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Evaluating Initial Public Offerings in Emerging Industries: A Comparative Case Study of CMR Green Technologies and Hexagon Nutrition Limited

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Abstract

An Initial Public Offering, commonly known as an IPO, is an important stage in the development of a privately owned company. Through an IPO, a company offers its shares to public investors and becomes listed on a recognised stock exchange. Although IPOs are often associated with listing gains and short-term investment opportunities, evaluating an IPO requires a much broader understanding of the company's business model, financial position, industry, management, customers, competitors, growth plans and risk factors.

This research paper presents a comparative case study of two Indian companies that entered the public market in June 2026: CMR Green Technologies Limited and Hexagon Nutrition Limited. CMR Green Technologies operates in the metal-recycling and circular-economy sector, while Hexagon Nutrition operates in the nutrition, wellness and food-fortification industry. The companies were selected because they represent two different emerging sectors of the Indian economy and provide an opportunity to study how investors evaluate businesses with different products, customers, risks and growth prospects.

The study uses secondary research and a comparative case-study methodology. Information was examined under common parameters, including IPO structure, issue price, listing performance, business operations, competitive position, customer concentration, promoter experience, expansion strategy and legal or regulatory risks. The analysis finds that CMR Green Technologies received a significantly stronger listing response than Hexagon Nutrition. However, the difference in listing performance does not automatically mean that one company is a better long-term investment. CMR benefits from its leadership in aluminium recycling and strong relationships with automobile manufacturers, but it faces risks related to commodity prices, raw-material sourcing, customer concentration and legal proceedings. Hexagon Nutrition benefits from a diversified product portfolio, international exports and rising interest in health and nutrition, but it operates in a competitive industry and remains exposed to major clients, regulatory requirements and international demand.

The paper concludes that IPO analysis should combine quantitative indicators with qualitative business research. Listing gains are useful for measuring immediate investor sentiment, but long-term investment decisions should be based on sustainable revenue, profitability, competitive advantage, governance, industry growth and the company's ability to manage risk.

Keywords: Initial Public Offering, IPO evaluation, CMR Green Technologies, Hexagon Nutrition, listing gain, financial markets, investment analysis, Indian stock market

1. Introduction

Financial markets allow businesses to raise capital and enable investors to participate in the growth of those businesses. One of the most visible events in the financial journey of a company is its Initial Public Offering. During an IPO, shares of a privately owned company are offered to public investors, after which the company's shares may begin trading on stock exchanges such as the National Stock Exchange of India and the Bombay Stock Exchange.

IPOs often attract significant public attention. News reports, financial websites and social-media platforms regularly discuss subscription figures, price bands, grey-market premiums and expected listing gains. These indicators can create excitement among investors, particularly those hoping to earn a profit immediately after listing. However, an IPO cannot be evaluated only on the basis of public excitement or its expected first-day return.

A well-informed investor must understand what the company does, how it earns revenue, whether its industry is expanding, how much competition it faces and whether its management has the ability to execute future plans. Investors must also examine whether the IPO includes a fresh issue of shares or is mainly an Offer for Sale.

In a fresh issue, the company creates and sells new shares, and the proceeds generally enter the company for purposes such as expansion, repayment of debt, capital expenditure or working-capital requirements. In an Offer for Sale, existing promoters or shareholders sell some of their holdings. The company itself does not normally receive the proceeds from that part of the offer. Therefore, an IPO consisting entirely of an Offer for Sale may provide liquidity to existing shareholders without directly bringing additional funds into the company.

During my internship at Adroit Financial Services, I gained practical exposure to investment analysis and IPO research. I studied important financial-market concepts, including primary and secondary markets, issue size, offer price, listing price, market capitalisation, price-to-earnings ratio, cash flow, treasury operations and investor risk. I also learned that investment decisions involve both numerical calculations and qualitative judgement.

This paper applies that learning to two Indian IPOs: CMR Green Technologies Limited and Hexagon Nutrition Limited. These companies were selected because they belong to different industries but share several characteristics. Both were established businesses before their IPOs, both had experienced promoter families, both operated in specialised industries, and both entered the public market in June 2026.

