



SHREE TIRUPATI BALAJEE AGRO TRADING CO. LTD.



Issue Opens - September 5, 2024 to September 9, 2024

Price Band

₹78 to ₹83

Face Value

₹10 per share

Issue Size

₹169.73 Cr

Lot Size

180 Shares

Issue Type

Book Built

Important Events



Issue Size

20,440,000 shares / ₹169.65 Cr

Fresh Issue

14,750,000 shares / ₹122.43 Cr

Offer for Sale

5,690,000 shares of ₹10 / ₹47.23 Cr

Basis of Allotment

Tuesday, September 10, 2024

Initiation of Refunds

Wednesday, September 11, 2024

Credit of Shares to Demat

Wednesday, September 11, 2024

Shree Tirupati IPO Listing Day

Thursday, September 12, 2024

Objects of The Offer

The company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

- Repayment and/or prepayment in part or full of certain of its outstanding borrowings availed by the company and its subsidiaries HPPL STBFL and JPPL.
- Investment in its subsidiary HPPL STBFL and JPPL for repayment and/or prepayment in part or full of certain of outstanding borrowings availed.
- Funding incremental working capital requirements of the company.
- Investment in HPPL STBFL and JPPL for funding working capital requirements.
- General corporate purposes.



Brief profile of the Directors

Binod Kumar Agarwal, 60, is the founder and Chairman & Managing Director of the company. With over 36 years of experience in the packaging industry, he has been leading the company for 23 years. He holds a degree in chemical engineering and oversees all business operations.

Ranjan Kumar Mohapatra, 55, was appointed as a Non-Executive Director in 2021. He has a background in plastics testing and over 22 years of experience in product development and design. He has been with the company since 2002 and continues to manage the manufacturing operations.

Anubha Mishra, 39, was appointed as Executive Director in November 2023. With a Master's in Business Administration (Foreign Trade), she has been with the company for over a decade and has 12 years of experience in international marketing. She is focused on expanding market share and guiding the company's growth.

Palash Jain, 29, is an Independent Director with a background in B.Com and five years of experience as a practicing Company Secretary. He specializes in corporate governance, legal affairs, and compliance, contributing to the company's transparency and ethical practices.

Amit Bajaj, 35, is an Independent Director with a B.Com degree and five years of experience as a Company Secretary. He advises on financial matters, corporate governance, and compliance, and has been involved in company formation and restructuring processes.

Ruchi Joshi Meratia, 38, is an Independent Director with over a decade of experience in corporate and secretarial management. She has previously worked with Ruchi Group of Industries and other companies, and her expertise will enhance governance and compliance standards in the company.

About The Company.



Shree Tirupati Balajee Agro Trading Company Limited is a leading manufacturer and supplier of flexible intermediate bulk containers (FIBCs) and other industrial packaging products in India. With over 20 years of experience, the company offers a wide range of customized packaging solutions to clients across various industries. Shree Tirupati Balajee operates through multiple manufacturing units and subsidiaries, ensuring efficient operations and a strong market presence. The company's focus on quality, innovation, and customer satisfaction has enabled it to become a trusted partner in the packaging industry.

Key operation of their Business

They specialize in manufacturing and selling Flexible Intermediate Bulk Containers (FIBCs) and other industrial packaging products like woven sacks, woven fabric, narrow fabric, and tapes, serving both the Indian market and international clients. They provide customized bulk packaging solutions to industries such as chemicals, agrochemicals, food, mining, waste disposal, agriculture, lubricants, and edible oil. Their FIBC products simplify packaging and transportation, reducing labor for loading and unloading vessels, containers, or trucks.

Their strengths include a diverse product range, multiple manufacturing locations, recurring orders, global presence, large-scale production, technical expertise, environmental contributions, and recycling efforts. They offer various packaging solutions, including FIBC bags, woven bags, and container liners, catering to a wide range of industries. Their logistics solutions are versatile and not limited to specific sectors, making them a one-stop shop for FIBC packaging needs. They believe they are among the few companies in India with such a broad portfolio.

For better management, they produce specific products through subsidiaries, including Honourable Packaging Private Limited (HPPL), Shree Tirupati Balajee FIBC Limited (STBFL), and Jagannath Plastics Private Limited (JPPL). With over 20 years of experience and five manufacturing units, they have established a strong presence in the industry.

Product Portfolios



UN CERTIFIED BULK BAGS



These are produced specifically for the transportation of hazardous goods such as Sodium Cyanide and have to be certified by the government accredited labs for their specific utilization and handling and transportation system.

BOPP PRINTED BAGS



These are PP woven small bags laminated with printed BOPP film. The printing looks immaculate on the bags with BOPP printing.

