IPO REVIEW

Nanta Tech IPO

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- The company is engaged in the business of audio-visual integration and AV products supply and distributions.
- It has posted erratic financial performance with a surprisedly boosted profits for FY25.
- The company is operating in a highly competitive and fragmented segment.
- Based on its recent financial data, the issue appears exorbitantly priced.
- Investors may skip this pricey and dicey bet.

About the Company

Nanta Tech Ltd. (NTL) is engaged in the business of Audio Visual (AV) integration, supply and distribution of AV Products, Service Robots and Software Development related services. It provides comprehensive, end-to-end AV integration solutions which includes system design, integration and management and on-site support. Its diverse portfolio of customized offerings and ability to tailor solutions of both large scale and small-scale clients to meet the specific requirements of each client have helped it build a loyal customer base across a broad spectrum of industries.

The company is offering its customized solution to various sectors such as corporates, education, hospitality and manufacturing industry and others. Its offerings play a vital role in driving digital transformation across sectors. In addition to providing AV integration services, the company is actively involved in the direct selling and distribution of a wide range of AV products. These include, but are not limited to indoor and outdoor active LED screens, professional display screens (both touch and non-touch), digital signage displays, digital podiums, video conferencing cameras, processors, media players, speakers, microphones, amplifiers, unified communication (UC) devices as well as mounts, cables, and other related accessories.

This segment comprises of procuring AV and networking products from both domestic and international vendors based on its specifications for further sale including sale under its brand “NANTA”. Further, the company is also engaged in the procurement of service robots from various vendors as per its specifications. Once the required software is installed, the robots are thoroughly tested, branded, marketed, and sold to the end customer under its brand “ALLBOTIX”. As part of its service offerings, the company provides robots on a demo basis to clients for various events. This initiative allows it to enhance client experiences. Accordingly, the brands “NANTA” and “ALLBOTIX” are positioned to serve distinct market segments, each addressing specific customer requirements and expectations.

Additionally, the company is also providing software development services whereby its in-house team designs and develops customized software across various domains, including robotics, AI tools, mobile applications, portals, and websites. NTL's holistic approach ensures seamless integration between digital platforms and physical communication systems, enhancing productivity, collaboration, and business growth. As of September 30, 2025, it had 23 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 1446000 equity shares to mobilize Rs. 31.81 cr. The company has announced the price band of Rs. 209 – Rs. 220 per share of Rs. 10 each. The IPO opens for subscription on December 23, 2025, and will close on December 26, 2025. The minimum application to be made is for 1200 shares and in multiple of 600 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 28.19% of post-IPO paid-up equity capital of the company. From the net proceeds of the issue, the company will utilize Rs. 10.50 cr. for working capital, Rs. 14.05 cr. for capex on setting up of experience centre cum product display area, and the rest for general corporate purpose.

The IPO is solely lead managed by Smart Horizon Capital Advisors Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Shreni group's Shreni Shares Ltd. Is the market maker, as well as a syndicate member. Integrated Registry Management Services Pvt. Ltd. is RTA for the company.

The company has issued initial equity shares at par value, it has issued further equity shares in the price range of Rs. 164 – Rs. 407 between March 2024, and July 2024. It has also issued bonus equity shares in the ratio of 29 for 1 in May 2024. The average cost of acquisition of shares by the promoters is Rs. NIL, Rs. 17.67, and Rs. 164 per share.

Post-IPO, company's current paid-up equity capital of Rs. 3.68 cr. will stand enhanced to Rs. 5.13 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 112.86 cr.

Financial Performance

On the financial performance front, for the last two fiscals, the company has posted a total income/net profit, of Rs. 13.35 cr. / Rs. 1.84 cr. (FY24), Rs. 51.24 cr. / Rs. 4.76 cr. (FY25). For H1-FY26 ended on September 30, 2025, it earned a net profit of Rs. 1.93 cr. on a total income of Rs. 21.55 cr. On pure arithmetic basis, the H1-FY26 expressing declined top and bottom lines.

For the last two fiscals, the company has reported an average EPS of Rs. 11.30, and an average RoNW of 35.98%. The issue is priced at a P/BV of 5.04 based on its NAV of Rs. 43.62 as of September 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 super annualized earnings on post-IPO expanded equity base, then the asking price is at a P/E of 29.18, and based on its FY25 earnings, the P/E stands at 23.73. Thus, the issue appears exorbitantly priced.

The company has posted PAT margins of 1.81% (FY23), 9.75% (FY24), 9.29% (FY25), 8.98% (H1-FY26), and RoCE Margins of 22.42%, 63.16%, 50.66%, 20.54%, respectively, for the referred periods.

Dividend Policy

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

Comparison with Listed Peers

As per the offer document, the company has shown PRO FX Tech as its listed peer. It is currently trading at a P/E 8.47 (as of December 19, 2025, 2025). However, they are not truly comparable on an apple-to-apple basis.

MERCHANT BANKER'S TRACK RECORDS:

This is the 18th mandate from Smart Horizon in the last two fiscals. Out of the last 10 listings, 2 opened at discount, 1 at par and the rest with premium ranging from 0.81% to 5.88% on the date of listing. The Lead Manager has an average track record.

Conclusion / Investment Strategy

NTL is engaged in the business of audio-visual integration and AV products supply and distributions. It has posted erratic financial performance with a surprisedly boosted profits for FY25. The company is operating in a highly competitive and fragmented segment. Tiny post-IPO paid-up equity capital indicates longer gestation period for migration. Based on its recent financial data, the issue appears exorbitantly priced. Investors may skip this pricey and dicey issue.

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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