CMR Green Technologies represents the growth of recycling, resource efficiency and the circular economy. Hexagon Nutrition represents the expansion of health, wellness, clinical nutrition and food fortification. By studying the companies together, the paper examines how investors may compare businesses that differ greatly in product, scale, customer base and industry risk.

2. Research Objectives

The primary objective of this paper is to understand how an investor can systematically evaluate an IPO.

The study has the following specific objectives:

1. To examine the business models of CMR Green Technologies and Hexagon Nutrition.
2. To compare the structure, pricing and listing performance of the two IPOs.
3. To study the competitive position of each company within its industry.
4. To identify the main operational, financial, customer-related and regulatory risks associated with the companies.
5. To assess the role of promoters, customers, partnerships and expansion plans in determining long-term growth potential.
6. To understand why listing performance should not be treated as the only measure of IPO quality.
7. To develop a simple IPO-evaluation framework that can be used by young or first-time investors.

3. Research Questions

This research attempts to answer the following questions:

1. What factors should an investor examine before investing in an IPO?
2. How do the business models of CMR Green Technologies and Hexagon Nutrition differ?
3. Why did the two IPOs receive different responses on their listing days?
4. What are the major strengths and risks of each company?
5. Can strong listing gains be considered evidence of strong long-term investment potential?
6. How does the structure of an IPO affect its attractiveness to investors?

4. Research Methodology

This study follows a qualitative comparative case-study method supported by basic quantitative analysis.

Secondary information was collected from company disclosures, IPO documents, stock-exchange information, financial news reports, company websites and material studied during the internship. Both companies were assessed using the same general framework so that meaningful comparisons could be made.

The main parameters used were:

- Nature of business
- Industry position
- Products and services
- Customer profile
- Geographical reach
- Manufacturing capacity
- Revenue concentration
- Competitors
- Promoter background
- IPO dates
- Price band
- Issue price
- Issue size
- Fresh issue and Offer for Sale structure
- Listing price
- Listing gain
- Expansion plans
- Legal and regulatory risks
- Long-term opportunities and threats

Listing gain was calculated using the following formula:

Listing Gain Percentage =
(Listing Price – Issue Price) ÷ Issue Price × 100

For example, if a company issue shares at ₹100 and they list at ₹120, the listing gain is:

(₹120 – ₹100) ÷ ₹100 × 100 = 20%

The study does not provide a buy, sell or hold recommendation. It is an academic analysis intended to demonstrate the process of IPO evaluation. Share prices change continuously, so a "current price" is meaningful only when accompanied by an exact date and time. For this reason, the comparison gives greater importance to the confirmed issue and listing prices.

5. Understanding IPO Evaluation

Before examining the two companies, it is important to understand some of the major terms used in IPO research.

5.1 Issue Size

The issue size represents the total value of shares being offered to investors. A larger issue does not automatically mean that the company is stronger. Investors must examine why the shares are being offered and how the proceeds will be used.

5.2 Price Band

In a book-built IPO, the company and its investment bankers establish a lower and upper price range. Investors place bids within this range. The final issue price is decided after considering demand from different categories of investors.

5.3 Issue Price

The issue price is the final price at which shares are allotted to successful applicants.

5.4 Listing Price

The listing price is the price at which the company's shares begin trading on the stock exchange. It can be above, below or equal to the issue price.

5.5 Listing Gain or Loss

When the listing price is higher than the issue price, investors receive a listing gain. When it is lower, they experience a listing loss. Listing performance reflects immediate market demand, but it does not guarantee future returns.

5.6 Fresh Issue

A fresh issue creates new shares. The money raised generally goes to the company and may be used for expansion, debt repayment, working capital or other stated purposes.

5.7 Offer for Sale

In an Offer for Sale, existing shareholders sell their shares. The proceeds go to the selling shareholders rather than to the company. An OFS is not necessarily negative, but investors should understand why promoters or other shareholders are reducing their stakes.

5.8 Price-to-Earnings Ratio

The price-to-earnings ratio compares a company's share price with its earnings per share. It helps investors understand how much they are paying for each rupee of the company's earnings. The ratio should usually be compared with similar listed companies.

5.9 Customer Concentration

Customer concentration measures how much revenue comes from a small number of buyers. A company may have strong relationships with large clients, but excessive dependence on a few customers can create risk.

