	0.04	0.01	0.01
Intangible Assets	21.98	17.91	14.16	13.03
Intangible assets under development	2.64	4.58	7.10	8.36
Financial Assets	-	-	-	-
Investments	1.86	1.96	3.39	3.48
Other financial assets	11.89	4.98	10.05	1.79
Other non-current assets	10.78	24.39	24.08	26.33
<b>Total Non-Current assets</b>	<b>399.47</b>	<b>329.30</b>	<b>335.96</b>	<b>350.96</b>
<b>Current Assets</b>				
Inventories	644.71	634.04	819.92	868.35
Financial Assets	-	-	-	-
(i) Investments	-	-	-	-
(ii) Trade Receivables	216.64	200.19	145.88	133.12
(iii) Cash and Cash Equivalents	10.12	2.44	16.09	8.61
(iv) Other Bank Balances	12.35	20.12	12.20	20.92
(v) Loans	4.72	4.85	5.93	3.12





<b>Balance Sheet</b>				<b>(In Cr.)</b>
(vi) Other financial assets	51.33	33.14	141.07	253.92
Other current assets	48.87	58.73	33.64	62.85
Current Tax Assets (Net of Provision)	-	3.42	4.69	4.23
<b>Total Current assets</b>	<b>988.73</b>	<b>956.93</b>	<b>1,179.42</b>	<b>1,355.11</b>
<b>Total Assets</b>	<b>1,388.19</b>	<b>1,286.24</b>	<b>1,515.38</b>	<b>1,706.07</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	29.48	29.48	32.93	39.15
Other Equity	83.11	11.67	49.14	213.33
Compulsory convertible preference shares entirely in equity nature	-	-	-	0.39
<b>Total Equity</b>	<b>112.59</b>	<b>41.15</b>	<b>82.06</b>	<b>252.87</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings	119.43	140.26	127.47	104.29
(ii) Lease liabilities	-	-	-	-
iii) Other financial liabilities	-	-	-	-
Provisions	23.30	12.17	12.78	13.03
Deferred tax liabilities (net)	20.72	20.78	20.21	20.24
<b>Total Non-current liabilities</b>	<b>163.45</b>	<b>173.21</b>	<b>160.45</b>	<b>137.56</b>
<b>Current liabilities</b>				
Financial Liabilities				
(i) Borrowings	605.69	651.89	707.51	717.11
(ii) Trade Payables	-	-	-	-
total outstanding dues of micro-enterprises and small enterprises	1.21	0.73	1.79	2.15
total outstanding dues of creditors other than micro-enterprises and small enterprises	310.71	294.63	411.20	357.04
(iii) Other Financial Liabilities	62.90	30.88	39.76	48.03
(iv) Lease Liabilities	-	-	-	-
Other Current Liabilities	129.97	85.74	97.83	169.57
Provisions	1.68	1.81	1.74	1.78
Current tax liabilities (Net)	-	6.19	13.03	19.95
<b>Total Current liabilities</b>	<b>1,112.16</b>	<b>1,071.87</b>	<b>1,272.86</b>	<b>1,315.63</b>
<b>Total Liabilities</b>	<b>1,275.61</b>	<b>1,245.08</b>	<b>1,433.32</b>	<b>1,453.19</b>
<b>Total Equity and Liabilities</b>	<b>1,388.19</b>	<b>1,286.23</b>	<b>1,515.38</b>	<b>1,706.07</b>

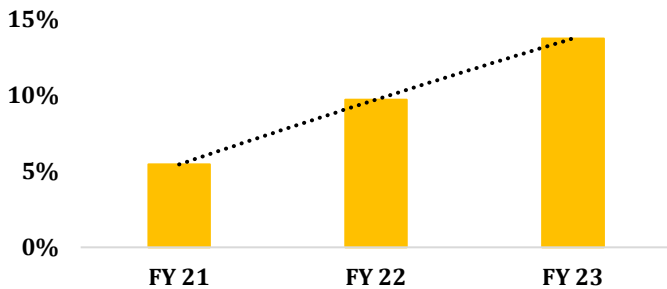
<b>Cash Flow Statement</b>			<b>(In Cr.)</b>	
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
Net Cash Flow from Operating Activities	26.42	38.54	11.67	-74.19
Net Cash Flow from Investing Activities	-17.67	-31.06	-31.61	-36.42
Net Cash Flow from Financing Activities	-1.79	-15.16	33.59	103.12

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23*</b>
<b>Per Share Data</b>				
Diluted EPS	-4.75	-3.28	1.02	0.68
BV per share	4.95	1.81	3.61	48.53
<b>Operating Ratios</b>				
EBITDA Margins	5%	10%	14%	15%
PAT Margins	-12%	-6%	2%	2%
Inventory days	405.68	310.02	322.05	311.69
Debtor days	136.32	97.88	57.30	47.78
Creditor days	338.16	262.00	213.12	205.00
<b>Return Ratios</b>				
RoCE	-2%	17%	39%	10%
RoE	-62%	-117%	18%	1%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	26.12	11.43	7.05	12.82
Market Cap / Sales	12.98	10.08	8.10	7.38
P/E	-69.68	-100.91	324.51	487.41
Price to Book Value	66.86	182.91	91.73	6.82
<b>Solvency Ratios</b>				
Debt / Equity	5.59	16.14	8.78	0.74
Current Ratio	0.89	0.89	0.93	1.03
Quick Ratio	0.31	0.30	0.28	0.37
Asset Turnover	0.42	0.58	0.61	0.30
Interest Coverage Ratio	-0.08	0.45	1.05	1.20

