



IPO INSIGHTS



Nova Agritech Limited

Issue Dates - Opens: 23-01-2024 | Closes: 25-01-2024

IPO Note	<ol style="list-style-type: none"> Nova AgriTech Limited manufactures products that help farmers grow crops better. The main focus is on three things: Soil health, plant nutrition and crop protection. The Company collaborates with farmers to gain insight into their needs and develop customized solutions that meet their requirements.
Rating	★ ★ ★ (Good)

IPO SNAPSHOT

Issue Size	₹ 143.81 Crores
Issue Type	Book Built Issue IPO
Fresh Issue	₹ 112 Crores
Offer for Sale	₹ 31.81 Crores
Face Value Per Share	₹ 2
Price Band Per Share	₹39 to ₹41
Minimum Lot Size	365 shares
Listing On	BSE, NSE
Registrar to the Issue	Bigshare Services Pvt Ltd

IPO SNAPSHOT – Nova AgriTech Limited

About the Company

- Incorporated in 2007
- The Company is an agri-input manufacturer offering soil health management, crop nutrition and crop protection products focused on tech-based farmer driven solution approach, wherein they mainly offer ecologically sustainable and nutritionally balanced products based on their Research and Development.
- They manufacture, distribute and market 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.
- The products are manufactured using technology and are designed to be environmentally friendly and nutritious.
- As of January 31, 2023, the company has received a total of 629 product registrations. These registrations are divided into four categories, namely soil health management, plant nutrition, biopesticides and crop protection.
- As on January 31, 2023, the Company has a team of 32 NKS Co-ordinators, all of whom have a degree in Agricultural Sciences and are on the Company's payroll.
- The subsidiary Nova Agri Sciences Private Limited is currently responsible for the production of crop protection products

Competitive Strengths

- One stop solution for soil health management, crop nutrition, bio stimulant, bio pesticides, Integrated Pest Management (IPM) and crop protection through diversified branded product portfolio.
- Established distribution network across various geographies through many dealers.
- Strengthening farmer outreach through Nova Kisan Seva Kendra.
- Technology driven product development and marketing
- Experienced Management Team and Promoters.
- Well Equipped Research & Development facility

Financials (₹ in Crores)

Particulars	31-3-2021	31-3-2022	31-03-2023	Y-o-Y
Revenue	160.58	185.57	210.56	13%
EBITDA	17.86	27.80	38.72	39%
EBITDA Margin	11.1%	15.0%	18.4%	
PAT	6.30	13.69	20.49	50%
PAT Margin	3.9%	7.4%	9.7%	

Valuation

- Attributing Annualized FY23 Earnings asking P/E = 13.06

Peers

Company Name	P/E ratio
Aries Agro Ltd	15.82
Aimco Pesticides Limited	N.A
Basant Agrotech Limited	11.19
Best Agrolife Limited	41.42
Bhagiradha Chemicals & Industries Ltd	33.17
Heramba Industries Limited	13.94
India Pesticides Limited	29.96
Madras Fertilizers Limited	9.71
Dharmaj Crop Guard Limited	21.71

Note: P/E ratio is calculated as closing as on January 18,2024
N.A: Not Applicable

Promoters

- Suraksha Agri Retails (India) Private Limited
- Yeluri Family Trust
- Ketan Mansukhlal Rajani
- Malathi S
- Kiran Kumar Atukuri

Objects of the issue

- Investment in the subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant
- Funding Capital Expenditure in the Company, towards expansion of the existing formulation plant
- Funding of working capital requirements of the company
- Investment in the subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements
- General Corporate purposes

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