5.10 Industry and Regulatory Risk

Different sectors face different risks. Recycling companies may be affected by commodity prices and environmental regulations. Nutrition companies may be affected by product-quality rules, food-safety standards, export regulations and changing consumer preferences.

6. Case Study One: CMR Green Technologies Limited

6.1 Company Background

CMR Green Technologies Limited is a major Indian non-ferrous-metal recycling company. It began operations in 2005 with its first facility near Delhi and later expanded its manufacturing and recycling network across India.

The company processes scrap and secondary metals to manufacture products that can be reused by automobile manufacturers and other industrial customers. Its operations support the concept of a circular economy, in which materials are recovered, processed and returned to productive use instead of being permanently discarded.

The company's principal area of strength is aluminum recycling. It also processes or works with metals such as zinc, copper, brass, stainless steel, lead and magnesium. This gives the company a wider industrial role than that of a basic scrap collector.

CMR reportedly operates 13 recycling facilities in India and has developed a large production network near important industrial and automobile-manufacturing centres. Reuters described it at the time of listing as India's largest aluminum recycler, with total annual capacity exceeding 615,000 metric tons.

6.2 Product Portfolio

CMR Green Technologies offers several categories of recycled and processed metal products.

Recycled aluminum alloys: These are supplied in liquid or ingot form and are used by automobile manufacturers and component suppliers.

Furnace-ready scrap: This includes segregated and prepared scrap of metals such as stainless steel, copper, brass and magnesium that can be used directly in industrial furnaces.

Zinc alloy ingots: These are used in die-casting and other industrial applications.

Aluminum billets: These are used in extrusion and fabrication processes in automotive and non-automotive industries.

The company's ability to provide molten aluminum directly to certain customer facilities is an important operational feature. Molten-metal supply can reduce the need for customers to remelt ingots, thereby lowering energy consumption, handling requirements and production costs.

6.3 Industry Context

Metal recycling is becoming increasingly important because industries are under pressure to reduce waste, lower emissions and use resources more efficiently. Producing aluminum from recycled scrap generally requires less energy than producing primary aluminum from mined raw materials.

The growth of electric vehicles, automobile manufacturing, infrastructure, packaging and construction may increase demand for processed aluminum and other metals. At the same time, recycling businesses are exposed to fluctuations in scrap availability, metal prices, transportation costs and foreign-exchange rates.

CMR is positioned in a specialised part of this industry. Its relationships with automobile companies and its manufacturing facilities close to customers create barriers that may be difficult for smaller competitors to reproduce.

6.4 Customers and Revenue Concentration

CMR serves major automobile manufacturers and automobile-component suppliers. Its customers include well-known companies such as Honda Cars India, Bajaj Auto, Hero MotoCorp, Maruti Suzuki, Royal Enfield, India Yamaha Motor, Jindal Stainless and Endurance Technologies.

These customers purchase recycled aluminum alloys, zinc alloys, billets and related materials that can be used in engines, wheels, transmission parts and other components.

The presence of established customers is a strength because such companies generally follow strict quality and reliability standards. Long-term supply relationships may also provide repeat business and greater revenue visibility.

However, customer concentration creates risk. A meaningful share of the company's revenue is generated by a limited number of large customers, while a substantial part of its business is directly or indirectly connected with the automobile sector. If automobile production slows or an important customer changes suppliers, the company's sales and profitability may be affected.

Therefore, the same feature can be viewed in two ways:

- Major customers demonstrate credibility and product quality.
- Dependence on major customers increases bargaining-power and concentration risk.

6.5 Competitors

CMR operates in a competitive recycling market. Its important listed or organised competitors include:

Gravita India Limited: A recycling company with activities in lead, aluminum and plastics.

Pondy Oxides and Chemicals Limited: A producer of recycled lead, lead alloys, aluminum and zinc products.

Jain Resource Recycling Limited: A diversified recycling company involved in lead, copper and aluminum products.

Baheti Recycling Industries Limited: A company engaged in aluminum-alloy manufacturing and scrap processing.

Competition may be based on price, sourcing networks, metal-recovery efficiency, product quality, location, capacity and reliability of supply. CMR's large network and automotive relationships provide an advantage, but competitors may expand capacity or offer better commercial terms.

