



# IPO NOTE



## SHREE TIRUPATI BALAJEE AGRO TRADING COMPANY

Rating:

**May Subscribe**

(For Long Term)



### ISSUE OFFER

Issue Opens on	SEP 05, 2024
Issue Close on	SEP 09, 2024
Total IPO size (cr)	₹169.65
Fresh issue (cr)	₹122.43
Offer For Sale (cr)	₹47.23
Price Band (INR)	₹78 - ₹83
Market Lot	180
Face Value (INR)	₹10
Listing At	NSE, BSE
Market Capitalization (cr)	₹677.04

### ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 50%;"></div>	50%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

### PROMOTER HOLDING %

<b>Pre Issue</b>	<b>Post Issue</b>
88.38%	65.42%

### INDICATIVE TIMETABLE

Basis of Allotment	10-09-2024
Refunds/Unblocking ASBA Fund	11-09-2024
Credit of Share to Demat A/c	11-09-2024
Listing Date	12-09-2024

The Company is in the business of manufacturing and selling of Flexible Intermediate Bulk Containers and other industrial packaging products.

### OBJECTS OF THE ISSUE

- Payment of Borrowings.
- Investment in the subsidiaries.
- Funding the incremental working capital.

### FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	66.82	1.15	1.14
Net Worth	173.06	110.21	92.22
ROCE %	16.29	13.39	10.02
Revenue	539.66	475.43	444.18
Operating Profit Margin %	13.58	10.61	8.93
Net Profit of the year	36.07	20.72	13.66

### FINANCIAL RATIOS OF FY24



D/E



P/E



Asset Turnover

### OUTLOOK & VALUATION

- Market leader in FIBC and industrial packaging.
- Strong financial performance with consistent growth and improved margins.
- Fairly priced IPO valuation.
- High debt-equity ratio, corporate guarantees, and negative cash flow pose risks.
- Given the company's market leadership and potential for debt reduction, long-term investors may consider subscribing to the IPO. However, careful evaluation of the debt and cash flow risks is essential.



## COMPANY PROFILE

- The company offers customized products and caters to the bulk packaging solutions of its clients from diverse industries.
- The customer base spans the globe,
- Established for over 20 years with 5 manufacturing units.
- The company has in-house research and development activities.
- It focuses on sustainability in all aspects of its operations.
- Core competencies: Diverse product range, global reach, operational scale, technical proficiency, sustainability focus.



## COMPETITIVE STRATEGIES

- Focus on core competence.
- Multi-Location Facilities.
- Developing the new product line.
- Global and Domestic Presence.
- Continue to improve operating efficiencies through technology enhancements.
- Recycling.



## KEY CONCERNS

- Manufacturing facilities are geographically concentrated in a single place.
- Growing restrictions on plastic products.
- The company has negative cash flows.
- Vulnerable to crude oil price volatility.
- Foreign exchange risk exposure.
- Domestic sales are heavily concentrated in the western zone.



## KEY STRENGTHS

- Diverse customer base.
- Cost-Effectiveness of FIBCs.
- Multi-product portfolio.
- Integrated Manufacturing Facility.
- Multi-market Company.
- Product Development Capabilities.
- Growing Demand for Sustainable Packaging Solutions .

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	ROCE (%)
<b>Shree Tirupati Balajee Agro Trading Company Limited</b>	<b>5.74</b>	<b>27.54</b>	<b>14.45</b>	<b>552.82</b>	<b>16.29%</b>
<b>Peer Group</b>					
Commercial Syn Bags Ltd	1.81	32.02	37.13	288.75	7.36%
Emmbi Industries Limited	5.62	96.17	22.07	377.59	8.25%
Rishi Techtex Limited	1.82	43.09	33.01	111.96	8.28%



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