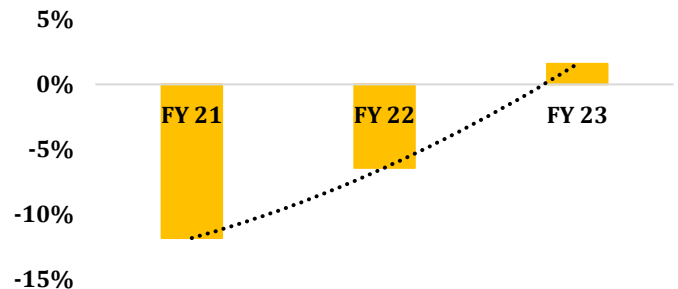
\*Annualized Figures

### Financial Charts

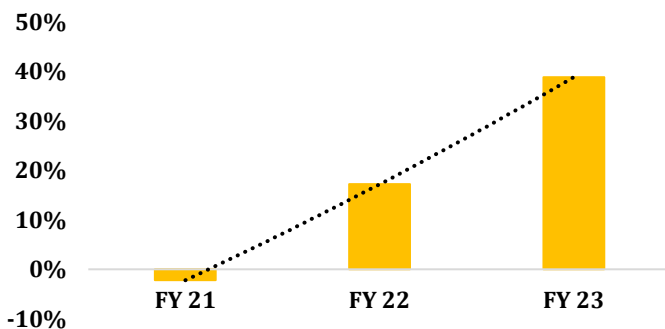
**EBITDA Margin**



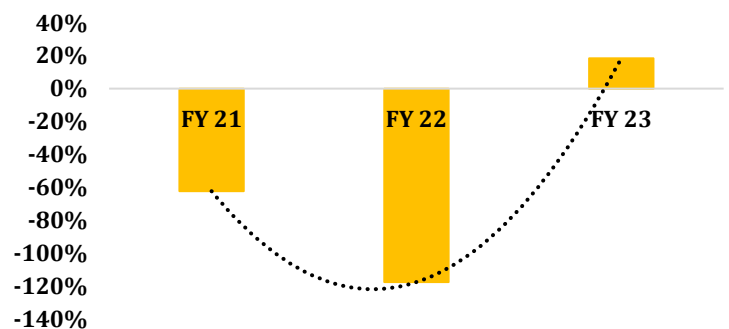
**Net Profit Margin**



**Return On Capital Employed**



**Return on Equity**



### Key Risk Factors

1. The company has incurred losses for the FY ended 2021, and 2022 and consequently, had a negative return on equity in the past. Losses in future could have an adverse impact on the growth prospects and would also preclude them from undertaking actions such as declaring dividends.
2. There are certain outstanding legal proceedings (including criminal proceedings) involving the Company, Promoters, Directors, and Subsidiaries amounting to Rs. 47.49 Cr. which, if determined against, could have a material adverse effect on the business, cash flows, financial condition and results of operations.
3. The company has contingent liabilities and capital commitments amounting to Rs. 259.10 cr. 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 ICICI Securities Limited, SBI Capital Markets Limited, and Equirus Capital 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 -

#### ICICI Securities Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Innova Captab Limited	570.00	448.00	December 29, 2023	537.50
2.	Azad Engineering Limtied	740.00	524.00	December 28, 2023	661.10
3.	Credo Brands Marketing Limited	549.78	280.00	December 27, 2023	280.65
4.	Muthoot Microfin Limited	960.00	291.00	December 26, 2023	251.20
5.	Inox India Limited	1,459.32	660.00	December 21, 2023	902.30

The company has had 55 mandates in the past three years (including the current year)

#### SBI Capital Markets Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Azad Engineering Limited	740.00	524.00	December 28, 2023	661.10
2.	Muthoot Microfin Limited	960.00	291.00	December 26, 2023	251.20
3.	Indian Renewable Energy Development Agency Limited	2,150.21	32.00	November 29, 2023	104.40
4.	Updater Services Limited	640.00	300.00	October 04, 2023	307.90
5.	JSW Infrastructure Limited	2,800.00	119.00	October 03, 2023	214.30

The company has had 20 mandates in the past three years (including the current year)

#### Equirus Capital Private Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Happy Forgings Limited	1,008.59	850.00	December 27, 2023	1,015.85
2.	Fedbank Financial Services Limited	1,092.26	140.00	November 30, 2023	138.00
3.	Protean eGov Technologies Limited	490.33	792.00	November 13, 2023	1,306.05



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4.	Zaggle Prepaid Ocean Services Limited	563.38	164.00	September 22, 2023	218.80
5.	TVS Supply Chain Solutions Limited	880.00	197.00	August 23, 2023	199.55

The company has had 16 mandates in the past three years (including the current year)

\*CMP for the above-mentioned companies is taken as of 4<sup>th</sup> 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 1991 and thus has vast experience in the industry. The company has had a negative bottom line for two fiscals. The company faces high competition. The management outlook of the company is not satisfactory.

The P/E on a post-IPO basis is around 487.41 times which makes it aggressively priced by looking at the performance of the company and its peers. The Sector P/E is 42.3 times.

The company faces high competition in the industry in which the company operates. The company's management is not satisfactory. The company also have had a negative bottom line for two fiscals. The financial outlook of the company is not satisfactory. The company does have a good order book which can yield good growth for the company in the near future. But we suggest **AVOID** to this IPO due to their financial performance and the HIGP/E Ratio but can wait for further updates from the financial end.



## **Disclaimer**

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