6.6 IPO Structure and Listing Performance

CMR Green Technologies opened its IPO for subscription on June 3, 2026, and closed it on June 5, 2026. The company fixed a price band of ₹182 to ₹192 per share. The issue was approximately ₹630.88 crore and was structured entirely as an Offer for Sale.

Because it was a pure OFS, the IPO did not provide fresh capital directly to the company. Instead, existing shareholders sold part of their holdings. This is an important point for investors: the listing provided public-market access and liquidity, but the IPO proceeds were not primarily intended to finance new company projects.

The final issue price was ₹192 per share. On June 10, 2026, CMR shares listed at ₹268 on the NSE.

The approximate NSE listing gain was:

(₹268 – ₹192) ÷ ₹192 × 100 = 39.58%

The BSE opening was reported at ₹275.40, representing a gain of approximately 43.44% over the issue price.

The strong debut reflected high investor demand. Reuters reported that bids worth approximately US$6 billion were received for the approximately US$66 million offer.

The listing gain suggested that investors valued CMR's scale, industry leadership and future role in the recycling economy. However, the share price moved below its opening level during the first trading session. This illustrates the difference between a listing price and the price at which investors may actually be able to sell.

6.7 Promoter Background

CMR Green Technologies has been promoted and managed by members of the Agarwal family. Key members include Mohan Agarwal, Pratibha Agarwal, Akshay Agarwal and Raghav Agarwal.

Mohan Agarwal serves as Managing Director and Chief Executive Officer. The family's industry experience has helped the company develop customer relationships, technical capabilities and a nationwide production network.

Promoter ownership may align the family's interests with the long-term success of the company. However, investors should also examine related-party transactions, succession planning, professional management, board independence and corporate-governance practices.

6.8 Expansion Plans

CMR intends to strengthen its position in the circular economy by expanding its capacity and entering additional recycling categories.

Its reported areas of expansion include:

- Copper recycling
- Lead recycling
- Lithium-ion battery recycling
- Wrought aluminum products
- Aluminum used in sheets and foils
- Expansion into aerospace, construction and packaging applications
- Additional manufacturing capacity and infrastructure
- Wider domestic sourcing and distribution networks

The company has also developed ventures or partnerships involving organisations such as Toyota Tsusho Corporation, Nikkei MC Aluminum and Nippon Light Metal Company.

Diversification beyond the automobile industry could reduce customer and sector concentration. Entry into battery recycling may also provide long-term potential due to the growth of electric vehicles and energy-storage systems. However, these activities require technology, capital, regulatory approvals and reliable access to recyclable material.

6.9 Legal and Regulatory Risks

The company and certain members of its management have been involved in civil, tax and regulatory proceedings. One disclosed matter related to the Foreign Exchange Management Act and an investigation involving the Enforcement Directorate.

Legal proceedings do not automatically indicate that a company is guilty or unsuitable for investment. Nevertheless, they may create financial costs, management distraction and reputational damage. Investors should study the legal-proceedings section of the prospectus instead of relying only on summaries.

6.10 SWOT Analysis of CMR Green Technologies

Strengths

- Leading position in Indian aluminum recycling
- Large manufacturing and recycling network
- Long-term relationships with automobile companies
- Ability to supply molten aluminum near customer facilities
- Participation in the circular economy
- Experienced promoters
- Strong public response to the IPO

Weaknesses

- Significant exposure to the automobile industry
- Dependence on large customers
- Pure OFS provided no fresh IPO funds to the company
- Exposure to metal-price and scrap-price movements
- Complex operational and supply-chain requirements

Opportunities

- Expansion of electric vehicles
- Growth in battery recycling

- Demand for low-carbon and recycled materials
- Entry into copper, lead and wrought aluminum
- Expansion into construction, packaging and aerospace

Threats

- Commodity-price volatility
- Difficulty in obtaining scrap at competitive prices
- Competition from domestic and international recyclers
- Environmental or regulatory changes
- Legal and reputational risks
- Slowdown in automobile manufacturing

7. Case Study Two: Hexagon Nutrition Limited

7.1 Company Background

Hexagon Nutrition Limited is an Indian nutrition company founded in 1993 and headquartered in Mumbai. It operates as a research-driven nutrition and food-solutions company with activities in consumer wellness, clinical nutrition, micronutrient premixes and therapeutic foods.

