

Shreeji Global FMCG Limited – IPO Research Report

Executive Summary

Company: Shreeji Global FMCG Limited **Industry:** FMCG / Agri-Processing / Spices

Founded: 2018, Rajkot, Gujarat

Promoters: Jitendra Kakkad, Vivek Kakkad, Tulshidas Kakkad, Dhruti Kakkad

Lead Manager: Interactive Financial Services Ltd

Registrar: MUFG Intime India Pvt Ltd

IPO Type: Fresh Issue Only

Total Issue: 68,00,000 equity shares of 10Rs. FV

Listing: NSE Emerge

Offer Objective: Expansion, Working Capital, Branding, General Corporate Purposes

Analyst View:

Emerging FMCG player scaling from commodity to branded business. Strong revenue CAGR (~50%) and improving margins but faces thin profitability and high leverage typical of early-phase FMCG scalability.

Takeaway:

Growth-oriented SME issue with scope for margin improvement; suitable for aggressive investors seeking early FMCG exposure.

Offer Details & Capital Structure

Parameter	Details
Issue Type	Fresh Issue
Issue Size	₹85 crore (entirely fresh issue of 68,00,000 equity shares)
Face Value	Rs.10 per share
Lot Size	To be declared
Pre-issue paid-up capital	₹15.96 crore
Post-issue capital	Estimated ~₹22.46 crore
Promoter Holding (Pre-Issue)	99.99% (1.59 crore shares)
Promoter Holding (Post-Issue)	To reduce to ~70-75%
Lead Manager	Interactive Financial Services Ltd
Market Maker	B.N. Rathi Securities Ltd; SVCM Securities Pvt Ltd

Use of Proceeds:

Product & Capacity Expansion Blended spices, millet flours	Working Capital Infusion Supporting operational growth
Brand & Digital Marketing Investments in market presence	General Corporate Purposes Strategic business initiatives

Industry Overview & Competitive Landscape

Industry Size & Growth:

- India's FMCG market valued over US\$190 billion in 2025, growing at ~9% CAGR.
- Spices export market at US\$4.46B in FY24 (DGCI&S), expected CAGR 6%+.
- Move towards branded products & clean-label ingredients.

Drivers:

- Rising packaged spice consumption.
- E-commerce penetration and D2C demand.
- Government export support via Agriculture Export Policies.

Headwinds:

- Inflation sensitivity and raw material volatility.
- High distribution & marketing costs for scaling.

