

Company Business

Abram Food Limited is primarily engaged in the business of **manufacturing, marketing, and selling various food products**. Here's a breakdown of their business:

- ✦ **Construction Project Receipts (EPC)** : This is the primary segment, accounting for approximately 96.86% of their revenue from operations as of December 31, 2024. These projects can be categorized into two broad types:
- ✦ **Core Products** :
 - Chana
 - Chana Dal
 - Besan
 - Edible Oil
 - Spices
 - Flour (**Atta**), including **Chakki Atta, Multi Grain Atta, Maida, and Sooji**
 - Cattle Feed (Khal)
- ✦ **Brand Name** : They market and sell their products under their own brand "KHERLIWALA". The brand "Kherliwala" was awarded "Most Trusted Brand-2024" and "Best FMCG Company-2024" by Dainik Bhaskar.
- ✦ **Business Model**:
 - They manufacture, trade, and sell these products primarily to their **distributors**.
 - They also manufacture and sell Chana and Chana Dal to FMCG companies.
 - The company emphasizes **traditional processing techniques and in-house manufacturing practices** to ensure authentic "Taste of Rajasthan".
 - They optimally utilize resources by **commercializing by-products** such as Chana Churi, Chana Chilka, and Chana Kachri, which are stored, cleaned, packaged, and sold to the market.
- ✦ **Geographical Reach** : Their major revenue is derived from Rajasthan and Delhi-NCR. They also have a presence in Uttar Pradesh. The company aims to expand its marketing reach and distribution through expansions into other regions.
- ✦ **Manufacturing Facility** : Their manufacturing facility is located at B-34 Matsya Industrial Area, RIICO Industrial Area, Alwar, Rajasthan- 301030. This facility is leased from a promoter group entity, Uma Udyog. The company plans to expand its manufacturing capabilities by investing in new machinery.
- ✦ The company states that its business is sensitive to seasonal volatility and weather conditions as it is an agri-based company. They also note that their business depends on the availability of reasonably priced chana, which they source from various mandis and their agents. They face competition in the FMCG market from a large number of small players, some of whom may have greater resources.

IPO Details

- ✦ Total Issue Size : 14,28,000 Shares (Rs. 13.99 Cr.)
- ✦ Fresh issue : **Entire issue is fresh issue.**
- ✦ Issue Price : **₹98 per share**
- ✦ Lot Size : 1200 shares
- ✦ IPO Date : **June 24-26, 2025**
- ✦ Pre IPO Promoters Holding : **93.14%**
- ✦ Post IPO Promoters Holding : **67.33%**

Objects of the issue

- ✦ Capital Expenditure for purchase of machineries : **Rs. 3.85 Cr.**
- ✦ Funding of Working Capital Requirement of the company : **Rs. 6.70 Cr.**
- ✦ General corporate purposes : **Rs. 2.04 Cr.**
- ✦ Issue related expenses in relation to Issue : **Rs. 1.39 Cr.**

Financials of the company

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	64.04	36.01	33.16
EBITDA	5.07	1.95	1.02
EBITDA Margin	7.92%	5.43%	3.10%
PAT	3.25	1.01	0.48
PAT Margin	5.08%	2.83%	1.46%
ROCE	56.02%	45.73%	29.09%
Operating Cash Flows	-0.67	-0.78	-0.83

Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Abram Food (FY 2024)	64.04 Cr.	7.92%	5.08%	0.85	50.51 Cr.	15.54
HOAC Food India (FY 2025)	26.48 Cr.	15.52%	9.44%	0.39	83.40 Cr.	33.40
Contil India (FY 2025)	32.57 Cr.	8.23%	7.76%	0.00	41.90 Cr.	16.60
Jetmall Spices and Masala (FY 2025)	0.74 Cr.	-105.41%	-100%	0.00	7.80 Cr	In loss

PROS AND CONS

Pros (Strengths and Advantages)

- ✦ **Extensive Sales and Distribution Network** : As of March 31, 2025, the company's branded products are sold across Rajasthan and Delhi & NCR through a network of 80 distributors serviced by 5 sales personnel. They are also engaged in selling branded products via their website.
- ✦ **Strong Financial Performance** : The company has demonstrated a strong track record of revenue growth and profitability.
 - **Revenue from Operations** increased from ₹33.16 Cr. in Fiscal 2023 to **₹64.04 Cr. in Fiscal 2025**, indicating a **CAGR of 24.53%**.
 - **Profits after Tax (PAT)** significantly increased from ₹0.48 Cr. in Fiscal 2023 to **₹3.25 Cr. in Fiscal 2025**, showing a substantial increase of 219.52% from Fiscal 2024 to Fiscal 2025.
 - **Earnings Per Share (EPS)** grew from ₹1.39 in Fiscal 2023 to **₹9.05 in Fiscal 2025**.

Cons (Risks and Challenges)

- ✦ **Low Capacity Utilization** : Low Capacity Utilization in Flour and Spices Segment.
- ✦ **Outstanding Litigations** : The company, its promoters, and directors are involved in various legal proceedings (criminal, tax, civil).
- ✦ **Negative Cash Flow from Operations** : The company has reported **negative cash flow from operating activities** for the financial years ended March 31, 2023, 2024, and 2025.
- ✦ **Revenue Concentration** : A significant portion of the company's revenue is derived from Chana and Chana Dal.
- ✦ **Change in Auditor due to casual Vacancy** : Reason for casual vacancy not known.
- ✦ **Conflicts of Interest with Promoter Group Entities** : Promoter Group Entities (e.g., Kherliwala Products Private Limited, Kaira Industries Private Limited) are engaged in similar businesses, and no non-compete agreements are in place, potentially leading to conflicts of interest in business opportunities.
- ✦ **Geographical Concentration of Sales and Operations** : The majority of sales are from Rajasthan and Delhi-NCR, and manufacturing operations are concentrated in Alwar, Rajasthan. This makes operations susceptible to local/regional factors like social unrest, economic conditions, and natural disasters.
- ✦ **High Debts**



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