Unlike a company that depends on one health product, Hexagon operates through several segments and serves individual consumers, hospitals, pharmacies, food companies, institutional programmes and international organisations.

The company has manufacturing facilities in Nashik, Chennai, Thoothukudi and Tashkent, Uzbekistan. Its international plant and export network support access to customers across Asia, Africa, Europe and South America.

7.2 Product Portfolio

Hexagon's operations can be grouped into three broad verticals.

Micronutrient premixes: These are customised combinations of vitamins and minerals supplied to food and beverage companies. Premixes may be added to staples or processed foods to improve their nutritional value.

Clinical and wellness nutrition: These include branded consumer products intended for specific health, dietary or therapeutic requirements. The company's brands include Pentasure, Obesigo, Pentagold and Neutron.

Therapeutic and ready-to-use foods: These products are designed to address malnutrition and may be supplied under public-health, humanitarian or institutional programmes.

The company therefore uses more than one sales model:

- Business-to-consumer sales through branded products
- Business-to-business sales to food manufacturers
- Institutional and programme-based sales
- Exports to international customers
- Digital and direct-to-consumer channels

This diversified model may reduce dependence on a single product category. However, each category has different regulatory, marketing and distribution requirements.

7.3 Industry Context

The nutrition and wellness industry is supported by increasing awareness of preventive healthcare, specialised diets, sports nutrition, clinical nutrition and food fortification. Governments and international institutions also use fortified and therapeutic foods to address malnutrition.

India's large population, growing middle class and increasing digital access may support demand for health and wellness products. Internationally, developing countries continue to require affordable nutritional interventions.

However, the industry is highly competitive. Large food and pharmaceutical companies possess stronger brands, larger advertising budgets and wider distribution networks. Smaller companies may face difficulty in achieving consumer trust and maintaining pricing power.

Nutrition businesses must also comply with strict rules relating to ingredients, labelling, health claims, manufacturing, product safety and exports. A quality-control failure could result in recalls, penalties and reputational harm.

7.4 Distribution and International Presence

Hexagon has developed an omnichannel distribution system involving distributors, pharmacies, hospitals, online pharmacies, e-commerce platforms and company-owned websites.

Its international reach is a major feature of the business. The company has exported to more than 75 countries, and exports have contributed a substantial share of revenue.

International diversification creates opportunities, but it also introduces additional risks:

- Currency fluctuations

- Changes in import regulations
- Political instability
- Transportation delays
- Dependence on international tenders
- Payment delays from overseas customers
- Different food-safety requirements across countries

The company has also worked with more than 200 food companies by supplying micronutrient premixes and fortification solutions. Such relationships allow Hexagon to participate indirectly in the sale of several food products without having to build every brand itself.

7.5 Customers and Concentration Risk

Hexagon does not appear to depend on one single buyer for the majority of its sales. Its customer base includes individual consumers, food companies, healthcare providers and institutional programmes.

This diversification is a strength when compared with businesses that depend heavily on one customer. Nevertheless, a meaningful part of its revenue may still come from a limited number of large clients, export contracts or institutional programmes.

Losing a major multinational food client or failing to renew an institutional contract could affect sales. In addition, contracts linked to humanitarian or public-health programmes may be irregular and influenced by funding availability.

7.6 Competitors

Hexagon competes with companies operating in wellness, food supplements, clinical nutrition, fortified products and specialised nutrition.

Important competitors include:

Zydus Wellness Limited: A major Indian wellness company associated with brands such as Sugar Free, Complan, Glucon-D and Nutralite.

Nestlé India Limited: A large food and nutrition company offering products such as Cerelac, Lactogen and Resource.

Hexagon may also face competition from pharmaceutical companies, multinational nutrition businesses, regional supplement manufacturers and international premix suppliers.

Unlike some competitors, Hexagon combines consumer products with business-to-business premixes and therapeutic foods. This creates differentiation but also makes the business operationally complex.

7.7 IPO Structure and Listing Performance

Hexagon Nutrition's IPO opened on June 5, 2026, and closed on June 9, 2026. The price band was ₹42 to ₹45 per share, and the issue size was approximately ₹138.87 crore. The offer was presented as an Offer for Sale of existing shares.

