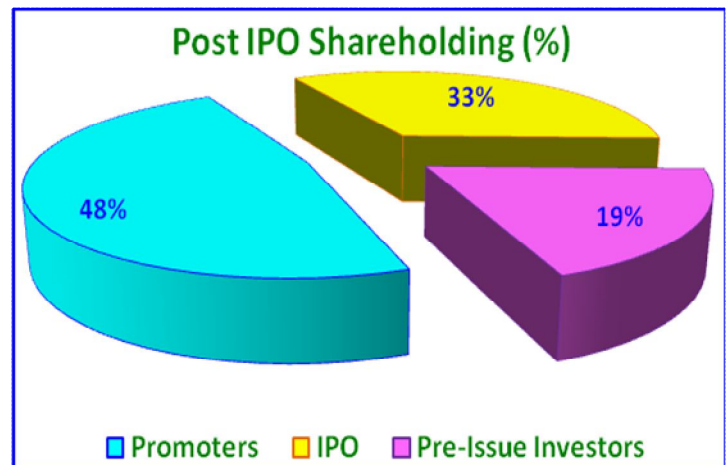




Inventure Growth and Securities Ltd (IGSL)

INR 100-117 (FV 10)

Sector	Financial
Website	www.inventuregrowth.com
Issue Opens	20 July 2011
Issue Closes	22 July 2011
Issue	70 Lakhs
Price Band (Rs.)	100-117
Aggregating	Rs. 81.9 Crore (at Upper band)
Key Executives	Nagji K. Rita Jayshree N. Rita
Registrar	Link Intime
BRLM	Intensive Fiscal
Post Issue Equity	INR 21 Crore



Assuming Issue at Rs.117/Share Upper Band

Company Background

Incorporated in 1995, Mumbai based Inventure Growth and Securities Ltd (IGSL) is into financial solutions & services. It offers trading services in equity cash and derivatives market, debt market, commodities and currency futures segment to financing activity, wealth management, and distributions of financial product.

IGSL is providing advisory and innovatively structured financial solutions in the area of fund raising, infrastructure development, government borrowing, corporate restructuring and money market intermediation. At the retail level, Inventure provides investment advisory service and distributes financial products like mutual funds, insurance products, etc. IGSL's client includes institutional clients, high net worth individuals and retail investors. Inventure operates through 224 business locations including branches, franchisees (Remisiers and Authorised Person) and sub-brokers located across India.

Objectives of the Issue

The company plans to raise about Rs.81.9 Crore (at upper band) from the issue proceeds. It plans to utilize the amount as:

- Investment in subsidiary Inventure Finance (P) Ltd (Rs. 30 Crore)
- Long Term Working capital (Rs. 20 Crore)
- To Meet IPO Expenses, General & Corporate Expenses etc.

Highlights

- The financial sector in India is characterized by liberal and progressive policies, vibrant equity and debt markets and prudent banking norms. India's financial sector has been one of the fastest growing sectors in the economy. India has a financial system that is regulated by independent regulators in the sectors of banking, insurance, capital markets etc.
- There is huge growth potential in the Indian financial sector. This is evident from the fact that less than 1% of population trades in the market as compared to 25% in the developed economy.
- The opportunities in the sector are huge as financial intermediaries have not restricted themselves to equity broking business. They have de-risked their business by diversifying into emerging opportunities in the last couple of years. They have ventured into commodity broking business which emerged from a small contribution towards revenue to major growth engine for many companies. Companies have also forayed into wealth management, investment banking, mutual funds and insurance business. They are also looking into areas like forex trading which would further de-risk their business model.



- As the share of Emerging Markets rise, India will be major beneficiary. As besides having the largest and growing consumer, its is among the fastest growing largest democratic economy.
- IGSL offer a host of services under one roof providing comprehensive advisory services that are well diversified from trading services in equity cash and derivatives market, debt market, commodities and currency futures segment to financing activity, wealth management, and distributions of financial product. IGSL has direct interests in equity, debt and currency futures broking, depository activities, PMS and other activities like commodity broking, non-banking financial services, wealth management and sale of insurance products are provided through its Subsidiaries.
- The organization has strong Research for each segment (Equity, Commodities, Forex, IPO, Mutual Funds etc.) giving it an edge.

Financial Highlights

₹ Crore	FY 10	FY 2011	FY 2012 E
Total Sales	39.7	34.95	43.69
Operating Expenses	24.5	26.8	32.77
Operating Profits	15.20	8.15	10.92
Tax	5.1	2.63	3.50
PAT	10.1	5.52	7.43
Equity (FV 10)	14	14	21
EPS (Rs. Not Annualized)	7.21	3.94	3.54
PE @ Rs. 117	11.37	20.80	23.19
Market Cap/Sales	2.54	2.88	3.46

Peerset Comparison

₹ Crore (FY 10)	Inventure	EMKAY	India Infoline
FY 11 Total Sales	34.95	118	730
FY 11 PAT	5.52	8.33	122.36
Equity	14	24.43	57.28
Face Value	10	10	2
EPS	3.94	3.41	4.27
CMP	117	39	87
PE	29.67	11.44	20.36
Market Cap	163.80	95.28	2491.68
M Cap/FY 10 Sales	4.69	0.81	3.41
PAT (%)	15.79	7.06	16.76

Risks

- The issue looks over-priced. Bigger peer in the listed space is at much better valuation.
- A low “Grade 2” each from Fitch & ICRA to the issue highlights the risks in it.
- Recently listed Kolkata based Microsec has performed badly on bourses.

Valuation & Recommendation

IGSL is a small player in Non-banking Financial solutions with major focus on broking into Equities, Commodities etc. The issue looks slightly pricy. However, given it’s a stock broker initial gains can accrue in this hitherto RISKY issue.



For Internal Private Circulation Only

Disclaimer: The information provided in the document is from publicly available data and other sources, which we believe are reliable. It also includes analysis and views expressed by our research team. The report is purely for information purposes and does not construe to be investment recommendation/advice. Investors should not solely rely on the information contained in this document and must make investment decisions based on their own investment objectives, risk profile and financial position. Efforts are made to try and ensure accuracy of data however, Shri Parasram Holdings Pvt. Ltd. and/or any of its affiliates and/or employees shall not be liable for loss or damage that may arise from any error in this document. This document is not for public distribution and should not be reproduced or redistributed without prior permission.

Shri Parasram Holdings Pvt. Ltd.

SEBI Regn. No. NSE: INB/INF/INE- 230814036, BSE INB/INF 010814037, USE:INE 270814036, MCX-SX No. INE 260814037, PMS-INP000002718, NSDL DP ID-IN302365, CDSL DP ID-58200. AMFI Regd No ARN 35616,

Shri Parasram Commodities Pvt. Ltd.

FMC Regn. No. -NCDEX/TCM/CORP/0572, MCX/TCM/CORP/0828,

For Further Information Please Contact at:

**Parasram House,
B-7 Nimri Shopping Centre, Bharat Nagar,
Ashok Vihar IV, Delhi – 110052 (India)**

+91.11.47000000

Visit us @ www.parasramindia.com