

Elfin Agro India IPO

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- The company is primarily engaged in the business of manufacturing varieties of Atta, trading of certain agro products, and edible oils.
- The company marked steady growth in its top and bottom lines for the reported periods.
- It operates in a high volume/low margin segment.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed investors may park funds for medium to long term.

About the Company

Elfin Agro India Ltd. (EAIL) is primarily engaged in the business of manufacturing of Chakki Atta (High fibre whole wheat flour), R Atta (Refined whole wheat flour), Tandoori Atta (Specialized flour), Sooji (Semolina flour), Maida (Refined Flour) and yellow mustard oil.

As on the date of this prospectus, the Company has two manufacturing units that are situated at Bhilwara, Rajasthan:

1. Flour Processing Unit that houses two divisions viz., Chakki Atta (High fibre whole wheat flour) division and a separate division, i.e., Refined Flour division for manufacturing and processing of R Atta (Refined whole wheat flour), Tandoori Atta (Specialized flour), Maida (Refined Flour) and Sooji (Semolina flour); and
2. Mustard oil Processing Unit for manufacturing and processing of Mustard Oil.

EAIL sells processed wheat flour under own brand “Shiv Nandi” and “ELFIN’S Shri Shyam BHOG” to wholesalers and retailers across Rajasthan, Uttar Pradesh, Gujarat, etc. The company meticulously selects premium quality wheat as raw material in Flour Processing unit. It is also engaged in the extraction, filtering and manufacturing of Edible mustard oil from raw mustard seeds, being the raw material used for its production. Edible mustard oil is sold under own brand “Shiv Nandi”.

The company is also engaging in the trading of certain agro-products, including Chana, Maize, Soyabean Refined Oil, Rice Bran Refined Oil, Wheat, cattle feed, groundnut oil etc based on the prevailing market conditions. This not only allows it to augment revenues and minimize product and inventory wastage but also enables it to capitalize on market opportunities by selling goods for which certain consumers are willing to pay premium prices. It aims at achieving minimal wastage in manufacturing units, wherein waste material/ or the by-products viz., wheat bran generated during the manufacturing process from flour processing unit is sold as cattle feed and Mustard Seed Oil Cake is sold to nearby De-Oiled Cake (DOC) plants.

Wheat Bran generated at Flour Processing Unit is primarily sold in the states of Uttar Pradesh, Uttarakhand, Haryana, Rajasthan, Gujarat and Punjab and the Union Territory of Chandigarh while mustard oil cakes generated at Mustard oil Processing Unit are sold to de-oiled plants located in the states of Rajasthan and Gujarat. Therefore, in this manner EAIL commercialises all the by-products as well as waste material generated at Manufacturing Units. Further, leftover bags in which the raw material is packed and dispatched to it, are either re-used by the Company in its manufacturing operations or for packing of finished products.

In the Financial Years 2024 and 2025, the Company had entered into an agreement, wherein it undertook manufacturing of Atta under the label “Bharat Atta” for National Agricultural Cooperative Marketing Federation of India Limited (NAFED) and supplying the same to its various Government Institutional buyers and NAFED specified delivery points. It adheres to stringent product quality standards and closely track consumer preferences across segments from cross-section of markets.

As on the date of this prospectus, its clientele is spread across 8 states which include Gujarat, Haryana, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand and 2 Union Territories which include Chandigarh and Delhi. The Company adopts a diversified network through which it markets and sells its products. Its customer/distributor base is divided into five categories namely, B2B Clients, wholesalers, retailers, traders and direct consumers. As of January 31, 2026, it had 23 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden IPO of 5325000 equity shares of Rs. 5 each at a fixed price of Rs. 47 per share to mobilize Rs. 25.03 cr. The IPO opens for subscription on March 05 2026, and will close on March 09, 2026. The minimum application to be made is for 6000 shares and in multiple of 3000 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 27.41% of post-IPO paid-up equity capital of the company. The company is spending Rs. 2.20 cr. for this IPO process, and from the net proceeds of the issue, the company will utilize Rs. 19.33 for working capital, and Rs. 3.50 cr. for general corporate purpose.

The IPO is solely lead managed by Finshore Management Services Ltd., and Cameo Corporate Services Ltd. is the registrar to the issue. Shilpa Stock Broker Pvt. Ltd., is the market maker.

The company has issued entire initial equity shares at par value. The company has also issued bonus equity shares in the ratio of 4 for 1 in September 2024. The average cost of acquisition of shares by the promoters is Rs. 1.22 per share.

Post-IPO, company's current paid-up equity capital of Rs. 7.05 cr. will stand enhanced to Rs. 9.71 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 91.30 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 101.45 cr. / Rs. 1.81 cr. (FY23), Rs. 124.71 cr. / Rs. 3.68 cr. (FY24), Rs. 146.44 cr. / Rs. 5.08 cr. (FY25). For 9M - FY26 ended on December 31, 2025, it earned a net profit of Rs. 3.98 cr. on a total income of Rs. 117.72 cr.

For the last three fiscals, the company has reported an average EPS of Rs. 2.88, and an average RoNW of 38.51%. The issue is priced at a P/BV of 3.73 based on its NAV of Rs. 12.60 as of December 31, 2025, and at a P/BV of 2.13 based on its post-IPO NAV of Rs. 22.03 per share.

If we attribute its FY26 annualized earnings on post-IPO expanded equity base, then the asking price is at a P/E of 17.22, and based on its FY25 earnings, the P/E stands at 18.01. Thus, the issue appears fully priced.

The company has posted PAT margins of 1.78% (FY23), 2.95% (FY24), 3.48% (FY25), 3.39% (9M-FY26), and RoCE Margins of 31.14 %, 52.13%, 47.93%, 33.57%, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Abram Food, as its listed peer. It is currently trading at a P/E of 16.0 (as of March 02, 2026). However, they are not comparable on an apple-to-apple basis.

MERCHANT BANKER'S TRACK RECORDS:

This is the 33rd mandate from Finshore Management in the last four fiscals. From the last 10 listings, 6 opened at discount, 2 at par, and the rest with premium ranging from 3.63% to 9.09% on the date of listing. The lead manager has an average track record.

Conclusion / Investment Strategy

EAIL is primarily engaged in the business of manufacturing varieties of Atta, trading of certain agro products, and edible oils. The company marked steady growth in its top and bottom lines for the reported periods. It operates in a high volume/low margin segment. Based on its recent financial data, the issue appears fully priced. Low equity base post-IPO indicates longer duration for migration. Well-informed investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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