The final issue price was ₹45 per share. The shares listed on June 12, 2026.

On the NSE, Hexagon Nutrition opened at ₹48.25, while on the BSE it opened at ₹48.

The NSE listing gain was:

(₹48.25 – ₹45) ÷ ₹45 × 100 = 7.22%

The BSE listing gain was:

(₹48 – ₹45) ÷ ₹45 × 100 = 6.67%

Therefore, Hexagon delivered a positive but much smaller listing gain than CMR Green Technologies.

Before listing, grey-market estimates had varied considerably. This demonstrates that grey-market premiums are informal indicators and should not be treated as guaranteed predictions. Actual listing performance depends on institutional demand, market conditions, valuation and investor sentiment on the day of listing.

7.8 Promoter Background

Hexagon Nutrition was founded and developed by members of the Kelkar family. Important promoter-group members include Arun Purushottam Kelkar, Subhash Purushottam Kelkar, Vikram Arun Kelkar, Nikhil Arun Kelkar and Aditya Kelkar.

Vikram Kelkar has served as Managing Director and Chief Executive Officer. The promoters' experience in nutrition and wellness has helped the company build technical knowledge, manufacturing facilities and an international customer network.

As in any family-promoted company, investors should assess whether professional systems, independent oversight and succession structures are strong enough to support future growth.

7.9 Expansion Plans

Hexagon Nutrition's growth strategy focuses on product development, wider distribution and greater international penetration.

Major areas of expansion include:

- Developing new nutritional formulations
- Expanding ready-to-use supplementary foods

- Entering additional therapeutic and wellness categories
- Strengthening direct-to-consumer sales
- Increasing e-commerce and online-pharmacy presence
- Expanding hospital and retail-pharmacy distribution
- Using overseas offices to enter new markets
- Increasing sales in existing export countries
- Deepening relationships with food-manufacturing clients

The company's presence in Tashkent and international offices may help it serve nearby markets. However, international expansion requires compliance with local regulations and careful management of credit and currency risk.

7.10 Legal and Regulatory Risks

Hexagon Nutrition and its promoters have been involved in certain tax and regulatory matters, including disputes connected with GST, customs and income-tax assessments.

The company and its subsidiaries have also initiated recovery proceedings against certain overseas customers for unpaid amounts. This suggests a need to examine receivables and credit-control practices.

The disclosed matters appeared to be primarily business, recovery and taxation-related rather than major criminal proceedings. Nevertheless, even routine disputes can affect cash flow and require management attention.

7.11 SWOT Analysis of Hexagon Nutrition

Strengths

- More than three decades of operating experience
- Diverse portfolio across premixes, wellness and therapeutic foods
- Exports to numerous countries
- Multiple distribution channels
- Relationships with food companies and institutional programmes
- Experienced promoter family
- Positive IPO listing

Weaknesses

- Smaller scale than major nutrition and FMCG competitors
- Dependence on export markets and important clients
- Limited brand recognition compared with multinational companies
- Complex regulatory requirements
- OFS structure provided limited or no fresh capital to the company

Opportunities

- Rising awareness of preventive health
- Growth in clinical and specialised nutrition
- Government and institutional food-fortification programmes
- Expansion of digital health-commerce channels
- Demand for affordable nutrition in developing countries
- Development of new therapeutic products

Threats

- Competition from large food and pharmaceutical companies
- Product-quality or safety concerns
- Changes in export and food regulations
- Foreign-exchange fluctuations
- Delayed payments from international customers
- Shifts in consumer preferences
- Dependence on institutional tenders or programmes

8. Comparative Analysis

8.1 Business Model

CMR Green Technologies is an industrial business. It collects and processes metal scrap and supplies recycled materials to manufacturers. Its success depends on capacity, sourcing, operational efficiency, metal prices and industrial demand.

Hexagon Nutrition is a health and nutrition business. It develops formulations and sells them through consumer, institutional and business-to-business channels. Its success depends on research, regulation, distribution, brand trust and demand for health products.

CMR's operations are asset-heavy because recycling requires plants, equipment, scrap networks and industrial logistics. Hexagon also requires manufacturing facilities, but intellectual property, product formulation, quality certification and distribution are comparatively more important.

