



# IPO NOTE

## NOVA AGRITECH LIMITED



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### ISSUE OFFER

Issue Opens on	JAN 23, 2024
Issue Close on	JAN 25, 2024
Total IPO size (cr)	₹143.81
Fresh issue (cr)	₹112.00
Offer For Sale (cr)	₹31.81
Price Band (INR)	39- 41
Market Lot	365
Face Value (INR)	2
Retail Allocation	35%
Listing On	NSE, BSE

### ISSUE BREAK-UP (%)

QIB Portion		50%
NIB Portion		15%
Retail Portion		35%

### SHAREHOLDING (No. of Shares)

<b>Pre Issue</b>	<b>Post Issue</b>
65,202,740	92,519,813

### INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	29-01-2024
Refunds/Unblocking ASBA Fund	30-01-2024
Credit of equity shares to DP A/c	30-01-2024
Trading commences	31-01-2024

Nova AgriTech Limited an agri-input manufacturer and it offer soil health management, crop nutrition and crop protection products focused on tech-based farmer driven solution approach, wherein it mainly offer ecologically sustainable and nutritionally balanced products based on its Research and Development.

### OBJECTS OF THE ISSUE

- Funding capital expenditure for the expansion.
- Payment of certain outstanding loans of the company.
- General corporate purposes.

### OUTLOOK & VALUATION

Nova Agritech is an agri-input manufacturer that provides a one-stop solution for the health of soil and crops through its diversified branded product portfolio. It has a strong presence across geographies, and its effective marketing strategy positions the company for continued growth.

Nova Agritech's financial performance has been impressive, with consistent growth over the past three years and expansion plans firmly in place.

However, some key risks require consideration. The company's business is inherently linked to climatic conditions and relies on a limited geographical area for the majority of its revenue. Additionally, the agri-input sector is highly competitive. However, the issue is valued at a P/E of 13.05x, and its RoNW of 38.27% is also attractive, thus considering all the factors we suggest to Apply for this IPO for listing benefits.



## KEY MANAGERIAL PERSONNEL

01

### Adabala Seshagiri Rao

Chairperson and Independent Director of the Company. He holds Degree of Bachelor of Science and Degree of Bachelor of Laws from the Andhra University. He has over 35 years of experience in the banking industry. His last employment before retirement was with the Union Bank of India.

02

### Malathi S

Promoter and Executive Director of the Company. She has completed her Bachelor of Commerce from Kakatiya University. She has been associated with the Company since 2011 and oversees the operations of the Company.

03

### Kiran Kumar Atukuri

Promoter and Managing Director of the Company. He has almost two decades of experience. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations specifically manufacturing and sales operations of the Company.

04

### Gunupudi Kamoji Srinivas

Chief Financial Officer – Finance and Account. He holds a degree in Bachelor of Commerce from Andhra University and is a member of the Institute of Chartered Accountants of India. He has 27 years of experience with several organizations.

04

### Neha Soni

Company Secretary of the Company. She holds a degree of Bachelor in Commerce and Bachelor of Law from Devi Ahilya Vishwavidyalya and is a member of the Institute of Company Secretaries of India (“ICSI”). She has 2 years of experience having worked with C.R. Broadcasting Hyderabad Limited as a Company Secretary.



## COMPANY PROFILE

- Nova AgriTech 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.
- As of November 30, 2023, it has received a total of 720 product registrations comprising 7 registrations in the soil health management category, 176 registrations in the crop nutrition category, 4 registrations in the biopesticide category, 7 registrations under Technical Indigenous Manufacture, and 526 registrations in the crop protection category.
- It has a total dealer network comprising approximately 11,722 dealers out of which approximately 6,769 dealers are active in the current fiscal year and this network is currently spread across 16 states of India.
- The Company intends to import and distribute Technicals, which will be a prominent factor in the growth of the agriculture sector in India in the near future.

## COMPETITIVE STRENGTHS

- One-stop solution for soil health management, crop nutrition, biostimulants, biopesticides, Integrated Pest Management (IPM), and crop protection through a diversified branded product portfolio.
- Established a 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 and development facility.

## KEY STRATEGIES

- Enhance its product portfolio by expanding its manufacturing capacities and increasing its competencies.
- Continued focus on product registrations for domestic and international market expansion.
- Expand to newer geographies including expanding its export business to a newer and wider spectrum.
- Focus on Modern Technologies and solutions.

## KEY CONCERNS

- The Company is subject to strict technical specifications, quality requirements, regular inspections, and audits by various authorities and/or regulators.
- The business is subject to climatic conditions. Seasonal variations and unfavorable weather patterns may have an adverse effect on its business.
- It may be subject to fluctuations in prices or any unavailability of the raw materials that it uses in its products.
- A substantial part of the revenue generated by the Company is from the jurisdiction of Andhra Pradesh, Karnataka, and Telangana only.
- The company is currently dependent on a single manufacturing unit located in Telangana.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	EPS (Basic)	NAV	P/E	Total Income (Mn)	RoNW (%)
<b>Nova Agritech Limited</b>	<b>3.27</b>	<b>10.09</b>	<b>-</b>	<b>21,093.35</b>	<b>38.27%</b>
<b>Peer Group</b>					
Aries Agro Ltd	13.17	186.75	15.44	48,107.54	6.82%
Aimco Pesticides Limited	(2.28)	48.30	(56.62)	20,730.93	(4.52)%
Basant Agrotech Limited	2.02	18.86	10.54	55,019.32	11.34%
Best Agrolife Limited	19.91	152.04	41.93	1,51,004.91	14.02%
Bhagiradha Chemicals & Industries Ltd	44.35	301.04	11.30	50,335.03	17.95%
Heranba Industries Limited	27.52	203.96	13.56	1,33,796.00	14.39%
India Pesticides Limited	12.57	67.30	29.51	89,812.80	20.44%
Madras Fertilizers Limited	11.5	(17.82)	9.35	3,46,140.00	(46.77)%
Dharmaj Crop Guard Limited	12.03	95.10	21.89	53,805.90	16.30%

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLIONS)	FY 2023	FY 2022	FY 2021
<b>Equity Share Capital</b>	125.40	125.40	125.40
<b>Other Equity</b>	513.39	306.50	168.89
<b>Net Worth</b>	638.79	431.91	294.29
<b>Total Borrowings</b>	7.11	7.19	40.09
<b>Revenue from Operations</b>	2,105.55	1,855.67	1,605.77
<b>EBITDA</b>	387.18	277.77	177.99
<b>Profit before Tax</b>	281.63	184.44	86.71
<b>Net Profit/loss for the year</b>	204.89	136.89	63



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