



Annapurna Swadisht Ltd

Chatpata growth



Kyon ki bhaiya, sabse bada rupaiya.

SUBSCRIBE at the Upper Price Band of INR 70

Chatpata growth

Incorporated in 2015, Annapurna Swadisht Limited is a manufacturer of snacks and food products, namely, Fryums, cakes, candy, namkeen, chips and Gohona Bori. It sells more than 12 Lakh packets of products daily. It has two manufacturing units one in Asansol with a constructed area of approx. 50,142 sq. ft. and in Siliguri with a constructed area of approx. 35,000 sq. The daily production capacity of the Asansol manufacturing unit is 15 MT of Fryums, whereas the daily production capacity of the manufacturing unit at Siliguri is 10 MT of Fryums. It has a large presence across Tier 2 and 3 cities, and rural areas. The MRP ranges from INR 1 for candies to INR 5 for Snacks.

As of FY22, 96% of revenue comes from fryum sales followed by candy and 69% of the revenue comes from the West Bengal region followed by Jharkhand and Bihar.

Over FY20-22, 's revenue/ EBITDA/ PAT grew at a CAGR of 110.8%/ 158.1%/ 165.0% to INR 61.0 cr/ INR 23.8 cr/ INR 2.4 cr, respectively, while, EBITDA and PAT margins improved by 280bps (to 8.4%) and 145bps (to 3.9%), respectively. Return ratios—ROE declined by 1300bps to 28.5% while ROIC improved by 1600bps to 30.7%.

Annapurna's proposed issue size is INR 30 cr which is fully fresh issue. The proposed fresh issue will be utilized for

- Working Capital Requirements
- General Corporate Purposes ≤ 25% of the gross proceeds
- Issue Expenses

We are expecting Annapurna's revenue/ EBITDA/ PAT to grow at a CAGR of 66.0%/ 66.6%/ 97.3% to INR 279.2 cr/ INR 23.8 cr/ INR 18.5 cr respectively over FY22-25E, while EBITDA and PAT margins are expected to improve by 10bps (to 18.5%) and 268bps (to 6.6%) respectively over the same period. ROE & RoIC is expected to decline by 385bps to 24.6% and 567bps to 25.1%, respectively due to equity infusion by FY25.

At the IPO price of INR 70 (upper price band), Annapurna is valued at FY25 P/E of 34X. Given the company's expansion plans and active product management activities we recommend a SUBSCRIBE rating with a price target of INR 384, which represents an upside of 449% over the IPO price in 18 months.

Key Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	P/BV (X)	EV/ EBITDA (X)
FY21	20	1	1	7.3	2.5	0.3	1.4	22.1	9.4	224.8	49.7	83.7
FY22	61	5	2	8.4	3.9	1.5	5.1	28.5	30.7	47.7	13.6	23.5
FY23E	120	10	7	8.5	5.5	4.0	27.4	14.7	25.3	17.4	2.6	10.3
FY24E	201	17	12	8.5	5.7	7.0	34.4	20.3	25.7	10.0	2.0	6.9
FY25E	279	24	19	20.2	13.2	11.3	45.7	24.6	25.1	6.2	1.5	5.3

Industry	FMCG
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Issue Details

Listing	NSE SME
Open Date	15 th Sep 2022
Close Date	19 th Sep 2022
Price Band	INR 68-70
Face Value	INR 10
Market Lot	2000 shares
Minimum Lot	1 Lot

Issue Structure

Fresh Issue	100%
Issue Size (Amt)	INR 30 cr
Issue Size (Shares)	43,22,000
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre issue sh (nos)	1,21,00,000
Post issue sh (nos)	1,64,22,000
Post issue M Cap	115

Shareholding (%)	Pre (%)	Post (%)
Promoter	70.4	51.9
Public	29.6	48.1
TOTAL	100	100

Issue Structure and Offer Details

The proposed issue size of Annapurna Swadishit Ltd's IPO is INR 30.25 cr which is fresh issue. The price band for the issue is in the range of INR 68- 70 and the bid lot is 2000 shares and multiples thereof.

Pre and Post – Issue Equity Shares	
	No of shares
No. of share pre-issue	1,21,00,000
No. of share post issue	1,64,22,000

Source: Company, Ventura research

Issue Structure		
Category	No.of shares offered	% of issue
QIB	20,50,000	< 50%
Market Maker	2,16,000	
Non-institutional bidders	6,16,000	>15%
Retail	14,40,000	>35%

Source: Company, Ventura research

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