IPO REVIEW

Himalaya Nutravedics India IPO

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- The company is engaged in the manufacturing, marketing and distributing ayurvedic, nutraceutical formulations.
- It also opts for third party contract manufacturing for some of its products.
- The company marked growth in its top and bottom lines for the reported periods.
- Bumper profits for FY26 (pre-IPO year) appears window dressing for fancy valuations of the IPO.
- Based on its recent average financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus investors may park moderate funds for long term.

About the Company

Himalaya Nutravedics India Ltd. (HNIL) is engaged in the manufacturing, marketing and distribution of Ayurvedic and Nutraceutical formulations in India and also undertakes third-party contract manufacturing for other Ayurvedic and Nutraceutical companies. The Company manufactures a diversified portfolio comprising classical (Shastric) Ayurvedic formulations, which are based on compositions and processes described in traditional Ayurvedic texts such as Charaka Samhita, Sushruta Samhita, Ashtanga Hridaya, Bhaishajya Ratnavali and other recognized Ayurvedic compendia, proprietary Ayurvedic formulations and Nutraceutical products across multiple dosage forms, including soft gelatin capsules, hard gelatin capsules, tablets, Liquid orals, Medicated oils.

The Ayurvedic formulations and nutraceuticals industry is a specialized segment within India’s pharmaceutical and wellness ecosystem, covering the manufacture of Ayurvedic, herbal, and dietary supplements under NIC divisions for pharmaceuticals, AYUSH products, and food preparations. (Source: Infomerics Report) The Company commenced its manufacturing operations in September 2022 from its facility located in Cherlapally, Hyderabad, Telangana.

During the initial phase of operations, revenues were primarily derived from third-party manufacturing arrangements. Over time, it has expanded its presence as an Ayurvedic and Nutraceutical company, with a steadily increasing contribution from its own products. In 2025, the Company was also recognised as a “Startup” by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India.

HNIL operates through a hybrid business model that balances its own formulations with third-party manufacturing operations. Under its own-brand business segment, it formulates, manufactures and market products across three categories: classical Ayurvedic formulations, proprietary Ayurvedic formulations and nutraceutical supplements. As of July 31, 2026, it had 86 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 2499600 equity shares of Rs. 10 each to mobilize Rs. 26.50 cr. at the upper cap. The company has announced a price band of Rs. 100 – Rs. 106 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on September 22, 2026 and will close on September 24, 2026. The shares will be listed on BSE SME. The IPO constitute 28.38% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 13.75 cr. for working capital, Rs. 7.50 cr. for investment in branding, digital marketing and sales expansion, and the rest for general corporate purposes.

The IPO is solely lead managed by Nirbhay Capital Services Pvt. Ltd., while KFin Technologies Ltd. is the registrar to the issue. Allwyn Securities Ltd. is a market maker, and also a syndicate member.

After issuing/converting initial equity capital at par value, the company also issued further equity shares at affixed price of Rs. 113.00 per share in February 2026. It has also issued bonus shares in the ratio of 1 for 2 in February 2026. The average cost of the acquisition of shares by the promoters is Rs. NIL, Rs. 5.86, Rs. 6.52, and Rs. 14.81 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 6.31 cr. (6306720 equity shares) will stand enhanced to Rs. 8.81 cr. (8806320 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 93.35 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 14.43 cr. / Rs. 0.43 cr. (FY24), Rs. 21.00 cr. / Rs. 2.23 cr. (FY25), Rs. 43.12 cr. / Rs. 7.39 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods. The boosted profits for FY26 (Pre-IPO year) appears a window dressing to fetch fancy valuation for IPO. Rising trade receivables year-on-year, raise alarms. Its contingent liability stood at Rs. 0.27 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 12.11 and an average RoNW of 38.88%. The issue is priced at a P/BV of 3.97 based on its NAV of Rs. 26.70 per share as of March 31, 2026 , and at a P/BV of 2.13 based on its post-IPO NAV of Rs. 49.66 per share (at the upper cap).

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 12.63, and based on FY25 earnings, the P/E stands at 41.90. The issue appears aggressively priced based on its recent average earnings. Bumper profits in pre-IPO Year (FY26), appears a window dressing to fetch fancy valuations for IPO.

The company has posted PAT Margins of 2.95% (FY24), 10.63% (FY25), 17.16% (FY26) and RoCE margins of 17.00%, 30.18%, 36.41%, respectively for 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 Jeena Sikho, Sandu Pharma, as its listed peers. They are currently trading at a P/E of 26.8, and 20.2 (as of September 18, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 6th mandate from Nirbhay Capital, in the last two fiscals (including the ongoing one). Out of the last 5 listings, 1 opened at discount, 1 at par, and the rest listed with a premium ranging from 5.26% to 10.87% on the listing date. The merchant banker has an average track record.

Conclusion / Investment Strategy

HNIL is engaged in the manufacturing, marketing and distributing ayurvedic, nutraceutical formulations. It also opts for third party contract manufacturing for some of its products. The company marked growth in its top and bottom lines for the reported periods. Bumper profits for FY26 (pre-IPO year) appears window dressing for fancy valuations of the IPO. Based on its recent average financial data, the issue appears aggressively priced. Small paid-up equity capital post-IPO indicates longer gestation period for migration. Only well-informed/cash surplus investors may park moderate funds for 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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