8.2 Scale of IPO

CMR's issue size of approximately ₹631 crore was more than four times Hexagon's approximately ₹139 crore issue.

The difference in size reflects the larger industrial scale and valuation of CMR. However, issue size alone does not measure quality. A smaller company can produce strong long-term returns if it grows consistently, while a larger company can underperform if purchased at an excessive valuation.

8.3 IPO Structure

Both offers were structured primarily or entirely as Offers for Sale. This means that investors were purchasing shares from existing shareholders rather than mainly financing new projects.

For investors, an OFS creates two questions:

1. Why are existing shareholders selling?
2. Does the company already possess enough cash and internal resources to fund future growth?

An OFS may be reasonable when early investors require liquidity or when promoters are meeting public-shareholding requirements. However, it may be less attractive to investors who prefer IPO proceeds to support expansion or debt reduction.

8.4 Listing Performance

CMR delivered an NSE listing gain of approximately 39.58%, compared with Hexagon's approximately 7.22%.

This difference suggests that CMR experienced much stronger demand relative to the number of shares available. Investors may have been attracted by its market leadership, industry scale and role in sustainable manufacturing.

Hexagon's positive listing showed that the market valued the company above its issue price, but investor enthusiasm was more moderate.

A stronger listing does not prove that CMR will always outperform Hexagon. The initial gain reflects demand on one trading day. Long-term returns will depend on financial performance after listing.

8.5 Customer Base

CMR serves a concentrated group of industrial and automobile customers. These relationships may be stable, but losing a major customer could have a visible effect.

Hexagon serves consumers, companies, hospitals, distributors and institutional programmes. Its customer categories are more varied, but significant contracts and export customers may still create concentration risk.

CMR's customers may be fewer but larger. Hexagon's network may be broader but more difficult to manage.

8.6 Competitive Position

CMR was recognised as a leading aluminum recycler in India. Leadership may provide scale benefits, sourcing power and customer confidence.

Hexagon is an established nutrition company, but it competes with much larger consumer-health and food companies. Its competitive advantage is based on specialised formulations, institutional products and export reach rather than overall market leadership.

8.7 Growth Opportunities

CMR's major opportunities arise from the circular economy, electric vehicles, industrial recycling and the use of recycled metals in new sectors.

Hexagon's opportunities arise from preventive healthcare, food fortification, clinical nutrition, digital retail and international programmes addressing malnutrition.

Both industries have favourable long-term themes. However, favourable industry growth does not guarantee that every company will succeed. Execution, pricing and capital allocation remain essential.

8.8 Principal Risks

CMR's major risks include:

- Commodity-price volatility
- Scrap availability
- Automotive dependence
- Customer concentration
- Environmental compliance
- Legal proceedings

Hexagon's major risks include:

- Product regulation

- Intense competition
- Export dependence
- Customer payment delays
- Brand and quality risk
- Institutional-contract uncertainty

The comparison shows that risk must be understood in the context of the industry. A metal recycler and a nutrition company cannot be evaluated using exactly the same operational indicators.

9. Key Findings

The study produces six major findings.

First, the business model is more important than the popularity of an IPO. Investors should be able to explain how the company earns money before examining listing expectations.

Second, a pure Offer for Sale should be studied carefully. In both cases, the public issue mainly allowed existing shareholders to sell shares rather than providing substantial new capital for expansion.

Third, customer quality and customer concentration must be analysed together. CMR's association with major automobile manufacturers is a strength, but the loss of an important account could affect revenue. Hexagon's diversified channels reduce dependence on one category, but major export and institutional customers remain important.

Fourth, listing gains measure immediate demand rather than long-term value. CMR's approximately 40% NSE debut was far stronger than Hexagon's approximately 7% debut, but future returns will depend on earnings, cash flow, governance and execution.

Fifth, promoters matter significantly. Both companies were developed by experienced promoter families. Experience can be valuable, but public investors must also examine transparency, independent oversight and treatment of minority shareholders.

Finally, every emerging industry contains both opportunity and risk. Recycling benefits from sustainability trends but remains exposed to metal prices and supply chains. Nutrition benefits from health awareness but faces strict regulation and powerful competitors.

10. A Practical IPO-Evaluation Framework

Based on the internship research, a young investor can use the following framework when examining an IPO.

