

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, OUTSIDE INDIA. INITIAL PUBLIC OFFER OF EQUITY SHARES ON THE MAIN BOARD OF BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE, AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") IN COMPLIANCE WITH CHAPTER II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS")



SHREE TIRUPATI BALAJEE AGRO TRADING COMPANY LIMITED

Our Company was originally incorporated as 'Shree Tirupati Balajee Agro Trading Company Private Limited', as a private limited company under the provisions of Companies Act, 1956, pursuant to certificate of incorporation dated October 23, 2001 issued by the Registrar of Companies ("ROC"), Madhya Pradesh and Chattisgarh. Upon the conversion of our Company into a public limited company, pursuant to the approval accorded by our Shareholders at their Extra-Ordinary General Meeting held on November 20, 2023, the name of our Company was changed to "Shree Tirupati Balajee Agro Trading Company Limited" and a fresh certificate of incorporation consequent upon change of name upon conversion to public limited company was issued to our Company by the RoC on November 21, 2023. For details relating to the changes in registered office of our Company, see the section titled "History and Certain Corporate Matters" on page 224 of the Red Herring Prospectus dated August 31, 2024 ("RHP" or "Red Herring Prospectus") filed with RoC.

Registered Office: Plot No.192, Sector 1, Pithampur, Dhar - 454 775, Madhya Pradesh, India; Corporate Office: E-34, H.I.G, RaviShankar Nagar, Near LIG Square, Indore - 452 010 Madhya Pradesh, India; Telephone: +91 731-4217400;
Contact Person: Rishika Singhal, Company Secretary and Compliance Officer, E-mail: info@tirupatibalajee.net; Website: www.tirupatibalajee.net; Corporate Identity Number: U25204MP2001PLC014855



Please scan this QR code to view the Red Herring Prospectus.

THE PROMOTER OF OUR COMPANY IS BINOD KUMAR AGARWAL

INITIAL PUBLIC OFFER OF UP TO 2,04,40,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SHREE TIRUPATI BALAJEE AGRO TRADING COMPANY LIMITED ("COMPANY OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] LAKHS COMPRISING A FRESH ISSUE OF UP TO 1,47,50,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 56,90,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS ("OFFER FOR SALE"), COMPRISING OF UP TO 56,90,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY BINOD KUMAR AGARWAL (THE PROMOTER SELLING SHAREHOLDER") AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDER (THE "OFFERED SHARES"). (SUCH OFFER BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Details of the Offer for Sale by the Selling Shareholder			
Name of Selling Shareholder	Type of Selling Shareholder	No. of Equity Shares Offered	Weighted Average Price Per Equity Share (In ₹)*
Binod Kumar Agarwal	Promoter Selling Shareholder	Up to 56,90,000 Equity Shares of face value ₹10 each aggregating up to ₹ [●] lakhs	0.00

*As certified by M.S. Dahiya & Co., Chartered Accountants by way of their certificate dated August 30, 2024.

We are engaged in the B2B manufacturing and sale of Flexible intermediate Bulk Containers (FIBCs) and other industrial packaging products.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not More Than 50% of the Offer | Non-institutional Portion: Not Less Than 15% of the Offer | Retail Portion: Not Less Than 35% of the Offer

PRICE BAND: ₹ 78 TO ₹ 83 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH.

THE FLOOR PRICE IS 7.8 TIMES AND THE CAP PRICE IS 8.3 TIMES OF THE FACE VALUE OF THE EQUITY SHARES

THE PRICE/EARNINGS ("PE") RATIO BASED ON DILUTED EPS FOR FY 2024 FOR THE COMPANY AT THE UPPER END OF THE PRICE BAND IS 14.46 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP PE RATIO OF 30.74 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 180 EQUITY SHARES AND IN MULTIPLES OF 180 EQUITY SHARES THEREAFTER.

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated August 31, 2024, the above provided price band is justified based on quantitative factors/KPIs disclosed in the 'Basis for Offer Price' section on pages 133 to 140 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on pages 133 to 140 of the RHP and provided below in the advertisement.