THERMAL INSULATION BAGS



These bags are manufactured with the thermal insulated layer in them to protect the goods from change in temperature at the time of transportation.

ASBESTOS BAGS



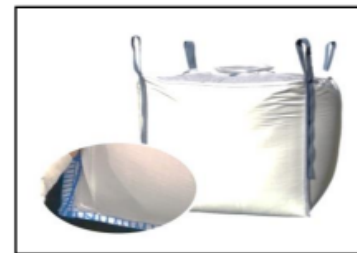
These are again over sized bags used specially in western countries for disposing off Asbestos sheets as these are considered carcinogenic.

TYPE C Bags



Static electricity is produced when powdered materials are filled or discharged from the bag at high speed which can be dangerous. These specialized bags allow this static electricity to safely pass through the bag on grounding.

SIFT PROOF BAGS



In case of the fine powders sift proof bags are used. These bags are stitched with specialized sift proof core made out of PP crime yarn.



They have patented Aeropolymesh a weaving process for polypropylene breathable fabric that prevents the warp and weft tapes from moving, preventing the filled product from passing out the fabric surface, providing uniform breathability and dewatering solutions.

SPECIALIZED PP WOVEN BAGS



These bags are used for packaging of rice, sugar, wheat, soya etc.

The table below lists down the contribution of various products offered by them as a percentage of the revenue from operations.

(₹ in lakhs, except for percentages)

Products	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of Revenue from Operations	Amount	% of Revenue from Operations	Amount	% of Revenue from Operations
FIBC	27,774.20	51.47%	32,279.08	67.89%	34,779.65	78.30%
Woven Sacks	2,432.90	4.51%	3,053.20	6.42%	2,237.52	5.04%
Woven Fabrics & Narrow Fabric	11,504.23	21.32%	909.33	1.91%	404.17	0.91%
Tape	2,274.27	4.21%	3,758.91	7.91%	73.69	0.17%
Others*	9,980.48	18.49%	7,542.81	15.87%	6,923.02	15.58%
Total	53,966.08	100.00%	47,543.33	100.00%	44,418.05	100.00%

*Other products include "Liner, Container Liner, Thread, Multifilament Yarn, Filler cord, Treated Polymers depending on end use, & etc.

The key performance indicators of their Company for Fiscals 2024, 2023 and 2022, is as follows:

(₹ in lakhs, except for percentage)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations ⁽¹⁾	53,966.08	47,543.33	44,418.05
Total Income ⁽²⁾	55,282.11	47,813.65	45,378.77
EBITDA ⁽³⁾	7,507.04	5,074.43	4,051.35
EBITDA margin (%) ⁽⁴⁾	13.58%	10.61%	8.93%
PAT ⁽⁵⁾	3,607.27	2,071.80	1,365.90
PAT Margin (%) ⁽⁶⁾	6.53%	4.33%	3.01%
Net Debt ⁽⁷⁾	23,587.02	21,442.26	22,914.70
Total Equity ⁽⁸⁾	17,306.50	11,021.19	9,222.97
ROE (%) ⁽⁹⁾	20.84%	18.80%	14.81%
ROCE (%) ⁽¹⁰⁾	16.29%	13.39%	10.02%
EPS (Basic & Diluted) ⁽¹¹⁾	5.74	3.51	2.31

Statement of Profit and Loss



Particulars		Note	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	23	53,966.08	47,543.33	44,418.05
II	Other income	24	1,316.03	270.32	960.72
III	Total income (I + II)		55,282.11	47,813.65	45,378.77
IV	Expenses				
	(a) Cost of Materials Consumed	25	41,422.37	31,794.17	28,622.82
	(b) Purchase of Stock in Trade	26	-	104.45	1,561.68
	(c) Changes in inventories of finished goods and work in progress	27	(3,932.50)	(1,051.21)	(224.65)
	(d) Employee benefit expense	28	3,250.79	3,361.98	3,148.11
	(e) Finance costs	29	2,071.52	1,782.86	1,602.46
	(f) Depreciation and amortisation expense	30	691.27	580.72	715.24
	(g) Other expenses	31	7,034.40	8,529.84	8,219.46
	Total expenses (IV)		50,537.86	45,102.80	43,645.12
V	Profit before tax (III -IV)		4,744.25	2,710.85	1,733.65
VI	Tax expense				
	(1) Current tax	32	1,100.60	565.74	341.11
	(2) Deferred tax expense/ (credit)		(4.58)	78.29	28.82
	(3) MAT Credit Entitlement		40.97	(4.98)	(2.18)
	Total tax expense (VI)		1,136.98	639.05	367.76
VII	Profit for the year (V -VI)		3,607.27	2,071.80	1,365.90
	(i) Owners of the company		2,928.66	1,630.90	1,020.31
	(ii) Non controlling interest		678.61	440.90	345.59
VIII	Other comprehensive income				
	(A) Items that will not be reclassified to profit or loss				
	(a) (Loss)/Gain on remeasurement of the defined benefit plan		139.26	216.04	62.02
	(b) Income tax on above		(35.05)	(54.37)	(15.61)
	Total other comprehensive (loss)/income for the year		104.21	161.67	46.41
	(i) Owners of the company		96.26	147.13	43.62
	(ii) Non controlling interest		7.96	14.54	2.79
IX	Total comprehensive (loss)/income for the year (VII+VIII)		3,711.48	2,233.47	1,412.31
	(i) Owners of the company		3,024.92	1,778.03	1,063.93
	(ii) Non controlling interest		686.56	455.44	348.38
X	Earnings per equity share (Face value of ₹10/- per share)	33			
	(1) Basic (₹)		5.74	3.51	2.31
	(2) Diluted (₹)		5.74	3.51	2.31