Step 1: Understand the Business

Identify what the company sells, who buys it and why customers choose it over competitors.

Step 2: Study the Industry

Examine whether the industry is expanding, stable or declining. Identify regulations and external factors that could affect demand.

Step 3: Examine Financial Performance

Study revenue growth, profit growth, margins, debt, operating cash flow and return ratios over several years.

Step 4: Understand the IPO Structure

Separate the fresh issue from the Offer for Sale. Determine how much money will enter the company and how it will be used.

Step 5: Compare Valuation

Compare the company's price-to-earnings ratio, enterprise value and other valuation measures with listed peers.

Step 6: Assess Management

Study promoter experience, ownership, related-party transactions, legal proceedings and corporate governance.

Step 7: Examine Customers and Suppliers

Identify whether the company depends heavily on a few clients, suppliers, countries or contracts.

Step 8: Evaluate Risk Factors

Read the prospectus section on risks instead of relying only on promotional articles or grey-market discussions.

Step 9: Separate Listing and Long-Term Strategies

An investor seeking listing gains has a different objective from one planning to hold shares for several years.

Step 10: Avoid Guaranteed Predictions

No IPO return is guaranteed. Informal grey-market premiums, social-media recommendations and high subscription figures cannot eliminate investment risk.

11. Limitations of the Study

This study has several limitations.

First, it relies mainly on secondary information rather than interviews with company executives, customers or regulators.

Second, IPO information and market prices change rapidly. Figures described as current may become outdated within hours.

Third, the paper focuses on two companies and therefore cannot represent the entire Indian IPO market.

Fourth, a complete financial valuation would require detailed analysis of income statements, balance sheets, cash-flow statements, peer multiples and future earnings estimates. The present study focuses more strongly on business and IPO fundamentals.

Fifth, the companies had only recently listed when the research was completed. Their long-term stock-market performance could not yet be assessed. A proper ten-year return analysis is impossible for companies that became publicly listed in 2026.

Finally, listing gains may have been affected by overall market conditions, investor liquidity and demand for new issues. These influences are difficult to isolate from company-specific factors.

12. Conclusion

The comparative study of CMR Green Technologies and Hexagon Nutrition demonstrates that IPO analysis involves much more than identifying a price band or predicting a listing gain.

CMR Green Technologies entered the public market as a large and established aluminium-recycling company with a strong position in the automobile supply chain. Its scale, customer relationships and role in the circular economy contributed to high investor demand and a listing gain of nearly 40% on the NSE. At the same time, the company remains exposed to commodity prices, scrap sourcing, automotive demand, customer concentration and legal proceedings.

Hexagon Nutrition entered the market as an experienced but smaller nutrition company with a diversified portfolio and considerable international exposure. Its listing gain of approximately 7% was positive but more moderate. Its future potential is connected with the growth of preventive healthcare, food fortification and clinical nutrition. Its major risks include competition, regulation, export dependence, customer payments and product-quality requirements.

The most important lesson is that listing performance should not be confused with investment quality. A company can deliver a strong listing because of temporary demand, while its long-term performance may later weaken. Another company can produce only a modest listing gain but create value gradually through earnings and expansion.

A responsible investor should therefore examine the full business rather than focusing only on the share price. Industry position, financial sustainability, cash flow, customers, management, valuation, governance and risk are all important parts of the decision.

My internship at Adroit Financial Services helped me understand that investing is not simply the act of buying shares. It is a process of studying businesses, comparing evidence and making decisions under uncertainty. IPO research combines economics, accounting, strategy, law, psychology and market behaviour. It therefore provides a valuable introduction to the wider world of finance.

The two case studies also demonstrate how financial analysis connects with broader social and economic developments. CMR Green Technologies participates in recycling and resource conservation, while Hexagon Nutrition participates in healthcare and efforts to improve nutrition. Public markets allow investors to support and participate in such industries, but they also require investors to carefully balance potential rewards against identifiable risks.

For high-school students, IPO research can develop financial literacy and critical thinking. It encourages students to question promotional claims, interpret data, understand business models and recognise that financial decisions rarely have a single correct answer. The best investment analysis is not based on excitement or fear; it is based on structured research, comparison and informed judgement.

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