

## ISSUE DETAILS

### Issue Details

<b>Price Band:</b> ₹ 52 to ₹ 55
<b>Issue Opens on:</b> December 18, 2023
<b>Issue Closes on:</b> December 20, 2023
<b>Lot Size:</b> 250 Shares & in Multiples thereafter

### Issue Highlights

<b>Issue Size:</b>	<b>₹ 151.09 Cr.</b>
<b>No of Shares:</b>	<b>27,471,100</b>
<b>Face Value:</b>	<b>₹ 10</b>

### Offer Structure

Issuance	₹ in Cr.
Fresh Issue	151.09
Offer for Sale	-
<b>Total</b>	<b>151.09</b>

### Issue Breakup

Reservation for	No. of shares	₹ in Cr. (at upper band)
QIB	11,312,750 (50%)	62.22
HNI	54,96,000 (15%)	30.23
Retail	1,06,62,250 (35%)	58.64
<b>Total</b>	<b>100</b>	<b>151.09</b>

### Listing

**BSE & NSE**

### Lead Managers

**Holani Consultants Private Limited**

### Registrar

**Link Intime India Pvt. Ltd.**

### ANALYST

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## COMPANY OVERVIEW

The company commenced business through a partnership firm 'M/s Motisons Jewellers' in 1997 which was subsequently converted into public limited company in 2011 and currently have presence across multiple prominent locations in Jaipur, Rajasthan. It is a Jewellery retail player with a history of more than 2 decades. Their jewellery business includes the sale of jewellery made of gold, diamond, kundan and sale of other jewellery products that include pearl, silver, platinum, precious, semi-precious stones and other metals. Their other offerings include gold and silver coins, utensils and other artifacts.

The company has 4 showrooms under the "Motisons" brand located across the city of Jaipur, Rajasthan. It also sells products through their online platform at <https://www.motisonsjewellers.com/> launched in 2011. It primarily source finished jewellery from third party suppliers located across India. Additionally, to cater to the increasing demand in the market, they also engage artisans on job work basis and have own manufacturing facilities located in Jaipur, Rajasthan for diamond and gem stone studded jewellery. It outsources the work of making ornaments to various artisans with whom they have developed relationships.

It's product profile includes traditional, contemporary and combination designs across jewellery lines, for special occasions such as weddings and festivals to daily wear jewellery for all ages, genders and across various price points. They have a dedicated design team, focused on developing new products and designs that meet customers' requirements. All their gold and silver jewellery products in line are hallmarked by BIS.

## HIGHLIGHTS

1. An established brand name with heritage and a legacy of over two decades
2. Strategic location of the showrooms
3. Diversified product portfolio of over 3,00,000+ Jewellery Designs under various categories
4. Effective inventory management, Technology Focus to protect customer information, Quality Control, Procurement advantage to avoid adverse effects on the financial operations of the company.

## OBJECTS OF THE ISSUE

1. Repayment of existing borrowings availed by the company from scheduled commercial banks (₹ 58 Cr.)
2. Funding the working capital requirements of the company (₹ 71 Cr.)
3. General corporate purpose.

## OUR VIEW

Motisons Jewellers Limited, established in October 1997, sells gold, diamond and kundan jewellery as well as other jewellery products. The company sells pearls, silver, platinum and other metals. The Motisons store is focused in Jaipur. The latest branch, which opened in 2021, is located in the affluent Vaishali Nagar neighbourhood.

The revenue CAGR for the period FY21-23 stood at about 31.12%. The company operated on an EBITDA margin of 13.55% and PAT margin of 6.06% for year ended FY23. The number was 14.54% and 6.32% respectively for Q1 FY24. Generating an ROE and ROCE of 17.56% and 30.04% respectively for FY23. The company is asking for a PE multiple of 16.08x on the upper end of the price band and using diluted EPS for FY23 (₹ 3.42) and a PE of 16.37x annualizing diluted EPS for Q1FY24 (₹ 0.84). Whereas peers are trading at 24x (Lowest- Thangamayil Jewellery Limited) and 48x (Highest- Renaissance Global Limited) as per RHP. The issue is priced at a P/BV of 2.50 based on its NAV of Rs. 21.98 as of June 30, 2023.

The company plans to utilize its net proceeds to pay-back its borrowings. The company is majorly engaged in trading and own manufacturing forms a very small part of its business operations. However, there is no clearly defined paths or strategic plans in the near future. Also, it is heavily dependent on third parties to supply its products. The company may look at expansion in new geographies. Currently, the company's presence is focused in Jaipur only.

The company has a product portfolio of 3,00,000+ jewellery designs, at the same time operating in highly competitive organized and unorganized market is a challenge.

Looking at all the factors, risks, opportunities and current market scenario the investors may invest for listing gains and observe the company before entering for long term investments.

### Brief Financials

PARTICULARS	As at June 30, 2023	₹ in Cr.		
		FY '23	FY '22	FY '21
Total Income	86.76	366.80	314.47	213.06
Total Expenditure	79.40	336.88	294.48	199.99
EBITDA	12.60	49.60	38.74	31.12
Profit before Tax	7.35	29.91	19.98	13.06
Profit after Tax	5.48	22.19	14.74	9.67
E.P.S. (Diluted)	0.84*	3.42	2.27	1.49
P/E (x) (Diluted)	-	16	-	-
RONW (%)	3.84*	16.15	12.77	9.58

\* Not Annualized

### PRICE CHART (@ ₹ 55) (Retail Category)

LOT SIZE	Amount
250	13,750
500	27,500
750	41,250
1,000	55,000
1,250	68,750
1,500	82,500
1,750	96,250
2,000	110,000
2,250	123,750
2,500	137,500
2,750	151,250
3,000	165,000
3,250	178,750
3,500	192,500

### HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount (Rs.)
Small HNI	3,750	206,250
Big HNI	18,250	1,003,750

### Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	21/18/2023
Initiation of refunds/unblocking ASBA Fund	22/12/2023
Credit of Equity Shares to demat accounts of Allottees	22/12/2023
Commencement of trading of the Equity Shares on the Stock Exchanges	26/12/2023

For more details, Please refer RHP,  
([SEBI](#) | [Motisons Jewellers Limited - RHP](#))

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