Strengths



- **Diversified product portfolio and customer base:** Shree Tirupati Balajee Agro Trading Company caters to various industries such as chemicals, agriculture, and food, with a broad FIBC product line, ensuring stable and visible future revenue streams.
- **Strategic location of manufacturing facilities:** Their state-of-the-art manufacturing facilities are ideally located near Mumbai with excellent connectivity to major ports and highways, enhancing distribution efficiency and reducing costs.
- **High capacity utilization and growth potential:** With an installed capacity of approximately 2,300 Mt/month and nearly full utilisation at 2,200 Mt/month, the company demonstrates strong operational efficiency and growth potential.
- **Stringent quality controls and certifications:** The company holds ISO 9001:2015 and ISO 22000:2018 certifications, with rigorous quality controls at every production stage, ensuring high standards and client satisfaction.
- **Experienced promoter:** The company's promoter, Binod Kumar Agarwal, brings significant industry experience and expertise to the business.

Threats



- **Contingent Liabilities:** As of September 30, 2023, the company has contingent liabilities totaling ₹7,641.49 lakhs, including corporate guarantees and potential tax demands. If these liabilities materialize, they could harm the company's financial stability.
- **Quality Standards and Technological Adaptation:** The company faces risks if it fails to meet quality standards or adapt to technological changes. Despite strict quality controls, ongoing compliance with evolving customer and regulatory standards is uncertain and could impact the company's reputation and financial health.
- **Foreign Exchange Fluctuations:** The company is vulnerable to fluctuations in foreign exchange rates, especially between the Indian Rupee and the USD, which could affect cash flow, profitability, and overall financial results.
- **Regulatory and Environmental Scrutiny:** Growing regulations on plastic use pose a significant risk. As more economies, including India, move towards restricting or banning plastic products, the company's operations and market presence could be severely affected.
- **Operational Risks:** The company's manufacturing facilities in Pithampur, Madhya Pradesh, face operational risks. Delays in resolving these issues or under-utilization of manufacturing capacity could negatively impact future business performance.
- **Dependence on Domestic Markets:** The company relies heavily on the western zone of India for domestic sales. Any adverse developments in this region could significantly affect overall business performance.
- **Debt and Financial Management:** The company has existing debt and may take on more. There is no guarantee that it will be able to manage or repay these debts, potentially straining financial resources.

Valuation and Outlook



Shree Tirupati Balajee Agro Trading Company Limited IPO is expected to be priced between ₹78 to ₹83 per share. At this price, the company shows a Price-to-Earnings (P/E) ratio of 14.45x with an FY24 EPS of Rs 5.74 and whereas the Industry P/E of 30.74x.

Name of the Company	Total Income (₹ in lakhs)	Face value per equity share (₹)	P/E Ratio ⁽²⁾	EPS (Basic) (₹) ⁽³⁾	EPS (Diluted) (₹) ⁽⁴⁾	RoNW (%) ⁽⁵⁾	NAV per equity share (₹) ⁽⁶⁾
Shree Tirupati Balajee Agro Trading Company Limited*	55,282.11	10.00	[●] ⁽⁷⁾	5.74	5.74	20.84	27.54
Listed Peers⁽¹⁾							
Commercial Syn Bags Ltd	28,875.73	10	37.13	1.81	1.81	5.66	32.02
Emmbi Industries Limited	37,759.60	10	22.07	5.62	5.62	5.85	96.17
Rishi Techtex Limited	11,196.16	10	33.01	1.82	1.82	4.23	43.09

The company's financial growth, operational efficiency, and strong market position as a leading FIBC manufacturer suggest a positive valuation outlook. The the IPO seems promising due to the company's revenue growth and profitability.

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