

# Yashhtej Industries IPO

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- The company is engaged in the business of manufacturing and trading of edible/non-edible oil and related products.
- The company is spending over 10% of the issue size for IPO proceeds, that raise eyebrows.
- It marked growth in its top and bottom lines for the reported periods, but the sudden boost in its top and bottom lines from FY25 onwards raise concern over its sustainability.
- Based on its recent financial data, the issue appears aggressively priced.
- Investors may skip this pricey and dicey issue.

## About the Company

Yashhtej Industries (India) Ltd. (YIIL) had the main objects of the Company was to carry on the business of manufacturing and trading of the edible, non-edible oils and de-oiled cakes. Subsequently it amended the MoA clauses and included manufacturing, producing, processing etc. of the jaggery and sugar related products, generation of power for captive consumption as well as marketing the surplus, manufacturing, producing, processing etc. and deal in all types of confectionery items, generating, accumulating, transmitting, distributing, purchasing, selling and supplying electric power or any other energy from conventional/non-convention energy.

Currently, it is primarily engaged in the business of manufacturing/processing of soybean crude oil from soybeans through the solvent extraction process and manufacturing of Soybean De-Oiled Cake ('DOC'). DOC or soya meal is the solid residue or by-product remaining after oil extraction from soybeans and is rich in proteins and minerals.

Soybean Crude oil is required to be further refined to enable it to become edible oil and fit for consumption. Therefore, the company operates in a business to business (i.e., B2B) segment i.e., the said crude oil is supplied to the customers who are engaged in undertaking the refining activity.

YIIL has commenced the process of setting up the 5 MW Solar Power Plant. The vendor for the proposed expansion has been finalized, quotations have been received and approved by the management, and the necessary purchase orders have been placed. The installation and implementation of the 5 MW Solar Power Plant is currently under progress. The funds required for the said set up is proposed to be met through internal accruals and/or borrowings from banks and financial institutions. Accordingly, it currently does not generate any revenue from this segment. The Company expects to generate revenue from this segment during the FY 2026-2027. With the inflow of revenue from this segment, it would also operate in Business to Government ('B2G') segment. As of

September 30, 2025, it had 91 employees on its payroll.

## Issue Details / Capital History

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The company is coming out with its maiden IPO of 8079600 equity shares of Rs. 10 each at a fixed price of Rs. 110 per share to mobilize Rs. 88.88 cr. The IPO opens for subscription on February 18, 2026, and will close on February 20, 2026. The minimum application to be made is for 2400 shares and in multiple of 1200 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 35.01% of post-IPO paid-up equity capital of the company. The company is spending Rs. 9.39 cr. (10.56%) for this IPO proceeds, and from the net proceeds of the issue, the company will utilize Rs. 63.88 for capital expenditure for refining plant and Bottling plant for edible soyabean oil, Rs. 6.11 cr. for working capital, and Rs. 9.50 cr. for general corporate purpose.

The IPO is solely lead managed by Erudore Capital Pvt. Ltd., and MAS Services Ltd. is the registrar to the issue. Prabhat Financial Services Ltd., is the market maker.

After issuing the entire initial equity shares at par value, the company issued bonus shares in the ratio of 1 for 1 in September 2025 (on the basis of FV of Rs. 10 per share). The average cost of acquisition of shares by the promoters is Rs. 5.00 per share.

Post-IPO, company's current paid-up equity capital of Rs. 15.00 cr. will stand enhanced to Rs. 23.08 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 253.88 cr.

## Financial Performance

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On the financial performance front, for the last three fiscals, the company has posted a total revenue/net profit/ - (loss), of Rs. 12.00 cr. / Rs. - (0.58) cr. (FY23), Rs. 59.25 cr. / Rs. 1.13 cr. (FY24), Rs. 324.96 cr. / Rs. 11.57 cr. (FY25). For H1 - FY26 ended on September 30, 2025, it earned a net profit of Rs. 7.25 cr. on a total revenue of Rs. 191.22 cr. The sudden boost into and bottom lines from FY25 onwards raises eyebrows and concern over its sustainability as it is operating in a highly competitive and fragmented segment.

For the last three fiscals, the company has reported an average EPS of Rs. 4.83, and an average RoNW of 34.15%. The issue is priced at a P/BV of 6.14 based on its NAV of Rs. 17.91 as of September 30, 2025, and at a P/BV of 2.19 based on its post-IPOP NAV of Rs. 50.14 per share.

If we attribute its FY26 annualized super earnings on post-IPO expanded equity base, then the asking price is at a P/E of 17.52, and based on its FY25 earnings, the P/E stands at 21.96. Thus, the issue appears aggressively priced. Inflated profits from FY25 onwards keeps its P/E low and paves the way for fancy pricing. In fact, it is operating in a high volume, low margin segment, amidst rising competition.

The company has posted PAT margins of – (4.81) % (FY23), 1.91% (FY24), 3.56% (FY25), 3.79% (H1-FY26), and RoCE Margins of – (3.59) %, 5.41%, 30.55%, 17.98%, respectively, for the referred periods.

## Dividend Policy

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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

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As per the offer document, the company has shown KN Agri and Rama Phosphates as its listed peers. They are currently trading at a P/E of NA and 9.99 (as of February 16, 2026). However, they are not comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

### MERCHANT BANKER'S TRACK RECORDS:

This is the 1st mandate from Erudore Capital in the ongoing fiscal. It has not previous track record for any mandate so far.

### Conclusion / Investment Strategy

YIIL is engaged in the business of refining and bottling of refined edible soyabean oil. The company is spending over 10% of the issue size for IPO proceeds, that raise eyebrows. It marked growth in its top and bottom lines for the reported periods, but the sudden boost in its top and bottom lines from FY25 onwards raise concern over its sustainability. Based on its recent financial data, the issue appears aggressively priced. Investors may skip this pricey and dicey issue.

## About Dilip Davda

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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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