

Shree Tirupati Balajee Agro

IPO Note



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Business of manufacturing and selling of Flexible Intermediate Bulk Containers (FIBC)

The company was originally incorporated as "Shree Tirupati Balajee Agro Trading Company Private Limited" in Pithampur, Madhya Pradesh, on October 23, 2001, as a private limited company. After getting approval from shareholders on November 20, 2023, it converted to a public limited company and changed the name to "Shree Tirupati Balajee Agro Trading Company Limited." The Registrar of Companies issued a new certificate of incorporation on November 21, 2023.

Shree Tirupati Balajee Agro Trading Company Limited, makes and sells large flexible bags known as Flexible Intermediate Bulk Containers (FIBCs). They also produce other industrial packaging products like woven sacks, woven fabric, narrow fabric, and tapes. These products are sold in India and internationally.

The company offers customized packaging solutions for various industries, including chemicals, agrochemicals, food, mining, waste disposal, agriculture, lubricants, and edible oil. Their FIBC products help clients with packaging and transportation, making the loading and unloading of vessels, containers.

The company have been in business for over 20 years and run five manufacturing units.

Companies also export various types of bags, including technical bags, container liners, food-grade bags, platen bags, and builder bags. They have been recognized as a Three Star Export House by the Department of Commerce under the Foreign Trade Policy of 2023

Industry	FIBC
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Scrip Details

Listing	BSE & NSE
Open Date	Sept 5, 2024
Close Date	Sept 9, 2024
Price Band	INR 78 – 83
Face Value	INR 10
Market Lot	180 Shares
Minimum Lot	1

Issue Structure (%)

Issue Size (INR cr)	INR 169.65
Issue Size (Shares)	20440000
QIB Share (%)	< 50%
Non-Inst Share (%)	< 35%
Retail Share (%)	< 15%
Pre-Issue sh (in cr)	6.68
Post Issue sh (in cr)	8.15
Post Issue Market Cap (in cr)	677.03

Shareholding (%)	Pre (%)	Post (%)
Promoter	88.38	65.42
Public	11.62	34.58
TOTAL	100	100

Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue (INR)	EBITDA (INR)	Net Profit (INR)	EBITDA Margin(%)	Net Profit Margin (%)	EPS (INR)	ROE (%)	ROCE (%)	EV/EBITDA (X)	P/BV (X)
FY22	444	31	10	7%	2%	2.31	11	5.6	29.3	5.7
FY23	475	48	16	10%	3%	3.51	15	9.7	18.5	4.8
FY24	539	62	29	12%	5%	5.74	16	9.9	14.8	3.2

Source: Ventura Research & Company update

Issue Structure and Offer Details

Shree Tirupati Balajee Agro IPO is a book-built issue of INR 169.65 cr. The issue is a combination of fresh issue of 1.47 cr shares aggregating to INR 122.43 cr and offer for sale of 0.57 cr shares aggregating to Rs 47.23 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50.00% of the Offer
NII (HNI)	Not less than 15.00% of the Net issue
Retail	Not less than 35.00% of the Offer

Number of shares based on a higher price band of INR 83

Source: Company Reports

Objects of the Issue

The company proposes to utilize the Net Proceeds towards the following objects:

Repayment and/or prepayment, in part or full of certain of the outstanding borrowings availed by the company.

Investment in the subsidiaries HPPL, STBFL and JPPL for Repayment and/or prepayment, in part or whole of certain outstanding borrowings availed.

Funding the incremental working capital requirements of the company.

Investment in the subsidiaries HPPL, STBFL and JPPL for funding working capital requirements.

General corporate purposes.

Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
Income Statement				Per share data & Yields			
Revenue	444.2	475.4	539.0	Adjusted EPS (INR)	1.3	2.0	3.5
<i>YoY Growth (%)</i>	<i>29.2</i>	<i>7.0</i>	<i>13.4</i>	Adjusted Cash EPS (INR)	2.1	2.7	4.4
Raw Material Cost	299.6	308.5	375.0	Adjusted BVPS (INR)	14.5	17.3	25.8
<i>RM Cost to Sales (%)</i>	<i>67.4</i>	<i>64.9</i>	<i>69.6</i>	Adjusted CFO per share (INR)	(2.7)	4.5	(3.3)
Employee Cost	30.2	32.4	32.5	CFO Yield (%)	(3.3)	5.5	(3.9)
<i>Employee Cost to Sales (%)</i>	<i>6.8</i>	<i>6.8</i>	<i>6.0</i>	Adjusted FCF per share (INR)	(3.4)	5.2	(3.8)
Other Expenses	83.4	86.5	70.0	FCF Yield (%)	(4.1)	6.2	(4.6)
<i>Other Exp to Sales (%)</i>	<i>18.8</i>	<i>18.2</i>	<i>13.0</i>	Solvency Ratio (X)			
EBITDA	30.9	48.1	61.5	Total Debt to Equity	2.0	1.6	1.2
<i>Margin (%)</i>	<i>7.0</i>	<i>10.1</i>	<i>11.4</i>	Net Debt to Equity	1.9	1.5	1.1
<i>YoY Growth (%)</i>	<i>5.8</i>	<i>55.6</i>	<i>27.8</i>	Net Debt to EBITDA	7.4	4.5	3.8
Depreciation & Amortization	7.2	5.8	6.9	Return Ratios (%)			
EBIT	23.8	42.3	54.6	Return on Equity	11.1	14.8	16.6
<i>Margin (%)</i>	<i>5.4</i>	<i>8.9</i>	<i>10.1</i>	Return on Capital Employed	5.6	9.7	9.9
<i>YoY Growth (%)</i>	<i>2.6</i>	<i>78.0</i>	<i>29.0</i>	Return on Invested Capital	7.4	13.0	13.4
Other Income	9.6	2.7	13.0	Working Capital Ratios			
Bill discounting & other charges	16.0	17.9	20.7	Payable Days (Nos)	14	7	23
Fin Charges Coverage (X)	1.5	2.4	2.6	Inventory Days (Nos)	160	155	171
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	40	39	63
PBT	17.3	27.1	46.9	Net Working Capital Days (Nos)	186	187	211
<i>Margin (%)</i>	<i>3.9</i>	<i>5.7</i>	<i>8.7</i>	Net Working Capital to Sales (%)	50.8	51.2	57.7
<i>YoY Growth (%)</i>	<i>16.6</i>	<i>56.4</i>	<i>73.0</i>	Valuation (X)			
Tax Expense	3.6	6.4	11.4	P/E	66.2	41.4	23.5
<i>Tax Rate (%)</i>	<i>21.0</i>	<i>23.6</i>	<i>24.2</i>	P/BV	5.7	4.8	3.2
PAT	13.7	20.7	35.5	EV/EBITDA	29.3	18.5	14.8
<i>Margin (%)</i>	<i>3.1</i>	<i>4.4</i>	<i>6.6</i>	EV/Sales	2.0	1.9	1.7
<i>YoY Growth (%)</i>	<i>13.8</i>	<i>51.4</i>	<i>71.5</i>	Cash Flow Statement			
Min Int/Sh of Assoc	(3.5)	(4.4)	(6.8)	PBT	17.3	27.1	46.9
Net Profit	10.2	16.3	28.8	Adjustments	5.7	33.9	5.3
<i>Margin (%)</i>	<i>2.3</i>	<i>3.4</i>	<i>5.3</i>	Change in Working Capital	(41.5)	(17.7)	(67.3)
<i>YoY Growth (%)</i>	<i>9.0</i>	<i>59.7</i>	<i>76.2</i>	Less: Tax Paid	(3.6)	(6.4)	(11.4)
Balance Sheet				Cash Flow from Operations	(22.2)	36.9	(26.5)
Share Capital	1.1	1.2	66.8	Net Capital Expenditure	(17.9)	(8.4)	(20.4)
Total Reserves	117.3	139.8	143.6	Change in Investments	11.2	0.1	9.3
Shareholders Fund	118.5	141.0	210.4	Cash Flow from Investing	(6.8)	(8.3)	(11.1)
Long Term Borrowings	60.7	51.7	38.3	Change in Borrowings	49.4	(14.6)	19.5
Deferred Tax Assets / Liabilities	1.5	2.3	2.3	Less: Finance Cost	(16.0)	(17.9)	(20.7)
Other Long Term Liabilities	1.4	1.3	1.3	Proceeds from Equity	0.0	0.2	33.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	4.0	3.1	2.9	Dividend Paid	0.0	0.0	0.0
Total Liabilities	186.1	199.5	255.2	Cash flow from Financing	33.4	(32.3)	31.8
Net Block	58.2	53.0	71.5	Net Cash Flow	4.5	(3.6)	(5.8)
Capital Work in Progress	14.1	22.0	15.9	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	Opening Balance of Cash	4.3	8.7	5.1
Non Current Investments	0.6	0.9	1.1	Closing Balance of Cash	8.7	5.1	(0.7)
Long Term Loans & Advances	15.9	15.9	0.0				
Other Non Current Assets	8.9	2.7	12.6				
Net Current Assets	88.4	104.9	154.2				
Total Assets	186.1	199.5	255.2				

Source: Ventura Research

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