

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs6	1.01	Hold	Rs9	53%

\*as on 02nd June, 2025

### About the Company:

Established in 2010, Ajooni Biotech Limited (ABL) is one of the leading pure veg animal feed, animal healthcare and feed supplements provider dedicated at improving the productivity of dairy farmers with focus on increasing livestock yields. It is involved in the compound, pure veg animal feed and pure veg feed supplements with a portfolio of wide range of quality feed products. Its portfolio has cattle feed, feed chips, camel feed, cotton oilcake, mustard oilcake and wide range of feed supplements to cover the entire life cycle of an animal. ABL is India's first pure veg cattle feed company to have Zero Effect, Zero Defect (ZED) gold process under the Prime Minister Make in India initiative. ABL has built mutually beneficial relationships with esteemed milk societies and milk processing companies. The key customers of the company include IFFCO Kisan, Patanjali, Paras, Mother Dairy, Saahaj, Balinee, Sakhi etc. Mr. Jasjot Singh is the Managing Director and CFO of the company.

### Results: Quick Glance:

- The net sales for the quarter reported a growth of 49.5% to Rs293mn as compared to Rs196mn in the same quarter last year
- The Ebitda margins for the quarter under review stood at 3.5% as compared to 8.1% in the comparative quarter last year
- The company reported profit of Rs15mn as compared to Rs9mn in the same quarter last year
- The EPS for the quarter stood at Rs0.09 as compared to Rs0.10 in the corresponding period of last year
- For the full year, the revenues and PAT grew by 43.2% and 56.0% respectively while the Ebitda margins stood at 3.2%

### Financials:

Performance (Q4&FY25)									
Q4&FY25 Result (Rs mn)	Mar-25	Mar-24	y-o-y	Dec-24	q-o-q	FY25	FY24	y-o-y	FY26E
Total Revenue	293	196	49.5%	340	(14.0%)	1147	801	43.2%	1491
EBITDA	10	16	(36.3%)	9	9.0%	37	22	65.1%	75
Other Income	13	3	-	4	-	21	22	(5.7%)	21
Interest	1	1	(48.6%)	1	(16.8%)	3	6	(40.0%)	4
Depreciation	4	2	59.9%	2	60.4%	11	9	25.1%	11
Exceptional Items	0	0	-	0	-	0	0	-	0
Tax	4	6	(36.9%)	3	31.6%	10	8	14.6%	18
Net Profit	15	9	68.8%	7	-	34	22	56.0%	63

### Outlook and Recommendations:

The company has reported good growth in sales volume as well as tonnage for the quarter under review; however, the bottom line is depressed owing to increased other expenses and higher other income. Generally, the second half of any financial year is meant to be strong for ABL. For what should have been a strong quarter for ABL on the profitable front as well, the company has not been able to report good operational growth; the bottom-line line is propelled by the other income. The company has recently entered the B-2-C market, marking a significant expansion of business scope. ABL is in the process of launching some of its own brands and thus the costs (admin/transport etc.) seems to have increased for the quarter under review. It also appears the company has been focusing only on the segment related to animal feed/fodder rather than the business related to feed supplements which is a slightly higher margin business, the company is making significant strides towards becoming one of the most Research driven products in this sector. ABL has appointed over 300 dealers and distributors across India. To further strengthen this network, the company has formed a high-performance team dedicated to achieve exceptional results. This team is key to driving growth and ensuring long-term success. ABL seems to be running at almost full capacity, and thus has not been able to add any new clients as the Management intends to cater to the demand of the already existing clients.

**Outlook and Recommendations (contd.):**

The micro-injection of the new capacity is anticipated to be on stream by Q3FY26. There are some new products in the pipeline, which ABL is yet to launch. With the new capacities which will come online in the next 5-7 months, the company has been busy building its team as well as capabilities. The Management has indicated that the demand for milk and other products has increased from states like Uttar Pradesh which can serve as an opportunity for players like ABL. During the quarter under review, the company participated in two major expos i.e. National Goat Fair and Agro Industrial Exhibition in Uttar Pradesh and National Dairy and Agro Expo at Topriya (Rajasthan). In addition to that, recently the team of ABL was seen in Dairy and Agro expo in Ludhiana and Lucknow, which indicates the intent of the Management to increase the visibility of its brand in key market areas. As the dairy industry in India continues to flourish, the requirement for good quality feed for the same will increase where players like ABL can continue to grow. In order to increase the overall profitability, the company has been putting efforts in backward integration and is in constant talks with the farmers for procurement of RM at a slightly better and cheaper cost. The company is actively undertaking multiple initiatives focused on innovations and sustainability to enhance feed efficiency. ABL is dedicated to improve the productivity of dairy farmers and sustainably increase the livestock yield. During the year under review, the company deferred the fundraising via warrants owing to geo-political issues and lack of interest by investors. The initiatives related to the Moringa plantation are still in the early stage of development where a lot of growth triggers will depend on the directives as per the government. The ongoing field trials of Moringa are also taking shape but at a very slow pace; however, once it is successful then the company can show immense growth as a flag bearer in the cattle feed sector. Considering the slight delay in the execution of some of the projects and its time for delivery which can impact the margins going forward, we have reduced our target price to Rs9.

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