

Incorporated in 2009, Prataap Snacks is Indore, MP based Indian Snack Food Company. Prataap Snacks sell products under the brand name "Yellow Diamond". Company is among the top 6 Indian organized snack market.

Prataap Snacks has a diversified product portfolio including traditional and western snacks. Company manufacture and sell it's snacks under three major savory snack food categories:

1. Extruded Snacks: Processed, reconstituted and shaped potato or cereal based snacks. This includes Puffs, Rings, Pellets and Chulbule products.
2. Chips: Fried, sliced chips or crisps made from potatoes, hummus, lentils.
3. Namkeen: Traditional savoury Indian snack which includes products such as moong dal, masala or fried nuts, sev and bhujia.

In Fiscal 2017, revenue from Extruded Snacks, Chips and Namkeen represented 62.99%, 23.85%, and 12.23%, respectively Company has pan-India distribution network supported by strategically located manufacturing facilities. Company's distribution network included 205 super stockists and over 3,400 distributors. Prataap Snacks own and operate three manufacturing facilities, one located at Indore and the other two located at Guwahati, Assam.

Issue Snapshot	
Issue Open	22 September, 2017
Issue Close	26 September, 2017
Issue Type	Book Building Issue
Price Band	930-938
Issue Size	Rs 431 cr (approx)
Minimum Application	15 share (Rs 14070)
Listing	NSE & BSE
Face Value	Rs 5 per share

Object of the Issue

- Repayment/pre-payment, in full or part, of certain borrowings availed by our Company;
- Funding capital expenditure requirements in relation to expansion (including through setting up of a new production line and construction of a building) and modernisation at certain of our existing manufacturing facilities;
- Investment in our Subsidiary, Pure N Sure, towards enabling the repayment/pre-payment of certain borrowings availed of by our Subsidiary;
- Marketing and brand-building activities; and
- General corporate purposes

Investment Rationale

- *Deeper penetration in existing markets and explore select new territories*
- *Expand and modernize our production capabilities*
- *Increased advertising and marketing activities*
- *Expand our product portfolio into healthier snacks segment and confectionaries*
- *Innovation driven diversified product portfolio*
- *Value proposition for consumers*
- *Strategic supply chain for a pan-India distribution network*
- *Strategically located manufacturing facilities*
- *Successful track record and professional management*

Key Ratio			
Particular	FY 17	FY16	FY15
EPS	4.77	13.32	4.83
BVPS	395	220	189.50
RONW (in %)	4.32%	13.80%	5.23%
PE Ratio [^]	196.64	70.40	194.20
BV to Price Ratio	2.37	4.26	4.95

[^] PE Ratio & BV to Price Ratio has been calculated on basis of Upper band issue price

Valuation

On the upper price band of Rs 938 & on EPS for FY 2017 of Rs 4.77, PE Ratio work out at 196 times compare to industry PE Ratio 72.21 times. Return on Net Worth is 4.32 which not very impressive compare to it peer companies DFM Foods 19.65%. On Upper price band Price to Book value is 2.37 compare to peer book value of 17.75. As per the above valuation issue price seems to be slightly over-priced.

Peer Comparison for year ended 2017 (Rs in Cr)		
Particulars	Pratap Snakes	DFM Foods
Total Income	903.91	345.84
PAT	9.89	15.87
Face Value	5	10
CMP per share	938	1434
Market Capitalization	431cr	1434 cr
EPS per share	4.77	15.87
Book Value per share	395	80.75
P/BV Ratio	2.37	17.75
PE Ratio	196.64	87.81

Summary of financial Information			
Particulars	For the year/period ended (in Rs. Cr)		
	31-Mar-17	31-Mar-16	31-Mar-15
Total Assets	427.18	341.14	299.13
Total Revenue	905.45	757.90	446.80
Profit After Tax	9.89	27.37	9.90