Anshumaan Verma

Shreeji Global FMCG: Competitive & Financial Overview



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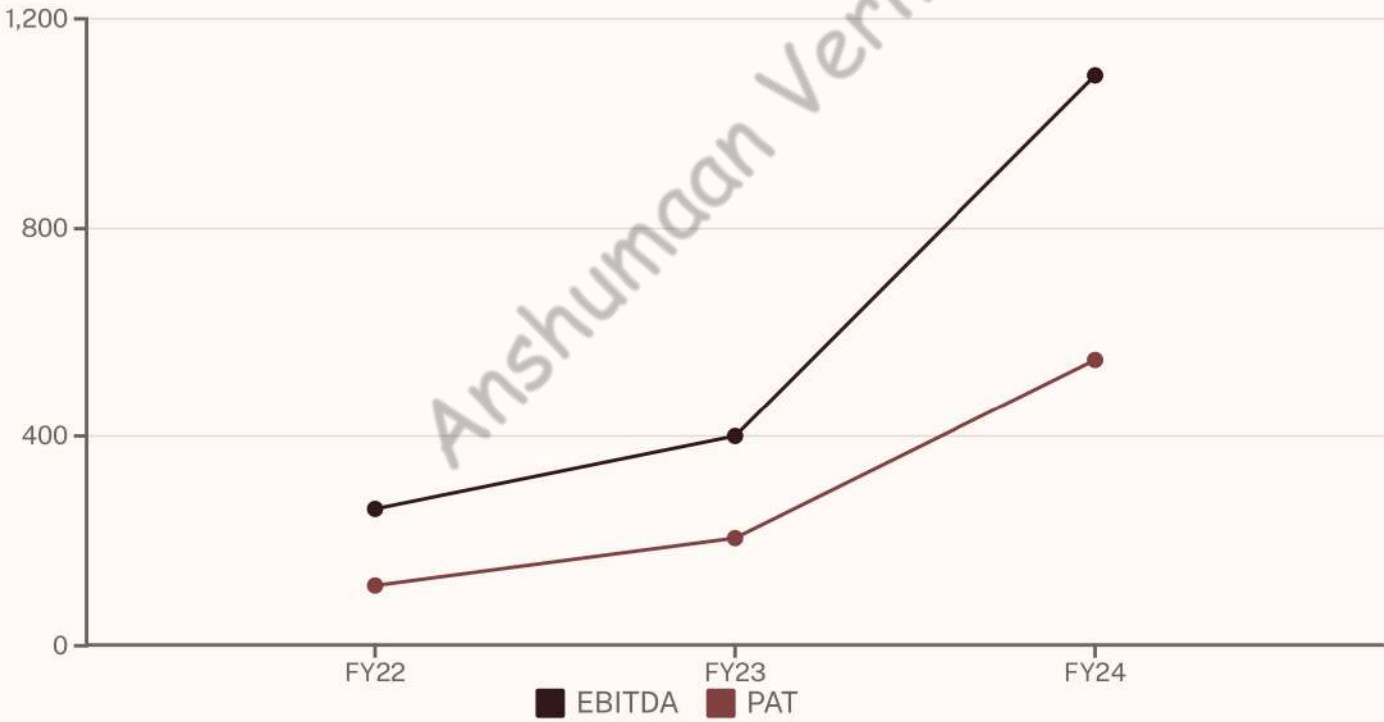
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Company	Revenue (FY24, ₹Cr)	EBITDA Margin	ROE	P/E	EV/EBITDA
Everest Spices	~2,000	12%	32%	50x	30x
Tata Consumer (Food Division)	~3000	10%	28%	60x	35x
MDH (Unlisted)	~1200	19%	N/A	N/A	N/A
Shreeji Global FMCG	588	1.90%	31%	TBD	TBD

* Despite lower scale & margins, Shreeji shows strong early-phase enhancement potential.

Financial Analysis

Fiscal	FY22	FY23	FY24	9M FY25
Revenue	25,782	46,729	58,823	47,548
EBITDA	259	400	1,092	1,358
PAT	113	205	547	807
EBITDA Margin	1.00%	0.85%	1.85%	2.86%
PAT Margin	0.44%	0.44%	0.93%	1.69%
ROE	21%	23%	31.40%	31.70%
D/E Ratio	1.97	2.13	1.47	1.18



Key Highlights & Valuation Snapshot

Highlights:

- **51% revenue CAGR between FY22-FY24.**
- Consistent margin expansion and lower debt.
- Robust return ratios (~30% ROE/ROCE).
- Working capital-intensive operational model (~120 days cycle).

Red Flags:

- High debtor and inventory turnover pressure.
- Negative operating cash flow due to working capital expansion.

Valuation Snapshot

Metric	Shreeji Est.	SME FMCG Avg	Comment
P/E	TBD (~<20x likely fair)	18-24x	Fair if priced below 20x trailing EPS
EV/EBITDA	TBD (~10-12x fair range)	12-16x	Room for multiple expansion
P/B	TBD (~2.0-2.5x likely)	3.0x+	Undervalued range plausible

*(EPS annualized FY25 ~₹5.1; fair valuation range ₹90-₹100/share)

Risk Factors & Governance Check

Key Risks:

Low Margin Trap
Weak profitability buffer during market volatility.

Working Capital Dependence
High debt exposure risk.

Commodity Price Volatility
Spice & grain cost fluctuations directly impact margins.

Execution Risk
D2C model and export scaling may take longer.

Competitive Pressure
Intense rivalry from branded FMCG players.

Governance & ESG:

- Promoters experienced (decades in agro-trade).
- Clean record — no defaults, SEBI actions, or pending litigations.
- CSR & ESG framework under development.

