

Company Research Report: Shri Ahimsa Naturals Limited – IPO Overview

1. Company Overview

Incorporated: October 17, 1990 (as Ahimsa Mines and Minerals Private Limited)

Current Name: Shri Ahimsa Naturals Limited

Business Activity: Extraction, manufacturing, and sale of Caffeine Anhydrous Natural, Green Coffee Extracts, and trading of herbal extracts.

The company is primarily engaged in the processing of crude caffeine sourced from global decaffeination plants. It also manufactures crude caffeine from tea and coffee waste, enhancing vertical integration. Products are mainly used in the food & beverage, pharmaceutical, and cosmetic industries.

2. Business & Revenue Model

Raw Material Procurement:

- Main raw material: Crude Caffeine (a by-product of decaffeination)
- Imported from countries such as Vietnam, Mexico, Brazil, USA, Europe
- Domestic production of crude caffeine from tea and coffee waste since 2022

- Herbal extracts for trading are sourced domestically from quality-approved suppliers

Value Addition Process:

- Processing crude caffeine into:
 - Caffeine Anhydrous Natural
 - Green Coffee Bean Extract (GCE)
- In-house R&D and quality lab ensure process innovation and product efficacy
- Manufacturing process includes: melting, filtration, extraction, crystallization, drying, milling, sieving, metal detection, packing

Products:

Manufactured:

- Caffeine Anhydrous Natural
- Green Coffee Bean Extract (GCE)
- Crude Caffeine (from tea & coffee waste)

Traded Herbal Extracts:

- Senna Leaf P.E.
- Ashwagandha Extract
- Turmeric Extract (Curcumin)
- Garcinia Cambogia P.E.
- Bacopa Monnieri P.E.

Revenue Model:

- Export-driven B2B business model
- Revenue generated from direct sales to end users and resellers in 14+ countries including USA, Germany, South Korea, Canada, and Thailand



3. Manufacturing & Logistics

- Existing facility focuses on extraction and purification processes
- Shri Ahimsa Healthcare Private Limited (WOS, incorporated in 2022) will set up a new manufacturing unit in Sawarda, Jaipur, Rajasthan
- Export logistics: sea routes & third-party freight forwarders
- Domestic logistics: road transport via third-party logistics providers



4. Financial Performance

Fiscal Year	Revenue from Operations (₹ Cr)	PAT (₹ Cr)	Total Borrowings (₹ Cr)
FY22 (Standalone)	58	11	6.36
FY23 (Consolidated)	103	38	3.42
FY24 (Consolidated)	78	18	13.83

Key FY24 Commentary:

- Revenue dropped by ~25% YoY due to a 33% decline in the volume of Caffeine Anhydrous Natural sold.
- Lower production resulted from delays in imported crude caffeine.
- Rising raw material costs and increased depreciation (up ~35%) compressed profit margins.
- Other income, including forex gains, declined by ~68%, further impacting PAT.

- PAT fell 51.14% YoY from ₹ 3,820.80 lakhs in FY23 to ₹ 1,866.73 lakhs in FY24.

5. IPO Details & Valuation

- Face Value: ₹10 per share
- Fresh Issue: 42,03,600 equity shares
- Pre-IPO Outstanding Shares: 1,91,26,500
- Post-IPO Outstanding Shares: 2,33,30,100
- Offer Price: ₹ 119
- Valuation: ₹ 227 Cr
- P/E (based on Fy24 numbers): 12x

6. IPO Objectives

- Investment in Shri Ahimsa Healthcare Pvt Ltd for new factory in Jaipur
- General corporate purposes (growth initiatives, branding, etc.)
- Offer for Sale (OFS) by Promoters – proceeds from OFS will not go to the company

7. Management Team

- Mr. Nemi Chand Jain – Promoter, Chairman & Managing Director
- Mr. Amit Kumar Jain – Executive Director & CFO
- Mr. Dipak Kumar Jain – Executive Director
- 4 Independent Directors
- 1 Non-Executive Woman Director
- Ms. Aayushi Jain – Company Secretary & Compliance Officer

8. Key Risk Factors

- No past trading history of equity shares (first-time public issue)
- Raw material price fluctuation and lack of long-term supply contracts
- Legal proceedings against promoters and the company
- Significant reliance on exports; geopolitical or economic disruption can impact revenue
- Unsecured loans from promoters can be recalled anytime
- No long-term logistics contracts

Refer to "Risk Factors" on page 26 of the RHP for detailed risk disclosures.

9. Revenue: Export vs Domestic

The business is primarily export-oriented. Revenue contribution from exports significantly outweighs domestic sales. The company also engages in:

- Direct exports to international clients
- Deemed exports (EOU sales within India)
- Third-party exports (facilitated by Indian exporters)

10. Conclusion

Shri Ahimsa Naturals Limited is a niche player in the caffeine extraction space with a strong export footprint. Its integration of crude caffeine production from tea and coffee waste and focus on herbal extracts expands its product portfolio. With steady revenue, good profit margins, and expansion plans through its wholly owned subsidiary, the IPO aims to provide the company with capital for further growth while offering investors exposure to a global B2B nutraceuticals supplier.