

Company Business

- ✦ Shreenath Paper Products Limited provides **supply chain solutions** to industries where paper is a major raw material.
- ✦ They supply various types of paper including **coating-based, food grade, machine glazed, and pressure-sensitive papers.**
- ✦ The company caters to industries such as **FMCG, textiles, and food and beverage.**

Industry Analysis and TAM (Total Addressable Market)

- ✦ The paper and packaging sector's growth is driven by **e-commerce, food processing, pharmaceuticals, FMCG, manufacturing, and healthcare.**
- ✦ Government initiatives like **'Make in India'** are having a positive impact on the packaging industry.

Promoters Details

- ✦ The promoters of Shreenath Paper Products Limited are **Alok Parekh, Ronak Parekh, Navneetdas Parekh, Hasumati Navneetdas Parekh, Harish Parekh, Hasumati Harish Parekh, Neha Parekh, and Sayali Parekh.**

Negative Points

Negative

- ✦ Sales are declining.
- ✦ Negative Cash flow from operating activities.
- ✦ High debts
- ✦ High PE as compared to peers.
- ✦ Profit margins are low.
- ✦ One of Promoter Group Entity is engaged in a similar line of business, which may create a conflict of interest.
- ✦ Corporate Governance issue as company repeatedly fails to ROC compliances.

IPO Details

- ✦ **Issue Size** : The IPO comprises the issuance of up to **53,10,000 Equity Shares** with a face value of ₹10 each, at a price of ₹44 per share, aggregating up to **₹23.36 Crores.**
- ✦ **Pre-Issue Promoter Holding:** 1,43,44,200 Equity Shares, constituting 100% of the total.
- ✦ **Post-Issue Promoter Holding:** 1,43,44,200 Equity Shares, which will constitute 72.98% of the total.

Objects of the Issue

The company intends to utilize the net proceeds from the IPO for the following:

- ✦ Meeting incremental working capital requirements : **₹18 Cr.**
- ✦ General Corporate Purposes : **₹2.87 Cr.**

Financials of the company _____

(Fig. in Cr)

Particulars	Dec 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	77.04	185.84	204.43	135.97
Growth in Revenue		-9.09%	50.35%	59.27%
EBITDA	4.34	5.77	6.64	-1.95
EBITDA Margins	5.64%	3.11%	3.25%	-1.44%
PAT	2.40	4.39	4.38	1.33
PAT Margins	3.12%	2.36%	2.14%	0.98%
ROCE		19.32%	24.16%	16.61%
CFOA	-2.42	-2.50	-3.32	1.05

Comparison with Peers _____

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Shreenath Paper Products (FY 2024)	185.84 Cr.	3.11%	2.36%	1.47	86.47 Cr.	19.69*
JK Paper (TTM)	6,747 Cr.	16%	9%	0.39	5,037 Cr.	8.28
Star Paper Mills (TTM)	423 Cr.	8%	11.82%	0.01	259 Cr.	5.13
Seshasayee Paper And Boards (TTM)	1,791 Cr.	9%	7.37%	0.04	1,837 Cr.	13.90

*Forward PE is 27 on the basis of FY 25 PAT.



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