In making investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and should not rely on any media articles/reports in relation to valuation of the company as these are not endorsed, published or confirmed either by the company or by the BRLMs

RISK TO INVESTORS

For details refer to section titled "Risk Factors" on page 36 of the RHP

1. Our Company's name may suggest involvement in the agricultural sector, which could lead to misunderstandings among investors. However, our core business is the manufacturing and selling of Flexible Intermediate Bulk Containers (FIBCs) and other industrial packaging products, not agricultural activities. While we do supply packaging solutions for the agro industry, our focus extends to a wide range of sectors.

2. We operate out of 5 (five) manufacturing facilities which are situated at Pithampur, Madhya Pradesh and any localized social unrest, natural disaster, delay in production at, or shutdown of, or any interruption or unforeseeable events such as natural disasters or pandemics in or around these particular geographical areas could significantly impact our business and financial condition.

3. We have experienced negative cash from operating activities in fiscals 2024 and 2022 of ₹ 2649.84 lakhs and ₹ 2215.72 lakhs respectively. Any negative cash flow in the future would adversely affect our result of operations and financial condition.

4. We have outstanding borrowings amounting to ₹ 24,533.37 lakhs as on May 31, 2024. We may incur additional debt for various reasons, including expansion, working capital needs, and refinancing existing loans. Failure to manage or service this debt could lead to penalties or acceleration of repayments, adversely affecting our business and financial performance.

5. Our Company's working capital requirements March 31, 2024, March 31, 2023 and March 31, 2022 was ₹ 35,233.40 lakhs, ₹ 26,760.99 lakhs, ₹ 25,679.69 lakhs respectively. If we are unable to raise sufficient working capital, the operations of our Company will be adversely affected.

6. We will not receive any proceeds from the Offer for Sale portion and the same will be received by the Selling Shareholder

7. Polymers are the primary raw materials for our company, constituting a significant portion of our total expenses and the major component of our cost structure. These materials, derived from crude oil, are subject to price fluctuations in the crude oil market and foreign exchange risks during imports.

(₹ in lakhs, except for percentages)			
Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of raw material consumed towards FIBC	21,318.45	21,585.06	22,411.67
% of revenue from sale of FIBC	51.47%	67.89%	78.30%
% of cost of Polymers to cost of Raw Materials Consumed	59.79%	72.09%	96.40%

Supply shortages, price changes, and cost overruns in these raw materials can significantly impact our operations.

8. We are dependent on our Raw material suppliers. Our top 1 raw material supplier contributed 42.39%, 51.29% and 68.45% in fiscals 2024, 2023 and 2022 respectively. Any inability to on our part to procure sufficient quantities of raw materials could lead to lower sales volumes and profit margins.

9. Our Company relies heavily on plastic as a primary raw material for products such as FIBCs, woven sacks, and fabrics, all made from polypropylene. For Fiscal 2024 and 2023, FIBC contributed 51.47% and 67.89% of our Company's revenue respectively. In the event if plastic-based packaging products are banned in India or export markets, it could significantly affect our business operations and revenue.

10. In Fiscals 2024, 2023 and 2022, the revenues generated from sales in western zone represented 93.81%, 90.06% and 73.61%, respectively of our revenue from operations and any adverse developments in this market could adversely affect our business

11. Major portion of our revenue is dependent on exports, particularly to the USA, Germany, Sweden, and other key international markets. In fiscals 2024, 2023, and 2022, export revenue comprised 49.04%, 64.13%, and 84.44% of our net revenue from operations, respectively. This geographic concentration exposes us to regional economic risks, including inflation and economic downturns, which could adversely impact our financial performance. Despite efforts to diversify, failure to expand into new markets may affect our business stability and growth prospects.

12. The Price to Earnings ratio at the Floor Price is 13.59 times and the Cap Price is 14.46 times based on diluted EPS as per Restated Consolidated Financial Statements for the Fiscal 2024.