Market Sentiment & GMP Analysis (as of Oct 25, 2025)

Parameter	Status
Grey Market Premium	Developing; early signals ~₹8-₹12 on SME circles
Kostak Rate	~₹300 indicative
Sentiment Trend	Positive to steady; moderate retail appetite in SME space
Market Buzz	FMCG IPOs outperforming on listing; Peers showing 15-40% listing gain patterns

*Interpretation: Gradual positive pickup expected, contingent on moderate pricing band and market tone.

Analyst Scoring

Parameter	Score (1–5)	Comment
Business Model	4	Diversified B2B/B2C FMCG player
Industry Outlook	5	Strong FMCG & export growth tailwinds
Financial Strength	3	Rapid growth but weak margins & high debt
Valuation Appeal	4	Reasonable pricing expectation; fair upside
Governance & Integrity	4	Promoters clean history and compliance
Brand Strength	3	Early-stage presence, scaling underway
Market Sentiment	4	Moderate interest; SME sector recovery visible
Risk Profile	3	Execution and margin risks present
Total (out of 40)	30/40	Institutional Grade: "Above Average"



**Governance Score: 4/5 (Transparent operations, but limited independent oversight).*



Final View

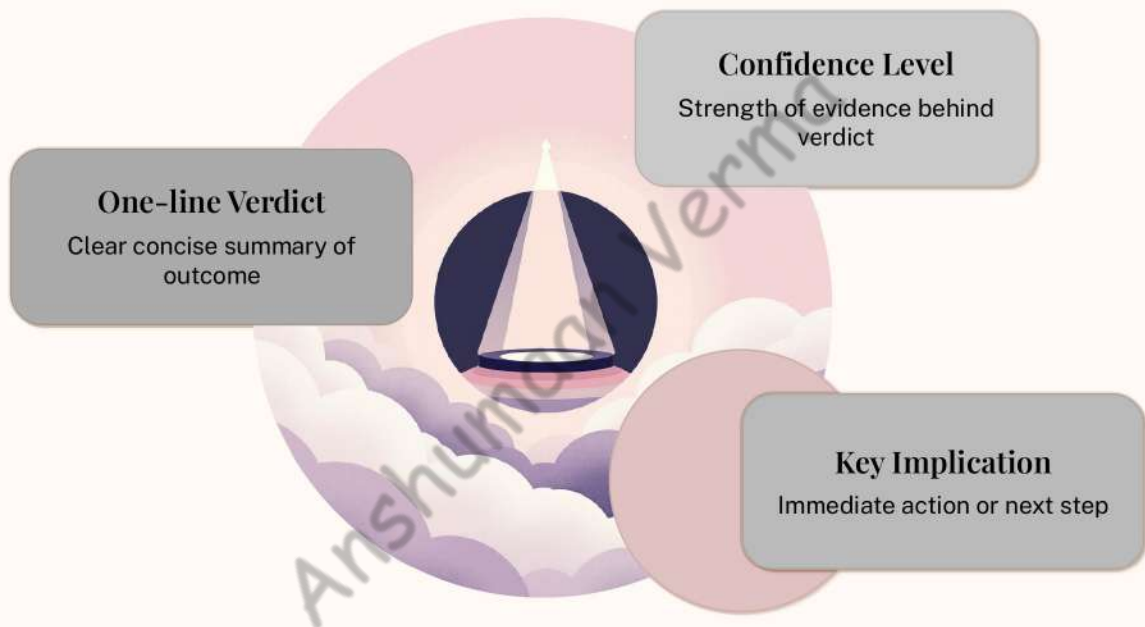
Short-Term Outlook:

Potential for listing gains if valuation <20x P/E.
Sentiment support from FMCG demand and export narratives.

Long-Term Outlook:

Positive if the company maintains double-digit growth and expands EBITDA margins to 4–6% via scaling branded portfolio, export channels, and digital sales.

One-line Verdict:



Subscribe selectively for listing gains and long-term growth potential; High-reward, moderate-risk FMCG SME opportunity.